

LEASE CAR POLICY

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Contents

Section		Page
1	Policy Statement	2
2	Scope	3
3	Duties	3
4	Framework	3
5	Implementation and Monitoring	20
6	References	20
7	Associated Policy and Procedural Documentation	21

1 Policy Statement

TERMS & CONDITIONS OF LEASE CAR SCHEME

- 1.1 This document details the terms and conditions for providing a car to a hirer under the NHS Lease Car Scheme. Under the scheme, the Fleet Management Company, through its arrangements with approved lease car companies, will provide a car on hire for a period of three years subject to Employee eligibility (see section 4.2), which can be used for NHS business and private travel.
- 1.2 As a condition of the car being available for private travel the hirer will pay a calculated contribution (hire payment). This charge will be deducted from the hirers pay and will be based on the total projected mileage for three years. This charge is subject to VAT and deducted from hirers pay.
- 1.3 Certain aspects of the scheme will be dealt with on behalf of the Fleet Management Company by the lease car companies, including the cost of routine maintenance, road fund tax, appropriate breakdown rescue service and repair costs plus insurance (unless due to neglect or abuse).
- 1.4 It is entirely a matter for the hirer to consider the impact of the hire payments on their personal financial circumstances. The Trust cannot accept any responsibility in this matter and applicants are urged to be cautious before entering into any financial obligation. Not only will the hirer be liable for the hire payments that may vary over the life of the hire agreement, but also for other charges that are detailed in the following paragraphs.
- 1.5 The following conditions apply to all staff who acquires a vehicle under the Lease Car Scheme.
- 1.6 An employee who wishes to join the scheme should study carefully all the conditions before entering into a commitment. The employee shall become the hirer once a hire agreement is signed and will be deemed to have read and understood these conditions on making application for a car to be provided under the scheme. These conditions are incorporated into the hire agreement between the Fleet Management Company and the hirer relating to the hire of a car under the scheme.

2. Scope

- 2.1 The policy will be implemented via the Finance Directorate and the Trusts Support Services managers who have responsibilities for Transport issues.
- 2.2 This policy applies to all employees of North Staffordshire Combined Healthcare NHS Trust who intend to or are participating in the NHS Lease Car Scheme
- 2.3 This policy has been written to provide all staff with the relevant information and guidance to aid in the choice of joining the scheme or not. Information regarding Lease end issues are outlined and tax implications are referred to.

3. Duties

- 3.1 The Chief Executive has ultimate accountability for the Management of the Lease Car scheme, operational day to day management is delegated to the Finance Directorate, Support Service Manager and the Finance Agency
- 3.2 The Trust Support Services Manager oversees the policy and manages the service provider to ensure compliance to the policy standards. Advice to staff on relevant issues regarding the policy is available via the Trusts Transport Department.

4. Framework

4.1 DEFINITIONS AND INTERPRETATION

In these conditions and any hire agreement unless the context otherwise requires: -

The following expressions shall have the following meanings:

- (a) "The Fleet Management Company" means the organisation or department that administers the lease car scheme on behalf of the North Staffordshire Combined Healthcare NHS Trust.
- (b) "The hirer" means a permanent full or part time employee of the Trust who agrees to hire a vehicle through the Fleet Management Company under this Lease Car scheme.
- (c) "Lease Car Company" means any approved company offering the required service to the Fleet Management Company.
- (d) "Total projected mileage" means the estimate made by the hirer,

in consultation with their manager, of the total business and private mileage/he expects to complete during the three-year period of the hire agreement.

- (e) Business mileage” means the **actual mileage** travelled in accordance with the hirer’s **official NHS duties** (not related to travelling from home into designated base – if in doubt please discuss this with your manager) and in accordance with Agenda for Change terms and conditions.
- (f) "Excess mileage charge" means a charge levied on the hirer at the end of the period of the hire agreement at the rate per mile determined by the Lease Car Company. The mileage applicable to this charge is limited to private mileage in excess of the agreed projected private mileage at the commencement of the hire agreement. Refunds will not be issued in respect of ‘over’ estimated private mileage.
- (g) "Financial year" means the financial year from 1 April to 31 March.
- (h) "The scheme" means the NHS Lease Car Scheme.
- (i) "Hire agreement,” means an agreement between the Trust, via the Fleet Management Company and a hirer for hire of a car incorporating these conditions.

