

## TRUST-WIDE NON-CLINICAL POLICY DOCUMENT

# TRUST LEASE VEHICLE

Policy Number:	HR15
Scope of this Document	Applicable to Executive Directors, Trust Managers, all Staff (permanent, temporary and seconded), Medical Staff
Recommending Committee	HR Policy Group
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Lead Executive Director:	EXECUTIVE DIRECTOR OF WORKFORCE
Lead Author:	FINANCIAL ACCOUNTANT (ASSURANCE)

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2015 - Version 1.0

Quality, recovery and wellbeing at the heart of everything we do

# TRUST LEASE VEHICLE

## Further information about this document:

Document name	<b>HR15 Trust Lease Vehicle Policy</b>
Document summary	<p>This Policy describes the application of the Trust Lease Vehicle Scheme of Mersey care NHS Foundation Trust. It consolidates all previous policies.</p> <p>The scheme is available to all employees who meet the necessary criteria, or where the Trust has agreed a lease car as part of an employee's remuneration package.</p> <p>All employees will be expected to participate in the scheme if they are classed as economically viable.</p>
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To be read in conjunction with	<p>The employee's contract of employment  Sections 17 &amp; 18 and Annex M of the Agenda for Change NHS  Terms &amp; Conditions of Service Handbook  The Trust's Travel and Subsistence Policy – HR24</p>
<b>This document can be made available in a range of alternative formats including various languages, large print and braille etc</b>	
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## Version Control:

		Version History:
1.0	First re-write (recommended by Mike Jones)	06/02/2015

**SUPPORTING STATEMENTS** - this document should be read in conjunction with the following statements:

### **SAFEGUARDING IS EVERYBODY'S BUSINESS**

All Mersey Care NHS Foundation Trust employees have a statutory duty to safeguard and promote the welfare of children and vulnerable adults, including:

- being alert to the possibility of child/vulnerable adult abuse and neglect through their observation of abuse, or by professional judgement made as a result of information gathered about the child/vulnerable adult;
- knowing how to deal with a disclosure or allegation of child/adult abuse;
- undertaking training as appropriate for their role and keeping themselves updated;
- being aware of and following the local policies and procedures they need to follow if they have a child/vulnerable adult concern;
- ensuring appropriate advice and support is accessed either from managers, *Safeguarding Ambassadors* or the trust's safeguarding team;
- participating in multi-agency working to safeguard the child or vulnerable adult (if appropriate to your role);
- ensuring contemporaneous records are kept at all times and record keeping is in strict adherence to Mersey Care NHS Foundation Trust policy and procedures and professional guidelines. Roles, responsibilities and accountabilities, will differ depending on the post you hold within the organisation;
- ensuring that all staff and their managers discuss and record any safeguarding issues that arise at each supervision session

### **EQUALITY AND HUMAN RIGHTS**

Mersey Care NHS Foundation Trust recognises that some sections of society experience prejudice and discrimination. The Equality Act 2010 specifically recognises the *protected characteristics* of age, disability, gender, race, religion or belief, sexual orientation and transgender. The Equality Act also requires regard to socio-economic factors including pregnancy /maternity and marriage/civil partnership.

The Trust is committed to equality of opportunity and anti-discriminatory practice both in the provision of services and in our role as a major employer. The Trust believes that all people have the right to be treated with dignity and respect and is committed to the elimination of unfair and unlawful discriminatory practices.

Mersey Care NHS Foundation Trust also is aware of its legal duties under the Human Rights Act 1998. Section 6 of the Human Rights Act requires all public authorities to uphold and promote Human Rights in everything they do. It is unlawful for a public authority to perform any act which contravenes the Human Rights Act.

Mersey Care NHS Foundation Trust is committed to carrying out its functions and service delivery in line with a Human Rights based approach and the FREDA principles of **F**airness, **R**espect, **E**quality **D**ignity, and **A**utonomy



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## 1. PURPOSE AND RATIONALE

### 1.1. Purpose

To set out the Trust's arrangements for the provision of a lease vehicle to eligible staff based on the criteria set out in this Policy and provide a clear understanding of the Trust's principles regarding the provision of a lease vehicle scheme. The Policy sets out the following:

- Duties and responsibilities;
- Terms of hire;
- Eligibility for obtaining a lease vehicle;
- Early termination of a lease

### 1.2 Rationale

As a public body the Trust has a duty to manage its resources efficiently and effectively. This Policy sets out the rules and guidance to be followed for the viability, application and provision of a Trust lease vehicle.

