

**CITY AND COUNTY OF CARDIFF
DINAS A SIR CAERDYDD****Employment Conditions Committee: 24 April 2006****Report of the Assistant Chief Executive**

ADDITIONAL TRAVELLING EXPENSES

Background

1. The issue of mobility provisions for staff, and the payment of Disturbance Allowances to employees who have been required to move from one work location to another by the Council, have been raised by the Trade Unions in a number of forums, including Works Council on 15th September, 2005. The Works Council agreed that, following the decision of the Joint Secretaries in August 2005, discussions with the Trade Unions should now take place on the development of a new Council scheme which should then be submitted to a future Employment Conditions Committee for consideration and approval.

Issues

2. Following those deliberations, the view of the Joint Secretaries was that a clear locally negotiated scheme, based on additional expenditure incurred, should be developed. Their formal response is attached as **Appendix A**.
3. They also provided further clarification in November 2005 on what was meant by “additional expenditure incurred” i.e. additional and actual financial costs incurred by an employee due to a shift in work base and that this was not meant to be based on standard car mileage rates. This clarification is attached as **Appendix B**.

Proposals

4. Following a series of discussions with the Trade Unions, a new local scheme has been produced and is attached as **Appendix C**. Whilst the intention for the new scheme was to include the issue of hardship, it became increasingly clear from those discussions with the Trade Unions, that it was going to be difficult to design a hardship scheme as by its nature, it is a subjective and very personal issue – what one person considers to be hardship may differ significantly from what someone else may feel. The discussions on the new scheme with the Trade Unions concluded therefore that as a means test approach was not appropriate, any new scheme should be designed to recompense additional travel (and possible childcare provision) incurred as part of a Council instigated move.
5. The implications of the Joint Secretaries’ response is that whilst mobility clauses can continue to be introduced by the Council (i.e. for new appointments and existing employees securing jobs elsewhere in the Council), there is a requirement to compensate staff who incur additional expenditure by virtue of that imposed move unless such staff are specifically exempted as outlined in paragraph 3 of the proposed scheme.

6. Part of the discussions with the Trade Unions concerned the mileage rate that staff who met the criteria of the scheme would be reimbursed at. The Council's original proposal was 11.77p for 4 years which the Trade Unions felt was too low. The counter proposal put forward by the Trade Unions was reimbursement for a 2 year period at the car allowance rate of 30.6p. This was given careful consideration by the Council but was deemed to be unacceptable in the light of budgetary demands. However, the Council has now proposed that the mileage rate offered of 11.77p would be increased raised to 13.88p.

Investment for Reform/Benefit to service user

7. As advised by the Joint Secretaries, a new and clear scheme for Cardiff Council that addresses a long outstanding issue will provide a more equitable approach to staff reimbursement and thus service improvements will accrue.

Council Policies Supported

8. This report supports the Corporate Plan and other policies, which are designed to enhance employee relations arrangements.

Advice

9. This report has been prepared in consultation with relevant Corporate Managers and reflects their advice. It contains all the information necessary to allow Members to arrive at a reasonable view, taking into account the following advice.

Legal Implications

10. The Scheme will become a locally negotiated contractual entitlement.

Financial Implications

11. The cost of the new scheme to the Council will depend on the number and value of eligible claims made. Any such costs will need to be met by Service Areas from within their existing budgets.

Human Resource Implications

12. It is essential that the Council gets the best from its staff resources in order to provide effective, quality services. In order to achieve this, Chief Officers need the flexibility to move staff legitimately to different locations across the Council as required by the business. However decisions about relocating employees must be implemented fairly and reasonably. The new scheme is equitable as it is based on additional travel expenses incurred and does not include, for the reasons outlined above, any element of hardship. The Joint Secretaries have advised that a new scheme needs to be introduced in a consistent way.

Trade Union Comments

13. The Trade Unions have been heavily involved in the drafting and are in support of the need for a new scheme. However, a major point of disagreement throughout concerned the mileage rate at which individuals will be recompensed for such a move for a period of up to 4 years. They considered that the rate being offered by the Council under paragraph 12 of the Scheme (i.e.11.77 p per mile) was insufficient and have asked the Council to consider a counter proposal of recompensing staff at the rate of 30.6 p (essential user rate) for 2 years.(rather than 4)
14. The Trade Unions expressed their considerable disappointment that their counter proposal had not been accepted and felt that even though the mileage rate on offer had been increased, that it remained insufficient. UNISON have advised that they will need to put the draft proposals to their membership to decide. Most of the points proposed within the new scheme are acceptable, but the proposed mileage rate is unacceptably low, and further discussions will need to take place around this issue. UNISON are confident that their members will support this position.
15. Further, the instruction of the Joint Secretaries was to ‘agree’ a local agreement and that is what UNISON and other Trade Unions have sought to do. They felt that whilst they had moved from their original position, the Council had not done so to the same extent. Therefore if the Council decided to impose these final proposals, UNISON would feel obligated to refer the issue back to the Joint Secretaries, since this in their view would not constitute an ‘agreement’.

