

JOINT CONSULTATIVE PANEL	AGENDA ITEM No.
4 October 2007	PUBLIC REPORT

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Update on Draft Car Allowance Policy

R E C O M M E N D A T I O N S	
FROM: Director of Strategic Resources	Deadline date: <i>n/a</i>
<p>Joint Consultative Panel is requested to consider:-</p> <ol style="list-style-type: none"> 1.1. an update on the position of the revised draft car allowance policy since the last meeting of the Employment Committee held on 20th September 2007; 1.2. an update on the details of work undertaken by officers (including insurance and car hire) at the request of the Employment Committee held on 20th September 2007; and 1.3. making recommendations to Employment Committee depending on the outcome of further discussions between the management side and Trade Unions. 	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Joint Consultative Panel following discussions at the Joint Consultative Panel held on 20th September 2007 and the decision made by Employment Committee on the same date.
- 1.2 At its meeting on 20th September 2007 Joint Consultative Panel recommended to Employment Committee that Employment Committee –
 - requests officers to undertake work to establish the differential between the cost of insuring a vehicle for private/personal use, and insurance which covered the use for business purposes;
 - requested officers to investigate options in respect of car hire arrangements, taking into account that any agreement would need to have the capacity to provide vehicles at short notice.
- 1.3 At its meeting on 20th September 2007 Employment Committee RESOLVED to
 - agree the recommendations of the Joint Consultative Panel (as above).
- 1.4 Employment Committee further RESOLVED to
 - convene an additional meeting of both the Joint Consultative Panel, to be followed by an additional meeting of Employment Committee on Thursday, 4th October 2007 to further consider this matter.

2. JOINT CONSULTATIVE PANEL

- 2.1 This is a discussion and negotiation forum between Members of the Employment Committee and the Trade Union representatives. It is not a decision making body.

3. UPDATE ON OFFICER ACTIVITY

- 3.1 The Management side is working to re-engage with the Trade Unions on negotiations with a view to potentially reaching an agreed position. The management side would expect to have some clear understanding of the possibility of an agreement being reached by close of business on Friday 28th September. Subject to a jointly agreed position being reached the Management side would intend to bring this forward for further consideration at the Employment Committee scheduled to be held on 4th October 2007.
- 3.2 Work to establish the direct differential between the cost of insuring a vehicle for private/personal use and the cost of insurance covering the use of a vehicle for business purposes has been problematic as this is due to a number of factors including:
- Make, model, engine capacity and value of vehicle
 - Type of business insurance policy either Class 1 or Class 2
 - Driver history including age and driving convictions

Clearly a number of these contributory factors are not within the control of the Council.

However Management side undertook work to establish the likely levels of reimbursement to cover additional motoring expenses in addition to fuel costs provided within the Inland Revenue Rates.

The Inland Revenue Advisory Fuel Rates updated on 1st August 2007 are calculated by the Inland Revenue to set out the maximum rates that can be reimbursed against the cost of fuel for use of a company vehicle for business use. The rates are calculated based on average fuel prices at the time of publication and establish the likely maximum cost of fuel per mile of business travel. The current published rates are:

Engine Size	Petrol	Diesel	LPG
1400cc or less	10p	10p	6p
1401cc to 2000cc	13p	10p	8p
Over 2000cc	18p	13p	10p

At the largest engine capacity the 40p per mile provided for mileage set out within the Inland Revenue rates for business mileage in a privately owned vehicle includes a 12p per mile reimbursement to cover motoring expenses incurred in addition to fuel costs.

Analysis of two examples taken from staff currently claiming the most business miles across the Council show that this equates to:

Example 1 – Full-timer

- Expected mileage in 2007/08 12,811 (based on mileage claim in 07/08)
- Total mileage claim £4,702 per annum
(under Inland Revenue Rates)
- Reimbursement for motoring costs £2,396 per annum
(in addition to fuel costs)

Reimbursement to motoring costs over a 5 year period - £11,980

Example 2 – Part-timer 0.5 FTE

- Expected mileage in 2007/08 6,400 (based on mileage claim in 07/08)
- Total mileage claim £2,560 per annum
(under Inland Revenue Rates)
- Reimbursement for motoring costs £768 per annum (based on 18p fuel charge)
(in addition to fuel costs)

Reimbursement to motoring costs over a 5 year period - £3,840

This reinforces the Management side view that the Inland Revenue Rates represent a fair reimbursement rate for business mileage.

3.3 Car hire options are currently being investigated by officers within procurement focusing on requirements for travel outside of the City boundary and for ad hoc travel within the City boundary.

3.4 A copy of the proposed Car Allowance Policy (which Members have previously received) is attached at Annex A for Members' ease of reference.

4. CONSULTATION

4.1 Outside of the formal consultative forums initial discussions have taken place with the Trade Unions. Further discussions and negotiations are scheduled to take place with the recognised Trade Unions prior to the meetings of Joint Consultative Panel and Employment Committee taking place on 4th October 2007.

5. ANTICIPATED OUTCOMES – DRAFT REVISED CAR ALLOWANCE POLICY

5.1 Subject to further negotiations with the Trade Unions that a revised Car Allowance Policy and proposed amendment to terms and conditions can be presented at the meeting due to be held on 4th October for consideration by the Employment Committee.

6. REASONS FOR RECOMMENDATIONS

6.1 To update on officer activity following the recommendations discussed at the Joint Consultative Panel and agreed by the Employment Committee on 20th September 2007.

7. ALTERNATIVE OPTIONS CONSIDERED

7.1 No further options considered at this stage. Further options will be considered if Management side attempts to reach an agreed position with the Trade Unions fail.

8. FINANCIAL IMPLICATIONS

8.1 The Management side negotiations with Trade Unions will be undertaken with the aim of realising savings over a 5 year period as defined within the Project Mandate for this work.

9. BACKGROUND DOCUMENTS

None.

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