

MIDLANDS PARTNERSHIP NHS FOUNDATION TRUST



Midlands Partnership
NHS Foundation Trust
A Keele University Teaching Trust

Document Version Control	
Document Type and Title:	Lease Car Policy
Authorised Document Folder:	Finance - Red
New or Replacing:	Replacing
Document Reference:	F/RED/LCar/02
Version No.	V2.0
Implementation Date:	
Equality Impact Assessment Completed	Yes
Author:	Daniel Nicholson
Approving body:	HR&ODE Sub Committee & JSP
Approval Date:	
Ratifying body:	Board
Ratified Date:	
Committee, Group or Individual Monitoring the Document:	HR&ODE Sub Committee
Review Date:	January 2016

LEASE CAR POLICY/CONTRACT

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**MIDLANDS PARTNERSHIP NHS FOUNDATION TRUST
Lease Car Scheme**

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1. INTRODUCTION & TERMS

This document specifies the arrangements and conditions for providing cars to employees under the Trusts Contract Car Hire Scheme.

Employees applying to participate in the Scheme will be required to sign a formal Agreement if their application is accepted.

This policy applies to all Trust Employees.

Any changes to the rate of subsidy applied to lease vehicles will be made following consultation through the Joint Staff Partnership.

In the Conditions:

‘AGREEMENT’

Means a user Agreement between the Trust and a User in the Trust’s standard form;

‘ELIGIBLE EMPLOYEE’

Means an employee of the Trust eligible to participate in the Scheme in accordance with the scheme eligibility (Section 2) as varied by the Trust from time to time. Medical & Dental staff are advised to refer to the General Whitley Council’s Conditions of Service for their eligibility criteria.

‘OWNER’

Means the Contract Hire Company specified in the relevant Agreement;

‘SCHEME’

Means the Contract Hire Scheme of the Trust;

‘THE INSURERS’

Means the insurance companies or underwriters of a vehicle from time to time.

‘THE REGULATIONS’

Means all Acts of Parliament and statutory instruments for the time being effective which regulate the ownership, use, insurance, maintenance, construction, and roadworthiness of vehicles, the nature, quality specifications and substance of parts which must or may be fitted to motor vehicles, tolerances of wear and compatibility of parts fitted.

‘USER’

Means Eligible Employee of the Trust who participates in the Scheme, and who is named in a relevant Agreement;

‘CHOSEN VEHICLE’

Means the relevant Vehicle provided, or to be provided, to a User under the Scheme;

‘SCHEME ADMINISTRATOR’

The person/organisation responsible for administering the Trust’s Contract Car Hire Scheme.

2. ELIGIBILITY

2.1 The Scheme is offered to employees who meet the following criteria:-

- travel an average of more than 500 business miles per annum

2.2 Employees will also be able to apply for a “business use only” lease car with zero private miles. In these cases the Inland Revenue strictly prohibit the use of the vehicle for non work related travel, including travel to home. Such an arrangement requires the car to be kept on Trust premises when not being used for business purposes. An application for this type of car must be approved by the Director or Head of Service. If this is not viable the Trusts expenses policy applies.

3. GENERAL

3.1 An eligible employee on joining the Scheme will be required to sign an Agreement for a period of up to three years, or where such Eligible Employee has accepted an offer by the Trust to take a vehicle retained following early termination of an Agreement by another User for the part of the term of the prior Agreement unexpired at such termination.

3.2 During the period of an Agreement, the Vehicle remains the property of the Owner, and the User has no authority to dispose of the Vehicle or parts of it.

3.3 Applications to join the Scheme must be made to the employee’s manager.

4. RANGE OF VEHICLES

4.1 It is intended that Users will have as wide a choice of vehicles as possible. Certain vehicles may prove to be less expensive and more readily available from the Owner.

4.2 Vehicles provided under the scheme will be to manufacturer’s standard specification for the model, unless otherwise stated.