4.2 WHO IS ELIGIBLE TO JOIN THE SCHEME?

- (a) Subject to the conditions below the scheme is open to any permanent full-time, or permanent part-time employee of Combined Healthcare who is not serving a probationary period and who hold a full valid United Kingdom driving licence, and who is required to undertake business mileage in the course of their NHS duties.
- (b) An employee **will not** ordinarily be permitted to join the scheme if:
 - (1) The employee is under notice of redundancy
 - (2) The employee has been banned from any driving following a vehicle related offence, or has a court case pending following an alleged traffic offence, or there are other circumstances which might prevent comprehensive car insurance being obtained; or

- (3) The employee has an outstanding lease or hire agreement with the NHS, but has failed to make satisfactory arrangements for repayment of any outstanding sum due in connection with a previous lease car hire agreement or is in breach of the agreement. Any such liability must be repaid in any event within three months of entering into a car hire agreement; or
 - (4) The employee's employment is such that the regular amounts of pay and emoluments are insufficient to meet the hire payments for the car.
 - (5) The employee is not required to undertake business mileage in the course of their NHS duties.
- (c) The employee must join the scheme by entering into a hire agreement for a period of three years. An employee is able to join the scheme at any time, but cannot withdraw from the scheme during the three-year period without incurring penalty charges.
 - (d) On joining the scheme the hirer's rights to standard rates of mileage reimbursement will no longer apply and applicable lease car rates for mileage reimbursement will be paid in line with Agenda for Change.
 - (e) Employers (Trust Line Managers) are encouraged to discuss the option of a lease car to employees whom they require to be mobile and where they deem it in the interest of the service to do so.

Line managers of employees who complete, or who are expected to complete over 3,500 business miles in one year from appointment should be offered the option of a lease car at the earliest opportunity.

The reserve rate of reimbursement will apply if an employee unreasonably declines the employers' offer of a lease car (see section 17 of Agenda for Change terms and conditions).

(f) *Contract Novations*

Where a lease/hire car contract is novated to the Trust from another employer, these terms and conditions shall apply. The element of private contribution will be re-calculated accordingly and the resulting increase or decrease to the hirer's payment applied from the start date of employment.

Exceptions may apply if a change arises through NHS re-organisation/structural change/TUPE arrangements. In these cases the private contribution will be re-calculated and the lowest/most advantageous figure applied for the remainder of the current lease only. Thereafter, these terms and conditions shall apply.

4.3 WHO OWNS THE CAR?

- (a) The scheme is based upon a leasing agreement between the Trust, via the Fleet Management Company and the approved lease car company. The legal owner of the car will be the Lease Car Company, but for the purpose of the hire agreement between the hirer and the Trust, the owner will be the Fleet Management Company, which is responsible for the administration of the scheme. The hirer must enter into a formal hire agreement with the Fleet Management Company as shown at the end of this document.
- (b) The hire agreement includes the following clause: -

TERMS AND CONDITIONS OF HIRE

These conditions are incorporated into this agreement. The hirer must read this document carefully because he/she is bound by all its conditions once the agreement is signed.

4.4 HOW DO YOU APPLY FOR A HIRE CAR?

- (a) Initial enquiries about the scheme should be made through your manager.
- (b) Any make or model of car (**excluding commercial vehicles and mini buses**) is available. However, where applicable, vehicles provided under the Scheme must be 'fit for purpose' in the opinion of the authorising manager, to an employee's normal duties under his employment contract with the NHS. Please note – in certain circumstances restrictions may apply. e.g. soft top vehicles are inappropriate for staff who carry drugs or equipment.
- (c) Special Edition cars may be included, although the Trust, via the Fleet Management Company reserves its right to exclude certain models.
- (d) The Fleet Management Company will provide potential hirers

with written quotations for different types and models of cars prior to ordering. The quotations will be based on the hirer's total projected mileage (business and private) over a three-year period and may be subject to an annual change.

