



**PEAK DISTRICT NATIONAL PARK AUTHORITY**

**ACTION NOTES OF THE RESOURCE MANAGEMENT MEETING  
MEETING HELD AT 9.30 AM ON TUESDAY 6 MARCH 2018**

<b>Present:</b>	Natalie Clemmitt, David Hickman, Sarah Fowler, Simon Malcolm, John Scott, Belinda Wybrow (Secretary) and Philip Naylor	<b>Distribution:</b>	
<b>Apologies:</b>	Theresa Reid		
<b>Venue:</b>	Chief Executive's Office		

		Action
<b>8</b>	<b>Changes to Use of Vehicles</b>	
	<p>The changes to the policy relating to vehicle use is driven by the regulations of HMRC and has implications for those members of staff who regularly take fleet vehicles home.</p> <p>Options are to do nothing or to bring the Authority's policy in line with the HMRC rules from April 2018. Due to changes in the way the Authority is registered for VAT there is an option to negotiate with HMRC from April 2019 should the impact of the changes necessitate this. There would be a cost involved in the negotiations but the analysis of operational impacts in the 2018/19 tax year would allow the Authority to balance the options for 2019/20 onwards.</p> <p>Consultation has taken place with staff, UNISON and Staff Committee including drop in sessions and issues have been identified including the possible impact on carbon emissions but this will be difficult to measure without knowing what vehicles will be used for home to work journeys.</p> <p>UNISON and Staff Committee have requested the payment of a 'Hardship' payment for those staff no longer able to take a vehicle home but RMM's decision is that this is not a suitable case for such a payment.</p> <p>RMM felt the issues identified during the review have highlighted the need to regularly review policies and how they are implemented.</p> <p>RMM thanked Juliet Farmer for the work she has put into reviewing the policy.</p> <p>RMM agreed that the appendices to the Policy need to be simplified and work will be carried out over the coming year to look at how this can be achieved and if possible move to more electronic process. Progress on this will be reported as part of the Mid Year Review and will include more onus on Managers to ensure the process is properly adhered to.</p>	David Hickman

RMM discussed the need to ensure staff are aware of the changes to the policy, a presentation may be included in the next round of staff briefings.

**Actions:**

1. The minutes of the meeting be circulated to UNISON and Staff Committee as soon as they are agreed.
2. All staff email to be sent outlining the changes to the policy.
3. Briefing to staff to be arranged including 'myth buster' item.
4. An email sent to Members to inform them of the decision of RMM and the changes to the policy.

**RMM Agreed:**

The policy as written (appendix 1 of the report) is signed off with the provision of a review in the coming year including simplifying the appendix to the policy.

**David  
Hickman**

**RMM Minute No. 6/18**

# BUSINESS CASE : Changes to the use of vehicles & adoption of a new Travel and Subsistence Scheme Agenda Item 3(a)

**Project Sponsor :** David Hickman  
**Project Manager :** Juliet Farmer

**Date of RMM :** 6<sup>th</sup> March 2018

## What is the business case seeking? Purpose/Description:

To seek acceptance of the proposed changes to the use of vehicles as described in the revised Travel and Subsistence Scheme. The proposed changes are necessary in order to comply with HMRC regulations. It is also proposed to match the PDNPA mileage rates with those of HM Revenue and Customs from 1<sup>st</sup> April 2018 and thereafter.

## Business need & strategic fit:

As a result of investigations into the taxation requirements relating to the use of the Authority's fleet vehicles it was advised by an independent tax consultant that the existing Travel and Subsistence Scheme did not fully comply with current HMRC regulations, especially regarding tax compliance on journeys which were classed as private mileage (e.g. commuting to work). The Authority's Travel and Subsistence Scheme has been amended to address these issues and a draft of the proposed new scheme is shown at Appendix 1. A summary of the proposed changes is provided in Appendix 2.

