

## **APPENDIX B**

### **TRAVEL PLAN (Report by the Travel Plan Working Group)**

#### **1. INTRODUCTION**

- 1.1 At their meeting held on 13th March 2007, the Overview and Scrutiny Panel (Service Support) decided to establish a Working Group to investigate the Council's Travel Plan and the question of travel allowances and incentives/disincentives for Members and Officers to use more environmentally sensitive means of transport.
- 1.2 The Working Group comprised Councillors M G Baker, J A Gray and R J West and has met on a number of occasions in the ensuing months. (Councillor D B Dew was initially appointed to the working group but was replaced by Councillor Gray when he ceased to be a member of the Scrutiny Panel).

#### **2. BACKGROUND**

- 2.1 The Council's Travel Plan was approved by the Cabinet in October 2006. It applies equally to employees and members of the Council and is intended to encourage them to make better travel choices by reducing inefficient car usage and promoting healthier travel. In discussing the Plan prior to its approval by Cabinet, the Overview and Scrutiny Panel (Service Support) doubted whether the actions proposed would be sufficient to achieve the targets identified. Members also felt that there was a lack of incentives for employees to discourage the use of private cars to travel to and from work and that there was a need for further consideration to be given to possible concessions to employees to encourage the use of alternative forms of transport such as reductions on season tickets for bus travel.
- 2.2 The Panel also discussed the current scheme for the payment of mileage allowances and was concerned that these tended to favour the use of cars with larger engine sizes. The Panel therefore felt that the Plan provided an opportunity to review both the employees and members schemes.
- 2.3 The employees' car mileage allowances form part of their contracts of employment with the Council. Although pay negotiations are determined locally, travel allowances are part of the wider national agreement approved by the National Joint Council for Local Government Services. Mileage rates are currently determined by engine size as shown in Annex A attached.
- 2.4 Allowances for members are set by the Council, having regard to the recommendations of an Independent Remuneration Panel. The mileage rates currently are aligned with those of the employees. These were last reviewed by the Panel in their report of November 2006. The Panel had received representations that the mileage allowance for members be reduced to 40 pence per mile which is the rate above which income tax is payable to HM Customs and Revenues. The Panel concluded that the members' rate should be fixed to that of the employees on the

grounds of equity but should track the employees' rate if that should vary at any time in the future.

- 2.5 In establishing a study of the subject, the Service Support Panel asked the working group to look at ways of encouraging the use of more energy efficient vehicles and whether greater incentives could be made available to discourage the use of the car.

### **3. INFORMATION**

- 3.1 The Working Group made extensive enquiries on the websites of other local authorities into their travel allowances and incentives and the content of their travel plans. Information was obtained on the estimated costs of running a car provided on the Royal Automobile Club's website and the taxable allowances operated by HM Customs and Revenues. Enquiries were made into the car sharing arrangements available for employees in Cambridgeshire.
- 3.2 Extensive use was made of the [vcacarfueldata](http://www.vcacarfueldata.org.uk) website which contains data on the emissions of all recently manufactured vehicles.

### **4. VEHICLE EMISSIONS**

- 4.1 With the emerging Environment Strategy and a growing recognition of the importance of carbon footprints, the Working Group felt that the current mileage rates for employees and members based on engine size with no regard to emission values was becoming rapidly outdated. With only three engine bands and the highest being for vehicles with an engine size over 1,200 cc, the great majority of employees and members will be eligible for the maximum rate of 54.4 pence per mile. Tax is payable on that element of reimbursement over 40 pence per mile which HM Customs and Revenues regard as 'profit'.
- 4.2 The Working Group did not feel that it was within its remit to propose an alteration to the mileage rates paid to employees which, as mentioned above, forms part of their contracts of employment. Any change would have to be the subject of negotiation between the Council and the employees and could result in a move from the national to a locally determined scheme.
- 4.3 However, the Working Group did consider that Members could demonstrate their commitment to reducing emissions, reducing their carbon footprint and improving local air quality. By altering the mileage rate for members to one based on emission rates, the Working Group is of the opinion that this may set an example for others to follow.
- 4.4 Information on exhaust emission ratings or 'Euro' standards (expressed as the amount of grams per kilometre of CO<sub>2</sub> emitted) is readily available on [www.vcacarfueldata.org.uk](http://www.vcacarfueldata.org.uk). These have been converted to bandings for the purposes of vehicle excise duty which are shown in the following table, together with the VED rates –

