



# **RESOURCES OVERVIEW & SCRUTINY PANEL**

## ***Panel Report***

### **Public**

**Date of Meeting:** 25 August 2009

**Title:** Lease Cars

**Report of:** Lease Cars Task & Finish Group

**Report reference:** OS16/09

### **Summary:**

The final report of the Lease Cars task and finish group on the Council's Lease Car Scheme is attached. The report makes a number of recommendations for action for the Executive.

The task group's review went beyond the remits of the Lease Car Scheme due to links between this and the Essential Car User Allowance and also the use of Pool and Hire Cars and the report contains six recommendations to the Executive which address the issues which arose with the review.

### **Questions for / input required from Scrutiny:**

### **Recommendations:**

Members are asked to

- approve the report and recommend it to the Executive, requesting a formal response;

**Contact Officer:** Nicola Edwards

**Ext:** 7122

Resources  
Overview and  
Scrutiny Panel

# Lease Car Scheme

# Contents

---

Executive Summary .....	3
Recommendations .....	6
Introduction .....	7
Background to the Scrutiny .....	8
Methodology .....	10
Findings .....	11
1. Features of Lease Car Scheme .....	11
2. Cost of the Lease Car Scheme .....	12
3. Purpose of the Scheme .....	16
4. Comparison with Other Local Authorities .....	18
5. Green Travel Plan and Environmental Considerations .....	19
6. Pool Cars & Hire Cars .....	21
7. Equality Issues .....	22
Conclusions .....	23

## Appendices

1. NWE0 Benchmarking - Lease Car Scheme
2. Green Fleet Review March 2007
3. Essential User Mileage Claims 2007/08 & 2008/09
4. Croyden Council Benefit Scheme

# Executive Summary

A small group of Members from the Corporate Resources Overview and Scrutiny Committee were commissioned to undertake a Scrutiny Review on the Authority's Lease Car Scheme. The review was undertaken following Members disquiet that the Lease Car Scheme had not been fully reviewed under the Pay and Workforce Strategy and the suggested review under the Green Travel Plan was not envisaged to be undertaken in the near future.

The Review itself naturally went beyond the remits of the Lease Car Scheme due to links between this and the Essential Car User Allowance and also the use of Pool and Hire Cars.

In summary the features of the various different schemes for business mileage usage are set out below:

Scheme	Features of Scheme	Eligibility	Average Cost per Mile
Chief Executive/Chief Officer Lease Car Scheme	Council provide 9.09% of maximum core salary Option of taking salary equivalent Mileage paid (dependent on size of vehicle 8.19p – 9.33p in 2007/08)	All Chief Officers and those Heads of Service whose remuneration is linked to Chief Officer pay scales	£2.14 (2007/08)
Principal Officer Lease Car Scheme	Council contribute 66.67% of lease costs or 66.67% of the leasing cost of the benchmark car whichever is lesser amount and "standard" contribution towards insurance costs (currently £260) Mileage rate paid as detailed above in Chief Officer Scheme	All Principal Officers whose posts are adequately funded	
Essential User Car Allowance	Lump sum per annum (dependent on size of vehicle) paid to employee plus a rate per mile (again dependent on size of vehicle 2007/08 rates - 32p-43.3p per mile)	Attached to posts with duties that are such that it is essential to have a car at the post holder's disposal whenever required and without which they would be unable to work effectively	£1.03 - £1.09 (2007/08)
Casual User Car Allowance	Mileage rate paid (dependent on size of vehicle 40.5p-55.8p in 2007/08)	All other employees	Not reviewed – rates are Nationally agreed
Training Mileage	18p per mile for all mile up to 200 per trip and 9p per mile for those in excess of this.		
Pool Cars	7 pool cars available (5 for Departmental user and 2 for General Use)	All employees – booking system in use	40p – 60p (2008/09)
Hire Vehicles	Used on ad hoc basis primarily for out of County travel and larger vehicles for	All employees	52p (2008/09)

	moving furniture and deliveries etc. Policy states hire cars to be used for journeys of 90 miles or more.		
--	---	--	--

This report sets out the full findings of the Task Groups review and shows that the Group conclude that the Lease Car Scheme as it stands is not cost effective or equitable. The Task Group further conclude that reasons that the Scheme was introduced (i.e. as a recruitment and retention tool) are no longer a strong argument to continue with the scheme in its present form as no conclusive evidence was produced. Evidence shows that many Local Authorities do not have a lease car scheme or are in the process of winding it up and in Cumbria only one other District Council – Barrow BC – has a scheme, albeit currently under review. The Task Group have considered a number of options for the future of the scheme which are included in the report.

The Task Group were extremely mindful of the current issues which are effecting employees, i.e Job Evaluation and Transformation, and on that basis the Group are recommending that current employees who have a Lease Car are offered protection, however there should be no new entrants to the scheme.

The number of lease cars the Authority provides has reduced from 55 to 39 since 2008 and more recent figures provided in July 2009 shows that the rate has further reduced to 32. The Task Group expect this number to reduce even further over the next few years.

Task Group Members noted that currently lease cars are procured on an ad hoc basis from various suppliers and recommend that this practice is reviewed to establish whether this could be undertaken more economically.

The report also details the current business mileage use under the Essential Car User Allowance and concludes that the eligibility criteria currently used is not being effectively implemented as many users do relatively small amounts of mileage over the year and the use of pool cars, hire cars and public transport would be a better use of public money.

The Task Group were pleased that the Green Travel Plan is starting to have an impact on reducing the amount of business mileage across the Authority and also encouraging Officers with a Lease Car to choose cars with a lower CO2 emission. The Task Group would like to see this implemented further and insist that future leases must be on cars that are Band C or below. A review of the Essential Car User Allowance will hopefully reduce the amount of business mileage and therefore reduce the carbon footprint of the Authority.

The recommendations of the Task Group are set out at Page 4 of this report and are the end result of an interesting and worthwhile review. It is hoped that the implementation of these recommendations will result in Car Allowance Schemes which are equitable, fair and based on strong criteria. Regardless of whether an Officer has a lease car or not Task Group Members agreed that Officers undertaking a significant amount of mileage should be remunerated accordingly, regardless of their job title or salary and those who use their vehicle on an infrequent ad hoc basis should not be paid under the Essential User Car Allowance Scheme. The report may also bring questions to the fore as to the amount of business mileage the

Authority undertakes and how this could be creatively reduced with different ways of working, for example car sharing and video conferencing.

Task Group Members would like to thank all of the Officers that have made a contribution to the review particularly those behind the scenes in Finance and Facilities who have tirelessly provided Members with much of the statistical data contained in this report.

# Recommendations

---

The Task Group make the following recommendations:

1. That the Chief Executive/Chief Officer scheme (to include Assistant Director and above) is addressed by the Employment Panel in considering Transformation.
2. As there is no conclusive evidence that the Principal Officer Lease Car Scheme is an effective recruitment and retention tool, the Task Group recommend that the Scheme for Principal Officers is progressively wound down. No new entrants should be admitted to the Scheme and all current staff that have a Lease Car should be protected until such time they leave the Authority or opt out from the Scheme.
3. That if the scheme is to continue then:
  - a. an evaluation is undertaken by Procurement to determine whether using one lease car company would produce a saving to the Authority, and if so this should be implemented even if this narrows the choice of vehicles for officers.
  - b. the recommendation under the Green Travel Plan that 'recommended that a carbon limit of Band D (151-165 g/km) be placed on lease cars' be amended to a limit of Band C (121-150 g/km) or below.
4. That a review of the Essential Car User Allowance (ECUA) is undertaken by March 2010 and clear criteria for eligibility to the scheme be specified. This clear criteria should then also be applied to all Officers including those who are currently paid on a Casual User Car Allowance (regardless of salary scale) to determine if an ECUA would be more appropriate.
5. Following the review of ECUA a study should be undertaken to determine whether the authority should increase its fleet of pool cars.
6. That the criteria for the use of Hire Cars of a journey of 90 miles or more is reviewed and lowered should this be more economically viable and environmentally friendly for the Authority.

# Introduction

---

Carlisle City Council currently operates a Lease Car Scheme for its employees. Along with many other Local Authorities, the scheme was introduced in the 1980s as a recruitment and retention tool to attract people to posts. On the introduction of the scheme any Officer above SCP 33 (Principal Officer) had the option of having a lease car. A review of the scheme in 1993 changed the criteria of eligibility for a lease car to “*All Principal Officers, whose posts are adequately funded*”. The Authority also has a scheme for the Chief Executive and Chief Officers.