In summary the main proposed changes are:

- To comply with the taxation requirements, from 1st April 2018, no Authority vehicles (including pool vehicles for the avoidance of doubt) will be allowed to be taken to an officer's home and parked there overnight. This effectively eliminates any mileage which may be considered to be "private" within either the VAT or income tax definition.
- Managers will be allocated responsibility for signing off pool vehicle mileage and ensuring that records are complete and no private mileage is undertaken. There can be no gaps in records of mileage as the HMRC may assume all gaps relate to private mileage which puts the Authority at risk of significant non-compliance penalties.
- The Travel and Subsistence Scheme has been amended to allow officer's to use their own vehicle from home to temporary workplaces in circumstances where it is not practical to use a pool car, and to be reimbursed for mileage incurred over and above their usual home to office mileage.
- The Travel and Subsistence Scheme has also be amended to make clear the distinctions between temporary and permanent workplaces, and provides examples so that officers are clear about the mileage they are able to claim in their own cars, and when they should use pool cars, and when mileage is business or private, under the new rules.
- In April 2010 the mileage rate paid to officers was reduced from 45p per mile to 40p. At the time 40p was the current HMRC rate in which there was no profit element and had therefore no taxable benefit to the employee. From April 2011 HMRC increased the rate to 45p but the PDNPA rate remained at 40p and has remained at this level. It is proposed to match the PDNPA mileage rates to the HM Revenue and Customs rate from 1st April 2018 and thereafter.

In order to achieve our National Park purposes the use of vehicles is essential. We are dependent on officer's using their own vehicles to achieve our overall operational effectiveness where pool cars are Page 7

unavailable or impractical and the fair reimbursement of official mileage undertaken in an officer's own car is important to us.

Currently the PDNPA does not have its own VAT registration. This situation is expected to change during 2018/19 and with effect from 1<sup>st</sup> April 2019 the PDNPA will be separately registered for VAT. At this point, the PDNPA would be in a position to negotiate directly with HMRC if required.

#### **Performance data/trends:**

The Authority's mileage in 2016/17 was 428,363 miles which comprised of 323,343 in fleet vehicles (77,462 being in pooled vehicles) and 105,020 grey fleet.

The proposed change in the Scheme in terms of no longer allowing any authority vehicle to be taken home may result in a reduction of miles in Authority vehicles but this could be counteracted by an increase in grey fleet mileage.

#### **Statement of options and appraisal:**

Option 1. Do Nothing. The do nothing option places an unacceptable risk on the Authority.

Option 2. Adopt the revised Travel & Subsistence Scheme with effect from 1<sup>st</sup> April 2018. The Authority has to comply with HMRC regulations or face the risk of being penalised for non-compliance. If there remain any outstanding operational issues, following the implementation of the new Scheme, the Authority could seek to negotiate with the HMRC once it has its own VAT registration in place from 1<sup>st</sup> April 2019.

#### **Preferred option/recommendation:**

To approve Option 2 and adopt the revised Travel and Subsistence Scheme with effect from 1<sup>st</sup> April 2018.

To consider the HR implications as highlighted below.

#### **Cost analysis and funding for each option including external funding and income assessment:**

Based on the 2016/17 mileages the financial impact of an extra 5p per mile would be approx £1,266.01 for members and £5,251 for officers making a total of £6,517.01. Bearing in mind that £2,446.45 of the officers figure relates to the MFF Team most of which is funded externally the actual impact on PDNPA budgets would be closer to £4,070.56. The additional funding required will be identified as part of the mid-year review and allocation of the 2018/19 inflation contingency.

#### **Asset and ICT implications:**

The number of Authority owned vehicles is expected to remain the same as the current level.

#### **Environmental management implications:**

The proportion of miles travelled in the Authority fleet compared to grey fleet may change depending on

operational requirements. The carbon impact of the proposals is not available as the alternative transport arrangements to be used by employees currently commuting to work in Authority vehicles are not known.

It should be noted that many existing vehicles in the Authority's fleet do generate relatively high CO2 emissions.

### **HR implications and Equalities Impact Needs Assessment:**

The consultation responses received from staff, Staff Committee and Unison (Please see Appendices 3 and 4) make reference to :-

- potential hardship that some employees may experience as a result of the proposed changes (i.e. the loss of access to an Authority vehicle and "free" fuel to undertake private commuting to work mileage).
- staff well-being and Health and Safety concerns
- operational efficiency and changes in carbon emissions.

RMM is asked to consider these issues.

### **Timescale:**

It is proposed that the revised Travel and Subsistence Scheme will come into effect from 1<sup>st</sup> April 2018.

### **Organisation & project management:**

Project Sponsor : David Hickman  
Project Manager : Juliet Farmer  
Project Team Members: Philip Naylor, Emma Stone, Sarah Wilks, Theresa Reid, Andy Farmer,  
Natalie Webster

All staff, representatives of Staff Committee and Unison, the Chief Executive and Directors have been kept informed throughout the project.

