



NHS TAYSIDE

WORKFORCE

**CAR LEASING POLICY AND
PROTOCOL**

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**Review Group: Area Partnership
Forum**

Review Date: 01/09/13

Last Update: 07/09/10

Document No: HR/

Issue No: 1

UNCONTROLLED WHEN PRINTED

**Signed:
Executive Lead**

Signatory)

(Authorised

POLICY STATEMENT

NHS Tayside is committed to providing fair and equitable support to all staff who require to travel as part of their duties. This policy explains the provisions of the Car Leasing Scheme as part of this commitment.

On behalf of NHS Tayside

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Director of Operations**

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1. INTRODUCTION

- 1.1 This Car Leasing Policy replaces the previous documents which have been operated by NHS Tayside and covers all NHS staff employed within NHS Tayside.
- 1.2 The aim of the policy is to provide a fair and reasonable way of enabling staff to travel as part of their duties. The policy recognises the need for equity, economy and consideration of environmental factors to support its effective operation.
- 1.3 The Car Leasing Policy takes into account the principles outlined in Section 17, Part 3, of the Agenda for Change Terms and Conditions of Service Handbook, Section 8 of the Consultant Conditions, Paras. 277 through 331 of the Hospital Medical and Dental Conditions and Section 23 of the General Council Conditions.
- 1.4 The scheme is voluntary and is offered to eligible employees. Employees will be charged the full cost for Private use.
- 1.5 Transparent arrangements for meeting the NHS business use. Mileage rates are subject to regular review to take into account significant changes in fuel costs.
- 1.6 Employees shall be made aware as fully as possible that any tax implications of having a lease car should be referred to HMRC for advice.
- 1.7 The policy sets out details of early termination costs and the circumstances in which they would apply and where they would not apply. Wherever possible provision may be made for options to be explored to obviate the need for return of the car and early termination costs following an employees change in circumstances.
- 1.8 The employer is responsible for insurance charges relating to business use of the vehicle.
- 1.9 The base car shall be consistent with proper use of public monies, NHS business needs and wider environmental considerations. Any employee choosing a more expensive car than the base car will pay the full additional costs.

2. WHAT IS A CAR LEASING SCHEME?

- 2.1 The Scheme is based on Contract Hire Agreements between the NHS employer and the Car Leasing Company, which enables the employer to provide a fully maintained, base vehicle for use by the eligible employees in connection with the Business of the employer. The employer has agreed that the base vehicle will normally be adequate for all normal duties. **The base car* is a manual, low emission 5 door Compact (Euro C) model with an NCAP safety rating of at least 4** (the particular vehicle will be designated by the Director of Operations and will conform to NHS Tayside's environmental policy and image)

* There may be exceptional business circumstances whereby the base car specified is deemed unsuitable - e.g. terrain, load carrying, etc. In these circumstances provision of a suitable alternative base car may be considered for individuals with special business requirements.

- 2.2 The specific base car does not prevent an employee selecting a make and model of their choice provided the vehicle is capable of carrying out the business use required by the Board and is limited to a maximum list price* of £27,000 (inclusive of VAT and extras) and an emissions level no higher than 150g/Km.

* to be reviewed annually in accordance with the 12 month change in the Consumer Prices Index for New Cars - 07.1.1A (%) - as at March each year.

- 2.3 Choosing a low CO2 emission vehicle is not only better for the environment it will reduce your tax liability. It is strongly advised to take account of CO2 emission when choosing your lease car to avoid paying unnecessary tax. **Employees should seek tax advice themselves from appropriate sources.**

- 2.4 If a car less than base car is chosen then that vehicle will be regarded as the Board's base car for calculating out the charges to the employee.
- 2.5 The employee makes a monthly payment (reviewed annually) to the employer, in respect of his/her private use of the vehicle and this payment includes maintenance, insurance, Road Fund License and Motoring Association membership. The employee is responsible for certain additional payments, which may arise under the terms of the contract in certain circumstances. Details of the additional payments, which can arise are given later in these conditions and include charges made in the event of premature termination of the Hire and Excess Mileage charges.
- 2.6 In exceptional circumstances, the employee may be asked to accept a non-new vehicle previously allocated to another employee. In these circumstances, the employee may benefit from the fixed rental charges levied by the Leasing Company.
- 2.7 The car will normally be hired for a three-year period and any approved business mileage undertaken in the hired vehicle will be reimbursed at the appropriate rate outlined in paragraph 4.2.3 below. Hire charges will be payable from the date on which the vehicle is viable for collection/delivery.
- 2.8 A formal Agreement will be entered into between the employee and the employer.

3. WHO IS ELIGIBLE FOR A LEASE CAR?

3.1 **Eligibility is subject to:**

- (a) Confirmation that the employee holds a contract of employment that is expected to last at least as long as the proposed lease.
- (b) Confirmation that the proposed lease is viable.
- (c) The applicant holding a current full driving license for the class of vehicle applied for.
- (d) The applicant's ability to comply with any conditions lay down by the Car Leasing Company.

3.2 **Viability**

- 3.2.1 Generally, only Regular Users with a vehicle above 1500 cc & and carrying out business mileage in excess of 5000 miles per annum or a vehicle of 1001- 1500 cc & carrying out business mileage in excess of 7500 miles per annum may be eligible. These mileages will be reviewed with each change in the lease costs of the base car and in the Regular or Standard User mileage rates.
- 3.2.2 For convenience a **look up table** has been produced to allow applicants to check their business mileage against cost of a lease car as an initial guide for possible viability. **(Appendix 4).** In all cases, when the employee wishes to enquire further, the Car Leasing Team will provide information tailored to the employee's circumstances, which may include actual quotations.
- 3.2.3 In exceptional circumstances, where an employee is required to travel regularly for business to fulfill their contractual duties, but does not meet the Board's viability requirements, the employee's Head of Department may refer the application (giving reasons in writing why the employee should be given a lease car) to Clinical Group Managers, CHP General Managers or Executive Directors as appropriate.

3.2.4 **All new employees and staff who have changed jobs voluntarily will be assessed for viability for the scheme if the business mileage of the post is anticipated to qualify.** Where it is economically more viable to offer a Lease Car and the individual does not wish to use a Lease Car, the employee will be expected to provide their own transport and be reimbursed at the appropriate rate specified in paragraph 1 of Annex L of the Agenda for Change terms and conditions handbook (Public Transport Rate). Alternatively, where available, staff may be able to use a Crown Car (a vehicle provided by the employer solely for NHS business use). These are only available from designated sites and must be collected and returned to these sites each day.