- (e) After approval of a lease hire car application the hire payments for the car will be confirmed to the hirer for his agreement prior to the Fleet Management Company ordering the car.
- (f) In no circumstances shall the hirer make any commitment for a particular car direct with a dealer. Any costs arising to the Trust as a result of such commitment will be charged to the hirer and may be recovered by deduction from the hirer's pay.
- (g) Before a car can be delivered, the hire agreement form must be completed and signed by the hirer. This hire agreement includes authority for all hire payments to be made by deduction from the hirer's pay.
- (h) In consultation with the hirer and the Trust, the Fleet Management Company reserves the right to offer a car that is not new if it is available for release following the termination of use by another hirer. In such cases the period of use will be the unexpired part of the hire agreement and the hire payment will be based on the cost of the car when originally supplied.

4.5. WHAT EXTRAS MAY BE FITTED TO THE CAR?

- (a) The car will be to the manufacturer's standard 'on the road' specification. Factory fitted options and dealer fitted accessories can be fitted before delivery. These extras will be included in the monthly hire payments and reflected in the hirer's contribution.
- (b) Tow bars and sunroofs may only be fitted with the prior agreement of the Fleet Management Company. Main dealers may also fit accessories after delivery only, at the hirer's expense, by prior agreement with the Fleet Management Company. The costs of removing accessories and returning the car to its original condition at the end of the hire agreement must be borne by the hirer and may be recovered by deduction from the hirer's pay.
- (c) When approved accessories remain fitted, the additional cost of supplying these extras or their value will not be reimbursed to the hirer by the Fleet Management Company at the end of the hire agreement.

4.6. HOW IS THE CAR TO BE USED?

- (a) All official NHS business mileage must be undertaken in the hired car and such use must be in accordance with the current NHS Car Allowance Regulations. Reimbursement for business mileage will be made using the agreed Trust car hire mileage rate for fuel only.
The car can be used for normal social and domestic purposes by the hirer **and** by a member of the hirer's immediate family who is a properly qualified driver, subject to insurance company approval. This includes provisional licence holders who are members of the hirer's immediate families accompanied by a person above the age of 25 who is suitably qualified and insured to drive the vehicle. Additional drivers required (see 4.10)
- (b) The hired car must be available for NHS use at all times (except when the car is being repaired or serviced). On scheduled repairs or service a replacement car will be provided by the dealership where ever possible, however to **guarantee** a replacement car for any instance when the hired car is unavailable will require an additional payment included in the lease cost at the onset of the agreement.
- (c) For all training courses where employees have, and use, hire cars, the normal hire car mileage rate will apply and all mileage necessarily undertaken will be recorded as official NHS business.
- (d) The car must not be used for hire, reward, racing, rallies, reliability trials, pace making, speed testing or any other sporting competition.
- (e) The hirer must not transfer the benefit of the hire agreement to or sub-hire or sub-lease the car to any other person or represent himself in any way as being the owner of the car. The hirer must not part with possession of the car except in accordance with these conditions and must keep the car free from any potential liability for such loss.
- (f) The hirer may take the car abroad for a maximum of six weeks in any year subject to the prior approval of the employer, and FMC. Applications for Green Card insurance cover (where applicable) together with the appropriate fee must be sent direct by the hirer to the insurance company at least six weeks before departure date. The hirer will arrange and bear the cost of the 'Green Card' and adequate recovery and breakdown assistance as provided by AA Five Star travelling facilities or equivalent. Consent to take the car abroad will not be given unless this is done. Maintenance and repair costs abroad are not covered by

the scheme and will be the responsibility of the hirer.

