



London Ambulance Service **NHS**
NHS Trust

Lease Car Policy

DOCUMENT PROFILE and CONTROL.

Purpose of the document: This document outlines the policy with regard to the provision of lease cars for staff below Director-level within London Ambulance Service NHS Trust (the Trust).

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***Version Control Note:** All documents in development are indicated by minor versions i.e. 0.1; 0.2 etc. The first version of a document to be approved for release is given major version 1.0. Upon review the first version of a revised document is given the designation 1.1, the second 1.2 etc. until the revised version is approved, whereupon it becomes version 2.0. The system continues in numerical order each time a document is reviewed and approved.

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1. Introduction

- 1.1 London Ambulance Service NHS Trust recognises that the role of many staff inevitably requires that they undertake regular travel in the course of their everyday duties.
- 1.2 The NHS terms and conditions handbook (Section 17) allows that “Employers may offer lease cars to employees whom they require to be mobile and where they deem it in the interest of the service to do so” (paragraph 17.2)
- 1.3 Subject to the eligibility criteria outlined in this policy statement, the Trust has decided to offer the facility of a lease car to support key staff in fulfilling their role and duties.
- 1.4 This document outlines the policy with regard to the provision of lease cars for staff below Director-level within London Ambulance Service NHS Trust (the Trust).
- 1.5 The aim of the lease car policy is to outline the framework within which the scheme will operate and against which decisions will be made regarding the allocation/offer of a lease car, taking into account the principles outlined in the national terms and conditions handbook.
- 1.6 The policy does not cover arrangements for recompense/ reimbursement of travel expenses for non-lease car holders, which are governed by the Trust policy and national agreements.
- 1.7 The policy is based on the following values and aims;
 - Reducing complexity
 - Improving transparency
 - Ensuring value for money
 - Improving environmental efficiency

2. National guidance/context

- 2.1 Annex M of the NHS terms and conditions handbook requires that local lease car schemes should take into account the following principles:
 - The scheme is voluntary and is offered to eligible employees
 - Employees shall be charged the full cost for private use.
 - Transparent arrangements for meeting the cost of NHS business use.

- Where arrangements are based on reimbursement of fuel paid for by the employee on a mileage basis, mileage rates should be subject to regular review to take account of significant changes in fuel costs.
- Employees shall be made aware as fully as possible of any tax implications of having a lease car.
- Local policies shall set out details of early termination costs and the circumstances in which these would apply, and where these would not apply, such as death in service. Wherever possible, provision should be made for options to be explored to obviate the need for the return of the car and early termination costs following a change in the employees circumstances, for example on transfer to another employer.
- The employer will be responsible for any excess insurance charges incurred during business use of the vehicle.
- Cars available through lease schemes shall be consistent with the proper use of public monies, NHS business needs and wider environmental considerations. Any employee choosing a car which falls outside the target vehicle excise duty range (see paragraph 6.11) shall pay the additional full costs of this.

3. Principles of the Policy

3.1 It is the view of NHS Employers and the national partnership working group commissioned to review mileage and travel arrangements in the NHS terms and conditions handbook that lease car policies provide an opportunity to influence employee choice and promote the corporate social responsibility requirements and expectations of the NHS as a major public sector employer.

3.2 The lease car scheme will use specified base allowances.

3.3 Vehicles provided are available for business and private use of the relevant post holders.

3.4 Vehicles are allocated to posts rather than post-holders – in other words it is the nature of the duties required which determines eligibility, not other matters such as seniority.

3.5 The Trust reserves the right to make changes to the lease car scheme where these become necessary for reasons of economy or business efficiency.

3.6 The Trust is committed to its corporate and social responsibilities, and will endeavour to consider steps to reduce vehicle emissions and eliminate unnecessary business mileage.

3.7 The Trust recognises that there may be circumstances where an employee (through personal choice) or the Trust (through need) requires the use of a specialist vehicle or one not covered by the general provisions of this policy. In these instances a written request must be considered by the appropriate Director. Should the request be supported it will be forwarded to the Senior Management Group (SMG) for consideration. Each case will be determined on its own merits and will not set a precedent for any other case. Should an individual request exceed the relevant allowance, or create an unfair tax burden on the employee (e.g. as a result of the Trust imposing a vehicle with high emissions on an employee), the SMG will consider the appropriate amounts payable by the employee whilst at all times being guided by the national principles about cost of private use.

