

## NOTICE OF MEETING

MEETING	<b>EMPLOYMENT COMMITTEE</b>
DATE:	<b>THURSDAY 31 MARCH 2011</b>
TIME:	<b>3.00 pm</b>
VENUE:	<b>BOURGES/VIERSEN ROOMS - TOWN HALL</b>
CONTACT:	Gemma George, Senior Governance Officer <b>Telephone: 01733 452268</b> <b>e-mail address: <a href="mailto:gemma.george@peterborough.gov.uk">gemma.george@peterborough.gov.uk</a></b>
<i>Despatch date:</i>	<i>23 March 2011</i>

### AGENDA

	<b>PAGE NO</b>
1. <b>Apologies for Absence</b>	
2. <b>Declarations of Interest</b>	
3. <b>Minutes of the Meeting held 20 January 2011</b>	<b>1 - 4</b>
4. <b>Changes to Employee Terms and Conditions and Implementation of Employment Policies</b>	<b>5 - 20</b>



There is an induction hearing loop system available in all meeting rooms. Some of the systems are infra-red operated, if you wish to use this system then please contact Gemma George on 01733 452268.

## **MEMBERS OF THE EMPLOYMENT COMMITTEE**

Councillor Cereste (Chairman), Councillor Lamb (Vice Chair), Councillor Fitzgerald, Councillor Holdich, Councillor Seaton, Councillor Swift and Councillor Sandford

Subs: Councillor Walsh, Councillor Miners and Councillor Shaheed

**Minutes of a meeting of the Employment Committee  
held at the Town Hall, Peterborough on 20 January 2011**

**Members Present:** Councillors Fitzgerald, Seaton and Swift

**Officers Present:** Mike Kealey, Acting Head of HR  
Lisa Trowbridge, Senior HR Advisor Policy Development  
Amy Brown, Solicitor  
Gemma George, Senior Governance Officer

**Appointment of Chairman**

**RESOLVED:** to appoint Councillor Fitzgerald as Chairman to the Committee for the duration of the meeting.

**1. Apologies for Absence**

Apologies were received from Councillor Cereste, Councillor Lamb, Councillor Holdich and Councillor Sandford.

**2. Declarations of Interest**

There were no declarations of interest.

**3. Minutes of the Meetings held on:**

- 3.1 30 September 2010
- 3.2 20 October 2010

The minutes of the meetings were approved as true and accurate records.

**4. Employment Policies Review**

The Committee received a report following a referral from the Joint Consultative Forum on 19 January 2011.

The report sought the agreement of the Committee to implement the employment policies appended to the report, those being:

- i) Equality and Diversity Policy (E&Dp),
- ii) Probation Policy,
- iii) Maternity Scheme

The report further sought the agreement of the Committee to amend wording contained within the current Attendance Policy with regards to Bank Holidays.

Members were advised that the policies had been prioritised for approval due to changes in legislation and statutory codes of practice, specifically the Equality Act, the Additional Paternity Leave Regulations 2010 and the ACAS Statutory Code of Practice on Disciplinary and Grievance Procedures.

The policies ensured that Peterborough City Council was legally compliant and they further ensured that a professional and progressive image of the Council was being reflected. Members were advised that the Joint Trade Unions had been consulted and the policies had been agreed in principle at the meeting of the Joint Consultative Forum held on 19 January 2011.

The E&Dp had also been agreed in principle by the Council's Diversity Forum which had representatives from various equality groups and the Council's Corporate Management Team.

Members were advised that the current E&Dp had been agreed at the Employment Committee meeting in October 2005 and it contained references to various Acts i.e. the Sex Discrimination Act and the Race Relations Act. These had now been repealed and replaced by a single piece of legislation, the Equality Act 2010. The current policy also referenced equality schemes which had expired and were due to be replaced by a Single Equality Scheme.

The current Probation Procedure, which had been agreed at the Employment Committee, was viewed by both managers and HR Business Partners as being a lengthy process, requiring the formal review of new employees in their probation period at months 1, 3, 5 and 6. The new policy and associated management guidance simplified the process whilst maintaining the rights of the new employee and ensuring that contracts did not continue beyond a year's service without a decision being made regarding confirmation or termination of employment.

