



East  
Northamptonshire  
Council

## Personnel Sub-Committee 29 November 2011

### Council car scheme

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#### Purpose of report

This report sets out information about the Council's Car Scheme and asks the Personnel Sub-Committee (PSC) to decide whether the scheme should:

- continue as it is
- be reviewed, which may include possible removal of the scheme.

#### Attachment(s)

Car Scheme Handbook - **Appendix A**

Financial analysis of removing the Car Scheme – **Appendix B**

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#### 1.0 Introduction – about the Car Scheme

- 1.1 The Council's Car Scheme is open to:
- Chief Executive and Executive Directors
  - Heads of Service
  - Employees whose posts are classified as essential car users.
- 1.2 The allowance an individual receives is dependent upon their grade. Current car allowance levels per annum are:
- |                      |                                      |
|----------------------|--------------------------------------|
| - Chief Executive    | £6,710 (£26,840 over a 4 year lease) |
| - Executive Director | £6,480 (£25,920 over a 4 year lease) |
| - Head of Service    | £5,420 (£21,680 over a 4 year lease) |
| - Essential Car User | £3,500 (£14,000 over a 4 year lease) |
- 1.3 Car allowance levels have remained unchanged for several years and include the cost of:
- the car
  - car insurance
  - car tax
  - servicing the car
  - breakdown cover
- 1.4 An individual is free to choose the make and model of their car, although the Chief Executive can disallow the purchase of a car which he considers to be inappropriate. All cars purchased must have carbon emissions of no more than 200 grams of CO<sub>2</sub> per km.
- 1.5 Individuals can select a car that is worth more than the value of their car allowance. When that happens the individual will pay a personal monthly contribution towards the cost of their car, which is credited to the Council as a revenue receipt.
- 1.6 When an individual joins the Car Scheme, they accept a car on a four year agreement. If the individual terminates their agreement early, they become responsible for an early termination charge.
- 1.7 When the car is sold at the end of the agreement period, the sale proceeds are treated as a capital receipt if they are >£10,000 and, under accounting rules that we must apply, a revenue receipt if they are <£10,000. As the deal with employees is now a 4-year deal rather than a 3-year deal, receipts are generally <£10,000.
- 1.8 An organisation called Total Motion administers the Car Scheme on behalf of the

Council. This includes arranging car services and dealing with breakdowns and tyre repairs.

- 1.9 Individuals who have a car under the Car Scheme receive a fuel allowance of 11 pence per mile. This compares to 45 pence per mile for essential car users who have their own vehicle.
- 1.10 Full details about the Council's Car Scheme are provided in the Car Scheme Handbook contained in **Appendix A**.

## 2.0 Comparing the cost

- 2.1 The information contained in this section of the report is provided to Councillors to help inform them what will happen if the Car Scheme is removed. The information is based on there being no change to the Council's existing essential car user allowances.
- 2.2 The Council currently has 59 individuals whose jobs are designated as requiring essential car user status. Of those, 17 have a car under the Car Scheme and the remainder receive the following car allowances:

2.3

|                              | 451 – 999cc | 1000 – 1199 cc | 1200 – 1450cc |
|------------------------------|-------------|----------------|---------------|
| <b>Essential Users</b>       |             |                |               |
| <b>Lump sum per annum</b>    | £846        | £963           | £1,239        |
| <b>Fuel allowances</b>       |             |                |               |
| <b>Per mile first 10,000</b> | 36.9p       | 40.9p          | 45p           |
| <b>Per mile after 10,000</b> | 25p         | 25p            | 25p           |

**Table 1 – essential car user allowances**

- 2.4 The annual lump sum detailed in Table 1 is paid in line with the Green Book National Joint Council (NJC) for local government services which covers pay and conditions of service for local authority employees. The fuel allowances contained in Table 1 were locally negotiated and are paid in line with HMRC recommended fuel reimbursement rates.
- 2.5 If the Car Scheme is removed, and there is no change to the Council's existing essential car user allowances, all 17 individuals who currently have a council owned car will become eligible to receive the annual lump sum payment and increased fuel allowance (they currently receive 11 pence per mile – see paragraph 1.8).
- 2.6 An analysis of the impact this would have financially is provided in **Appendix B**. The analysis is based on:
- there currently being 17 individuals in the Car Scheme
  - estimated total annual mileage for individuals in the Car Scheme (10/11 – based on current fuel claims)
  - existing essential car user allowances (see Table 1)
  - existing car allowances (see paragraph 1.2)
  - capital costs to fund car purchases, as set out in the capital programme.
- 2.7 In summary, the financial analysis shows that, taking into account the above facts over an average four year period, the financial impact of removing the Car Scheme would:
- reduce capital spending by £67k per annum
  - increase revenue spending by £39k per annum.
- 2.8 The impact on revenue is caused by the payment of essential user allowances and increased mileage rates (see 2.3 above) combined with the loss of revenue receipts

from user contributions (see 1.5 above) and sale proceeds of the vehicles after 4 years (see 1.7 above).