3.8 All vehicles acquired under the scheme will be leased by the Trust rather than the post holder and will be subject to the following standard terms:

- Standard 36 month lease period.
- Full maintenance and service included.
- Breakdown and recovery service included with the appropriate provider.

3.9 The Trust recognises that, as vehicles will be required for private as well as business use, post holders should enjoy a degree of choice in the selection of a vehicle. However, it is imperative that vehicles procured through the scheme are compatible with the ethos, image and requirements of a public sector organisation.

3.10 In line with this requirement, choice for post-holders will not be restricted to particular makes or models, but vehicles acquired through the scheme should, as a guide, meet the following criteria:

- Vehicles should be capable of safely carrying additional personnel and equipment.
- All vehicles must have a minimum of four or five full size (adult) seats.
- All vehicles should have four or five doors.
- Vehicles should be restricted to saloon, estate or hatchback models, or 4X4 if such a vehicle conforms to the vehicle emissions requirements specified in this policy.
- Convertible vehicles, whether hard- or soft-top, are not permitted.

3.11 It is no longer felt to be appropriate to specify the chosen vehicle by reference to engine size in order to assess environmental impact, as fuel type and manufacturer/model make significant differences in this regard.

It is also the case that the system of calculating vehicle excise duty has changed and will again change in 2010, and that the duty is determined by reference to CO2 emissions. The base vehicle must therefore fall within current excise duty band E which is set at a range of 166 – 185 g/km, and allows for a range of vehicles to be selected by users, including some of 2.0 litre engine size and above. The aim and intention is to encourage lease car users to actively consider selection of vehicles within the emissions range.

N.B. The current rate (April 2009) of duty applied in band E is £175, and in April 2010 this band will be split into two, with new cars attracting £200 (new band H, 166-175 g/km, and £350 (new band I, 176 – 185 g/km).

3.12 In considering applications for lease cars, the authorising Director must consider the request against this definition/requirement and exercise his/her discretion and judgement.

3.13 The CO2 emissions threshold will be reviewed annually by the Director of Finance following advice from the Corporate Fleet Manager.

3.14 Departure from the above criteria will only be permitted in exceptional circumstances subject to the approval of the relevant Director.

4. Eligibility criteria

4.1 The key eligibility criteria for consideration for a lease car will be based upon the expectation that the duties of a particular post necessarily involve regular and significant travel on the business of the Trust. This situation may arise for a variety of reasons including:

- The role is corporate in nature and there is an expectation and requirement that the post-holder makes regular visits to sites throughout London or beyond on official Trust business.
- The role includes managerial responsibility for a number of sites covering a significant geographical area, and requires regular travel between the sites.
- The role includes out of hours responsibility which may require short-notice attendance at, or recall to, work.

4.2 Since the NHS terms and conditions handbook provides for regular or standard user mileage rates to be offered where a lease car is withdrawn by the employer, it is logical to be guided by these standards when considering eligibility for consideration of a lease car.

4.3 Regular users are classified as staff who:

- Travel an average of 3500 miles per year OR

- Travel an average of at least 1250 miles per year and necessarily use their car an average of 3 days per week OR
- Spend an average of at least 50 per cent of their time on such travel, including duties performed during the visits OR
- Travel an average of at least 1000 miles a year and spend an average of at least four days a week on such travel including the duties performed.

4.4 For consideration of eligibility for a lease car, the thresh-hold will normally be an expectation or requirement of at least 3500 business miles per year.

4.5 Directors will have discretion for posts which do not meet this requirement but for which a case could be made against the other criteria above. In particular, where total mileage may not be sufficiently high but the staff member is required to transport heavy or bulky equipment the consideration may be favourable.

4.6 Other considerations in determining whether an application is approved will include:

- Are journeys likely to be undertaken only in the London area?
- Would the use of a pool/hire car be more cost effective for the Trust?
- Could journeys reasonably be undertaken by public transport/private car, if this was more cost effective for the Trust?
- Will the post holder be on-call or require a vehicle to respond to emergency calls/ incidents outside of normal working hours?

4.7 The application of these criteria should result in savings through a reduction in lease vehicles and be environmentally sound by encouraging the use of public transport.

4.8 Applications for a lease car will be considered by and decided upon by the relevant Director, taking account of the criteria and principles of this policy and any national guidance.

