

# CAR LEASING POLICY

## CAR LEASING SCHEME POLICY

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## 1 INTRODUCTION

### 1.1 Stockport NHS Foundation Trust Car Leasing Scheme

This document describes the provision of the Stockport NHS Foundation Trust car leasing scheme. The scheme is approved and maintained by the Trust.

Eligibility to join the Stockport NHS Foundation Trust car leasing scheme is at the sole discretion of the Trust. To be eligible to participate in the Stockport NHS Foundation Trust salary sacrifice scheme you will have to:

- Be 21 years of age or older (with additional premium for drivers aged 21-25 years);
- Have held a full EU driving licence for a minimum of 12 months;
- Have worked for the Trust for a minimum of 3 months;
- Be in substantive employment and your salary sacrificed must not take you below the National Minimum Wage (NMW), Living Wage (LW) or Lower Earnings Limit (LEL) for National insurance purposes.

The car may normally be driven only by the employee to whom it has been allocated and also their spouse or additional authorised users.

The Trust reserves the right to withdraw eligibility to participate in the scheme if, for example, an employee fails to follow the guidelines contained in this policy together with changes to legislation criteria beyond the Trusts control.

The car leasing scheme operates through a salary sacrifice scheme only.

### 1.2 What is a Salary Sacrifice Scheme?

The scheme is intended to bring financial benefits to those employees who wish to agree to amend their terms and conditions of employment and have the benefit of a lease car.

Employment law rules allow you to give up an amount of your gross (before tax) wage or salary – a procedure that is known as a ‘salary sacrifice’. This means that you do not have to pay tax, pension or national insurance contributions on the amount that you give up.

The Trust then provides you with a car on which you pay tax as a Benefit-in-Kind.

By choosing a car with a low carbon dioxide output, the tax on the car can be substantially less than that on the salary foregone, giving you a net saving.

If you wish to take part in the scheme, you will be required to sign up to a salary sacrifice arrangement, under which you formally agree to accept a reduction in your gross salary and your employer will provide you with a car. Your employer will contract with a car lease provider to pay the lease cost directly to them.

Although your contractual salary will be reduced for the amount paid via the salary sacrifice scheme, any annual pay increases and benefits will be based on the same salary which will be known as Basic Pay (i.e. contractual salary before any Smart scheme contributions). Entering into a salary sacrifice arrangement will not affect your basic pay or other salary related payments such as bonuses, overtime pay or pay awards.

### **1.3 Benefit-in-Kind**

The Benefit-in-kind tax is calculated with reference to the CO2 emission of the vehicle and the list price. The lower the emissions the lower the tax rate. The scheme administrator will notify the tax office when you take delivery of the car. The tax office will issue a tax code change which the Payroll department will apply in order that the benefit in kind tax can be collected monthly from your salary.

Employees who join the scheme are required to pay tax on a Benefit-in-Kind, as the vehicle is available for private use and has been provided as a benefit through your employer. As part of the quote you will be provided with an indicative annual Benefit-in-Kind charge; however, this figure is subject to change. Refer to the HMRC website for further information on company car tax and how it is calculated.

### **1.4 Benefits of the Scheme/What's Included**

The salary sacrifice covers:

- The cost of leasing the car;
- Road fund licence (annual increases are additional);
- Maintenance and servicing costs (Inc. replacement of tyres due to fair wear and tear but not damaged);
- Fully comprehensive motor insurance (including class one business insurance);
- 24 hour accident management and breakdown assistance.

The salary sacrifice will not cover:

- Early termination costs (see section 1.10);
- Excess mileage costs (see section 1.6);
- Parking fines, congestion charges and other driving penalties (see section 1.7);
- Unreasonable wear and tear (see section 5);
- Driver abuse (see section 5.10);
- Insurance excess (see section 1.8).

**These will be deducted from your salary as set out in the guidance below.**

### **1.5 Lease Hire Period**

The standard lease term is 36 months. Mileage will be variable, dependant on your requirements. However, there is a maximum of 35,000 miles per annum. Over and above this amount a customer quote and advice will be provided on an individual basis.

### **1.6 Excess Mileage**

The mileage used to calculate costs will be based on your estimated mileage for the next three years. This should include both business and private mileage as appropriate. At the end of the three year lease period the total mileage travelled by the vehicle will be compared to the original contracted mileage.

If the miles travelled exceed the mileage originally agreed, you will be charged for the excess mileage at the appropriate pence per mile rate. Quotes provided by the scheme administrator will confirm the pence per mile rate applicable to your selected vehicle.

## **1.7 Fines and Sundry Charges**

It is your responsibility to pay fines, without delay. Any fines not paid within the stated period will be paid by the scheme administrator and the cost forwarded to the Trust. The scheme administrator may add an administration charge to the fine.

The Trust will recover the full cost of the fine, including the administration fee, from payroll automatically in the next available pay period. More details on the types of fines and the process for each are provided in section six of this document.

You will also be responsible for any sundry costs associated with the vehicle provided. These will be deducted from your salary by the Trust. These include, but are not limited to:

- Cancellation charges – costs associated with cancelling a vehicle order prior to delivery;
- Excess mileage charge – pence per mile charge, levied at the end of the contract, if the vehicle has exceeded its contracted mileage;
- End of contract recharges – costs levied by Stockport NHS Foundation Trust scheme administrator if the vehicle is returned with damage or excessive wear and tear;
- Items outside the maintenance agreement – lost, damaged or broken items and driver abuse (e.g. incorrect fuel);
- Increases in road fund duty – the salary deduction agreed at the start of the contract only takes account of the cost for road fund licence at that point, if road fund is increased by the Chancellor, the additional costs will be recharged as a sundry item;
- Insurance excess – if you have an accident the insurance excess will be required to be paid to the repairing garage in a lump sum payment.

**Fines and recharges will be deducted from your salary in one full payment.**

## **1.8 Important Notes Insurance**

The following young / inexperienced driver's premiums and excesses will apply:

- Under 25 Years of age - Additional premium £500 + Insurance Premium Tax, additional excess £500.

If you wish for an additional driver to drive your car they will be required to complete a driving licence check mandate.



Insurance Trusts Policy for both key drivers and named drivers		
	Yes	No
Provisional Drivers		X
Drivers under 21		X
Full Licence Holders between 21-25 (Excess £500)	X	
Licence held for less than 3 months		X
Drivers over 25 Held Licence for longer than 1 Year	X	
	<b>Quantity</b>	
Number of named drivers allowed in addition to key driver?	<b>2</b>	

## 1.9 HM Revenue & Customs (HMRC) Guidance

Please be aware of very significant HMRC legislation when making the decision of whether or not a Lease Car is for you.

HMRC has very strict rules around Benefits In Kind (BIK) linked to Lease Car users who claim mileage whilst travelling from home to base for any of the following reasons:

- Excess Mileage due to change of base;
- Mileage Claimed whilst working Overtime;
- Mileage Claimed travelling to work whilst On-Call;
- Mileage claimed as part of a Relocation Package.

If you claim any amount of miles (even if it was just 1 mile) for one of the above you will be subject to the 'Car Fuel Benefit' charge which is calculated based on the CO2 emissions % figure of the car multiplied by a fixed charge of £20,200pa.

This is a fixed charge irrespective of the number of miles claimed, i.e.

Car: Ford Focus Diesel CO2 emissions value 13%  
X £20,200

£2,626 Benefit in Kind

£525 Tax due for 20% tax payers  
£1,050 Tax due for 40% tax payers  
£1,313 Tax due for 50% tax payers

**The HMRC will reduce your PAYE Tax code to pay the BIK tax due on your Salary Sacrifice vehicle. This BIK tax can be found on your quotation and is subject to HMRC BIK changes. Please refer to the HMRC Company car taxation calculator for up to date information <http://www.hmrc.gov.uk/calcs/cars.htm>**

You should be aware of this legislation and factor in the impact to you personally when making the decision to take a Lease car or not.