A Task and Finish Group of Members commissioned by the Resources Overview and Scrutiny Panel looked at the Authority’s scheme in detail and this report sets out the findings of the Group and makes a number of recommendations to the Executive of the Council.

## *Glossary of Acronyms used throughout Report*

ROSP	Resources Overview and Scrutiny Panel
ECUA	Essential Car User Allowance
EIA	Equalities Impact Assessment
PO	Principal Officer
PWS	Pay and Workforce Strategy
SCP	Spinal Column Point (Salary)
SMT	Senior Management Team



# Background to the Scrutiny

---

Corporate Resources Scrutiny Committee (CROS) has been receiving regular updates on the Pay and Workforce Strategy (PWS) which began in 2005. Members have shown an interest in the Council's Lease Car Scheme throughout the PWS programme and were informed at the meeting of CROS in October that the issue was to be reviewed under the Green Travel Plan.

The following detail the extract from recent Committee meetings where Members have queried the Lease Car Scheme.

## **CROS 4/9/08 – Extract from minutes**

*[A Member] noted that lease cars were not included in the list of aspects included in the term 'pay' (section 3.6).*

*Dr Gooding advised that the Car Lease Scheme would be reviewed.*

*A Member felt that there may potentially be a conflict of interest if SMT were considering the Car Lease Scheme.*

## **CROS 16/10/08 – Extract from minutes**

*Members had, at the last meeting, asked to be appraised of the outcome of the review of the Car Leasing Scheme as that developed.*

*Dr Gooding explained that a sub-group of SMT had considered the matter, the judgement being that this was not the time to change the Car Leasing Scheme. The matter would, however, be reviewed as part of ongoing work on the Green Travel Plan.*

## **CROS 8/1/09 – Extract from minutes**

*A Member reiterated a previous request for the Committee to consider the issue of leased cars. In response Dr Gooding advised that the matter was being dealt with as part of the Green Travel Plan. The Head of Facilities added that the Green Travel Plan was progressing but, due to other pressures, the leased cars issue had been left in abeyance and would be picked up later.*

*The Scrutiny Officer suggested that the Committee may wish to establish a small Task and Finish Group to undertake that work.*

*The Director of Corporate Services informed Members that the issue would be impacted upon by the joint management arrangements with Allerdale Borough Council should those proceed.*

*The Head of Personnel and Development Services asked Members to consider the timing of such work, since currently Officers in his Directorate and Finance would have difficulty in providing support to the Task and Finish Group because of conflicting priorities.*

*Members then agreed that the Chairman of this Committee should liaise with the Finance and Performance Management Portfolio Holder in order that work was not duplicated.*

*RESOLVED –...*

*(2) That the Chairman would liaise with the Finance and Performance Management Portfolio Holder regarding leased car arrangements and, should it be deemed appropriate, a Task and Finish Group of the Committee be organised to undertake a review of the issue.*

The issue of Lease Cars was therefore discussed at the six-monthly meeting between the Chair of the Committee and the Portfolio Holder (who is also Chair of the Employment Panel) on 10<sup>th</sup>

February 2009. It was agreed at this meeting that the Scrutiny Committee would not be duplicating any ongoing work and therefore it was decided that at the next meeting on CROS on 11<sup>th</sup> February 2009 that a Task and Finish Group be established to undertake the review.

Councillors Allison, N Clarke and Glover were appointed to make up the Task Group and subsequently Councillor Allison was selected to Chair the Group.

Members of the Task and Finish Group Panel determined that the objective of this exercise would be to review the Authority's Lease Car Scheme and to evaluate the cost effectiveness and appropriate use of the scheme.

The Terms of Reference for the group were agreed as:

- To gain an overview of the current Lease Car Scheme and Car User Allowances including the criteria used.
- To examine a detailed picture of users, car types, environmental impact and cost to the Authority
- To clarify the status of the timetable of any ongoing review within the Authority's Green Travel Plan.

During the course of the review the Task and Finish Group heard evidence of the Essential Car User Allowance and decided to consider this issue within this report.

# Methodology

---

In order to develop the evidence base for the review Task and Finish Group Members considered a wide range of information and data including the following:

- Internal Audit Services – Review of Car Leasing and other Business Travel Allowances, May 2006
- SMT Report – Car Allowances/Lease Schemes, September 2008
- Carlisle City Council Car Leasing Scheme Conditions for Chief Officers
- Carlisle City Council Car Leasing Scheme Conditions for Principal Officers
- Detailed information of the Lease Cars held by Carlisle City Council and the associated business mileage
- Detailed information of the Pool Car costs and usage
- Information was received from all six other Cumbrian Local Authorities on their current position regarding Lease Car Schemes for employees
- Benchmarking information on lease cars in other Local Authorities was provided by North West Employers Organisation
- Workforce Development Plan 2006-10 (April 2007)
- Comments of SMT on the Leased Car Scheme Draft Report (24<sup>th</sup> June 2009)

Task Group Members also took oral evidence from the following individuals:

- Malcolm Mark, Development & Support Manager, Carlisle City Council (1/4/09)
- Nicola Mitchell, Pay and Reward Manager, Carlisle City Council (1/4/09)
- Gordon Nicholson, Head of Facilities, Carlisle City Council (1/4/09)
- Rachel Osborne, Environmental Manager, Carlisle City Council (1/4/09)
- David Williams, Head of Personnel Services, Carlisle City Council (1/04/09)
- Maggie Mooney, Chief Executive (13/5/09)
- Ged Caig, GMB (20/5/09)
- Ian Smith, Unison (20/5/09)
- John Egan, Director - Legal and Democratic Services (21/5/09)

Meetings of the Task Group were held on:

<b>Date</b>	<b>Purpose</b>
10 <sup>th</sup> March 2009	Determining Terms of Reference and scoping questions
1 <sup>st</sup> April 2009	Evidence Session
13 <sup>th</sup> May 2009	Evidence Session
20 <sup>th</sup> May 2009	Evidence Session
21 <sup>st</sup> May 2009	Drafting Report
22 <sup>nd</sup> June 2009	Sharing findings with Chief Executive
25 <sup>th</sup> June 2009	Consideration of SMT response to Draft Report
20 <sup>th</sup> July 2009	Determining options for recommendations
4 <sup>th</sup> August 2009	Evidence Session to obtain implications of options
10 <sup>th</sup> August 2009	Finalising report
25 <sup>th</sup> August 2009	Report to Parent Panel

# Findings

---

During the course of this Scrutiny Review, Members of the Task and Finish Group were provided with a great deal of data and information, both from witness sessions and documentary evidence. For ease of reading the findings section is separated into the following headings:

- Features of Lease Car Scheme
- Cost of the Lease Car Scheme
- Purpose of the Scheme
- Comparison with Other Local Authorities
- Green Travel Plan and Environmental Considerations
- Pool Cars and Hire Cars
- Equality Issues

## 1. Features of Lease Car Scheme

Carlisle City Council operates three lease car schemes; the *Chief Executive Scheme*, the *Chief Officer Scheme* and the *Principal Officer Scheme*. Key features of the schemes, as detailed in the Audit Report, are as follows:

### **Chief Executive/Chief Officer Scheme**

- All Chief Officers and those Heads of Service whose remuneration is linked to Chief Officer pay scales are eligible under this scheme.
- Council provide up to 9.09% of the maximum core salary
- No upper limit on the size of vehicle that may be leased, although the officer must meet any lease and insurance costs in excess of 9.09% maximum core salary.
- The Chief Executive Car Lease Scheme works on similar principles.
- Option of taking a salary equivalent.

### **Principal Officer Scheme**

- All Principal Officers, whose posts are adequately funded, are eligible under this scheme.
- Council contribute 66.67% of the lease costs of the vehicle or 66.67% of the leasing cost of the benchmark car (currently a Ford Focus 1.8TDCi LX base colour), whichever is the lesser amount and a "standard" contribution towards insurance costs. (Currently £260 per annum).
- No upper limit to the size of the vehicle that may be leased although the officer must meet any lease costs in excess of 66.67% of benchmark car.

In both schemes the lease covers rental of the vehicle, full maintenance costs, AA or RAC membership and road fund tax. The Council also meets the administrative costs incurred by the car leasing scheme and reimburses officers for business mileage accrued.

Vehicles are leased by the Council from a leasing company for a lease period – 3 or 4 year for CE/CE Scheme and 4 year for PO Scheme - and should the agreement be terminated before the end of this period then premature termination charges are payable.

The Council will pay all premature termination charges as a result of the death or compulsory redundancy of the Officer. The Officer will pay all premature termination charges as a result of any breach of the Hire Agreement or Car Leasing Scheme Conditions (by the Officer), or the voluntary retirement or voluntary termination of services (including voluntary redundancy and voluntary early release) or, voluntary termination of the Hire Agreement by the Officer or, the Officer becoming disqualified or for any reason ceasing to hold a valid driving licence.

All Lease Car Schemes have the following condition included:

*“The Council also reserves the right to terminate the car leasing scheme in the event of any significant legislative changes or for any other reason which would, in the opinion of the Council, make the continuance of the scheme detrimental to the Council’s interests. In the event of this happening the Council will be entitled to terminate the Hire Agreement by giving six months’ written notice to the Officer, in which case any termination charges will be borne by the Council.”*

Members were informed that three officers had opted to take a salary equivalent (applicable under the Chief Executive/Chief Officer Scheme) and some officers eligible for a lease car under the Principle Officer Scheme have taken the Essential User option rather than the lease car scheme. Members were informed that these figures are not recorded and therefore Members do not know the total number of officers who currently take up this option. However the Internal Audit Report dated May 2006 states that at that time and on information made available, 63 PO’s had entitlement to a lease car, 30 of which had the option of a lease car or ECUA. 11 of these opted for the lease car and 19 opted ECUA.

## **2. Cost of the Lease Car Scheme**

At the time of receiving the data relating to lease cars (March 2009) the Authority held leases on 39 vehicles for officers. As the leases are taken out on an ad hoc basis this figure is a moment in time and for clarity the Task Group has used the last full year figures to summarise the costs of the scheme (April 2007-March 2008).

Members were provided with information which showed that during 2007-08 the Authority had 39 leased cars with a net cost to the Council of £121,435 and will use this information throughout this report.

This cost is broken down and detailed in Table 1 – Cost of Lease Car Scheme and Officer Contributions April 2007 – March 2008.

	Total Cost	Officer Contribution	Total Cost to Authority
<b>Car Lease Hire</b>	146,434.02	52,928.32	93,505.70
<b>Insurance</b>	14,389.12	3,344.33	11,044.79
<b>Tax Paid Over</b>	13,207.22		13,207.22
<b>Excess Mileage</b>	5,045.19	1,367.67	3,677.52
<b>Total</b>	<b>179,075.55</b>	<b>57,640.32</b>	<b>121,435.23</b>

Table 1 – Cost of Lease Car Scheme and Officer Contributions April 2007 – March 2008

In 2007/08 mileage rates for Lease Cars were as follows

CC of vehicle

451cc-999cc 8.10p per mile

1000-1199cc 8.36p per mile

Over 1200cc 9.33p per mile

(National Employers' Organisation approved rates)

All lease cars during this period had a cc in excess of 1200cc and therefore would receive an allowance of 9.33p per mile for business travel.

Figures received from Personnel Services show that during the year 2007/08 a total of 56,701 business miles were accrued by lease car users. The Task Group found a wide range in the mileage claimed, i.e. of the 39 lease cars holders 19 Officers claimed less than 1,000 miles during the period, 3 of which claimed less than 100 miles. 13 Officers claimed more than 2,000 business miles with 3 claiming over 3,000 miles.

A full breakdown is show in the chart below.

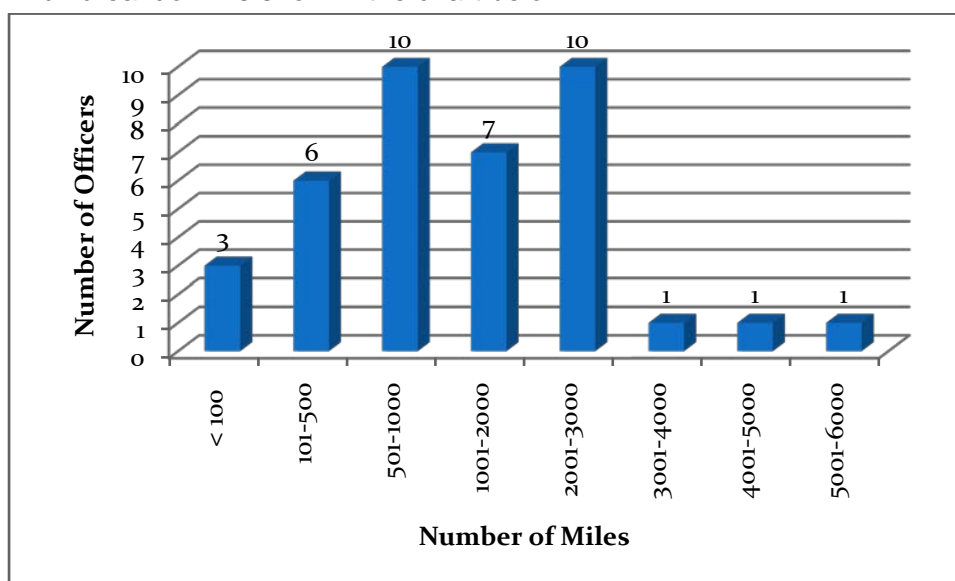


Figure 1 - Business Mileage claimed for the year (Lease Car owners) 2007/08

To take a simplistic approach (i.e. dividing total cost by total mileage), on average the cost to the Authority was **£2.14** per mile for the lease car scheme in 2007/08. However, as noted above there is a great range in the amount of business mileage undertaken by officers in the scheme. The figures do not include any administration costs associated with the scheme.

The Authority also has three rates for other car allowances; Essential Car User Allowance Casual Car User Allowance and a training mileage rate. The following information on the allowances is taken direct from the report to SMT dated September 2008.

Essential User Allowance is attached to posts with duties that are such that it is essential to have a car at the post holder's disposal whenever required and without which they would be unable to work effectively. A monthly lump sum is paid towards the running costs of the car and a mileage rate for business travel. Users need to have a car available for work.

Members were informed during witness sessions that the Essential User option is rarely available to Officer below Grade 4 (SCP 18).

Casual Users are employees who use their car on an ad hoc basis for business purposes. No lump sum is paid but a higher mileage rate is paid for any business mileage incurred. The employee must insure their car for business use before it can be used for work. It should also be noted that Member's mileage is based on this scheme. Mileage claims are dealt with by Personnel and Development Services.

Training mileage rate is solely for people undertaking journeys for the purpose of training, which is paid at a rate of 18p per mile. If the mileage exceeds 200 miles, the rate drops down to 9p per mile. This rate has been part of the organisation development strategy approved by the Council to support employees studying under the Qualification Study policy and attending short training courses away from their normal work place.

The rates payable in 2007/08 are detailed in Table 2 - Car Allowance Rates 2007/08

	451 - 999cc	1000-1199cc	Over 1200cc
<b>Essential Users</b>			
Lump Sum per annum	£726 pa	£819 pa	£1,056 pa
Per mile first 8,500	32 p	34.6 p	43.4 p
Per mile after 8,500	12.1 p	12.1 p	14.4 p
<b>Casual Users</b>			
Per mile first 8,500	40.5 p	44.2 p	55.8 p
Per mile after 8,500	12.1 p	12.1 p	14.4 p
<b>Leased Car User</b>			
All Mileage	8.19 p	8.36 p	9.33 p
<b>Training Mileage</b>	18 p per mile for all miles up to 200 per trip and 9 p per mile for those in excess of this.		

**Table 2 - Car Allowance Rates 2007/08**

Members were informed during the witness sessions with Officers from Personnel that currently there are 104 staff who receive an Essential Car User Allowance (ECUA) and in the year April

2007 to March 2008 the total business mileage for Essential Users was 162,458 miles. Members requested further information and were given a breakdown of mileage per Officer. The total of this mileage for the year 2007-08 according to this information was 157,827. The total net cost to the authority for the Essential Car User Scheme was £167,906 giving an average cost per mile of between **£1.03 and £1.06** (using the different mileage data). Again, this is a simplistic approach which does not drill down the figures. Members of the Task and Finish Group were informed at witness sessions that 13 Officers who receive an Essential Car User Allowance did not claim any miles during the 2007/08 and 43 officers claimed over 2000 miles, again there seems to be some discrepancy with this information as data received afterwards shows that 34 Officers claimed over 2000 miles.

Based on the data information received from Personnel, 41 and 43 officers claimed less than 1000 miles during 2007/08 and 2008/09 respectively. 24 Officers claimed more than 2500 miles in 2007/08 falling to 21 in 2008/09 (many Authorities use this as a minimum mileage for eligibility for the ECUA). A full breakdown of this information can be found at Appendix 3.

Therefore similar to the lease car scheme the actual business mileage accrued varies significantly per officer and therefore cost per mile per user differs greatly. (For example a user claiming 500 miles for the year would cost £2.55 per mile compared to a user claiming 2500 miles which would cost £0.86 per mile). Again, these figures do not include any administration costs associated with the scheme.

The following calculations show how much it would have cost the Council in 2007/08 had all lease car holders received an ECUA:

39 (officers) x £1056 (lump sum)=	£41,184
56,701 (miles) x 43.4p (mileage rate for cars over 1200cc) =	<u>£24,608</u>
	<u><b>£65,792</b></u>
Cost of Lease Car Scheme 2007/08	£121,435
Difference	<u><b>£55,643</b></u>

Members were informed that in addition, the costs of administering the Lease Car Scheme along with central charges amounted to approximately **£11,000** per annum.

Task Group Members were informed by SMT that work undertaken by Finance several years ago indicated that it was cheaper to allow an essential user to have a lease car that to pay an ECUA and therefore a transfer to ECUA could prove to be a more expensive solution for the Authority. However, according to the Internal Audit Report (May 2006) a comparison of Travel Allowance Costs 2005/06 (based on vehicle band 1200cc and over) showed that the break even point (for mileage incurred within a financial year) between ECUA and Lease Car was 4325.

Further evidence was provided for Task Group Members to compare the costs of the Principal Officer Leased Car Scheme and Essential User Car Allowance. However it should be noted that in the period 2007/08 only 8 Officers undertook mileage in excess of 2500 miles 2 of which exceed 4325 miles (the maximum mileage being 5856). 48% of users undertook 1000 miles or less.



	1,000 business miles	2,500 business miles	4,325 business miles	8,500 business miles
<b>Essential User</b>	£1,792	£2,500	£3,362	£5,333
<b>PO Lease Car – Model 1</b>	£2,284	£2,419	£2,582	£2,984
<b>PO Lease Car – Model 2</b>	£3,004	£3,139	£3,302	£3,676

Model 1 - VW Golf hatchback Tsi S 1,400 cc Petrol 144 CO<sup>2</sup> 8,000 mile p.a. 4 years contract

Model 2 - BMW 318D SE Saloon 1,995 cc Diesel 123 CO<sup>2</sup> 12,000 mile p.a. 4 years contract

During the witness sessions Members did question the reason why so many lease firms had been contracted by the Council. It was confirmed that the organisations used for lease cars are reputable and local main dealers. When a lease car is required the Officer concerned will choose which car they want and the Transport Manager will contact approximately six dealers and request a quote for that particular car. Task Group Members were informed that this is a less efficient system than if only one dealer was being used and several cars were being tendered for which could save the authority of approximately 10-15%.

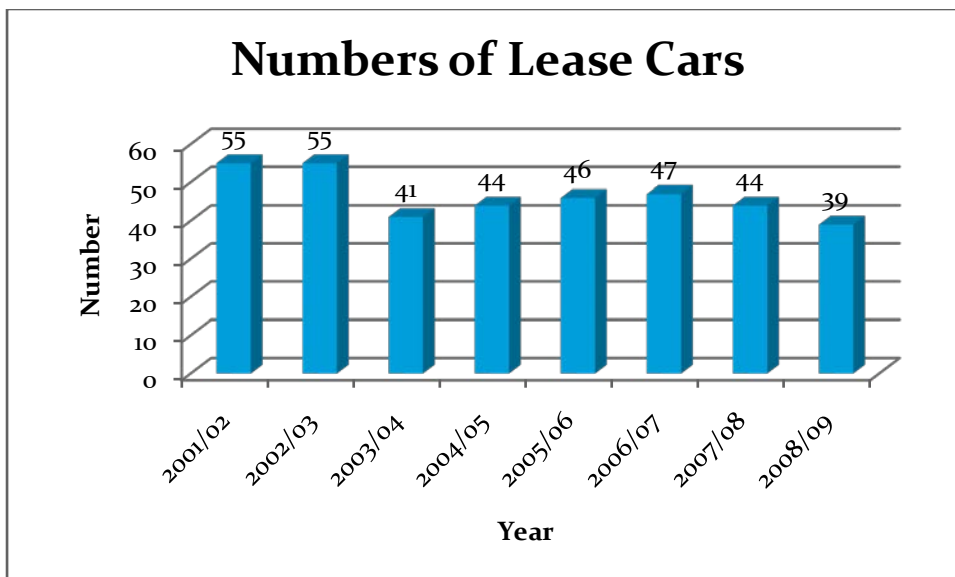
This brought the Task Group to consider the reasons for the Authority to have a lease car scheme

### 3. Purpose of the Scheme

During witness sessions, Task Group Members were informed that the Principal Officer Lease Car Scheme was introduced in 1988 as a recruitment and retention tool. The Internal Audit Report<sup>1</sup> refers to the difficulty at this time to recruit and retain senior/professional staff. All Principal Officers (i.e. those Officers on or above SCP 33) were entitled to participate in the scheme. The scheme was subsequently revised in 1993 and from that point on access to the scheme for new Principal Officers was restricted to posts whereby the Chief Officer was able to make financial provision for it. The current Principal Officer scheme conditions state that “*All Principal Officers, whose posts are adequately funded, will be eligible for the scheme*”.

Due to the change in Policy in 1993 the numbers of Officers with a lease car has reduced over the years. Unfortunately papers records were lost in the floods in January 2005, however the Inland Revenue has required figures from 2001/02 and therefore information from this date is still available and is presented below in *Figure 2 - Lease Cars held at end of financial year*. This shows that there has been a decrease from 55 leases at 31<sup>st</sup> March 2002 to 39 leases at 31<sup>st</sup> March 2009. However Members were informed that there are some Principal Officers who were in post pre 1993 who still retain a lease car without having had any review, due to the 1988 policy although the precise number is unclear.

1. <sup>1</sup> Internal Audit Services – Review of Car Leasing and other Business Travel Allowances, May 2006



**Figure 2 - Lease Cars held at end of financial year**

Task Group Members were informed that when a post becomes vacant the decision of whether a lease car should be offered rests with the Head of Service/Chief Officer. Members found no evidence to show how this decision is made or any set criteria for Managers make an informed decision. Indeed during the witness session with Officers from the Personnel Section the scheme was described as a “perk” and a “benefit in kind”. The Internal Audit report referred to above states that “*the current decision making process depends purely on funding available and the agreement of the Director*” and that “*the decision should be dependent on whether there is a perceived need for a leased car (business use, recruitment incentive etc.) and that funding is available*”.

In addition Task Group Members requested information on how the Scheme was used as a Recruitment and Retention Tool and evidence to show the effectiveness. Members were informed that since April 2007 only two out of 34 vacancies were offered the benefit of a lease car, one of which was for a Chief Officer post.

Task Group Members were informed that the Authority has not recently needed to employ the use of the scheme as a recruitment incentive, particularly in the current economic climate. However Officers contended that there was a strong argument for keeping the scheme to use when required.

Task Group Members were further informed by Officers that the scheme was an effective retention tool due to the fact that Principal Officer would sign up to a 4 year scheme to which they would pay heavy termination charges should they leave the Authority of their own accord, but due to capacity issues Officers were unable to undertake a study to show further evidence.

The Internal Audit report also concluded that:

*“The current purpose of leased cars is unclear. There is no leased car policy or assessment criteria. There is no recent evidence to show that the provision of leased cars still acts as an aid to recruitment and retention. There is no evidence that provision is directly linked to fulfilling a business travel need.”*

## 4. Comparison with Other Local Authorities

As part of the Scrutiny Review, the other six Cumbrian local authorities were contacted to obtain details on whether they provide a Lease Car Scheme. Details are provided in Table 3 – Details of Lease Car Schemes from Cumbrian Local Authorities.

Local Authority	Lease Car Scheme	Details
Allerdale BC	✗	Do not have a Lease Car Scheme for Officers. They currently have various vehicles, mainly vans, which the Authority owns or leases (from varying suppliers) for use by departments such as Parking Services, Homelessness, Mayor, Pest Control, etc.
Barrow in Furness BC	✓	Currently reviewing their lease car scheme. 33 members of staff have a lease car. Key points of their policy: Only those employees holding posts which are classified as 'Essential' car users are eligible for the scheme. The Council pay 10% of the officer's gross salary subject to a minimum of £1,500 p.a. and a maximum of £2,500 p.a. An en-bloc insurance cover is arranged by the Council to cover all vehicles involved in the scheme
Copeland BC	✗	No scheme
Cumbria County Council	✓	Currently have 117 lease cars. All mileage rates (including lease cars) are limited to 1199cc.
Eden DC	✗	Withdrew their Lease Car Scheme in January 2006. Cars already leased were allowed to run their course as the early termination penalties were severe. Prior to the withdrawal of the scheme in March 2003, Eden DC had reviewed its scheme and reduced the Council's contribution from 12.5% of salary to 7.5% and the lease period was extended from three to four years. A further review in November 2005 indicated that around £33,000 per annum could be saved by discontinuing the scheme. At that point 29 officers had leased cars (38% of Essential Car Users). The cost of the car leasing scheme was calculated to be £33k more expensive for the Council than the Essential User provision.
South Lakes DC	✗	Does not operate a Lease Car Scheme, approach is to promote use of hire and pool cars.

Table 3 – Details of Lease Car Schemes from Cumbrian Local Authorities

In addition, North West Employers Organisation was contacted during the Scrutiny Review to obtain further benchmarking information. A benchmarking exercise had been carried out by NWEO in August 2008 and full details can be found at Appendix 1. Key points include:

- 17 authorities contacted (not stated which, if any, are Cumbrian authorities)
- 7 responded that they do not operate a Lease Car Scheme.
- 1 authority responded that they have a historical car lease scheme which was discontinued in 1996 so some officers still have cars, however the numbers are diminishing over time as people leave. They were available pre 1996 to employees on SCP 29 or above. The authority does not now have any Essential Car Users.
- For those authorities who continue to operate a scheme 5 offer the scheme for Service Managers and above and only 3 authorities offer the scheme to Principal Officers and above the other offers the scheme to all essential users:
 

Service Directors and above	3 authorities
Service Managers and above	2 authorities*
SCP 33 and above	3 authorities
All essential users	1 authority

*\*One of these authorities also has the facility to give a leased car where they are finding it difficult to recruit. There are also a small number of staff who have a leased car on a protected basis as a result of withdrawing a leasing scheme which was more widely available, some years ago.*
- Most of the authorities which responded to NWEO acknowledge that the Lease Car Scheme was more expensive than the Essential User Scheme but argue that scheme is used as a recruitment and retention tool rather than a scheme which is value for money.

Additionally in response to a benchmarking exercise carried out by Internal Audit their report quoted that, "Findings from the general survey indicate that a number of authorities have already challenged their car leasing schemes and as a result have, or are in the process of, winding up their schemes."

## 5. Green Travel Plan and Environmental Considerations

As noted earlier in the report Senior Management Team (SMT) made the decision that Car Leases and Car Allowances would be looked at in line with the Green Travel Plans. The following notice was circulated to staff on 21<sup>st</sup> October 2008 and views were invited by 4<sup>th</sup> November 2008 from staff.

### *Pay and Workforce – Policy Review*

#### **CAR LEASES AND CAR ALLOWANCES**

As part of the Policy Review work programme, lease car schemes and car allowances were reviewed.

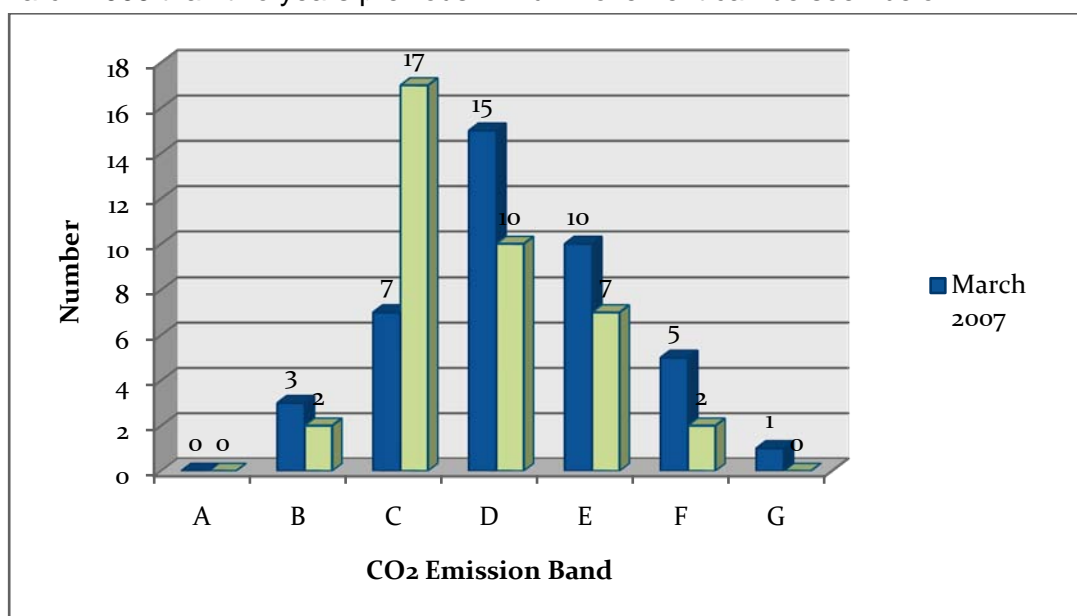
SMT decided that it would be better to look at them again in line with the Green travel plans. Thus no changes are proposed the arrangements at the present time.

Members were informed by the Head of Personnel that there had been a “few” comments from staff mainly expressing concerns that the policy was to be looked at under the Green Travel Plan. Further requests were made for Members to have sight of the comments and were informed by another officer that “*there was nothing to consult upon, therefore there are no consultation responses*”.

Task Group Members were provided with a copy of a report that was presented to SMT which was considered in their deliberations of the issue. Unfortunately the minutes give no further detail than the notice circulated to staff on 21<sup>st</sup> October 2008 and therefore Task Group Members were unable to gain an insight on the thinking or debate behind the above decision. With regard to the Lease Car Scheme, the report recommends that the Chief Officer and Chief Executive Car Lease Scheme is abolished and compensate officers for this by incorporating the value into their normal salary. It further recommends that the PO Lease Scheme be left at the present time and reviewed at a later stage as part of the Green Travel Plan and the need to make administrative efficiencies.

In the course of the Scrutiny Review, Task Group Members met with the Council's Head of Facilities and the Environmental Manager to find out what progress had been made following SMT's decision. Members were informed that the Green Travel Plan is constantly reviewed, however lease cars are less of priority than other fleet issues as they only produce 2% of the Authority's transport CO2 emissions. Please see Appendix 2 for details from Green Fleet Review (March 2007).

The Green Travel Plan Action Plan 2008/09 recommended that a carbon limit of Band D (151-165 g/km) be placed on lease cars. There is evidence to show that this has had a positive influence and more officers are choosing lower Band cars. In March 2007 38% of the lease car fleet exceeded Band D compared to 23% in March 2009 and 28% more cars are in Band C in March 2009 than two years previous. A full movement can be seen below.



**Figure 3 – Lease Car Fleet by CO2 Emission Band March 2007 & March 2009**

It should also be noted that at the time of the review the annual mileage for all lease cars was 71,131 which was reduced in 2007/08 to 56,701. Again this can be seen as a positive sign that the Authority takes its environmental responsibility seriously and is actively working on reducing the amount of emissions it creates.

## 6. Pool Cars & Hire Cars

### Pool Cars

During the year April 2008 to March 2009 the Authority had 7 Pool Cars available for officer use. 5 of the cars were for certain departmental use only and 2 cars were available for all staff (one situated at the Civic Centre and one at Bousteads Grassing. Members received information regarding the use and costs of Pool Cars in the Authority for the year April 2008 to March 2009 which can be seen in below in **Figure 4 Pool and Team Car Usage and Costs 2008/09**.

