

**CITY AND COUNTY OF CARDIFF
DINAS A SIR CAERDYDD**

Employment Conditions Committee: 17 July 2006

Report of the Assistant Chief Executive

Additional Travelling Expenses – Update

Background

1. This Committee on 24 April 2006 considered a report on this issue. In short, whilst the details of the new local scheme were agreed by the Trade Unions, they were unhappy at the mileage rate proposed by the Council for staff who were required to move workplace and who met the criteria of the scheme.

Issues

2. The Council's final proposal on mileage, following discussions with the Trade Unions, was 13.8p per mile (uplifted to 14.3p following April 2006 increase). The Trade Unions considered this to be unacceptable and at this meeting in April, UNISON made representation to this Committee and indicated that they would refer the matter back to the Joint Secretaries for their views on the matter.
3. Subsequently, Employment Conditions Committee on 24 April 2006 agreed:

“(1) the proposed new Additional Travel Allowance Scheme, attached as Appendix C, be approved, subject to confirmation from the Joint Secretaries;

(2) the operative date of this scheme be 4 July 2005 (ie. the date at which the matter was referred to the Joint Secretaries).”
4. The matter was duly referred back to the Joint Secretaries. A meeting was convened between the Chief Human Resources Officer, UNISON representatives and the Joint Secretaries on 1 June 2006. The full written response from the Joint Secretaries following that meeting is attached as Appendix A to this report. The Joint Secretaries re-iterated that the new scheme should compensate “for additional expenditure incurred”. However, they also recognised that whilst good progress had been made on developing and agreeing the new scheme, the level of reimbursement to those using their car in these circumstances remained a contentious issue. The Joint Secretaries recommended that the NJC Technical Report 2006 should be jointly examined in an attempt to “establish an agreed mileage rate to resolve the current differences between the Trade Unions proposals and the Council's proposals”.

Proposals

5. As recommended by the Joint Secretaries, a further meeting to progress matters with UNISON is scheduled to take place on 13 July 2006. A verbal update on developments will be provided to this Committee on 17 July 2006

Investment for Reform/Benefit to service user

6. 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

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

Advice

8. This report has been prepared in consultation with relevant Corporate Directors 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

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

Financial Implications

10. 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

11. It is essential that the Council gets the best from its staff resources in order to provide quality front line 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. A considerable amount of HR (and Trade Union) time has been spent on resolving this issue and this has had an impact on the delivery of HR Services and has been time consuming for the Trade Unions

Trade Union Comments

- 12 Verbal Trade Unions comments will be provided to this Committee on 17 July 2006

RECOMMENDATION(S)

13. It is recommended that:-

- (i) Any revisions , as necessary , agreed by Employment Conditions Committee today be incorporated into the Additional Travel Allowance Scheme.

JO FARRAR
ASSISTANT CHIEF EXECUTIVE

The following appendices are attached

Appendix A: Recommendation from Joint Secretaries 7 June 2006

JOINT COUNCIL FOR WALES
Notes of Joint Secretaries Reference Meeting
Cardiff City Council
Thursday 1st of June 2006

Mobility Clause In Cardiff County Council Contracts

TU Side: Mark Turner - Unison
Mike Hayes - Unison
Linda Webb-Thornton - Unison

Employer's side: Phillip Lenz - Chief Human Resources Officer
Lynne David - Operational Manager
Stewart Hunt - Personnel Officer

Joint Secretaries: Paul Elliot – Unison (Trades Union side)
Anna Freeman – WLGA (Employer's Side)

1. Key Issues Presented by the Trades Union side

The trades union representatives stated that they were representing all the Cardiff County unions on this issue. They had conceded that the identification and assessment of cases of hardship could be postponed until the locally negotiated scheme had been established in line with the earlier recommendations of the joint secretaries. They had agreed an increase to the minimum excess expenditure for claims in the interests of coming to a local agreement. They had also agreed an annual up rating of the threshold in line with the annual pay award.

They had a problem however with the proposal of 11.77p a mile mileage rate. Some employees not subject to the mobility clause were still receiving much higher mileage rates (e.g. 50p and 43.1%p NJC rates) so this would be a substantial cut. They proposed a mileage rate of 30.6 pence per mile (the bottom essential users NJC rate), to be payable over two years rather than four, which they considered would be roughly equivalent in cost. They believed that this had been verbally agreed with human resources officers. They understood this verbal agreement had been overruled by the member with executive responsibility for finance, who had set a rate of 13.88p per mile over four years. They were not clear as to the basis of the 13.88p per mile.

