

**BRECKLAND COUNCIL**

**CAR LEASING SCHEME**

**EMPLOYEES GUIDE**

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### **CAR LEASING SCHEME ('THE SCHEME') – EMPLOYEES GUIDE**

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#### **Summary**

##### **Eligibility**

The following employees are eligible to participate in the car leasing scheme.

- (i) Essential Users
- (ii) Casual Users travelling in excess of 4,500 miles per annum.

##### **General Information**

- 1) Lease car contracts normally run for a three or four year period and will be considered on a case by case basis. If the lease is terminated during this period the officer may be liable for the early termination fee.
- 2) The cost to the employee varies according to the vehicle chosen and the salary grade of the officer.
- 3) There is a minimum charge. There are also tax implications.
- 4) Mileage in excess of the agreed contractual mileage limit is chargeable to the employee at the end of the lease.

## **BRECKLAND COUNCIL**

### **CAR LEASING SCHEME ('THE SCHEME') – EMPLOYEES GUIDE**

#### **1. General**

- (a) The Council will provide cars to employees within the scope of the Scheme, which can be used, subject to the Terms and Conditions of the Scheme, for business and private travel. The employees may be subject to a charge in respect of private use and will be able to reclaim from the Council petrol costs in respect of business use.
- (b) Staff wishing to apply for a car should study the Terms and Conditions of the Scheme before entering into a commitment. A copy of the current Terms and Conditions can be obtained from Asset Management.
- (c) The officer will not be eligible for the Scheme if he has been convicted of an offence, a result of which is to prevent the applicant from obtaining comprehensive insurance.
- (d) On entry to the Scheme, the officer will forego the current N.J.C. Conditions relating to travelling allowances and will continue in the Scheme until (i) expiry of the period of hire (at which time the officer will have the choice of entering into a new lease contract if eligible or reverting to the standard allowances system) or (ii) termination of the period of hire pursuant to the Terms and Conditions of the Scheme.
- (e) The Scheme includes A.A Roadside Assistance/R.A.C. equivalent, Relay or Homestart.
- (f) The selected vehicle must not exceed band C CO<sub>2</sub> emissions (150 g.).
- (g) The Terms and Conditions of the Scheme may be varied from time to time at the discretion of the Council.

#### **2. Eligibility**

- (a) The following will be eligible to participate:-

(i) Essential Users are

- a. Posts identified for recruitment and retention reasons (including Chief Officers, Service Managers and certain specialist posts)
- b. "Field" Workers

Field Workers are employees who have been designated by their Service Manager as workers whose essential workplace is 'in the field' i.e. workers whose essential duties could not be carried out without extensive and consistent activity in the community e.g. carrying out inspections of premises, home visits, enforcement activities.

- (ii) Casual Users travelling in excess of 4,500 miles per annum  
Casual Users are employees who use their car, from time to time, in carrying out their duties but who are essentially office based.

(iii) but, in either case, if the Council has previously terminated a car leasing agreement with the relevant officer before its expiry date, the relevant officer will be eligible only in the Council's absolute discretion.

(iv) If an officer terminates a car leasing agreement pursuant to any statutory right of the offer, he will not be allowed to participate further in the Scheme until the date on which that agreement would have expired.

- (b) Other staff may be allowed to participate at the Council's absolute discretion
- (c) Whilst participating in the Scheme, the officer's right to other Essential user travelling allowances will be suspended.

### 3. **Application**

- (a) Officers may select a car of their choice, (not exceeding band C CO<sub>2</sub> emissions -150 g.). subject to the Council's approval. The amount of the hire charge will depend on the salary grade of the applicant. Officers will obtain the necessary quotations for their selected car in order to submit an application.
- (b) If the officer has a car loan from the Council outstanding at the time of delivery of the leased car, he will be required to repay the loan in full immediately upon delivery of the lease car.
- (c) The Council reserves the right to offer a car that is not new if it has been released following the termination of use by another employee. In such cases, the period of hire will be the unexpired portion of the period of its availability and the hire charge will be calculated by the Head of Asset Management as appropriate.
- (d) Applications on the form supplied shall be submitted to the relevant Chief Officer for approval. The form is then submitted to the Head of Asset Management who will approve the ordering of the car, subject to the application being in accordance with the requirements of the Scheme.
- (e) The Head of Asset Management will notify the officer when the application is approved and will notify him of the hire charge payable to him. A date of delivery will be given as soon as it is available.