With regards to the Maternity Scheme, Members were advised that the proposed guidelines would replace the current Maternity Policy which had previously been agreed at a meeting of the Employment Committee and was now out of date with existing legislation. The guidelines which had been produced contained information regarding the new right under the Additional Paternity Leave Regulations 2010 for women who gave birth after 3 April 2011 to transfer up to 26 weeks of their outstanding maternity leave (and outstanding maternity pay) to their spouse, civil partner or partner, or the father of their child. The guidelines would be supported by a checklist to enable managers to conduct effective pre-maternity leave meetings to ensure that employees are clear on what their employment rights are.

With regards to the Attendance Policy, it currently stated that "No additional time off would be given in lieu of a bank holiday." Members were advised that the deletion of this line had been proposed and to ensure legal compliance with Working Time Regulations, the following paragraph, which mirrored that contained in the new Maternity Scheme, was to be inserted:

#### Bank Holidays

'Employees on a period of sickness absence who have less than 5 years service must receive a minimum of 28 days per annum to comply with the Working Time Regulations. Therefore, they will be entitled to accrue a maximum of 4 bank holidays in order to meet this minimum requirement. For those with more than 5 years service who already receive 29 days annual leave entitlement, there will be no accrual of bank holidays'.

Members were invited to comment on the report and the appendices contain therein and it was highlighted that the majority of the changes were due to changes in legislation and statutory codes of practice, therefore there was no room for manoeuvre.

Members sought further clarification on the Probation Procedure and the Interim Head of HR advised that, unless otherwise and expressly agreed, the probation period would

be six calendar months beginning on the newly appointed employee's start date. This period could also be extended but not past 11 months from the employee's start date. Line Managers should complete a Performance Review in any circumstance where performance issues had arisen and in all circumstances not later than 5 months after the newly appointed employee's start date. Following review, HR would be notified of any concerns

Members expressed concern at the possibility of the initial reviews not being undertaken and the relevant information not being fed back to HR regarding the performance of the new employee. Members were advised that a system to flag up when an employee was due for their initial 5 month review would be looked into.

**RESOLVED:**

The Employment Committee agreed:

1) to the implementation of the employment policies, as listed below:

- i) Equality and Diversity Policy'
- ii) Probation Policy and Associated Management Guidance, and
- iii) Maternity Scheme

2) to the proposed change in wording to the Attendance Policy in relation to Bank Holidays.

**Reasons for decision:**

The implementation of the revised policies was important to ensure that the Council maintained up to date and legal employment policies.

With regards to the amended wording in the Attendance Policy in relation to Bank Holidays, this was to ensure legal compliance with the working time regulations.

Chairman  
3.00pm - 3.18 pm

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<b>EMPLOYMENT COMMITTEE</b>	AGENDA ITEM No. 4
<b>31 MARCH 2011</b>	<b>PUBLIC REPORT</b>

Cabinet Member(s) responsible:	Councillor Gr Uff Marco Cereste – Leader of the Council and Cabinet Member for Growth, Strategic Planning and Economic Development Councillor Irene Walsh – Cabinet Member for Community Cohesion, Safety and Women’s Enterprise
Contact Officer(s):	Mike Kealey - Acting Head of Human Resources Tel. (01733) 384500

**CHANGES TO EMPLOYEE TERMS AND CONDITIONS AND IMPLEMENTATION OF EMPLOYMENT POLICIES**

R E C O M M E N D A T I O N S	
<b>FROM :</b> Trade Union Representatives	<b>Deadline date :</b> N/A
<p>It is recommended that the Employment Committee agrees:</p> <p>1) to implement the changes to the terms and conditions of employment relating to:</p> <ul style="list-style-type: none"> <li>i) the implementation of a parking charge for staff</li> <li>ii) the removal of the essential car user allowance</li> <li>iii) changing the business mileage rate that can be claimed, and</li> <li>iv) the removal of the salary subsidy childcare voucher scheme</li> </ul> <p>2) to agree to the implementation of the following Employment Policies:</p> <ul style="list-style-type: none"> <li>i) Travel and Subsistence Policy (attached at Appendix A)</li> <li>ii) Car Parking Permit Salary Sacrifice Scheme (attached at Appendix B); and</li> <li>iii) Key User Status Guidance (attached at Appendix C)</li> </ul>	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to the Employment Committee following a referral from the Joint Consultative Forum on 14<sup>th</sup> March 2011.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is to ensure that the council achieves its Medium Term Financial Plan as agreed by Full Council on 23 February 2011.

