

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting5th November 2009

1. Title of Item/Report

REview of Workplace Travel 09

2. Record of the Decision

Consideration was given to proposed amendments to the current arrangements for the reimbursement of employees who use their vehicle on Council business, along with a proposal to remove the current entitlement to car parking permits for employees using the Council's car parks and to changes to subsistence and travelling allowances. These proposals also included a review of members allowances in line with the changes proposed for employees.

It was noted that under the Single Status Agreement, although a number of changes were agreed to terms and conditions of employment, the issue of travelling allowances and expenses had been deferred due to the complexity of the issue and the need to introduce single status without delay. However, the current system of reimbursement was both costly and due to the difficulty of interpreting national conditions of service, had not always been applied consistently across the Council. There was therefore a need to change and to introduce a scheme which was transparent, equitable, sustainable and reduces costs. In addition, the Corporate Travel Plan introduced a target to reduce car mileage by 5% by April 2011. The proposed changes therefore contributed to assisting the Council in reaching its target and would provide a significant financial saving, simplify the current administrative arrangements and ensure that all allowances were paid in an equitable and consistent manner.

It was noted that the current Essential and Casual Car User Allowance system paid a lump sum allowance to employees designated as essential car users. Essential car users were defined as 'those whose duties are of such a nature that it is essential for them to have a motor car at their disposal whenever required.' In practice it was very difficult to apply this definition consistently as many employees need to use their car to enable them to undertake their duties effectively. The consequence of this is that many Councils had introduced additional criteria such as a minimum annual mileage requirement. The danger of this was that it potentially

increased mileage as employees try to qualify for the allowance and it was less applicable in Councils which are smaller in area. Those in receipt of an essential car user allowance receive a lower mileage rate than casual car users and both the lump sum allowance and mileage rates are increased according to the engine size of the vehicle. It was therefore proposed that the existing essential car user allowance should be removed and employees who are required to use their car for work are simply designated as Car Users. A single mileage rate would be paid irrespective of the engine size of the car with lower rates paid for journeys in excess of 4000 miles and 8,500 miles Transitional arrangements were also proposed in recognition that for some employees these proposals would represent a significant reduction in the allowances claimed. Although motorcycles were a more sustainable alternative to the motorcar, the current scale of allowances was much lower than those paid for journeys made by car or even bicycle. It was therefore proposed to introduce a single mileage rate based on 50% of the lowest casual car rate i.e. 21.45p per mile.

In view of the current financial climate it was considered opportune to review those subsistence and travelling allowances whose removal would impose only a limited financial burden on recipients. Accordingly it was proposed that:

- Lunch and Tea allowances should cease to be paid
- Breakfast will only be paid when the journey has commenced before 6.00am
- Employees travelling by train will be reimbursed the standard second class or lowest cost option fare available only.

It was proposed to implement these changes with effect from 1.4.2010. These proposals insofar as they applied to elected members were also the subject of consultation, and would be considered further at a future meeting of Cabinet.

The current car parking permit policy provides free long stay permits to staff that are based in Stockton town Centre irrespective of their need to provide a car to carry out their duties. In 2008/09 the cost of providing these permits was £211,000 per annum. It was proposed that free car parking permits should be withdrawn for all employees. This will include those wishing to park at the rear of Municipal Buildings, 16 Church Road and Bayheath House.

Following discussions with the Trade Unions it is proposed to have a simple scale of charges linked to salary so that the impact on lower paid and part time employees will be reduced. In addition allowing employees to pay for a car parking permit through a salary sacrifice scheme would enable them to typically save an additional 25% of the cost. The maximum charge for a car parking permit will be based on the

current long stay season ticket price of £377 per annum. It was also proposed to implement these changes with effect from 1st April 2010.

The possibility of introducing measures designed to reduce car mileage were also being investigated. Currently an additional 3p per mile could be claimed for the first passenger and 2p per mile for the second and subsequent passengers carried to whom a travelling allowance would otherwise be payable. It was proposed to continue with this allowance. In addition the possibility of introducing eco friendly pool cars and salary sacrifice arrangements in respect of bus fares were also being investigated.

Members requested information relating to the procedure adopted for checking officer and member travel and subsistence claims.

RESOLVED that the following proposals be approved for the purpose of Trade Union and Member consultation :-

1. The proposed removal of the essential car user allowance be approved and a single mileage rate be paid to all car users irrespective of the engine size of their vehicle based on the lowest nationally negotiated rate for casual car users.
2. The proposed new rates in respect of Bicycle and Motorcycle allowances, be approved.
3. The proposed transitional arrangements in respect of the changes to Workplace Travel and Travel Allowances, be approved.
4. The current scheme of subsistence allowances be amended as follows:-
 - . Lunch and Tea allowances cease to be paid
 - . Breakfast will only be paid when the journey has commenced before 6.00am
 - . Employees travelling by train will be reimbursed the standard second class or lowest cost option fare available onlyThese changes be implemented with effect from 1.4.2010
5. The current entitlement for staff to be provided with free car parking permits be removed with effect from 1st April 2010 .
6. Delegated authority be given to the Corporate Director of Resources, in consultation with the Cabinet Member for Management and Finance and the Director of Law and Democracy, to make amendments to :-

- a. the proposed phasing in arrangements in respect of travelling allowances and
- b. the charges to car parking permits following consultation with the Trade Unions.
- c. Finalise the details of a pool car scheme.

RECOMMENDED to Council that it note the above proposals and that, following consultation, proposals relating to elected members travel and subsistence allowances would be presented to Council for consideration.

3. Reasons for the Decision

Under the Single Status Agreement although a number of changes were agreed to terms and conditions of employment the issue of travelling allowances and expenses was deferred due to the complexity of the issue and the need to introduce single status without delay. However, the current system of reimbursement is both costly and due to the difficulty of interpreting national conditions of service, had not always been applied consistently across the council. There was therefore a need to change and to introduce a scheme which was transparent, equitable, sustainable and reduces costs. In addition, the Corporate Travel Plan introduced a target to reduce car mileage by 5% by April 2011. The proposed changes were intended to assist the Council in reaching its target.

The changes would provide a significant financial saving, simplify the current administrative arrangements and ensure that all allowances are paid in an equitable and consistent manner.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

All Cabinet members present declared Personal, Non-Prejudicial Interests in respect of this item as a result of each being entitled to Travel and Subsistence Allowances, as provided by the Council's scheme, and which were the subject of current consultation.

6. Details of any Dispensations

Not applicable

7. Date and Time by which Call In must be executed

By Midnight, Friday, 13th November 2009 in respect of resolutions 1 – 6.

Proper Officer
11 November 2009