### **3.0 Communication to existing council car owners and essential car users**

3.1 All individuals who currently have a car under the Car Scheme, and all essential car users, have been informed that no further car orders will be placed until a decision is made about the future of the Car Scheme.

3.2 If anyone has a car that is reaching the end of its agreement period, the agreement will be extended until a final decision is made by PSC.

3.3 It is known that there are currently four people who are due to place a car order:

- two already have a car under the Car Scheme
- two are requesting their first car under the Car Scheme.

3.4 They have been advised that their car orders have been placed on hold.

3.5 Unison has been made aware of this.

### **4.0 Financial implications**

4.1 The financial impact of removing the Car Scheme is contained in Section 2 and **Appendix B**. This is an initial analysis and further analysis should be undertaken if PSC decides to review the scheme.

### **5.0 Legal implications**

5.1 There are no legal implications at this time. However, if the scheme is reviewed with significant changes or with a view to discontinuation, the legal implications in respect of employees' contracts of employment should be reassessed at that time and where possible the risks be mitigated.

### **6.0 Risk implications**

6.1 The Car Scheme has been in operation for a long time although it has recently been modified to extend the period of use for each car from 3 years to 4. In the current economic climate, where a car scheme could be considered by some to be an unjustifiable perk, it is considered appropriate to ask the PSC to decide whether it wishes to review the scheme.

6.2 If PSC is minded to change or remove the scheme, careful consideration will need to be given into how consultation takes place with affected employees and what, if any, action could be taken to mitigate any potential legal challenges and maintain employee morale. That might include some form of buy-out of the benefit.

6.3 Any of the 59 essential users could, in theory, apply for a car at any time. This could result in a significant, unbudgeted increase in capital expenditure. However, it would also result in a corresponding decrease in revenue costs as set out in **Appendix B**.

### **7.0 Equality implications**

7.1 There are no known equality implications at this time. An Equality Impact Assessment will need to be completed if Councillors agree to review the scheme.

### **8.0 Recommendations**

8.1 The committee is recommended to decide whether the Council's Car Scheme should:

- continue as it is
- be reviewed, which may include possible removal of the scheme.

8.2 Further to 8.1 above, should the committee decide to review the Car Scheme, it is recommended that a Councillor(s) from the PSC be appointed to work with Aime Armstrong, HR Manager, to undertake the review and report back to a future PSC meeting.

|   |                                   |           |  |           |  |
|---|-----------------------------------|-----------|--|-----------|--|
| <b>Legal</b>  | Power: Local Government Act 1972. |           |  |           |  |
|   | Other considerations:             |           |  |           |  |
| <b>Background Papers:</b>   |                                   |           |  |           |  |
| <b>Person Originating Report:</b> Katy Everitt – Head of Resources and Organisational Development |                                   |           |  |           |  |
| <b>Date:</b> 23 November 2011   |                                   |           |  |           |  |
| <b>CFO</b>  |                                   | <b>MO</b> |  | <b>CX</b> |  |
|   |                                   |           |  |           |  |

(Committee Report Normal Rev. 22)



East  
Northamptonshire  
Council

## Car Scheme



Things you need to know about  
the council's car scheme

# Introduction

This handbook provides you with important information about the Council's Car Scheme. Here's a summary of what's covered:

## **Section One** – Things you need to know before you order a car

- Who can join the scheme
- Your allowances
- Early termination of the agreement
- Other costs to you
- Your responsibilities

## **Section Two** – How to order your car

- Our Fleet Manager
- Getting quotes
- Your choice of car
- Carbon emissions
- Applying for a car
- Taking delivery of the car

## **Section Three** – Road fund licence, car insurance and travelling abroad

- Road fund licence
- Car insurance
- Travelling abroad

## **Section Four** – Servicing and repairs

- What's covered by your agreement
- Arranging for the car to be serviced

## **Section Five** – End of the agreement

- Returning the car
- Keeping the car

## **Section Six** – Contact details

## **Section Seven** - Forms

## Section One

### Things you need to know before you order a car

#### Who can join the scheme

You can join the car scheme if you meet one of the following criteria:

- a) Chief Executive and Executive Directors
- b) Heads of Service
- c) Employees whose posts are classified as essential car users

However, you cannot join the Car Scheme if you are:

- a) In your probationary period
- b) Under the notice of redundancy or retiring from the Council's service within 6 months
- c) Currently disqualified from driving or have unspent convictions within the meaning of the Rehabilitation of Offenders Act for: -
  - reckless driving; or
  - driving whilst unfit through drink or drugs; or
  - motor racing on the highway; or
  - theft or unauthorised taking of a vehicle without consent; or
  - any other driving offence of a serious nature
- d) Subject to a pending court case following a serious contravention of the Road Traffic Acts which would prevent insurance cover being obtained.

**Note** - Essential car user status is given to posts that require the post-holder to travel frequently in order to carry out the core activities of their job. The Executive Director decides, with the advice of the relevant Head of Service, which posts are classified as requiring frequent car use. Frequent is determined by the number of times business travel is required as part of an employee's role, not the amount of miles they travel.

#### Your allowances

##### Car allowance

Your car allowance depends on your grade. Current car allowance levels are:-

|          |  |               |
|----------|--|---------------|
| <b>A</b> | <b>Chief Executive</b>                   | <b>£6,710</b> |
| <b>B</b> | <b>Executive Director</b>                | <b>£6,480</b> |
| <b>C</b> | <b>Head of Service</b>                   | <b>£5,420</b> |
| <b>D</b> | <b>Essential User (all other grades)</b> | <b>£3,500</b> |

The car allowance value is reviewed annually; however when you take a car under the Car Scheme your allowance will not change until the end of your agreement for the hire period of that car.

##### Term of Agreement

The usual length of the car agreement is 4 years.

## **Mileage allowance**

If you have a car under the Car Scheme you will receive an allowance for the business miles you travel. This is a locally determined rate which is reviewed on an annual basis.

## **The cost to you**

### **Personal contribution**

Depending on the cost of the car and the value of your car allowance, you may need to pay a monthly contribution towards the cost of the car.

This is calculated by deducting your allowance from the cost of providing the car. Where the cost of providing the car exceeds your allowance, you will need to pay the difference in equal monthly instalments over the length of your agreement.

The cost of the car is worked out as follows:

- Purchase Price less estimated value of the car at the end of your agreement  
(= Capital Cost)

Plus:

- Maintenance and servicing costs (including Tax Disc)
- Any fleet management admin fee
- Insurance cost
- Other costs such as disposal fees
- Employer's Class 1A National Insurance
- Internal financing charge

This is calculated for you before you enter into an agreement to be provided with a car. Further information about how you get a quote is given in Section Two - How to order a car.

## **Part Time Employees**

Part time employees are able to join the scheme, but the level of Council contribution will be calculated pro rata to the employees contracted hours and the standard working week (currently 37 hours). For example an employee contracted to work 22 hours will receive  $22/37^{\text{th}}$  of the defined benefit.

## **Income Tax**

If you obtain a car under the Council's Car Scheme, it is likely that you will need to pay more Income Tax. This is estimated for you before you enter into an agreement to be provided with a car. You should seek external advice if you are concerned about tax implications.

## **Excess mileage**

You may need to pay an excess at the end of your agreement, if the total mileage of your car exceeds the mileage you estimated at the beginning of your agreement by more than 1000 miles.

This is because excess miles can impact on the value of the car at the end of your agreement. If this happens you will be told how much you need to pay and how it has been calculated.

You will be charged an excess mileage rate of seven pence per mile. This rate is reviewed annually by the Executive Director (Chief Finance Officer).

No charges will be made where the Executive Director (Chief Finance Officer) confirms that:

- The additional mileage is wholly the result of a change in your duties; or
- There are compassionate reasons for the increased mileage (for example, long-term illness of a close family member) necessitating additional travel.