4.3 All accessories fitted at delivery over and above the manufacturer’s specification for the vehicle will have to be paid for by the User as a ‘buy up’ cost. Other items may be fitted by the User, subject to paragraph 7.6 at his/her own expense, but if they are removed at the expiry or other termination of the Agreement, the User shall be liable for the cost of making good any damage caused to the car by the removal of such fittings.

4.4 The Trust may offer to a new entrant to the Scheme, a vehicle which has been retained following early termination of a prior Agreement with another User; in which case the period of the Agreement with such new entrant

shall be the unexpired period of the prior Agreement. Any damage present at the point of transfer will require rectification and any costs associated to righting the damage will be the liability of the original user.

5. INSURANCE

- 5.1 The Trust has arranged block comprehensive insurance for the vehicles. Details of the policy conditions will be supplied to the User on request, and the User shall be responsible for ensuring that the terms as well as further requirements of the Insurers relating to such insurance are complied with at all times.
- 5.2 The User will be responsible for any excesses payable as a result of any damage occurring during private use of the vehicle under the terms of the policy as determined from time to time.
- 5.3 No person other than those named on the application form and approved by the Trust, may drive the Vehicle without the permission of the Trust.
- 5.4 The User will be responsible for the amount of excess on the insurance policy, whereby damage occurs during private use of the vehicle and personal uninsured losses incurred. You are recommended to provide insurance cover for any personal property fitted to, or left within, the vehicle.
- 5.5 In order to comply with the insurer's requirements, the User must return a completed accident report form to Fleetcare whenever an accident has occurred involving the Vehicle. The User will also be required to notify the Trust of any matter relevant to the insurance policy.

6. QUOTATION / APPLICATION PROCEDURE

- 6.1 An employee of the Trust who wishes to receive a quotation for a vehicle under the Scheme, must complete an official application form and send it to their manager.
- 6.2 An employee's eligibility for participation in the scheme will be assessed by their manager and, if approved, the application will be processed. A quotation (up to a maximum of 9 vehicles) will be obtained and entered on the application form which will then be forwarded to the employee.
- 6.3 If an employee wishes to proceed with the offer, they must complete and sign an order form and send it to the relevant Directorate Accountant.
- 6.4 An employee may elect not to proceed with the offer upon receipt of the quotation. One further alternative set of quotations may be processed on request if vehicle choice is the issue.

7. USER'S OBLIGATIONS

The User shall:

- 7.1 notify the scheme administrator of any faults found in the Vehicle after delivery;
- 7.2 throughout the period of the Agreement, report promptly to the Scheme Administrator – in writing – any defects or symptoms of defects which are not forthwith rectified in the course of routine servicing;
- 7.3 ensure that routine servicing and maintenance are carried out at intervals recommended by the Manufacturer;
- 7.4 permit persons authorised by the Trust and the owner to inspect the vehicle at any reasonable time;
- 7.5 assist the Trust and the owner in obtaining whatever benefits can lawfully be obtained under the Manufacturer's warranty in terms of free servicing, replacement parts, and otherwise by, whenever possible, using the services of a garage where the work can be done under the Manufacturer's warranty;
- 7.6 not modify or alter the vehicle, or remove parts from it, nor change any of the identification marks or numbers;
- 7.7 endeavour to keep the vehicle parked in a way which minimises the risk of theft or damage;
- 7.8 keep the vehicle clean, and at regular intervals check and maintain the oil, water, battery and brake fluid levels (where applicable) and tyre pressures and tyre conditions;
- 7.9 take all reasonable precautions against frost damage and ensure that anti-freeze in the engine coolant system is of adequate strength;
- 7.10 bear the cost of garaging and cleaning;
- 7.11 conform to the Manufacturer's Handbook recommendations and instructions, observe the recommended running-in speeds and comply with all the Trust's written instructions and recommendations to them as to the vehicle maintenance and use of the vehicle;
- 7.12 obey all the regulations as applicable to the vehicle, or use, or possession thereof, and exercise all reasonable care to keep the vehicle in good condition, both mechanically and otherwise, and to avoid loss or damage to the vehicle, whether on the road or not;
- 7.13 not overload or overwork the vehicle or otherwise subject it to stresses for which it is not designed, or for which it is unsuitable, and to use the vehicle in a careful, skilful and proper manner;

