

HAMPSHIRE COUNTY COUNCIL**Report**

Committee:	Policy and Resources Select Committee
Date:	14 April 2011
Title:	Member's Motor Vehicle Mileage Rate: Initial Analysis of Topic for Review
Reference:	2869
Report From:	Chief Executive

Contact name: Marie Mannveille, Scrutiny Officer

Tel: 01962 845018

Email: marie.mannveille@hants.gov.uk

1. Purpose of Report

- 1.1. The Members Allowances Scheme Panel made a recommendation on 25 January 2011 that this committee be asked to undertake a review of the motor vehicle mileage rate 'to establish the true and marginal cost to Members of their travel on behalf of the County Council'.
- 1.2. This review would be expected to provide evidence to be taken into account when the Members mileage rate for 2012/13 is considered.

2. Contextual Information

- 2.1. The Members Allowances Scheme for 2011/12 has been agreed at the 24 February County Council meeting.
- 2.2. The budget announcement by central government in March 2011 included a change to the tax free mileage expenses allowance, which applies from April 2011 (up from 40p to 45p for the first 10,000 business miles).

3. Strengths of Undertaking this Scrutiny Review

- Use of the member led scrutiny function to gather available evidence
- Opportunity to take time to examine the evidence that exists regarding vehicle running costs, and to collate this in the public domain

4. Weaknesses of Undertaking this Scrutiny Review

- 4.1. The Motor Vehicle Mileage Rate is already considered annually, along with the rest of the Members Allowances Scheme, by the Members Allowances Scheme Panel. The Members Allowances Scheme Panel is a proportional

committee, not an Executive body, and itself does not make a decision. The decision regarding the Scheme is taken by the Full County Council. Therefore the evidence regarding motor vehicle running costs could be considered directly by the Members Allowances Scheme Panel. The Members Allowances Scheme is also considered by the Independent Remuneration Panel (IRP). The IRP has already received representations from Members regarding this issue, therefore it would be duplication for this to be repeated through the Select Committee.

5. Timeliness and Relevance

- Pressure on Local Authority Finances
- Increases in petrol costs

6. Scope

- To consider nationally available data regarding costs of running a motor vehicle, including 'standing' costs and 'running' costs.
- To consider available data regarding the extent of travel Members undertake as part of their role, and estimates by respected national bodies regarding average annual mileage
- To consider different methods for deriving a suitable average cost

Note: It is the role of the Members Allowances Scheme Panel to consider what mileage rates to recommend (informed by the views of the Independent Remuneration Panel). The recommended Scheme then needs to be agreed through Full Council. Therefore, the scrutiny Panel would not express a view regarding at what level the motor vehicle mileage rate should be set.

7. Process

- 7.1. It is suggested that the Panel meet once or twice between 14 April 2011 and 30 June 2011. At the first meeting the Panel can consider background evidence regarding car running costs and members mileage claims. The Panel may then wish to convene a second meeting to consider any additional information identified.
- 7.2. The review will not canvass Members views on this matter, as Members have the opportunity to make submissions to the Independent Remuneration Panel and/or the Members Allowances Scheme Panel.

8. Anticipated Outcomes

- 8.1. Collation of evidence regarding car running costs and members travel, for submission to the Members Allowances Scheme Panel in the form of a report.

9. Stakeholders

- 9.1. None – the review will be based on research regarding existing published data

10. Review Panel Members

- 10.1. Invitation to be extended initially to Members of the Policy & Resources Select Committee to sit on the Panel, though invitation could be extended to other Members.

- 10.2. As this is anticipated to be a light touch review, it is suggested a small panel be formed comprising:

- 2 Conservative Members
- 1 Liberal Democrat Member

This would be consistent with proportionality.

11. Officer Support

- 11.1. Marie Mannveille, Scrutiny Officer, will support the work of the review panel in relation to meetings, briefing materials and report drafting. Information may be requested from other officers to support the work of the review e.g. County Treasurer's regarding Members mileage claims.

12. Reporting

- 12.1. The review group will report it's findings to the 21 July Policy & Resources Select Committee. If endorsed by the full committee, this report will then be submitted to the Members Allowances Scheme Panel, for them to take into account when they consider the Members Allowances Scheme for 2012/13.

13. Conclusions

- 13.1. The Policy & Resources Select Committee to consider:
- whether to initiate this light touch review of the Members mileage rate using the approach outlined above
 - which Members to form the Review Panel

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	no
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Improvement plan link number (if appropriate):	
OR	
This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because:	
The Members Allowances Scheme is reviewed annually, and on this occasion further work has been suggested to explore the costs to members of their travel, to inform future consideration of an appropriate mileage rate.	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u> Members Allowances Scheme 2011/2012	<u>Reference</u> 2557	<u>Date</u> 25 January 2011
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. The review will consider running costs for a range of car types, and a suitable method to derive an average, to ensure the basis on which the mileage rate is set is fair.
- 1.2. The review will consider running costs, to ensure the information on which the mileage rate is based is up to date and realistic, to enable elected members to be reimbursed at a fair rate for the travel they undertake as part of their role. This will support equal opportunity in relation to those considering standing for election.

2. Impact on Crime and Disorder:

- 2.1. none anticipated.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

Elected Members often need to travel by car due to attending meetings in disparate parts of the County, sometimes in rural areas, and needing to get from place to place quickly and efficiently to fulfil the different parts of their role. The Members allowances scheme provides for Members to claim an allowance for undertaking business journeys by bicycle, and Members can also use rail warrants to purchase train tickets if travel by train is appropriate.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The Members allowances scheme is reviewed each year to ensure it keeps pace with policy changes.