The car fuel benefit in kind charge is in addition to the BIK figure that is quoted by the scheme administrator.

## **1.10 Early Termination Charge**

The leasing companies used by the scheme administrator levy an early termination charge if you decide to end the contract within the 36 month lease period (e.g. leaving the Trust / change in role / change in personal circumstances). In most cases this cost will be recharged to you via payroll.

Examples of early termination charges are as follows:

- Five months rental if terminated in year 1 of the three year agreement
- Three months rental if terminated in year 2 of the three year agreement
- One month's rental if terminated in year 3 of the three year agreement

## **1.11 Approval**

The scheme administrator will request authorization from the Trust on your behalf to ensure your eligibility to the scheme and that the amount sacrificed will not reduce your salary to below NMW/LW/LEL for National Insurance purposes. The forms will be authorized and forwarded to the scheme administrator for processing.

The Trust reserve the right to refuse an application.

## **2. OBTAINING A QUOTE**

### **2.1 Choose your Car**

You can obtain new vehicle quotes by visiting the website ([www.nhsfleetsolutions.co.uk](http://www.nhsfleetsolutions.co.uk)), or by contacting 0844 811 8228.

As a responsible employer Stockport NHS Foundation Trust encourages employees to take into account environmental and Benefit-in-Kind issues when choosing a vehicle. Employees will find vehicles with CO2 emissions of 140 grams or less the most cost effective and environmentally friendly.

### **2.2 Accessories**

It is possible to select accessories to be included in your vehicle. When selecting from the range of accessories you can add to your vehicle, please remember that you will be subject to Benefit-in-Kind tax for the cost of the accessories as this will increase the list price of the vehicle.

### **2.3 Tow Bars**

Prior to fitting a tow bar, authorisation should be sought from Stockport NHS Foundation Trust. Permission for a tow bar to be fitted will normally be granted only if the trailer / caravan to be towed meet the following criteria:

- Towing vehicle up to 1500cc maximum gross trailer weight = 75% vehicle kerb weight
- Towing vehicle over 1500cc maximum gross trailer weight = 90% vehicle kerb weight

You must ensure that your driving licence permits you to drive the vehicle with the trailer attached. Drivers who passed their UK driving test after 1 January 1997 will have had to pass an additional test in order to tow a trailer over 750kg.

Please note that if permission to tow is given, you should obtain additional insurance cover for your trailer or caravan.

Where tow bars have been fitted, following delivery by the scheme administrator, any such items should be removed prior to return of the vehicle. Any holes or damage should be made good to a professional standard.

## 2.4 Helpline

Please refer to section 11.1 The scheme administrator for further information

## 3. ORDERING YOUR VEHICLE

### 3.1 Place your Order

If you wish to take up this option, wish to discuss further, or find the extensive range of cars available under the arrangements please contact NHS Fleet Solutions by email at [enquiry@nhsfleetsolutions.co.uk](mailto:enquiry@nhsfleetsolutions.co.uk) or by telephone on 0844 811 82 82 or visit our website at [www.nhsfleet solutions.co.uk](http://www.nhsfleet solutions.co.uk).

This will include a Salary Sacrifice Declaration form which outlines the terms and conditions of the scheme and confirms the annual gross salary sacrifice that you will be making. You should read this document carefully before signing.

See flow chart for authorisation process

### 3.2 Driving Licence Validation

You will be requested to provide your consent for the scheme administrator (and/or its agent(s)) to undertake a driving licence check by signing and returning a driving licence compliance form.

***Please ensure you read and understand the terms of the form before signing and posting the forms to the scheme administrator.***

***NOTE: The Trust will not place your vehicle order with scheme administrator until they have confirmation that you have returned a signed driving licence compliance form.***

The information provided by the DVLA will only be used for risk assessment, insurance and assessing the suitability of individuals to drive a Stockport NHS Foundation Trust vehicle. All information will be treated in the strictest of confidence.

If the result of the licence check excludes you from joining the Stockport NHS Foundation Trust salary sacrifice scheme (see eligibility criteria on page 5), you will be contacted by the scheme administrator. You may also be liable for cancellation charges if the order has already been placed with a manufacturer.

Subsequent driving licence checks will automatically be carried out annually. The cost for each annual check, for you and any additional drivers, will be included in your monthly salary sacrifice deduction.

### 3.3 Personalised Number Plates

The use of personalised number plates is permitted on the Stockport NHS Foundation Trust salary sacrifice scheme. Due to DVLA regulations, there are certain procedures that must be followed in order to have a personalised number plate assigned to a 'lease vehicle'. If you would like your personalised number plate transferred, you should advise the scheme administrator when you receive your order confirmation; they will then confirm the process for you. You will be required to pay any costs associated with transfer of personalised number plates (including removal at the end of the contract); you will be asked to pay these costs directly to scheme administrator.

### 3.4 Order Confirmation

Once Stockport NHS Foundation Trust is in receipt of your authorised vehicle order form, you will receive an order confirmation from the scheme administrator. It is your responsibility to check this carefully to ensure that the correct vehicle and accessories have been ordered.

*Please note any delivery dates supplied are estimated. You will be contacted by the scheme administrator to confirm a convenient delivery date and time once the vehicle is in stock at the supplying dealership.*

### 3.5 Delivery

Once your new vehicle is in stock with the dealer, the scheme administrator will contact you to arrange a convenient delivery date. Deliveries can be made to your work or home address, Monday to Friday with AM & PM availability

Upon delivery, you must take the time to check the vehicle with the delivery driver. You will be asked to sign a vehicle inspection report. Contact the scheme administrator's help desk if you have any issues with the vehicle.

**NOTE:** *If the vehicle is not as ordered you may choose to refuse delivery. NHS Fleet Solutions should be advised immediately.*

### 3.6 Notifying the HM Revenue & Customs

Stockport NHS Foundation Trust will provide HMRC with the full P11D<sup>1</sup> details for the vehicle so that your tax code can be amended. However, it is advisable to confirm details of the vehicle to the HMRC yourself, to minimise any arrears of tax.

### 3.7 Payslip Changes

A salary sacrifice happens when an employee gives up the right to receive part of their pay due under his or her contract of employment. Usually the sacrifice is made in return for the employer's agreement to provide the employee with some form of non-cash benefit. The sacrifice is achieved by varying the employee's terms and conditions of employment relating to pay and an actual reduction to gross basic pay occurs as a result.

Your payslip will show the reduction in your gross salary, and the amount of tax, pension and national insurance that you pay will be reduced accordingly. Because you will pay tax on the car benefit in kind, your tax code will change and any additional tax will be deducted from your salary. <http://www.hmrc.gov.uk/calcs/cars.htm>

### 3.8 Business Mileage

Business mileage will be reimbursed in line with the Trust travel and expenses policy. Lease car drivers must submit their business fuel claims on the appropriate Lease Car.

Employees should note that reimbursements for business mileage attract a taxable benefit when the value of the payment exceeds the HMRC approved values for company car reimbursement rates which will be reported on your P11D. Rates can be found at the HMRC web site. Employees are advised to ensure they evaluate their own lease car tax liabilities.

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<sup>1</sup> P11D refers to an annual tax report submitted to the HMRC by your employer to confirm the values of all benefits you receive from your employer. Relevant information for your car includes the full retail value (list price) of the vehicle (including accessories, VAT and delivery costs) and the CO<sub>2</sub> value (as detailed on the registration document). Refer to the HMRC website for further information on company car Benefit-in-Kind.

### 3.9 Excess Mileage Charges

In the event of any excess mileage charges on the lease, the Trust will recharge these costs to you, the employee. In order to avoid excess mileage you should ensure that you carefully estimate your anticipated annual mileage when placing your order.

