

## ANGUS COUNCIL

## RESOURCES &amp; CENTRAL SERVICES COMMITTEE

17 MARCH 2005

## CAR MILEAGE RATES

## REPORT BY CHIEF EXECUTIVE

**ABSTRACT**

This report considers the decision of the Special Budget Committee Meetings on 10 February 2005 to implement Inland Revenue car mileage rates for all new council employees with effect from 1 April 2005.

**1. RECOMMENDATION**

The Committee:

- i Note the decision of the Special Budget Committee Meetings on 10 February 2005 to implement the Inland Revenue car mileage rates for all new council employees with effect from 1 April 2005.
- ii Agree that the Inland Revenue car mileage rates should also apply with effect from 1 April 2005 to all existing employees who apply for and are appointed to a promoted post within the council.
- iii Note that, with regard to teaching staffs, further discussions will take place within the Angus Joint Negotiating Committee for Teachers.

**2. BACKGROUND**

Car mileage rates for all employee categories have historically been determined at a national level through the respective national negotiating bodies.

While the rates for officers on JNC for Chief Officials conditions of service are still determined at a national level this is no longer the case for APT&C, Manual and Teaching Staff.

In 1999 the negotiating machinery for APT&C and Manual Workers was merged into the SJC for Local Government Employees under the Single Status Agreement. In 2002 following a failure to reach agreement at a national level on including car allowances within the national agreement the trade unions were advised that this matter would no longer be discussed at a national level with councils advised to put local schemes in place.

Pending the introduction of a local scheme the nationally agreed car mileage rates in place prior to the 1999 single status agreement have continued to be paid to those on APT&C and Manual grades.

With regard to teachers, following recommendations in the McCrone Report, a revised national agreement on the conditions of service and pay for teachers – A Teaching Profession for the 21<sup>st</sup> Century – was adopted. An integral part of this agreement is that the determination of car mileage rates is now a matter for negotiation at a local rather than a national level.

In accordance with the legislation which implemented the McCrone agreement, teachers have meantime continued to be reimbursed on the basis of previous agreements.

Continuation of the previous agreement has meant that in general terms employees have been paid at the rate of 53.65p per mile for the first 1,000 miles; 43.65p for the next 7,500 miles; and, 12.6p per mile thereafter.

In accordance with Inland Revenue rules as any rate in excess of 40p per mile for the first 10,000 miles and 25p per mile thereafter is subject to tax and NICs this has meant that in effect the current 53.65p rate per mile is equivalent to 49.36p per mile to a 22% taxpayer and 46.77p per mile to a 40% taxpayer and the current 43.65p rate per mile equivalent to 42.50p per mile to a 22% taxpayer and 41.81p per mile to a 40% taxpayer.

On 22 June 2004 the Monitoring Group agreed that a Best Value Major Service Review of Car Travel and Subsistence be undertaken.

At its meeting on 18 November 2004 and after consideration of the Best Value Review report the Personnel Services Manager was – in regard to car mileage rates - authorised by the Monitoring Group to enter into discussions with the trade unions on the basis of adopting the Inland Revenue car mileage rates for all employees, ie 40p per mile for the first 10,000 miles and 25p per mile thereafter.

At its meeting on 20 January 2005 the Monitoring Group was advised that while consultation was still ongoing indications were that the proposal was unacceptable and would be rejected. The Monitoring Group agreed to note the position and refer the matter to the Budget Strategy Group for further consideration.

On 24 January 2005, the Budget Strategy Group having considered the status of the consultations with the trade unions decided to defer implementation of the Inland Revenue rates for existing employees but agreed that the rates should be applied to all new council employees with effect from 1 April 2005.

This policy was approved at the Special Budget Committee Meetings on 10 February 2005.

### **3. IMPLEMENTATION OF INLAND REVENUE RATES**

The trade unions representing employees on APT&C, Manual and Chief Officer grades have been advised of the intent to introduce the Inland Revenue car mileage rates for new employees with effect from 1 April 2005.

It was also put to the unions that these rates should also apply to existing employees who apply for and are appointed to a promoted post. In regard to this aspect clarification was sought from, and given to, UNISON that the rates would not apply if an employee was transferred into a post.

The effect of the 10 February decision in regard to teaching staffs however needs to be considered within the context of the constitution of the Angus Joint Negotiating Committee for Teachers (AJNCT).

As previously stated following implementation of the national agreement on Teachers salaries and conditions of service the consideration and determination of certain conditions of service – including car allowances – was devolved to a local level via local negotiating committees, in the case of Angus, the AJNCT. This matter was raised with the AJNCT at its meeting on 7 February when the teachers' representatives advised that no change had been agreed by the teachers' side at this stage and that further discussions would be required.

### **4. FINANCIAL IMPLICATION**

Departments have been informed of savings targets to be met from their overall travel and subsistence costs within the 2005/06 financial year following the setting of the council's revenue budget on 10 February 2005.

These savings targets are in part informed by estimated savings arising from implementation of the Inland Revenue rates as outlined.

Should implementation of the Inland Revenue rates for teaching appointments not take effect from 1 April the Director of Education will through management of his departmental budget for travel and subsistence still achieve the overall savings target.

**5. HUMAN RIGHTS IMPLICATIONS**

There are no human rights implications associated with this report.

**6. CONSULTATION**

The Director of Finance, Director of Law & Administration and Director of Education have been consulted on the terms of this report. The trade unions have been consulted on the proposals outlined in the report.

**A B Watson**  
**Chief Executive**

HR/PerServMan

**NOTE** No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.