3.2.5 **Existing Regular / Standard Users with a significantly high business mileage that would render it economical to the Board to reclassify as a Lease Car User will be identified annually.** The head of department/budget holder will be informed that a Lease car offer should be made as the provision of a lease car would be economical. When made and the offer is refused by the employee the budget manager will be advised of the rejection of the offer that would be economical. The business manager/budget holder will examine the feasibility of providing a Crown Car and if acceptable will inform the employee that a Crown Car will be provided for their business use. If the employee refuses to accept the offer of a Crown Car for business use they will be expected to provide their own transport and be reimbursed at Public Transport rate. If the provision of a Crown Car proves to be not feasible the employee may continue to receive mileage at Regular User or Standard User level, as appropriate, if a case is submitted and approved by Clinical Group Managers, CHP General Managers or Executive Directors as appropriate. (TCSH 17.5).

3.2.6 **All lease car users will be subject to a review of their entitlement at the time of renewal of contract and will be subjected to a viability check based on the business mileage of the previous vehicle.** If viability is confirmed the process of providing a replacement vehicle will commence. In cases where the employer decides not to continue to offer the use of a lease car to a lease car user as viability is not achieved the employee shall be entitled to the Regular User allowance and lump sum or Standard rate of mileage as applicable and will be required to provide their own transport. If there are circumstances where an employee is unable to provide transport and is required to carry out duty visits the business manager/budget holder will examine the feasibility of providing a Crown Car and if acceptable will inform the employee that a Crown Car will be provided for their business use. In circumstances where a Crown car cannot be provided the business manager/ budget holder will make case to Clinical Group Managers, CHP General Managers or Executive Directors as appropriate for approval to provide a lease car to the employee even **if it is not viable and there is a cost to the Board and their department budget. If approved Car Leasing Team will be advised to process the replacement car application.** In the case where the employer offers the provision of a lease car and the employee decides not to accept business mileage will be reimbursed at Public transport rate if the employee uses their own vehicle.

3.3 **Employer's Right to Refuse**

The employer reserves the right to refuse an application and to consider other relevant factors in making a decision.

3.4 **Motoring Offences**

The users of cars leased under this scheme are required to notify the Car Leasing Team immediately of any event, which affects or might affect their eligibility to participate in the Scheme. See 6.7.

4. WHAT WILL THE COSTS BE?

4.1 A wide range of cars is provided under the scheme, but all applications must be made, in first instance, to the employee's Head of Department who will require certifying the estimated business mileage which the employee will travel over the lease period, normally 3 years. This form then has to be counter-signed by the appropriate Budget Holder. The contribution of the employer will be set according to the mileage band determined by the employer. Similarly the employee will be required to estimate his/her private mileage over the same period. The accuracy of the total business and private mileage is important as it determines the rate at which the Car Leasing Company will supply the vehicle. In the main there will be no alteration to these figures during the contract period other than where there are significant increases or decreases in the business the private mileage when a new level of contributions by the employer and employee will require to be determined:
The method of calculating costs is highlighted below:

4.2 Cost to the Employer

4.2.1 The cost of running a standard "base" car for official mileage will be borne entirely by the employer (including lease costs and mileage payments).

4.2.2 The employer will contribute an agreed amount based on official mileage towards the cost of the vehicle and this amount may be reviewed from time to time. Any such reviewed contribution of the employer will apply only to new contracts entered into after the review date.

4.2.3 The employee's fuel costs incurred on official business will be reimbursed in accordance with the HMRC Company Cars – advisory Fuel Rates re the base car*.

* This rate will be amended in line with the HMRC notification of changes.

4.3 Cost to the Employee

The employee will only pay the marginal extra running cost which depends on the following: the excess cost over the base car, private mileage and certain fixed costs:

4.3.1 Non-Standard Make and Model, optional equipment etc

(a) If the employee does not want the standard base car, the employer can check the cost of the chosen alternative model. The annual rental charges to the employer of the standard "base" car is deducted from the actual cost of the model chosen and the employee will meet the difference.

(b) If a car chosen is less than the base car that vehicle will become the base vehicle for calculation purposes.

(c) At the request of the employee, certain optional equipment can be fitted at the expense of the Car Leasing Company. This will increase the monthly payments to be made by the employee and the equipment will remain the property of the Car Leasing Company at the end of the Contract.

(d) No accessories may be fitted privately by the employee without prior written consent of the Contract Hire Company via the Car Leasing Team. If any accessory cannot be removed from the vehicle without substantial or irreparable damage being caused, then such accessories must be surrendered with the vehicle at the end of the period of hire, or the damage sustained should be repaired as such that no previous damage is noticeable on return of this vehicle.

4.3.2 **Private Mileage**

- (a) The cost of renting the car over three years of the lease also depends on the **TOTAL** mileage; i.e. official and private added together. The cost of official mileage in a standard “base” car is deducted and the employee will pay the difference. The employee must estimate annual private mileage very carefully to the nearest 1000 miles. Under/over estimates may be reviewed annually and corrective adjustments made for the forthcoming year but will be calculated at the end of the contract and recovered from the employee.
- (b) In cases where the estimated business mileage proves to be significantly understated (that would have resulted in the Lease Car not being viable) in the absence of reasonable justification, additional contributions should be made from the employee to cover the short fall and cost to the Board.
- (c) Excess Mileage will not be included as business mileage and will therefore be classified as Private if claimed. This follows the HMRC guidance that such journeys are classified as ordinary commuting or private travel.(NHS Tayside will however apply the Excess Mileage within the calculations for annual charges/ rebates).
- (d) Any employee eligible to claim for Excess Travel who is classified as Lease Car users will be informed of the tax implications of claiming mileage which should be checked with HMRC or the employee’s personal tax adviser before proceeding
- (e) Business mileage is reimbursed as set out under “Cost to the Employer”, above.

4.3.3 **Fixed Costs**

Because the Board is not required to tax vehicles used solely on official business (Crown Vehicles), the employee has to bear the full cost of this. In addition, there is an annual handling charge which is subject to annual review. This charge is waived if a base car is chosen by the employee. This charge is subject to VAT at the appropriate rate. Insurance for private use is also recharged to the lease car user. See 9. Finally, a nominal sum is charged monthly to provide for a replacement hire car from the Replacement Car Hire Fund where this is not available from other sources.

4.3.4 **End of Lease Costs / De-hire Damage Recharges**

End of contract charges that reflect the loss of value in the vehicle to the leasing company when it is returned in a poorer condition than originally contracted may be levied. In such circumstances, the lease car user is liable and may be re-charged by the Board. See 13.

4.3.5 **Fines etc**

The employee will be responsible for meeting the cost of any fixed penalty fines incurred by him/her whether on business or private use. See 6.7.