- 7.14 pay the Trust any amounts due under this Agreement;
- 7.15 pay all parking fines incurred in respect of the vehicle during the period of the Agreement;
- 7.16 pay for all fuel, oil and other fluids required for maintaining correct levels between servicing;
- 7.17 not disconnect, or in any way tamper with the vehicle's milometer. Milometers will be subject to Internal Audit checks;
- 7.18 not breach any provisions of the Contract Hire Car Agreement and the 'Driver's Pack' as supplied with the vehicle;
- 7.19 pay the cost of any repairs not met by the Insurers or the Owner under the Contract Hire Agreement;
- 7.20 ensure the vehicle is always available for use when the User needs to use the vehicle for business purposes.

8. REPAIR ARRANGEMENTS

- 8.1 Ordinary repairs are covered by the Agreement between the Trust and the Owner. Details of how to obtain free repairs and servicing are included in the 'Driver's Pack' supplied by Fleetcare.

The User is responsible for dealing with repair and service arrangements in accordance with the said 'Driver's Pack' and where appropriate, for referring direct to Fleetcare for information or approval.

- 8.2 In the case of repairs necessitated by accidents whilst on business use, where possible the cost of these will be recovered from the Insurers and the User is required to co-operate with the Trust in obtaining the maximum redress in this way:
 - 8.2.1 these repairs will be carried out at the expense of the Trust or the Trust's insurers.
 - 8.2.2 when the vehicle is involved in any accident or damaged (however slightly), the Scheme Administrator must be advised forthwith and a claim form obtained;
 - 8.2.3 where the accident occurs during private use of the vehicle, the User shall be liable for the applicable insurance excesses due.

An accident report form must be completed and sent to the Scheme Administrator as soon as possible after any accident. If the person who was driving the vehicle at the time of the accident receives any warning of intended prosecution, summons in respect of any offence, summons to appear at an inquest, or a claims letter from a third party's agent or solicitor, then any such document must be promptly forwarded to the Scheme Administrator with a note relating it to the accident report. The Scheme Administrator will advise the User of the steps to be taken to repair the Vehicle or will, if necessary, arrange for its replacement or disposal.

- 8.3 Rules common to repairs to accidental or non-accidental damage and servicing:
- 8.3.1 All repairs (except under 8.3.3 below) and all servicing shall be carried out at garages nominated in advance by Fleetcare.
 - 8.3.2 Refer to Driver's Pack/Owners/Insurers, as appropriate.
 - 8.3.3 The User will not be reimbursed if they deviate from the contract and use an alternative repairer. If a vehicle cannot be driven following an accident, Fleetcare's claim line is open 24/7 for recovery.

9. DURATION OF HIRE

- 9.1 The use of the vehicle under the scheme will (subject to Conditions 1d and 14) continue for a period of up to three years, commencing with the date of delivery to the User of the Vehicle.
- 9.2 At the end of each three year Agreement period provided that they continue to be eligible as under paragraph 9.1, the User will be given the option to choose another vehicle and enter into a New Agreement for the next three year period, subject to the employee still qualifying as an eligible user. (Note: assessment of eligibility will be made on the basis of usage over the previous contract period and anticipated future usage).

10. PAYMENTS BY USER

- 10.1 The User agrees to pay the Trust:
 - 10.1.1 a composite annual charge for private use. This comprises the sum of items listed in the quotation, including a charge for the agreed private mileage, plus VAT on the total. The composite annual charge shall be paid by monthly deduction from salary of 1/12th of the total.

