

General Purposes Committee on 2 March 2006

Report title: **Review of Car allowances criteria and Car Park allocation arrangements**

Report of: **Head of Personnel**

1. Purpose: To review criteria for allocating car allowances and council allocated car parking spaces.

2. Recommendations

- 2.1 Approve new criteria for determining when posts attract car allowances as outlined in appendix A.
- 2.2 Agree that existing staff with a car allowance will retain this entitlement for as long as their current job remains the same or until the individual leaves the post.
- 2.3 Agree to cease the arrangement whereby staff can consolidate mileage payments after six months of claims with effect from 1 April 2006.
- 2.4 Approve new criteria for determining the allocation of car parking spaces within the borough.
- 2.5 Agree that those existing staff with car park spaces who do not satisfy car park allocation criteria 1 – 4 be given 6 months notice from 1 July 2006 of their car park arrangement ending.

Report authorised by:

Contact officer: **Stuart Young, Head of Personnel**
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3. Access to information:

Local Government (Access to Information) Act 1985

No documents that require to be listed were used in the preparation of this report.

4 Background

- 4.1 The Council has supported the development of a staff travel plan since 1997 in support of the council's green travel plan. The plan seeks to
- encourage cycling – by giving an annual allowance of a maximum of £250 for cyclists using cycles in the course of work, and providing cycle parking/ storage at the main Council offices.
 - encourage the use of public transport
 - reduce car use – through establishment of a car sharing scheme, and reviewing the need for posts to have car allowances.
 - change travel habits – through a system of allocating car parking spaces within Council car parks to priority staff and introducing a parking charge for the remaining spaces
- 4.2 Implementation of the council's green travel plan is an ongoing work programme. Whilst many of the above initiatives have been implemented a review of car allowances and car parking arrangements is overdue, which is the purpose of this report. However, it is important to note that future green travel arrangements will include consideration of pool car arrangements with vehicles using alternative fuel sources to petrol, and a taxi cab policy to encourage employees to share cabs when visiting other sites. These initiatives will be worked on by the Head of Personnel and Director of Environment.
- 4.3 In terms of car allowance criteria these were last reviewed on 8 July 1993 by Human Resources Committee.
- 4.4 In addition to the initiatives outlined within the Staff Travel plan the council's accommodation strategy outlines that car parking for staff within the Wood Green campus area will be at a premium very soon. Once the Civic Centre car park is lost (likely during 2007) there will be 100 less car park spaces and insufficient space for office staff with existing car parking spaces in the Wood Green Campus area.
- 4.5 Additional car parking within Bury Road car park and Clarendon Rd./ Western Rd. has been acquired but without a review of the current car parking arrangements and the criteria by which staff get a car parking space there will be problems in accommodating new staff moving into the Wood Green campus area.
- 4.6 Car parking charges are apportioned on a standard rate regardless of which car park is utilised and charged back to services according to the number of staff they have with a car park space.

5 Issues

- 5.1 Clearly staff car parking is a potentially emotive issue since many staff have enjoyed use of a car parking space for a number of years and proposals to change arrangements many have staff retention

implications. Therefore any criteria for reviewing car parking spaces will need to take into account transitional arrangements for existing staff as well as new staff coming into the area.

- 5.2 There are approx. 850 staff in with an Essential Car user allowance and the average payment is £830 (see attached appendix C for details). Many of these staff have been granted an essential car user allowance in lieu of a recruitment and retention payment and have been in receipt of an allowance for years. This has to be recognised and acknowledged. It would have a negative impact on the morale and possible retention of staff to cease these allowances and therefore any proposal to review the status of car user allowances needs to take account of this.

