



POLICY AND RESOURCES COMMITTEE: 21 JUNE 2007

CAR LEASING SCHEME

Report by Chief Executive

PURPOSE OF REPORT To detail the operation of the Car Leasing Scheme and make appropriate recommendations for the future use of the Scheme.

COMPETENCE

- 1.1 There are no legal, financial or other constraints to the recommendation being implemented.

SUMMARY

- 2.1 The Comhairle operates a Car Leasing Scheme, along with a Car Loan Scheme. There are currently 10 car lease agreements in place. The Comhairle pays a contribution toward car leases, the amount dependent upon the eligibility of the applicant for an Essential Car User Allowance.
- 2.2 The future of the Essential Car User Allowance and the Assisted Car Purchase Scheme will form part of the Single Status agreement. However, Car Leasing is a local scheme introduced in 1986 due to favourable tax positions for employees. This is no longer the case with the traditional car loan being more popular.
- 2.3 Due to the high administrative burden to process a car lease it is suggested that no further car leases be accepted. This will not affect the employee's contractual right to an Essential Car User Allowance or entry into the Car Loan Scheme. The administrative on costs of continuing this scheme can no longer be covered by the Human Resources Section.
- 2.4 As each car rental is paid annually in advance with the cost recouped by the Comhairle over the year, there is significant financial outlay in supporting this scheme.
- 2.5 Trade Unions including the JCC (Local Government Employees) and LNC (Teaching Staff) have been consulted over the proposals.

RECOMMENDATION

- 3.1 **It is recommended that**
- (a) **the Car Leasing Scheme for employees cease, and**
- (b) **employees currently with Car Leases continue with their lease until the termination date.**

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Background Papers: Nil

