

Feedback on proposals to change mileage allowance
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<b>Employee Comments</b>	<b>CMT Response</b>
Good idea to pay one rate, positive impact on environment.	Acknowledged.
Agree that essential user should cease and that officers are paid for actual mileage.	This will be achieved through a 'one rate' allowance.
How was the 40 pence per mile arrived at?	This is the recommended rate from Her Majesty's Revenue & Customs (HMRC). This is the neutral value for taxation purposes where no taxable benefits are accrued.
In principle agree, concerns over chosen rate considering petrol prices, road tax. Do the calculations take into account: 1) Rise in fuel costs 2) Wear and tear associated with travelling for work 3) The higher cost of insurance required (ie. Full business use)	The Council would review the reimbursement rate as and when the HMRC rate is amended.
Running costs for any car exceed the rate at which the council proposes.	The HMRC considers this rate to be cost neutral cost basis.
Appendix E should also be removed.	All new contracts of employment have a clause stating that Appendix E will not be paid. In addition, existing employees will be consulted during the next year in relation to the potential of ceasing such payments.
HMRC advice indicates that officers could claim tax relief on certain payments for example professional subscriptions. In view of this why is the council continuing to pay subscriptions?	The Financial Strategy contained the clear proposal that mileage reimbursement should be considered during the coming year. In addition the budget included the proposal to review the current policy of reimbursing officers for their professional fees and to review other staff benefits. This proposal meets the financial savings targets which were required.
Are the Council making appropriate HMRC returns to payments to employment to avoid payment of taxation?	Yes.
Is the cycle allowance changing to 40p	No. The cycle allowance will remain the same at 21ppm. The HRMC cycle allowance is 20ppm.

**Agenda Item No. 8.2**  
**Appendix 1**

<b>Employee Comments</b>	<b>CMT Response</b>
Essential User and Chief Officer's lump sum should cease and only one straight rate for actual mileage for employees and members.	To confirm, if Council approve the change in mileage allowance essential user and lump sum payments will cease. Following February 2010 Council Members have been claiming 40p per mile with effect from 1 April 2010.
Support proposals as long as it applies to all, no lump sums or essential user payments.	The 40 p per mile will apply to everyone and as above essential user and lump sum payments will cease.
The 5p per mile for carrying a passenger should cease.	At this current time this payment will continue as a benefit for car sharing and also addresses the 'green' agenda.
The proposed rate will not cover road tax, insurance, MOT, servicing, wear and tear and rising petrol prices	The rate of 40p is felt to be a reasonable reimbursement, and is considered by HRMC to be a fair rate. However, it is acknowledged that the choice of car from officers and how they drive will impact upon the cost of ownership.
The role of Building Control is unique within the bounds of LA due to competitive element associated with Private Approved Inspectors.	Acknowledged
BC also deal with emergency call-outs including out of hours service – without payment.	Acknowledged
It was agreed in 2001 by the Chief Executive at that time that essential user allowance would be attached to all posts that require to be called out.	Since 2001 the Council's financial situation has changed significantly and all efforts are being made to realise savings through other means rather than reduce posts.
To rely on 'goodwill' in these situations is not practical when public safety is an issue.	It is not expected that public safety will be compromised through the implementation of this proposal. However if necessary appropriate risk assessments and service redesign should be undertaken. Officers will continue to be reimbursed for their mileage at rates which do not include a "profit" element.
This proposal is unfair, inequitable and an unjust attack upon my terms and conditions.	As stated above this proposal will be applied to all staff including Chief Officers.

