

RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

PUBLIC DOCUMENT

Any interest to declare/ or conflict and any dispensation granted - n/a

SERVICE DIRECTORATE: Chief Executive

1. DECISION TAKEN

To amend the expenses, allowances and rewards that are paid to staff as detailed below. In summary these are:

- Car Mileage payments- for frequent and low car users to have a rate of 45p per mile (up to 10,000 miles per year), irrespective of car engine size. For frequent car users to also have a lump sum of £1,239 per year. The car allowance mileage rate to be set at 11.91p per mile.
- Subsistence allowance- to be set in line with HMRC rates and thresholds (see detail in paragraph 3.13). To also allow it to be claimed when attending evening meetings, but will be subject to income tax and national insurance deductions.
- Incidental out of pocket expenses- to be deleted.
- Long service and retirement buffets- when eligible, to require that these are paid for via a purchasing card (rather than reimbursed).
- 10 year long service- that these are provided as a £50 gift voucher (rather than via payroll).
- 25 year long service- that are provided as a £250 gift voucher (rather than £150 via payroll).

2. DECISION TAKER

David Scholes, Chief Executive

3. DATE DECISION TAKEN: 28th February 2019

4. REASON FOR DECISION

The purpose of these changes is:

- To make sure that staff get paid at the correct rate when you claim expenses
- To make it as easy as possible to claim expenses, by reducing the number of different rates and options
- To have rates that reflect the Council's priorities and are equitable and consistent
- To make sure that expense payments are aligned with tax rules and rates
- To minimise the administrative burden related to expenses (e.g. providing P11Ds), which means less work for claimants and in administering.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1. The changes have evolved over the period that they have been discussed at SMT and following staff consultation. Following this SMT have recommended the changes detailed in this report for approval by the Chief Executive.

6. CONSULTATION

The following consultation has been undertaken:

- Face-to-face discussion with those staff most affected by the mileage changes providing opportunity to ask questions/understand reasons.
- Discussion/ consultation at Staff Consultation Forum (SCF).
- Survey to all staff setting out the proposal and asking for comments.
- Trade Union notified and then discussed at the Trade Union Liaison Meeting.

7. RELEVANT CONSIDERATIONS

7.1 Mileage Changes

That the following changes are made:

Car Allowance Mileage Rates (engine size)	Current	Revised	Basis for future increases
451 -999 cc	11.21	11.91	In line with % changes in HMRC standard rate (i.e. the published approved mileage rate for up to 10,000 miles per year)*
1000 – 1199 cc	11.91		
1200 – 1450 cc	12.52		
1451 + cc	13.23		

Low Car Users Mileage Rates (engine size)	Current		Revised		Basis for future increases
	Up to 8,500 miles	> 8,500 miles	Up to 10,000 miles	> 10,000 miles	
451 -999 cc	46.9	13.7	45.0	14.4	In line with HMRC standard rate*
1000 – 1199 cc	52.2	14.4			
1200 + cc	65.0	16.4			

Frequent Car Users Mileage Rates (engine size)	Current		Revised (ongoing)		Basis for future increases
	Up to 8,500 miles	> 8,500 miles	Up to 10,000 miles	> 10,000 miles	
Lump Sum	£846 (up to 999cc), £963 (1000-1199cc), £1,239 (1200cc +)		£1,239		In line with NJC 1200cc+ rate
451 -999 cc	36.9	13.7	45.0	14.4	In line with HMRC standard rates*
1000 – 1199 cc	40.9	14.4			
1200 + cc	50.5	16.4			

All schemes	Current	Revised	Basis for future increases
Professional and vocational training	16.4	14.4	In line with increases in HMRC standard rates (i.e. the published approved mileage rate for over 10,000 miles per year)*

* For example, if the HMRC approved mileage rate (for up to 10,000 miles) increased to 50p then the low and frequent rates (for up to 10,000 miles) would also increase to 50p. The car mileage allowance rate would increase by 11.1% (5p increase / 45p) to 13.2p. If the rate for more than 10,000 miles was also increased from 14.4p to 16p (for example) then all the rates above that are currently 14.4p increase to 16p.

7.2 Subsistence Allowances

That the following changes are made:

Amount that can be claimed per meal	
Breakfast	5.00
Lunch	10.00
Tea	5.00
Evening meal	10.00
Subject to a maximum that is based on time away from home or usual place of work	
5 hours	5.00
10 hours	10.00
15 hours/ per day	25.00

This replaces the current amounts of

- Breakfast £7.58
- Lunch £10.47
- Tea £4.14
- Evening Meal £12.97

The existing rates did not set a period for being away from home or usual place of work, which was not fully compliant with HMRC rules.

