

## WELSH GOVERNMENT HR GUIDANCE AND PROCEDURES

### ESSENTIAL CAR USER ALLOWANCE

All our policies are fully inclusive of all staff regardless of age, marriage and civil partnership (both same sex and opposite sex), pregnancy and maternity, race, religion or belief, sex, sexual orientation, whether they have an impairment or health condition, are neurodivergent or use British Sign Language, their gender identity or gender expression. We acknowledge that the terms 'gender identity' and 'gender expression' are not protected characteristics as defined by the Equality Act 2010, however, we believe that Government policy which includes provision for those persons who identify within the 'trans' umbrella (rather than on the basis of binary gender) is a more inclusive approach and one which ensures the Welsh Ministers are in a position to comply with all their statutory duties related to equality and the promotion of well-being in Wales. If you have any feedback on the inclusivity of this policy, please email [EqualityintheWorkplaceTeam@gov.wales](mailto:EqualityintheWorkplaceTeam@gov.wales)

1. All staff who undertake official travel, by whatever means, to carry out their duties should familiarise themselves with the Welsh Government's Travel and Subsistence policy and procedures.
2. The Board introduced the Essential Car User Allowance (ECUA) to assist staff who undertake statutory duties on behalf of the Welsh Government with the costs of undertaking a set level of business travel on statutory duties. It determined that this was an absolute requirement which would be available to posts which reached this threshold whatever the working hours of individuals in those posts. It would not be pro-rated to those who work less than full-time hours but do not achieve the set business miles (2000 per year since April 2010).
3. The allowance attaches to posts rather than individuals. A small number of qualifying posts exist in the Rural Inspectorate Wales, CAF/CASS, CSSIW, the Rent Officer Service, HIW, CADW, Fisheries and the Land, Nature and Forestry Division. Not all posts within these business areas or any posts in any other business areas qualify.
4. For posts ineligible for the allowance there are several other methods of travel that can be used by staff depending on cost-effectiveness, time and carbon reduction considerations. These include:
  - Public Transport
  - Use of a hire car
  - Using own car and claiming the current mileage rate

#### **Public Transport**

5. The use of public transport may be a viable option for certain journeys such as travel to London or between certain Welsh Government

offices. When deciding whether to use public transport, all costs of undertaking the journey should be considered, including the cost of staff time in travelling and environmental impact, in order to assess whether value for money is being achieved.

### **Car hire**

6. Welsh Government staff can use the car hire system, although using a hire car for frequent short journeys is not good value for money. For recipients of ECUA, the use of hire cars is only allowed in exceptional circumstances such as when a breakdown has occurred and public transport is not a viable option for that specific journey. Casual car users may use hire cars where it is cost effective to do so and with the prior agreement of line management.
7. Staff claiming the current mileage rate to use their own car for journeys where a hire car or public transport may not be available and/or cost effective is likely to provide the most appropriate and cost effective solution for the majority of journeys undertaken.
8. Employees who use their vehicles on official business (whether as occasional/casual or essential car users) must have comprehensive insurance cover, including business use i.e. they are insured against claims in respect of:-
  - bodily injury or death of any third party;
  - bodily injury or death of any passenger;
  - damage to the property of third parties and passengers;
  - damage to or loss of the vehicle.

### **ECUA**

9. ECUA is offered as an **alternative** to frequent car hire for staff in eligible posts. Staff whose posts are eligible for ECUA will need to decide whether they wish to use their private vehicle on **all** official business, including shorter journeys, and thus claim ECUA, or instead to use a hire car where that is cost effective and their own car for shorter journeys on casual user terms. **There is no option for mixed use**, although, in exceptional circumstances e.g. car breakdowns or accidents, a hire car may be used **with the prior agreement of management** by someone who has opted to receive ECUA. All those who opt to receive ECUA must sign an undertaking to indicate that they will not use a hire car except in exceptional circumstances and that they expect to meet the eligibility criteria.
10. Under no circumstances should ECUA be paid as a means of 'topping up' an employee's salary.

## **ECUA eligibility criteria**

11. ECUA will be paid if posts can be shown to meet the following criteria:

- Travelling by car is the most efficient and effective way to undertake the business needs of the organisation and there is no other means of travel that would be as efficient or effective in enabling the postholder to carry out the role; and,
- Minimum annual business mileage of **at least 2000** miles on **statutory business**, mainly on frequent and short journeys.

## **What is the ECUA?**

12. ECUA is an annual allowance of £1000 payable to employees in posts which meet the eligibility criteria and the duties of which are such that it is essential to have a car at their disposal whenever required and without which they would be unable to carry out the duties effectively.