5. HOW DO I APPLY?

5.1 Quotations

Information as to the cost to an employee of hiring a particular vehicle can be obtained from the Car Leasing Team. The cost will be based in part on the cost to the employer, at the date of delivery and may, therefore, be subject to change between the date of ordering and the date of delivery. Every effort will be made to avoid such changes. A maximum of three quotes can be obtained per application. **If further quotations are requested the Lease Car Team may assist dependant on the workload of the Team which is under constant pressure.**

5.2 Application & Ordering Procedure

5.2.1 Applications under the scheme shall be in the form prescribed by the employer who shall administer the scheme and in so doing may make any enquiries considered necessary in the financial interest of the employer.

5.2.2 A completed application form (*appendix 2*) should be submitted to the appropriate Head of Department for consideration and authorisation, and then forwarded to the Car Leasing Team.

5.2.3 The applicant will then be notified when the application is authorised and the provisional monthly charge payable will be calculated after which a formal agreement between the employer and the applicant will be completed.

5.2.4 Tayside NHS Board will place an order with the appropriate lease company and a formal agreement will be entered into by Tayside. Any price adjustments advised by the lease car company on the agreement will be notified to the employee for acceptance. The prices quoted are held for 30 days (the lease car companies reserve the right to increase the prices if subjected to increased costs notified by the manufactures during the 30 day period)

The employee will then be advised of the date, time and place where their vehicle will be available for collection / delivery.

5.2.5 As specified in paragraph 4.3, the charge payable by the employee will be based in part on the cost of the car to the Employer at the date of delivery. The Agreement signed by the employee provides for a change in the monthly charge to take account of any change in cost of the employer between the date of the Agreement and the date of delivery, mainly as a result of alterations in Road Fund Tax, Insurance etc.

6. WHAT AM I RESPONSIBLE FOR?

6.1 The vehicle must be available at **ALL** times, subject to servicing and repairs, for use by the employee in the performance of the employee's official duties as required by the employer.

6.2 The leased vehicle must not be used for:

6.2.1 Driving tuition for commercial gain, racing rallies, speed or time trials, hill climbs or any form of competition.

6.2.2 Any purpose for which the vehicle is not designed.

6.2.3 Any unlawful purpose or in any contravention of any statute or regulation.

- 6.2.4 Any non-employer business/commercial activity unless specific approval in writing has been obtained from the relevant General Manager/Director.
- 6.3 **Roadworthiness, Care & Ownership of Vehicle**
- 6.3.1 On taking possession of the vehicle, the employee will receive a set of instructions from the Car Leasing Company (driver's pack) regarding **routine servicing and arrangements for repairs & breakdowns, replacement of tyres, batteries and exhaust systems**. The employee should make himself aware of the requirements of the Car Leasing Company contained in the instruction or otherwise notified to him/her and comply with those requirements at all times.
- 6.3.2 When the vehicle is collected / delivered the employee will be responsible for ensuring that there are no defects of any kind, which are apparent on reasonable inspection and that all standard and optional equipment is present, where this can be ascertained by reasonable inspection. When accepting delivery, employees should bear in mind their responsibility to return the vehicle in good order, repair and condition at the end of the contract (see paragraph 13).
- 6.3.3 The employee will be required to advise the Car Leasing Company by stationery included in the driver's pack of the garage where the employee wishes maintenance and warranty work to be carried out, and if approved, the Car Leasing Company will then make arrangements with the selected garage. This should ensure any safety recalls by the manufacturer will be carried out promptly.
- 6.3.4 The employee will be responsible for the car's roadworthiness and for periodic routine checking of oil, water, batteries, tyre pressures and other items which a responsible owner would be expected to check from time to time, together with any associated routine maintenance such as topping up of the oil or adjusting the tyre pressures.
- 6.3.5 Any damage to the vehicle or any cost arising from failure to carry out such routine checks and maintenance or from negligent use or deliberate abuse of the vehicle by the employee will be the responsibility of the employee, who will be required to reimburse any resultant cost to the employer. It is the employee's responsibility to keep the car clean inside and outside during the period of hire. Failure to comply with this condition may result in additional cost penalties.
- 6.3.6 In the event of emergency repairs or towing to a local garage, the Car Lease Company shall be contacted, who will usually instruct the AA / Green Flag or RAC. If settlement has to be made to them for any part, the Car Leasing Company will reimburse by return on production of receipts. Parts must be retained in the event of any claim under warranty. If the part is not available, settlement may be withheld pending investigation. Full details of emergency procedures are contained in the driver's pack from the Leasing Company.
- 6.3.7 Although the vehicle remains the property of the Car Leasing Company, the employee is liable for its roadworthiness and is required to indemnify the employer against parking fines, Road Traffic offences fines or other liabilities arising from the way the vehicle is used, particularly breaches of the Road Traffic Act.
- 6.3.8 The vehicle should normally be kept at the driver's home address and garaged whenever practicable. In the event of an employee with a leased car moving home, the Car Leasing Team must be informed, in writing, of the change. A change of name must also be notified.
- 6.3.9 The employee must not let or hire, sell, assign, transfer, charge, dispose or part with the control of the Leased vehicle or attempt to do so.

6.3.10 Tampering with the vehicle's odometer will be regarded as a serious disciplinary offence. Total mileage **MUST** be clearly stated on the expense claim form.

6.3.11 **In the event of an accident the employee must comply with the terms of the insurance provisions within this policy set out at 9.7 below..**

6.4 **Travel outside the British Isles**

6.4.1 Application in writing must be made through the Car Leasing Team to the Car Leasing Company for permission to take the vehicle out of the British Isles. Foreign Travel will be permitted subject to the arrangement of satisfactory insurance and adequate breakdown and recovery protection.

6.4.2 Responsibility for the vehicle will rest with the employee until it is returned to the British Isles.

6.4.3 Repairs and maintenance which are carried out abroad may not be covered by the Maintenance Agreement with the Car Leasing Company, in which case it is the sole responsibility of the employee to take out appropriate breakdown and recovery insurance cover. On each occasion, applications for permission to take vehicles outside of the British Isles should be submitted to the Car Leasing Team at least six weeks before the proposed commencement of the journey to allow the appropriate arrangements to be made.

6.5 **Claiming for Mileage Expenses**

6.5.1 **An Expense Claim should be completed on a regular monthly basis.** Information for reviews of mileage shall be required to be supplied by the Expenses Team therefore information requires to be readily available on an up-to-date basis.