7.3 Subsistence allowance- evening committee meetings

That it is confirmed that employees who attend evening committee meetings can claim back the cost of an evening meal, up to £10. This will be subject to income tax and national insurance deductions.

7.4 Residential out of pocket expenses

To delete this expense as it is out-dated and not used.

7.5 Retirement and long service awards

That the awards will be as detailed below. This reflects a move to gift vouchers rather than cash, buffets being paid via purchasing cards rather than reimbursed (where possible, to comply with HMRC rules about it being treated as taxable income) and increasing the amount for 25 years long service from £150 to £250.

Long service 10 years

- Letter of thanks from the Chief Executive
- Article in Insight
- £50 Gift Voucher

Long service 25 years

- Formal resolution of service at a full Council meeting together with a framed copy (to be presented by the Chairman or Chief Executive)
- Article in Insight
- Buffet up to a total value of £100, as long as this is paid for directly by NHDC (i.e. purchasing card)
- £250 gift voucher

The Council will pay the employee income tax and national insurance.

Retirement

- A framed certificate from the Chief Executive
- £50 Gift Voucher
- Buffet up to a total value of £100, as long as this is paid for directly by NHDC (i.e. purchasing card)

Where relevant, the Council will pay the employee income tax and national insurance in relation to the buffet.

- 7.6 These changes will be published on the Intranet. The current "rates of pay" document will be changed to make the distinction between expenses, allowances and benefits, as well as salary based payments (e.g. enhancements, statutory payments and pension contributions).

8. LEGAL IMPLICATIONS

- 8.1 Under section 14.6.5 (a) (ii) of the Constitution, the Chief Executive can "make any minor changes to terms and conditions for staff". Section 10.6.5 (d) details the terms of reference for the Joint Staff Consultative Committee and includes "to consider, report and make recommendations to the Service Director: Resources on terms and conditions of service". The changes proposed are considered minor, and therefore the constitutional requirements are met by the following:
- SCF and JSCC have been consulted and given a chance to comment on the changes
 - SMT have recommended the changes to the Chief Executive for a decision on their implementation
 - Furthermore, additional staff consultation has been carried out and Unison have also been consulted.

9. FINANCIAL IMPLICATIONS

The following cost implications have been estimated:

	Financial implications
Car mileage payments	Could equate to savings of around £2k with revised proposals, although this will depend on the number of miles driven and eligibility for the lump sum payment. Administration savings from a reduction in the number of P11Ds that need to be produced.
Subsistence payments	No significant impact from the changes to the allowance levels. There would either be an increase or decrease in costs depending on the option taken regarding eligibility when attending evening meetings. This is not expected to be significant although is very difficult to estimate as the number of attendees at meetings varies.
Incidental expenses	No impact as not claimed.
Retirement awards	There will be a higher cost as for the majority as NHDC will need to fund the income tax and employer and employee NI on the buffet. On average there have been 6 retirements per year over the last 3 years. If 5 of these did not meet the criteria for "in excess of 20 years and not received a long service award in the last 10 years" then there would be an additional cost of around £200.
Long service awards	The main financial impact is due to the increase in the 25 year award from £150 to £250. This was a previous Corporate Board decision. Based on an estimate of 4 awards per year the additional financial impact would be around £600 (including the additional income tax and employers and employees NI).

10. RISK IMPLICATIONS

The changes reduce the risk of non-compliance with HMRC rules in relation to subsistence payments.

Having fewer mileage rates reduces the risk of staff inadvertently claiming the wrong amount and/or errors in the checking and authorisation process.

11. EQUALITIES IMPLICATIONS

In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not. There are no direct equalities implications from this report.

12. SOCIAL VALUE IMPLICATIONS

The Social Value Act and "go local" policy do not apply to this decision.

13. HUMAN RESOURCE IMPLICATIONS


The changes to mileage will reduce the workload for HR as they will remove the need to produce P11Ds for a significant number of officers.

The changes do reduce the mileage payments made to staff. However, it is considered that the Council still provides mileage rates that are a fair reimbursement of costs and are in line with (or better than) what are paid by other employers.

14. BACKGROUND PAPERS

None.

15. NOTIFICATION DATE

Signature of Decision Taker 

This decision is a NON-EXECUTIVE DECISIONS and is not subject to call in.