

# Car Leasing



The contract Car Lease Scheme has now been closed. It is only open to employees who were in a Band 5 or above post on 1 December 2011 who retain a contractual right to the scheme.

## Process

There are 2 contractors for the scheme. Both contractors offer a variety of makes of cars. The scheme is administered on behalf of the council by Hammersmith and Fulham Fleet Team.

You can obtain prices for cars in which you are interested, by contacting Hammersmith and Fulham fleet team on 02087533215.

You may have any make or model of car subject to availability and the terms and conditions of the scheme. The Fleet Team will contact the hire companies and come back to you with a price. Prices quoted can only be guaranteed for 28 days and this guarantee is subject to manufacturers price increases, cost reviews and government tax increases.

When you place your order the Fleet Team will obtain a quote from both car lease companies and the least expensive quote will be offered to you. You are not free to individually negotiate a price with any of the contractors.

When considering quotes you will be able to choose from various mileage bands, which reflect your anticipated usage. The amount of miles accounted for in the bands will affect the price of the car.

Scheme members are required to sign the Order Form, which will be sent to you by the Fleet Team. This summarises the charges for the vehicle and the intention to debit your departmental budget annually for the repayments.

Once accepted you will be bound by the terms and conditions of this scheme, which may vary from time to time. If at any time during the period of your contract with the car lease company the Policy is amended, you will be notified of this.

## Cost to the employee

The Council's contribution to the scheme is based on your grade. You may use the Council's contribution to fund the whole cost of a cheaper model or part of the cost of a more expensive model. The Council may at any time vary the level of the contribution to reflect decreases /increases in the overall cost of lease cars.

### THE CONTRIBUTION TABLE

Your Band	Council's contribution for Car
Band 5	Up to £213 per month
Band 6 and above	Up to £234 per month

The monthly charge for the car hire is made up of:

- the road fund licence
- full maintenance and service costs
- AA/RAC membership (including home start, relay and repatriation cover)
- the monthly cost of the insurance premium

All members of the scheme are required to pay the same cost of insurance cover regardless of the model of car chosen.

The Council will only pay the contribution for your Broad Band. Any increases/decrease in the Council's contribution or insurance costs, road fund licence or VAT etc. will be passed on to you.

## Terms and conditions

The Car Lease Scheme is an optional benefit for employees in Bands 5 and above who were in post on 1 December 2011. Therefore this will not affect your right to a season ticket loan.

1. The contract will normally be for 3 years.
2. You can join the Car Lease Scheme at any time but will not be allowed to opt out during the period of the 3 year contract. However, at the end of the 3 year period you can either opt out or decide to buy your car. The price will be obtained on your behalf by the Fleet Team and is not negotiable. It will take into account the mileage, condition and residual value of the car.
3. You can apply to join the scheme by having your ELT member sign the Car Lease Request Form confirming your eligibility, and sending this to Hammersmith and Fulham Fleet Team.
4. You then obtain quotes for the models you are interested in, from Hammersmith and Fulham fleet team on 02087533215.
5. You do not need not drive the car yourself and you can nominate anyone who is eligible under the terms of the hire scheme to drive the car.
6. The person taking delivery of the car, and who is to drive it, will be required to show their current valid driving licence when they order the car.
7. Your right to a car within the scheme may be terminated by the Council in the following circumstances:
  - ◦ By the breach of any conditions of the scheme;
  - In the event of prolonged absence from your normal duties;
  - Where your contribution cannot be recovered from your salary
8. If your employment contract is terminated on the grounds of redundancy or ill health every effort will be made to minimise the financial effect that the return of the car has upon you.
9. If you leave the Council for any other reason you will need to terminate the car hire contract. You will be responsible for paying a penalty for early termination of the contract equivalent to 3 months total rental i.e. the full cost of the monthly

rental not 3 months of your monthly contribution. You may opt to buy your car at this stage at a price inclusive of termination charges, which will be decided by the hire company. If possible you can arrange to have the hire transferred to your new employer.

10. In cases of family leave you can retain the vehicle for private use until your right to return to work. The council will pay your contribution toward the cost of car lease for any period you are on less than full pay. No cash alternative is available. Upon your return to work (including any period when outstanding annual leave is taken) deductions from salary to fund your contribution will resume. If you do not return to work following your period of family leave, the termination of employment conditions apply. (see 8 above)

11. The annual mileage stated in the original quote / order can be amended in the first two years if you feel you are exceeding the stated annual mileage. This will result in an amended salary deduction. If you do not adhere to the stated mileage it will result in an excess mileage charge, which you will be liable for.