## 2. OUTCOME FOCUSED AIMS AND OBJECTIVES

The objectives of this Policy are to ensure that those eligible for a trust lease vehicle as part of their duties:

- Ensure that the expenditure is appropriate;
- Ensure cost effectiveness;
- Promote the reduction of carbon emissions where possible; and
- Fulfill the needs of both the trust and its employees.

## 3. SCOPE

- 3.1 This Policy sets out the details of the Terms and Conditions under which trust vehicle will be offered to eligible employees, under a Lease Vehicle Contract Hire Schedule, and in accordance with Agenda for Change NHS Terms and Conditions (Section 17).
- 3.2 The policy applies to all Executive Directors, Directors, managers and staff, including permanent, seconded and temporary staff.
- 3.3 All eligible employees will be expected to participate in the scheme if it is economically viable to do so.

## 4. DEFINITIONS

**Table 1: Definitions**

Term	Definition
Lease Vehicle	A vehicle that is provided under a contract hire agreement by a leasing company and is predominantly used for a combination of business and private use.
Business Travel	Travel arising as a result of official duties undertaken on behalf of the trust.
Base	A base is where an employee may be attached or report to or where correspondence is normally sent. It may not be a permanent workplace and it may not be where the employee's line manager has a base.

## 5. DUTIES

### 5.1 Chief Executive

The Chief Executive has delegated responsibility for ensuring compliance with the Policy to the Executive Director of Workforce

### 5.2 Executive Director of Workforce

The Executive Director of Workforce has strategic responsibility to ensure compliance with this Policy and the processes which underpin the Policy.

### 5.3 Directors, Divisional Directors and Senior Managers

Actively encourage sustainable transport options amongst staff wherever this is possible and lead by example in this regard:

Should ensure that all staff apply this Policy in a fair and consistent way.

### 5.4 All Managers

Managers are responsible for reviewing and approving lease vehicle applications within their areas of responsibility and should incorporate the principles contained within this Policy into their decision making and business planning.

Managers should:

- Actively encourage sustainable transport options amongst staff wherever this is possible and lead by example in this regard;
- Ensure that the Trust Lease Vehicle Policy is applied fairly and consistently;

- Identify those employees whose role requires them, during the course of their work, to be allocated a lease vehicle and to inform those employees of their responsibilities under this Policy;
- Check the Trust Lease Vehicle Viability Form for appropriateness and accuracy and authorise as appropriate

## 5.5 All Employees

Employees should:

- Apply this policy when making choices over travel arrangements;
- Maintain their allocated lease vehicle in a safe and roadworthy condition and ensure the vehicle is suitable for its purpose; and,
- Hold a valid driving licence.

## 5.6 Financial Accountant (Assurance)

The Financial Accountant (Assurance) will:

- Review the Policy and ensure that it remains compliant with Agenda for Change and HMRC requirements;
- Review all applications, and approve / decline them as appropriate by completion of the Trust Lease Vehicle Viability Form (Appendix A); and
- Liaise with the Trust Lease Vehicle Team based at NHS Shared Services regarding any issues with the running of the scheme and compliance with this policy.

## 6 PROCEDURE

### 6.1. Allocation of a lease vehicle – Terms of Hire

6.1.1 The allocation of a vehicle will commit the employee to a three-year agreement.

6.1.2 Whilst participating in the scheme the employee will be required to have the vehicle at their disposal for official business when required.

6.1.3 The Trust may offer a vehicle that is not new if it has been released following the termination of use by another employee. In such cases, the period of use will be the unexpired portion of the three-year period and the contribution will be based on the original charge when the vehicle was first supplied. This may involve negotiating the charge with the employee with the aim of reducing the early termination penalty to the Trust.

6.1.4 Employees will be required to sign a document accepting the quotation of costs and rules and regulations of use of the vehicle prior to the collection of the vehicle.

6.1.5 Journeys from Home to Work and return

The first daily journey from home to base and return home should be regarded as private mileage. Emergency calls from home should be considered as official mileage. If any

employee's base is changed, then in accordance with HMRC regulations, excess travel will not be payable.

#### 6.1.6 Cost to the employee

In return for private use of the vehicle, employees will be subjected to an annual charge, on a monthly basis, through deduction salary

### 6.2. Eligibility for obtaining a Lease Vehicle

6.2.1 The decision whether to allocate a lease vehicle to an individual is entirely at the Trust's discretion. However, when making this assessment the Trust will take the following factors into account:

- the job commitments of the employee, including the nature, frequency and urgency of the journeys to be undertaken
- the distances to be travelled. With the exception of the Board of Directors, the employee must travel a minimum of 3,500 business miles each year.

