ABSTRACT:- This report asks the sub committee to consider the results of the Best Value Service Review in respect of car leasing undertaken as part of the overall Best Value Fleet Management Review.

1. RECOMMENDATION

The Sub Committee consider the terms of the attached report.

2. BACKGROUND

Reference is made to the Corporate Best Value Service Review Programme and the agreement post the Best Value Review on Waste Management that further reviews be carried out in terms of the Council’s Fleet Management and, as part of that, car leasing.

The current position is that the Fleet Management Review is nearing completion but is running in parallel with the Tayside-Wide Fleet Management Review being undertaken by all public sector agencies in Tayside. It is anticipated that the Tayside Review will report before the end of the financial year, allowing the Angus Review to complete accordingly. However, car leasing to individual Officers does not impact on fleet management and the opportunity has been taken to complete this part of the review as expeditiously as possible to allow the contractual position with the leasing companies to be resolved and, if approved, to allow corporate savings to be taken in light of 2011/12 budget process.

3. PROPOSALS

A copy of the full review is attached and it is intended that the recommendations contained above be implemented from financial year 2011/12. Employees will still be entitled to a car lease where applicable to the better execution of their duties but this will now be cost neutral to the Council.

4. FINANCIAL IMPLICATIONS

Further detail on the financial implications is contained within the attached report, however in summary should the recommendations in the attached report be approved, the savings outlined in the table below are estimated to arise.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>In Year Saving (part year)</th>
<th>Add Balance of Full Year Saving from Previous Year</th>
<th>Saving for Budget Setting Purposes</th>
<th>Cumulative Savings for Budget Purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>89</td>
<td>Nil</td>
<td>89</td>
<td>89</td>
</tr>
<tr>
<td>2012/13</td>
<td>58</td>
<td>77</td>
<td>135</td>
<td>224</td>
</tr>
<tr>
<td>2013/14</td>
<td>51</td>
<td>62</td>
<td>113</td>
<td>337</td>
</tr>
<tr>
<td>2014/15</td>
<td>0</td>
<td>57</td>
<td>57</td>
<td>394</td>
</tr>
</tbody>
</table>

There are part year savings in each of the next three financial years because leases are due to terminate at various points during the financial year, i.e. leases do not all terminate on 1 April. It will therefore take four financial years for the full value of the projected savings to be realised.
As indicated above, by 2014/15 the Council will have saved approximately £394,000 from implementing the recommendations in this report.

The assumed £89,000 saving for 2011/12 will be taken into account for the purposes of achieving the £1m target for savings from corporate reviews agreed through the Medium Term Financial Strategy. Members are however asked to note that the assumed saving of £89,000 will be subject to refinement during January 2011 by which time the intentions of staff whose leases expire before 31 March 2011 will be known.

The projected savings shown above will be reassessed for setting each year’s revenue budget.

5. HUMAN RIGHTS IMPLICATIONS

There are no Human Rights implications arising from this report.

6. CONSULTATION

The Chief Executive and all Chief Officers have been consulted in the preparation of this report.

7. CONCLUSION

As a result of the Best Value Review, the harmonisation of the Car Leasing Scheme should proceed as recommended. This will allow a significant contribution to the Council’s corporate savings targets in future.

RON ASHTON
DIRECTOR OF NEIGHBOURHOOD SERVICES

NOTE: The background papers outlined below, 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.

NS/RA
REVIEW OF CAR LEASING SCHEME

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Remit

1 The remit of this review was:
   - To review the car vehicle leasing scheme to ensure the introduction of vehicle selection
criteria which take account of emission levels, and that the cost to the council do not
exceed other approved methods of funding equally efficient means of employee travel.

2 It is recognised that there were two distinct themes within the remit of the review ie the pursuit
of the ‘green’ agenda and consideration of the cost and value for money of the car leasing
scheme.