12. Rental charges are determined by the contractor on the assumption that your car will be kept in good condition. Under the terms of the contract the following are your responsibility therefore you must:

- - Observe the recommended running-in speeds where appropriate;
  - Conform to the instructions and recommendations in the manufacturer's handbook and other recommendations made by the contractor;
  - Ensure that servicing, maintenance and testing are carried out by the nominated garage at intervals recommended by the manufacturer;
  - Report defects promptly to the nominated garage or to the Fleet Team ;
  - Check oil, water, battery, brake fluid levels, tyre pressures and condition of tyres in accordance with manufacturers' recommendations;
  - Ensure that only drivers who qualify under the terms of the hire scheme, drive the car;
  - Ensure the reasonable security of the car at all times;
  - Keep the car in a clean condition,

13. Servicing and repairs can be carried out at a dealership convenient to your home. You may initially select the garage but it will need to be a main agent for your make of car, and willing to set up the necessary account facility.

14. All cars provided under the scheme are fitted with an immobiliser prior to delivery, if the standard vehicle specification does not include such a device.

15. The cars supplied will be to the manufacturers' standard specifications or as per optional extras offered. You will be responsible for the payment and maintenance of any 'extras' you have fitted after your car has been delivered. To ensure that

there will be no tax implications you must gain authority to have work carried out from the Fleet Team. You are not allowed to have bull bars fitted to any vehicle leased under this scheme.

16. Currently the following excesses are attached to the insurance policy covering your car:

- - £50 for all drivers
  - PLUS
  - Drivers under 21 - excess £250 Accidental Damage
  - Drivers 21-25 and/or drivers with less than 12 months experience under a full UK licence excess £175 Accidental Damage.
  - Drivers with drink/drug driving offences - excess £750 Accidental Damage.

17. You are responsible for ensuring that the car is not driven by anyone who is not covered under the scheme. You are also responsible for immediately reporting all insurance claims to the Fleet Team. Repairs will not be carried out until a satisfactorily completed claim form has been submitted.

18. The car can be used for normal and domestic pleasure purposes, by you or any other driver covered under the terms of the hire scheme. You may use it whilst undertaking business for the Council but other named drivers cannot use the car for business purposes without contacting the Fleet Team prior to doing so.

19. The lease car cannot be taken abroad for more than three months at any one time. The vehicle is covered with repatriation insurance and authority to travel abroad will be granted and dispatched within 5 working days of a request being made. The handbook you receive when you get your car gives you more details.

20. If you have a no claims bonus when you join the scheme you may wish to arrange for your insurer to keep a letter of statement on file so that it is available if you leave the scheme.

21. Fixed penalty fines are your responsibility and you must make arrangements for the appropriate payments to be made. If you do not pay fines promptly, the Fleet Team will pay the fine by charging the cost to your departmental account code. You are then responsible for reimbursing the Council for the amount of the fine plus any additional fees or administrative costs that are incurred. A designated officer in your department will contact you to recover the charges for the department.

22. If you are given a replacement car under the contract it must be treated in every way as the original and must be returned within the required period when you have been advised that the original car is ready for collection. You should refill the tank

when you return the car otherwise you will be charged for the fuel used when running the replacement car.

23. Your right to a car within the scheme will be terminated if you leave your employment with the Council. For any queries you have during your period of contract hire you should contact Hammersmith and Fulham Fleet Team on 02087533215. Further details are contained in your driver's pack.

24. All cars in the scheme should be in good condition when they are returned to the hire companies either when you come to the end of the contractual period or if you should withdraw from the scheme for any reason. This is summarised as fair wear and tear.

25. At the end of the lease period you are required to make arrangements with the Fleet Team to return the vehicle to a location of mutual choice. It will be inspected in your presence by either a Fleet Team representative or by a collection agent operating on behalf of the leasing company to determine the degree of wear and tear. You will be required to sign an evaluation sheet to agree the precise state of the vehicle at that time.

26. Any damage that falls outside the fair wear and tear that has not been reported will be re-charged back to the officer.

## Tax position

The tax on a lease car is now based on the CO2 level of the car.

The workings are as below:

$(\text{Total list price} \times \text{CO2}\%) - (\text{Officer contribution} - \text{Council contribution})$

= Tax answer

$\text{Tax answer} \times 40\% / 12 = \text{how much you will pay each month}$

Although IBC Payroll will make an annual return to HMRC, it is in your own interest to also notify the tax office that you have a contract hire car and of the contribution that you pay. Providing you do this you should avoid receiving a large bill for back dated income tax.

Your tax liability resulting from participation in this scheme may be subject to change which is determined by the HMRC and will under no circumstances be the responsibility of the Council.

# Mileage claims

An individual on the car lease scheme will not be allowed to claim car user allowance. However for one-off journeys outside the City, which have been authorised in advance by the appropriate ELT member, a mileage allowance currently as per the table below can be claimed.

Engine size	Petrol	Diesel	LPG
1400cc or less	10p	11p	7p
1401cc to 2000cc	12p	11p	9p
Over 2000cc	17p	14p	12p

Contact Hammersmith and Fulham Fleet Team on 02087533215 for further details.

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