6.2.2 Any employee who is considering applying for a Trust lease vehicle (either a new application or a replacement) should complete the Lease Vehicle Viability Form found in **Appendix A**. This should be submitted to the Financial Accountant (Assurance) to verify eligibility (contact details on the form). The employee will be informed of the outcome and if eligible the request forward to NHS Shared Business Services to complete the quotation and ordering process.

6.2.3 Where the offer of a lease vehicle is made to an employee who subsequently decides to reject the offer, then any eligible mileage will be reimbursed at the Agenda for Change reserve rate which is applicable at the time the travel is incurred.

6.2.4 Where the Trust decides not to offer a lease vehicle to an individual then mileage will be reimbursed at the Agenda for Change standard user rate which is applicable at the time the travel is incurred.

6.2.5 Employees who are offered a lease vehicle will receive an annual allowance towards the annual rental cost:

Staff	CO2 Emissions <= 110g/km	CO2 Emissions >110g/km
Chief Executive*	£5,200	£4,200
Board Directors*	£4,700	£3,700
All other staff	£2,400	£1,400

\*see 6.3 below

6.2.6 Employees who, on the date that this Policy is ratified, have a lease vehicle will remain on their existing terms until their current lease vehicle comes to the end of its agreement term.

6.2.7 If the employee chooses a vehicle whose total lease cost (excluding VAT) is less than the annual allowance, the charge to the employee will be the total of the administration fee and 50% of the insurance cost applicable at the time the agreement is authorised.

6.2.8 The Government and HMRC regard the provision of a lease vehicle as a “benefit in kind” and therefore it is taxable as income. For further information please refer to:

[www.gov.uk/calculate-tax-on-company-cars](http://www.gov.uk/calculate-tax-on-company-cars)

6.2.9 Employees who qualify for a lease vehicle, and who transfer a vehicle from a previous employer, will be entitled to the terms of their previous employer’s lease vehicle scheme for that vehicle only. Any subsequent lease vehicles will be provided under the terms of the Mersey Care NHS Foundation Trust Lease Vehicle Scheme. This applies to employees who transfer to the Trust under a TUPE agreement.

### **6.3 Annual Salary Allowance**

6.3.1 The Chief Executive and Board Directors have the option to receive an annual allowance towards the annual rental cost of a vehicle (as per 6.2.5 above) or to receive a yearly salary allowance in addition to their basic pay.

6.3.2 The annual salary allowance will be:

- Chief Executive £3,600
- Board Director £3,200

6.3.3 The annual salary allowance will be paid in twelfths via the monthly payroll

### **6.4. Private and Business Mileage**

6.4.1 When requesting a quotation on the vehicle of their choice, the employee should specify their estimated business and private mileage for the duration of the three-year lease period. If at any point during the lease period, it becomes evident that the mileage has been significantly under estimated, employees are advised to let the Lease Vehicle Co-ordinator know as soon as possible, in order that the Lease Company can be informed and any revised costings applied.

The Lease Vehicle Co-ordinator can be contacted at:

[SBS-S.350monthlyteam@nhs.net](mailto:SBS-S.350monthlyteam@nhs.net)

Tel: 0330 123 5759

6.4.2 At the end of the three year lease period the total mileage travelled will be compared with the original mileage contracted for. If the mileage is above the contracted limit (see 6.1 above) the lease company will levy an excess charge upon the Trust. This will be re-charged to the employee based on the breakdown of private and business mileage incurred during the total lease period.

### **6.5. Miscellaneous**

6.5.1 Employees will pay for all petrol / diesel, together with oil and other fluids required outside normal repairs and servicing. Employees will be reimbursed in respect of petrol / diesel for official mileage. The rate of reimbursement follows the HMRC advisory fuel rates which are reviewed on a quarterly basis and uplifted into the trust’s e-expenses system. The rates can be found at:

[www.gov.uk/government/publications/advisory-fuel-rates/current-rates](http://www.gov.uk/government/publications/advisory-fuel-rates/current-rates)

