

Report of	Meeting	Date
Deputy Chief Executive (Introduced by the Executive Member (Resources))	Executive Member Decision	11 June 2021

## Employee Car Lease Scheme

### Purpose of report

- To agree the introduction of an Employee Car Lease scheme as part of a range of staff benefits.

### Recommendation(s)

- The introduce a salary sacrifice employee lease car scheme for all eligible employees
- To agree that the terms and conditions of the scheme support the Council's Green agenda
- To agree that Chorley Council are the lead authority and will contract directly with the provider on behalf of South Ribble Borough Council employees.

<b>Confidential report</b> Please bold as appropriate	Yes	<b>No</b>
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<b>Key Decision?</b> Please bold as appropriate	Yes	<b>No</b>
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### Reasons for recommendation(s)

#### (If the recommendations are accepted)

- As part of the shared services review of staff terms and conditions and commitment was made to offer all eligible staff across the two councils, access to a car lease scheme as part of the wider employee benefits package.
- By introducing a "Green" scheme support the council's commitment to achieving carbon neutral status as a key objective in the Climate Change Agenda

### Alternative options considered and rejected

- The alternative option would be to do nothing, but the introduction of this scheme is beneficial to both Council and employees

### Corporate priorities

- This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy homes and communities	x	An ambitious council that does more to meet the needs of residents and the local area	x

## **Background**

9. The scheme is intended to achieve the following objectives:
  - a. Support the council's green agenda
  - b. Enhance the employee benefits offer to provide an affordable vehicle lease scheme
  - c. Provide a viable alternative to the existing contributory scheme for employees who are not able to access it.

## **Lease car schemes**

10. The council currently has in place a contributory car lease scheme available to some roles (those graded at POA or above and below a Service Lead level) as a contractual benefit. The terms and conditions agreed as part of shared services takes a different approach to travel benefits and so employees on these terms are not eligible for the contributory scheme, although those in equivalent posts are eligible for a cash allowance.
11. The new car lease scheme will be offered via a salary sacrifice model. An employee chooses to give up part of their monthly salary as the monthly payment for a lease car. There are potential tax savings and NI savings depending on the vehicle selected.
12. The scheme also provides additional benefits such as servicing, breakdown cover, insurance cover. The employee will access the suppliers web-based portal and the process is directly managed by the provider.

## **Eligible employees**

13. This scheme will be open to employees across Chorley and South Ribble providing that they:
  - Have a permanent or temporary contract that is sufficiently long enough to cover the lease period, usually three years.
  - The value of the salary sacrifice, combined with any other voluntary deductions – e.g. childcare vouchers, cycle scheme etc must not allow the earnings to drop below the minimum wage. Should an employee's wage be reduced through maternity, sickness etc then there is an employee protection in place to mitigate any liability to the employer.
  - They are not under consultation for redundancy or under disciplinary investigation.

## **Sustainable Travel Policy**

14. The Sustainable Travel policy, which forms part of the Shared HR policy framework, demonstrates the council's commitment to supporting sustainable travel and transport.
15. To support the council's commitment to achieving carbon neutral status whilst ensuring the scheme remains attractive to employees, the emissions of vehicles available through the scheme will be restricted to
  - Fully electric
  - Ultra-low emission vehicles, including hybrid and small petrol vehicles
16. This will be reviewed annually as the availability and range of fully electric vehicles entering the market increases.

## **Procurement method**

17. Chorley council will be the lead authority for the contract which will allow both Chorley and South Ribble Borough council's employees to fully benefit from the contract. The Shared HR team will manage the contract and having one lead authority removes any duplications. Chorley council can rely upon the Shared services agreement with South Ribble to indemnify any potential losses.

18. Framework agreements have been reviewed and it is recommended to use the North Yorkshire County Council framework which is a single supplier direct award framework as a simple and compliant direct route to market. There is no cost to the councils to use this framework or to access the scheme. As it is a single supplier there is no requirement to undertake any further competition between providers whereas alternative Frameworks that have been considered e.g. ESPO would require further element of competition to take place requiring additional resource and expertise.
19. The supplier available through this agreement is Tuskers, who are the market leader for salary sacrifice car lease schemes and have significant experience working with local authorities. Tuskers utilise Public Sector (GPS) discounts across all manufacturers which represent the most competitive consortia discounts available in the market and regularly negotiate 'special offer' campaigns over and above these discounts. Tuskers also conforms to the Carbon Neutral PAS2060 by offsetting any vehicle emissions.
20. Tuskers work in partnership with the Council's Reward Gateway platform, at no extra cost, to enable the council to manage the car lease benefit from one platform. This in turn enhances the employee experience and also reduced any burden on HR to collate and administrate payroll deductions.

### Financial considerations and Risks

21. The employee elects to make use of the scheme by diverting part of their salary. Therefore, there is no additional or direct cost to the Council, and for this reason it not considered to be a key financial decision.
22. The council will save on NI contributions and pension contributions due to the reduced salary paid to the employee.
23. Employees are under no obligation to enter into the agreement with the lease car provider and therefore this provides a low risk opportunity to the council. Any risks are mitigated by the standard terms and conditions that the employee sign up to prior to agreement – e.g. ability to recover any costs for non-payment etc.
24. Tuskers offer a lifestyle protection package to give peace of mind to both employee and employer. This allows for any employee leaving the authority to hand back the car after an initial three-month period with no termination payments due. Should an employee's income drop below statutory levels (e.g due to sickness, maternity leave, adoption leave etc) on the employees return to work the Council will be reimbursed for any payments that have been made on the employee behalf, for up to a 12 months period, of £500 per month. Protection is also in place for loss of licence on medical grounds, death in service, terminal illness or disability. The protection does not apply to employees for circumstances within their control, such as loss of license for driving convictions, dismissal, or career breaks. However, Tuskers protection does protect the employer providing the can demonstrate steps have been made to recover any outstanding debt from the employee.
25. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	x	Customer Services	
Human Resources	x	Equality and Diversity	
Legal	x	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

**Comments of the Statutory Finance Officer**

26. The proposal should be budget neutral for the authority however the Council will employ expert tax advice to ensure the arrangement with the proposed provider will not present a tax liability for the Council.

**Comments of the Monitoring Officer**

27. The proposed scheme has minimal impact on council budgets as lease cars are funded by staff through salary sacrifice. As a result, this does not require a decision of council and is not a key decision which should be made by cabinet.

28. As this is a voluntary participation scheme members need only be satisfied that it is appropriate for it to be offered and that the objectives of the scheme meet the priorities of the Council. As the scheme promotes the use of green vehicles, this meets a corporate priority.

Chris Sinnott  
Deputy Chief Executive

Report Author	Ext	Date
Gail Collins	***	11/06/2021

Following careful consideration and assessment of the contents of this report, I approve the recommendation(s) contained in Paragraph 2 of the report in accordance with my delegated power to make executive decisions.



\_\_\_\_\_ Dated 17.06.21 \_\_\_\_\_

**Councillor Peter Wilson**  
Executive Member (Resources)