

## **Briefing Note: Changes to the Use of Vehicles and the Adoption of a New Travel and Subsistence Scheme**

### **1. Purpose of the report**

To provide the Local Joint Committee (LJC) with background information relating to the changes implemented on 1<sup>st</sup> April 2018 associated with the use of vehicles.

#### **Key Issues**

- At the last meeting of the LJC, held on 8<sup>th</sup> June 2018, concerns were raised concerning the implementation of changes to the use of vehicles. It was agreed that a briefing paper would be prepared for LJC members.
- A report was approved by the Authority's Resource Management Meeting (RMM) on 6<sup>th</sup> March 2018, which proposed changes to the use of vehicles. The majority of the changes came into effect on 1<sup>st</sup> April 2018.
- The changes to the use of vehicles were introduced to ensure full compliance with HMRC requirements following changes in the tax regime introduced in April 2016 and were subject to an extensive consultation exercise.

### **2. Recommendations**

1. That the Local Joint Committee notes the content of the briefing paper.

### **3. Background Information**

In order to achieve our National Park purposes the use of vehicles is essential. We are dependent on employee's using their own vehicles to achieve our overall operational effectiveness where pool cars are unavailable or impractical and the fair reimbursement of official mileage undertaken in an officer's own car is important.

As a result of a review, supported by an independent tax consultant, several changes to the Authority's Travel and Subsistence Scheme were identified.

In summary, the main changes were:

- From 1st April 2018, no Authority vehicles (including pool vehicles) would 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" (e.g. commuting to/from work) within either the VAT or income tax definition.
- Managers were 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 noncompliance penalties.
- The Travel and Subsistence Scheme was amended to allow officers' 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 was also 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 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 had remained at this level. From 1st April 2018 it is agreed to match the PDNPA mileage rates to the HM Revenue and Customs rate.

### **Consultation arrangements**

The proposed changes were widely consulted upon and consultation material was circulated to all employees, representatives of Staff Committee and Unison. In addition, managers held one to one meetings with staff who were at that time assigned a dedicated vehicle.

Numerous questions relating to the proposed changes were asked. Responses to these were 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 were responded to individually. Responses were provided to the questions raised by Staff Committee and Unison representatives as part of the consultation process. In addition, drop-in sessions for employees were held at Aldern House and at the Edale Centre to discuss the proposed changes.

### **HR implications**

In summary, RMM considered the consultation responses received from staff, Staff Committee and Unison which made reference to:-

- potential hardship that some employees may experience as a result of the proposed changes. UNISON and Staff Committee requested the payment of a 'Hardship' payment for those staff no longer able to take a vehicle home. RMM considered the request and decided that this was not a suitable case for such a payment. [Note: Access to an Authority vehicle in order to undertake private (i.e. commuting to work) mileage is not considered a contractual issue or a benefit in kind.]
- staff well-being and Health and Safety concerns.
- operational efficiency and changes in carbon emissions.

In addition, several employees asked what would be the potential personal tax liability of using an Authority vehicle for commuting to work. The initial response (provided in the FAQ's) was that "Due to the scale of the potential charge to the individual member of staff and the complexity of record keeping, calculating and recovering the costs due to the Authority this is not considered a practical option". However, following the issue being raised during the consultation exercise, UNISON and Staff Committee representatives were informed that "If an individual employee would like an indication of the potential tax liability of continuing to use an assigned

vehicle for solely commuting to work purposes please could they contact Philip Naylor (01629 816366 (Ext. 366) or [Philip.Naylor@peakdistrict.gov.uk](mailto:Philip.Naylor@peakdistrict.gov.uk))." An individual who was previously assigned a dedicated vehicle has recently made a request for an indication of the potential costs of using the vehicle for personal commuting. If they wished to pursue the request, once they know the costs, their request would be assessed in light of any operational considerations.

### **Environmental management considerations**

The Authority's total mileage in 2016/17 was 428,363 miles which comprised 323,343 in fleet vehicles (77,462 being in pooled vehicles) and 105,020 grey fleet (i.e. employees' private vehicles). Many vehicles in the Authority's current fleet do generate relatively high CO2 emissions as they are specified for operational use rather than suitable for commuting purposes and the previous mixed use of the same vehicle for both is not cost effective or environmentally optimal.

David Hickman, Director Corporate Strategy and Development, 1<sup>st</sup> September 2018.