2.2 This report is for the Committee to consider under its Terms of Reference No. 2.3.1.2 ‘to determine employee procedures, including dismissal procedures’ and 2.3.1.4 ‘to determine local terms and conditions of employment for employees’.

**3. TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If Yes, date for relevant Cabinet Meeting	N/A
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#### 4. BACKGROUND

4.1 The policies below have been prioritised for approval due to the need to achieve the Council's Medium Term Financial Plan.

##### **i) Annual parking permit charge**

4.2 Currently staff receive free parking during their working hours. The Corporate Management Team identified a significant income stream to support its savings plan if this benefit were to be withdrawn and replaced with an annual parking permit charge. The parking permit charge "salary" bands will replicate the "salary" bands used for determining employee contribution levels to the Local Government Pension Scheme (LGPS). The amended bands/parking charges can be found in the table below. This would be applied to all employees who require a parking permit irrespective of whether they are in the pension scheme or not.

4.3 Therefore, whatever "band" employees fall under for pension purposes, they will also fall under this "band" for car parking charges.

<b>Band</b>	<b>LGPS bands (2011/12)</b>	<b>Parking Permit Price per month</b>	<b>Parking permit price per year</b>	<b>Salary sacrifice rate (approximate) per year</b>
7	More than £81,101 plus	£69.59	£835.08	£501
6	£43,301 to £81,100	£60.84	£730.08	£438
5	£32,401 to £43,300	£45.42	£545.04	£436
4	£19,401 to £32,400	£37.50	£450.00	£360
3	£15,101 to £19,400	£26.67	£320.04	£256
2	£12,901 to £15,100	£17.50	£210.00	£168
1	£0-£12,900	£17.50	£210.00	£168

(NB: These salary bands will be adjusted each year in line with any changes to the LGPS scale)

4.4 For part time employees, amounts paid will be pro-rated to the employees' contractual hours of work.

4.5 To further reduce the cost of this to employees the Council will offer a salary sacrifice arrangement. By opting to take part of their salary in childcare vouchers employees can take advantage of tax and National Insurance (NI) savings.

4.6 See Appendix A for the amended Travel and Subsistence Policy and Appendix B for details of the Car Parking Permit Salary Sacrifice Scheme.

##### **ii) Removal of Essential Car User Allowance**

4.7 Currently, staff who require the use of a car for the purposes of carrying out their role receive an Essential Car User Allowance of between £846 pa and £1,239 pa depending on car engine size. This is paid over 12 months. The Corporate Management Team identified significant savings if this benefit were to be withdrawn and therefore it is proposed that the essential car user allowance scheme will cease from 1 April 2011.

4.8 To mitigate this loss it has been agreed that a new criteria will be developed for identifying Key Users and for these staff a free annual parking permit will be issued.

4.9 See Appendix C for details of the Key User Status Guidance and application process.

##### **iii) Change in business mileage rate**

4.10 Currently business mileage is paid at the following rates:-

- i) Essential Car Users between 36.9p and 50.5p per mile (depending on engine size)
- ii) Casual Car Users between 46.9p and 65p per mile (depending on engine size)



- 4.11 It is proposed that the new business mileage rate of 40p per mile will apply to all business mileage undertaken from 1 April 2011, regardless of whether the member of staff is a Key User or not. This is the current maximum authorised HMRC mileage rate.

#### **iv) Removal of the salary subsidy childcare voucher scheme**

- 4.12 The council currently has two types of childcare voucher scheme. The first is a salary sacrifice arrangements where by the employee agrees to sacrifice part of their salary to receive a non-cash benefit i.e. childcare vouchers. The second scheme is whereby the council pays a salary subsidy to employees who earn below spinal point 32. in order for them to purchase childcare vouchers. The council proposes to withdraw the second scheme.
- 4.13 The staff currently in this scheme will be offered the option of either joining the former scheme or, if they are already members, increasing their voucher value subject to HMRC limits.