6 Proposals

- 6.1 Car allowance criteria – see table in appendix A with current criteria and proposed.
- 6.2 It is proposed that existing staff with a car allowance will retain this entitlement for as long as their current job remains the same or until the individual leaves the post. However, an offer of purchase of a London Transport Travel Card for zones 2 to 4 at an Annual cost of £736 (2006 rates) could be made as an alternative to the car allowance. If this option is taken up there would be a net saving per person of approx. £100.
- 6.3 Under the existing criteria it is possible to consolidate mileage payments into a regular monthly amount following six months of claims. This is potentially open to abuse and provides no benefit to the council in terms of administration processing. Therefore it is proposed to delete this option in the new criteria. For those staff currently in receipt of a consolidated mileage payment their arrangement will cease with effect from 1 April 2006 and they will have to submit monthly mileage claims in the normal way.
- 6.4 Car parking space allocation criteria – see table in appendix B for proposed criteria.
- 6.5 It is recommended that transitional arrangements be implemented to allow for period of adjustment for staff who currently enjoy a parking space and might lose it under the new car parking allocation criteria.
- 6.6 It is recommended that a review of existing car parking allocations be completed by the end of June 2006 by Head of Personnel and Head of Facilities Management to determine whether those staff that currently have a parking space would retain it under the new criteria.
- 6.7 It is proposed that those existing staff with car park spaces who do not satisfy car park allocation criteria 1 – 4 be given 6 months notice of their car park arrangement ending. This notice period may be extended to up

to 12 months by the Director in agreement with the Head of Personnel and Head of Facilities Management.

7. Legal comments

- 7.1 The allocation of car parking spaces to employees is a matter concerning the operation of a discretionary policy on the part of the Council as an employer. In considering the criteria for allocation an employer should take into account its duty to consider reasonable adjustments to working arrangements which detrimentally affect any employee with a disability as defined by the Disability Discrimination Act 1995.
- 7.2 The receipt of a car allowance by an employee constitutes a term of that employee's contract of employment and therefore can only be subject to variation by lawful means such as through agreement to that variation. The agreement of a new contract of employment when an employee changes their job within the Council is also capable of varying the entitlement to a car allowance. Thus the proposal to allow employees to retain their current entitlement on a personal basis until they leave the Council's employment or change their jobs would allow for lawful variation of their contracts of employment.

8. Financial implications

- 8.1 The proposed new car allowance criteria will reduce the number of staff that qualify for payment of essential and casual user allowances. However proposed protection arrangements will mean it will take a number of years (approximately 8 years given turnover rates) for those staff currently receiving essential user payments to leave.
- 8.2 The new criteria are more stringent and it is estimated that of the current 850 staff in receipt of an essential user allowance only approx 120 will qualify. This means there could be potential savings of £600k per annum in the future (following protection arrangements) on the essential lump sum payments.
- 8.3 There are no payroll admin implications by ceasing the arrangement for consolidated mileage allowances because under SAP these consolidated amounts have to be entered each month as a adjustment in any event.

9. Equal opportunities implications

- 9.1 Equalities issues for staff with disabilities have been taken account of within the criteria for allocating car park spaces to staff.