3 This review was part of a wider review of fleet and vehicle management amongst the
overarching aims of which were:
   - To make efficiency savings in the operation of fleet services.
   - To make the operation of vehicles fit in with the green agenda.
   - To make best use of all resources available.
   - To fit in with the efficiencies agenda.

Basis of Analysis

4 Unless otherwise stated the content of this report is based on analysis of the cost of the car
leasing scheme and activity within that scheme during the year 2009/10. There is no reason to
believe that this was anything other than a typical year.

5 The review team analysed the information available in a variety of ways and produced a
number of models demonstrating the implications of various changes.

FINDINGS

Background

6 The council has operated a car leasing scheme since its formation in 1996. The scheme
established then was an amalgam of the Tayside Regional Council and Angus District Council
schemes.

7 When these schemes were established they were intended as a means to assist designated
car users ie those who are contractually required to provide a car to do their job and as a
means to encourage recruitment and retention.

8 The scheme was introduced by the council as part of its package of conditions of service.
Neither the scheme nor any part of its terms and conditions were or are subject to negotiation
or agreement with the council’s trade unions.

9 At the end of the financial year 2009/10 the scheme had 312 members.

10 The provision of a subsidised leased car from the council as employer constitutes a “benefit in
kind” for tax purposes. Employees participating in the scheme incur a tax liability based on the
list price and CO2 emissions of the car and how much they pay as their contribution. The
council pays employer National Insurance contributions on the benefit in kind.
The Scheme

11 The scheme operates on the basis of shared contributions to the leasing cost from the council and the employee. The following sliding scale is used to determine relative percentage contributions based on the employee's anticipated annual business mileage (generally measured by their mileage in the two years preceding their application), which is endorsed by their department.

<table>
<thead>
<tr>
<th>Mileage Band</th>
<th>Employee Contribution (%)</th>
<th>Council Contribution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1500*</td>
<td>70</td>
<td>30</td>
</tr>
<tr>
<td>1501-2000</td>
<td>55</td>
<td>45</td>
</tr>
<tr>
<td>2001-2500</td>
<td>40</td>
<td>60</td>
</tr>
<tr>
<td>2501-5000</td>
<td>30</td>
<td>70</td>
</tr>
<tr>
<td>5001-8500</td>
<td>20</td>
<td>80</td>
</tr>
<tr>
<td>8501+</td>
<td>10</td>
<td>90</td>
</tr>
</tbody>
</table>

* the minimum mileage for entry to scheme became 1501 miles with effect from June this year.

12 The council's contribution is determined by the percentage rate for the mileage band to which the applicant is assigned and the lease cost of a 1.6 litre saloon car which is deemed to be equivalent to a total leasing cost of £259.08, so the maximum monthly amount that the council will pay, for non chief officers, is £233.17 (90% of £259.08). The position for chief officers is slightly different and explained later. Any amount in excess of the sum thus calculated and/or the cost of any optional extras are met by the employee.

13 Analysis suggests that estimated business mileage is not always accurate. The following sets out the average mileage travelled by individuals within each of the mileage bands and the percentage who did not exceed the minimum within each band in 2009/10.

<table>
<thead>
<tr>
<th>Mileage Band</th>
<th>Average Mileage</th>
<th>% Not Exceeding Minimum Mileage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1500</td>
<td>824</td>
<td>-</td>
</tr>
<tr>
<td>1501-2000</td>
<td>1111</td>
<td>91% (10 of 11)</td>
</tr>
<tr>
<td>2001-2500</td>
<td>1968</td>
<td>50% (15 of 30)</td>
</tr>
<tr>
<td>2501-5000</td>
<td>2929</td>
<td>34% (52 of 152)</td>
</tr>
<tr>
<td>5001-8500</td>
<td>4337</td>
<td>74% (23 of 31)</td>
</tr>
<tr>
<td>8501+</td>
<td>8503</td>
<td>62% (10 of 16)</td>
</tr>
</tbody>
</table>

Some members have been omitted from this calculation because they were not in the scheme for the full year.