### **5. CONSULTATION**

- 5.1 Staff have been consulted widely on all of the above proposed changes and encouraged to put forward ideas and ask questions through the council's intranet.
- 5.2 Unison balloted members and 78% of members voted in favour of adopting the changes to save 60 jobs.
- 5.3 The joint Trade Unions have been consulted and the policies were agreed at the meeting of the Joint Consultative Forum on 14<sup>th</sup> March 2011.

### **6. ANTICIPATED OUTCOMES**

- 6.1 These proposed changes to terms and conditions and policies will help to ensure that the council is able to meet its Medium Term Financial Plan and reduce the amount of redundancies required by 60 full time equivalent positions.

### **7. REASONS FOR RECOMMENDATIONS**

- 7.1 These changes are required in order for the council to meet its Medium Term Financial Plan agreed at Full Council on 23 February 2011.

### **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 A flat charge of £500 per employee for the parking scheme was originally proposed as part of the MTFP. However a banding scheme was felt to be a more appropriate and a fair way of implementing the charges, where the higher earner bears the greatest burden of the charge.

### **9. IMPLICATIONS**

- 9.1 These policies will be reviewed on an ongoing basis and will be amended from time to time to ensure achievement of the Medium Term Financial Plan.

### **10. BACKGROUND DOCUMENTS**

Medium Term Financial Plan.

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**APPENDIX A****TRAVEL & SUBSISTENCE POLICY****1. Purpose**

This guidance is to cover entitlements and obligations in respect of working hours, travel, and subsistence allowances whilst undertaking council business.

**2. Scope**

This policy applies to all employees as far as possible. A different procedure may be necessary for certain employees, e.g. those based in schools, who are subject to procedures involving governing bodies.

**3. Key Principles**

Council business is any essential travel which is not to the employee's normal place of work whether for business or training reasons.

If the duties of the post require the employee to have a vehicle available for council business visits then a mileage allowance will be paid. The car must be insured for business use.

Workers with a business address:

Travel to and from the employee's normal place of work from the home address is not council business.

Workers without a business address:

The normal place of work for a permanent home worker will be their home address. Full details are given in the home working policy.

Any additional hours above the contracted hours per day must be approved before they are worked.

Every employee must take a 30 minute unpaid break and deduct this from their working hours where six hours or more have been worked.

Claims for payment (travel and hours) which are not regarded as appropriate, and/or for which prior approval has not been gained may be refused for payment.

**4. Working hours – business visits**

Where the council business visit starts from and ends at the normal place of employment within the standard working day then the working hours are claimed as worked. Travel may be claimed from the start point to the return point.

Where the most reasonable place for the council business visit to start and end from is the home address then the working hours may be claimed from the time of leaving and returning home. Travel may be claimed from the start point to the return point LESS the normal home to work return mileage .

Where the most reasonable place for the council business visit to start from is the home address but the visit ends at the normal place of employment then the working hours may be claimed from the time of leaving home. Travel may be claimed from the start point to the end point LESS the normal home to work single mileage.

Where the council business visit starts from the normal place of employment but it is not reasonable to return there at the end of working day but to return to the home address then the working hours may be claimed until the time of returning home. Travel may be claimed from the normal place of employment as the start point to the return point LESS the normal home to work single mileage.

## **5. Learning & Development**

When attending any type of learning and development opportunity for one or more days then the maximum hours which may be claimed are the contractual hours for that day or 7 hours 24 minutes. Additional hours may not be claimed. This includes training at or away from the normal place of employment, and where appropriate will include travelling time.

Where the training occurs for just half a day, e.g. a whole morning or afternoon (and/or the evening/night), then the maximum hours which may be claimed are half the contractual hours for that day or 3 hours 42 minutes. The other half day at work should be recorded as the number of hours actually worked.

## **6. Travel**

Council business visits must be planned sensibly taking account of safety, cost, convenience, distance, destination, time of day, the number of employees travelling and the place(s) at which the journey commences and ends. Wherever practicable public transport at the lowest fare should be used.