4.7 WHAT ARE THE HIRER'S OBLIGATIONS?

- (a) ***IMPORTANT – PLEASE NOTE***
Personal taxation matters arising between the hirer and HRMC - It is the hirer's responsibility to resolve any personal tax issues arising from the provision of a lease car. The Trust **will not** be responsible, or accountable for any personal taxation obligations of the hirer.
- (b) The hirer must keep the car in good condition throughout the hire period. Failure to maintain the vehicle in good condition may well incur de-hire charges. These de-hire charges will be met by the employee. In addition the hirer shall: -
- (c) Inspect the car carefully at the time of delivery and ensure that it complies with the order, notify the supplier of any faults and report to Fleet Management Company in writing any serious faults which are not satisfactorily dealt with.
- (d) Keep the interior and exterior of the car clean. The hirer will also be responsible for maintaining the car upholstery and bodywork in a reasonable condition with regard to the age and mileage of the car.
- (e) Ensure that servicing and maintenance are carried out in accordance with the manufacturer's instructions at a garage approved by the Lease Car Company for this purpose. The hirer must also at regular intervals check and 'top up' the oil, water, battery, brake and any other fluid levels and check tyre pressures and the condition of tyres; the hirer must pay for all such 'topping up' fluids. The hirer will also be responsible for ensuring that the car is maintained in a roadworthy condition and for arranging for it to be maintained in accordance with the manufacturer's recommendations. Failure to adhere to this could result in a charge e.g. the cost of replacement brake discs if brake pads have been allowed to wear out below their normal limit.
- (f) Throughout the period of the hire agreement report promptly to the servicing garage any known defects in the car
- (g) Not to use the car or permit it to be used when it is un-roadworthy or defective or when it fails to comply with any provision of statute, statutory instrument or legal regulation
- (h) Take all reasonable precautions against frost damage and

ensure sufficient antifreeze is used in accordance with the manufacturer's recommendations. The hirer must pay for all antifreeze and for any frost damage caused by his failure to take such precautions. In addition the hirer must pay for all damage to light lenses/sealed units, bulbs, mirrors, mud flaps, aerials, badges, wheel trims, wheels and number plates

- (i) Whenever possible keep the car in a secured garage during the night. The Hirer must take all reasonable precautions to minimise the risk of damage to, or loss of, the car and any persons or contents being conveyed.
- (j) Not disconnect or tamper with the speedometer or its drive cable or alter, modify or remove any parts from the car or change any of the identification marks or numbers nor affix any sign, letter or mark without prior consent being obtained from the Fleet Management Company.
- (k) Not fit any extras to the car without the prior written approval of the Fleet Management Company. In the event of the odometer becoming defective the hirer shall obtain a replacement forthwith and notify both the Trust Support Services Manager & Fleet Management Company of the mileage at the time of the change. The Lease Car Company will be responsible for the replacement cost
- (l) Comply with the recommendations and instructions contained within the manufacturer's handbook as to running-in speeds and the use of the car, and comply with all instructions and recommendations about its care, maintenance and use issued by the Fleet Management Company. The hirer must not overload the car or use it to carry goods for which it was not designed
- (m) Immediately provide full details of any accident or damage to the Fleet Management Company (within 24 hours of the accident or damage occurring) and comply with any instructions issued by them arising from any accident, claim or proceedings involving the car.
- (n) Promptly provide full details of any prosecution notice towards the hirer or any other person as a consequence of any alleged motoring offence arising out of the use of the car to the Fleet Management Company.
- (o) At the request of the Lease Car Company and/or the Fleet Management Company make the car available for inspection at the end of the hire agreement and at any other time during the period of hire.

- (p) Pay for any interior cleaning damage or repairs and replacements (including without limitation, those to tyres and exhausts) that arise otherwise than due to fair wear and tear. Evidence of misuse or neglect of tyres and exhausts in particular will be based on the tyre/exhaust supplier's independent reports.
- (q) At the termination of the hire agreement (howsoever terminated) to deliver the car to a person authorised by the Lease Car Company or the Fleet Management Company to receive it. Any costs arising out of a failure to properly deliver the car will be charged to the hirer and may be recovered by deduction from the hirer's pay.
- (r) Notify the Fleet Management Company when any repairs or replacements other than routine maintenance are necessary. The Fleet Management Company's prior approval to such repairs is required; otherwise the hirer shall be responsible for the cost.
- (s) Pay all fines, including fixed penalty tickets, arising from traffic offences involving the car and parking fines. Where the NHS, under the legal requirements for the payment of such fines, is required to pay the fine in the first instance as a result of the hirer's failure to do so, the fine plus any charges imposed by the Lease Car Company will be recovered from the hirer.
- (t) Pay the amount of Policy excess due on any insurance claim (see 4.10). All insurance claims should be made at the time the accident/damage occurred and not at the end of the lease contract.
- (u) Not negotiate or settle with any person any warranty and out of warranty claims in respect of the car, and shall notify the Fleet Management Company of each such claim. The hirer shall not do or permit anything to be done which might invalidate the manufacturer's warranty.
- (v) Pay for all fuel for the car.
- (w) Pay any charges assessed by the Lease Car Company at the termination of the lease for the car not being in condition appropriate to its age and mileage. These costs, together with any early termination charges due from the hirer may be deducted from the hirer's pay.

