

Decision Ref No:

EX.208/09

Subject Matter:

LEASE CARS

The Chairman of the Resources Overview and Scrutiny Panel presented the final report of the Lease Cars Task and Finish Group (OS.19/09) following its investigation into the Council's Lease Car Scheme. The matter had been considered by the Resources Overview and Scrutiny Panel on 25 August 2009 and a copy of the Minute Excerpt (ROSP.25/09) and recommendations had been circulated.

The Chairman explained that the cross party Task and Finish Group had devoted five months to researching the report, the recommendations of which were summarised on page six thereof. The Employment Panel was to meet to consider the recommendations as part of the transformation initiative, including the car scheme for the Chief Executive and Directors.

He informed the meeting that the report recommended the progressive winding down of the Lease Car Scheme for approximately thirty nine Principal Officers, but with protection for those who currently had the advantage of a lease car. The Group also recommended that, in keeping with their brief to reduce CO2 emissions, that lease cars were restricted to Band C. Certain Principal Officers opted for the Essential Car User Allowance using their own car instead of a lease car. For that reason, the Task Group had included that significantly larger (ECUA) group in their review. The recommendation here was that only those who met the mileage criteria for business use should receive the Essential Car User Allowance.

The Chairman further reported that Managers were recommended to examine the Pool Car and Hire Car options, especially for longer distances as a cheaper alternative. Again that should have regard to the emission levels of those vehicles.

Although the Task Group had gone beyond its original remit, that was justified in their view as it emerged during their research that -

a) The internal Audit of 2006 recommended that the Lease Car Scheme for senior staff should be considered as part of the Pay and Workforce Strategy Review. That was not taken up. Instead it was recommended that it be looked into as part of a Green Travel Plan at some indeterminate time in the future.

b) The Lease Car Scheme was not equitable across the authority, not even to those who were eligible to be part of the scheme. A qualifying officer could be denied a car on the grounds that the department's budget could not afford it. Despite the budget pressures highlighted in the Council's Medium Term Financial Plan and the projected run down of its reserves to virtually nothing, the Council continued to allocate lease cars under the present arrangement.

c) The authority was engaged in a transformation and shared working agenda whose whole thrust was to reduce its costs. The recommendations of the report could generate savings of between £60,000 - £120,000 per annum depending upon how one looked at it. That was not a large amount in a £60m budget but, to put it into perspective, it equated to 1-2% of Council Tax or the £106,000 loss the Council made last year on parking enforcement and which greatly exercised all Members in trying to eliminate it.

d) Of the six District Councils in Cumbria, Carlisle was the only one to have retained a

Lease Car Scheme. It was said that it was a vital tool in the recruitment and retention of staff. The Task and Finish Group could find no evidence to support that hypothesis or mention of a car in the authority's job adverts in recent years. At a time when local authorities were shedding staff, including Carlisle, this and the concept of 'golden handcuffs' could hardly be a credible argument for retaining the scheme.

e) The Shared Services agenda had become an imperative for all local authorities. If the Council was to be the only authority in Cumbria with a lease car arrangement, how could it harmonise terms and conditions with partner authorities when, quite simply, Carlisle was the odd one out?

The Chairman added that, in his personal opinion, the review presented management with an opportunity to set an example to the team.

Decision:

That the decision of the Executive in response to the recommendations of the Lease Cars Task and Finish Group be conveyed to the Resources Overview and Scrutiny Panel as follows:

1. That the Chief Executive/Chief Officer scheme (to include Assistant Director and above) be referred to the Employment Panel for consideration.
2. That the Executive would undertake further investigation and report back to a future meeting on the following:
 - (a) the effectiveness (or otherwise) of the Principal Officer Lease Car Scheme as an effective recruitment and retention tool;
 - (b) whether the use of one lease car company would produce a saving to the authority;
 - (c) the carbon limit to be placed on lease cars; and
 - (d) the criteria for use of hire cars within the authority.
3. That the Executive would review the Essential Car User Allowance (ECUA) and criteria for eligibility to the scheme and, following that review, a study would be undertaken to determine whether the authority should increase its fleet of pool cars.

Key or Non-Key Decision:

Non-Key

Key Decision Ref:

Not applicable

Portfolio:

Performance and Development

Who made decision:

Executive

Date:

02-Oct-09

Reports and Background Papers considered:

None

Reasons for Decision:

To respond to the recommendations of the Lease Cars Task and Finish Group and the Resources Overview and Scrutiny Panel

Summary of Options rejected:

Interests declared

Date published

Urgent decision not subject to call in

Consent of Chairman/ Deputy Chairman of Council to Urgency:

Deadline for call-in:

Implementation date if not called-in:

Relevant Overview and Scrutiny Panel: Resources Overview and Scrutiny Panel

Call-in notified to and date notified:

Approved for implementation on:
