

Addendum to Report CE 32.10 (to be reconsidered 9 November 2010)

Principal Officers' Leased Car Scheme

1. At its meeting of 27 October 2010 members of the Employment Panel requested information on the cost of compensatory payments resulting from the proposal to phase out the Principal Officers' Leased Car Scheme (by 30 June 2014).
2. Attached at Appendix 1 is an analysis comparing the cost of deleting the scheme in accordance with the 6 month notice provision set out in the lease scheme (Option 1) compared with the phasing option recommended (Option 5). Also other options for information purposes.
3. At Appendix 2 is detailed the year on year differences in cost, ie. the overall cost of the compensation payments recommended equates to £15,500 per annum.
4. The Panel should note that should they wish to review the phasing option recommended the issue will need to be further consulted on with current lease car holders.

Peter Mason
Assistant Director (Resources)

5.11.10

PRINCIPAL OFFICERS LEASED CARS SCHEME

Appendix 1

Option	Description	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	Total Cost £
1.	Provide 6 months notice to users that the scheme is to end. Terminate all outstanding leases early. Transfer entitled officers to Essential or pay Casual Allowances	46,490 0 0	11,314 18,658 22,263	0 0 26,716	0 0 26,716	0 0 26,716	0 0 26,716	205,591
2.	Allow each car to progress to end of contract and no new leases provided thereafter. Transfer entitled officers to Essential or pay Casual Allowances	45,735 101 45,836	30,152 4,713 34,865	22,170 11,614 33,784	11,616 20,497 32,113	2,070 26,122 28,192	0 26,716 26,716	201,506
3.	Allow progression to end of current contract and provide protection for 1 year thereafter. Transfer entitled officers to Essential or pay Casual Allowances	45,735 900 0 46,635	30,152 19,802 34 49,987	22,170 9,901 6,667 38,738	11,616 9,901 8,200 29,717	2,070 1,800 24,795 28,665	0 0 26,716 26,716	220,459
4.	Allow progression to end of current contract and provide protection for 2 years thereafter. Transfer entitled officers to Essential or pay Casual Allowances	45,735 900 0 46,635	30,152 20,702 0 50,854	22,170 29,702 34 51,906	11,616 19,802 6,667 38,085	2,070 7,201 21,322 30,592	0 0 26,716 26,716	244,788
5.	Either continue leases until end of contract or pay compensation equal to 2010 benchmark level until June 2014. Transfer entitled officers to Essential or pay Casual Allowances	45,735 900 0 46,635	30,152 20,702 0 50,854	22,170 30,603 0 52,773	11,616 44,404 0 56,020	2,070 12,601 20,037 34,708	0 0 26,716 26,716	267,705

PRINCIPAL OFFICERS LEASED CARS SCHEME - Comparative Savings and Costs of 5 options

Appendix 2

Option	Description	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	Total Cost £
1.	Cost of ending scheme as per current terms and conditions Provide 6 months notice to users that the scheme is to end. Terminate all outstanding leases early. Transfer entitled officers to Essential or pay Casual Allowances	46,490	52,236	26,716	26,716	26,716	178,875
2.	Allow each car to progress to end of contract and no new leases provided thereafter. Transfer entitled officers to Essential or pay Casual Allowances	0	0	0	0	0	0
3.	Allow progression to end of current contract and provide protection for 1 year thereafter. Transfer entitled officers to Essential or pay Casual Allowances	(655)	(17,371)	7,068	5,397	1,476	(4,084)
4.	Allow progression to end of current contract and provide protection for 2 years thereafter. Transfer entitled officers to Essential or pay Casual Allowances	145	(2,249)	12,022	3,001	1,949	14,868
5.	Either continue leases until end of contract or pay compensation equal to 2010 benchmark level until June 2014. Transfer entitled officers to Essential or pay Casual Allowances	145	(1,382)	25,190	11,369	3,876	39,198
		145	(1,382)	26,057	29,304	7,992	62,114