Employees travelling to the same place should travel together. The claim for mileage should be made only by the driver of the vehicle and never by passengers.

Employees are responsible for ensuring that their vehicle is fully insured for council business visits, for carrying passengers, and for third party claims. Employees may be asked to produce their driving licence.

Any employee who is undertaking training to obtain qualifications that are necessary in the performance of their job must refer to their individual training agreement. Particular HMRC rules apply.

The council encourages the use of sustainable methods of transport. Those employees who use a bicycle will receive a cycle allowance for approved council visits. The rates are given on the rate table. Alternatively a number of pool bikes are available in each department.

Where pool cars are supplied then a pool car must be used before an employee's private vehicle.

Employees who claim mileage allowances must produce at least one VAT receipt for the purchase of fuel for that journey that relates to the same period as the claim. Claims not supported by a receipt will not be paid.

## **7. Subsistence (Meals & Accommodation)**

Employees who incur additional expenditure as a result of council business that takes them away from their normal place of employment and/or home will be reimbursed – the maximum amounts are given on the rate table. Claims cannot be made where food and accommodation are supplied as part of a training opportunity.

Claims may only be made where a receipt supports the expenditure. Bookings must be made using the process in place for procurement of travel and hotel accommodation.

## 8. Key User posts

Where a private vehicle is a vital requirement then the post will be classified as a 'key user' post.

Posts will be assessed against set criteria for key user status and a decision taken in line with the Validation and Appeals procedures already in place for job evaluation. The status will sit with the post and not the person and may be removed if the requirements of the job change. Key User status will be withdrawn if the post holder moves to a role that does not qualify.

## 9. Car Parking

Employees who travel to work by car will have the opportunity of purchasing a car parking permit under a salary sacrifice scheme. Salary sacrifice is not compulsory but personal choice. Eligibility is based on HMRC rules. The benefits of the scheme will be dependent upon each employee's personal circumstances.

There will be no charge for key user posts. However a permit will be issued.

### Permit cost

The cost of the permit will be determined by the salary tiers outlined on the rate table. The tier will be reviewed annually. The permit cost for each employee will be based on the pensionable pay elements. Basic salary is assessed at the full time equivalent rate, in each post an employee holds at 1 April. The permit rate will be re-assessed annually on implementation/application (regardless of when the award is made) of the annual pay award. Re-assessment will take place at any point in the year in the following circumstances:-

Promotion	Demotion	Incremental progression	Pay Award	Acting up starts
Acting ceases up	Contractual allowance starts	Contractual allowance ceases	Increase in hours	Decrease in hours

### Part time staff

The actual cost of the permit will be determined by the weekly contracted hours and reduced pro-rata to the hours worked.

Example – Miss A works 18.5 hours on Grade 5, Point 18. Her full time salary (for 37 hours) of £17161 puts her into permit band 3. The full cost of a band 3 permit is £320 per year. The cost to Miss A per year is £160 as she only pays for the hours she is contracted to work.

### Salary Sacrifice

A salary sacrifice happens when an employee gives up the right to receive part of the pay due under the contract of employment. The sacrifice is made in return for the employer's agreement to provide the employee with a non-cash benefit. The terms and conditions of employment relating to pay would be varied. Where an employee agrees to a salary sacrifice in return for a non-cash benefit, they give up their contractual right to future cash remuneration.

The HMRC rules will apply to those who have taken up the salary sacrifice option. To comply with these regulations employees must intend to commit to be in the scheme for a minimum of 12 months. During this time it is not possible to leave the scheme unless as the result of a significant change in personal circumstances (major 'lifestyle change'). Full details regarding the implications of salary sacrifice are outlined in the Salary Sacrifice document.

### **Change of circumstances**

In normal circumstances the charges for each permit will be effective from 1<sup>st</sup> April – 31<sup>st</sup> March each year providing payment continues. Lifestyle choice or a change to financial circumstances, home address, work address, use of public transport etc will allow employees to opt in/out of the permit scheme once in any twelve month period, or more than once in extenuating circumstances. A minimum of one month's notice must be given to leave the scheme.