The basis of the charge for agreed private mileage charge shall be the employee's estimate (to the nearest 1,000 miles).

- 10.1.2 in the event that the User under-estimates their annual private mileage, a charge will be levied by the Trust based on the relevant excess mileage charge defined on the quotation form. In the event that an employee's private mileage does not reach their estimate, then the User will be eligible for the appropriate refund.

Users are advised to keep a note of actual mileages (both business and private) incurred as against contracted mileages, and to inform the Scheme Administrator of any significant variations in the trend. Significant variations could result in the user's monthly payment being amended.

- 10.1.3 All sums which the Trust becomes liable to pay by way of fine, penalty or damages which may be incurred by the Trust in respect of the Vehicle during the currency of the relevant Agreement, or any costs, charges, or expenses in respect of taking or defending any proceedings connection therewith, save to the extent covered by the insurance policy relating to the Vehicle.
- 10.1.4 Any expenses incurred by the Trust in making good any failure by the User to comply with these Rules.
- 10.1.5 Any expenses incurred by the Trust in ascertaining the whereabouts of and/or recovering or attempting to recover, the Vehicle from the User or any person, firm or place.
- 10.1.6 Any sums which become due to the Owner or the Trust in relation to termination of the hiring of the Vehicle following early termination of the Agreement save where the Agreement is terminated by reason of:
- i) Death in service
 - ii) The dismissal of the User by reason of redundancy or ill health.
- Early termination costs are:
- Six months Employee Contribution During the First Year of Rental
 - Four Months Employee Contribution During the Second Year of Rental
 - Three Months Employee Contribution During the Third Year of Rental
- 10.1.7 Early termination insurance is available and must be requested at the quotation stage. The terms of this early termination insurance can be obtained from the Scheme Administrator.
- 10.1.8 On early termination of the Agreement, save for the reasons mentioned in section 10.1.6 above, the user will be reimbursed at the reserve rate (as set out in Agenda for Change terms and conditions of service) for all future business mileage for the duration of their employment with the Trust.
- 10.2 The Trust shall have the authority to deduct any amounts due under 10.1 above from an employee's salary;
- 10.3 In the event of the User leaving the employment of the Trust, the Trust is empowered to deduct from any wages, salary or other payment due to the User, any sums remaining outstanding under the Agreement.
- 10.4 From the date of delivery of the Vehicle to the User, monthly contributions shall begin to be payable by instalments. The first instalment becomes due in the month following delivery.

10.5 If, during the period of Agreement:

10.5.1 there is any variation in:

- i) The Trust's motor insurance premiums;
- ii) Vehicle excise duty;
- iii) Other taxes payable in respect of vehicles;
- iv) VAT rates;
- v) Handling charge

or

10.5.2 if the Trust is required by law to incur any expenses in fitting any accessory or modifying the Vehicle in any way, then the charges to the User under the Rules will be altered accordingly.

10.6 In the event of the employee's death in service or on early termination of the employee's employment contract on the grounds of ill health or redundancy, there shall be no financial penalty to the employee or to the employee's estate on account of the early termination of the contract for private use of the contract hire car.

10.7 In the event that the employee is absent from work for an extended period (in excess of 90 days) on account of maternity leave, sickness, or approved training, an employee who has contracted for private use of a contract hire car may choose to continue the private use at the contracted charge, or to return the Vehicle to the Trust. In the latter case there shall be no financial penalty to the employee on account of early termination of the contract.

10.8 In the event that the user is absent from work by reason of unpaid leave during the currency of the agreement and the user continues the private use, the user shall pay to the Trust the **full** contract hire rate and insurance premiums payable by the Trust for the period of the unpaid leave.

10.9 If the User is suspended from his duties during currency of the Agreement, they may choose to return the vehicle to the Trust or continue the private use.

10.10 Charges are liable to fluctuation and prospective Users must complete an application form and obtain an individual quotation from the Trust. Where contract prices change before delivery of a vehicle, the user will be notified. The user will then have the option to accept the revised price or cancel the order at no cost to them.

