

## **Lease Car Policy**

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**The intranet version is the only version that is maintained. Any printed copies should, therefore, be viewed as ‘uncontrolled’ and as such may not necessarily contain the latest updates and amendments.**

## POLICY AMENDMENTS

Amendments to the Policy will be issued from time to time. A new amendment history will be issued with each change.

<b>New Version Number</b>	<b>Issued by</b>	<b>Nature of Amendment</b>	<b>Approved by &amp; Date</b>	<b>Date on Intranet</b>

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## **1 Policy Statement**

As CCG we don't offer a lease car to any of our staff.

However, a small number of people transferred from the CSU with a salary sacrifice lease car. This policy explains how this works for these specific individuals.

The salary sacrifice lease car option is not available to any other staff.

The salary sacrifice scheme is changing from April 2017. All employees currently in a salary sacrifice scheme is protected for up to four years till their current lease car contract ends.

New cars from April 2017 will no longer be in a salary sacrifice scheme, therefore savings will no longer be made on Tax and national insurance, unless the car is an ultra-low emission car.

An ultra-low emission car is defined as a car producing less than 75g of CO2 per km.

## **2 Responsibilities**

North Lincolnshire CCG

To pay the invoices in a timely manner.

Car Leasing Provider

The Car Leasing provider has a responsibility for providing timely advice in relation to application and the management of the scheme

The provider will ensure all paperwork is communicated effectively to CCG, HR/payroll department and the employee.

## **3 References**

HMRC [www.gov.uk](http://www.gov.uk)

NHS Fleet Solutions [www.nhsfleetsolutions.co.uk](http://www.nhsfleetsolutions.co.uk)

## **4 Eligibility**

Only to those who have transferred from another organisation with one.

Salary Deducted/Salary Sacrifice

No contribution is made from the CCG in these schemes.

Following changes from HMRC, from April 2017 the salary sacrifice scheme will only exist for ultra-low emission cars.

Those already in the scheme prior to April 2017 will be protected until their current lease ends, up to a maximum of four years.

## **5 Lease Rental**

The leasing company calculates the lease rental based on the employee's total annual mileage. It is, therefore, important that the estimated business miles and private mileage is as accurate as possible when completing the application form.

Employees who exceed their total mileage should inform the car leasing department so that the lease rental can be adjusted. Failure to do so will result in the employee receiving an excess mileage charge at the end of the contract period.

The lease rental includes servicing in accordance with the manufacturer's schedule, routine maintenance and membership of a breakdown/recovery service and the annual road fund licence.

## **6 Contract Period**

The contract period shall run for three years, although shorter or longer periods can be negotiated in exceptional circumstances. At the end of the contract period, the employee can:

- Return the vehicle and lease a new one (subject to their manager's approval)
- Purchase the vehicle
- Return the vehicle and make own transport arrangements

## **7 Private use of Vehicle**

The vehicle may be used for social and domestic purposes by the employee and the employee's family.

The employee must ensure that the lease car administration department have been informed of the name of anyone who is to be added as an authorised driver, and provide a copy of the additional driver's driving licence as well as completing an "additional driver's" application form.

The information provided on this form will determine whether they will be given permission to drive the vehicle.

## **8 Insurance**

Insurance will be arranged by the lease car department for the employee to use the vehicle for social, domestic, commuting to a single place of work, and business use.

The policy also covers the employee's spouse/partner to use the vehicle for social and domestic purposes.

Employees can include other members of their immediate family but if any member is under the age of 25, then an additional contribution towards the cost of the insurance may be required.

To ensure that drivers with a poor driving record are not allowed to use the vehicle the CCG will require members of the employee's family to submit their licence for examination by the

lease car department and complete an “additional driver authorisation” form. The CCG reserves the right to deny access to the vehicle or impose conditions to anyone who they feel is a risk.

Staff must inform the Car Leasing department of any convictions or endorsements imposed upon themselves or any member of their family who will be driving the vehicle.

The insurance policy carries the following accidental damage excess:

£100 for each accidental damage claim, but:

£450 for drivers aged 17 to 20

£350 for drivers aged 21 to 24

£350 for drivers aged 25+ who have held the licence for less than 12 months

Excesses can vary (increase) depending on Penalty Points on licence, contact Car Leasing for further information.

