

SUSTAINABLE DEVELOPMENT ADVISORY PANEL - 17TH JANUARY 2013

**SUBJECT: SALARY SACRIFICE CAR SCHEME (GASS SCHEME) -
PROGRESS REPORT**

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to advise Members of the outcomes and progress of the introduction of the Salary Sacrifice Car Scheme into Caerphilly County Borough Council following its launch on 1 July 2011 up to 1 November 2012.

2. LINKS TO STRATEGY

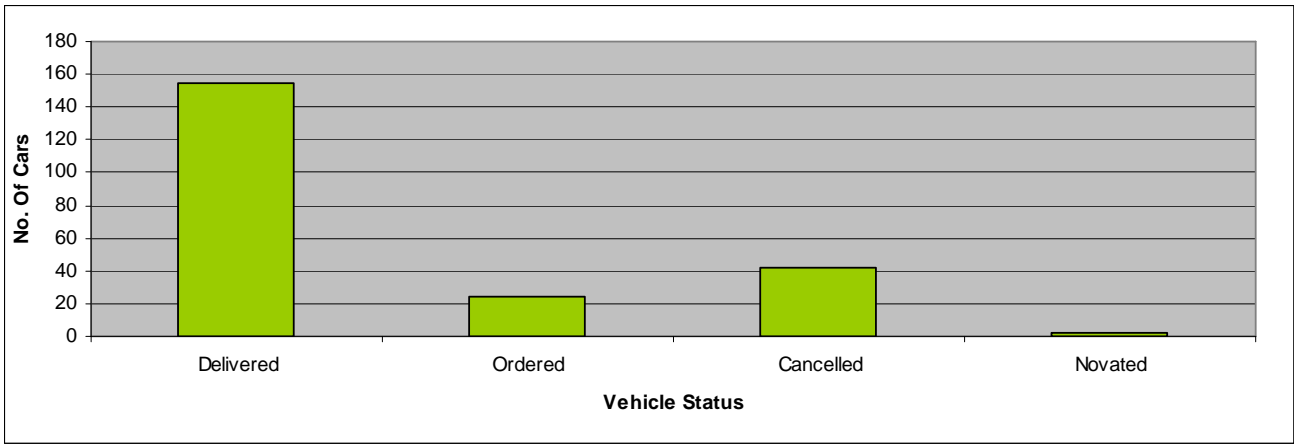
- 2.1 The introduction of the Scheme supports the reduction of carbon emissions and health and safety related issues for staff and residents.

3. BACKGROUND

- 3.1 Cabinet approved the introduction of the Salary Sacrifice Car Scheme on 19 April 2011. The Scheme was officially launched on 1 July 2011.
- 3.2 The launch and implementation of the scheme was supported by an internal project team with Officers from Corporate Services.
- 3.3 The scheme was available to the Authority by a Pan Government Procurement Framework led by North Yorkshire County Council.
- 3.4 The scheme is currently available to all non- teaching staff. The current statutory agreement in place will only allow teachers to participate in national salary sacrifice schemes, which includes childcare vouchers and cycles. Therefore teachers are not eligible employees. Members of staff on temporary contracts can only participate if they have an employment contract with the Authority for a fixed period of time equal to or greater than the lease period of three years.