10.11 Users will be liable for assessment of additional income tax in respect of taxable benefits arising from the provision of a vehicle under the Scheme.

10.12 Users will be liable for the costs of rectifying any damage, deemed to be in excess of ordinary wear and tear by the owner, following the return of a vehicle upon termination of a lease.

11. BUSINESS MILEAGE ALLOWANCES AND REIMBURSEMENTS

11.1 The User shall be entitled to claim an allowance for business mileage at a rate prescribed by the Trust upon submission of their travel expenses claim

showing details of journeys in accordance with existing procedures. The User will be required to show on each claim form the mileometer reading for the vehicle at the time of submission of the form. The lease car mileage reimbursement rate will be in line with the HMRC Fuel Advisory Rates for company cars.

- 11.2 The User shall not be entitled to claim the NHS's passenger carriage allowance and/or heavy equipment allowances.
- 11.3 If the User uses any other vehicle for business travel when the lease vehicle could have been used, the User shall not be entitled to claim an allowance for business mileage at a rate greater than that applicable to lease car vehicles.
- 11.4 Failure to notify the Trust of the initial mileometer reading of the vehicle in accordance with the terms of the Rules will result in all pre-delivery mileage of the vehicle being treated as personal mileage of the User.
- 11.5 Where the User uses his/her own vehicle while the vehicle is being repaired, or serviced, or whilst awaiting a replacement vehicle, they will normally be paid a mileage allowance by the Trust at its lease car rate.
- 11.6 Where the User is required to undertake emergency or non-emergency call-outs in the course of the User's duties, then an allowance shall be paid on the same basis as in condition 11.1 above.
- 11.7 Where the user claims for excess mileage (resulting from an involuntary change of base) this will be reimbursed at the lease car rate.
- 11.8 Save as aforesaid, the User shall not be entitled to claim mileage or any other allowances or benefit.

12. VEHICLE EXCISE DUTY LICENCE AND ROADSIDE ASSISTANCE MEMBERSHIP

- 12.1 The Trust will ensure that every vehicle is covered by a current vehicle excise licence throughout the period of the Agreement and that the new licences are delivered to the User at least three working days before the existing licence expires. The vehicle must not be used untaxed, nor must it be used without a requisite test certificate. If on the expiry of a vehicle licence the User has not received a replacement licence, the User must notify the Scheme Administrator. The Trust's failure to produce these items would not exempt the User from convictions if they unlawfully uses the vehicle.
- 12.2 The Trust will ensure that all vehicles are covered by membership of a roadside assistance scheme.
- 12.3 Vehicles will be MOT tested at the owner's expense.

13. OWNERSHIP OF THE VEHICLE AND SEIZURE

- 13.1 The vehicle will be hired by the Trust from an Owner. The vehicle will, at all times, remain the property of the relevant Owner, and the User will have no authority to sell, charge, pledge, assign, or part with, possession of a vehicle, or to deal with it in any matter which is inconsistent with the Owner's title to it.
- 13.2 The User will be expected to take all reasonable steps to keep the vehicle free from seizure, any distress for rents, taxes, executions or other legal process, and if for any reason the vehicle (whether under legal process or not) shall be seized or taken out of the possession or control of the User, then the User must immediately inform the Scheme Administrator and explain the facts.