### 3.10 Amending Contract Mileage

There is a facility to amend the contract mileage during the term of the lease. You can only do this once, and the contract can only be after the first 12 months after delivery of the vehicle. Please note that if the monthly lease cost increases as a result of the mileage amendment you may be recharged for the under payment.

## 4. ENDOFCONTRACT

### 4.1 Renewal of Existing Stockport NHS Foundation Trust Salary Sacrifice Scheme Vehicles

The scheme administrator will contact you six months in advance of your contract end date, advising you on the renewal process.

**NOTE:** *New vehicles can take up to six months to be built and made available for delivery. Prompt placement of your renewal order will ensure that your vehicle is replaced in a timely manner.*

### 4.2 Purchasing your End of Contract Vehicle

You do have the option to purchase your vehicle at the end of its contract. You should contact the scheme administrator to obtain a purchase price and discuss any other products, e.g. warranty packages, when you receive your renewal notification.

### 4.3 Return of Stockport NHS Foundation Trust Vehicles

The scheme administrator will arrange for your return vehicle to be collected. You will be required to complete and sign a vehicle inspection report with the collection driver.

Return vehicles should be clean inside and out to enable an accurate estimation of any damage by the collection agent. Vehicles should be returned with the following items:

- Full set of keys (including any spares)
- Service documentation (including service book and instruction manuals)

Any personal items should be removed from the vehicle, including any security passes and window stickers as it may not be possible to retrieve these at a later stage.

Where a tow bar is fitted to a vehicle outside the original vehicle order, arrangements should be made to remove this prior to collection by the scheme administrator. Any holes or damage must be repaired to a professional standard.

If you have a personal number plate fitted to the vehicle, you will need to make arrangements with the scheme administrator to transfer the registration number or put back onto a retention certificate. You must pay any costs associated with the transfer, directly to the scheme administrator.

If vehicles are returned in poor condition all drivers will be invoiced accordingly by the scheme administrator.

## **4.4 End of Contract Recharges**

A copy of the scheme administrator end of contract recharges booklet will be supplied with your new vehicle. It is also available on the website [www.nhsfleetsolutions.co.uk](http://www.nhsfleetsolutions.co.uk) or alternatively, you can request a copy from the scheme administrator help desk.

You can expect to incur charges if a vehicle is returned with an unreasonable level of wear and tear at the end of the contract period. The main causes of unreasonable wear and tear are:

- Lack of regular checks by the driver leading to faults and damage going undetected and unrepaired
- Not adhering to the manufacturer's recommended maintenance and servicing schedule
- Drivers not taking responsibility for the day to day care and maintenance of the vehicle leading to general neglect
- Poor quality of body repairs (you should always use the scheme administrator approved repairer)
- Missing stamps on service books/missing service books
- Missing keys.

You will be required to pay the end of contract recharges by either debit or credit card directly to the scheme administrator. If the charges are not paid in full to the scheme administrator the charges will be deducted from your salary at the next available pay period in full. Please ensure that the vehicle is maintained in line with the manufacturer's recommendations.

You will be notified six months in advance that your vehicle is coming to the end of its lease term. At this point it is advisable to check the vehicle over and report any damage to the scheme administrator so that it can be repaired.

## **5. LOOKING AFTER YOUR VEHICLE**

The scheme administrator determines the monthly cost on the assumption that the car will be kept in good condition. If a vehicle is returned in poor condition, end of contract recharges will be applied. The scheme administrator recommends that you make regular checks and arrange for repairs to be carried out quickly.

### **5.1 Servicing and Maintenance**

It is the driver's responsibility to ensure vehicles are serviced in line with manufacturers' recommendations at a garage that has been approved by the scheme administrator's leasing partner.

You must also ensure the vehicle conforms to any legal requirements (e.g. tyre tread depths), as well as regularly checking all fluid levels of the vehicle (i.e. topping up of oil between services) and keeping the vehicle in a clean and satisfactory condition.

Please note that some items are not included in the maintenance package; lost, missing or broken items, driver abuse of the vehicle and problems caused due to lack of servicing/failure to maintain the vehicle and oil top ups between services. The scheme administrator will authorise repairs to the vehicle and recharge the employee direct by invoice.

In order for the vehicle to be safe and perform well, the Trust recommends that you carry out regular maintenance checks in line with the manufacturer's handbook, including such things as, but not limited to:

- Engine oil levels
- Wiper blades
- Water coolant levels
- Tyre pressure and tread depths
- Lights
- Horn

## **5.2 Courtesy Cars/Collection and Delivery**

By utilising the scheme administrator's booking service you will benefit from vehicle collection and re-delivery to either your home or work address, or subject to availability 'while you wait' servicing. Alternatively, agents can offer you a courtesy car\* subject to proof of a valid driving licence, evidence provided of comprehensive motor insurance and any other terms and conditions of the supplying agent.

Please note that advance notice is often necessary.

## **5.3 Hire Cars**

The scheme does not include the provision of hire cars for any purpose. You are advised to utilise courtesy cars and collection and delivery services wherever possible. If you do choose to make private arrangements to hire a vehicle whilst your lease vehicle is off the road, you will be liable for all costs and insurances. No reimbursement will be made by the Trust for costs associated with hire cars.

## **5.4 Safety Recalls**

From time to time manufacturers will issue safety recall notices. As the registered keeper of the vehicle, leasing companies will receive safety recalls and forward these to drivers via the scheme administrator. Upon receipt of a safety recall notice you should contact the leasing company to arrange for the vehicle to attend a franchised dealer as soon as possible. The scheme administrator will continue to issue safety recall reminders until confirmation has been received that the required work has been carried out.

## **5.5 Breakdown Assistance**

All of the lease vehicle contracts include 24 breakdown assistance. This covers drivers for roadside assistance/recovery/onward travel and homestart anywhere within the UK.

## **5.6 Tyres**

The legal minimum requirement for tread depth is currently 1.6mm of tread across the central three quarters of the tyre. Tyres with bald patches, bulges or cuts over 2.5mm long exposing the cords are also illegal and unsafe. It is the driver's responsibility to check their tyres regularly to ensure compliance. Failure to comply with this requirement can lead to a fine and three penalty points for each defective tyre.

## **5.7 Glass and Windscreens**

Replacements to body glass or windscreens should be arranged through the scheme administrator. If the glass has been damaged due to an attempted theft or vandalism, you may be asked to make an insurance claim through the accident management service.

## **5.8 Recurring Technical Faults**

If your vehicle suffers from a reoccurring technical problem, contact the scheme administrator. The problem will be reported to the technical services team, they can escalate the issue with the dealer and manufacturer. You will be kept advised on progress of your complaint until a satisfactory resolution can be agreed.

## **5.9 Cleanliness**

It is the driver's responsibility to keep the vehicle clean and tidy inside and out. Valeting costs are NOT included within the maintenance contract. However, certain dealers may wash and vacuum your vehicle as part of service or maintenance.

## **5.10 Driver Abuse**

You will be charged for 'driver abuse' of the vehicle and items outside the maintenance agreement. These include, but are not exclusive to, the following:

- Damage (not reported to accident management)
- Lost items (including keys and service manuals)
- Incorrect fuel (diesel in a petrol engine and vice versa)
- Failure to top up oil leading to the engine seizing

## **5.11 Incorrect Fuel / Flooding**

If you do put incorrect fuel into a vehicle, or the engine seizes due to driving through a flood, **DO NOT START THE ENGINE**. Contact the 24 hour scheme administrator's accident claims line for advice. Additional damage can be avoided if the vehicle is recovered immediately.