Appendix A

Car Allowances

Ordinary font – existing criteria retained

Italics – deleted criteria

Bold font – new criteria

Current – since 1993	Proposed
<p>Essential Car Users</p> <ol style="list-style-type: none"> 1. Employee cannot physically carry out the duties of the job without a car. 2. Nationally agreed allowances paid up to maximum engine size level of 1000 – 1199cc 3. <i>After six months claims, the mileage may be consolidated.</i> 4. <i>Where bulky equipment needs to be regularly transported by the employee and other transport is not available the Director may approve a higher rate of allowance than 1000 – 1199cc.</i> 	<p>Essential Car Users</p> <ol style="list-style-type: none"> 1. Employee cannot physically carry out the duties of the job without a car. AND 2. Minimum of 2000 miles anticipated travel per annum (approx 50 miles per week) OR in excess of 10 visits per week by car to locations away from normal places of work. <p>Nationally agreed allowances paid at maximum level of 1000 – 1199cc</p> <p>These criteria to be applied to new staff only. Existing staff will retain their allowances until such time as their current job ceases or they leave their job OR as an alternative they take up the offer of a Travel Card for zone 2-4. However, arrangements for consolidated mileage payments will cease immediately and those staff will have to resume making monthly mileage claims.</p>
<p>Casual Car Users</p> <ol style="list-style-type: none"> 1. <i>Employees whose duties are such that it is desirable for them to have a car available for their duties.</i> 2. Nationally agreed allowances paid up to maximum engine size level of 1000 – 1199cc. 3. <i>After six months claims, the mileage may be consolidated.</i> 4. Director will review casual car user allowance allocation annually. 	<p>Casual Car Users</p> <ol style="list-style-type: none"> 1. Employee cannot physically carry out the duties of the job without a car. AND 2. Anticipated travel per annum is less than 2000 miles per annum (approx 50 miles per week) OR less than excess of 10 visits per week by car to locations away from normal places of work. <p>Nationally agreed allowances paid up to maximum engine size level of 1000 – 1199cc.</p> <p>The Director may review casual car user allowance allocation annually.</p> <p>These criteria to be applied to new staff only. Existing staff will retain their allowances until such time as they leave their job OR as an alternative they take up the offer of a Travel Card for zone 2-4.</p>

Car Parking Allocation Criteria

The following criteria must be followed sequentially when allocating spaces. So those meeting criteria 1 should be allocated spaces first, followed by those meeting criteria 2, and so on. Application of the criteria will be by the Head of Personnel with Head of Facilities Management (in consultation with Chief Executive).

Car Park Space priority allocation list

1	Staff with disabilities – ‘Blue Badge’ holders that have to use a car to get to work.
2	Council vehicles
3	Employees required to work long and onerous hours til late at night to fulfil their job requirements and Council Members. Note – It is anticipated spaces that are allocated to these groups will be mostly at times at the end of the working day when pressure on car parking is not as intense and more spaces are available.
4	Essential Car Users
5	Special considerations - Employees requiring temporary car parking arrangements for safety reasons, or to enable them to fulfil job duties for a temporary period, or for medical reasons. Applications must be supported by Service Manager in consultation with Head of Property and Head of Personnel. Appropriate reports must also be attached e.g. health and safety report, GP letter for medical reasons. Application must also state how long parking will be required.
6	Car sharers
7	Casual Car Users
8	Electric or other zero emission vehicles

A review of existing staff with car park spaces will be conducted by the end of June 2006. Those staff who do not satisfy car park allocation criteria 1 – 4 will be given 6 months notice of their car park arrangement ending. This notice period may be extended to up to 12 months by the Director in agreement with the Head of Personnel and Head of Facilities Management.

Appendix C

Car Allowance payments during Financial Year 2005/06

Directorates	No. Users Lump sum	Total Lump sum full year	Ave Lump sum payment	No. Essential User mileage claims	Total Ess Mileage Full year payments	Ave Ess Mileage payment	Estimate of those claiming more than 2000 miles per year	No Casual users	Total Cas mileage full year payments	Ave Casual User mileage payment
Access	13	£11,152	£858	6	£767	£128	0	8	£2,100	£262
Children's Service Directorate	209	£167,163	£800	119	£47,444	£399	15	87	£25,173	£289
Environmental Services Directorate	150	£130,099	£867	106	£71,308	£673	51	36	£11,362	£316
Finance Services Directorate	48	£39,956	£832	32	£15,516	£485	10	13	£1,739	£134
Housing Services Directorate	220	£191,724	£871	102	£39,966	£392	23	30	£16,973	£566
Legal Services	1	£339	£339	0	£0	£0	0	0	£0	£0
Organisational Development	24	£18,021	£751	12	£5,657	£471	2	10	£840	£84
Social Services Directorate	163	£130,105	£798	97	£31,784	£328	15	79	£28,711	£363
Strategy	24	£18,703	£779	9	£1,364	£152	0	8	£898	£112
Grand Total	853	£708,038	£830	483	£213,807	£443	116	272	£87,846	£323