14 The scheme states that the council will support the acquisition of any vehicle chosen by an employee subject to its being satisfied that the vehicle is suitable for use on council business. No further guidance on suitability is given.

15 The council makes no stipulations about permitted maximum CO₂ emissions or safety features required of the vehicle selected. The range of CO₂ emissions of cars in the scheme runs from 98 to 219. The average is 144.

16 The scheme includes provision to review the relative contributions of the council and employees from time to time with the proviso that any revision to contributions would apply only to new leases. Contribution rates have however never been revised.

17 The scheme is administered by the Neighbourhood Services Department with oversight of compliance with the scheme’s terms from the Assistant Chief Executive.

18 Prior to this year, the scheme had not been revised since its introduction apart from in 2002 when members of the scheme became responsible for providing their own insurance. Previously insurance cover had been provided as part of the scheme. At the same time as that change, the car loan scheme which had been another means of assisting designated users to purchase cars, was discontinued.

19 A change was made to the scheme during the course of this review when it was decided by the Chief Officers Management Team that, pending the outcome of this review, those who would have an annual business mileage of 1500 miles or less would not be allowed into the scheme.
Eligibility

20 All designated car users are entitled to apply for membership of the scheme. An application, including the estimated annual business mileage, must be authorised by, or on behalf of, the employee’s head of department. Final authorisation for entry to the scheme at the proposed mileage band must be given by, or on behalf of, the Assistant Chief Executive.

21 Different departments and indeed divisions within departments apply different criteria for determining whether employees may join the scheme eg in one division no one with an annual business mileage less than 2,500 miles will be admitted and in one department only those who can demonstrate that the cost to the council of leasing the car they have chosen would be no greater than the cost of paying the 40p mileage for ‘own car’ use. (* The council pays 40p per business mile travelled to those outwith the scheme. The rate drops to 25p after 10,000 miles are claimed in any year. These continue to be referred to as the ‘casual’ rates.)

22 As a consequence of employee choice and varying eligibility practices, current membership of the scheme is not based solely on the need of an individual for a car to carry out their duties, nor the extent of that need. It may well be that some who have demonstrably greater need, in terms of their annual mileage, than existing scheme members have been denied entry because their department could not afford the additional financial burden. In some departments it has been the custom to allow long standing members with low mileage to remain in the scheme at the expense of potential new members who have a greater need.

23 In addition, many designated users choose not to join or apply to join the scheme preferring to claim the casual user mileage rate. As is described below, the vast majority of business mileage undertaken within the council is by casual users.

Contractual Position

24 The contractual entitlement of designated car users to join the scheme has been diluted over time.

25 Following its introduction, all those who were designated car users were entitled to participate in the scheme although the council reserved the right to review or withdraw the scheme at any time. The contractual position now is that designated users are informed that the council has a car lease scheme and that they may apply for membership. The council continues to reserve the right to review or withdraw the scheme.

26 The changing nature of the contractual entitlement to participation in the scheme reflects increased awareness of the cost to departments of allowing employees to participate within a context of increasing budget pressures.

27 To be clear, the current position is that the council makes it a contractual obligation of anyone identified as a designated car user that they must retain a full driving licence and make a vehicle available to carry out their job. It does not give any right to participation in the car lease scheme, beyond the term of any current lease.

28 The withdrawal of the car lease scheme would not remove any employee’s existing contractual obligation to provide a vehicle for their job, nor would the council be obliged to make any compensation for withdrawal of the scheme.
Pattern of Membership

29 The following illustrates the growth of membership of the scheme.

<table>
<thead>
<tr>
<th>Date</th>
<th>Number of Leases</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/03/1997</td>
<td>95</td>
</tr>
<tr>
<td>31/03/2000</td>
<td>216</td>
</tr>
<tr>
<td>31/03/2003</td>
<td>216</td>
</tr>
<tr>
<td>31/03/2006</td>
<td>231</td>
</tr>
<tr>
<td>31/03/2007</td>
<td>246</td>
</tr>
<tr>
<td>31/03/2008</td>
<td>265</td>
</tr>
<tr>
<td>31/03/2009</td>
<td>303</td>
</tr>
<tr>
<td>31/03/2010</td>
<td>312</td>
</tr>
</tbody>
</table>

There are currently 318 members of the scheme.