## **5.12 Taxing your Vehicle (Vehicle Excise Duty)**

Tax discs will automatically be issued to your home address approximately two weeks prior to renewal, providing the scheme administrator holds a valid MOT certificate or the vehicle is less than three years old. Upon receipt of a new tax disc it is your responsibility to ensure that the new disc is displayed in the vehicle's windscreen.

## **5.13 MOT**

MOT reminders will be automatically issued to your home address approximately two months prior to the required date. This is to allow you time to book the vehicle into a MOT test station at a convenient date and time. Contact the scheme administrator to arrange for the vehicle to attend one of their approved MOT stations.

Failure to obtain an MOT certificate invalidates insurance cover and can cause delays in obtaining replacement tax discs. Therefore, the scheme administrator will continue to issue MOT reminders until they are in receipt of a valid MOT certificate.

## **5.14 MOT Reminders**

It is essential that you keep Stockport NHS Foundation Trust and the scheme administrator advised if you change home address, otherwise MOT reminders will be issued to the wrong place and you may be liable for any costs associated with obtaining duplicates. If you believe your vehicle may be due for an MOT, and you haven't received a reminder, contact the scheme administrator.



## **6. FINES AND FIXED PENALTY NOTICES**

It is your responsibility to pay fines, *without delay*, unless you intend to dispute it. If there are genuine grounds to dispute it, you should write to the Clerk of the Justices, explaining the circumstances, keep a copy of the letter for your own records and send a copy to the scheme administrator.

Any fines not paid within the stated period will be paid by the scheme administrator and the cost forwarded to the Trust. The lease car provider and Stockport NHS Foundation Trust will add an administration charge to the fine. The Trust will recover the full cost of the fine, including the administration fee, from your next pay period as a full payment with no exceptions. See below for more details on the types of fines and the process for each.

### **6.1 Speeding Fines**

As the registered keeper of the vehicle, the scheme administrator will receive speeding fine notifications. Upon receipt, the scheme administrator will supply driver details to the issuing authority.

It is ultimately your responsibility to pay any speeding fines incurred. You must also inform your manager and the scheme administrator of any points added to your licence for insurance purposes.

### **6.2 Fines for Using Mobile Phones**

Mobile phone use in vehicles which have not been fitted with a proper hands free kit is forbidden. The use of any hand-held communications device (e.g. mobile phone, Blackberry, PDA), whilst the engine is running is illegal and forbidden.

If you are found to be doing so, it currently carries a £60.00 fine, three penalty points on your driving licence and a potential conviction for dangerous driving (a fully installed car kit, or bluetooth earpiece and cradle, or installed bluetooth telephone system all comply with current legislation).

It is your responsibility to pay any fines associated with using a mobile phone whilst driving and you must inform your manager and the scheme administrator of any points added to your licence for insurance purposes. Further details can be obtained from [www.dvla.gov.uk](http://www.dvla.gov.uk).

### **6.3 Parking Fines**

As the registered keeper of the vehicle, the scheme administrator will receive outstanding parking fine notifications. Upon receipt the scheme administrator will supply driver's details to the issuing authority.

It is your responsibility to pay parking fines. Any fines not paid within the stated period will be paid and recharged to the Trust by the scheme administrator. Stockport NHS Foundation Trust will add an administration charge to the fine. The Trust will recover the cost of the fine, including the administration fee, from your next pay period.

Once a fine has been paid it cannot be disputed, therefore drivers should advise the scheme administrator of any disputed fines immediately.

## **6.4 Bus Lane Fines**

As the registered keeper of the vehicle, the scheme administrator will receive notification of bus lane fines. The scheme administrator is unable to refuse payment on the grounds of the vehicle being a lease car. Therefore payments will be made and recharged to the Trust plus an additional administration fee. The Trust will recharge the full amount to you, the driver from their next pay period as a lump with no exceptions.

## **6.5 Congestion Charges**

Congestion charges should be paid in advance or by 10.00 p.m. on the day of entering the congestion charge area. Drivers should retain the receipt issued as proof of payment.

The charge can be paid by telephone, on the Internet, or at payment points situated in post offices, and certain shops and garages.

Failure to pay by midnight will result in the fine increasing; this will automatically be issued to the scheme administrator. The scheme administrator will pay the fine at a reduced cost within 17 days of notification. The charge plus an administration fee will be recharged to the Trust. The full amount will be recharged to you, the driver, from your next pay period in a lump sum without exceptions.

## **6.6 Suspension from Driving**

If you are suspended from driving for any reason i.e. penalty points, drink driving, etc, or If you are suspended from driving due to medical reasons the following options are available to you:

- Termination of the lease car contract (N.B you may incur early termination charges)
- If you have an additional named driver on the policy they can continue to drive the vehicle however, you must continue to pay the deductions from your salary for the duration of the contract.

Please note in the event of suspension from driving, if you wish to renew your lease car contract your application will be assessed by the Director of Finance.

# **7. ACCIDENTS**

## **7.1 Immediate Action**

- Never admit liability (this includes saying “sorry”);
- Take full details of all vehicles involved, together with drivers’ names and addresses, their insurers (if available) and verify identification if possible (by asking for evidence of identity);
- Sketch out a rough plan of the accident scene, with road names and numbers, junctions, time and place of accident, Weather conditions etc. as soon as possible;
- Obtain full details of any witnesses involved – independent or otherwise;
- Give your name and address, the Trust address and insurer (as detailed on your cover note) to all third parties;
- Inform the police if anyone involved is injured or there is damage to property. The police must also be informed in cases of theft or if a third party did not stop or drove off without giving details.

An accident form is supplied with the vehicle (drivers’ handbook) to help you remember what information you will need to report relating to an accident. It is advisable to keep a pen in your vehicle so that you can write third party details onto accident form.

## **7.2 Follow Up Actions**

Report the accident / damage to your vehicle to the scheme administrator immediately.

The appropriate leasing company's preferred suppliers must be used for all accident repairs. If you take your vehicle to a non-approved repairer you will be recharged any additional costs over and above the leasing company's agreed rates, plus an administration fee.

## **7.3 What Happens Once I Have Called?**

The co-ordinator will take the details of the accident from you and fill out an electronic claim form.

The key information the co-ordinator will need when you ring is:

- Your registration
- Date and time of incident
- Incident location
- Damaged area of your vehicle
- Home address
- Third party details, if applicable

The co-ordinator will then arrange for recovery or repairs to your vehicle.

## **7.4 The Vehicle Repair**

### **7.4.1 Process Non-driveable Vehicles**

Should your vehicle be non-driveable, it will be recovered to the garage straight away. At the time of your call alternative transport will be arranged for you.

The appointed garage will estimate the vehicle repair cost and send the estimate through to your leasing company's in-house engineers for authority. Once authority is given (usually the same day as the estimate is received) the repairs will commence and you will be kept updated on progress.

### **7.4.2 I Travel a Lot; What Happens if I Have an Accident Far Away From Where I Live?**

From experience, it is more cost-effective to repair a vehicle near where the accident happened and transport the repaired vehicle back to your home or office address. To transport a non-driveable vehicle can be expensive. Alternative transport will be arranged for you. You may be recharged towing costs if you insist on the vehicle being recovered for unnecessarily long distances.

### **7.4.3 Driveable Vehicles**

At the time of your call the scheme administrator will allocate the repair to the closest approved bodyshop to your home or work address – whichever is easier for you. You will be given their details and they will call you within 48 hours to arrange a mobile estimate. This means that the garage will come out to your vehicle either at your home or work address and note the damage and take digital photos. This means that unless you know you will be at home for the next couple of days, it is probably better to ask for repairs to be local to your business address.

The bodyshop draws up an estimate, which is sent to your leasing company's in-house engineer for authority. Once authority is received the bodyshop will contact you to arrange a convenient date to collect and repair your vehicle.

You will be given regular updates on repair progress and once completed it will be delivered to you having been cleaned inside and out.