5. Allowances

5.1 Approved lease car users in pay bands up to 8a will receive an allowance of £3000, and those in band 8b or above will receive an allowance of £3818 (inclusive of any optional extras specified for the vehicle). These rates have been set based upon an assumption of total of 12,000 miles per annum of which 3,500 are business and 8,500 private.

5.2 The lease car allowances will be reviewed annually by the Director of Finance in consultation with the Director of Human Resources. Any revisions will be subject to approval by the SMG and applied on the next occasion a vehicle is procured for a post holder.

6. Personal Contributions

6.1 Currently, the cost of insuring lease vehicles is borne by the Trust and the premium does not specify allocation of costs between business use and social, domestic and pleasure use, nor any additional cost for extension to other drivers (partner/ children etc). However, these arrangements are under review and may be altered for future lease contracts. Full details will be provided as necessary.

6.2 Assuming the lease cost of the vehicle is no more than £3000/ £3818 as appropriate then no further contribution to the leasing of the vehicle will be required.

6.3 Should a tax liability arise due to a variation in the balance between business and private mileage, the lease car users will be liable unless the business mileage has significantly reduced due to a change in the demands of the job.

7. Travelling Expenses

7.1 The Trust will reimburse lease car users for business mileage at the rates published by HM Revenue & Customs. The rates vary by engine size and type and are subject to periodic review by HM Revenue and Customs.

7.2 In line with Her Majesty's Revenue and Customs (HMRC) guidance, it is the responsibility of all staff to bear the cost of travel to their place of work. Reimbursement will be made only for legitimate business travel., Users are reminded when making claims for reimbursement of business mileage that breaking a journey to visit trust premises nearer than the usual place of work, and claiming the balance of the journey as legitimate business mileage, may not satisfy the HMRC requirements and could lead to an additional tax liability.

7.3 Claim Forms for the reimbursement of business mileage are to be completed and submitted for approval, usually by the next-in-line manager, and payment within reasonable time i.e. no later than 3 months after the costs have been incurred. Depending upon the circumstances, claims submitted outside of this period may not be accepted.

7.4 In submitting a claim for reimbursement the lease car user certifies that all mileage claimed has been necessarily incurred as a legitimate business

requirement in fulfilling their employment duties. Any false or fraudulent claim could be deemed to constitute gross misconduct and lead to consideration of disciplinary action, including dismissal.

7.5 In approving claims for reimbursement of mileage, the authorising manager is confirming that she/he is satisfied that the business mileage was necessary and was legitimately incurred, and that the amounts claimed appear consistent with the journeys reported. If there should be any doubt as to the legitimacy of the claim, consideration must be given to investigation of the claim which could include reference of the matter to the Trust's Counter Fraud Specialist.

7.6 The Trust will not issue fuel cards for use by lease car drivers.

8. Insurance (see also paragraph 9.1)

8.1 The Trust will arrange insurance cover for all leased cars on a fleet basis. The insurance will be subject to periodic market testing and, as a result, insurance premiums may increase or decrease during the lease period of any given vehicle. Lease car users should be aware that, in this event, any personal contributions that may be in place are liable to increase or decrease accordingly.

8.2 The Trust will review the lease car insurance policy on a regular basis to ensure value for money.

8.3 Insurance cover will be provided on a comprehensive basis with each claim subject to an insurance excess.

8.4 The Trust will be guided by the national provisions regarding insurance excess incurred on business travel, but will take regard of the circumstances of and responsibility for the incident leading to the excess.

8.5 The Trust will make each post holder aware of the specific details of the insurance policy relevant to them.

8.6 A certificate of insurance will be issued to all lease car users on each occasion of insurance renewal and users will be notified of any changes to the insurance cover as and when these occur.

8.7 Lease car users should note that Trust-owned equipment, such as laptops etc, is not covered by the lease car insurance policy. Consequently such equipment should not be transported in a lease car unless absolutely necessary and, if conveyed, should be secured out of sight if the vehicle is unattended, e.g., in the boot area of the vehicle.

8.8 Similarly, cover for the theft of, or from, an unattended vehicle is excluded when the vehicle is:

- left unlocked
- left with the keys
- left with the windows or roof panel open
- reasonable precautions have not been taken to protect it.