Employees will pay the insurance excesses for all accidents involving their vehicle where they are not the driver.

Where the vehicle has been loaned to another employee of the Trust for business purposes the Trust will pay the excess.

It is the employee’s responsibility to ensure that only authorised drivers are allowed to drive the vehicle and that the vehicle is not used for competition or motor sport activities.

## **9 Business Lease Car Scheme (No CCG Contribution)**

The employee pays for the total cost of the car deducted from the net salary over the term of the contract.

This scheme has no effect on tax, NI or pension contributions.

### **9.1 Salary Sacrifice Scheme**

#### **9.1.1 CCG Contribution**

No contribution will be made from the CCG for this scheme.

#### **9.1.2 Employee Contribution**

The cost will be deducted from the monthly salary over the term of the contract.

The cost will be deducted from the gross salary, saving tax, national insurance and pension contributions. The net cost of the lease car may increase/decrease depending on the current taxation and pension rules, which are not controllable by the CCG or the lease car provider.

The employee is responsible for all other expenses including:

- All insurance excesses, including excesses incurred by an authorised driver e.g. family members
- Any damages that are not covered by the insurance policy
- Any damages discovered following inspection at the end of contract
- Excess mileage charges
- Optional extra/fitted accessories
- Mechanical damage caused by the employee's negligence
- Penalty fines (speeding fines, parking tickets etc.)
- Administration fees issued by leasing company for processing of penalty fines
- Petrol/Diesel
- Oil and other fluids required for topping up between service intervals

This scheme will end at end March 2017 for new participants, unless an ultra-low emission car is leased.

Existing employees can continue their existing lease until the lease contract ends up to a maximum of four years.

## **10 Lease Rental**

The annual lease rental is calculated by the Lease car company in the quotation.

## **11 Contract Period**

The contract length is usually for three years, although shorter or longer periods can be negotiated in exceptional circumstances.

At the end of the contract period, the employee can:

- Return the vehicle and lease a new one
- Purchase the vehicle
- Return the vehicle and make own transport arrangements

### **11.1 Private Use of Vehicle**

The vehicle can be used for social, domestic and pleasure purposes including to/from a permanent place of work, and business use for North Lincolnshire CCG only.

It cannot be used for business for any other organisation.

### **11.2 Choice of Vehicle**

Employees can choose any car they wish as long as it is affordable by them and no contribution is made from North Lincolnshire CCG.

### **11.3 Insurance**

Fully comprehensive insurance cover is included within the monthly charge. The standard insurance policy covers the employee plus four additional authorised drivers.

Driving licence checks will be made on all drivers before being added to the insurance policy.

The amount of excess liable in the event of an incident depends on the age, convictions and previous faults or accidents. Full details are provided on the lease car provider website.

## **12 Process (only if this becomes available to all staff)**

Staff wishing to participate in either scheme should first discuss the issue with their line manager to establish if their manager will support their application.

Contact should be made with the relevant lease car department who will provide an enquiry form for completion and approval.

The business lease car department is currently provided by Humber NHS Foundation Trust.

The salary sacrifice lease car scheme is currently provided by NHS Fleet Solutions.

They will provide information on the cars available and the application forms to complete.

The Lease car provider will prepare quotations from an approved applicant usually within 5 working days.

The quotation will provide all details on the total cost of the lease car and any cost implications on personal income tax liability and pension contributions based on the current rules from HMRC and NHS Pensions.

On return of a signed acceptance of the relevant paperwork (including authorisation from manager for Business lease cars), the vehicle will then be ordered from the nominated dealer.

The Car Leasing department will inform staff of any changes or delays regarding the order i.e. if there is an increase in monthly payments due to an increase in the annual rental or a manufacturer's price increase.

If the vehicle is not available as specified, staff will be informed of the options available. In any of the above cases staff may cancel the order and choose another vehicle. However, if there are no alterations to the original quote then the order cannot be cancelled and a termination fee may be payable.

On delivery of the vehicle staff should carry out a careful inspection to ensure it is the correct specification and in "as new" condition. Signing of the leasing agreement confirms that the employee is satisfied with the vehicle specification and condition.

The employee will be given the manufacturer's hand books and also the leasing company hand books which will give details relating to the vehicle including the Terms and Conditions.