## **7.5 Thefts**

If your car is stolen, or broken into, or criminally damaged, inform the police and the scheme administrator accident management *without delay*, giving full details of the time and place of theft. The police will inform you of a 'crime number' for future reference.

## **7.6 Insurance**

The Trust has comprehensive insurance on all leased cars. Leased vehicles may only be driven by the named employee and additional drivers who have undergone a licence check. For queries about adding a driver to the insurance policy contact the scheme administrator.

The policy is limited to usage for social, domestic, pleasure and Trust business. It specifically excludes use for the carriage of passengers for hire or reward, use in any competition, trial, performance test, race or trial of speed, including off-road events, whether between motor vehicles or otherwise, and irrespective of whether this takes place on any circuit or track, formed or otherwise, and regardless of any statutory authorisation of any such events.

For full details of the insurance policy please contact the scheme administrator.

## **7.7 Personal Property**

Claims will not be accepted for personal effects (this applies both to personal and Trust property). For this reason they should not be left in your vehicle overnight and should be hidden from view wherever possible. You should make arrangements with your own insurance broker to have any valuable personal effects, which you need to carry around with you, insured under the 'all risks' section of your household effects policy. If you use a portable satellite navigation device you should ensure that the device and all associated equipment is always removed from the vehicle when the vehicle is unattended.

# **8. HEALTH AND SAFETY**

## **8.1 Driver Fatigue**

Avoid driving when you are tired. Plan your journey to ensure you are able to take regular breaks, and if you have a long journey, consider splitting the journey by taking an overnight stay.

- The early hours of the morning and early afternoon are when drivers are most likely to feel tired. Only drive in the early hours if you have to and if you are alert;
- You should take a break from driving every two hours for at least 15 minutes.

## **8.2 Highway Code**

Make sure you are fully conversant with the current Highway Code. The booklet is updated on a regular basis and may be vastly different from when you last read it.

The Highway Code is used in court cases as the approved code of practice, so please ensure you follow its guidelines for safer driving.

### **8.3 Good Practice**

All the Trust salary sacrifice scheme drivers are responsible for ensuring the vehicle is safe to drive, for example:

- Do not overload the car;
- Do not allow the car to cause an obstruction;
- Do not reverse a car for long distances;
- Switch off the engine when stationary (except at traffic stops);
- Use dipped headlights at night in built up areas and in dull daytime weather, or if visibility is poor;
- Only use rear fog lamps when visibility is poor, e.g. in extremely heavy rain or fog, ensuring they are turned off when visibility improves (it is an offence to use them in good visibility conditions);
- Use lights half an hour before sunrise and sunset.

If you are involved in an accident please follow the procedure outlined in the accidents section of this booklet.

### **8.4 The Stowage and Restraint of Equipment, Samples, Tools, etc.**

It is important to safely and securely transport equipment, samples, tools, and so on. When considering such matters, both the restraining measures taken to prevent equipment and tools moving in the event of the vehicle being involved in an accident, and their vulnerability to theft, needs to be given some thought.

Ideas for consideration to prevent the movement of items in the event of an accident would be the use of netting or webbing straps to restrain the goods carried, or the placing of a 'dog guard' or mesh screen between the driver/passengers and the load space. Whatever restraining system is adopted, it must be such that, in the event of an accident, it would prevent the item(s) from moving and hitting an occupant of the vehicle, or interfering with the driver's ability to safely control that vehicle.

The effect the load and its distribution have on vehicle stability and handling characteristics must also be considered. Should the load distribution within the vehicle or its effects on the vehicle's handling be thought to be unsatisfactory, the use of a larger vehicle, or a contract delivery company, should be sought.

In addition to the above, consideration should also be given to the ease, shape, and weight of objects to be lifted in and out of the vehicles, paying particular attention to the requirements of the manual handling regulations.

### **8.5 Mobile Phones**

The Trust does not approve of the use of mobile telephones whilst driving. Calls should be made when you are parked off the road (with the engine turned off) and you should set your messaging service to take calls whilst driving.

You can be charged with driving without due care and attention if you use your mobile telephone whilst driving. Penalties are quite severe, and if a third party is injured, it could result in a jail sentence.

### **8.6 Sleep and Driving Issues**

On motorways and dual carriageways, over 20% of incidents can be attributed to fatigue. There are five main reasons for lack of sleep:

1. Medically pre-disposed, i.e. sleep apnoea;
2. Taking medication that causes drowsiness;
3. Not getting enough sleep before work or quality of sleep is poor;
4. Working very long hours with insufficient time to recover;
5. Working when you would normally be asleep – shift working.

Sleep apnoea is a medical condition. It is the cessation of airflow during sleeping, preventing air from entering the lungs. This causes the sufferer to wake regularly at night and consequently the person will feel very tired during the day.

If you have doubts whether you are suffering from any form of sleep disorder, you should seek medical advice.

Incidents are more serious if caused by at-sleep drivers as there is no attempt to brake at the last minute. Hence the impact is at maximum speed which increases the number of fatalities.

It is estimated that sleepy drivers kill more people than drink drivers.

The Highway Code states that “a break of at least 15 minutes after every two hours of driving is recommended”.

If you feel sleepy, stop in a safe place. Do not stop on the hard shoulder of a motorway.

Fresh air, exercise, or turning up the volume on the radio may help for a short time, but are not as effective. Sleep is the only real help.

## **8.7 Health**

Ensure you have regular health and eyesight checks. Do not drive if you are taking a medicine that carries a warning not to operate machinery and do not allow anyone else to.

## **8.8 Electronic Features**

As part of its standard specification your vehicle may be fitted with a variety of fitted devices to improve your safety, such as ABS. Make sure you read the handbook and familiarise yourself with how to use them – a 20 minute read may save your life.

## **8.9 Smoking Policy**

No employee will be permitted to smoke in vehicles belonging to or leased by Stockport NHS Foundation Trust or any vehicles carrying patients.

## **9. TAKING YOUR VEHICLE ABROAD**

When taking the vehicle abroad, you will require the following documentation - available from the scheme administrator.

- A current insurance certificate;
- VE103a form; <https://www.gov.uk/taking-vehicles-out-of-uk>
- Letter of authority from the scheme administrator. Leasing partner.

These documents can be obtained from the the scheme administrator’s help desk. At least 14 days’ notice should be given. There is a charge for supply of this documentation; however they are valid for 12 months from the date of issue. Driving abroad without these documents can lead to authorities impounding the vehicle.

If your vehicle is impounded, contact the scheme administrator immediately. Failure to claim the vehicle within a specified timescale can result in the vehicle being disposed of by Her Majesty's Customs with all associated costs being recharged to the driver.

## **9.1 Short Notice**

If you are taking your vehicle abroad and need to arrange urgent documentation, contact the scheme administrator. They can arrange for you to collect your documentation at the port as you leave the country. However, you will need to allow extra time for your journey.

## **9.2 Advice on Additional Equipment**

Contact the scheme administrator for more information on travelling abroad. Dependant upon where you intend to travel you will need to carry with you additional equipment (e.g. spare light bulb kits/warning triangles). It is your responsibility to ensure that you have the required equipment.

## **9.3 Insurance Cover**

The insurance cover provided is only valid within the European Union. If you intend to travel outside of the European Union, the scheme administrator.

## **9.4 Foreign Breakdown Assistance**

The vehicle may not be covered for breakdown and recovery abroad. You should check the manufacturer's guide supplied with the vehicle.

## **9.5 5 Star Travel Cover**

Contact the scheme administrator on 0844 811 8228 for more information. There maybe an additional cost for foreign breakdown assistance.