4.8 WHAT DOES THE HIRER HAVE TO PAY?

- (a) The hirer must pay throughout the full period of the hire agreement, the monthly hire payments determined by the Fleet Management Company. The initial payments will be at the rate specified in the hire agreement. The Fleet Management Company will arrange for deductions from the hirer's pay, which are to be paid by the hirer as a condition of the car being available for private use together with any other sums payable by the hirer in accordance with these conditions.
- (b) All monthly hire payments must continue to be made during periods of long-term absence from duty including long term absence for sickness or maternity leave, unless otherwise deemed so by the Trust. If a car is subject to an insurance write off all monthly hire payments must continue to be made until the insurers have settled the claim with the Lease Car Company.
- (c) The amount of the hire payments will be determined by the Fleet Management Company in its absolute discretion based on the following factors: -
 - (1) The rentals payable by the Trust under its lease agreement with the Lease Car Company which are calculated upon the type and model of the car.
 - (2) The total projected mileage to be undertaken in the car (business and private), for the three year period of the hire agreement
 - (3) The nationally agreed allowances used by the NHS from time to time relating to the use of cars for business purposes
 - (4) Membership of a motoring organisation.
 - (5) The cost to the Trust of the car road fund tax (if any), insuring and maintaining the car
 - (6) The rental of the vehicle for private mileage.
 - (7) VAT on the above.
- (d) The hirer should estimate as accurately as possible their annual business mileage and their annual private mileage when submitting an application for a hire car. Any private mileage in excess of the total projected mileage at the end of the period of the hire agreement will be charged to the hirer at the rate per mile determined by the Lease Car Company.

- (e) If the hire of the car is terminated part way through the hire agreement, a pro rata excess mileage charge may be applied.
- (f) Where a car is hired part way through a month, the payment due in the first and last month of the hire period will be on the basis of the number of days in those months when the car was available for the use of the hirer.
- (g) The hire payments may be varied by the Fleet Management Company on giving 7 days written notice at any time to the hirer if: -
 - (1) There is a change in the nationally agreed allowances used by the NHS, relating to the use of cars for business purposes.
 - (2) There is a change in the rate of VAT.
- (h) Annual Review

All Lease Car mileage will be monitored annually by the Fleet Management Company. Where there is a variation in the form of an increase or decrease of plus or minus 500 miles travelled, either in relation to the estimated Business or Private mileage, a financial adjustment will be made to the monthly contribution paid by the hirer, in accordance with the rates applicable to the Lease Car Scheme. Where there are special reasons for any variation, the Trust's Finance Director will decide upon the appropriateness of the special reasons outlined, before any re-calculation is made.
- (l) The cost to the Trust of taxing, maintaining and insuring hired cars under the scheme is increased (if any) by factors outside its control.

4.9 HOW IS THE COST OF BUSINESS MILEAGE REIMBURSED?

- (a) The hirer must pay for all fuel initially. The cost of mileage undertaken on approved NHS business will then be reimbursed at the mileage reimbursement rates outlined in Agenda for Change. This rate may be varied from time to time to reflect the cost of fuel as it rises or falls in price.
- (b) The journeys should be claimed monthly, or in any event every three months where mileage travelled is very low or member of staff is absent from work due to sickness or any other reason for absence, all such claims are to be made on the appropriate travelling and subsistence claim form or via electronic input (EASY). Such claims are to be submitted to the hirer's manager

in the usual way for certification and payment. Full details of all business journeys will be recorded.