Vehicles registered on or after 1st March 2001		Diesel Car TC 49		Petrol Car TC 48		Alternative Fuel Car TC 59	
Bands	CO2 Emission Figure (g/km) *	12 months rate £	6 months rate £	12 months rate £	6 months rate £	12 months rate £	6 months rate £
Band A	Up to 100	<u>0.00</u>	-	<u>0.00</u>	-	<u>0.00</u>	-
Band B	101 to 120	<u>35.00</u>	-	<u>35.00</u>	-	<u>15.00</u>	-
Band C	121 - 150	<u>115.00</u>	<u>63.25</u>	<u>115.00</u>	<u>63.25</u>	<u>95.00</u>	<u>52.25</u>
Band D	151 - 165	<u>140.00</u>	<u>77.00</u>	<u>140.00</u>	<u>77.00</u>	<u>120.00</u>	<u>66.00</u>
Band E	166 - 185	<u>165.00</u>	<u>90.75</u>	<u>165.00</u>	<u>90.75</u>	<u>145.00</u>	<u>79.75</u>
Band F	186 - 225	<u>205.00</u>	<u>112.75</u>	<u>205.00</u>	<u>112.75</u>	<u>190.00</u>	<u>104.50</u>
Band G	226+	<u>300.00</u>	<u>165.00</u>	<u>300.00</u>	<u>165.00</u>	<u>285.00</u>	<u>156.75</u>

4.5 Exhaust emissions are not available for vehicles first registered before 1st March 2001. Some examples of the types of cars that fall in the various bands are shown in Annex B.

4.6 Taken together with the varying excise duty rates, the Working Group considers that the payment of mileage rates based upon emissions may influence Members to choose cars that have less impact on the local environment. A suggested alternative to a mileage allowance based on engine size is:

	First 8,500 miles	thereafter	Element of expense liable to tax
Band A	64.0p	32.0p	24.0p
Band B	56.0p	28.0p	16.0p
Bands C&D	40.0p	20.0p	0p
Bands E&F	36.0p	18.0p	0p
Band G	30.0p	15.0p	0p
Vehicles registered before 1/1/2001	30.0p	15.0p	0p
Motorcycles	24.0p	24.0p	0p

4.7 The allowance is intended to be attractive to those who drive a low emission car and penalise those with a heavy polluting vehicle. The rates are deliberately drawn much wider than the existing allowance based on engine size to provide a greater incentive to change.

4.8 The Working Group do not think that this should be mandatory for existing Members but would hope that most will opt to be paid on the new basis. All newly elected Members would be paid on the emissions rating allowance. This would mean that the Council would have to operate two systems of payment at a small additional administrative cost which the Working Group feels would be far outweighed by the benefits both to the Council and the local environment.

4.9 Any alteration to the Members mileage allowance would have to be agreed by the Independent Remuneration Panel. Enquiries have been made with the Chairman of the Panel as to whether it would be necessary to reconvene the Panel to approve the change but his view is

that this can be dealt with in a convenient manner without the expense of holding a meeting of the Panel.

## **5. INCENTIVES TO EMPLOYEES**

- 5.1 Having regard to the nature of the public transport system and the impracticality of walking or cycling to work because of the distance involved and the lack of dedicated cycleways, the Working Group acknowledge that, for many of the Council's employees, the car will remain for some time the only viable means of travel to work.
- 5.2 That being the case, the Working Group feels that greater encouragement should be given to car sharing which has clear benefits in reducing pollution and improving air quality. The Working Group's attention has been drawn to a number of car sharing initiatives that have been developed with an ability to search on various websites for possible people with whom to share. Car sharing remains, however, a matter of choice for the individual and there is no incentive to encourage the Council's employees to share with colleagues or others travelling to the same location.
- 5.3 Circumstances will change if the Cabinet decide to accept the recommendations of the Car Parking Working Party and introduce car parking charges for the Riverside, Huntingdon and Bridge Place, Godmanchester car parks which will represent a negative incentive to car share for employees to avoid paying parking charges. The Working Group feels that the Council should take a more positive step by reducing charges for those who do car share. This could be limited to one car park only such as Bridge Place where charges currently do not apply. The loss of income that the Council would incur is difficult to predict as this would depend upon take up but, as no charge has been made for this car park in the past, this should not result in any reduction in income compared to previous years. As employees will no longer have the option of free parking in future, this may also help to cushion the impact of charging later in the year.
- 5.4 The Working Group is aware of a concern that an employee who has come to work by car share may encounter a problem in travelling home either during the day in an emergency or at the end of the day if the driver has had to leave early in similar circumstances. Such occasions are likely to be rare but in those isolated incidents, it is suggested that the Council meet the cost of a taxi for the employee to travel home if public transport is unavailable.
- 5.5 The Working Group has discussed how a concession for car sharing might be administered, bearing in mind that tickets will be dispensed by machine for the Bridge Place car park. Information has been presented to the Panel previously that ticket machine are likely to become more sophisticated in their programming which will create an opportunity for greater flexibility in the charging structure. Until that time, a concession for employees could simply be by way of a monthly claim for reimbursement by the driver of a vehicle who has carried a passenger. Verification, if considered necessary, could be undertaken by checking CCTV records with false claims being a disciplinary offence in the same way as any other allowances claim.