## **9.6 Before you Travel Abroad**

Before you travel abroad you should carry out some basic checks on the vehicle, as it can be difficult to arrange maintenance repairs abroad, so it's worthwhile ensuring that any urgent maintenance work is completed in the UK prior to travel. You should at least check the following:

- Engine oil levels;
- Water coolant levels;
- Tyre pressures and tread depths;
- Wiper blades;
- Lights;
- Horn.

## **10 CHANGES IN CIRCUMSTANCES**

In line with salary sacrifice regulations you will retain your Trust salary sacrifice scheme vehicle until the end of the 36 month agreement period, unless you experience a lifestyle change such as the following:

- Pregnancy
- Redundancy
- Leaving the Trust
- Reduction in pay due to a change in terms and conditions of employment or long term absence

Please note that any costs incurred maybe your responsibility.

## **10.1 Leaving The Trust**

On leaving the Trust it is your responsibility to return your leased vehicle on your last day of employment. You are responsible for paying the early termination fee:

- Five months' rental if terminated in year 1 of the three year agreement;
- Three months' rental if terminated in year 2 of the three year agreement;
- One months' rental if terminated in year 3 of the three year agreement.

Every effort should be made to ensure vehicle damage is repaired, prior to a vehicle being returned.

In the event that it is not possible to recoup all monies owed from your final salary you will be invoiced for the outstanding balance and you will be required to arrange an alternative method of payment, e.g. credit / debit card. If any outstanding balance is not paid in accordance with the terms of the invoice the debt will be recovered in accordance with Trust policy.

## **10.2 Home Address Changes**

To ensure that information relating to your vehicle reaches you in a timely manner, i.e. tax disc, it is vital that you advise Stockport NHS Foundation Trust and the scheme administrator of changes to your home address.

## **10.3 Sickness**

In the event of any periods of sick leave, the arrangements within this agreement shall continue to apply subject to any statutory requirements. The monthly payment/contribution will continue to be taken from your gross pay. In the event that you move into an unpaid sick leave situation it will not be possible to continue to take the monthly payments, see below for options.

In the event of an unpaid leave situation you will need to decide, in conjunction with The Trust, whether you wish to:

- i. Terminate the agreement. Please note early termination fees, as previously outlined, will apply;
- ii. Continue with the agreement during your unpaid leave. You will need to make alternative arrangements with the scheme administrator, (e.g. cheque, direct debit, standing order) to continue making your monthly payment/contribution for the personal use of the vehicle.
- iii. If you enter into a period of sickness absence and your reduced periodic pay is not enough to cover the salary sacrifice payment, the missed payments will be accrued and have to be repaid upon returning to a paid period.

## **10.4 Redundancy**

In the event of compulsory redundancy (excluding voluntary redundancy/MARS) the Trust will pay any early termination fees due. Redundancy pay would be based on your salary after any salary sacrifice scheme contributions.

## **10.5 Pension and Other Benefits, e.g. Maternity or Adoption**



### **10.5.1 Pension**

Salary Sacrifice does have a direct impact on your Pension benefits (Death in Service or Retirement Benefits) and you should seek advice on the potential impact prior to entering into any Salary Sacrifice agreement, this is more significant if you are approaching retirement age.

### **10.5.2 Maternity/Paternity and Adoption**

Statutory and occupational maternity and adoption pay are calculated during the qualifying period (ie: For Maternity 8 weeks prior to the 15<sup>th</sup> week before the due date, or for Adoption 8 weeks prior to the Matching Week). Your salary before the deduction will be used to calculate your Occupational Maternity/Paternity pay and the Salary Sacrifice for your lease car will continue to be deducted whilst in receipt of Occupational pay. It is strongly recommended that anyone thinking of becoming pregnant or adopting should consider the financial implications before entering into any salary sacrifice scheme.

You may continue to take part in the scheme during periods when you receive statutory or occupational paternity pay as long as your employment income is sufficient to support your salary reduction and this does not fall below the NMW/LEL for National Insurance purposes.

In the event of an unpaid leave situation please refer to section 10.3

### **10.5.3 Tax Credits**

It is not possible to be precise about every individual case. However, it is probable that your entitlement to tax credits will be affected – the amount of the credit may increase or decrease. On HMRC's website, there is a calculator which you can use to help you work out your entitlement to tax credits in a range of different circumstances. The calculator can be found at [www.hmrc.gov.uk/taxcredits](http://www.hmrc.gov.uk/taxcredits).

### **10.5.4 Part-time Employees**

Part-time employees are eligible for the scheme. However, if entering the scheme means that your gross pay is less than the annual lower earnings limit, this may affect your entitlement to the basic state retirement pension. Your salary cannot fall below the national NMW.

### **10.5.5 Career Breaks**

In the event of an unpaid leave situation you will need to decide, in conjunction with The Trust, whether you wish to:

- i. Terminate the agreement. Please note early termination fees, as previously outlined, will apply;
- ii. Continue with the agreement during your unpaid leave. You will need to make alternative arrangements with the scheme administrator, (e.g. cheque, direct debit, standing order) to continue making your monthly payment/contribution for the personal use of the vehicle.
- iii. If you enter into a period of sickness absence and your reduced periodic pay is not enough to cover the salary sacrifice payment, the missed payments will be accrued and have to be repaid upon returning to a paid period.
- iv. Please note it is not possible to transfer a vehicle to a fellow employee of the Trust.

## **11. WHO TO CALL**

### **11.1 The Scheme Administrator**

Quoting and vehicle related queries

Telephone: 0844 811 8228

9.00 a.m. to 5.00 p.m. Monday to Friday

E-mail: [enquiry@nhsfleetsolutions.co.uk](mailto:enquiry@nhsfleetsolutions.co.uk)

Address: NHS Fleet Solutions

Northumbria House

7/8 Silver Fox Way

Cobalt Business Park

Newcastle upon Tyne

NE27 0QJ

### **11.2 Vehicle Related Services**

#### **Accident Management**

Telephone: 01489 882110

#### **Breakdown and Recovery**

Telephone: 0844 811 8228

#### **Servicing and Maintenance**

Telephone: 0844 811 8228

#### **Windscreens and glass - National Windscreens**

Telephone: 08455 600 2459

#### **European Breakdown Cover**

Telephone: 0844 811 8228

All these numbers are available on the driver information leaflet included in the vehicle delivery pack, which will be supplied with your new vehicle.

### **11.3 Changes to the Scheme**

This scheme will be regularly reviewed and may be changed or modified at the discretion of The Trust/the scheme administrator.

### **11.4 Salary Sacrifice Procedure Document.**

By completing the application process with the scheme provider you are entering into a salary sacrifice scheme, it is your responsibility to consider the impact a salary sacrifice scheme has to your financial situation.

## **12. REVIEW**

This policy will be reviewed in 2 years' time or in the light of further national guidance or legislation or changes made by the scheme administrator.

### 13. MONITORING

If you would like this leaflet in a different format, for example, in large print, or on audiotape, or for people with learning disabilities, please contact:

Patient and Customer Services, Poplar Suite, Stepping Hill Hospital. Tel: 0161 419 5678  
Information Leaflet. Email: [PCS@stockport.nhs.uk](mailto:PCS@stockport.nhs.uk).