4. CURRENT SITUATION

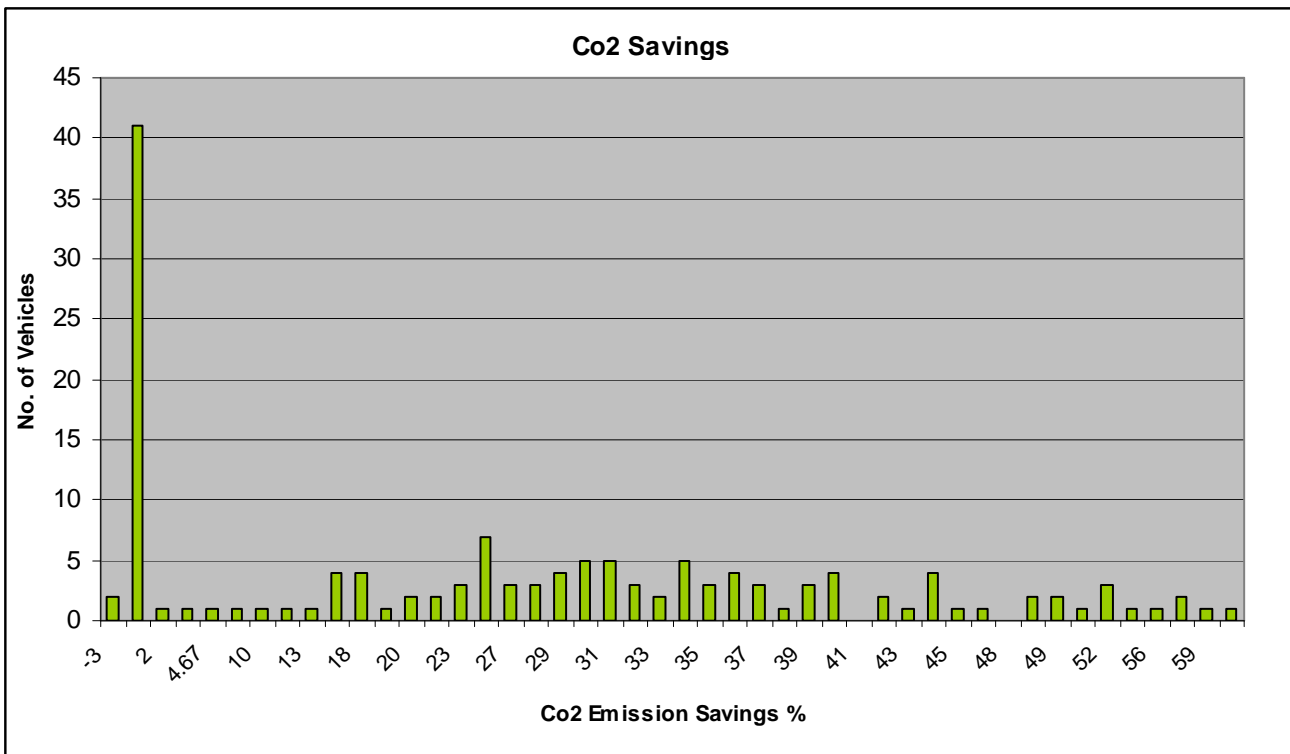
- 4.1 Since the launch employees have requested 223 vehicles, of which 24 vehicles are on order, 155 have been delivered, 42 requests have been cancelled and 2 have been novated to a Neighbouring Authority (Torfaen). In addition 2 of the vehicles have been returned under an early termination agreement.



- 4.2 To date a total of 1347 employees have registered on the Tusker Direct website. It is believed that the average login per employee is 8. Out of the 1347 employees, 323 employees have looked into having a salary sacrifice car and have saved quotes on the website but have yet to submit applications.
- 4.3 The take up of the scheme, has been by staff from all grades and across all service areas. See Appendix B.
- 4.4 In terms of manufacturers Ford has been the most popular make of vehicle ordered followed by Citroen, then Peugeot.



- 4.5 One of the main objectives for the authority of the scheme was to encourage a reduction in staff CO²emissions. The graph below demonstrates the impact the ordered cars will have compared to the cars that the employees have disposed of.