- 5.6 The Working Group also discussed briefly possible incentives for employees to use public transport or travel by foot or cycle. Further investigations will be necessary before any recommendations would be formulated and in order not to further delay this report, the Group will report to his subject at a future date.

## 6. POOL CARS

- 6.1 The Working Group investigated the use of the District Council's pool car status and the frequency/mileage of each car to date. The fleet comprises three diesel powered Toyota Yaris and a petrol/electric hybrid Toyota Prius. The pool cars have been specifically chosen for their low carbon emission output. The Toyota Yaris, tax band B, has an engine capacity of 1.3 and emits 119 g/km of CO<sub>2</sub> whilst the Prius, also tax band B, has an engine capacity of 1.5 and emits 104 g/km of CO<sub>2</sub>. Although these were not actively promoted during their first quarter (April – June 2007), their usage has provided encouraging results:

Month	Mileage	Cost per mile – private car (54.4p)	Cost per mile – pool car (40p)	Saving £
May	1789	966.06	715.60	250.46
June	1430	772.20	572.00	200.20
July	3756	2,028.24	1,502.40	525.84
August	2714	1,465.56	1,085.60	379.96
September	2625	1,417.50	1,050.00	367.50
October	3616	1,952.64	1,446.40	506.24
November	3871	2,090.36	1,548.40	541.96

- 6.2 As anticipated, active promotion of the pool cars coupled with the loss of onsite parking has caused an increase in their usage in the second quarter reflecting the positive incorporation of the pool car into everyday work. The charge of 40p per mile includes the running costs of the vehicle and, as shown in the table above, highlights the increasing savings made by the Council through their use. The Group welcomes the use of the lower emission vehicles purchased by the Council and foresee their use to a greater extent in the future with increased publicity of their availability to employees and Members.
- 6.3 The Group felt that it would be useful also if it were possible to assess what the saving in CO<sub>2</sub> emissions was from the use of pool cars and in order to monitor the continuous use of the cars, the Group suggest that regular reports be made available highlighting the reductions in both costs to the Council and CO<sub>2</sub> emissions.

## 7. FINANCIAL PROVISION

- 7.1 As the concept of changing mileage rates to emission rates is an innovative approach, the group researched the potential availability of funding for publicity and the implementation of the scheme. To date no source has been identified but further enquiries may lead to possible opportunities for support.

## **8. CONCLUSION**

- 8.1 The Working Group is firmly of the belief that the Council should be innovative in its approach to the question of mileage allowances and that incentives should be made available for employees and Members to reduce the use of cars in general and the more heavily polluting cars in particular.
- 8.2 By moving to a different basis for the payment of mileage allowances to members, the Working Group hopes that the Council will be seen as offering an example of good practice that will be followed by others. Positive incentives for car sharing by employees will help to make this more attractive as opposed to individual travel to work in single occupancy vehicles and again may be regarded as a step towards reducing traffic congestion and improving air quality.

## **9. RECOMMENDATIONS**

The working group therefore

### **RECOMMEND**

- (a) that an alternative form of mileage allowance be introduced for Members of the Council as set out in paragraph 4.6 above based upon exhaust emissions;
- (b) that the new mileage allowance be optional for existing Members but compulsory for all newly elected Members with effect from 1st May 2008;
- (c) that the Members' Independent Remuneration Panel be requested to confirm their agreement to the changes to the mileage allowance for Members;
- (d) that the necessary changes be made to the Members Allowance Scheme;
- (e) that employees travelling to work by means of car share be permitted to park in Bridge Place car park at a concessionary rate if car parking charges are introduced for that car park by the Council and suitable arrangements be made to enable those who have car shared to travel home in an emergency if they are left without suitable means of transport;
- (f) that enquiries continue to be made regarding potential funding for the implementation and publicity of the proposed changes to the mileage allowances to Members;
- (g) that regular reports be produced highlighting the savings in both emissions and costs to the Council from the use of pool cars; and
- (h) that further consideration be given to incentives for employees to use public transport, cycling and walking by the Working Group in the future.