6.5.2 For eExpenses user, claims should be submitted for authorisation on-line no later than the published date, normally the working day before the final date for on-line authorisation. **The eExpenses Timetable can be accessed by following this path: Staffnet | Our Websites | e-Expenses | eExpenses Timetable. For all other users, forms should be obtained from the Expenses Team within Financial Services and submitted, duly authorised, for payment by the 7th of each month.**

6.6 **Notification of Long Term Absence**

Where the employee is absent from duty for a period in excess of 3 months (because of for example, sickness, maternity leave, approved training courses, extended annual leave abroad) he/she or the appropriate manager must notify the Car Leasing Team. The lease car user will normally continue to have the private use of the vehicle or return the vehicle to the employing authority.

6.7 **Motoring & Other Offences**

The employee is required to report to the Car Leasing Team any convictions, other than parking offences, which may affect their driver status for insurance and vehicle use purposes. The employer reserves the right to charge to the employee any additional charges or excesses attributable to the employee's driving record. In the event of the employee becoming disqualified from driving, the vehicle will be withdrawn forthwith and the employee will be responsible for meeting any excess or penalty charges, which result. All charges arising from any motoring offences will be charged to the employee and recovered from salary (according to wage deduction policy). These will include administration costs in respect of the offence incurred by CLC and paid on the lease car user's behalf by the Board.

7. WHAT MAINTENANCE WILL BE PAID FOR?

- 7.1 In accordance with the Agreement with the employer, the Car Leasing Company will provide or pay for:
- (a) Regular routine maintenance and servicing.
 - (b) All remedial or repair work arising without negligence or misuse or accident on the part of the employee and needed to maintain the vehicle in a roadworthy condition.
 - (c) All replacement batteries, tyres & exhaust systems.
 - (d) Emergency repairs or towing following breakdown.
- 7.2 Accident and windscreen damage will be covered by insurance claims subject to the appropriate excess.
- 7.3 Repairs and replacements from willful neglect or deliberate abuse are not included in the Scheme and costs arising from these causes will be borne by the employee.

8. AM I ENTITLED TO A REPLACEMENT VEHICLE?

- 8.1 If following **mechanical breakdown** a vehicle is off the road for repairs for between 24 and 48 hours, depending upon which lease company is involved and provided this is not due to any act of neglect or default by the employee (or their families or authorised drivers) and the Car Leasing Company has been given reasonable notice, the Car Leasing Company will arrange for the provision of a replacement vehicle. Employees should not arrange replacement vehicles themselves but should notify the Car Leasing Team.
- 8.2 A replacement vehicle will be provided in the event of accident damage repair. This can either be a courtesy car provided by the repairer or a hired car paid for by the insurer or, in exceptional circumstances, a hired car paid for from the Replacement Car Hire Fund. See 4.3.3.
- 8.3 Lease Car users may be entitled to a courtesy car or replacement hire car when their vehicle is being serviced in accordance with details provided by the Car Leasing Company. As much notice as possible should be given. However, the Car Leasing Team may be able to assist in the event of difficulty.

9. WHAT INSURANCE WILL I HAVE TO PAY?

- 9.1 Lease Cars used only on official business are insured for official business only. You require insurance for your private mileage. A national standard comprehensive Motor Fleet Policy has been procured in respect of vehicles on Contract Hire to cover private use. A copy is held within the Car Leasing Team for inspection should you request to do so. An individual Certificate of Motor Insurance is provided annually to all lease car holders along with information concerning excess and driver etc conditions.
- 9.2 The Policy allows private use by the employees and private use by certain other persons authorised by the User provided that the person driving holds a license to drive the vehicle or has held and is not disqualified from holding or obtaining such a license. (See also paragraph 6.7). This insurance cover for private use is mandatory. Private use of the vehicle without insurance cover is an offence under the Road Traffic Act and unauthorised use in these circumstances will be regarded as a serious disciplinary offence, which may result in dismissal.

- 9.3 Where the official user and/or any other driver are under the age of 25, any excess will be advised by the Car Leasing Team.
- 9.4 Where Employees use the employer's vehicle for their own private practice, this risk must be insured. Car Leasing must be advised and a Private Practice insurance certificate obtained.
- 9.5 The cover will exclude use for hire or reward or for racing, pace making, reliability trail or speed testing or commercial traveling.
- 9.6 Should a User leave the scheme a letter will be available *on request* confirming the number of claim-free years of participation by the User, for submission to Insurance for No Claims Bonus purposes.
- 9.7 In the event of an accident, where this occurs outside working hours or on non-business mileage employees will be required to meet the insurance excess which will be deducted from pay. New applicants and renewals will be informed of the current excess..
- 9.8 In instances of accidents occurring during business use where the driver has been responsible for the accident due to carelessness etc. e.g. Parking and hitting an object, the lease car user will be responsible for a % of the charge except where the driver is another authorised car user who has been given use of the vehicle with the permission of the lease car user, in which case the driver will be liable
 1st claim no charge
 2nd claim 25%
 3rd claim 50%
 4th and subsequent claims 100%
 .
 Data will be maintained to identify employees with a high accident frequency and may be required to follow Board recommended action e.g. driver training.
- 9.9 **All accidents must be reported within 24 hours to the Car Leasing Team. Outwith business hours all accidents must first be reported to the insurer who will give advice. This must be followed up by contacting the Car Leasing Team as soon as practicable. Failure to do so may result in the insurer refusing the claim and the lease car user being held liable for repairs to both their vehicle and for damage to third party vehicles / personal injury. These provisions do not take precedence over any statutory duty to report accidents to the Police.**

10. WHAT HAPPENS AT THE END OF THE LEASE?

- 10.1 The hired vehicle must be returned to the Car Leasing Company in a satisfactory condition (see 13, 'Fair Wear & Tear') in accordance with the **End of Lease / De-hire Instructions** which will be issued to the leased car user in advance of the notified end of lease date.
- 10.2 All lease car users wishing to replace their car with another lease car at the end of the lease term will be subject to a review of their entitlement and will be subject to the provisions of this policy relating to viability and car user status set out at Section 3.
- 10.3 Arrangements must be made for the replacement of existing vehicles three months before the end of an expiring contract.

10.4 **Early Contract Termination**

- 10.4.1 If any contract is terminated prematurely, the Car Leasing Company may impose certain penalty charges, details of which will be provided on application to the Car Leasing Team.

The employer will waive all penalties in the event of:

- (1) Death in Service
- (2) Retirement due to ill-health
- (3) Long term sickness absence exceeding 4 months
- (4) Redundancy
- (5) Retirement in the interest of the efficiency of the service
- (6) Internal movement to a post without car user status

- 10.4.2 In any circumstances other than those referred to in paragraph 10.4.1, the employer reserves the right to pass on to the employee **ALL** penalties incurred. These costs will be deducted from salary (in accordance with salary/wage deduction procedures/policies).