13. Eligible posts will be identified by the business areas set out in paragraph 3 above, designated as 'ECU posts' and notified to the Corporate Shared Service Centre (CSSC). The existence of 'multiple jobs' of the same type and grade does not necessarily imply that all post holders will be granted the same car designation.

14. Line managers and individuals will need to confirm that:

- the post is designated,
- the individual is prepared to use their own vehicle to undertake their duties and will not use alternative modes of transport, save in exceptional circumstances, by signing an undertaking which states this; and;
- they have complied with the requirements of the Driving for Work policy

so that payments can be made.

## **Payment of ECUA**

15. ECUA can be paid on a monthly basis or as a one-off lump sum when an individual has reached the 2000 business mile threshold. The method of payment for either option is via payroll as the payment is subject to tax and National Insurance contributions.

16. Business areas are responsible for notifying the CSSC of the preferences of individuals in designated posts as to whether to receive the monthly or one-off payment. Should an individual opt for the one-off payment, the Division is responsible for notifying the CSSC when the threshold has been reached. The payment will be made as soon as practicable after notification has been received by the CSSC.

17. Line managers should complete the Specialist Allowances Application E-Form on behalf of the employee. An authorisation email will be generated and sent to the line manager, and this will then need to be forwarded to the relevant authorising officer within the business area for them to approve payment.

### **Part-year service in a designated post**

18. For staff who take up a designated post part-way through a financial year, ECUA will be paid:

- should the mileage incurred per month equate at least one twelfth of the required 2000 business miles per year i.e. 167 miles per month for those who opt to be paid on a monthly basis; and,
- As soon as 2000 miles has been reached for those who opt to receive the amount as a lump sum.

### **Conditions attaching to payment of ECUA**

19. If a staff member does not have a car or is not willing to make their car available for business mileage, they will not be eligible for ECUA even if the post they hold has been designated as one eligible for it.

20. Essential car users are required to have their car available at work, insured comprehensively and for business use, in a roadworthy condition and to retain a current valid driving licence.

21. As for any other person who needs to drive for work, loss of a driving licence by an ECUA recipient may have serious consequences for his or her employment, depending on whether or not alternative arrangements can be made for them to carry out their current duties or whether a suitable alternative post, which may or may not be designated for ECUA, can be identified.

22. Under no circumstances should ECUA continue to be paid if the employee has been banned from driving, or if the employee ceases to have access to a vehicle during working hours for more than 4 weeks (see 23 below). In line with Annex K of the Welsh Government Discipline Policy and Procedures, a member of staff must notify their Deputy Director if they are disqualified from driving. The process outlined in section 5 of Annex K will be followed.

### **Stopping payment of ECUA**

23. Essential car users who join or leave the Welsh Government's employment or move from a designated post part way through a year should receive ECUA on a pro rata basis. Payment will stop on the date that someone leaves the Welsh Government or moves post.

24. Where the employee's car is out of use due to a mechanical fault or the employee is absent for at least four weeks, ECUA will be paid for the remainder of the month in which the car first became out of use or the period of absence began, and for a further 2 months thereafter. If the car is still out of use or the absence continues after this period, ECUA will be withdrawn until such time as the individual returns to the post attracting it or the car is back in use. The individual is responsible for notifying the line manager of relevant dates. The line manager will then notify the CSSC.
25. Specific arrangements regarding absence apply to those who are taking a career break or maternity leave and for whom it has been agreed that they will return to the post attracting ECUA when they return to the workplace. Under such circumstances, ECUA will cease at the end of the second month after the month in which the career break or maternity leave started and will recommence on the date that they return, provided the post is still designated as eligible. For those who return to a post that is not designated as eligible, they will not receive ECUA on return to the workplace.

### **Review of ECUA**

26. Management is responsible for making robust annual arrangements to review posts attracting ECUA, and for deciding whether it should continue to be paid. The level of mileage undertaken by someone in an ECUA designated post will be monitored at the end of the financial year to assess whether they have undertaken sufficient mileage to qualify for payment. If it is found that they have not and they have opted to receive the payment on a monthly basis, they will be required to pay back the amount of ECUA that they have received. Repayment will be over the same time period as ECUA has been received.
27. Consideration will need to be given to any changes to the requirements of the post.
28. If the expected mileage travelled was a factor in designating the post as having Essential Car User status, then the actual mileage should be reviewed to assess whether the designation as an essential car user post should be retained.

### **HR Policy September 2017**