14. TERMINATION ARRANGEMENTS

- 14.1 The User's right to use the vehicle will cease at the expiration of the period of the Agreement and the following procedures apply:
 - 14.1.1 If the User wishes to continue their participation in the scheme (and the scheme continues to be in existence), the Owner will exchange vehicles and the User will enter into another Agreement with the Trust in relation to a replacement vehicle as long as they continue to be eligible under the criteria in paragraph 1.
 - 14.1.2 If there is to be no further Agreement, the vehicle must be returned in accordance with the Owner's instructions, in which case, the User will not necessarily be given further opportunity of participating in the Scheme thereafter. Reimbursement for business miles following the end of the contract period and its non-renewal, will be at a rate as set out in the Agenda for Change terms and conditions of service handbook.
 - 14.1.3 The User may purchase the vehicle from the Owner at its current valuation.
- 14.2 The Agreement will terminate immediately if:
 - 14.2.1 the Agreement between the Trust and the Owner relating to the letting of the vehicle to the Trust by the Owner terminates;
 - 14.2.2 the vehicle is damaged beyond economic repair or is stolen and not recovered within the period specified by the Insurers;
 - 14.2.3 the User's employment with the Trust expires or terminates;
 - 14.2.4 the User becomes disqualified from holding, or for any reason, does not hold a valid licence entitling them to drive a car;
 - 14.2.5 the User ceases to be an Eligible User for the purpose of the scheme other than pursuant to a compulsory change in post and/or duties introduced by the Trust.

- 14.2.6 the User dies.
- 14.4 The Trust may, by notice to the User, terminate the Agreement at any time after the occurrence of the following:
- 14.4.1 serious or persistent breach by the User of the terms of the Agreement of those conditions;
 - 14.4.2 the User wilfully neglects the vehicle.
- 14.5 If the User leaves the employment of the Trust for whatever reasons, or ceases to be an Eligible Employee for the purpose of the Scheme, or if the Trust determines the Agreement under any provision of Clause 14.4, the Trust is prepared – at the User’s request – to discuss one of the following options if the Owner consents:
- 14.5.1 the User may purchase the vehicle at its current valuation and reimburse the Trust for any termination charges incurred;
 - 14.5.2 if the vehicle is not purchased the user reverts back to standard user mileage rate and reimburses the Trust for any termination charges incurred.
 - 14.5.3 The new employer (if appropriate) may agree to accept responsibility for the complete hire arrangement.
- 14.6 If none of the options in Condition 14.5 are requested by the User and acceptable to the Trust and the Owner, the vehicle may be taken back by the Trust and offered to another User for the remainder of the Agreement period.
- 14.6.1 Upon termination or expiry of the Agreement for whatever reason, and save as provided in Condition 14.5, the vehicle must be returned to the Owner in accordance with the Owner’s instructions or as directed by them, in good and substantial repair (unless the requisite notification of want of repair has been given) and condition, consistent with age and mileage; and
 - 14.6.2 On return of the vehicle, it will be appraised for condition by the Owner. The User will be required to reimburse the Owner/Trust the cost of any repairs needed to bring the vehicle into condition described in condition 14.6.1 above. This shall not apply to defects or want or repair notified to the Owner by the User on delivery pursuant to the requirements of the said ‘Driver’s Pack’.
- 14.7 If the User is dissatisfied with the allocated vehicle for reasons other than its safe performance on the road, the Trust will make reasonable attempts to remedy the situation and at last resort, may permit termination of the Agreement. However, this may incur the early termination penalties as previously quoted. The User will not necessarily be given further opportunity of participating in the scheme thereafter.

- 14.8 In the event of prolonged absence (in excess of 90 days) from normal duties for any reason on the part of the User, the manager will review the use of the vehicle. (Please refer to points 10.7, 10.8 and 10.9).
- 14.9 In the event of a change of duties initiated by the Trust which results in the employee no longer being eligible for the scheme, then:
- 14.9.1 the current contract will continue until the remainder of the contract period elapses; or
 - 14.9.2 the vehicle is returned to the Trust at no financial penalty to the employee

15. AMENDMENT OF THE SCHEME

The Trust will review the scheme at appropriate periods. Amendments may be added to the Scheme and these rules.

I _____ (full name of employee)

Have read and accepted the conditions laid down in the attached document.

Signed: _____

One copy to be returned with order form
One copy to be retained by employee for reference
One copy to be retained by the employee's manager