The hire charge payment will be based on the cost of the car to the Council at the date of delivery and is therefore subject to change after submission of an application. Every effort will be made to avoid such variations. The leasing period will commence from the date of delivery of the car to the officer.

### 4. **Insurance**

- (a) The insurance policy arranged by the Council for the leased car provides fully comprehensive cover (including windscreen).
- (b) Currently the policy contains a basic excess of £100.  
An additional excess of £100 is payable by drivers who are
  - a) under 25 years of age, or
  - b) aged 25 years and over and

- i) hold a provisional licence
- ii) have held a licence other than a provisional licence for less than 12 months.

**The excess payment is the responsibility of the officer concerned, regardless of fault.**

- (c) If there are no claims on the insurance by the officer, a certificate can be issued to the effect that there have been no claims which will be accepted by many insurance companies to enable a full bonus to be obtained in any subsequent car insurance.

**5. Accident and Damage**

In the case of an accident or other damage (however slight), details must be submitted immediately to the Admin Insurance Officer on an Accident Report Form supplied by the Admin Insurance Officer and action taken in accordance with the instruction supplied with the Report Form. Unless the instructions state that repairs may be carried out, advice will be given as soon as possible on the appropriate action that should be taken. The carrying out of any repairs is a matter for the employee.

**6. Maintenance and Repairs**

- (a) Servicing, maintenance and repairs must be carried out at a garage which is a main dealer for the vehicle concerned or is otherwise previously approved in writing by the Council.
- (b) The rentals charged to the officer are low on the assumption that the car will be kept in good condition and to the same high standard as if the car were owned by the officer. It is, therefore, in the interest of all parties that this standard is maintained, particularly in ensuring that the car has a high value when returned at the end of the lease period.

**7. Termination of Hire**

- (a) In the event of early termination of the Agreement, the officer may be required to reimburse to the Council the amount of any termination fee payable by the Council to the leasing company. There will be no charge to the employee where the Council has initiated the termination of the employee's contract.
- (b) Upon termination or expiry of the Agreement, it may (in the Council's absolute discretion) be possible for the officer to purchase the car on terms negotiated with the Council.

**8. Income Tax**

The provision of a car for officers is a taxable benefit.

**9. Administration**

The Scheme is currently administered by the Head of Asset Management, to whom all enquiries should be made.

**Section 10**

**Lease Car Authorisation**

**Name of employee requesting lease car:**

**Employee's job title:**

**Employee's salary grade:**

**File checked by:**

**Date checked:**

<b><i>Checks made before agreement given for employees to have new lease cars</i></b>	
Is the employee new or an existing employee?	
Is User Status Essential or Casual?	
New Lease or Renewal?	
Is the applicant at least 3 years below retirement age?	
Is the employee on a fixed term contract?	
Has the employee been given notice of redundancy?	
Name of Manager e-mail sent to check there is any other reason why the named employee cannot have a new lease car	

Approved: Yes/No

Approved By:

Date:

## Section 11

## TERMS AND CONDITIONS OF HIRE

### Restrictions

1. The Hirer shall not:-
  - (a) assign the benefit of this Agreement;
  - (b) sub-let this Agreement
  - (c) represent himself or hold himself out as being, or do anything or permit anything to be done whereby he may be reputed to be, the owner of the vehicle
  - (d) (save as is hereinafter expressly provided) part with possession of the vehicle;
  - (e) agree to or suffer any of the aforesaid acts;
  - (f) during the period of hire, use or suffer the vehicle to be used in contravention of any statute, statutory instrument or regulation for the time being in force and shall indemnify the Council against any costs, claims or other liability arising out of such contravention;
  - (g) sell, assign, transfer, charge or dispose of the vehicle or attempt to do so or suffer the same to be done
  
2. Any act or omission of any person authorised by the Hirer in accordance with the terms of this Agreement to use the vehicle shall for the purposes of this Agreement be deemed to be the act or omission of the Hirer.

