

North Tyneside Council

Report to Cabinet

Date: 10 September 2012

ITEM 7(k)(ii)(a)

**Title: Budget Proposal to
Remove a Pool Car**

Portfolio(s): Transport and the
Environment

Cabinet Member(s): Councillor
Ed Hodson

Report from Directorate: Community Services

Report Author: Phil Scott, Head of Environmental Services (Tel: 0191 643 7295)

Wards affected: All Wards

PART 1

1.1 Purpose:

The purpose of the report is to provide information in order to enable Cabinet to consider the options in relation to the Budget proposal to delete the remaining Pool Car, in order to save £0.005m, in accordance with the Implementation Plan agreed by Cabinet on 28th March 2012 in relation to the Council Strategic Plan 2012/2015 and the 2012/13 Budget.

1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) Note the content of the report.
- (2) Consider the options set out in paragraph 1.6 and determine which option is to be taken forward.

1.3 Forward Plan:

This report appears on the Forward Plan for the period 1st July 2012 – 31st October 2012.

1.4 Council Plan and Policy Framework

This report relates to the proposal in the 2012/13 Budget to remove a Pool Car and has relevance to Priority 1: Sustaining our front line services within the Council but only spending what we can afford, in the Council Strategic Plan 2012/15.

1.5 Information:

A report was submitted to Cabinet on the 14th May 2012 "Proposal to remove a Pool Car" (Ref; 1.10 Background Information) in order to enable Cabinet to consider options in relation to the Budget proposal to delete the remaining Pool Car, in order to save £0.005m. Cabinet approved that the Pool Car be retained for a further 3 months, and that a further report be submitted to Cabinet, on the usage during a 3 month period. This allows for an opportunity to determine whether the introduction of parking charges at Quadrant led to increased use of the Pool Car and allow Cabinet to make a further decision in relation to the proposal to delete the Pool Car.

1.5.1 Pool Car Utilisation

The Council has set a target of 30% vehicle utilisation rate for its core fleet of vehicles. This is regarded as Local Authority Best Practice. Officers are currently challenging any vehicle utilisation below 20% in terms of transport needs and the overall vehicle fleet is being reduced where appropriate.

The annual Pool Car average utilisation rate 2011/12 was 11.25% which was well below the target 30% utilisation rate for the Council's core vehicles. However, there was a steady increase in Pool Car usage (detailed below) during the months of January, February, March and April 2012.

January	2012	25%
February	2012	28%
March	2012	39%
April	2012	32%

Average Vehicle Utilisation Rate 30.6%

The increased usage was prior to submission of the Pool Car Report submitted to Cabinet on 14th May 2012 (Ref; 1.10 Background Information.) It coincided with the proposed introduction of car parking charges which was agreed by Council in March 2012 as part of the 2012/13 budget setting process. During this period staff were reviewing their personal travel plans in determining whether or not to pay to park and/or use other transport methods such as the Pool Car.

The increased usage of the Pool Car has continued through the 3 Month review period agreed by Cabinet on the 14th May 2012 and is detailed below:

15 th May / 15 th June 2012	34%
15 th June / 15 th July 2012	30%
15 th July / 15 th August 2012	36%

Average Vehicle Utilisation Rate of 33% for the 3 month period which is in excess of the target of 30% utilisation rate.

1.5.2 Vehicle Costs (Fleet No 5104)

The annual hire charge of the vehicle is £4,943. The total cost in 2011/12 was £5,379.14 including fuel costs. The vehicle has done 1,344 business miles in 3 months which has resulted in the equivalent reduction of employee car mileage claims. The current average car mileage payment per mile is £0.49; If we assume that the cost of fuel for the Pool Car is circa 12p per mile, then calculations would suggest if this level of usage was sustained for the full year the net cost to the Council of the Pool Car would be circa £2,950 per annum. If business miles increased this would further offset the costs of the Pool Car and if 13,360 business miles were done in a year, then the business mileage saving would pay for all of the hire costs.

1.5.3. Potential Issues

- (a) Individual employees may have chosen not to apply for a car parking permit, in the assumption that a Pool Car would be available to assist in undertaking work related journeys. Demand for the Pool Car has increased and may increase further following the summer holiday period.
- (b) Users of the Pool Car and trade unions have been consulted on the proposal to delete the Pool Car. Feedback from the consultation process is summarised as follows:

Employees find the Pool Car an excellent facility which supports the Council's objectives in terms of sustainability. There are a number of users who support the Council's Bike to Work Policy and rely on the use of the vehicle for at work travel. There is genuine concern that the introduction of charging for car parking will see further employees reviewing their personal travel plans, and relying on the availability of a Pool Car to assist in undertaking work related journeys, as apposed to using public transport which may not be cost effective and/or a practical use of time.