## Early termination of your agreement

If you end your agreement early you might need to pay an early termination charge. We have identified some situations below when this could happen and we've included information about when you need to pay the charge. The list of situations is neither inclusive nor exhaustive and any event not covered below will be at the discretion of the Executive Director (Chief Finance Officer).

| Situation  | See Note    |
|--|-------------|
| Retirement on the grounds of having reached compulsory retirement age or at reaching 40 years Local Government service | (1) (2) (3) |
| Retirement on the ground of ill health   | (1) (2) (3) |
| Retirement in the interest of the service  | (1) (2) (3) |
| Re-deployment - either voluntary or compulsory   | (1) (2) (3) |
| Resignation or dismissal on the grounds of ill health or redundancy  | (1) (2) (3) |
| Resignation except as outlined above   | (4)         |
| Dismissal except as outlined above   | (4)         |
| Death  | (2) (5)     |
| Breach of scheme conditions, disqualifications from driving or ceasing to hold a driving licence                       | (4)         |
| You ceasing to be eligible for insurance   | (4)         |

### Notes

- (1) The car must be returned to the Council and no termination charge is payable.
- (2) The option to buy the car may be available.
- (3) The option to continue with the agreement until the end of the hire period may be available, subject to you paying the gross cost of the car plus VAT on a monthly basis.
- (4) The car must be returned to the Council and a termination charge may be payable.

- (5) No termination charge will be payable. Subject to insurance cover being applicable, the agreement may continue in force for two months following death, during which time the car will be available for the use of the spouse of the deceased, and no charge will be made for the lease rental. Other liabilities will remain the responsibility of the deceased employee's representative(s).

### **The Council's right to end the agreement early**

If any of the following events occur the Council will be entitled to end the agreement immediately, or after any dates specified in any notice required to be served under the Consumer Credit Act, 1974:-

- The entitlement to possession of the car ceases for any reason whatsoever including termination of the scheme;
- The car, for whatever reason, becomes uneconomic to repair or to maintain;
- The loss, whether by theft or otherwise, of the car for three consecutive months;
- The termination of the driver's contract of service with the Council;
- Any breach of these conditions express or implied;
- Absence from official duties for a long term period (including long term illness), such absence to be determined at the sole discretion of the Council;
- You fail to make agreed payments for the car.
- If you cease to hold a valid driving licence (which must be reported immediately to the Organisational Development team ext 2131).

### **Other costs to you**

You will also be responsible for:-

- All fuel and consumables (i.e. oil)
- Repair to dents, scratches, chips, punctures, etc deemed to be beyond normal fair wear and tear and not covered by the maintenance and servicing agreement.
- Any reduction in the final value of the car as a result of negligent use or lack of care.

### **Your responsibilities**

You must ensure you:

- Keep the car in good condition.
- Inspect the car carefully at the time of delivery and notify the supplier of any faults.

- Keep the car clean (both interior and exterior).
- Ensure servicing and maintenance is carried out in accordance with manufacturer's instructions.
- Check at regular intervals and top up the oil, water, battery, brake and any other fluid levels and check tyre pressures, depth of tread and condition of tyres at your own expense.
- Throughout the period of the agreement, report any defects in the car promptly to the servicing contractor.
- Take all reasonable precautions against frost damage and ensure that sufficient anti-freeze is used. Any damage to tyres caused by negligent driving or accidental damage must be paid for as well as all damage to light lenses/sealed units, windscreens and mirrors (unless as a result of an insured incident).
- Take other reasonable precautions to minimise the risk of damage to, or loss of, the car (i.e. keep it locked when unattended, keep in garage wherever possible).
- Do not alter, modify or remove any parts from the car or change any of the identification marks or numbers.
- Comply with the recommendations and instructions contained in the Manufacturer's Handbook.
- Do not overload the car or use it to carry goods for which it is not designed.
- Take responsibility for ensuring that all legal requirements relating to the safe use of the car are complied with particularly those relating to depth of tyre tread, lights, brakes and mechanical functions.
- Provide full details of any accident or conviction to the Organisational Development team immediately by telephone ext 2131 and thereafter in writing within seven days and comply with any instructions issued by the Chief Executive, or his representative.
- Arrange to have the car tested should your car require an MOT Test Certificate - i.e. 3 years after first date of registration to have the car tested. Under no circumstances must the car be used on a public highway without a valid MOT test certificate.
- Pay any fixed penalty fines or fines on conviction of an offence under the Road Traffic Act (including administration charges).
- Have the car available for work.
- If you are absent, due to illness, for a period of three months or more the Council reserves the right to request the return of the car until you return to work
- Do not must use the car for hire, reward, competition trials, pace-making or any other sporting competition.

- Do not transfer the car, or this agreement, to anyone else. You must not part with possession of the car except in accordance with these conditions.
- To pay the excess of £100 for any insurance claim.
- Understand that the car remains the property of the Council and the Council reserves the right to use the vehicles in pursuance of its functions.