The trade union had concerns that there had been insufficient opportunity for genuine negotiation over this issue and they had been presented with a 'take it or leave it' approach.

They had a particular concern with those had been moved right across the city who could be undertaking as much as 100 miles extra per week.

2. Key Issues Presented by the Employers Side

The employer's side clarified that the rate of 13.88p a mile taken from the NJC report of the technical advisers on car allowances, and was the running expenses element, which included petrol, tyres, servicing, repairs, renewals and oil. It had actually gone up to 14.3 pence in the 2006 report, and this is the rate that would apply. 11.77p had been the middle band prior to 1 April 2006, and 13.88p had been the upper band.

It was also explained that it was not possible for human resources officers to agree any particular rate with the trades unions. This was a decision for elected members. It had only been agreed that the trades union proposal of 30.6 pence per mile would be put to members. This had been done, but members had not agreed.

The option to pay 30.6 pence per mile over 2 years was not acceptable because this would frontload the costs, and the pressure on budgets was such that it would not be affordable.

The Employer's side were willing to recommend that minimum excess expenditure for claims was lowered from the £3.70 currently in the policy, to the original purple book level of £2.67, to enable more employees to claim reimbursement.

The Employer's view was that as the joint secretaries had made it clear that the scheme was to be based on reimbursement of actual additional costs, there was no requirement for a mileage rate based on standard NJC rates. It was also felt that the running expenses element of the technical report provided a logical basis for reimbursement.

3. Joint Secretaries Advice

Following questions to, and detailed discussions with, both sides the Joint Secretaries advised:

'The original recommendation of the joint secretaries was that any scheme should compensate for *additional expenditure incurred*. Notwithstanding the concerns expressed regarding the internal processes within the authority for consultation and negotiation between the trade unions and the employers, we

are pleased with the progress that has been made in trying to reach an agreement.

The only issue in contention is the reimbursement of employees using their car. It is accepted that the NJC scheduled mileage rates would not apply. We would however recommend that the NJC technical report be examined jointly by both parties in an attempt to establish an agreed mileage rate to resolve the current differences between the trades union's proposals and the council's proposals, using all the information available with the report

With some flexibility on both sides we believe that an agreement can be reached to resolve this impasse'.

Our Ref/Ein Cyf:
Your Ref/Eich Cyf:
Date/Dyddiad: 050606
Please ask for/Gofynnwch am: Anna Freeman
Direct line/Llinell uniongyrchol: 02920 468640
Email/Ebost: anna.freeman@wlga.gov.uk

APPENDIX 1



Philip Lenz
Chief Human Resources Officer
Cardiff County Council
County Hall
Atlantic Wharf
Cardiff CF10 4UW

Dear Philip

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 1 June 2006. I wish to confirm the view expressed by the Joint Secretaries at the conclusion of the meeting as follows:

The original recommendation of the joint secretaries was that any scheme should compensate for *additional expenditure incurred*. Notwithstanding the concerns expressed regarding the internal processes within the authority for consultation and negotiation between the trade unions and the employers, we are pleased with the progress that has been made in trying to reach an agreement.

The only issue in contention is the reimbursement of employees using their car. It is accepted that the NJC scheduled mileage rates would not apply. We would however recommend that the NJC technical report be examined jointly by both parties in an attempt to establish an agreed mileage rate to resolve the current differences between the trades union's proposals and the council's proposals, using all the information available with the report

With some flexibility on both sides we believe that an agreement can be reached to resolve this impasse.

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

Yours sincerely

Anna Freeman
For Joint Secretaries

Steve Thomas
Chief Executive
Prif Weithredwr

Welsh Local Government
Association
Local Government House
Drake Walk
CARDIFF CF10 4LG
Tel: 029 2046 8600
Fax: 029 2046 8601

Cymdeithas Llywodraeth
Leol Cymru
Tŷ Llywodraeth Leol
Rhodfa Drake
CAERDYDD CF10 4LG
Ffôn: 029 2046 8600
Ffacs: 029 2046 8601

www.wlga.gov.uk

c.c. Lynne David
Stewart Hunt
Paul Elliott - Unison
Mark Turner - Unison
Mike Hayes - Unison
Linda Webb-Thornton - Unison