Cost of Scheme

30 There are three elements of direct cost to the council arising from the scheme:

i) Its contribution to the leasing cost.

ii) Employers’ national insurance costs: provision of a partially funded leased car constitutes a ‘benefit in kind’ on which national insurance must be paid.

iii) 10p for each business mile undertaken by a car lease user.

31 During the year 2009/10 the total cost to the council of the scheme was approximately £790,000. Of this approximately £86,800 was for the 868,000 business miles car lease users travelled. The overall cost to the council of each mile travelled by a member of the car lease scheme was therefore approximately 91p.

32 In addition to the direct costs of the scheme there is a fourth element – the cost of its administration. Neighbourhood Services employ a full time Administrative Assistant for this purpose at a grade of LG6 (£23,450 per annum including employers’ costs). Additionally there is the less easily quantifiable cost of administering the scheme within individual departments, particularly within the Chief Executive’s where all applications must pass for final authorisation. Payroll administration costs also arise in relation to taxation issues.

Comparison of Cost of the Scheme with Payment of Mileage Rate

33 The council’s ‘casual user’ business mileage rate is 40p per mile (25p after 10,000 miles in a year).

34 Had the business mileage travelled by scheme members been reimbursed at the 40p per mile basis, the cost to the council would have been £347,200. This is £442,800 less than the total cost paid under the terms of the scheme.

35 Had scheme members been paid only the 40p per mile business rate rather than compensated under the terms of the scheme, the council would have saved money in respect of all but five members of the scheme. The savings per year per person would have ranged from £189.80 to £2,552.91 at an average of £1,421.47.
36 The scheme is open only to designated car users but not all choose to seek entry and some others are denied entry. As a consequence, many high business mileage users are not in the scheme. In 2009/10 there were considerably more high business mileage users outside the scheme than in it, as the following table shows:

<table>
<thead>
<tr>
<th>Annual Business Miles Claimed</th>
<th>Scheme Members</th>
<th>Non Scheme Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1500-2000</td>
<td>37</td>
<td>140</td>
</tr>
<tr>
<td>2001-2500</td>
<td>40</td>
<td>111</td>
</tr>
<tr>
<td>2501-5000</td>
<td>123</td>
<td>245</td>
</tr>
<tr>
<td>5001+</td>
<td>30</td>
<td>76</td>
</tr>
<tr>
<td>TOTAL</td>
<td>230*</td>
<td>572</td>
</tr>
</tbody>
</table>
* the remaining members of the scheme, claimed fewer than 1500 business miles.

37 The vast majority of the council’s business mileage is undertaken by employees who are not in the scheme. In 2009/10 whilst scheme members undertook approximately 868,000 business miles, those outside the scheme undertook over 2,500,000 miles.

Variation to the Terms of the Scheme

38 The review team considered a range of amendments which could be made to the terms of the current scheme and produced models to estimate possible financial implications.

39 The scheme could be amended by many different methods eg amending relative council and employee contribution rates, increasing the number of mileage bands by reducing their spread and revising contributions rates; annually recalculating contribution rates on the basis of actual rather than estimated mileage; capping the council’s contribution at a lower level.

40 Combining some or all of these elements, and others, offers an almost limitless number of variations. But many of these would still result in scheme members being ‘better off’ than those reimbursed as casual users. There would therefore continue to be an arguably avoidable cost to the council. Maintenance of a scheme to better reflect actual mileage undertaken would also require increased resources to administer it.