### **Risk analysis:**

The risk of not complying with the HMRC's requirements is significant and needs to be addressed through the adoption of a revised Travel and Subsistence Scheme.

### **Consultations:**

The proposed changes have been consulted upon widely and have involved circulating consultation material to all employees. In addition, managers have held one to one meetings with staff who currently are assigned a dedicated vehicle.

Numerous questions relating to the proposed changes have been asked. Responses to these have been provided in the form of a Frequently Asked Questions (FAQ) document which contained answers to the most common questions received. Questions relating to specific employees circumstances have been responded to individually.

In addition, drop-in sessions have been held at Aldern House and at the Edale Centre to discuss the proposed

changes.

The consultation responses from Staff Committee and Unison are shown in Appendices 3 and 4 respectively.

#### **Appendices:**

Appendix 1 Draft Travel and Subsistence Scheme (Operative from 1<sup>st</sup> April 2018)

Appendix 2 Summary of proposed changes to the Travel and Subsistence Scheme from 1<sup>st</sup> April 2018

Appendix 3 Consultation response from Staff Committee

Appendix 4 Consultation response from Unison



21 February 2018

Thank you for consulting Unison and our members on the **proposed changes to the use of vehicles and the Travel and Subsistence scheme at Peak District National Park Authority.**

Whilst there are wider changes to the Travel and subsistence scheme which affect all Unison members, the focus of our response and the clear focus of our members concerns are on the proposed revision of use of PDNPA vehicles for commuting and other use of vehicles which would be classed as 'personal use' (in particular where an individual currently has a PDNPA vehicle assigned to them as part of their role).

The proposals contained within this consultation directly and disproportionately affects and disadvantages several people and posts who currently have Authority vehicles assigned to them and who are currently able to use the Authority vehicles for their personal commuting. Many of these people have already been adversely affected through restructure exercises that changed and downgraded posts within the new structure. (In these circumstances where there is a salary change, a limited amount of salary protection is available as part of the Managing Change policy). Here the proposal is not to compensate those individuals who benefit from the use of Authority vehicles for that loss of benefit. The proposal represents a 'double whammy' to their reward package. (The Authority should consider the cumulative effect of this on staff and the effect on staff morale). It is Unison and our members strong view that the use of the Authority vehicle is a benefit in kind, and has a cash value to the individual, and the removal of that benefit should be compensated in the same way a downgrade in salary is treated.

Where an individual is currently assigned an Authority vehicle and they use it for personal use (if only for the commuting element) this is part of the reward package for their role. Both Unison and its members understand there are tax implications where 'personal use' of vehicle takes place. This consultation proposes that the use of the Authority vehicles for commuting is removed. This would financially disadvantage staff involved by either necessitating the purchase/running of an additional vehicle or finding and funding alternate travel arrangements. This would also result in reduced efficiencies of people being able to go direct from home to the relevant and varying areas of the National Park.

We have the following questions:-

- 1. One option would be for all concerned to pay the appropriate tax due. Will PDNPA give the option of the individual paying the tax liability for the personal use of the vehicle should the individual employee wish to continue using it for personal use ?**
- 2. Where (1) above does not apply, we strongly believe compensation should be made for the withdrawal of the use of the Authority vehicles for personal use (in the same way a downgrade in salary would be covered in the Managing Change Policy). It is in PDNPA's gift to give equivalent compensation for this loss in benefit in kind. Will PDNPA compensate those individuals who currently have Authority vehicles assigned to them ? Will PDNPA consider aligning this with the managing change policy in terms of years protected ?**
- 3. In respect of the proposal to revise the mileage claim allowance from 40p to 45p (to reflect the HMRC stated recompense) Unison welcomes that revision. Given the Authority recognises the importance of the HMRC benchmarked rate, will the Authority commit to this rising in line with HMRC stated recompense into the future ?**

**4. Will the Authority conduct an impact assessment on the effect of additional travel Co2 emissions and additional time driving brought about the changes proposed in this consultation so the effect on the environment and employees time can be fully considered ?**

**5. Neither Unison or its members support the reduction in protection from 3 years to 2 years where a persons 'base' is changed and results in additional travel. Unison asks that this remains as 3 years to more reasonably compensate rather than erode these conditions. Other than an existing cost, what is the justification for downgrade ?**

**6. How many employees will be affected by changes in their assigned base ? When will they be notified ?**

**We look forward to your consideration and responses to the above.**

**Thank you.**

**Unison Reps PDNPA.**