- 6.5.2 Fixed penalty fines are the responsibility of the employee. Any fines issued by the Police, Local Authority or any other agency, will be passed to the employee for immediate payment. The lease company may charge an administration fee for re-directing any fines to the Trust or employee. This additional charge is also the responsibility of the employee to pay.
- 6.5.3 Using the vehicle for towing purposes is permitted, subject to the instructions in the vehicle handbook. The cost of towing equipment, and any electrical modifications will be passed onto the employee in full. Agreement by the lease company (via the Trust) must be obtained prior to any modifications being made.
- 6.5.4 The Trust will meet the cost of a standard alarm should the vehicle not be fitted with one.
- 6.5.5 The scheme includes AA / RAC or equivalent membership including 'Home Start' and 'Relay'. Full details of this will be included in the 'Driver's Information Pack' supplied with each vehicle.
- 6.5.6 The vehicle can be used for normal private and business use by the employee and one other named driver. Use by additional drivers may be arranged by agreement with the Trust. There may be an additional excess applicable for young and in-experienced drivers including learner drivers. Should a claim be made on the insurance then the additional excess costs will be passed onto the employee. In all instances, original driving licences (photocard) must be provided to the Trust for copies to be taken. This is for verification and yearly review purposes prior to the driver being authorised to drive.
- 6.5.7 An employee may take the lease vehicle abroad provided that permission is sought a minimum of 28 days in advance together with evidence of adequate insurance cover in accordance with the requirement of each country to be visited.
- 6.5.8 The Trust actively discourages the use of mobile phones whilst driving.
- 6.5.9 Smoking in a lease vehicle is prohibited in all circumstances.

## **6.6. Maintenance and Repairs**

- 6.6.1 The scheme provides for full maintenance which includes the cost of all servicing in accordance with the vehicle manufacturer's schedule, repairs, replacement tyres, batteries etc (subject to the terms of the individual vehicle).
- 6.6.2 Servicing and repairs will be carried out at service agents of the vehicle manufacturers that have been approved by the lease company. A driver's pack will be issued with each vehicle (and must remain with the vehicle throughout the lease period) which clearly details how the repair and servicing will be arranged and all costs will normally be settled between the nominated garage and the lease company.

## **6.7. Employee Responsibilities**

- 6.7.1 Lease charges are determined on the assumption that the vehicle will be kept in good condition. It is, therefore, in the interests of all parties that the condition of the vehicle is maintained, thus ensuring that the vehicle retains its book value at the end of the contract period and no additional costs are levied by the lease company when the vehicle is retained. If such costs are levied then these will be passed to the employee.

6.7.2 The employee has a specific responsibility for the following:

- Keeping the vehicle in a clean condition, at the employee's cost;
- At regular intervals, checking the oil, water, battery, brake and any other fluid levels, tyre pressures and the condition of tyres;
- Ensuring that the anti-freeze level is checked and maintained at the level recommended by the manufacturer;
- Reporting promptly any defects or problems;
- Ensuring that the approved garage carries out the servicing and maintenance of the vehicle at the recommended intervals;
- Obtaining approval for repairs above any limits specified by the lease company;
- Ensuring the security of the vehicle at all times;
- Ensuring the vehicle's roadworthiness in accordance with the legal requirements as if he / she were the owner of the vehicle; and
- All keys issued with the vehicle must be returned with the vehicle. The lease company may charge for any duplicate keys that may be required. This cost will be passed onto the employee.

6.7.3 The employee must inform the Trust immediately should he / she, or any authorised driver of the vehicle, receive points on their licence or have their licence withdrawn for any reason. Failure to notify the Trust may invalidate the insurance should a claim be made and may be treated as a disciplinary offence.

## **6.8. Early Termination of Lease**

6.8.1 The employee's eligibility to a lease vehicle will automatically be terminated on the termination of his / her employment with the Trust.

6.8.2 The employee's right to a vehicle may be terminated by the Trust at its discretion in the following circumstances (each case will be considered on its own merits):

- By the employee's breach of any condition of the scheme.
- In the event of the prolonged absence of the employee from normal duties.
- Where the employee's contribution cannot be recovered from his / her salary.
- When, in very exceptional circumstances, it is agreed that the employee may terminate their participation in the scheme.

6.8.3 The Trust reserves the right to pay any costs associated with the early termination of a lease vehicle in cases of ill health, death, redundancy or organisational change.

6.8.4 Employees who are absent for an extended period of maternity leave, may choose to continue the private use of the contracted charge or return the vehicle to the trust. If the vehicle is returned then any associated early termination costs will be the responsibility of the employee.

6.8.5 If the employee chooses to terminate his / her employment with the Trust for a reason not given in 6.3 above, then any early termination costs will be the responsibility of the employee.

6.8.6 If the employee is leaving the Trust the lease may be transferred to the new employer, subject to the consent of both the lease company and the new employer.

6.8.7 At the termination of the lease the employee may have the option of buying the vehicle at the current value, including and settlement or penalties for early termination levied by the leasing company.

6.8.8 Should an employee be expected to reach retirement age during the period of the lease, this should be brought to the attention of the Trust when requesting a quotation and if possible, a shorter lease period will be negotiated.