41 A very simple amendment to the scheme which would reduce its cost would be to retain all its features except the minimum level of mileage required eg allow entry only to those who could demonstrate that they would do 2500 business miles each year. Applying this approach to the information for 2009/10, the following would be the saving if various minimum mileage requirements had been applied, and those not meeting that requirement had claimed the appropriate casual user rate.

<table>
<thead>
<tr>
<th>Actual Mileage Below</th>
<th>Saving</th>
</tr>
</thead>
<tbody>
<tr>
<td>1500</td>
<td>£104,229</td>
</tr>
<tr>
<td>2500</td>
<td>£217,766</td>
</tr>
<tr>
<td>3000</td>
<td>£284,846</td>
</tr>
<tr>
<td>3500</td>
<td>£319,376</td>
</tr>
<tr>
<td>4000</td>
<td>£343,718</td>
</tr>
<tr>
<td>4500</td>
<td>£360,000</td>
</tr>
<tr>
<td>5000</td>
<td>£378,291</td>
</tr>
</tbody>
</table>

A Cost Neutral Scheme

42 Only a scheme based on the principle that the cost of leasing a vehicle to an employee was no greater than they would receive if they were paid the appropriate casual user rate would achieve the remit of the review ie to ensure that the cost to the council (of the scheme) does not exceed other approved methods of funding equally efficient means of employee travel.

43 The council could ensure that the current scheme costs no more than paying casual rates by introducing a break even calculation. This would require the calculation of the three direct costs of the scheme, based on anticipated business mileage and allow applicants to join the scheme only if this cost is less than or equal to what it would cost to fund their mileage by paying the appropriate casual user rate.
The above comparison does not include the cost of administering the scheme which will continue if it is retained in any form.

Comparison with Arrangements in Other Organisations

The council scheme is considerably more generous and/or liberal in its terms than those of neighbouring authorities and NHS Tayside.

Amongst the differences are that Perth and Kinross Council adopt a policy that the cost of the lease to the council must be no more than would be the case had the individual claimed the standard 40p per mile rate. There are now only single figure numbers in the Perth and Kinross lease scheme. Dundee City Council sets a much lower cap on the maximum council contribution and the NHS generally only allows those with a likely minimum business mileage of 5000 into the scheme and makes stipulations about the nature of the car which will be provided. Fife Council withdrew its scheme over two years ago on the basis that it did not consider operating a leased car scheme was the most appropriate means to enable and reimburse employee business travel.

Pool Cars

The review team considered the use of pool cars as an alternative to the scheme. Arrangements currently operating within the Social Work and Health Department appear to be effective but there were considerable issues of concern about the feasibility of pool car arrangements beyond limited specific service groups.

Negotiation of New Contract with Provider

The current contract with our providers has been extended on several occasions for a variety of reasons, most recently pending the outcome of this review. There is also on the horizon the proposed introduction of procurement arrangements for leased vehicles covering the whole of Scotland. There was some discussion about this during the group and one point that was highlighted was that the current specification for schemes within the national arrangement include the provision of insurance cover. Clearly this, amongst others, are issues to be revisited in light of actions agreed following this review.

CONCLUSIONS

i) Operating the car lease scheme costs the council approximately £443,000 more than operating no scheme and paying employees who were in the scheme casual rates for business mileage travelled.

ii) Whilst the removal of the 1–1500 mile band will help in the short term, if the current pattern of scheme membership continues and the scheme is unaltered, its real cost, (compared with applying casual rates) will increase.

iii) There are a host of ways to vary the scheme to reduce its costs, both simple and complex, but they depend on the answers to one, perhaps two, questions ie:
   - Does the council wish to continue to operate a car lease scheme?
   - If yes, does it wish to continue to ‘subsidise’ scheme members (in comparison to non-scheme members) and to what extent?

iv) The terms of the remit given for this review require that the scheme be cost neutral, when compared with ‘equally efficient means of funding employee travel’ – most obviously paying casual user rates.