### **Occasional User permits**

For those who only need parking for their car on an occasional basis then it will be possible to purchase a daily permit at a reduced rate. Salary Sacrifice will not be an option with these permits.

### **Special Permits**

There may be circumstances where special permits are issued for specific locations. This will only be where there are extenuating short term circumstances regarding an employee's health and well being, as a requirement of a risk assessment or a reasonable adjustment.

### **Use of permits**

The permit will in no circumstances be valid on days when the employee is not at work for the city council. The permit must be returned when payment ceases. Only those who have opted to pay the premium rate will be allowed to park their car in Car Haven or Riverside car park.

### **Abuse of permits**

Breach of the use of the permit will result in disciplinary action and the withdrawal of the permit.

### **Absence from work**

Where an employee is aware that they will be absent from work for three months or more then they may apply for a temporary deferment of their car park permit during their absence. Where an employee is in receipt of no pay then no deduction will be made for car parking. Fuller details regarding the maternity arrangements are outlined in the Salary Sacrifice Scheme details. This will result in no payment during their time away.

Employees who are suspended from work will continue with their valid permit throughout the period of their suspension as they are in receipt of full pay.

### **Starters**

In the first year the permit charge will commence on the first day at work and run until the end of March. This may result in a part month charge. The charge will be calculated in accordance with the calculation of a days pay.

### **Leavers**

The permit will be charged until the last day of service. This may result in a part month charge. The charge will be calculated in accordance with the calculation of a days pay.

### **Employees on a temporary contract**

Temporary employees may join the permit scheme from their first day of employment.

### **Agency, Contract, Consultant, Workers**

Workers who are working at the council through an agency, or on a 'no mutuality of obligation' basis may purchase an occasional user permit if they choose to do so.

### **Car Sharing**

The council recognises that staff currently car share and may want to continue in such informal arrangements. To that end the following option will be available to facilitate a formal sharing of the costs.

It may be possible for two, three or four car sharers to 'share' the cost of a permit. One permit will be issued displaying all the registration numbers. When the occupants do not car share then those without the permit will need to purchase an occasional user permit and display accordingly. The cost of the permit will be dependent on the car sharer's tier and so may differ.

Example – Miss A works 37 hours on Grade 5, Point 18. Her salary of £17161 puts her into permit band 3. The full cost of a band 3 permit is £320 per year. She car shares with Mr B who also works 37 hours on Grade 3, Point 11. His full time salary of £14733 puts him into permit band 2. The full cost of a band 2 permit is £210 per year. As Mr B is sharing a permit with Miss A he only has to pay for a 50% permit which would reduce his cost to £105 per year. The cost to Miss A per year will also be 50% and she will pay £160.

### **Multiple Cars**

A maximum of four registration numbers may be printed on a permit to assist those employees who drive more than one vehicle.

### **Motorcycle & Bicycle permit**

There will be no parking permit charge for employees who use their motorcycle or their bicycle for travel to work. Parking must be in properly designated parking spaces.

## RATE TABLE

### 1. Car Park Permit charges

Band	Bands (2011/12)	Parking Permit Price per month	Parking Permit Price per year	Salary Sacrifice Rate (approximate) per year
7	More than £81,101 plus	£69.59	£835.08	£501
6	£43,301 to £81,100	£60.84	£730.08	£438
5	£32,401 to £43,300	£45.42	£545.04	£436
4	£19,401 to £32,400	£37.50	£450.00	£360
3	£15,101 to £19,400	£26.67	£320.04	£256
2	£12,901 to £15,100	£17.50	£210.00	£168
1	£0-£12,900	£17.50	£210.00	£168

Permit to park in Car Haven or Riverside car park	Additional £75 per year
Occasional User Permit	£2.30 per day to be purchased in batches

(Rates effective 1 April 2011)

### 2. Mileage rates

Vehicle	Capacity (cc)	Mileage	Rate
<b>Car</b>	All	All	40p for all business miles
<b>Motorcycle</b>	0-125cc	0-4000 miles	20.36p per mile
	0-125cc	> 4000 miles	07.77p per mile
	> 125cc	0-4000 miles	31.86p per mile
	> 125cc	> 4000 miles	11.36p per mile
<b>Bicycle</b>	n/a	All	15p for all business miles