- 10.4.3 In the event of premature termination of the contract, the following courses of action **MAY** be available to employees following consultation with their Senior Manager:

- 10.4.4 The employee may wish to purchase the car, in which case he/she should ask the Car Leasing Team for a quotation of a purchase price. The agreement is between the CLC and the employee. The employee is required to report each such purchase to HMRC.

- 10.4.5 If the employee is moving to/from another employer to/from whom a leased vehicle can be transferred then the contract may be transferred. In all cases this is subject to agreement and the Car Leasing Team should be contacted at the earliest opportunity.

11. **WHAT ARE THE EXCESS CHARGES / REBATES ON MILEAGE?**

- 11.1 If at the end of the contract period the actual private and authorised business miles exceed the estimate mileage, there may be an excess charge to that employee at the rate specified by the Car Leasing Company for the excess private mileage only.

- 11.2 If at the end of the contract period the actual private miles run are less than the estimated mileage there may be a rebate to the employee at the same rate.

- 11.3 Excess Charges / Rebates are calculated and processed against pay annually, thus minimising the risk of substantial amounts after three years. It is therefore vital that mileage claims are submitted timeously to avoid all mileage being treated as private.

12. **HOW ARE PAYMENTS MADE?**

- 12.1 Employees will be expected to pay their share of rental and fixed charges (road tax, insurance, etc) on a monthly basis. The rental payments of each vehicle are paid annually in advance by the employer. Depending upon the date of delivery, i.e. in the first or second half of the month the employee may pay the equivalent of one or more monthly payments, pro-rata to the time since delivery, deducted as the first payment.

13. WHAT IS CONSIDERED 'FAIR WEAR AND TEAR'?

- 13.1 Fair wear and tear occurs when normal usage causes deterioration to a vehicle. It is not to be confused with damage which occurs as a result of a specific event or series of events such as impact, inappropriate stowing of items, harsh-treatment, negligent acts or omissions. **Lease Car Users are reminded that all accident damage must be reported as set out at 9.7, above.**
- 13.2 Fair wear and tear and thereby damage in excess of fair wear and tear is determined by reference to the BVRLA Fair Wear and Tear Guide for the appropriate class of vehicle & mileage covered and/or the contract with the Car Leasing Company. Details can be provided on request via the Car Leasing Team. End of contract charges reflect the loss of value in the vehicle to the Car Leasing Company when it is returned in a poorer condition than originally contracted. Normal use will incur no charges. **Should any penalty be suffered by the employer, this will be recharged to the employee and deducted from salary (in accordance with salary/wage deduction procedures / policies).**
- 13.3 Both during the period of the contract and at the date of expiry any disputes regarding the condition of the vehicle may be referred by the Employer to an independent engineer whose decision will be final and binding on all parties. The employee will be responsible for any fee charged as the dispute is between the employee and the lease company.
- 13.4 The Car Leasing Company reserve the right upon giving reasonable notice to inspect during working hours, the state and condition of any vehicle.
- 13.5 Any failure to comply with these conditions may cause the immediate termination of the Contract Hire Agreement. Any penalty charges arising, therefore, will require to be met by the employee. In addition, disciplinary action including dismissal may be taken by the employer in accordance with agreed procedures.
- 13.6 While the agreement remains in force, the employee will no longer be entitled to payment of Regular or Standard Rate Mileage allowance. He/she will be entitled to reimbursement as per paragraph 4.2.3.

14. REVIEW OF THE CAR LEASING POLICY

14.1 This policy will be reviewed 3 years from the date of agreement.

14.2 The review group presently consists of:-

□ Ken Armstrong	Director of Operations	Tayside Delivery Unit
□ Karen Kidd	Management Accountant	Tayside delivery Unit
□ Lyn McIntyre	Expenses & Car Leasing Manager	Tayside NHS Board
□ Iain McEachan	Workforce Manager	Tayside NHS Board
□ Allan Ramsay	Area Partnership Forum Representative	Tayside Delivery Unit
□ Judith Golden	Employee Director	Tayside Delivery Unit
□ Scott McNiven	Assistant Head of Logistics	Tayside Delivery Unit
□ Morag Chatterton	Car Leasing Administrator	Tayside NHS Board
□ Robert MacKinnon	Assistant Director of Finance	Tayside NHS Board
□ Shiona Lumsden	Head of Payroll Services	Tayside NHS Board

Appendix 1

MEDICAL and DENTAL STAFF TERMS and CONDITIONS of SERVICE QUALIFIERS

Due to Medical & Dental staff being under separate conditions of service there are some references made in the policy that require to be identified as under the Medical & Dental conditions.

All vehicles owned or contract hired by the Board are Crown cars but for ease of identification a crown car with private use is referred to as Lease Car in this policy.

Reference in the policy to Public Transport Rate should read for Medical & Dental staff – Special rate which will be the equivalent to the current 9001 to 15000 miles rate for over 2000 cc for regular and standard users, regardless of vehicle's engine size.

Policy item 4.1 c & d

The costs incurred by employee are calculated in accordance with med & Dental circular PCS (DD) 2008/08 annex A items A & B

Policy Item 4.6

The Car Leasing policy review group recommended that the HMRC Company Cars – Advisory Fuel Rate be used for the appropriate cc of the base car. This uses a combined fuel rate to replace the urban cycle. It was considered to be a reflection of the actual mileage incurred for business use in Tayside. The policy was presented to various interested groups and was made available to all existing Lease car users for comment. As there were no negative comments received on this item the change was adopted as policy.

Section 6.4

Whilst the Board has ensured that within the contract with the lease car companies proper arrangements are made for the economic servicing, repair maintenance in a roadworthy condition the driver has a responsibility to ensure the roadworthiness on a day to day basis.