### Accessories

3. (a) The Hirer may, at the discretion of the Council, specify at the time when the vehicle is ordered any accessories approved by the manufacturer of the vehicle which will thereon be fitted to the vehicle by the supplier – cost of such accessories will be reflected in the calculation of hire payments. The Hirer will remove at this cost, on termination of this Agreement, any accessories required by the Council to be removed. The Hirer shall not otherwise be entitled to remove from the vehicle either before or after the expiry of the period of hire any such accessories so fitted nor to claim from the Council any compensation therefore. A Hirer wishing to tow a caravan, boat or trailer shall obtain the prior approval, in writing, of the Head of Asset Management, which will not be forthcoming in the absence of written confirmation from the manufacturer or the manufacturer's authorised agent that the vehicle is suitable for the proposed towing. Any caravan, boat or trailer shall be towed only in conformity with all legal requirements relating thereto.
  
- (b) Except as permitted in sub-clause (a) above, no accessories may be fitted to the vehicle.

### Use of Car

4. The vehicle may be used for normal social, domestic and pleasure purposes by the Hirer and other persons authorised in writing by the Council's Head of Asset Management, who are properly qualified drivers. This includes provisional licence holders accompanied by a full licence holder at least 21 years of age, who has held a full licence for no less than three years. In the event of applicable regulations altering, provisional licence holders shall be accompanied in compliance with such regulations. The vehicle shall be

made available at all times (non-availability for repairs and servicing excepted) by the Hirer for Council business.

5. Use abroad may be permitted, subject to prior written application to the Head of Asset Management. The Head of Asset Management will arrange insurance cover, obtain the necessary approval of the lease company and give further instruction with which the Hirer shall comply. Application should be made by the Hirer at least one month before the journey commences. Maintenance costs are not covered when the car is abroad and are the Hirer's responsibility. AA breakdown insurance or equivalent must be taken out at the Hirer's expense. Breakdowns abroad are not covered by the normal AA/RAC subscription. The cost of such insurance must be paid for by the Hirer in advance.
6. All Council business mileage as far as is reasonably possible shall be undertaken in the vehicle, unless specific approval has been given to the use of other means of transport. Officers will be expected to travel by leased car rather than train, where this is cheaper to the Council and will make every effort to ensure that the method of travel chosen for any journey is the most economic for the Council.
7. Officers will be expected to travel by leased car rather than with an officer receiving essential or casual user payments at all times.

### **Insurance**

8. The insurance policy arranged by the Council for the vehicle provides fully comprehensive cover (including windscreen) for the Hirer on Council business and for the Hirer and other persons authorised in writing by the Council's Head of Asset Management for social, domestic and pleasure purposes.
9. The vehicle shall be used only by the Hirer and other persons authorised, in writing, by the Council's Head of Asset Management so to do except in the case of an emergency, in which event the Council, pursuant to the terms of its insurance policy, hereby gives consent to such other persons, not otherwise authorised so to do, to drive the vehicle.
10. Any person using the vehicle must hold a current driving licence. In the event of the Hirer or any other person authorised under Clause 9 of this Agreement ceasing to hold a current driving licence, the Hirer shall forthwith notify the Council's Head of Asset Management of this fact.
11. The vehicle shall be used only by the Hirer in the course of his employment with the Council or by the Hirer and any person authorised under Clause 9 of this Agreement for social, domestic or pleasure purposes and for no other purposes whatsoever.
12. The Hirer shall not use or permit to be used the vehicle in breach of Clauses 9, 10 and 11 of this Agreement nor for hire, reward, competition trials or pacemaking. The vehicle shall not be used for driving tuition except with the prior express authority, in writing, of the Head of Asset Management, and in accordance with any conditions contained therein.