Site / Section	Uses	Uses Average/ Month	Mileage	Mileage Average / Month	No. of Staff	Total Cost (Depreciation/Captial Costs, Fuel, Road Tax, Insurance and Garage/Repair Costs)	Cost per mile
Revenues & Benefits	186	15.5	7,097	591	10	2941	0.41
	227	18.9	5,886	491	6	2902	0.49
	132*	11.0	6,444*	537	6	2616	0.41*
Planning	176	14.7	7,703	642	13	3785	0.49
Community Support	141	11.8	4,659	388	5	2345	0.50
Environmental Quality	125	10.4	4,441	370	5	2118	0.48
Bousteads Grassing General	230	19.2	7,879	657	34	2423	0.30

**Figure 4 Pool and Team Car Usage and Costs 2008/09**

*\*Only 3 month usage was recorded for this vehicle (from 5/1/09-31/3/09). For evaluation purposes the Task Group calculated approximate annual miles based on the 3 month figure.*

### Hire Cars/Vehicles

In the year 2008/09 hire vehicles were used in 147 instances. Cars were primarily hired for travel outside the County for officers to attend conferences, training days and meetings. Larger vehicles, for instance, transit vans, were hired to move resident's furniture and make deliveries of large items such as wheelie bins, green boxes and polling station signage.

In terms of the Council's policy, Officers undertaking a journey on staff business for more than 90 miles should use a hire vehicle in preference to claiming mileage as an essential or casual user. However examples (shown below) on the Authority's intranet shows that it could be cheaper to hire a car for journeys as short as 30 miles.

### **Journey example 1: 30 miles, 1.3 litre car**

Hire Cost: £13.95 + £3.00 for fuel (assuming 10 miles/litre @ £1.00/litre) = £16.95

Mileage Cost (casual user): 58.7 pence x 30 miles = £17.61

### **Journey example 2: 60 miles, 1.6 litre car**

Hire Cost: £19.00 + £6.67 for fuel (assuming 9 miles/litre @ £1.00/litre) = £25.67

Mileage Cost (essential user): 45.8 pence x 60 miles = £27.48

The cost of hire vehicles for the year 2008/09 totalled £10,956.26 and a total of 21,024 miles were accrued, giving an average cost of **£0.52** per mile.

## **7. Equality Issues**

The report for SMT states that less women participate in the Lease Car scheme than men “*but that may be because there are more men at principle officer level than women.*”

	<b>FEMALE</b>	<b>MALE</b>
Essential Car Users	46%	54%
Lease Car Owners	21%	79%

The following information of the workforce profile at February 2007 was included in the Workforce Development Plan 2006-10 (April 2007)

<b>Spinal Column Point</b>	<b>FEMALE</b>	<b>MALE</b>
3-32	354	308
33-43	35	55
44-58	5	16
Chief Officer	3	3
Total	397	382

Therefore, as at February 2007 15% of the workforce were on SCP 33 or above. 63% of these were male and 37% female.

As part of the review of the Equalities Impact Assessment (EIA) timetable the Lease Car Policy EIA now forms part of the *EIA 14: Pay, conditions and employee relations* with the Head of Personnel having overall responsibility. Members were informed that this EIA will now be brought to the fore.



# Conclusions

---

Task Group Members firmly believe that this issue should have been considered under Single Status and Job Evaluation; however the decision was made and cannot now be reversed.

Task Group Members are aware that the Terms and Conditions of Chief Officers are within the remit of the Employment Panel and under Transformation the Panel will be determining T&C for Assistant Directors and above. The Task Group therefore do not feel it appropriate to make any recommendation with regards to the Chief Executive/Chief Officer Scheme.

Task Group Members find that the Lease Car Scheme is not a cost effective scheme for business mileage. However, Members accept that the initial introduction of the Principal Officer Scheme was not based on business mileage use but used as a tool for recruiting and retaining officers at a time where many Local Authorities had difficulty in filling professional posts.

Task Group Members have been informed that the scheme in recent years has not been used widely as a recruitment tool, with 2 posts being advertised with this benefit in the last 2 years – one of which was for a Chief Officer. Additionally a trawl of Local Government Posts on The Guardian website on 21<sup>st</sup> July 2009 showed 134 vacancies, none of which were advertised with a Lease Car as a benefit. A similar search was undertaken on 11<sup>th</sup> August 2009 and of 273 senior Local Government Vacancies 5 were advertised on The Guardian website with the offer of entrance to a Lease Car Scheme. These 5 jobs were for the same Local Authority – Hertfordshire County Council. Officers informed the Group that they would like to see the tool retained to use if necessary in the future.

Anecdotal evidence was provided to the Group for the effect of the scheme as a retention tool; however Task Group Members were not entirely comfortable with “golden handcuffs” and would like staff to remain with the Authority for reasons other than for the use of a car. During the course of the scrutiny review Task Group Members identified the benefits scheme used by Croydon Council (which can be seen at Appendix 4) and would prefer to see Carlisle City Council adopt a more progressive modern system which provides improved benefits to all employees.

Task Group Members also found that many Local Authorities have discontinued their Lease Car Schemes with the NWE0 Benchmarking Exercise showing that only 4 of 17 authorities retain a lease car scheme which *includes* Principle Officers (p.17). Indeed this Authority undertook a review in 1993 whereby entrance to the scheme was dependant on budget availability as opposed to recruitment and retention issues. Evidence gathered by the Task Group does not convince them that the scheme is used wholly as a recruitment or retention tool, not least due to the lack of criteria for Managers to consider when making the decision to offer a lease car as part of an employment package.

Task Group Members conclude that there is not a strong argument that transferring Officers from the Lease Car Scheme to the EUCA would prove to be a more expensive solution in the majority of cases. Comparative costs provided to the Task Group were initially based on



mileage of 2500, 4345 and 8500 and only after a request were comparative costs for 1000 miles provided. As detailed earlier in this report only 8 Officers undertook mileage in excess of 2500 miles 2 of which exceed 4325 miles the highest mileage was 5856 and no user exceed 8500 miles. 19 (48%) of users claiming 1000 miles or less, 6 of which were under 200 miles.

Task Group Members note that since 2001-2008 the numbers of Officers with a Lease Car has reduced steadily from 55 to 39. More recently this figure has reduced to 32 and the Task Group were advised that this number would almost certainly reduce to 22 following Transformation. However it should be noted that this is still a live scheme and that eligible officers are still able to apply for a lease car.

Task Group Members therefore considered the following options for the future of the scheme:

1. Protect all current staff who have access to the car lease scheme
2. Protect all current staff who have a lease car until such time they leave the authority
3. Maintain all current leases and allow one further extension
4. Allow current leases to run until their expiry then end the scheme
5. No Change

The Task Group discounted this fifth option as they believed that this would perpetuate an inequality that they conclude currently exists. The Scheme is currently subject to line manager's agreement and departmental budget availability and Officers have failed to convince the Task Group of the benefits of the schemes use as a recruitment and retention tool.

Task Group Members requested information on the Legal, Personnel and Financial implications of Options 1-4 and were provided with the following information:

***Note: with regard to Financial Implications, many officers will still undertake business mileage and therefore will be paid under the Essential Car User Allowance or the Casual Car User Allowance. Therefore the costs detailed above should not be regarded a full savings for the options. Additionally under the Transformation Agenda, Heads of Service posts will no longer exist and leases for those employees in IT will transfer to Allerdale BC within the shared service.***

.

#### **Options 1 & 2**

1. Protect all current staff who have access to the car lease scheme
2. Protect all current staff who have access to the car lease scheme until such time they leave the authority

#### **Legal & Personnel Implications**

*“There is the potential for the Council to be subject to a discrimination claim if it protects existing staffs’ access to the scheme but prevents new staff participating. Say, for example, a female member of staff begins work with the Council doing precisely the same job as a male colleague. He is able to participate in the lease car scheme (forming part of his pay and remuneration package) whereas she is not. There is no genuine material difference between the posts but there is an employer imposed difference in the rewards available. The female would have grounds to argue that this was sex discrimination or equal pay discrimination. The example would work equally well with the male/female roles reversed.*

*Another example would be if a young member of staff started work doing the same job as an older more established member of staff. Because of the length of time they had been with the Council (i.e. arguably because they were older) they benefitted from the protection arrangements entitling them to a leased car which the younger person could not get. Arguably, there is a potential claim for age discrimination.”*

### **Financial Implications:**

Cost per annum

PO Scheme: Heads of Service           £26,150

PO Scheme: Shared Services           £17,653

PO Scheme: Principal Officers       £60,306

### **3. Maintain all current leases and allow one further extension**

#### **Legal and Personnel Implications**

*“Proposal runs the same risk of discrimination claims as outlined for Option 1 but for a more limited time period.*

*The removal of the right to apply to be considered for a lease car is, in short, a variation to a member of staff’s terms and conditions of employment. Such a change potentially has repercussions in both statute and common law.*