RECOMMENDATION(S)

16. It is recommended that
 1. the proposed new Additional Travel Allowance Scheme attached as Appendix C be approved
 2. the operative date of this new scheme be 4 July 2005 (ie the date at which the matter was referred to the Joint Secretaries).

JO FARRAR ASSISTANT CHIEF EXECUTIVE

The following appendices are attached

Appendix A – Decision letter from Joint Secretaries 17 August 2005

Appendix B – Clarification letter from Joint Secretaries 8 November 2005

Appendix C –Additional Travelling Expenses Scheme

Date/Dyddiad:
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17th August 2005
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WLGA • CLILC

Mike Heffernan
 Acting Head of Human Resources
 Cardiff County Council
 Atlantic Wharf
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Dear Mike

**Joint Secretarial Reference - Mobility Clause in Cardiff
 County Council Contracts**

I am writing to thank both parties for presenting their respective issues at the Joint Secretaries' meeting held on Thursday 11th August 2005.

I wish to confirm the view expressed by the Joint Secretaries at the conclusion of the meeting as follows:

'The current situation is not satisfactory. However, we don't think that it is an insurmountable problem. We feel that it would be beneficial to have some form of locally negotiated scheme based on additional expenditure incurred, and a zoning system could be examined, for example.

In any transfers consideration must be given to the needs of the individual including hardship, and this should be reflected in any scheme.

In respect of the period 1998 to the introduction of a new locally agreed arrangement, the Employers and TU Side to jointly examine and identify persons who have moved workplace and establish whether hardship has been incurred'.

We are concerned that this issue has been in dispute since 1998 and it is essential that where there are major disagreements these are dealt with by the available machinery as soon as possible.

A summary of the notes taken at the meeting is enclosed.

Yours sincerely

Anna Freeman

For Joint Secretaries

**c.c. Paul Elliott – Unison
 Mike Hayes – Unison
 Liz Morgan - Unison**

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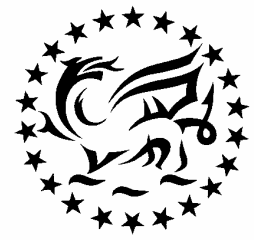
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8 November 2005
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Mike Heffernan
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WLGA • CLILC

Dear Mike

Joint Secretarial Reference - Mobility Clause in Cardiff County Council Contracts

Further to our discussion earlier today I can confirm that I have checked with Paul Elliott on my understanding of what was agreed in August, and we would like to confirm the following points from my letter of 17th August 2005:

1. 'We feel that it would be beneficial to have some form of locally negotiated scheme based on **additional expenditure incurred**'

The phrase 'additional expenditure incurred' was intended to refer to additional financial costs incurred by an employee due to a move of work base. It was not our view that the new scheme should be based on the current standard car mileage rates, but would be a new scheme to reimburse persons for any additional costs incurred and as such would need to be applied equitably and fairly to all employees.

2. 'In respect of the period 1998 to the introduction of a new locally agreed arrangement, the Employers and TU Side to jointly examine and identify persons who have moved workplace and **establish whether hardship has been incurred**'.

It was not our intention that any new scheme would be backdated to 1998. It was agreed that cases of hardship arising from a move of work base during this period would be identified and given consideration. The criteria for determining hardship will need to be agreed between both sides. However, we would see hardship as being more than just the move itself, involving a real financial impact or disruption to domestic circumstances.

Yours sincerely

Anna Freeman
For Joint Secretaries

c.c. **Lynne David – Cardiff County**
Paul Elliott - Unison
Mike Hayes – Unison
Liz Morgan – Unison