Item Number	A&C ref.	Med & Dental conditions paragraph
1.1	Annex M	304.a. To 310
2.1	Annex M (6)	304.a. to 310
2.2	Annex M (1)	306.a. to .g.
3.1	TCSH 17.2	304.b.
3.3	TCSH 17.2 – 17.4	304.d.
	TCSH 17.5	304.c.
	TCSH 17.2	304.b.
	TCSH 17.4	304.d.
10.1	TCSH 17.4	304.d

APPLICATION FOR LEASED CAR
(This form should be completed in full and sent to your Manager after reading the Car Leasing Policy – see StaffNet)

PART 1 – PARTICULARS OF APPLICANT			
Mr/Mrs/Miss/Ms/Dr*			
Home Address			
		Postcode	
Work Address (Base)			
Home Tel No		Work Tel No	Ext
Job Title		Mobile No	
E-mail		Pay Number (as per pay slip) T	

NI Number			
Date of Birth		Date of Birth of Partner +	

Current Car Status	I am Regular / Standard / Lease Car User*(delete as appropriate)		
Current Car Engine CC		Date passed UK Driving Test	
Estimated Annual Business Mileage ^		Estimated Annual Private Mileage^	

PART 2a – PARTICULARS OF VEHICLE REQUESTED – FIRST QUOTATION			
Manufacturer			
Model (Full Spec) (CAP Code if known)			Doors:
Engine Size in cc		CO2 g/Km (Max 150)	Petrol / Hybrid / Diesel* (delete as appropriate)
Colour Choice Exterior S=Solid, M=Metallic, P=Pearlescent	1 st	2 nd	3 rd
Colour Choice Interior	1 st	2 nd	3 rd

Optional Extras			
Towing – Permission Required YES/NO* Please specify type of tow bar required			
Date of Requested Delivery		Delivery to Home/Work*	

* Delete as appropriate

+ Enter only if partner will drive the car

^ Must be accurate as possible
(Business/Private in multiples of 1,000)

APPLICATION FOR LEASE CAR VEHICLE CONT'D

PART 2b – PARTICULARS OF VEHICLE REQUESTED – SECOND QUOTATION			
Manufacturer			
Model (Full Spec) (CAP Code if known)			Doors:
Engine Size in cc		CO2 g/Km (Max 150)	Petrol / Hybrid / Diesel* (delete as appropriate)
Colour Choice Exterior S=Solid, M=Metallic, P=Pearlescent	1 st	2 nd	3 rd
Colour Choice Interior	1 st	2 nd	3 rd

Optional Extras			
Towing – Permission Required YES/NO* Please specify type of tow bar required			
Date of Requested Delivery		Delivery to Home/Work*	

PART 2c – PARTICULARS OF VEHICLE REQUESTED – THIRD QUOTATION			
Manufacturer			
Model (Full Spec) (CAP Code if known)			Doors:
Engine Size in cc		CO2 g/Km (Max 150)	Petrol / Hybrid / Diesel* (delete as appropriate)
Colour Choice Exterior S=Solid, M=Metallic, P=Pearlescent	1 st	2 nd	3 rd
Colour Choice Interior	1 st	2 nd	3 rd

Optional Extras			
Towing – Permission Required YES/NO* Please specify type of tow bar required			
Date of Requested Delivery		Delivery to Home/Work*	