13. The Hirer, having been supplied with details of the insurance cover relating to the vehicle and its use, hereby undertakes to observe all the requirements of the insurers and to do nothing which would invalidate such insurance cover and hereby agrees to pay the Council any excess as required for the said insurance cover in connection with the Hirer's or other declared drivers actual or deemed use of the vehicle.
14. Should the Hirer or a person authorised to drive the vehicle be convicted of any offence, other than a parking offence, in connection with any motor vehicle during the period of the Hirer's participation in the Scheme, and the Hirer or other such person is not consequently disqualified from holding a licence, the Council reserves the right to give written notice to the Hirer restricting the use of the vehicle and the Hirer shall comply with such notice. All such convictions must be notified to the Head of Asset Management immediately.
15. The insurance cover does not include cover for driving other vehicles (except other vehicles currently leased pursuant to the Council's Car Leasing Scheme and then only for use on official duties).
16. In the event of the vehicle being involved in an accident, the Hirer will be responsible for paying any excess required by the Insurers, regardless of fault.

#### **Accident and Damage**

17. In the case of an accident or other damage (however slight), details must be submitted immediately to the Head of Asset Management on an accident report form supplied by the Head of Asset Management and action taken in accordance with the instructions supplied with the report form. Unless the instructions state that repairs may be carried out, advice will be given as soon as possible on the appropriate action that should be taken. The authorisation of repairs is a matter for the Head of Asset Management in consultation with the Insurers.

#### **Relief Cars**

18. Where a vehicle is off the road for more than 48 hours, a relief vehicle may be provided if available and at the Head of Asset Management's discretion, if so requested by the Hirer. The Hirer shall observe all the provisions of this agreement in relation to the relief vehicle during the period of its use by the Hirer.

#### **Care**

19. The Hirer shall observe in relation to the vehicle the standard of care of a careful owner and (without prejudice to the generality of the foregoing) shall:-
  - (a) Notify the supplier through which the vehicle is supplied of any faults upon delivery and report to the Head of Asset Management, in writing, any serious faults which appear during the period covered by the manufacturer's warranty which have not been satisfactorily dealt with by the servicing garage.

- (b) Throughout the period of hire, report promptly to the Council any defects or symptoms of defects, which are not rectified in the course of routine servicing.
- (c) Ensure that routine servicing and maintenance and repairs are carried out at the intervals recommended by the vehicle manufacturer by a garage which is a main dealer for the vehicle or is otherwise previously approved in writing by the leasing company and report, in writing, any defects not rectified by the servicing garage.
- (d) Permit persons authorised by the Council to inspect the vehicle at any reasonable time and place upon being given reasonable notice of their intention to do so.
- (e) Co-operate with the Council and any third party nominated by the Council in obtaining the benefits of any warranty or guarantee given upon supply of the vehicle. Except in cases of emergency, the Hirer shall not incur expenditure, which would otherwise have been recoverable under warranty or guarantee.
- (f) Keep the vehicle clean and at regular intervals check and maintain all oil and other fluid levels and tyre pressures. Undue wearing of or damage to tyres shall be reported to the Council immediately and the vehicle shall not be used unless the tyres conform to all legal requirements relating thereto.
- (g) Take all reasonable precautions against frost damage and ensure that the anti-freeze content within the engine coolant system is of adequate strength.
- (h) Endeavour to keep the vehicle garaged during the hours of darkness and at all times to park the vehicle in such a manner as to minimise the risk of damage or theft. The vehicle shall not be left parked on a public highway overnight without good reason and the Hirer shall inform the Council of any change of address at which the vehicle may be housed, garaged or kept.
- (i) Bear the cost of cleaning, checking and maintaining oil and other fluid levels and tyre pressures and garaging as aforesaid.
- (j) Not alter, modify or remove any parts from the vehicle nor change any of the identification marks or numbers without prior consent, in writing, of the Council.
- (k) Conform to the recommendations and instructions contained in the manufacturer's handbook as to running – in speeds and use of the vehicle and comply with the Council's written instructions and recommendations as to care, maintenance and use of the same.
- (l) Not overload, overwork or otherwise subject the vehicle to stresses for which it is not designed, nor use the same to carry chattels for which it is not suited.
- (m) Not use the vehicle in any race, rally or trial.
- (n) Observe all legal requirements regarding the use and possession of the vehicle and exercise all reasonable care in keeping the same in good

condition, both mechanically and otherwise, and avoid loss of or damage to the same whether upon the public highway or elsewhere.