Steve Thomas
Director
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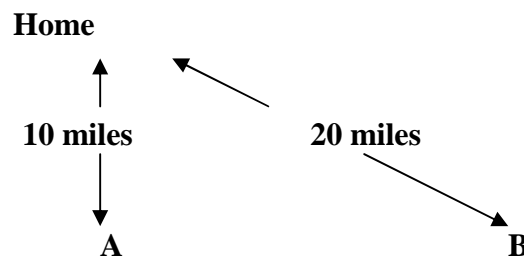
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1. There will be one scheme for the Council, which will apply to all employees who come under the terms of the National Joint Council for Local Government Services including craft staff. The new scheme will replace any existing schemes, and the previous purple book scheme.
2. Payments will only be made under this scheme where an employee has incurred additional expenditure because he/she has been transferred from one location to another location, and the new location is further from the person's home. Payments will not be made where the transfer is from a temporary relocation back to the permanent location, unless the permanent location has changed.
3. Staff in peripatetic jobs, home workers, or jobs where as a condition of the appointment there are frequent changes of location will not be eligible under this scheme. (i.e. jobs with no fixed base or jobs where the base changes frequently)
4. Only additional expenditure will be reimbursed. This will be the difference in costs between travelling from home to the old location and for travelling from home to the new location. Where there is no additional expenditure there will be no reimbursement.
5. Payments will not be considered unless the additional expenditure exceeds £3.70 per week. This will be increased annually in line with the % pay award.
6. The scheme will only apply where the Council has instigated the transfer, not where the employee has moved on his or her own instigation. E.g. applying for a different post, has requested a transfer, or because of some form of disciplinary action etc.
7. Payments are intended to reimburse additional expenditure, and therefore will be based on the type of transport actually being used. Payments for additional childcare costs should also be considered where appropriate.
8. Where the payment is based on public transport the cheapest form of transport must be used. (E.g. if bus fares an annual multiride ticket will be the benchmark.)
9. Applicants will be expected to certify that any claims are factual; any employee who is found to have deliberately falsified a claim will be subject to disciplinary action. Employees will also be responsible for reporting any changes in circumstances that could affect the allowance. (E.g. transport, home, etc.)
10. Payments will continue whilst the actual additional expenditure is being incurred or for a period of four years from the date of transfer, whichever is the shorter.
11. Excess travel will only be paid for one relocation, unless there is a further move, which is of a greater distance from the employee's home than the original move. E.g. if an employee is moved from A to B, back to A and then to B again only the first relocation will be eligible for reimbursement. (Subject to the payment having been paid for four years).
12. Employee's who travel to work by car will be paid the additional mileage incurred over the shortest route to the new location. The rate payable will be the marginal running expenses rate as calculated by the NJC. This rate currently stands at 13.88

per mile and includes elements for petrol, VAT, servicing, tyres, repairs renewals and oil.

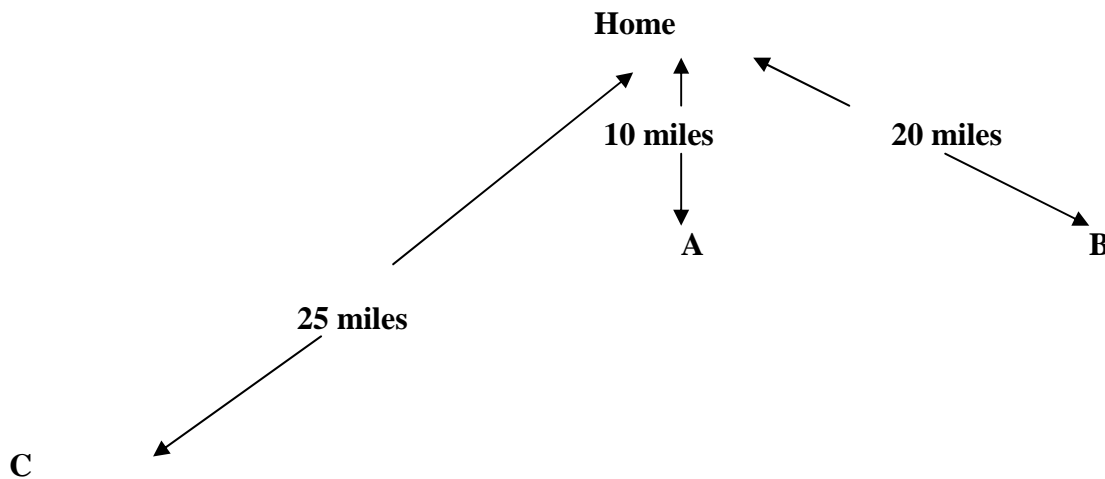
13. Payments will normally be based on a maximum of two journeys per day, but where the working arrangements require, such as with split shifts then 4 journeys will be paid.
14. Where payments are agreed these will be suspended where an employee is absent on a long-term basis. (Over 4 weeks)
15. Where an employee who is in receipt of an allowance under this scheme moves home, then the allowance should be recalculated to reflect the difference between the distance from the new home to the old place of work and the new home to the new place of work.

Example 1 - First move



Claim = B - A = 10 miles x 2 = 20 miles per day

Example 2 – Subsequent move (after 4 years)



Claim = C - B = 5 miles x 2 = 10 miles per day