

Personnel Committee

Car User Policy Update

7 July 2011

Report of Head of People and Improvement

PURPOSE OF REPORT

To consider the Council's policy in relation to car and mileage allowances.

This report is public

Recommendations

The Personnel Committee is recommended:

- (1) To approve the changes to the Council's car user policy

Executive Summary

On the 1 April 2010 the Council implemented new terms and conditions for all employees as a result of the outcomes of job evaluation. It was agreed at the time of implementation that the existing car policy for essential and casual users would remain in place until the 31 March 2011 by which time the policy would have been reviewed. Employees who received essential user lump sums were protected until the 31 March 2011.

The Council renegotiated a new car user policy with the trade unions which went to ballot in January 2011. The new policy was implemented on the 1 April 2011. The new policy introduces a single mileage rate of 60p for any miles undertaken on council business.

Proposals

The Management Side and Unison put forward three proposals to Unison members to vote on. This included three options.

1/ New criteria for essential users where staff that have an obligation to respond to public safety, control or other enforcement activity would qualify for a lump sum of £1000 along with staff who had completed an average of more than 2000 miles in the previous two years. A standard 40p mileage rate would also be paid.

2/ The second option was based on an essential lump sum being paid. This would be calculated on previous mileage and the need to use the car for work purposes. A single 40p mileage rate would also be paid.

Mileage 0 – 1,000 = no lump sum

Mileage 1,001 – 1,250 = Lump Sum of £110 p.a.

Mileage 1,251 – 1,500 = Lump Sum of £320 p.a.

Mileage 1,501 – 1,750 = Lump Sum of £530 p.a.

Mileage 1,751 – 2,000 = Lump Sum of £745 p.a.

Mileage 2,001 – above = Lump Sum of £850 p.a.

3/ The final proposal was a single 60p per mile single mileage rate.

All proposals were deemed to be more cost effective than in the current year.

Previous Practice

There were 112 essential car users who received protection until the 31 March 2011. These staff received a lump sum and a mileage rate dependant on the engine size of the car and how many miles have been travelled to date i.e. either over or under 8500 miles.

Current Essential User Allowances & Mileage Rates (10/11)

Engine cc	451-999	1000-1199	1200-1450+
Lump Sum PA	£846	£963	£1239
First 8500	36.9p	40.9p	50.5p
Next 8500	13.7p	14.4p	16.4p

Casual users all received 65p per mile and no lump sum.

These arrangements have been time consuming to manage in the past due to the variance in allowances and the paperwork to ensure correct payment and taxation is made. Over the years this policy had fallen into misuse and generally had been used as a means to 'top up' salary, as anyone who was deemed to require their car for business usage was given an allowance irrespective of how many miles were actually done. The criteria used for essential users eligibility was unclear, and therefore by agreeing a new policy it should ensure removal of these issues.

Conclusion

The 60p single mileage rate was the agreed proposal following the Unison ballot, and as a result a new policy has been drafted to cover this along with other procedural arrangements. This policy now fits better with equality legislation as it is one rate and open to all staff. A copy of the policy is attached at appendix 1.

Key Issues for Consideration/Reasons for Decision and Options

The Council has an obligation to ensure its policies and procedures remain up to date in relation to employment law and are fit for the purpose they were implemented for.

There is no option but to agree the policy as this has been formally agreed with the trade unions and now forms part of a collective agreement. The policy was implemented on the 1 April 2011.

Implications

Financial: There are no financial implications in agreeing this policy, and it is likely that some savings may be seen.

Comments checked by Denise Taylor, Service Accountant, 01295 221982

Legal: The policy must be updated to ensure compliance with equality legislation and to ensure cost effectiveness in the future.

Comments checked by Nigel Bell, Interim Monitoring Officer, 01295 221687

Wards Affected

None

Document Information

Appendix	
Appendix 1	Car User Policy
Background Papers	
Copy of the Car User Policy	
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