## Section Two

### How to order your car

#### Our Fleet Manager

We get all our cars from an organisation called Total Motion. They will be able to advise on suitable vehicles and can arrange for test drives if required. The telephone number is 0116 2488160.

#### Getting quotes

You must get a quote from Total Motion of the cost of the car before a car can be ordered.

To get a quote you need to provide Total Motion with:

- Full details of the car you are considering including any extras you want to be added
- An accurate estimate of your total annual mileage (business and private)
- The value of your car allowance (see Section One – car allowance)

For example:

| <b>Car description</b>   | <b>Extras required</b>                           |
|--|--|
| Make: Ford<br>Model: Focus Zetec<br>Engine size: 1.6<br>Number of doors: 5<br>Manual/Automatic: Manual<br>Petrol/Diesel: Petrol<br>Colour exterior: Moondust silver<br>Colour interior: Tic toc silver | 1. Bluetooth Handsfree<br>2. Bi-Xenon headlights |
| <b>Estimated annual mileage</b><br>10,000  | <b>Car allowance</b><br>£3,500                   |

It is important that the information you give Total Motion is as accurate as possible because it could affect what you need to pay. You can ask for more than one quote.

When you have given Total Motion all the information they need, they will give you a quote. Your quote will tell you:

- If you need to pay a personal contribution
- How much you will need to pay each month

- How much your estimated monthly Income Tax payment will be for the car

Prices quoted are usually valid for 28 days. Organisational Development will provide you with a final quote before your order is submitted to Total Motion.

If you need an estimated delivery time before you place your order, please ask Total Motion when getting your quote. Their contact details are provided in Section Six.

## **Your choice of car**

You can choose from a full range of cars, including nearly new cars that are less than one year old and have done less than 10,000 miles.

You can select your car, or Total Motion can help you choose by talking to you and giving you recommendations, providing you with manufacturers' brochures and arranging test drives. If you find a nearly new car you are interested in you should discuss it with Total Motion.

The Chief Executive has the final say on the type of cars we purchase and may disallow the purchase of a car which he deems inappropriate.

## **Carbon emissions**

All cars must have carbon emissions of no more than 200 grams of CO<sub>2</sub> per km. Total Motion can tell you this, or it should be provided in the manufacturer's brochure or from their website.

## **Applying for a car**

Now that you have your quote, you can apply for a car. To apply for a car you need to complete

- a Car Scheme Application Form; and
- a Car Order Form

Both are contained in this handbook in Section Seven – Forms on pages 17 and 18.

## **Getting your forms signed**

You will need to give both forms to your Executive Director to sign, along with your driving licence.

After your forms have been signed by your Executive Director you must give them to Organisational Development. No order will be placed until OD receives the signed paperwork.

## **Taking delivery of the car**

### **Delivery dates**

Total Motion will notify you and the Organisational Development team of the delivery date and registration number of the car. Delivery is normally 3 months from placing the order.

If you do not receive a delivery date from Total Motion you should contact them on 0116 2488160.

## **Inspecting the car**

You must make sure that you are available on the date of delivery of the car so that you can inspect the car for defects with someone from the OD team. OD will complete an inspection form which you will need to sign.

The time of delivery of the car is not normally provided.

Minor defects will be noted by Organisational Development on the manufacturer's delivery receipt before accepting the car. The defects will then be corrected under warranty. Under no circumstances must you take delivery of a car without ensuring all defects are recorded on the delivery receipt.

## **Signing the Hire Agreement**

Before the car is released to you, you will be asked to sign a Hire Agreement with the Council. The form is in Section Seven page 20.

The car keys will be handed over to you when you have signed the Hire Agreement.

## **Section Three Road fund licence, car insurance and travelling abroad**

### **Road fund licence**

The Council will ensure that the car is covered by a current road fund licence. You must comply with any instructions issued by the Council and in no circumstances use the car without a licence. Organisational Development will provide you with new road fund licences as required.

### **Car insurance**

The Car Scheme includes comprehensive insurance cover for you for both private and business use plus one other named driver for private use. Copies of the insurance policy are available from OD.

Additional named drivers can be agreed at the discretion of the Head of Organisational Development.

Named drivers will not be authorised to drive if they are:

- Currently disqualified from driving or have unspent convictions within the meaning of the Rehabilitation of Offenders Act for: -
  - reckless driving; or
  - driving whilst unfit through drink or drugs; or
  - motor racing on the highway; or
  - theft or unauthorised taking of a vehicle without consent; or
  - any other driving offence of a serious nature; or
- Subject to a pending court case following a serious contravention of the Road Traffic Acts which would prevent insurance cover being obtained.