- (o) Reimburse to the Council, or at the request of the Council to the owner of the vehicle, any parking or other fines paid in respect of the vehicle, plus an administration charge equal to the fine, plus VAT.
- (p) Pay for all petrol, oil, antifreeze and other fluids required to maintain the manufacturer's recommended levels between the services of the vehicle.
- (q) Ensure that road fund licences are received and displayed by the due date.

### **Repairs and Servicing**

- 20. Upon delivery it is the hirer's responsibility to ensure, far as is reasonably practicable, that the vehicle is:-
  - (a) in a satisfactory condition, free from rattles, distracting noises, leaks, scratches and paint blemishes.
  - (b) fitted with parts and equipment in satisfactory working order and in compliance with all relevant legal requirements.
  - (c) in its entirety usable without danger to persons or property and without breach of any requirements of law.
- 21. Subject to being duly notified of any want of repair, the Council shall make such arrangements as may be necessary to have repairs and replacements carried out to the vehicle. The Hirer shall not be liable for the cost of keeping the vehicle in repair throughout the period of hire, except where the want of repair arises by virtue of any breach of the terms of this Agreement by the Hirer (in which case the Hirer shall be liable for the cost of repair).
- 22. The Hirer shall familiarise himself with the procedures and instructions for dealing with repairs to the vehicle whether arising by virtue of an accident or otherwise and the Hirer shall, at all times and in all respects, abide by such procedures and instructions.
- 23. The Hirer shall organise his workload to enable the vehicle to be serviced with as little effect on his work as is possible.

### **Costs borne by Hirer, payment of mileage and records required**

- 24. The Hirer will pay the hire payment and will also pay for all petrol, together with oil and other fluids required between servicing or repairs.
- 25. In the event of the rate of Value Added Tax or road fund licence or any other cost borne by the Council in connection with the provision of the vehicle being varied, the hire payments may be increased or decreased accordingly.
- 26. The official mileage rate will be a selected element within the Inland Revenue approved Rates – currently 12 pence per mile (as at 3.8.07.).

27. Payment of mileage will be added to the Hirer's salary monthly in arrears on production of certified mileage claim.
28. (a) The Hirer shall pay to the Council a supplemental charge ("the supplemental charge") at the rate of 5 pence (inclusive of Value Added Tax) per mile in respect of mileage of the vehicle exceeding the agreed contractual annual mileage as stated in the lease agreement, commencing on the commencement date of this Agreement and in any year commencing on an anniversary of such commencement date.

(b) In the event of early termination of this Agreement, the supplemental charge shall be payable in respect of the part year ending on the date of termination and shall be calculated by applying the formula –

$$\frac{\text{Actual number of days in part year}}{365}$$

multiplied by the private mileage figure referred to in sub-Clause (a) above.

(c) The supplemental charge shall be payable forthwith upon the expiry of the period of hire or earlier termination of this Agreement or if the Hirer's application for the vehicle shall have shown estimated private mileage exceeding the stated mileage in sub-clause (a) above, may at the Council's discretion be deducted on the basis of such estimate from any remuneration or any other payments due to the Hirer from the Council in which case at the expiry of the period of hire or on earlier termination of this Agreement the Hirer shall forthwith pay to the Council or the Council shall forthwith pay to the Hirer (as applicable) any amount due by way of under, or over, payment.

### **Termination**

29. (1) If any of the following events occur, the Council shall be entitled to terminate this Agreement by due notice in writing to the Hirer:-
- (a) The cessation of the Council's entitlement to possession of the vehicle under an agreement with any third party.
- (b) The vehicle, for whatever reason, becoming in the opinion of the Council (exercised in its absolute discretion), uneconomic to repair and/or to maintain or to continue to maintain.
- (c) The loss, whether by theft or otherwise, of the vehicle for three consecutive months.
- (d) The termination of the Hirer's contract of service with the Council whether by virtue of death, voluntary resignation, dismissal, redundancy, retirement, or otherwise.
- (e) The bankruptcy or insolvency of the Hirer.
- (f) The Hirer committing any breach of the terms of this Agreement, express or implied.
- (g) Failure to repay money due to the Council from the Hirer under a car loan agreement.