v) The experience of Perth and Kinross Council which has implemented a scheme which operates on a break even/cost neutral basis suggest that very few employees would find such a scheme attractive.
vi) There is no contractual barrier to withdrawal of the scheme entirely as current leases expire. This would be achieved over a period of 39-42 months allowing for agreed leases which have not yet come into operation.

vii) The annual business mileage anticipated by the applicant, and supported by their department, is frequently considerably less than the mileage actually travelled.

viii) The average annual mileage travelled by scheme members in both the 2501-5000 and 5001-8500 mile bands is such as to argue strongly for sub division of these bands with an appropriate recalculation of relative contributions.

ix) The disparity in approach taken by departments and divisions to decide eligibility for the scheme is undesirable and would be removed by issuing unequivocal corporate guidance.

x) The range of vehicle options with relatively low emission levels now available would allow the easy imposition of a maximum permissible emission level in any form of retained scheme.

xi) From a solely financial perspective there is little or no argument against radically altering or withdrawing the current scheme. However whilst the withdrawal of the scheme or the introduction of a cost neutral replacement could be defended as ‘levelling the playing fields’ for all designated car users, there is no doubt that it would cause, at least in the short term, financial difficulties for some employees. Furthermore its withdrawal, even on a phased basis, within the context of a pay freeze, is certain to have a detrimental affect on the morale of some former scheme members, and possibly others. It may be seen as a ‘straw in the wind’, indicating further diminution in conditions of service.

xii) The counter argument is that this change would affect fewer than 350 out of more than 5500 employees. By comparison with other means of achieving savings it is a relatively painless option. It may well be that employees – including some scheme members recognise it as a considered and sensible way of achieving savings.

xiii) A decision to withdraw the scheme or to replace with a revised version could be implemented on a naturally phased basis as the leases of existing scheme members expire. Those where leases are due to expire soon after the implementation of any new scheme could be granted extensions to allow them to make alternative arrangements.

xiv) Consideration about the nature of new contractual arrangements with providers and participation in a pan-Scotland procurement exercise depend on the actions arising from this review.

Chief Officers

50 The position of chief officers within the scheme is different to that of other employees in a number of ways

51 Participation in the scheme and the terms of participation are contractual entitlements.

52 Those chief officers who are in the scheme share costs with the council on the basis of 70% council and 30% employee with no reference to actual or anticipated business mileage

53 The maximum monthly lease cost on which chief officers’ contribution is based is £302.47 rather than £259.08 which applies to other employees. This differential was introduced in 2002 when the council stopped paying employees’ insurance costs. Payment of the insurance was a contractual entitlement for chief officers and the adjustment in contribution was compensation for the removal of that entitlement.

54 Most (23) but not all chief officers participate in the scheme. The cost of their participation (when compared to paying casual user rates) is proportionately higher than that of other employees.
Whilst there is no contractual barrier to withdrawing the scheme from most employees, the position for chief officers is different. Denying them entry to the scheme or varying the terms of participation would be a significant variation to their contract – and this would be the case whether chief officers have chosen to enter the scheme or not.

The position of chief officers would present a number of challenges if the scheme is to be withdrawn or radically changed, both from the point of view of how to deal with their particular circumstances and how they are dealt with when compared with other employees – albeit that they are in a different contractual position.

RECOMMENDATIONS

i) The council introduce a new car lease scheme with effect from 1 April 2011.

ii) The new scheme be cost neutral to the council ie the cost to the council of an employee’s membership of the scheme be no greater than if that employee were paid the appropriate rate for their business mileage.

iii) The CO2 emission rates of cars supplied under the terms of the scheme should be no greater than:

- Up to 31 March 2012: 139
- Up to 31 March 2013: 134
- Up to 31 March 2014: 129
- Up to 31 March 2015: 125
- Up to 31 March 2016: 120

And thereafter maximum permissible rates be reviewed.

iv) Whilst the new scheme will be introduced on 1 April 2011, any LGE employee holding a lease under the terms of the current scheme on that date will continue to hold their lease under those terms until its expiry. The new scheme will apply to any Chief Officer appointment on or after 1 April 2011 with the contractual entitlement of Chief Officers in post before then continuing whilst they remain in their current post.