4.10 WHAT INSURANCE COVER IS PROVIDED?

- (a) It is important to note that the comprehensive insurance cover provided is for hire cars subject to hire agreements only and the scheme does not provide cover for any other vehicle(s).
- (b) In addition to the hirer, insurance cover will be provided **for one other family named driver** (e.g. spouse) for private mileage only, provided that driver is permanently resident with the hirer. **An additional premium will be required if the named driver is young or inexperienced or has committed a motoring offence.** The payment for such premiums will be deducted from the hirer's pay by a single annual deduction or by a single cheque payment from the hirer.
- (c) **Additional insurance may be provided for other family members at request of the hirer (other children for example) at the discretion of the insurance company, which will require an additional premium. This will be payable by a single deduction from the hirer's pay or by a single cheque payment from the hirer. Insurance premiums for part years will be chargeable on a pro rata basis.**
- (d) There is a standard excess charge payable by the hirer for damage, broken windscreens or window glass or theft of fixed items. **Additional age excess charges may be made for young drivers in accordance with the insurance policy and under and for those who hold a provisional licence or who have not held a full licence for 12 months.**
- (e) The level of insurance excess payable by the hirer will be dependent on the rate agreed between the Trust and the insurance company from time to time. This is available on request.
- (f) Insurance cover ceases when the hirer's employment with the Trust terminates.
- (g) Very limited cover is provided in respect of loss/damage/ theft to personal property in the car and individuals are advised most strongly to make their own arrangements for cover of this nature.
- (h) The hirer must observe all the requirements of the insurance policy and do nothing to make the policy void or voidable. Further details of the insurance cover are available from the Trusts Transport Manager.

- (i) If the hirer ceases to have a hire car details of the insurers can be given so that the hirer is able to contact the insurers direct to obtain details of any claims made during the relevant hire period so that any accrued bonus may be obtained on any subsequent insurance policy.
- (j) All criminal convictions for motor/driving related offences must be notified immediately to their Line Manager, Transport Department and the Fleet Management Company.

4.11 WHAT HAPPENS IF THERE IS THEFT OF, DAMAGE TO OR AN ACCIDENT INVOLVING THE CAR?

- (a) If the car is stolen, damaged or an accident occurs involving the car, the hirer **must immediately inform the Fleet Management Company** and if required to so must provide evidence of driving license and insurance document and must do so within the stipulated period. The Trust Support Services Manager can be contacted in case of any difficulty
- (b) Hirers should ensure that they are familiar with the procedure for dealing with repairs to the car, whether arising because of an accident or otherwise, and must comply with those procedures, details of which will be provided by the FMC prior to, or upon delivery of the vehicle.
- (c) Replacements and repairs costing less than the relevant excess must be carried out with the Fleet Management Company approval and by an authorised repairer at the hirer's expense and must be paid for by the hirer before collection of the car. The cost can also be met by salary deduction.
- (d) Replacements and repairs costing more than the relevant excess must be dealt with in accordance with the insurance company's instructions. The amount of the excess due from the hirer may be paid by the hirer to the repairing garage prior to collection/delivery of the car, or they may exercise an option to pay via payroll deductions over a maximum period of two months for each excess liability.
- (e) Should the hirer consider he was not at fault the hirer should pursue the recovery of the excess through the insurance company. No action to recover this amount will be taken on the hirer's behalf by the Fleet Management Company.

- (f) The hirer must ensure that the service record book is completed and stamped after each service. The hirer must not incur expenditure for repairs estimated to cost more than the figure designated by the Lease Car Company (exclusive of VAT), without the express consent of the Lease Car Company. This consent may be obtained by the garage with the Leasing Company, but must not apply, of course, to routine servicing carried out in accordance with the manufacturer's recommendations.

4.12 WHO MAINTAINS THE CAR?

- (a) The scheme allows for full maintenance, which includes the cost of all servicing in accordance with the manufacturer's recommendations, mechanical and electrical repairs (but see below), replacement of tyres, batteries and exhaust etc, unless stated otherwise (See 4.7).
- (b) Servicing and repairs will be carried out at garages approved by the Lease car company. Full details should be provided by the FMC either before or on delivery of the vehicle. The hirer must ensure that the service record book is completed and stamped after each service. Hirers are reminded of their obligation in relation to ensuring maintenance periods are conformed to.
- (c) The Fleet Management Company will ensure that the car road fund tax is paid and a current licence issued. The hirer must comply with any instructions issued by the Fleet Management Company in this respect and in no circumstances use the car without it displaying such a licence.