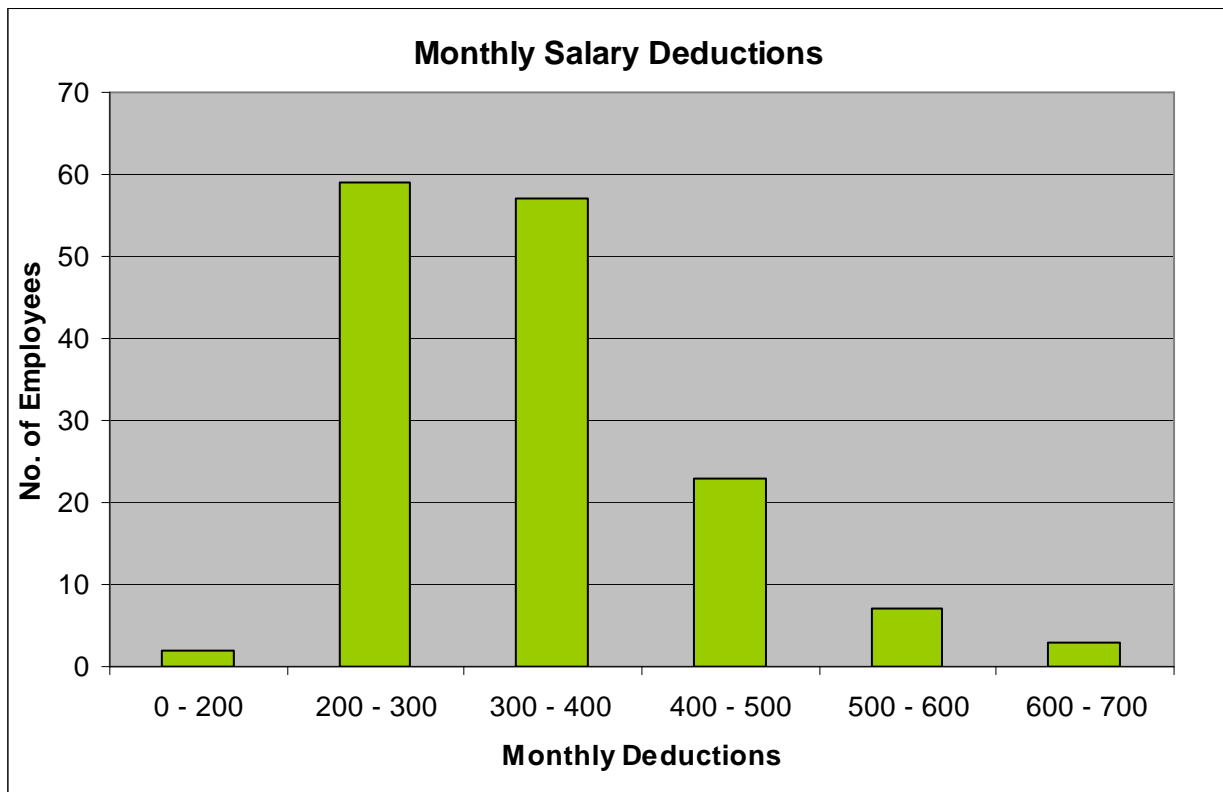


Best % Saving	62%
Worst % Saving	-3%

- 4.6 Caerphilly’s Salary Sacrifice for Cars scheme is capped at 120g CO²emission per kilometer. The 120g CO² cap allows employees to choose from up to 1780 cars depending on their salary. The system will not allow employees to sacrifice below National minimum wage.
- 4.7 The development of the local supply chain is vitally important to the authority. By using a Pan Government Framework Arrangement we always run the risk of excluding local providers. However, Tusker has taken on board our concerns and the need for us to ensure we encourage local supply. Tusker has therefore undertaken marketing exercises to ensure as many local providers as possible are part of the scheme. See Appendix A, to date 15 Nominated Dealers are within the authority’s definition of local.

5. SAVINGS

- 5.1 From a recent savings report from Tusker Direct, it is envisaged that the estimated savings over the life of the contract (36 months) for all employees who are part of the Local Government Pension Scheme will be £241,011.36. All Employees will encounter a savings on National Insurance with a sum of £197,403.48 over the period of the life of the contract.
- 5.2 As the Authority is making a saving on the employee’s reduced gross salary, Caerphilly CBC is giving back the saving as a monthly GASS payment to each employee at £70.00 gross, this is cost neutral to Caerphilly CBC.
- 5.3 Caerphilly employees are currently sacrificing between £191 and £628 per month (based on net value) for the cars. The graph below shows the varied monthly deductions being made by the employees currently on the scheme.



6. FINANCIAL IMPLICATIONS

6.1 There are no financial implications to the report.

7. PERSONNEL IMPLICATIONS

7.1 There are no personnel implications to the report.

8. RECOMMENDATIONS

8.1 That Officers note the implementation of the Scheme and its success to date.

9. REASONS FOR THE RECOMMENDATIONS

9.1 That Officers are kept informed of progress in terms of the Carbon reductions and local supply chain developments.

10. STATUTORY POWER

10.1 Local Government Act 1972

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Background Papers: P & R Report - 19 April 2011
P & R Report - 15 November 2011

Appendix A: List of Dealerships

Appendix B: Profile of staff participating in scheme