8.9 The insurance cover applies in Great Britain, Northern Ireland, the Channel Islands, the Isle of Man and all member countries of the European Community. However, users must request and obtain written approval from the appropriate leasing company before taking leased vehicles abroad.

8.10 In the event of being involved in an incident, lease car users are to complete the appropriate accident report form (supplied by the insurance company) at the earliest opportunity regardless of whether the incident will result in an insurance claim. Accident report forms are available from Fleet administration and all lease car users should keep a blank form with their vehicle log book. The completed form should be forwarded to the Trust's Fleet administration department at Greenwich Ambulance Station for registration and subsequent transmission to the insurers. Comprehensive instructions for repair arrangements are detailed in the lease car procedure notes.

8.12 All insurance claims will be subject to an excess fee as detailed at the time of lease. Liability for payment of the excess fee will lie with either the Trust or the Lease Car User depending on the circumstances of the accident. Liability will be determined as follows:

8.13 If an accident occurs whilst the vehicle is in private use the lease car user will be liable for payment of the insurance excess regardless of the circumstances resulting in the accident. It should be noted that journeys from home to base and return are classed as private use.

8.14 Accidents which occur whilst the vehicle is in business use will be recorded and frequency/cost monitored through the Motor Risk Group. Where concerns arise about the frequency of incidents relating a particular lease car user then, in common with other trust driving requirements, that individual may be temporarily suspended from driving duties pending investigation and consideration of any training or re-training needs.

12. Contracted mileage

9.1 The procurement of vehicles will be based on a level of contracted mileage. The estimated annual mileage will be proposed by the lease car user, having taken into account both business and private mileage. These should be shown separately when making the application.

9.2 Historical data should be used, where available, to estimate business mileage and private mileage should be calculated on the basis of the employee's return mileage between home and base together with a reasonable approximation of the social, domestic and recreational mileage that they might reasonably undertake.

9.3 Where no historical data is available, for example on allocation of a vehicle to a new post, an estimation of the business mileage is to be made by the relevant line manager based on the nature of the role. Whatever the circumstances, the proposed level of annual mileage must be agreed by the relevant Director prior to submitting requests for vehicle quotations.

9.4 Lease car users are to monitor actual mileage against the contracted level and report any significant variations to their line manager as they occur.

10. Private Use of Vehicles

10.1 All lease car users, including individuals not employed by the Trust (see paragraph 10.3), must be in possession of a current full driving licence. The driving licence of all authorised users will be subject to an inspection not less than annually, or on demand should the Trust deem this necessary.

10.2 Lease car users are to notify the Trust immediately of any notice of intended prosecution, any endorsement on their driving licence, or of any conviction for a motoring offence. Similarly, the trust is to be notified of any medical conditions, permanent or temporary, that may affect an individual's licence entitlement, and may also be required to provide evidence of eyesight tests.

10.3 Lease car users may nominate to drive the vehicle other individuals, who will be automatically insured to drive the leased vehicle for private use providing that they meet the following criteria:

- The proposed driver is over 21 years of age (for drivers under the age of 21 see paragraph 6.1).
- The proposed driver holds a full driving licence and has a minimum of 12 months' driving experience on that full licence.
- The proposed driver adheres to the protocols and requirements set out in this policy, including those relating to health and to prosecution/endorsement of the licence.

10.4 Written approval, using the relevant form produced by the Trust, must be obtained for any person other than the user to drive a leased vehicle for private use. The provisions of paragraph 8.3 must be met, and the Trust reserves the right to decline use of the vehicle to any person whom it does not see fit to drive the vehicle.

10.5 Out of working hours leased vehicles must only be used for social purposes. Leased vehicles may not be used for the carriage of passengers for hire or reward or for any type of motor sport, including racing, rallying or pace making, whether on the public highway or on private land.

10.6 The Trust will not, under any circumstances, accept responsibility for parking or other fines (including non-payment of the congestion charge) incurred by lease car users. Payment of any such fine is the sole responsibility of the relevant lease car user.

11. Termination of Lease and Transfer of Vehicles

11.1 The standard lease arrangements will be for a fixed period of 36 months. Where the requirements of a post change and the criteria for a lease car are no longer met, or where a lease car user moves to a post which does not carry an entitlement to a lease car, options include:

- Allowing the user to retain the vehicle, on existing terms, for the remainder of the lease arrangement, but with no renewal or new lease vehicle beyond that point.
- Re-allocation of the vehicle to another user.
- Depending upon the reason for the change of post-holder status in terms of these arrangements, the Trust may agree to bear the cost of early termination.