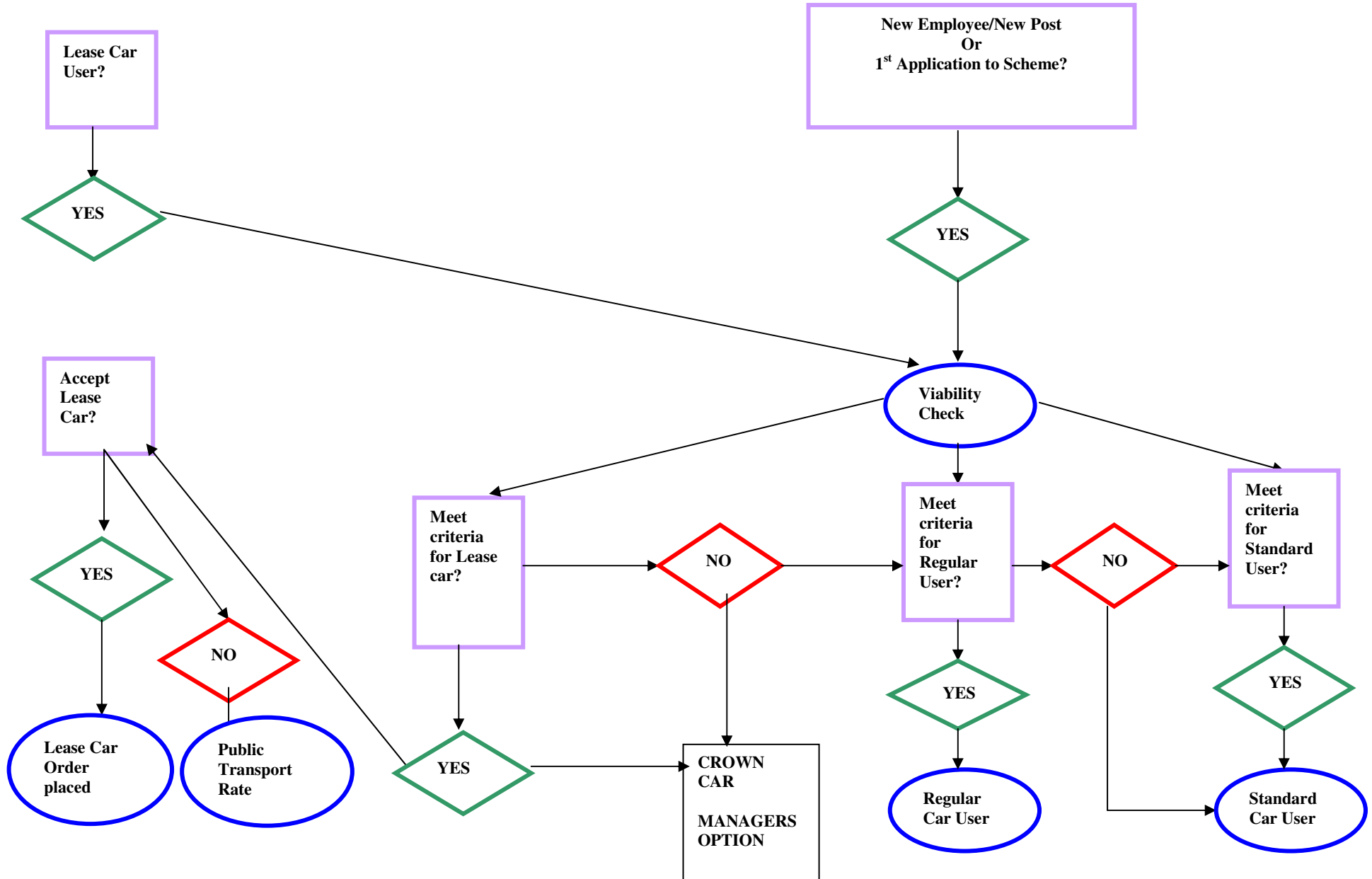
* Delete as appropriate

APPLICATION FOR LEASE CAR VEHICLE CONT'D

PART 3 – INSURANCE DETAILS			
Please enclose a black & white photocopy of your current driving licence photocard and its paper counterpart with your lease car application. Failure to do so will delay processing your application.		Licence Number	Date (s) of Birth
Persons 25 plus who have held a Full Driving Licence less than 1 year or Provisional Licence holders			
Persons between 21 and 24			
Persons under 21			
Learner Drivers			
Will the vehicle be used for private practice? (This applies to consultants, physiotherapists, podiatrists and any other employee provided that such use is directly related to their usual full-time occupation within the organisation)			YES/NO*
Have you or any member of your immediate family ever been disqualified from holding a Driving Licence?			YES/NO*
If YES, give details			
PART 4 - DECLARATION			
I declare that to the best of my knowledge and belief, the information given in this application is correct and confirm my understanding that it will form the basis of an agreement between me (the employee) and the organisation (the employer), which will be governed by its Car Leasing Policy and Protocol.			
Signed		Date	
Now pass this form to your Manager			
PART 5 – SUPPORT OF MANAGER			
Signed		Date	
Print Name			
Designation			
Base			
I confirm that the above employee has a contract of employment that is expected to last at least as long as the proposed lease.			
Now pass this form to the Car Leasing Team			
PART 6 – FOR COMPLETION BY THE CAR LEASING TEAM			
Allocated to Serial Number			
Signed		Date	
FOR OFFICIAL USE ONLY			
List Price (including extras)			
Extras (inc. VAT)			

* Delete as appropriate

IMPACT OF LEASE CAR POLICY - CAR USER DECISION MAP



**NHS Tayside
Lease Car Viability by User Type**

Appendix 4

Base Car = SKODA FABIA DIESEL ESTATE 1.6 TDI CR S 5dr 109g/Km CO2 (QUALEC*)

Regular User

	< 1000cc			1001 to 1500cc			> 1500cc		
Business Miles	Total Regular User Cost £	Total Board Base Car Lease Cost £	Viability Test	Total Regular User Cost £	Total Board Lease Cost £	Viability Test	Total Regular User Cost £	Total Board Lease Cost £	Viability Test
3000	1,464	2,806	NO	1,813	2,806	NO	2,177	2,806	NO
3500	1,613	2,883	NO	1,998	2,883	NO	2,397	2,883	NO
4000	1,761	2,960	NO	2,182	2,960	NO	2,617	2,960	NO
4500	1,910	3,037	NO	2,367	3,037	NO	2,837	3,037	NO
5000	2,058	3,113	NO	2,551	3,113	NO	3,057	3,113	NO
5500	2,207	3,190	NO	2,736	3,190	NO	3,277	3,190	YES
6000	2,355	3,267	NO	2,920	3,267	NO	3,497	3,267	YES
6500	2,504	3,344	NO	3,105	3,344	NO	3,717	3,344	YES
7000	2,652	3,421	NO	3,289	3,421	NO	3,937	3,421	YES
7500	2,801	3,498	NO	3,474	3,498	NO	4,157	3,498	YES
8000	2,949	3,575	NO	3,658	3,575	YES	4,377	3,575	YES
8500	3,098	3,652	NO	3,843	3,652	YES	4,597	3,652	YES
9000	3,246	3,729	NO	4,027	3,729	YES	4,817	3,729	YES
9500	3,335	3,806	NO	4,128	3,806	YES	4,930	3,806	YES
10000	3,424	3,883	NO	4,228	3,883	YES	5,043	3,883	YES
10500	3,513	3,960	NO	4,329	3,960	YES	5,156	3,960	YES
11000	3,602	4,037	NO	4,429	4,037	YES	5,269	4,037	YES
11500	3,691	4,113	NO	4,530	4,113	YES	5,382	4,113	YES
12000	3,780	4,190	NO	4,630	4,190	YES	5,495	4,190	YES
12500	3,869	4,267	NO	4,731	4,267	YES	5,608	4,267	YES
13000	3,958	4,344	NO	4,831	4,344	YES	5,721	4,344	YES
13500	4,047	4,421	NO	4,932	4,421	YES	5,834	4,421	YES
14000	4,136	4,498	NO	5,032	4,498	YES	5,947	4,498	YES
14500	4,225	4,575	NO	5,133	4,575	YES	6,060	4,575	YES
15000	4,314	4,652	NO	5,233	4,652	YES	6,173	4,652	YES

NB This table is provided as a guide only. The actual vehicle chosen, and the level of business and private mileage will determine the cost to the employee which is not shown. Viability to the Board is also affected by the level of business and private mileage which can vary substantially from case to case and which cannot be set out here for all combinations. Users with estimated business mileage slightly below the indicated viability levels may still therefore wish to consider obtaining quotations for a lease car which includes an actual viability check. In all cases the actual costs to the Board and to the employee are subject to quotation which the Car Leasing Team are happy to provide.

* **QUALEC** means a "Qualifying Low Emissions Car" with a CO2 output up to 120g/Km. **QUALECs** may incur a lower rate of Benefit in Kind Tax Liability, making this type of car more attractive to the employee and to the Board. NHS Tayside cannot give advice about personal tax matters and employees should contact their financial adviser, HMRC, or refer to the HMRC Expenses Guide 480 (2010) and search for "QUALEC".



EQUALITY AND DIVERSITY RAPID IMPACT ASSESSMENT

Name of Function/Policy/Strategy

CAR LEASING POLICY AND PROTOCOL

Workstream

Location of Function/Policy/Strategy

WORKFORCE

What are the main aims of your function/policy/strategy

To produce car lease policy for NHS Tayside

Is this a new/existing policy/function/strategy ?

Revised

What are the intended outcomes from the proposed function/policy/strategy?

To provide fair and equitable support to all staff who require to travel as part of their duties.

Priority: state whether high/low

Review Team: who is assessing or considering the assessment?

Names and titles of team members

<input type="checkbox"/> Ken Armstrong	Director of Operations
<input type="checkbox"/> Iain McEachan	Workforce Manager
<input type="checkbox"/> Allan Ramsay	Transport Manager
<input type="checkbox"/> Robert MacKinnon	Assistant Director of Finance

Role of assessment team

To update existing policy

When completed please attach to the policy prior to endorsement/approval at the relevant committee.