A free interpreting Service is available if you need help with this information. Please telephone the Lips Service on 0161 922 5149 or E-mail: <a href="mailto:tam-pct.lips@nhs.net">tam-pct.lips@nhs.net</a>	English
هناك خدمة مجانية للمترجمين متوفرة اذا اردت مساعدة بخصوص هذه المعلومات. الرجاء الاتصال بخدمة لبس أو LIPS على الرقم 0161 922 5149 أو عن طريق الايميل <a href="mailto:tam-pct.LIPS@nhs.net">tam-pct.LIPS@nhs.net</a>	Arabic
এই তথ্য বুঝতে সাহায্যের প্রয়োজন হলে বিনামূল্যে বোভাষী বা ইন্টারপ্রিটার সার্ভিস রয়েছে। আপনাকে সাহায্য করার জন্য। দয়া করে লিপ্স সার্ভিসকে টেলিফোন করুন 0161 922 5149 এই নম্বরে অথবা ই-মেইল করুন: <a href="mailto:tam-pct.LIPS@nhs.net">tam-pct.LIPS@nhs.net</a> এই ঠিকানায়া।	Bengali
如果你需要幫助來瞭解這份資料的內容，我們可以提供免費的翻譯服務。請致電 0161 922 5149 聯絡語言翻譯及病人支持服務(LIPS)，電子郵件： <a href="mailto:tam-pct.LIPS@nhs.net">tam-pct.LIPS@nhs.net</a>	Chinese
اگر برای فهمیدن این اطلاعات به کمک احتیاج دارید می توانید از خدمات ترجمه بصورت مجانی استفاده کنید. لطفاً با LIPS از طریق شماره تلفن 0161 922 5149 یا ایمیل <a href="mailto:tam-pct.LIPS@nhs.net">tam-pct.LIPS@nhs.net</a> تماس بگیرید.	Farsi
Bezpłatna Serwis tłumaczenia jest dostępny, jeśli potrzebujesz pomocy z tą informacją. Proszę zadzwonić do Obsługi usta na 0161 922 5149 lub E-mail: <a href="mailto:tam-pct.LIPS@nhs.net">tam-pct.LIPS@nhs.net</a>	Polish
اگر آپ کو یہ معلومات سمجھنے میں مدد کی ضرورت ہو تو مترجم کی مفت سروس موجود ہے۔ براؤکرم ایل آئی پی ایس LIPS کو <a href="mailto:tam-pct.LIPS@nhs.net">tam-pct.LIPS@nhs.net</a> پر فون کریں۔ ای میل:	Urdu

## APPENDIX 1

### LEASE CAR SCHEME

### QUESTIONS AND ANSWER GUIDE

#### INTRODUCTION

The NHS Lease Car scheme is governed by Section 17 of the Agenda for Change Terms & Conditions of Service Handbook. The questions and answers below attempt to explain how the scheme operates within the Trust

**1 What category of staff will be eligible for the scheme?**

The scheme is on a voluntary basis to all substantive employees who have six months service with the Trust.

**2 What will happen if I am a new employee who is economically viable but does not wish to have a Lease car?**

You may use your own vehicle and be reimburse for mileage incurred for Trust business at the Trusts local **agreed rate**.

**3 What reimbursement will I receive for official use of a Lease Car?**

You will be reimbursed your business mileage at the rate of 45p per mile up to and including 10000 business miles. Once you exceed 10,000 business miles your mile rate will decrease to mileage rate payable per mile in line with HM Revenue and Customs legislation.

Employees should note that reimbursements for business mileage attract a taxable benefit when the value of the payment exceeds the HMRC approved values for company car reimbursement rates which will be reported on your P11D. Rates can be found at the HMRC web site. Employees are advised to ensure they evaluate their own lease car tax liabilities

**4 What kind of cars will be available?**

Contracts have been arranged with all leading lease companies to provide the full range of cars at competitive prices on up to and including 140g/km. You will have to pay all costs over and above those vehicles exceeding 140g/km.

**5 If I choose a car with extras such as a sunroof or metallic paint, will I pay extra?**

Yes, the extra cost will be given to you at the same time as the estimate of costs for the chosen vehicle.

**6 Will I have to arrange insurance for my Lease Car?**

No, the scheme administrator will arrange fully comprehensive insurance on your behalf.

**7 Can another driver be named in the insurance?**

Yes. However, learner drivers are not allowed.

**8 Will my Lease Car have a security alarm?**

Only if this is a standard feature of the vehicle

**9 Can I take the car abroad?**

Yes, provided that permission is sought 14 days in advance to the Scheme Administrator and any additional insurance costs are met by the employee.

**10 How long is the agreement for?**

The agreement is for a three year period. If you wish to terminate the agreement before the end of three years there will be a penalty payment to be made, please see section 1.10

**11 Does the monthly payment change during the period of the contract?**

The payment remains the same unless there is a change in the road fund licence, V.A.T., insurance arrangements or a substantial change in mileage. The Trust also reserves the right to pass on manufacturer's increases introduced between the issue of the contract and the supply of the vehicle.

**12 What will happen if my private mileage increases above the figure I had originally estimated?**

It is in the individual driver's interest to inform the Scheme Administrator of any large increase or decrease in private mileage.

**13 Can I transfer my agreement if I move to another Trust?**

This would depend upon negotiations with the supplier and the new Trust, but is normally acceptable.

**14 What will happen if I terminate my employment with the Trust and National Health Service?**

You will be liable for an early termination penalty. (see section 1.10)

**15 What if I am on maternity leave or on approved training course?**

You may continue to use the car privately at the contracted charge or you may return the car to the Scheme Administrator however, please note termination charges may apply

Refer to section 10.5.2

**16 Can I buy the car at the end of the three years?**

You will need to negotiate this with the supplier yourself, but we are advised that in most cases you will be given first option.

**17 Can I tow with the car?**

Yes, subject to the instructions in the Driver's Handbook. Any towing facility fitted to the car will be at your expense and subject to agreement with the supplier.

**18 What if I receive a parking ticket or other such fine?**

Please see the Fines Section 6.

**19 Will the car supplied always be a new vehicle?**

In the majority of cases the vehicle supplied will be a new vehicle, but the Trust may offer, subject to negotiation with the employee, a car that has been returned. In such cases, the period of use will be the unexpired portion of the three year contract and the contribution will be the original charge duly revised using the assumed mileage of the new user (if timing allows).

**20 Will the fact that I have a Lease car be reported to HM Revenue and Customs?**

Yes. It will, however, be up to the individual assessment as to whether or not there is tax liability. See attached document Taxation - Benefits in Kind.

**21 Can the use of a Lease Car be withdrawn by the Trust?**

Yes, if the facility is abused then the car will be withdrawn. However, each case will be given full consideration on its own merits.

**22 What happens if I have an accident?**

All accident or theft claims must be reported to the scheme administrator on the next working day, who will provide you with an Accident/Theft form for you to complete and return to the Trust. You will also be provided with full details of how to proceed with your claim (details can be found in the pack already provided) .In certain cases, the insurance company may need to inspect the vehicle before repairs can be authorised.

**23 Will a replacement vehicle be available?**

Yes, the Trust only uses one garage for repairs and they will provide you with a courtesy car.

**24 Do I have to take my Lease Car to the garage from which I received the car for contract service and maintenance?**

No, your car can be serviced by any dealer who is approved by the Lease Car Company.

**25 What happens if my car is stolen?**

The insurance policy does NOT provide for a replacement vehicle in the event of theft and salary contributions must continue during this time.

**26 Can I transfer the remainder of my lease to a fellow employee?**

No, vehicles under a lease car contract cannot be transferred, please refer to section 1.10 Early Termination charges

## **HOW TO CALCULATE YOUR BIK (BENEFIT IN KIND) TAX LIABILITY**

### **EXAMPLE 1**

Their current salary is £16,500 and they are a member of the NHS pension scheme. They will be required to make an annual salary sacrifice (from gross pay) of £3,123.24 (£260.27 per month) but will save £91.31 per month in NIC and Pension Contributions and Income tax when compared with the position where the cost of the company car is funded from net pay.

This means the actual monthly cost is around £168.96 (this is the estimated reduction in take home pay). Combine this amount with the additional company car tax liability of £25.91 per month and the overall total net monthly cost of the car is £194.88. The example below illustrates that were the employee to fund the cost of the car from net pay, the monthly costs would be £333.24.

This example includes the lease cost of the car, road tax, fully comprehensive insurance, breakdown cover and all normal servicing and maintenance costs.