(h) The Hirer becoming disqualified from holding or for any reason ceasing to hold a valid licence entitling him to drive a car, unless suitable arrangements have been made to the entire satisfaction of the Council.

(i) The hirer becoming disentitled to receive any Job Based/Casual User's car allowance/fleet car, in accordance with the National Joint Council for Local Authorities' Schemes of Conditions of Service as a direct or indirect consequence of the exercise by the Hirer of his own free will or of the conduct of the Hirer.

(j) The Hirer being convicted of an offence or any other occurrence arising which results in the Hirer being deemed an unacceptable risk by the Insurers.

(2) If:

(a) the Council terminates this Agreement under sub-clause (1) above; or

(b) the Hirer terminates this Agreement pursuant to any statutory right of the Hirer

And (in either case) the Council's agreement with its leasing company under which the vehicle is made available for the purposes of this Agreement is thereafter terminated (by negotiation or otherwise) and the Council becomes liable under the terms of or as a result of such latter termination or otherwise to pay a termination payment to such company, then the Hirer shall be liable to pay forthwith to the Council an amount equal to such termination payment.

### **Return of the Vehicle**

30. Upon termination of the period of hire, the vehicle shall forthwith be returned to the Council in good condition. The Hirer shall pay forthwith to the Council any costs required to put the vehicle into good condition, insofar as such costs are incurred through deliberate abuse, wilful neglect or the breach of any of the terms of the Agreement by the Hirer.
31. In the event of the Hirer failing to return the vehicle to the Council on termination of this Agreement, the Council may repossess the same without being liable to any action or other proceedings at the suit of the Hirer or any person claiming under or through him.

### **Other Conditions**

32. The Hirer will take all reasonable steps to keep the vehicle free from any distress for rents, taxes, execution or other legal process and, if for any reason the same is (whether under legal process or not) seized or taken out of his possession or control, the Hirer shall immediately so inform the Council.
33. The Hirer will be liable for the vehicle's road-worthiness and is required to fully indemnify and keep indemnified the Council against parking fines or other liabilities arising from the way the vehicle is used, including but not limited to breaches of the Road Traffic Acts.

### **Payment**

34. The Hirer authorises the Council to deduct the hire payment and all other sums of money which fall due to be paid by the Hirer to the Council under the terms of this Agreement from any remuneration and/or superannuation benefits or any other payments due to him from the Council and covenants with the Council duly to pay the said hire payments and other sums of money as aforesaid.

### **Variation**

35. These Terms and Conditions may be varied from time to time by written notification by the Council to the Hirer.

**APPENDIX 1**  
**DETAILS ABOUT THE CURRENT SCHEME w.e.f 01.04.07**  
**NB These details are subject to periodic review.**

**1. General**

1. Any Essential User may request the provision of a leased car as an alternative to providing his or her own vehicle for work use. Under the leased car arrangements the employee will be reimbursed at the rate applicable to leased cars.

**2. Mileage**

1. The user will be reimbursed at 12 p per mile.

**3. Contribution**

1. The council will make an annual contribution to the cost of the scheme. This will operate at four levels depending on the grade of the employee, as shown below:

Salary grades 1 to 3 (c£50k to £115k)	£3,940
“ “ 4 to 5 (c£37k to £50k)	£3,345
“ “ 6 to 7 (c£28k to £37k)	£3,150
“ “ 8 to 12 (c£10k to £28k)	£3,010

2. Regardless of the Council's contribution the lease user will contribute a minimum of £41.59 per month to the cost of the vehicle. Where the lease fee for the selected vehicle costs more than the Council's contribution the employee will pay the full amount of the excess.

Example Grade 7 employee

Lease cost (annual)	£4,824
Contribution of Council	£3,150
Excess	£1,674

The employee annual contribution is therefore is £1,674 plus the minimum contribution ( $£41.59 \times 12 = £499.08$ ) = £2,173.08

The monthly payroll deduction would be £181.09

**When using the Annual Lease Cost to calculate the employee contribution, make sure that it includes servicing costs and VAT at the appropriate rate for both the lease charge and the maintenance. If these are not included, the calculation will yield an artificially low employee contribution.**

**APPENDIX 2 PROCESS FLOW at June 2007  
(Subject to Review)**