### 3. Subsistence rates

Breakfast	£5.73
Lunch	£7.92
Tea	£3.13
Evening Meal	£9.80

### 4. Out of pocket expenses

Per night	£4.00
Per week	£16.00



## APPENDIX B

# CAR PARKING PERMIT SALARY SACRIFICE SCHEME INFORMATION

### 1.0 Car parking permit

Peterborough City Council Car Parking Permit Salary Sacrifice Scheme is a benefit that enables car drivers to make substantial savings against the cost of their car parking permit.

By opting to take part of your salary as a car parking permit (this is known as 'salary sacrifice'), you can take advantage of tax and National Insurance (NI) savings.

#### What is Salary Sacrifice?

Salary sacrifice means exchanging part of your salary for a non-cash benefit – in this case a car parking permit for use in specific city council car parks whilst the employee is at work.

### 2.0 Savings

#### How much can I save?

The exact amount saved will depend on your individual circumstances, i.e. whether you are a basic rate or higher rate tax payer.

### 3.0 Joining the Scheme

If you decide you would like to take part of your salary as a car parking permit you will need to complete the Salary Sacrifice Application and Agreement form (available on InSite) and return to Business Support.

This form confirms that you have agreed with your employer to take part of your salary as a car parking permit and that your monthly gross salary will be reduced by the annual cost of the permit divided by twelve.

### 4.0 A change in your circumstances or leaving the scheme

To comply with HMRC regulations employees must intend to commit to be in the scheme for a minimum of 12 months. During this time you cannot vary the amount paid or leave the scheme unless as the result of a significant change in personal circumstances (major 'lifestyle change'). Lifestyle changes may include:

- a change to working hours or location
- leaving the organisation
- significant changes in personal circumstances
- significant changes to employment i.e. change of role
- long term illness
- changes to financial circumstances that mean a car parking permit is no longer required

### What happens if I am made redundant?

It is the policy of Peterborough City Council to make any redundancy payment in accordance with the Managing Change policy using the actual salary. The salary sacrifice amount will not be taken off the actual gross amount.

### What happens if I go on maternity leave?

Statutory Maternity Pay is calculated on the salary earned in the 8 weeks prior to maternity leave, if a salary sacrifice car parking permit is in place during this period, this would not be considered part of salary, hence lowering the maternity pay that you may be eligible for. Employees participating in the scheme who become pregnant and ultimately due to take maternity leave are advised to contact HMRC for advice on whether to opt out of the salary sacrifice scheme or not. The following is a summary of either continuing with salary sacrifice or terminating the agreement:-

As the employee, if you <b>continue</b> your salary sacrifice arrangement	As the employee, if you <b>terminate</b> your salary sacrifice arrangement
The value of your SMP will be lower than it would be if no salary sacrifice arrangement was in place.	The value of your SMP will be greater than if you continue your salary sacrifice.
The value of your OMP will be lower than it would be if no salary sacrifice arrangement was in place – as your salary is reduced by the salary sacrifice.	The value of your OMP will be greater than if you continue your salary sacrifice – as your salary will no longer be reduced.
You will continue to have use of your car parking permit throughout the period of maternity leave for days you would have been at work.	You will not have the use of your car parking permit throughout the period of the maternity leave.

If you start maternity leave without a car parking permit benefit in place, you may enter into a salary sacrifice agreement during a maternity leave period but you will not receive the revised salary or benefit until you return to work.

### How do I notify a change in circumstances/leave the scheme?

You will need to complete an 'Amendment/Request for Change in Membership' form (available on InSite) a month before the month in which you wish the alteration to take effect. This should be returned to HR Support, Peterborough City Council, Manor Drive, Paston Parkway, Peterborough, PE4 7AJ.