4.13 ARE REPLACEMENT CARS PROVIDED?

- (a) There is a provision in the scheme, wherever possible, to provide a replacement car if the hired car becomes unavailable at any time due to theft of the car, general or accident repair works, or any other reason. To **guarantee** a replacement vehicle however, an extra premium must be added into the initial hire cost, and this option should be made available to the hirer at the time of application. When a replacement car is provided, hirers will still be liable to pay the monthly hire payments in such circumstances unless and until the hire agreement is terminated in accordance with these conditions.
- (b) If the driver holds an 'automatic license' only then a automatic replacement vehicle must be provided to enable the employee to carry out their business duties during the off road time of their normal vehicle.

4.14 HOW MAY THE HIRE AGREEMENT BE TERMINATED BY THE TRUST

- (a) If any of the following events occurs the Trust, via the Fleet Management Company will be entitled to terminate the hire agreement with the hirer immediately and recover possession of the car.
- (b) The termination of the hirer's contract of employment with the NHS because of voluntary resignation or retirement or voluntary redundancy. In such circumstances, any action to recover loss will be at the discretion of the Trust, taking into account all circumstances appropriate to each individual case.
- (c) The hirer is dismissed from his employment with the NHS
- (d) The hirer commits an offence, which results in disqualification and withdrawal of his driving licence, and or dismissal from employment.
- (e) The hirer commits any breach of the Lease Car Terms Conditions and Agreement including unreasonable accumulated 'at fault' accidents and claims.

Where the termination is by reason of sub paragraphs (a) to (e) above, the hirer shall, if required by the Trust, pay a sum representing the amount of all losses, costs and expenses incurred by the Trust, which arise directly or indirectly from such termination. These include any amount payable to the Lease Car Company in respect of early termination of contract charges. These costs could be significant and may be deducted from the hirer's pay.

4.15 HOW MAY THE HIRE AGREEMENT BE TERMINATED BY THE HIRER?

- (a) If there is a permanent change in the hirer's duties outside his control which results in him not using the car for NHS business, or results in substantially lower business mileage being travelled, the hirer may request in writing, the termination of the agreement. However, any such termination is not granted automatically and must have the approval of the hirer's Trust Finance Director, or representative. In the event of approval being given, the termination will take place at the end of the following calendar month.
- (b) If the hirer terminates the hire agreement in these circumstances, no termination charges will be levied.

4.16 WHAT HAPPENS AT THE END OF THE HIRE AGREEMENT?

- (a) If the hire agreement does not terminate for any other reason, it will come to an end at the conclusion of the period of the hire agreement.
- (b) At the end of the hire agreement (whether by termination or expiry) the hirer shall forthwith:
 - (1) Return the car as directed and agree to allow the Fleet Management Company and its agents to access the vehicle for inspection and collection.
 - (2) Reimburse the Trust for the cost of any repairs that are identified on the collection document on the point of De-hire and which are necessary to bring the car back into a reasonable condition, after taking into account the age and mileage of the vehicle. At the point of De-hire the vehicle must be inspected by the hirer and the lease companies collection agent and agreement reached and recorded on the collection document if any unrepaired damage is apparent. The Fleet Management Company may initiate recovery by deduction from the hirer's pay to cover the cost of such damage.
A copy of the Wear and Tear agreement can be provided by the Trust Support Services Manager upon request.
 - (3) Immediately pay to the Trust any arrears or amounts due under the terms of the agreement.
- (c) These obligations continue notwithstanding that the period of the hire agreement has come to an end.
- (d) Termination of the hire agreement for any reason shall be without prejudice to the accrued rights and liabilities of the parties and to the terms that apply or continue to apply thereafter.

