

PERSONNEL COMMITTEE

Vehicle Allowances

25 February 2014

Report of the Human Resources Manager

PURPOSE OF REPORT

To review progress on a previous decision taken by the Committee on 25 June 2013 and seek approval of a new set of recommendations in relation to vehicle allowances.

This report is public.

RECOMMENDATIONS

- (1) To update the current plans in relation to vehicle allowances to take account of new information and options available to the Council in relation to vehicle allowances and the procurement of vehicles, and in doing so approve the arrangements set out in this report.**
- (2) To confirm the Council's aim to achieve a position where:**
 - (i) No employee of the Council will be under any obligation to use their vehicle for business use and therefore there will be no need for any post to be designated as an "Essential Vehicle User"; .and**
 - (ii) The Council moves away from current National Joint Council Car Allowance Rates in favour of the HMRC "AMAP" allowance rates.**

1.0 Background

- 1.1 On 11 June 2013 the issue of vehicle allowances was considered at the JCC, with a recommendation that the Council move away from any designations of essential and casual car users and adopt a single user allowance scheme. This recommendation did not get the support of the JCC.
- 1.2 On 25 June 2013 Personnel Committee was advised of:
 - The current vehicle allowance arrangements.
 - The consultation process that had so far been undertaken in an effort to secure a collective agreement to move away from the current vehicle allowance arrangements in favour of a single vehicle allowance scheme, and the fact that no agreement could be reached.
 - The potential savings that could be achieved as a result of adopting a revised vehicle allowance Scheme.

The proposed changes were to dispense with the designation of any post as essential or casual user and adopt a single user allowance scheme. The NJC Green Book arrangements do provide for this flexibility.

- 1.3 Members may recall that at its meeting on 25 June 2013 the Committee approved the following recommendations:

That as of 31 March 2014 no post with the Council will be designated as an "Essential Vehicle User".

The Personnel Committee agrees to the principle of moving from the current National Joint Council Car Allowance Rates in favour of the HMRC "AMAP" rates with a target date for implementation being 1 April 2014.

Following the above decision the Council set in place measures to undertake the transitional arrangements necessary to adopt a new allowance structure. These were:

- Further collective and individual consultation where appropriate.
- Adopt a reasonable period of transition.
- Set a date on which the Council is to replace the current NJC scheme with the HMRC Scheme. Subject to the outcome of the consultation process the aim being to adopt the new arrangement by 1 April 2014.

- 1.4 On 15 January 2014 the JCC were again asked to consider information obtained as part of the consultation process following the decision of Personnel Committee on 25 June 2013. Although the proposal did not secure trade union support the following recommendation was approved:

- (i) That Personnel Committee change the current plans to take account of new information and options available to the Council in relation to the procurement of vehicles.

1.0 Background Information.

- 2.1 All employees currently employed in posts that are designated as essential vehicle users post are under notice that the designation and therefore allowance will cease on 31 March 2014
- 2.2 The consultation process with the essential car users has been completed and as one would expect, the feedback from this process has been very informative.
- 2.3 Changes to the Council's Service Structure will impact on demand for vehicle access.
- 2.4 There may be a business case for certain posts in certain service units to have frequent use of a pool vehicle or the open access to a vehicle.
- 2.5 The number of Council allocated vehicles / pool vehicles that will be required needs to be established more clearly than at present.

3.0 The proposed way forward

3.1 Each Service is to complete a review of the transport needs across each service unit and to establish the business case for:

- The number of pool vehicles that may be required and/or
- The number of posts that will require unrestricted access to a vehicle.

During the consultation process a number of service managers responded by setting out their key operational needs, therefore this information will help inform any additional review and the development of any business cases that are put forward.

3.2 The business cases submitted by the service units are to be reviewed and where appropriate clarified.

3.3 The current needs for vehicle access are to be established and a plan drawn up of how these can be met.

3.4 Each service/postholder will be advised of the arrangement which are to be put in place.

3.5 Posts will be identified that might be suitable to pilot alternative transport options that could be linked to the Council's Renewable Energy Strategy, which is under development, to test and establish the potential benefits of battery powered vehicles.

3.5 Any future service review programme will incorporate a review of travel and transport needs.

3.6 Further consultation will be carried out with the Trade Unions and employees in relation to the Council's stated aim to move away from the National Joint Council arrangements for reimbursement for business mileage in favour of the arrangements defined by Her Majesty's Revenue and Customs (HMRC) under the Authorised Mileage Allowance Payments Scheme (AMAP).

4.0 Conclusions

4.1 The transition from arrangements that have been in place for many years is challenging for any organisation. It is however felt that the recommendations in this report better equip the Council to achieve its longer term aims without compromise to service operations.

4.2 The plans set out in Section 3 above will result in a hybrid set of arrangements to better meet the Council's needs in the short term. The Council can then fully evaluate how best to meet its stated aims whereby:

No post employee of the Council will be under any obligation to use their vehicle for business use and therefore there will be no need for any post to be designated as an "Essential Vehicle User".

The Council will move away from current National Joint Council Car Allowance Rates in favour of the HMRC "AMAP" allowance rates.

RELATIONSHIP TO POLICY FRAMEWORK

None arising from this report

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None arising from this report

Human Resource Implications

The revised arrangements which are proposed in this report have been developed following further consultation with managers and staff across the Council.

The Council continues to have what it considers to be genuine business case for making the changes which are proposed. The NJC "Green Book" provides flexibility in allowing the employer to determine whether a post is casual or essential, therefore the adoption of a position in the future where no employee is under any obligation to use their vehicle for business use is considered within the bounds of the scheme. The risk remains that any such change could be considered to amount to a breach of contract, although this risk is considered small.

Ongoing consultation is important in the management of any transitional process in an effort to ensure that good employee/employer relations are maintained.

In relation to the longer term aim of a move away from the provision of the National Joint Council Car Allowance Rates in favour of the HMRC "AMAP" rates it could be argued that this action amounts to a unilateral variation of an employees contract of employment.

Progress in the development of business travel arrangement across the Council will be reported back to Personnel Committee once a comprehensive Council wide evaluation of business travel needs has been completed.

FINANCIAL IMPLICATIONS

The original report to Personnel Committee on 25 June 2013 indicated potential savings of £100K per annum could be achieved, however this would be refined as part of establishing alternative options for meeting legitimate transport needs for staff. This is still the case, and as such no savings have been assumed within the current draft budgets.

SECTION 151 OFFICER'S COMMENTS

The S151 Officer has been consulted and has no further comments.

LEGAL IMPLICATIONS

None directly arising from this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Personnel Committee Report 25 June 2013

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