## **Background papers**

See Annex C

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**MILEAGE RATES****Inland Revenue approved mileage rates**

<b>Tax Year</b>	<b>Business Miles</b>	<b>Engine &lt;1000cc</b>	<b>Engine 1001-1500cc</b>	<b>Engine 1501-2000cc</b>	<b>Engine &gt;2000cc</b>
2007/08	< 10,000	40 p/mile	40 p/mile	40 p/mile	40 p/mile
2007/08	> 10,000	25 p/mile	25 p/mile	25 p/mile	25 p/mile

**Current Huntingdonshire District Council (Councillor)**

<b>Mileage Bands</b>	<b>451-999cc</b>	<b>1000-1199cc</b>	<b>1200-1450cc</b>
< 8,500	39.7p	43.1p	54.4p
> 8,500	12.1p	12.0p	14.3p

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## Annex B

### Examples of Vehicles within Tax Bands A – G

TAX BAND (emissions)	MAKE	MODEL	ENGINE CAPACITY	FUEL	CO2 (g/km)
A (up to 100)	Seat	Ibiza	1.4 TDI	Diesel	99
	Volkswagen	Polo	1.4 TDI	Diesel	99
B (101-120)	Citroen	C3	1.6 HDI	Diesel	118
	Peugeot	207	1.4 HDI	Diesel	120
	Fiat	500	1.2	Petrol	119
	Daihatsu	Sirion		Petrol	118
C (121-150)	Honda	Civic - Type S	2.2	Diesel	138
	Toyota	Avensis	2.2	Diesel	146
	Chevrolet	Matiz	1	Petrol	139
	Ford	Ka	1.3	Petrol	150
D (151-165)	Audi	A4 Saloon	1.9 TDI	Diesel	152
	Hyundai	Sonata	2	Diesel	159
	Renault	Clio	1.6	Petrol	160
	Suzuki	SX4	1.6	Petrol	165
E (166-185)	Mazda	5 series	2	Diesel	173
	Renault	Coupe	1.9	Diesel	180
	Chrysler Jeep	Sebring	2	Petrol	185
	Alfa Romeo	159	1.8	Petrol	181
F (186-225)	Skoda	Superb	2.5	Diesel	206
	Land Rover	Freelander 2	2.2	Diesel	224
	Kia	Sportage	2	Petrol	194
	Audi	Cabriolet	2	Petrol	197
G (226+)	Citroen	C6	2.7	Diesel	230
	Nissan	Patrol	3	Diesel	313
	Ford	Galaxy	2.3	Petrol	242
	Toyota	Land Cruiser	4	Petrol	291

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## **BACKGROUND INFORMATION**

- Notes of the Travel Plan Working Group
- Reports and Minutes of meetings of the Overview and Scrutiny Panel (Service Support)
- LGA Members' Allowance Scheme
- NJC Officer Mileage Rates
- HDC's Travel Plan
- RAC Report on Motoring 2006: Chapter 4 – Greener Motoring
- East of England Development Agency
- HM Revenue and Customs
- Manchester Green City Campaign
- Driver and Vehicle Licensing Agency
- DVLA Sustainable Development Action Plan (SDAP) April 2007 – March 2008

### **Websites for the following Councils:**

Birmingham City  
Bristol City  
Dundee City  
South Bedfordshire District  
Cambridgeshire County  
London Boroughs of Bromley  
Camden  
Havering and Islington  
Manchester City  
Newcastle Upon Tyne City  
North Lincolnshire  
West Oxfordshire District  
Sheffield City  
Sandwell Metropolitan Borough  
Southampton City  
Warwickshire County

### **WEBSITES**

[www.vcacarfueldata.org.uk](http://www.vcacarfueldata.org.uk)  
[www.huntsdc.gov.uk](http://www.huntsdc.gov.uk)  
[www.rac.co.uk](http://www.rac.co.uk)  
[www.lga.gov.uk](http://www.lga.gov.uk)  
[www.hmrc.gov.uk/green-transport/travel-plans.htm](http://www.hmrc.gov.uk/green-transport/travel-plans.htm)  
[www.camshare.co.uk](http://www.camshare.co.uk)  
[www.peterboroughcarshare.com](http://www.peterboroughcarshare.com)  
[www.liftsharesolutions.com/carbudi.asp](http://www.liftsharesolutions.com/carbudi.asp)  
[www.globalactionplan.org.uk/transportfacts.aspx](http://www.globalactionplan.org.uk/transportfacts.aspx)