## **6.9. Normal termination of hire**

6.9.1 At the end of the three year lease agreement the vehicle will be appraised for condition by the lease company in the presence of the employee or Trust nominated representative. The employee will be required to reimburse the Trust the costs of bringing the vehicle into good condition, taking normal wear and tear into account.

6.9.2 The contract of hire will be terminated for the allocated lease vehicle.

## **6.10. Insurance**

6.10.1 The scheme includes comprehensive insurance whilst the vehicle is used for both private and business use.

6.10.2 The employee is responsible for providing adequate insurance for all personal property left in the vehicle.

6.10.3 Insurance is extended to the employees partner or to members of the employees immediate family subject to original driving licences ( photocard) being provided to the Trust prior to driving the vehicle (copies will be taken and retained).

6.10.4 The insurance cover extends to learner and inexperienced drivers. An additional excess may be levied by the insurance company in such circumstances and this will be the responsibility of the employee. Insurance cover for private use is 'social, domestic and pleasure' only.

6.10.5 The cost of the excess will be paid by the Trust where the incident / accident takes place during business use and by the employee in all other circumstances.

6.10.6 In the event of theft, the insurance policy does NOT provide for a temporary replacement vehicle.

## **6.11. Accidents**

6.11.1 All accidents involving damage to the vehicle or personal injuries or injuries to a third party must be reported as soon as practical to the trust who will advise on the process of obtaining quotes for repairs in line with the requirements of the lease company.

6.11.2 In the event of an accident the following should be adhered to:

- Take the name, addresses and car registration details of all parties and witnesses involved;

- Report the incident to the Trust as soon as practical;
- Send all communication relating to the accident / incident unanswered directly to the Trust; and,
- If asked for details of insurance etc, advise the third party that the vehicle is leased to Mersey Care NHS Foundation Trust, who will provide all the relevant details.
- You must not:
  - Admit liability;
  - Negotiate or make agreement with anybody regarding your responsibility for the accident / incident;
  - Make or offer any payment to any third party;
  - Repudiate a claim without the agreement of the Trust; or
  - Arrange privately for any repairs.

## **7 CONSULTATION**

Reference has been made to the current guidance quoted in the Agenda for Change NHS Terms and Conditions of Service Handbook.

The Executive Director of Finance, Executive Director of Workforce, Director of Delivery, Mersey Internal Audit Agency Counter Fraud Officer and the Deputy Director of Finance have been consulted regarding the revision of this Policy.

## **8 TRAINING AND SUPPORT**

The Trust's Human Resources Department, Payroll Provider and Financial Accountant (Assurance) will provide ongoing support in the application of this Policy to ensure consistency across the Trust and that all staff are aware of its contents and key messages.

## **9 MONITORING AND REVIEWING**

### **9.1 Process For Monitoring Implementation**

9.1.1 The trust's Internal Auditors via departmental audits and detailed reviews at the request of the Audit Committee, who will review the findings.

9.1.2 Local Counter Fraud Specialists via investigations undertaken at the request of the Trust and as part of any Pro-Active reviews.

9.1.3 Budget Holders and Managers via the authorisation of requests for a Trust lease vehicle and the undertaking of expenditure reviews following receipt of monthly budgetary information.

## **APPENDICES**

Appendix A – Trust Lease Vehicle Viability Form

## Trust Lease Vehicle Viability Form

Please carry out a viability study in respect of a Trust Lease Vehicle for the following member of staff:

<b>Name:</b>	
<b>Assignment Number:</b>	
<b>Whole Time or Part Time:</b>	
<b>Base:</b>	
<b>Commencement in post:</b>	
<b>Contract Type (Permanent / Fixed Term)</b>	
<b>Current Lease Expiry Date:</b>	
<b>Estimated Business Mileage (per annum):</b>	
<b>Estimated Private Mileage (per annum):</b>	

I hereby confirm the above estimated annual mileage to be a reasonable estimate.

**Signed:** \_\_\_\_\_

**Designation:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Manager's Name:** \_\_\_\_\_

**Manager's Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Please send this form to:  
Mike Jones, Financial Accountant (Assurance)  
Finance Department  
V7, Kings Business Park  
Prescot  
Merseyside  
L34 1PJ  
[mike.jones@merseycare.nhs.uk](mailto:mike.jones@merseycare.nhs.uk)

**For finance use:**

<b>Mileage checked to e-expenses system:</b>	
<b>Trust annual allowance:</b>	
<b>Financial Cost Centre:</b>	