*In statutory law the employee is able to refuse to accept the variation thus leaving the employer in a situation in which it dismisses the employee. Alternatively, the employee could resign and argue constructive dismissal. Either way, the result could be a claim for unfair dismissal.*

*At common law (if dismissed) the employee is able to bring a claim for wrongful dismissal or, they could remain with the Council and seek injunctive relief and claim damages for breach of contract in the County Court. A wrongful repudiation of the contract claim could also be made.”*

*“In acting reasonably, the Council would have to consider compensation for the loss of benefit which a leased car gives; it clearly forms part of the reward package an officer is entitled to receive as part of their contract of employment. A financial compensation*

*package will negate the cost saving element identified by the O&S Task and Finish Group and also does not address the potential for unequal pay claims and the like as mentioned above. Such a compensation package would result in the Council expending the same amount of money as it does now but without the resultant benefit of the enhanced recruitment and retention that the leased car scheme gives and which was the motivation for its introduction. In addition, a migration of users onto the Essential User Allowance (as per the figures from Corporate Resources) may result in an increase cost to the Council.*

*It is relevant to mention here that each individual lease car contract between the Authority and each staff member does provide that the Council reserves the right to terminate the car leasing scheme in the event of any significant legislative changes or for any other reason which would, in the opinion of the Council, make the continuance of the scheme detrimental to the Council's interests. In the event of this happening the Council will be entitled to terminate the Hire Agreement by giving six months' written notice to the Officer, in which case any termination charges will be borne by the Council. This provision does not negate the points of risk identified above which flow from the contract of employment rather than the lease contract."*

Task Group Members were informed that it is the view of the Employee Relations Advisor at North West Employers Organisations that although there is a risk of claims, this is a very small risk and one that the Authority should be able to defend.

#### **Financial Implications:**

	<b>Cost Per Annum</b>					
	<b>2009/10 – 2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>PO Scheme: Heads of Service</b>	26150	26150	16891	12333	4289	2736
<b>PO Scheme: Shared Services</b>	17653	17653	17406	10923	4182	667
<b>PO Scheme: Principal Officers</b>	52629	45058	41806	25211	12372	3643

Cost per Annum to maintain all current leases and allow one further extension

#### **1. Allow current leases to run until their expiry then end the scheme**

**Legal and Personnel Implications:** As Option 2.

#### **Financial Implications:**

	<b>Cost Per Annum</b>
--	-----------------------

	2009/10	2010/11	2011/12	2012/13	2013/14
<b>PO Scheme: Heads of Service</b>	26150	16891	12333	4289	2736
<b>PO Scheme: Shared Services</b>	17653	17406	10923	4182	667
<b>PO Scheme: Principal Officers</b>	52629	48428	31833	18994	3571

**Cost per Annum to allow current leases to run until their expiry then end the scheme**

The Task Group were extremely mindful of the current issues which are effecting employees, i.e. Job Evaluation and Transformation, and on that basis the Group are recommending that **current employees who have a Lease Car are offered protection, however there should be no new entrants to the scheme.**

Members were not satisfied that the current use of several different companies to procure lease cars from was cost effective. Therefore Task Group Members will be recommending that if the scheme is to continue then this is **further investigated by Procurement and should it be more economical then this should be implemented for future leases even if this narrows the choice of vehicle for Officers.**

Task Group Members noted that in line with the Green Travel Plan more Officers are choosing lease cars with lower CO2 emissions. In order to further reduce CO2 emissions the Task Group would therefore like to see the criteria amended if the scheme is to continue so that future **Lease Cars must be of Band C or below.**

As detailed earlier in this report, Task Group Members initially did not consider the ECUA in their Terms of Reference. However the ECUA was referred to many times in witness sessions and Task Group Members decided to gain more insight into the use of this scheme. The current criterion for the ECUA is *“that it is essential to have a car at the post holder’s disposal whenever required and without which they would be unable to work effectively”*. On evaluation of the mileage accrued by users of the scheme, Task Group Members conclude that the criteria cannot have been applied correctly to posts as many users of the scheme are doing a comparatively low annual mileage, with a number of users not submitting any mileage claims throughout the year. Indeed the criteria itself is open to interpretation and Task Group Members note that many other Local Authorities have a minimum annual mileage as a measure for eligibility. It is also concerning to Members that they were informed that the ECUA is “not usually open to Officers below Scale 4” as this implies that the Allowance is based on status rather than need. Task Group Members were pleased to note that in line with the Green Travel Plan, business mileage by Officers of the Authority is reducing and will hopefully continue to reduce and therefore are recommending **that the ECUA scheme is reviewed and clear measurable criteria are specified.**

Task Group Members conclude that the use of Hire Cars and Pool Cars is beneficial to both the employee and the Authority through financial savings, use of more efficient cars, thereby reducing fuel consumption, vehicle emissions and Carlisle City Council’s carbon footprint.

Therefore Task Group Members would like to see more use of these options for business mileage. The Task Group Members would like to see the **criteria (90 miles or more) for the use of hire cars reviewed and lowered if this is more cost effective to the Authority**. With regard to Pool Cars Task Group Members would like to see a **study undertaken to determine whether the Authority should increase its fleet of pool cars**.

	Does your council provide cars to employees which are on lease?	Which status of employee have the benefit of having a lease car?	Is it more or less effective in comparison with essential user scheme?
Authority 1, 2, 3, 4, 5, 6, 7	DO NOT HAVE LEASE CAR SCHEME		
Authority 8	Yes	Essential Users	It costs an average of £1000pa per person more than essential user but the advantages of having new properly maintained vehicles outweigh this. It is also used as a key recruitment incentive.
Authority 9	Yes	Only available to Service Managers and Directors/Chief Executive	Used mainly as a recruitment and retention tool not as an alternative to an Essential User Scheme.
Authority 10	Yes – all vehicles are on contact hire for a period of 3 years from either Masterlease or GE Capital	<p><b>Employees in post up to 31/12/99 - Those</b> classed as essential users or on Spinal point 33</p> <p><b>New Employees from 01/01/2000</b> -Staff who commence employment with the Council from 01/01/2000 or an existing employee who is promoted to Spinal point 33 and above from 01/01/2000 or a person who is appointed to a post designated as an essential user post from 01/01/2000 <b><u>New employees only eligible if they travel in excess of 5,000 business miles per year or use their car for business travel</u></b></p>	The car lease scheme and essential user scheme run side by side though there are more essential users who don't take up the option of a lease car. In terms of cost to the Council, providing lease vehicles is more expensive than if we only ran the Essential Users scheme.

Does your council provide cars to employees which are on lease?

Which status of employee have the benefit of having a lease car?

Is it more or less effective in comparison with essential user scheme?

**on a daily basis\*\***

Authority 11

Yes

Service Directors and above

It is not compared with Essential User Scheme as it is a retention strategy for Senior Officers

Authority 12

Yes

Scheme is open to all Principal Officers, those graded above scp 33. Also senior officers, those graded scp 29 and above and who travel through their work 1000 miles per year or 500 and using their car 50 times per year.

The Scheme is effective as a recruitment and retention tool due to the fact that employee receives up to £2,565 per annum (dependant on whether casual or essential user and the car emission levels.)

Authority 13

Have a historical car lease scheme which was discontinued in 1996 so some officers still have cars, however the numbers are diminishing over time as people leave. They were available pre 1996 to employees on scp 29 or above. The authority does not now have any Essential Car Users.

Authority 14

Yes, to a small number

Officers at Director level and above. Also a small number of staff TUPE'd into the council.

It is more expensive but is a part of the package necessary to attract candidates to senior level posts.