Annual Costs (salary sacrifice per annum)	£ 3,123.24
Monthly Cost (salary sacrifice per month)	£ 260.27
Reduction in NIC (per month)	(£ 27.59)
Reduction in Tax (per month)	(£ 49.14)
Reduction in Pension (per month)	(£ 14.58)
Total Reduction (per month)	(£ 91.31)
Reduction in net salary (per month)	£ 168.96
Tax on benefit in kind (per month)	£ 25.91
Total Overall Net Monthly costs	<b>£ 194.88</b>

## APPENDIX 2

### LEASE CAR SCHEME

#### TAXATION – BENEFIT IN KIND

All company cars are regarded as a Benefit in Kind by HM Customs and Revenue.

The benefit in kind is calculated using the List Price (P11D value) of the car, the value of any extras or accessories fitted, and a percentage determined by the car's CO2 emissions.

The benefit in kind commences from a base of 15% of the P11D price for cars emitting 140 g/km of CO2 or less, with 1% increments for every 5 g/km of CO2 emitted, up to 35% at 240 g/km. The figures for 2005/06 are:

<b>Taxable percentage of P11D values against CO2 emissions</b>		
<b>CO2 Emissions (g/km)</b>	<b>Percentage of P11D value petrol vehicles (%)</b>	<b>Percentage of P11D value diesel vehicles (%) (if not EU4 compliant)</b>
140	15	18
145	16	19
150	17	20
155	18	21
160	19	22
165	20	23
170	21	24
175	22	25
180	23	26
185	24	27
190	25	28
195	26	29
200	27	30
205	28	31
210	29	32
215	30	33
220	31	34
225	32	35
230	33	35
235	34	35
240	35	35



## APPENDIX 3

### FURTHER USEFUL INFORMATION

#### P11D

To help you carry out the above calculation for your own Benefit In Kind, you will find the P11D value and CO2 emissions for your car on the copy of the document headed PERSONAL TRANSPORT PLAN in section 111 marked VALUE, in the Lease Car Handbook you received.

CO2 emissions can also be found on the internet at [www.smmmt.co.uk](http://www.smmmt.co.uk)

#### VEHICLE EXCISE DUTY (ROAD TAX)

Please find listed below a table showing the new Road Fund Tax figures, which vary depending on the CO2 emissions and the type of car you have, Petrol/Diesel or Clean Fuels. (Subject to change each year)

Current VED Bands				
BAND	CO2 EMISSIONS	PETROL	DIESEL	ALTERNATIVE FUEL
A	Up to 100	£65	£75	£55
B	101 to 120	£75	£85	£65
C	121 to 150	£105	£115	£95
D	151 to 165	£125	£135	£115
E	166 to 185	£150	£160	£140
F	Over 185	£165	£170	£160

- Please note the above rates are subject to legislation change

## APPENDIX 4

### Car Leasing Scheme Approval form

#### **Part B (to be completed by Manager/Head of Department)**

I certify that the above Applicant is eligible to apply to lease a car under the Scheme rules and, to the best of my knowledge, is expected to remain so for the 3 year lease period.

The official and private mileages projected have been discussed and agreed with the Applicant; I consider the estimated annual mileage of the Applicant to be reasonable:

Signed .....

Date: .....

**This application must now be forwarded to the Head of Employee Services, Human Resources Department, 1st Floor, Aspen House, Stepping Hill Hospital**

<b>1. Payroll ONLY</b>	Does it meet legislation Y/N	Payroll Officer Name
Payroll Check		
Ni LEL Check:		
National Minimum Wage Check		

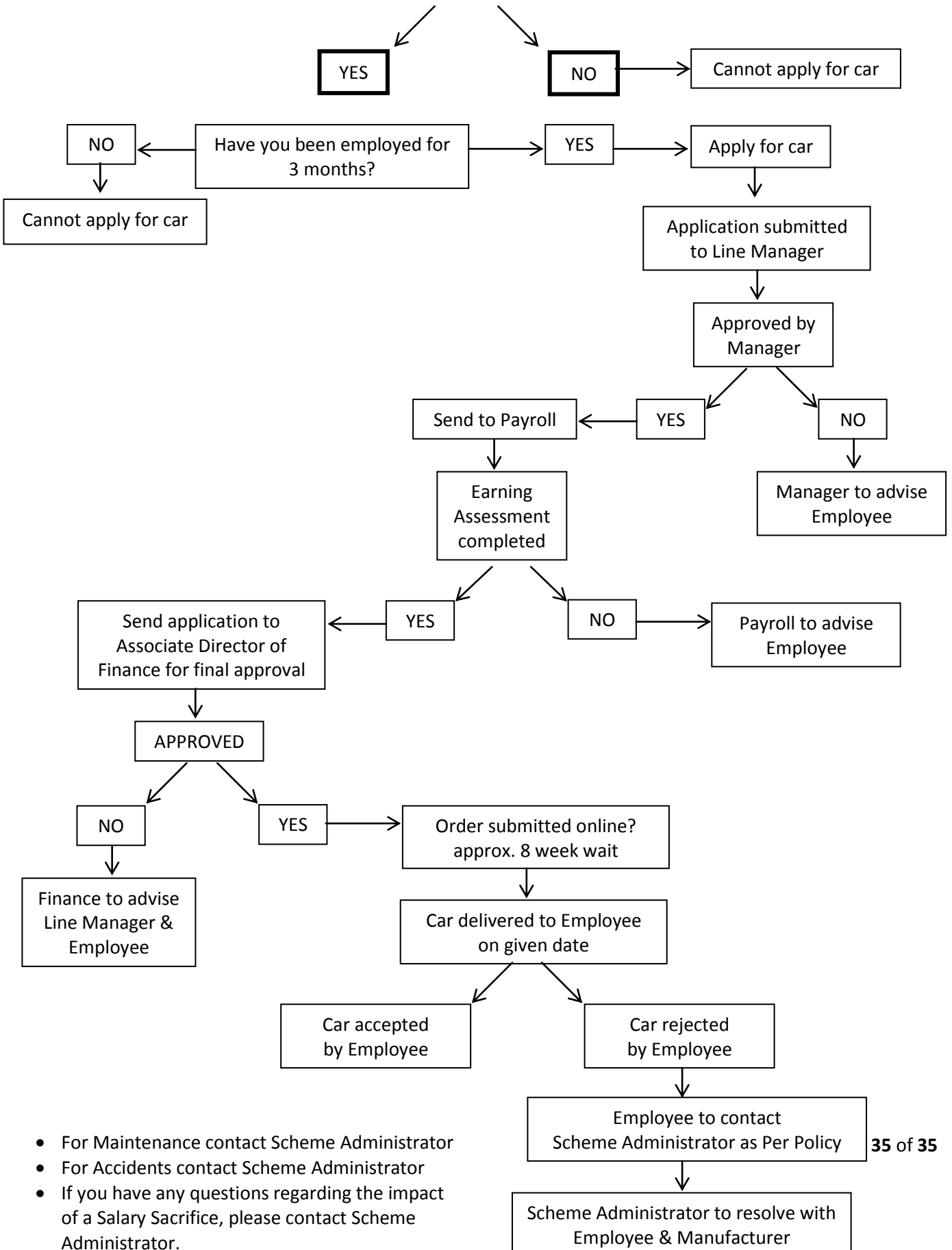
Signed ..... Date: .....  
(Payroll Manager or Senior Payroll Officer)

Signed ..... Date: .....  
(Director of Finance)

## APPENDIX 5

## LEASE CAR FLOW CHART

**DO YOU HAVE A PERMANENT JOB WITH THE TRUST?**



- For Maintenance contact Scheme Administrator
- For Accidents contact Scheme Administrator
- If you have any questions regarding the impact of a Salary Sacrifice, please contact Scheme Administrator.