**If you leave the scheme you will not be able to re-join for a period of 6 calendar months from the termination date.**

## 5.0 Car parking permit and other benefits

Joining a salary sacrifice scheme to receive a car parking permit reduces your cash pay and the level of income tax and National Insurance Contributions (NICs). As your entitlement to some statutory benefits (such as Statutory Sick Pay, Statutory Maternity Pay, Statutory Paternity Pay, Statutory Adoption Pay and State Pension) is based on the amount you earn and your NICs, your current or future entitlement to contributions-based, earnings-related or income-related benefits may be affected. Tax credits are potentially affected by this scheme.

Pension contributions are calculated on gross salary prior to the deduction of salary sacrifice and will therefore not be affected.

For more information about salary sacrifice and how it may affect your benefits visit [www.hmrc.gov.uk/specialist/salary\\_sacrifice.htm](http://www.hmrc.gov.uk/specialist/salary_sacrifice.htm) or contact HMRC directly.

### **Other considerations**

With the exception of maternity pay (see above) during a Salary Sacrifice Agreement, a car parking permit can only be in place in a pay period where sufficient qualifying salary is available.

Qualifying salary is pay which is due to you above the National Minimum Wage and the Lower Earnings Limit. Qualifying salary excludes any pay due to you in respect of statutory benefits.

A salary sacrifice must not reduce your cash pay below the National Minimum Wage or the lower earnings limit.

### **6.0 Further information/contact details**

If you require further information contact Business Support at Manor Drive  
[HRSupport@peterborough.gov.uk](mailto:HRSupport@peterborough.gov.uk)

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## KEY USER STATUS – GUIDANCE BUSINESS AS USUAL APPLICATIONS

### 1.0 What does Key User mean?

Where a private vehicle is a vital requirement then the post will be classified as a 'key user' post. For agreement to be given for key user status it will be necessary to prove that the job cannot be done without a car being available to the employee. Evidence will be needed to demonstrate this. The type of journeys, the frequency of journeys and the overall mileage will all be used to reach the decision. Key user status will be reviewed when there is a change to the post. Key user status will end when the holder changes jobs.

The employee and their line manager will need to complete a business case (on the standard form) and forward to the HR team for validation by an agreed panel. The business case must provide detail around:

- Full details about the post - whether it is full or part-time, the weekly contractual hours, whether the appointment is permanent or temporary and if temporary the duration of the contract.
- Full details about the employee including whether they have a driving licence and insurance for business use
- How many miles the employee is expected to undertake per week (plus the FTE anticipated mileage)
- How many journeys the employee is expected to undertake per day
- If the post requires the post holder to be officially on call 24/7
- If the post holder is on standby for emergency attendance at work out of hours
- If the post holder deals with situations which are of potential danger to the public
- If the post requires the post holder to respond to situations where there is an identified risk to personal safety
- If the post holder is required to transport PCC equipment in their own vehicle which is considered to be heavy and/or hazardous (this includes ladders, road signs, surveying equipment, tool kits, asbestos samples, larger IT equipment e.g. monitors, servers but not laptops, briefcases or hand luggage)
- If the post holder may be required to transport customers in their own vehicle
- The reason the journeys are taken e.g.
  - Home Visits
  - Conducting Assessments
  - School Visits
  - Essential Site Visits
  - Transporting Clients
  - Meetings with colleagues
  - Meetings with other agencies

This information will then be used to determine whether the relevant factors for key user status have been met. A free car parking permit may be issued to key users.

### 2.0 Generic roles

There may be posts which have more than one post holder where it is decided that each person is designated as a key user. There may also be multiple post holders undertaking the same post but due to slight variations in the actual roles undertaken where there is a mix of key users and non-key users.

### 3.0 Further information/contact details

If you require further information contact the line manager, HR Business Partner or the reward team in HR.

## BUSINESS AS USUAL PROCESS

Step One  
Employee completes form & provides evidence  
Manager checks and signs form – either agreeing or disagreeing with application



Step Two  
HR Business Partner determines initial outcome for submission to the panel  
(this may require additional questions, research, information)



Step Three  
Reward team submit to next available validation panel who arrive at decision



Step Four  
If the employee is not satisfied with the outcome they may appeal  
The employee may present their case to a panel made up of:  
Head of Service (or nominee) (Chair), TU rep, HR  
The employee may be represented



**There is no further right of appeal**