1.5.4. Summary

- (a) Demand for the Pool Car has increased due to the implementation of car parking charges.
- (b) Pool Car utilisation has increased from an average 11.25% to an average 33% and has the potential to increase further following the summer holidays.
- (c). Increased use of the Pool Car during the period June – August 2012 has reduced car mileage claims and payments to employees by £560.56 and this assists in offsetting the cost of the Pool Car.
- (d) The Pool Car is a Ford Fiesta 1.4 Diesel. This model has a Green Car rating of 32 (where 100 is most polluting), fuel economy of 71 mpg and tail pipe emissions of 104 g/km.
- (d) There is no legal requirement to provide a Pool Car.
- (e) Deletion of the Pool Car would remove employee access to alternative at work travel options.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet may choose to take no action to delete the Pool Car

Any decision to take no action to delete the Pool Car will need to be taken within the context of the Council Strategic Plan and 2012/13 Budget Implementation Plan and overall budget envelope.

Option 2

Cabinet may choose to implement Council's proposals and delete the Pool Car

There are no financial implications arising from this option as the saving is built into the 2012/13 approved budget.

1.7 Reasons for recommended option

There is no preferred option. Cabinet is requested to consider and make a determination as between the options set out above.

1.8 Appendices:

N/A

1.9 Contact officers:

Phil Scott, Head of Environmental Services - tel. (0191) 643 7295
Steve Helyer, Senior Manager - Fleet, Cleaning & Resilience – tel. (0191) 643 5490
Alison Campbell, Finance Business Manager – tel. (0191) 643 7038

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) Cabinet Report 14th May 2012 Proposal to Remove Pool Car
- (2) Quadrant Pool Car Monitoring 2011/12 XL Spreadsheets
- (3) Employee and Trade Union Consultation Feedback

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The financial implications will depend on which option is agreed.

In terms of option 1, there is no provision within the 2012/13 Council Strategic Plan and Budget for the Pool Car. If no action is taken to amend Cabinet's original proposals, and the Pool Car was not deleted there will be an additional cost of £0.005m.

In line with legal guidance to Council, it is possible for Cabinet to take no action and not remove the Pool Car if the overall budget envelope remains in balance. Any decision to take no action and not remove the Pool Car will therefore need to be taken within the

context of the Council Strategic Plan and 2012/13 Budget Implementation Plan as some of the proposals contained in that document generate additional resources. As stated in those reports, any surplus budget would be added to the Strategic Reserve and its use will be determined in accordance with the Reserves and Balances Policy.

There are no financial implications arising if option 2 is agreed once the vehicle hire agreement has been terminated and the vehicle returned.

2.2 Legal

There are no legal implications directly arising from this report. The Council has a duty to pay for journeys that are undertaken by staff for work purposes, whether this be by way of payment for mileage incurred, public or other transport or through the provision of a pool car.

The responsibility for the determination of whether to retain the pool car is a matter for Cabinet.

The Council's budget is essentially a financial envelope which is not in itself prescriptive on a time by time basis and is governed by the requirements of the law in relation to the separation of powers between Council and Cabinet. However, whilst the determination of whether to retain a pool car is a matter for Cabinet, Cabinet are bound to take the Council's views in relation to this matter into account as a relevant consideration in its decision-making. These views are identified in the main body of the report.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Pool Car users and trade unions were consulted on the proposal to delete the Pool Car. Returned employee and trade union comments are available at the office of the author and are summarised within of this report.

2.3.2 External Consultation/Engagement

The report has no direct impact upon service provision and accordingly there has been no requirement to consult externally.

2.4 Human rights

There are no human rights implications directly arising from this report.

2.5 Equalities and diversity

There are no disproportionate effects upon persons with protected characteristics under equalities legislation. The Pool Car is identified within the Quadrant Car Parking Equality Impact Assessment as potentially having a positive impact.

2.6 Risk management

Risks associated with the actions proposed have been considered. The appropriate directorate risk champions have been informed and where necessary any identified risks will be added to the relevant risk register. They will be managed using the Council's risk management process.

2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

2.8 Environment and sustainability

There are environmental and sustainability implications directly arising from this report. The Pool Car supports a number of sustainable travel to work choices by providing users with transport for work related travel. Deletion of the Pool Car may lead to employees reviewing their personal travel plans in favour of less sustainable travel methods to get to work, in order to ensure they have access to a car for work related travel.

PART 3 - SIGN OFF

- Strategic Director(s)
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Manager for Policy and Partnerships
- Chief Executive