FINANCIAL IMPLICATIONS

The financial implications arising from the proposed recommendations have been calculated using information from the council’s car lease scheme and payroll system. Officers have been able to determine the cost to the council for each car lease currently in place and the business mileage undertaken by the leaseholder during 2009/10 based on claims submitted. This has allowed the total current cost of each lease to be identified and a comparison made between that cost and what it would have cost the council to pay the same mileage at casual user rates. The examples below demonstrate the basis of calculation.

<table>
<thead>
<tr>
<th>(A) Employer Lease Cost excl mileage</th>
<th>(B) 2009/10 Business Mileage</th>
<th>(C) Cost of Lease Mileage = (B) * 10p</th>
<th>(D) Total Cost To Council Of Lease = (A) + (C)</th>
<th>(E) Cost If Business Miles Paid At Casual User Rate = (B) * 40p</th>
<th>(F) Saving From Not Renewing Car Lease = (E) – (D)</th>
</tr>
</thead>
<tbody>
<tr>
<td>£2,307.75</td>
<td>690</td>
<td>£69.00</td>
<td>£2,376.75</td>
<td>£276.00</td>
<td>£2,100.75</td>
</tr>
<tr>
<td>£1,310.88</td>
<td>2,068</td>
<td>£206.80</td>
<td>£1,517.68</td>
<td>£827.20</td>
<td>£690.48</td>
</tr>
<tr>
<td>£2,716.17</td>
<td>7,920</td>
<td>£792.00</td>
<td>£3,508.17</td>
<td>£3,168.00</td>
<td>£340.17</td>
</tr>
</tbody>
</table>

Having undertaken the above analysis for all current leases it is possible to determine which leases will not be renewed for each employee and at what point in the financial year this will occur. The table below summarises the position for the four financial years it will take for the full value of the projected savings to be realised. There are part year savings in each of the next three financial years because leases are due to terminate at various points during the financial year, i.e. leases do not all terminate on 1 April.
<table>
<thead>
<tr>
<th></th>
<th>Savings In Full Financial Year (for information) £000</th>
<th>In Year Saving (part year) £000</th>
<th>Add Balance of Full Year Saving from Previous Year £000</th>
<th>Saving for Budget Setting Purposes £000</th>
<th>Cumulative Savings for Budget Purposes £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings From Leases Expiring During The Year – 2011/12</td>
<td>166</td>
<td>89</td>
<td>0</td>
<td>89</td>
<td>89</td>
</tr>
<tr>
<td>Savings From Leases Expiring During The Year – 2012/13</td>
<td>120</td>
<td>58</td>
<td>77</td>
<td>135</td>
<td>224</td>
</tr>
<tr>
<td>Savings From Leases Expiring During The Year – 2013/14</td>
<td>108</td>
<td>51</td>
<td>62</td>
<td>113</td>
<td>337</td>
</tr>
<tr>
<td>Savings From Leases Expiring During The Year – 2014/15</td>
<td>0</td>
<td>0</td>
<td>57</td>
<td>57</td>
<td>394</td>
</tr>
</tbody>
</table>

60 The savings in 2011/12 may be more than indicated above if members of the lease scheme entitled to renew their lease before 31 March 2011 choose not to do so. However the savings for each full financial year could also be less than the above estimates if the 2009/10 staff mileages used to calculate the savings prove to be low compared to future trends. The 2009/10 mileages may have been lower because of maternity leave or long term illness or could be higher due to one-off projects, etc.

61 Whilst recognising that mileages will vary from year to year and therefore the projected savings cannot be guaranteed there is no doubt that significant savings will still be available even if mileages for individual leaseholders prove to be higher than those in 2009/10.