

**ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET MEMBER  
MEETING**

<b>1.</b>	<b>Meeting:</b>	<b>Cabinet Member</b>
<b>2.</b>	<b>Date:</b>	<b>14<sup>th</sup> April 2014</b>
<b>3.</b>	<b>Title:</b>	<b>Car Salary Sacrifice Scheme</b>
<b>4.</b>	<b>Directorate:</b>	<b>Human Resources</b>

**5. Summary**

This report provides detail of changes to the framework currently used to provide Cars to employees and alternative options.

**6. Recommendations**

**Members are asked to support a move to a new framework with an increased CO2 limit.**

## **7. Proposals and Details**

Three years ago the Council introduced the opportunity for employees to obtain low CO<sub>2</sub> emission cars via salary sacrifice arrangements using an open procurement framework put in place by North Yorkshire County Council.

Over 200 employees now have cars under the scheme where they benefit from all inclusive car running costs at a cost effective rate paying less tax and National Insurance. Additionally the Council benefits in the form of reduced National Insurance and Pension contributions at the appropriate rate from the collected deductions.

Under the terms of the existing framework the Council can continue to use until April 2015 after which time the Council will have to move to another framework or undertake its own procurement exercise.

North Yorkshire County Council have recently renewed their framework for a further 4 years although with effect from the renewal date would now incur an annual charge for organisations wishing to use their framework. This charge would cost the Council £700 per year.

Through researching the marketplace our Procurement colleagues and ourselves have identified an alternative option involving a different Public Sector body where there is no charge. The one identified is operated by the NHS who have also recently let a new contract for 4 years through the NHS NOECPC framework. This allows all local authorities, police, fire etc to utilise.

The NHS framework CO<sub>2</sub> emissions cap is 150g/km which is higher than the 120g/km limit of the current framework procured via the North Yorkshire arrangement. This would obviously give employees access to a much wider choice of vehicles. Therefore this would potentially encourage more employees to participate via this employee benefit, which on average has reduced CO<sub>2</sub> emissions for the NHS by 50g/km for each replacement car.

The provider under the NHS framework is the same as our current provider, Tusker, so there would be no major transitional process issues associated with a change.

Colleagues in Procurement are therefore recommending that the Council moves onto the NHS framework from April 2014.

## **8. Finance**

Continuation on the current framework will incur an annual cost of £700.

Employer National Insurance and Pension contribution savings from the Car salary sacrifice scheme are in excess of £100,000 per annum.

## **9. Risks and Uncertainties**

A failure to move from the existing framework could commit the Council to paying £700 a year.

Increased limits for emissions may encourage more participants to take advantage of the scheme, however this may need to be balanced against the current economic climate and employees may decide not to change their cars as frequently.

## **10. Policy and Performance Agenda Implications**

Supports the Council progress towards CO2 emission reduction.

The way we do business: Right people, right skills, right place, right time, reducing bureaucracy and getting better value for money.

## **11. Background Papers and Consultation**

North Yorkshire County Council Framework for supply of vehicles  
HMRC Website  
NHS Tenders  
NHS Framework for supply of vehicles

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