Authority 15

Yes

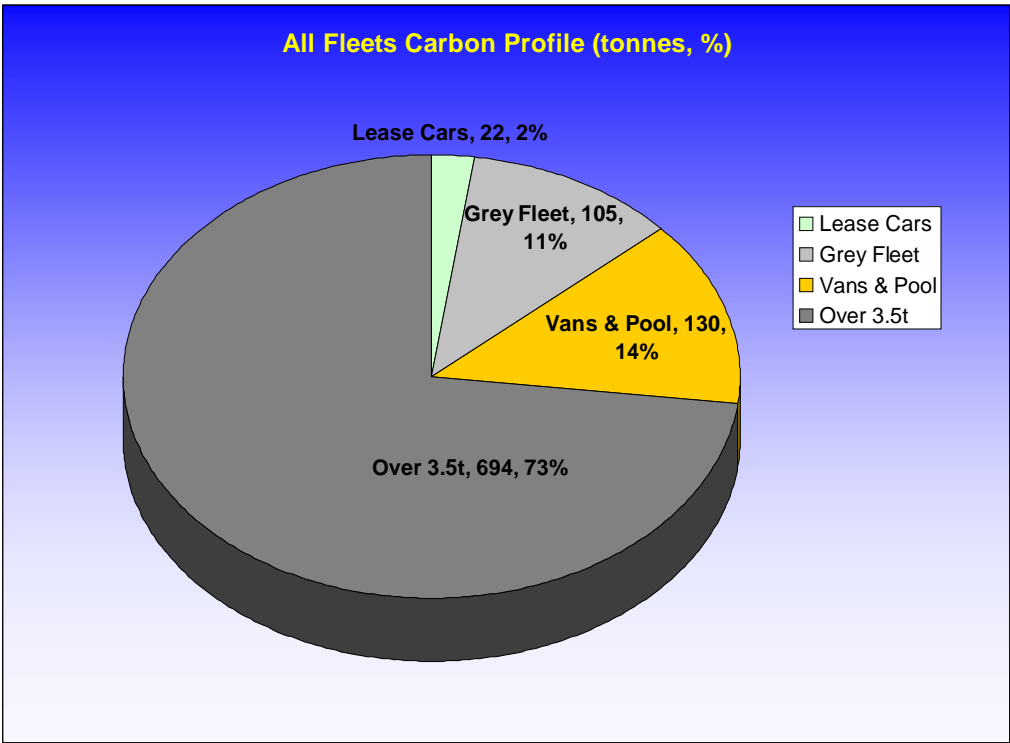
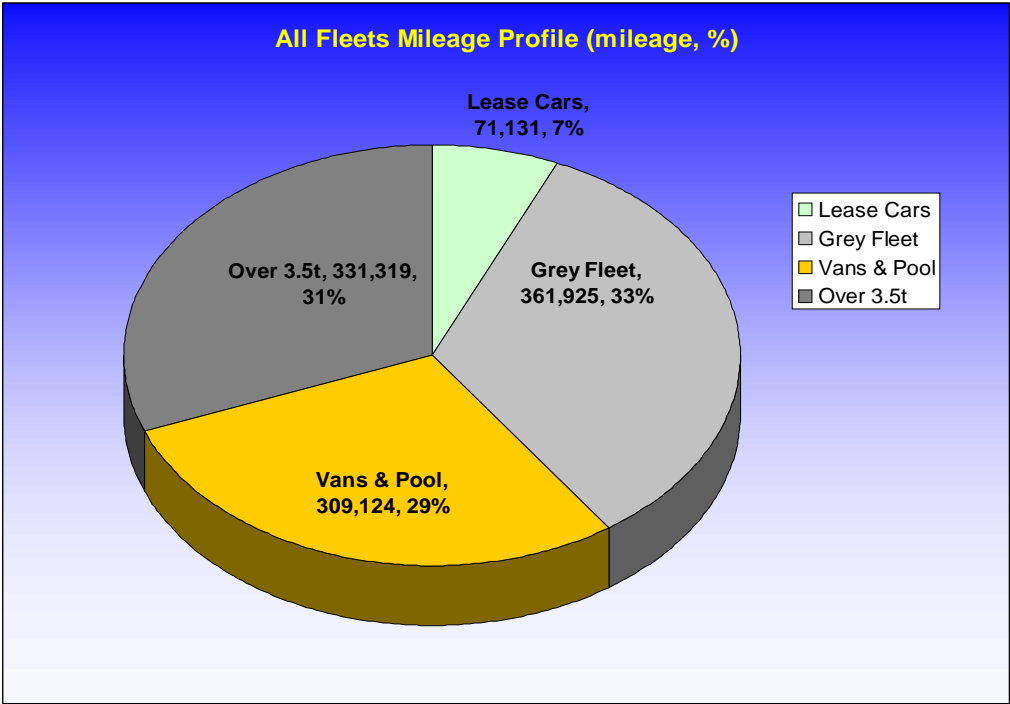
Those employees who earn £30,000 or more

It is more effective in comparison to the Essential User Scheme, as the monthly sum

	Does your council provide cars to employees which are on lease?	Which status of employee have the benefit of having a lease car?	Is it more or less effective in comparison with essential user scheme?
			for Essential Users is £62 per month, whereas lease drivers get £166 per month from the Council.
Authority 16	Yes	Car lease Scheme which applies to all Service Managers, 2 Directors and the Chief Executive. Also have the facility to give a leased car where there are finding it difficult to recruit. There are also a small number of staff who have a leased car on a protected basis as a result of withdrawing a leasing scheme which was more widely available, some years ago.	Can't really comment on the effectiveness compared with the essential user scheme as no essential users having withdrawn the scheme many years ago.
Authority 17	Yes	Service Director and above (1 <sup>st</sup> -3 <sup>rd</sup> tier)	It is simply used as a recruitment incentive tool.

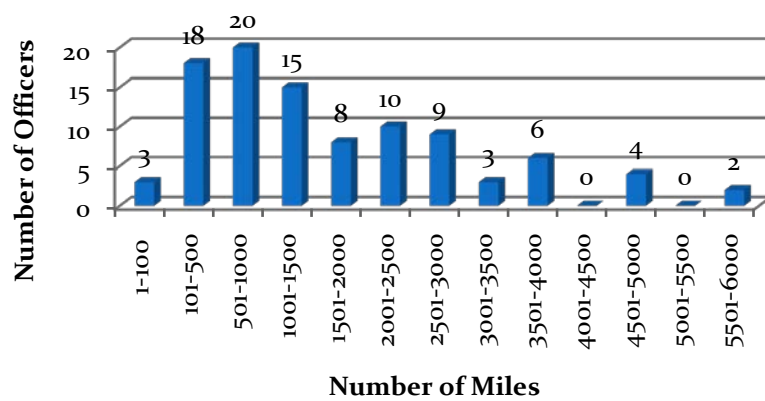


Green Fleet Review March 2007

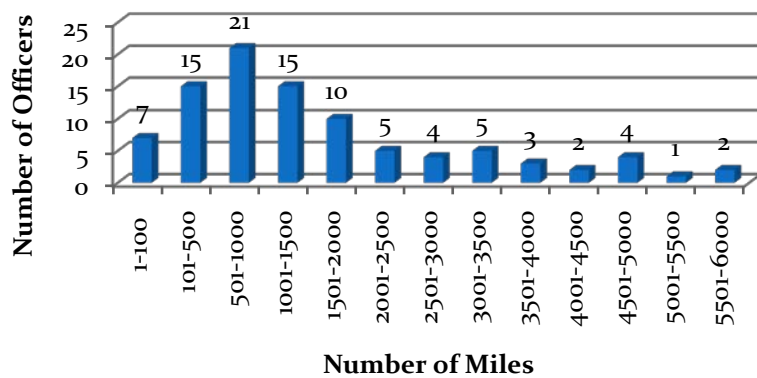


## Essential User Mileage Claims 2007/08 & 2008/09

### Essential User - 2007/08



### Essential User - 2008/09





one team serving our community

# Options staff benefits scheme

**Croydon Council has one of the best benefits schemes in local government.**

From childcare vouchers, flexible working and generous annual leave entitlement, to high street shopping vouchers and fantastic health and leisure discounts, there really is something for everyone, whatever your taste or lifestyle.

We want Croydon Council to be a place where our staff enjoy their jobs and are proud to be here. We encourage development and invest heavily in helping you excel and achieve your full potential. We reward talent and excellence, and our flagship benefits scheme, Options, allows you to enjoy a healthy work life balance.

**Here's just a taster of what working at Croydon Council can offer you:**

- Unbeatable local government pension scheme with employer contribution of 21.9%
- Save up to £1195 per year on childcare costs through purchasing childcare vouchers
- Cycle purchase scheme
- Flexible working

- Generous annual leave entitlement
- Travel loans and discounts
- Trade unions and staff networks
- Discounted leisure facilities and gym memberships
- Save pounds at many high street stores
- Annual staff awards scheme
- Clear and simple financial advice from the FSA
- Travel and holiday discounts
- Savings on health plans and beauty therapies
- Save money on theme parks, cinema and eating out.

**We look forward to receiving your job application**



**Options**  
staff benefits scheme

**CROYDON  
COUNCIL**  
[www.croydon.gov.uk](http://www.croydon.gov.uk)