Any other relevant information will be given at the time of delivery.

Staff who currently have a lease car and whose new car cannot be supplied before their current lease expires, will either have their lease extended or be provided with a loan car.



### **13 Accessories**

Staff wishing to fit accessories after delivery of the vehicle (for example, a tow bar) must advise the Car Leasing department.

### **14 Service and Maintenance**

It is the employee's responsibility to ensure that the vehicle is serviced in line with manufacturers' recommended intervals and any mechanical problems are rectified as soon as they happen. This also applies to broken windscreens. Failure to do so will result in costs being incurred by the employee.

Servicing and repairs must be carried out by a dealer approved by the leasing company and the Car Leasing department.

Staff must book their vehicle in to the servicing department under the name of the leasing company. If a courtesy car is required the service should be booked about two weeks before the service is due as courtesy cars are always in demand. The service card or documents need to be presented when the vehicle is left with the dealer. You will also need to present your insurance certificate before taking the courtesy car.

Normal wear of tyres, batteries and exhaust are covered by the lease, if they need replacing take the vehicle to the outlet approved by the Leasing Company.

Punctures are not covered by the lease and the leasing company will recharge these costs back to the CCG, which in turn will be recharged to the employee.

### **15 MOT**

An MOT certificate is only required when the vehicle is three years old. Ask the servicing dealer to send the certificate to the leasing company.

Staff will need to arrange an MOT before the vehicle is returned at the end of the lease or if the lease is extended beyond the three year period.

If the vehicle cannot be taxed because the MOT has not been done the employee will be fined.

### **16 Car Tax**

The lease car company will renew the tax annually as required. Tax discs are no longer provided

### **17 Mechanical breakdown**

In the event of a mechanical breakdown of the vehicle, staff should call out their recover service. They will attempt to repair the vehicle at the roadside.

If this is not possible, they will take the vehicle to an approved repairer. If a relief vehicle is needed and the recovery service or garage cannot provide one the Car Leasing department will arrange a vehicle for you.

## **18 Accidents**

Information will be provided from your lease car provider of who to contact in the event of an accident when the car is delivered.

When involved in an accident employees should take note of following:

- The name and address of the other driver(s) and vehicle owner(s) if different
- The name and address of each witness
- The injury to yourself or other people involved
- The damage to the vehicles involved or to property
- The name and address of the other driver's insurance company and policy number
- The registration numbers of the other vehicles

If possible it is useful to note:

- The speed of the vehicles involved
- The width of the road, road markings and signs, state of the road surface and weather conditions
- Whether the other drivers and passengers were wearing seat belts
- If the accident happened at night or in poor visibility

## **19 Vehicle Theft/Break in**

In the event of the vehicle being stolen, employees must refer to the information provided by the lease car provider as well as the police who will issue you with a crime number.

If the vehicle has been broken into or recovered and is in an illegal or unsafe condition, will ensure that you have a temporary vehicle until all repairs have been completed.

If the vehicle is safe to drive, but has a smashed window, employees should use their approved Windscreen company which was provided with their insurance certificate/ Lease car provider.

In the event of CCG property being stolen staff should inform their manager, as CCG items may not covered by the insurance policy.

## **20 Traffic Offences**

Parking fines, local fines and penalties for driving offences are the employee's responsibility.

Any that occur will be passed on to the employee for immediate payment. If the leasing company/CCG has to pay the fine they will recharge the driver.

## **21 Foreign Travel**

Employees should contact the leasing car provider before any foreign travel.

## **22 HMRC**

HMRC are informed when an employee joins the lease scheme. Staff must also inform HMRC that they have a lease car. Contact the Car Leasing department if further advice is needed.

## **23 Driving Licence**

The CCG has a duty to check employee's driving licence at least once a year to ensure the licence is still valid.

On completion of the Application Form staff must attach a copy of their driving licence and a copy of the licence of any other regular driver.

Staff will also be asked to sign a declaration confirming any endorsements that have been added since your licence was last checked.

Failure to enclose a copy of the driving licence with the Enquiry Form will result in the quote not being processed. Failure to send a copy of the licence annually or complete an annual declaration will be a breach of CCG policy and may lead to the right to participate in the scheme being withdrawn.