4.17 ARE THERE ANY OTHER MATTERS?

- (a) The car is not hired by the Trust with or subject to any conditions, warranties or other terms, express or implied relating to the title to, state or condition of the car all of which are excluded between the Trust and the hirer except for those implied by the Supply of Goods and Services Act.
- (b) The hirer is personally and solely responsible for all penalties or court actions arising from the use of the hire vehicle. The hirer shall indemnify the Trust against any claims made in the following circumstances

- (1) For personal injuries, loss, damage, inconvenience, delay or otherwise (and all actions, proceedings, damages, costs and expenses in connection therewith) in respect of or arising out of or in any way connected with the use of the car (except insofar as they are covered by insurance)
- (2) Any fines, fees or penalties resulting from motoring offences or violation of traffic or parking regulations and in addition pay the Trust its consequential reasonable administration charges.

4.18 THE INCOME TAX POSITION

- (a) The principle adopted by HMRC is that a taxable benefit arises from the use of a hire car. Income Tax is paid by the hirer on the taxable benefit, normally as an amendment through their PAYE tax coding.
- (b) Taxable benefits are subject to amendment from time to time and are beyond the control of the NHS; the latest position can be determined from the local Inland Revenue Office, or by checking the HMRC website.
- (c) Income Tax due under these arrangements is a personal matter between the hirer and the Inland Revenue and whilst the Fleet Management Company will be able to provide details of how a tax liability is established they will be unable to help in negotiations or disputes with the Inland Revenue. Moreover, the Trust will not be responsible for any personal taxation matters in respect of the lease car or any other personal financial issues associated with the lease.
- (d) Any hirer who, for any circumstance, may claim home to base mileage (usually excess travel, all out/return to work or medics under a local terms and conditions of service agreement) would be liable to a car fuel benefit tax charge levied by HMRC. Please note that this tax charge is considerably in excess of the amounts reimbursed for the journeys claimed with resultant tax liability being in excess of £1000 per annum. As a consequence it is advised that the hirer DOES NOT claim any home to base mileage

4.19 MISCELLANEOUS

- (a) The hire agreement incorporating these conditions represents the entire agreement between the parties in relation to the hire of the car and supersedes any previous agreement written or verbal.

- (b) Any release delay or waiver by the Trust of any of its rights under the hire agreement shall not be binding unless in writing signed by an authorised officer of the Trust and shall not affect any other enforcement of the same right or any other right

5 Implementation and Monitoring

5.1 The Lease Car Policy will be made available to all staff via the Intranet. Monitoring of the policy will be undertaken by the Transport Department and periodic meetings with the service provider will be undertaken to highlight relevant issues and monitor performance standards to the Trust.

6 References

Consumer Credit Act 1974

Supply of Goods and Services Act

HMRC reference [480 \(2011\) - Expenses and benefits \(PDF 362K\)](#)

7 Associated Policy and Procedural Documentation

Form of Agreement

(Conditions of Car Hire Scheme)

1. The Trust agrees to provide the User/Employee (hereinafter referred to as the hirer) with a contact hire vehicle on the terms and conditions outlined in the Terms and Conditions of the Lease Car scheme, (see Section 1 of this policy document) which forms part of this agreement.

2. The hirer agrees to comply with all the conditions and obligations set out in the Terms and Conditions of the Lease Car scheme.

3. The hirer agrees to pay a composite annual sum in monthly contributions in recognition of the private use of the vehicle. This contribution amounting to * £ shall be deducted monthly from the hirer's salary. The monthly contribution will be subject to variation in accordance with the Terms and Conditions of the Lease Car scheme. (*** Please complete as per quotation**).

4. This agreement shall subsist for a period of, months. (* Please complete as per quotation).

**This agreement is made between.....
and the Hirer on(date).**

I have read and understand the Terms and Conditions of the Lease Car Scheme and agree to comply with all conditions contained therein.

Signed by the Hirer (Print Name)

.....(Signature)

Signed on behalf of the Trust (Print Name)

.....(Signature)

Please sign all three copies of the agreement. One to be retained by the Hirer, One to be held on file by the Authorising Manager, and One to be forwarded to the NHS Lease Car Manager with a signed authorisation to deduct all agreed sums from the Hirer's Pay.