

<b>JOINT CONSULTATIVE PANEL</b>	<b>AGENDA ITEM No. 3</b>
<b>20 September 2007</b>	<b>PUBLIC REPORT</b>

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## **Draft Car Allowance Policy**

<b>R E C O M M E N D A T I O N S</b>	
<b>FROM:</b> Director of Strategic Resources	<b>Deadline date:</b> <i>n/a</i>
<p>Joint Consultative Panel is requested to consider and make representations to Employment Committee on the following:-</p> <ol style="list-style-type: none"> <li>1.1. The draft car allowance policy attached at Annex A;</li> <li>1.2. Subject to agreement on recommendation 1.1 above, as part of the implementation process, all those employees who are currently designated as an 'essential user' to receive a transition payment referred to in 5.3 up to 30 June 2008 as way of a compensation buyout payment to take account of any transition issues that may arise for individual employees as a consequence of the implementation of this policy;</li> <li>1.3. That notice be given to all employees prior to 1 October 2007 to vary their existing terms and conditions of employment with effect from 1 January 2008 in relation to payment of car allowances;</li> <li>1.4. That during the notice period referred to in recommendation 1.3 and prior to the policy implementation date and in the future, managers should consult with their staff about the planning business journeys and in particular long distance journeys and that employees consult their managers to agree the most appropriate and cost effective mode of transport, it being the role of managers to manage their transport budget efficiently and apply a common sense business approach when agreeing the most appropriate mode of transport and authorising mileage claims.</li> </ol>	

## **1. ORIGIN OF REPORT**

- 1.1 This report is submitted to the Committee following a project carried out by the Business Transformation team which commenced in November 2006 into reducing the cost of business mileage accumulated by Council employees using their own vehicles for business purposes. . From that date a number of officers in the Business Transformation team have been responsible for this project and have engaged with the Trade Unions. The issue of car allowances was raised at the Joint Consultative Forum (JCF) on 8 January 2007 and a Rapid Action Team (RAT) was subsequently formed consisting of a project leader and trade union representatives. The RAT was mandated by the JCF and tasked with resolving the issue. However following a number of meetings with the Trade Unions, no agreement has been reached.
- 1.2 Following a JCF held on the 10 August 2007, a new project manager was appointed and a meeting was held with a representative of the Trade Unions. Rapid progress was made and a joint management and trade union paper and new policy were drafted with the aim of presenting these to the JCF on 13 September 2007. However, the project manager was

informed by the trade union representative on the 5 September 2007 that the Trade Union side indicated it could not go forward with what was being suggested. As a consequence the proposed joint paper was submitted to the JCF meeting on the 13 September 2007 as a management side only paper and draft policy.

1.3 Because of the timing of the JCF and the date by which this report had, under the Access to Information Rules to be sent to members, for consideration, this report has been written ahead of the JCF meeting on the 13 September 2007 and is therefore subject to the outcome of that meeting. The JCP meeting will be updated by the management side on the outcome of the JCF meeting. The Trade Union side may also wish to make representations to this JCP meeting.

1.4 If agreement is reached at the JCF on 13 September 2007, Members will receive an update on the outcome. If agreement should not be reached at the JCF meeting on 13 September, then the matter will need to be discussed at this Joint Consultative Panel on 20 September 2007. In the event of non agreement at JCF, it will be proposed by officers that Members agree to adjourn this Employment Committee to enable discussion at this JCP meeting and to reconvene this Employment Committee to determine the matter after JCP has debated the same.

## **2. JCP**

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. PROPOSED HUMAN RESOURCE POLICY**

3.1 The Trade Union side and Management side work to jointly agreed policies and procedures as part of the negotiation and discussion process affecting the terms and conditions of employment for employees.

## **4. CONSULTATION**

4.1 In addition to the above, discussions and negotiations with the recognised Trade Unions have also taken place outside of the JCF.

## **5. ANTICIPATED OUTCOMES – THE EFFECT OF CHANGE TO THE POLICY**

5.1 The draft policy on car allowances at Annex A removes the distinction between essential and casual car users. It is proposed by the new policy that employees will be reimbursed for business mileage they actually undertake when they use their own vehicle for business purposes, with the reimbursement rates set out in accordance with the Inland Revenue rules.

5.2 For Members' ease of reference, Annex A (draft Car Allowance Policy) contains details of the proposed car mileage rates. Annex B, on the other hand, shows the current car mileage rates and lump sum under the existing policy.

6.3 Members will note at Recommendation 1.2 that a transition payment for the period up to 30 June 2008 is referred to as a compensation buy-out to current essential users. That transition payment equates to a pro-rata amount of the annual lump sum.

## **6. REASONS FOR RECOMMENDATIONS**

6.1 The reasons behind the recommendations are:-

- the draft policy removes the distinction between essential and casual car users and gives equity;

- it supports the Council's Travel Plan by encouraging Managers and employees to consider the most efficient, cost effective and appropriate mode of transport which has an impact on the environment;
- it will provide the Council with savings.

## **7. ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 Other options, such as higher car allowances and lower mileage rates were considered but rejected by the Trade Unions.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 Based on the car mileage claims submitted in 2006, and those employees classified as essential car users, there would be a saving in the region of £1,152,000. under the draft policy at Annex A.

## **9. BACKGROUND DOCUMENTS**

Current Car Allowance scheme.

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