

WEST DUNBARTONSHIRE COUNCIL

Report by Director of Corporate Services
West Dunbartonshire Council – 25th October 2000

Subject: Revised Car and Cycle Allowances Scheme

1. Purpose:

- 1.1 This report asks Council to approve a revised Car and Cycle Allowances Scheme.

2. Background:

- 2.1 The merging former Councils of Dumbarton District, Clydebank District and Strathclyde Regional Council each transferred their own arrangements for reimbursing employees for travelling costs incurred in undertaking Council business. This resulted in inconsistent payments within and between Departments creating employee dissatisfaction at the various arrangements which continued to feature within West Dunbartonshire Council.
- 2.2 The Council seeks to reduce its operating costs and approved a budget saving of £140,000 in travelling expenses for the current financial year.
- 2.3 The allowances currently paid to employees exceed those recognised by the Inland Revenue and are therefore liable to taxation. The Council, as a result, makes payments to employees who in turn pass on to the Inland Revenue a proportion of the allowance they receive.
- 2.4 The existing Car Allowances Scheme held two categories of car user each with specific allowances. These separate categories of "Essential" and "Casual" user created divisions within the workforce with many employees being unhappy in not receiving the highest payments available.

3. Proposals:

- 3.1 The revised Car and Cycle Allowances Scheme is attached as Appendix 1 and will establish a consistent payment arrangement to employees undertaking business journeys on behalf of the Council. The Scheme will contribute to the savings required on travelling expenses. The proposals are consistent with developments being discussed with trade unions at national level.
- 3.2 The proposals introduce the Inland Revenue's car allowances which recognise the A.A./R.A.C. mileage rate to be the appropriate remuneration for business journeys. This currently stands at 40p per mile.
- 3.3 The proposed Scheme has been subject to consultations with the trade unions who have failed to agree with the terms and an Appeals Sub Committee has heard their representations.

- 3.4 The proposals will be influenced by the final developments at national level and should any variations result, amendments to the Scheme will be made to comply with the national provisions.
- 3.5 The proposals will establish a single user status of "Authorised User", the revised rates are applicable from 1st November 2000 and confirm the public transport mileage rate at 12.6p per mile. An allowance for business journeys completed by employees using their bicycles has been established to reimburse associated costs, provide an incentive for use of bicycles and support environmentally friendly transport.
- 3.6 Procedures for authorising and monitoring expenses will supplement the circulation of this revised Scheme to ensure the most economical methods of travelling are adhered to.

4. Recommendations:

- 4.1 It is recommended that Council approve the revised Car and Cycle Allowances Scheme effective from 1st November 2000.



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Background Papers:

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Revised Car User Allowance



CAR AND CYCLE ALLOWANCES FROM 1st NOVEMBER 2000

1. CAR ALLOWANCES

1.1 Authorised Car User Status:

Employees authorised by the Council to use their own vehicles for official business shall be classified as an Authorised User and become entitled to allowances subject to the following conditions:-

1.2 Conditions

Allowances shall not be payable in respect of normal journeys between an employee's home and place of business. The rates payable shall be those determined by the Inland Revenue.

Appropriate records must be kept of all official journeys.

Payment of car allowances will normally be restricted to travel within the Council area. Directors may authorise claims for journeys outwith the Council area but within Scotland in appropriate circumstances. For journeys outwith the Council area where the use of public transport would represent a reasonable alternative, payment shall be the Council's public transport rate.

The employee's insurance policy, which can be either "fully comprehensive" or "third party, fire and theft" must contain a clause indicating they are covered for using their car in connection with the business of their employer.

All parking fees, ferry dues, bridge tolls, etc., will be reimbursed in respect of authorised business.

2. MOTOR CYCLE ALLOWANCES

Employees authorised by the Council to use their own motor cycle for official business journeys shall be entitled to allowances subject to conditions in paragraph 1.2.

3. BICYCLE ALLOWANCE:

Employees authorised by the Council to use a bicycle for official business journeys should be entitled to an allowance subject to the conditions in paragraph 1.2. This allowance is payable subject to journeys being prior approved in respect of journey duration and the impact upon productive time.

4. GENERAL

Each departmental Director shall arrange to keep a record for each employee of the accumulated mileage for the year. As allowances are those prescribed by the Inland Revenue they are not liable to personal taxation.

5. ALLOWANCES

5.1 Authorised User:

Per mile – first 4,000 miles	40p
Per mile – over 4,000 miles	22.5p
Petrol Element	6.7p
Amount of VAT per mile in petrol element	0.9976p

5.2 Public Transport Car Mileage Rate 12.6p

5.3 Motor Cycle Allowances

	<u>Not Exceeding 150cc</u> <u>(w.e.f. 1.4.99)</u>	<u>Exceeding 150cc</u> <u>(w.e.f. 1.4.99)</u>
First 1,500 miles a year	16.0p	16.4p
thereafter	12p	12p

5.4 Bicycle Allowance

A rate of 12p per mile.