Item No	Considerations	Detail Impact and Identify Groups Affected	Document the Evidence/Research	Actions Taken/To be Taken
1.	Which groups of the population will be affected by the function/policy?	NHS Tayside staff		
1.1	Will it impact on the whole population?	No	NHS Tayside staff only	
1.2	<p>If not which groups of the population do you think will be affected by this function/policy?</p> <ul style="list-style-type: none"> • Minority ethnic population (including refugees, asylum seekers & gypsies/travellers) • Women and men • People in religious/faith groups • Disabled people • Older people, children and young people • Lesbian, gay, bisexual and transgender people • People with mental health problems • Homeless people • People involved in criminal justice system • staff 			

Item No	Considerations	Detail Impact and Identify Groups Affected	Document the Evidence/Research	Actions Taken/To be Taken
2.	<p>What impact will the function/policy have on lifestyles?</p> <p>For example will the changes affect:</p> <ul style="list-style-type: none"> • Diet & nutrition • Exercise & physical activity • Substance use: tobacco, alcohol or drugs • Risk taking behaviours • Education & learning or skills • Other 	<p>The policy promotes the effective and economic use of travel for the purpose of staff carrying out their duties.</p>	<p>The Car Leasing Policy takes into account the principles outlined in Section 17, Part 3, of the Agenda for Change Terms and Conditions of Service Handbook, Section 8 of the Consultant Conditions, Paras. 277 through 331 of the Hospital Medical and Dental Conditions and Section 23 of the General Council Conditions.</p>	

Item No	Considerations	Detail Impact and Identify Groups Affected	Document the Evidence/Research	Actions Taken/To be Taken
3.	<p>Does your function/policy consider the impact on the social environment? Things that might be affected include:</p> <ul style="list-style-type: none"> • Social status • Employment (paid/unpaid) • Social/family support • Stress • Income 	<p>The policy considers the impact the requirement for travelling has on NHS staff.</p>	<p>The scheme is voluntary and is offered to eligible employees. Employees will be charged the full cost for Private use.</p>	

Item No	Considerations	Detail Impact and Identify Groups Affected	Document the Evidence/Research	Actions Taken/To be Taken
4.	<p>Will the proposal have any impact on:</p> <ul style="list-style-type: none"> • Discrimination • Equality of opportunity • Relations between groups • Other 	<p>The policy will ensure fair and reasonable access to travel for staff to enable them to carry out their duties.</p>	<p>Lease cars are accessible to any employee of NHS Tayside who meets the conditions of the car lease policy.</p>	
5.	<p>Will the function/policy have an impact on the physical environment? For example will there be impacts on:</p> <ul style="list-style-type: none"> • Living conditions • Working conditions • Pollution or climate change • Accidental injuries/public safety • Transmission of infectious diseases • Other 	<p>The policy is designed to conform to NHS Tayside environmental policy and image.</p>	<p>The base car meets the low emission 5 door Compact (Euro C) model with an NCAP safety rating of at least 4.</p>	

Item No	Considerations	Detail Impact and Identify Groups Affected	Document the Evidence/Research	Actions Taken/To be Taken
6.	<p>Will the function/policy affect access to and experience of services?</p> <p>For example</p> <ul style="list-style-type: none"> • Healthcare • Social services • Education • Transport • Housing 	<p>No</p>		
7.	<p>Consultation</p> <p>1) What existing consultation data do we have or need?</p> <ul style="list-style-type: none"> • Existing consultation sources • Original consultations • Key learning <p>2) What new consultation, if any, do you need to undertake?</p>	<p>Feed back on the use of leased cars has been fed into the review of this policy.</p> <p>None</p>	<p>Transparent arrangements for meeting the NHS business use. Mileage rates are subject to regular review to take into account significant changes in fuel costs.</p>	

Item No	Considerations	Detail Impact and Identify Groups Affected	Document the Evidence/Research	Actions Taken/To be Taken
8.	<p>In relation to the groups identified</p> <ul style="list-style-type: none"> • What are the potential impacts on health? • Will the function/policy impact on access to health care? If yes - in what way? • Will the function/policy impact on the experience of health care? If yes – in what way? 	<p>None</p> <p>None</p> <p>None</p>	<p>The policy supports staff who are required to travel as part of their duties.</p>	

Item No	Considerations	Detail Impact and Identify Groups Affected	Document the Evidence/Research	Actions Taken/To be Taken
9.	<p>Have any potential negative impacts been identified?</p> <ul style="list-style-type: none"> • If so, what action has been proposed to counteract the negative impacts? (if yes state how) <p>For example:</p> <ul style="list-style-type: none"> • Is there any unlawful discrimination? • Could any community get an adverse outcome? • Could any group be excluded from the benefits of the function/policy? <p>(consider groups outlined in item 3)</p> <ul style="list-style-type: none"> • Does it reinforce negative stereotypes? <p>(For example, are any of the groups identified at item 3 being disadvantaged due to perception rather than factual information?)</p>	<p>The policy does not distinguish between any group of staff other than by the requirement to travel to carry out their duties.</p>	<p>The aim of the policy is to provide a fair and reasonable way of enabling staff to travel as part of their duties. The policy recognises the need for equity, economy and consideration of environmental factors to support its effective operation.</p>	

Item No	Considerations	Detail Impact and Identify Groups Affected	Document the Evidence/Research	Actions Taken/To be Taken
10.	Data & Research <ul style="list-style-type: none"> • Is there need to gather further evidence/data? • Are there any apparent gaps in knowledge/skills? 	<p>No</p> <p>No</p>		
11.	Monitoring <ul style="list-style-type: none"> • How will the outcomes be monitored? • Who will monitor? • What criteria will you use to measure progress towards the outcomes? 	<p>Through the policy review group</p>	<p>The policy will be reviewed in three years time from the date of agreement.</p>	
12.	Recommendations (This should include any actions required to address negative impacts identified)			

Item No	Considerations	Detail Impact and Identify Groups Affected	Document the Evidence/Research	Actions Taken/To be Taken
13.	Is a more detailed assessment needed? <ul style="list-style-type: none"> • If so, for what reason? 	No		
14.	Completed function/policy <ul style="list-style-type: none"> • Who will sign this off? • When? 	The Area Partnership Forum		
15.	Publication			

Rapid Impact Summary Sheet

Positive Impacts (Note the groups affected)

The aim of the policy is to provide a fair and reasonable way of enabling staff to travel as part of their duties. The policy recognises the need for equity, economy and consideration of environmental factors to support its effective operation.

NEGATIVE IMPACTS
(NOTE THE GROUPS
AFFECTED)

ADDITIONAL INFORMATION AND EVIDENCE REQUIRED

RECOMMENDATIONS

The Policy in it's revised form meets the criteria set down in terms of Equality and Diversity

FROM THE OUTCOME OF THE RIC, HAVE NEGATIVE IMPACTS BEEN IDENTIFIED FOR RACE OR OTHER EQUALITY GROUPS? HAS A FULL EQIA PROCESS BEEN RECOMMENDED? IF NOT, WHY NOT?

Having considered a wide range of equality and diversity issues the group believes there are no negative impacts identified. The Policy will have a positive impact on equitable access to a lease car and contribute to the level and quality of service provided to patients, clients and customers.

Managers Signature

Date 6th October 2010

Iain McEachan
Workforce Manager