11.2 This will be a matter for the consideration and decision of the relevant Director.

11.3 In exceptional circumstances, such as where an employee has been eligible for a lease car for many years but that eligibility is to cease, the Trust will give not less than 12 months' notice of the removal of the employee from the scheme. If necessary the existing lease will be extended by the requisite period in order for this requirement to be met. No other transitional arrangements, for example financial assistance with the purchase of a vehicle, will be available.

11.4 Where a lease car user voluntarily terminates the agreement, where he/she leaves the employment of the Trust, it is expected that the user will be liable for any early termination costs. Only where the Director/Assistant Director of Operations agrees that the vehicle can be properly utilised as a pool vehicle will such an option be considered. In making such a decision, the case must be made that there is a clear service requirement and justification for the particular vehicle in question, bearing in mind the underlying ethos of this policy.

11.5 In the event that a lease car user dies in service, the Trust will bear any costs arising from the surrender of the vehicle.

12. Tax Liabilities

12.1 Vehicles allocated through the lease car scheme will attract company car taxation which is based on a percentage of the car's price graduated according to the level of the car's carbon dioxide emissions (CO₂).

12.2 Lease car users will incur a tax liability. It is the responsibility of lease car users to ensure that they are aware of the extent of the tax implications when making their vehicle selection. Although the Trust has an obligation to submit returns to HMRC with regard to earnings and benefits in kind, liability and payment of tax is a matter between the individual taxpayer and HMRC.

12.3 For approved "blue light" users, the tax liability will be calculated by reference to HMRC approved guidelines. The list of approved and authorised "blue light" users will be regularly reviewed by the Director/Deputy Director of Operations.

13. Smoking, Eating and use of Mobile Phones etc whilst Driving

13.1 Staff **must not** use mobile telephones or other hand held electronic (or other) devices that distract them whilst driving any vehicle, including lease cars.

13.2 Where a mobile phone cradle and hands-free device is fitted to a Service vehicle, including a lease car, the use of the phone whilst driving is permitted in accordance with current road traffic and road safety legislation.

13.3 Using devices that are not within a suitable hands-free cradle places risks the safety of other road users and places them in danger. Staff cannot be in full control of a vehicle if they are using a hand-held mobile phone whilst driving, and may be deemed to be driving even if parked with the handbrake on and the engine running.

13.4 Hands-free phones are permitted as long as the phone is kept in a cradle, but drivers are still liable to prosecution if they fail to have proper control of their vehicle because their hands-free phone is distracting them. Use of a phone or similar device might justify prosecution on charges of careless or dangerous driving and the possibility of a fine or driving licence endorsement.

13.5 In cases where an accident occurs as a result of the use of a mobile phone, penalties can be far more serious. Such actions could also result in disciplinary action being instigated by the Service.

13.6 Similarly, eating or drinking whilst driving is likely to impair the ability of the driver to maintain full control of the vehicle, and could also lead to the considerations of action above.

13.7 Smoking in the workplace and any enclosed area is against the law, and consequently is not permitted in any service vehicle, including lease cars. Smoking in a vehicle may result in prosecution and/or consideration of disciplinary action.

14. Other considerations

14.1 Where an employee is offered a lease car but prefers instead to use their own vehicle rather than accept that offer, in accordance with paragraph 17.4 of the national terms and conditions handbook reimbursement of mileage allowance will be at the national public transport rates as set out in annex "L" to the handbook.

14.2 Where a lease car is withdrawn, but the criteria for the regular user allowances are met, then those rates of reimbursement may be claimed by the former lease car user (paragraph 17.5).

14.3 These arrangements will be effective from 1 April 2009.

IMPLEMENTATION PLAN	
Intended Audience	All LAS Staff
Dissemination	Available to all staff on the Pulse and to the public on the LAS website.
Communications	Revised Policy and Procedure to be announced in the RIB and a link provided to the document.
Training	If training is required indicate how this will be provided to relevant staff
Monitoring	This policy will be reviewed at intervals of not more than three years by the Assistant Director, Employee Support Services and the Head of Operational Support, or more frequently should this be required by the Trust or in response to changes to national terms and conditions.