<b>Employee Comments</b>	<b>CMT Response</b>
Although payment of any mileage allowance and lump sum do not form part of our pensionable pay, these payments do form a significant & important part of our take home pay – money we have come to expect as part of our salary.	Acknowledged although such payments were never guaranteed and are subject to the demands of the service and the rates applicable
As the essential user only applies to approx. 11 staff how is this treating everybody the same.	The Council is seeking to implement a consistent method of mileage reimbursement for all officers, there are a number of officers who receive casual car mileage undertaking more miles than the majority of officers in receipt of the essential car user lump sum.
If this is approved I will be taking a reduction of just over 6.61%	It is disputed that this will result in a decrease of this level, any mileage incurred will be reimbursed at 40p per mile.
I am amazed that as we endeavour to save money we actually pay an additional 5p per mile if you carry a passenger.	It is viewed that by retaining this payment it will support the Council's "green" agenda and help reduce costs by reducing the number of travel claims.
Travelling allowances form part of single status agreement, are we finally acknowledging that single status in Wyre Forest is dead and that the agreement is now torn up?	No. The purpose of single status was to ensure equality and as this proposed rate is to be applied to all staff it supports this agenda.
Would it be fair to keep a banded mileage rate for employees with car loans – for the life of the car loan?	To ensure equality and consistency across the authority one rate will apply to all.
Changes to mileage are an unfair and inappropriate proposal	The proposal is to ensure fairness across the authority.
Current mileage agreements are agreed/negotiated nationally by NJC (3 responses)	Acknowledged. However, Local Authorities can implement Local Agreements through consultation/negotiation process.
My contract states "such extensions to your terms and conditions will result from negotiations and agreement with specified Trade unions or union s recognised by the Council for collective bargaining processes".	This is correct, we have consulted with unions and have received their comments. Throughout this proposal we will continue to consult with them.
In Building Control we carry out statutory inspections within a 24 hour timeframe and this is why we have an essential user.	Acknowledge that you have to carry out statutory inspections; this is also the case in a number of other sections within the Council.

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Para 2.4 states that the increases in NJC rates were not budgeted (3 responses).	The significant increases in the 2010/11 rates were not anticipated and was not budgeted for.
I would state that this allowance is a necessary reimbursement to recover costs incurred and must be maintained in a fair and proper manner.	The rate of 40p is felt to be a reasonable reimbursement, and is considered by HRMC to be a fair rate. However, it is acknowledged that the choice of car from officers and how they drive will impact upon the cost of ownership.
The rates set by NJC are fair and just.	These rates are well over and above the rates determined by HMRC.
The current mileage allowance is there to compensate the employees for the cost of using their vehicle to carry out a statutory function. (3 responses)	The casual user allowance is payable to anyone who is required to use their vehicle for business purposes <b>not</b> just to carry out statutory functions.
National Agreements are put in place to safeguard employees.	National Agreements are a framework, Local Authorities can adopt local agreements if deemed appropriate or necessary through the proper consultation process.
Will essential users still be expected to provide a car for work without any changes to their contracts?	If this proposal is agreed then as it is a change to employees' terms and conditions in line with HR policies and procedures changes will be made to contracts of employment, but it will still be a requirement to provide a car for work.
Can you outline the other measures the Council are actively investigating to reduce costs at the same time as the mileage consultation.	The Council has a whole range of initiatives it is pursuing to reduce costs including implementing shared services, delivering single site, reviewing administration, implementing home working to name but a few.
The equality impact assessment doesn't appear to take into account of staff for whom it is essential to provide a car to ensure rapid response.	As there will be 'one rate for all' there will be no adverse impact on any of the equality strands as everyone will be treated equally.
If the allowance is reduced it will jeopardise my ability to provide a car for work.	It is acknowledged that the amount you currently receive will be reduced but 40p per mile can still be claimed, this is the HMRC figure.
Can you inform me if any thought has been given to alternative arrangements if staff cannot afford to provide a car for the benefit of WFDC.	We will address this situation if it arises but there are no props to change requirement on some staff to provide a car for work.

<b>Employee Comments</b>	<b>CMT Response</b>
Building Control Section cannot be carried out with only a 'casual' allowance basis.	There are a number of other statutory functions that officers are required to carry out involving site inspections similar to building control for which casual mileage allowance are paid.
Given the unique nature of Building Control I ask that full consideration is given to the omission of building inspectors from this review and that they maintain their essential user allowance.	Noted. However, it is not considered that the building control role is unique in the requirement to use cars for work purposes.
My contract of employment states that I will be paid essential user allowance.	If this proposal is agreed then as it is a change to employees' terms and conditions in line with HR policies and procedures changes will be made to contracts of employment.
Whilst understanding the allowance is not salary it is clearly treated as income. Can consideration be given to phasing out the essential user allowance over 3 years? Acknowledge this will result in a negative saving in 10/11.	The council has to make £18k savings in 10/11, this figure increases in subsequent years.
The proposal to change mileage is a damaging and inappropriate proposal.	Noted.