

## Members' Library Service Request Form

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Document Title	Recess Arrangements – S43 of Standing Orders: Employee Business Travel – Collective Agreement

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**REPORT TO:** Cabinet (under summer recess arrangements - S43 Standing Orders)

**MEETING DATE:**

**BY:** Head of Council Resources

**SUBJECT:** Employee Business Travel – Collective Agreement

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## **1 PURPOSE**

- 1.1 To endorse the implementation of the newly achieved collective agreement on employee business travel arrangements.

## **2 RECOMMENDATIONS**

- 2.1 To approve the adoption of the new employee business travel arrangements agreed through collective agreement with the recognised Trades Unions for implementation with effect from 1 July 2013.

## **3 BACKGROUND**

- 3.1 A report to the Council's Joint Consultative Committee on 6<sup>th</sup> June 2012 gave a commitment to review the current employee business travel arrangements. Thereafter a working group was established to look at options and a paper was produced which was subsequently shared with the Joint Trades Unions in December 2012.
- 3.2 Negotiations then commenced with the recognised Trades' Unions, namely UNISON (with the majority of members), GMB, UNITE, SSTA and the EIS, in January 2013.
- 3.3 In February 2013 the Council's Budget was approved, including savings that would be achieved through the implementation of new business travel arrangements
- 3.4 As a result of the negotiation meetings with the Trades Unions, a revised proposal was made to the Joint Trades' Unions on 28 February 2013. A written response was received from UNISON and, following further negotiation meetings, the Council revised its proposal and sent the Joint Trades' Unions a Final Offer dated 11 April 2013. A further refinement was made to the Council's offer and the final revised offer was issued to all Trades' Unions on 5 June 2013.

- 3.5 As at 13 June, all relevant Trades Unions had verbally advised of their intention to accept the Council's final offer which now constitutes the formal collective agreement. More formal written authorisations are now in place for individual Trades Unions to sign off.
- 3.6 The Chief Officers (who are actually outwith the scope of the collective agreement) agreed informally at a meeting of the CMT on 23 May 2013 that they would voluntarily agree to the removal of the essential car user allowance from their pay and in return receive the same one-off compensation payment of £411 as being offered to other essential car users. All Chief Officials have now been written to asking for their formal acceptance of this offer.
- 3.7 Details of the collective agreement have been circulated to all employees through the Council's e- news and by individual letter to employees who are currently essential car users.
- 3.8 The collective agreement is detailed in the attached document outlining the Council's final proposal at Appendix 1.

#### **4 POLICY IMPLICATIONS**

- 4.1 Approval of this collective agreement will allow the previous National Car and Motorcycle Travel Allowances, which were in existence prior to the implementation of the "Red Book" Scheme of Conditions of Service, to be superseded and replaced by the new arrangements.
- 4.2 A guidance document outlining the new travel arrangements has been drafted and will be finalised for publication in the near future.

#### **5 EQUALITY IMPACT ASSESSMENT**

- 5.1 An Equality Impact Assessment has been carried out and no negative impacts have been found.

#### **6 RESOURCE IMPLICATIONS**

- 6.1 **Financial** - The adoption of new employee business travel arrangements was incorporated as part of the Council's 2013-2016 budget which was approved at the February 2013 Council meeting. It is estimated that the new arrangements will generate net savings of £400,000 per year starting from the 2014/15 financial year.
- 6.2 **Human Resources Other** – As part of the collective agreement a commitment has been given to review the current list of posts which currently have essential car user status (and consequently employees will continue to be contractually required to provide a vehicle for their work).

6.3 Commitments have also been given to explore with the Trades Unions the introduction of a Salary Sacrifice Scheme for Cars and the development of a Bike to Work Scheme.

## 7 BACKGROUND PAPERS

7.1 Appendix 1 - Paper dated 5<sup>th</sup> June setting out the Council's revised final offer and supporting rationale.

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<b>DATE</b>	27 <sup>th</sup> June 2013

### **EMPLOYEE BUSINESS TRAVEL COUNCILS OFFER – 5 June 2013**

The Council has revised its offer on Employee Business Travel dated 11 April 2013 as a result of further negotiation with the trades unions at negotiation meetings 6 and 7 on the 30 May and 5 June respectively. The Council's revised final offer and the supporting rationale are detailed below:

1. The Council had always wished to achieve implementation of new Business Travel arrangements including the removal of the essential car users allowance within one financial year with an implementation date of 1 April 2013. Recognising UNISON's request for a 75% buyout, but also noting that we have now passed the Council's desired implementation date of 1 April 2013, the Council will delay implementation of the new arrangements until 1 July 2013 (but no later) and make a lump sum payment of half the annual allowance (£822) i.e. £411 to each employee who is in receipt of the allowance on the implementation date. In addition the Council will simultaneously introduce the relevant HMRC rates i.e. 45p per mile for the first 10,000 miles and 25p per mile for mileage above 10,000 miles per annum. The Council would require implementation of the new arrangements from 1 July 2013 and would make the compensation payment in the July 2013 pay run. The Council believe this is effectively an equivalent amount to the 75% buyout of one year's allowance sought by UNISON.
2. The Council remains committed to making the payment of the buy-out payment to employees in the most tax efficient manner possible.
3. The Council cannot support the introduction of the 5p passenger rate as this has not been accounted for in the Council's budget proposals. In addition as part of the proposed new travel hierarchy the Council expects every employee to identify various means of helping the Council reach its target of a 10% reduction in business mileage and this would include where appropriate, car sharing.
4. Having heard and discussed representation from the Trades Unions and in the spirit of negotiation, the Council is prepared not to go ahead with the proposed change to the excess travel rates reducing it to 15p per mile and will retain the current rate of 22.5p per mile.
5. The Council confirms its commitment to explore with the trades unions the introduction of a salary sacrifice scheme for cars with introduction as early as possible.
6. Although not within the latest UNISON proposal, in accordance with agreement at previous meetings, the Council will introduce a bicycle rate off 20p per mile in accordance with HMRC rates as we believe this may contribute to carbon reduction and a healthy workforce.
7. The Council fully supports early discussion with the J TU's on the practicalities of implementing the new arrangements.
8. Employees who are currently contracted to provide a vehicle for their work as an Essential Car User will retain that contractual requirement and will be recompensed at the new HMRC rates. Further to discussions the Council has now given a commitment to an early review of that employee contractually obliged to provide a car removing this requirement if and where appropriate.

9. The Council is happy to work with the trades unions and our own transport section on the development of a bike to work scheme and how this would work in East Lothian. In addition it should be noted that the Council currently operates a salary sacrifice for bikes scheme in the Council.
10. The Council has agreed to the introduction of a motorcycle allowance in line with the HMRC rates of 24p per mile.

The Council hopes that the revised offer will lead to an agreement with all the Joint Trades Unions and therefore achieve a collective agreement. It is recognised that timing for implementation on 1 July is tight however it was agreed that should it be required implementation through collective agreement could be delayed until 1 August, with the lump sum payment being reduced by 1/6<sup>th</sup> to reflect the months delay, effectively still delivering the same overall payment to the employee.

**Jim Lamond**  
**Head of Council Resources**

**5 June 2013**