Employees must ensure that any convictions or licence endorsements (including fixed penalty endorsements) received at any time are notified immediately to the car leasing department...

Employees must not drive the lease vehicle under any circumstances if licence is suspended. Line manager and the car leasing department must be informed immediately if a suspension has been issued

## **24 Maternity leave**

Staff who take maternity leave can continue to use their lease car and continue to pay for it via their monthly salary deductions. The terms of the contract will remain the same.

Staff who have a period of unpaid maternity leave but still wish to use the car can either have their contribution adjusted when they return to work, or can be invoiced on a monthly basis. Staff will still be liable for company car taxation as the vehicle will be available for private use.

## **25 Termination of contract**

The employee's participation in the lease car scheme will terminate immediately upon:

- Termination of his/her employment by the CCG
- The employee's retirement
- The employee being disqualified from driving

The CCG may, at its discretion, remove an employee from the scheme if:

- The employee breaches any of the scheme's conditions
- The employee is absent from normal duties for an unreasonable period

- The employee's duties are changed and it is no longer necessary to undertake business travel

If an employee moves to another Health Services organisation, then the lease vehicle may be transferred to the new organisation providing agreement is obtained from the Trust, the new employer and the Leasing Company.

Voluntary early termination will involve a charge to the driver, which will be confirmed by the leasing car company.

## **26 Return of vehicle**

At the end of the contract, the vehicle should be returned to the Car Leasing department for inspection and collection

Delivery of a new car will be arranged to coincide with the return of the current vehicle. The Car Leasing department will carry out an inspection of the returned vehicle and staff will be asked to sign an appraisal form to confirm the condition and mileage of the vehicle.

This form will be used to assess any recharges. If the vehicle is not in the condition described in the leasing company's fair wear and tear booklet, the employee will be charged for the damage. The vehicle must also be clean inside and out. Digital pictures may also be used to confirm any damage to the vehicle.

## **27 Safety information**

The CCG encourages all employees to drive safely in all vehicles including lease cars. The following provides some safety advice.

Mobile Phones – do not use hand held devices whilst driving. You may be fined or prosecuted if caught. More information can be found at <https://www.gov.uk/using-mobile-phones-when-driving-the-law>

Drink/Drug Driving – it is illegal to drive under the influence of alcohol and/or drugs. You may be prosecuted if caught. Do not drive if over the legal limit.

More information can be found at <https://www.gov.uk/drink-driving-penalties> & <https://www.gov.uk/drug-driving-law>

Eye Tests – Employees should ensure they have regular eye tests recommended every two years. Any problems affecting vision should be reported to DVLA. More information can be found at <https://www.gov.uk/driving-eyesight-rules>

Weather Conditions – Adverse weather conditions can affect your journey and can cause accidents. Plan carefully when travelling in adverse weather. More information can be found at <https://www.gov.uk/guidance/the-highway-code/driving-in-adverse-weather-conditions-226-to-237>

Tiredness – avoid travelling when tired. Take regular breaks on long journeys. More information can be found at <http://think.direct.gov.uk/fatigue.html>

## **28 Queries**

Further information on the salary sacrifice scheme visit <http://www.nhsfleetsolutions.co.uk>

## **29 Impact Analyses**

### **29.1 Equality**

As a result of performing the screening analysis, the policy does not appear to have any adverse effects on people who share Protected Characteristics and no further actions are recommended at this stage.

### **29.2 Sustainability**

A Sustainability Impact Assessment has been undertaken. No positive or negative impacts were identified against the twelve sustainability themes.

### **29.3 Bribery Act**

This Policy is designed to contribute to the CCG's obligation to ensure adequate measures are in place to prevent acts of bribery within the meaning of the Bribery Act 2010.

## **30 Scope**

This policy applies to:

- All CCG employees, including all full and part-time staff, staff on sessional or short term contracts, Lay members, students and trainees (including apprentices), agency staff, seconded staff
- Members of the CCG's Board, Committees, Sub Committees and Sub Groups, including co-opted members, appointed deputies and members of committees/groups from other organisations
- Members of the CCG (Council of members) – defined as GP partners (or where the practice is a company, each director) and any individual directly involved with the business or decision making of the CCG e.g. representatives at the Council of Members, GP portfolio leads

Who are referred to collectively in this policy as 'individuals' within the CCG.