## **Applying for named drivers**

To apply for a named person to drive the car you must complete an additional driver application form which is contained in Section Seven on page 23.

You will need to give the form and the additional driver's driving licence to the Head of Resources and Organisational Development to authorise and sign.

The additional driver is not allowed to drive the car until authorisation has been given.

## **What to do in the event of an accident**

If you have an accident you must ensure you do the following:

- Obtain the name and address of the owner, the registration mark and the date and time the accident took place if the accident involves another car.
- Obtain the names and addresses of any witnesses to the accident.
- Report the accident to Total Motion who will handle the claim
- Report the accident to Organisational Development.
- Report it to the Police as soon as possible within 24 hours of it occurring if anyone was injured in the accident.

You should not:

- Admit any liability, negotiate or make any agreement with anyone regarding your responsibility for the accident or offer or make any payment to any Third Party.
- Send any communications you receive relating to claims or proceedings against you, unanswered to Organisational Development.

## **How do I get the car repaired after an accident?**

You will need to discuss this with Total Motion, telephone 0870 8508085. Repairs subject to an insurance claim will be carried out by garages approved by the insurer. You should not arrange the repair of any damage without first speaking to Total Motion. Failure to do so could mean that we are unable to recover costs through our insurance policy; you will then be liable for any such costs.

## **Where does the insurance cover me to travel?**

The insurance covers you to drive the car in any member country of the European Union, as well as Croatia, Iceland, Norway and Switzerland.

## **What's excluded in the cover?**

The insurance excludes cover for racing, pace-making reliability trials, competitions, rallies and trials.

## **Excess**

The insurance is subject to a £100 excess charge which is payable on all claims made against the Council's policy. An Uninsured Loss Recovery Policy is available to recover the excess from a third party in the event that an accident was their fault. If it is not possible to recover the excess you will be charged the £100 excess.

## **Windscreens and glass**

Windscreens and glass are covered by the insurance policy. You will need to contact Total Motion who will arrange for the glass to be replaced. The excess will apply to any claim you make for windscreen and glass repairs.

## **Replacement car**

No replacement vehicles are available through the maintenance or insurance agreements.

## **No claims**

At the end of your agreement, the Council's insurers can provide you with a no claims statement for each driver if required.

## **Travelling abroad**

You can take the car abroad, but you need prior agreement from the Council to do so.

You must contact Total Motion at least 7 working days prior to travelling abroad and confirm the dates you will be away, the countries you will visit and the names of the authorised named drivers who will be driving the car. Total Motion will issue you with a VE103, which you need to be able to drive abroad. You will be charged £10 +VAT for the VE103.

When travelling abroad you must ensure you have breakdown and repatriation cover. If the car's manufacturers cover has expired you must purchase your own cover.

You must also get written permission from Organisational Development to take the car abroad.

Any cost of maintenance, repair or replacement, excluding accident damage incurred when the car is outside the United Kingdom, may be reimbursed by Total Motion in accordance with the terms and conditions of the maintenance agreement.

You should also ensure that you are fully aware of any additional obligations (warning triangles, high visibility vests, first aid boxes) required by the country you are travelling to.

## Section Four Servicing and repairs

### What's covered

The Car Scheme provides full maintenance of the car which includes the cost of all servicing in accordance with the manufacturer's recommendations, mechanical or electrical repairs, replacement of tyres, batteries and exhaust, except **in the case of accidental damage or negligence**. If tyres need replacing due to accidental damage or negligence you will be charged a percentage of the cost based on the amount of tread remaining. If you have 2mm or less of tread remaining there will be no charge as this is when the tyres would automatically be replaced. Most new tyres have 8mm of tread.

For example:

| Number of mm of tread remaining on damaged tyre | Percentage recharge | Cost to driver if new tyre costs £60 |
|---|---------------------|--------------------------------------|
| 2mm   | Nil                 | Nil                                  |
| 3mm   | 16.66%              | £10                                  |
| 4mm   | 33.33%              | £20                                  |
| 5mm   | 50%                 | £30                                  |
| 6mm   | 66.66%              | £40                                  |
| 7mm   | 83.33%              | £50                                  |
| 8mm   | 100%                | £60                                  |

You must make sure the service record book is completed and stamped after each service.

The Council will ensure, as far as possible, that the car is in a satisfactory condition when it is delivered. During your agreement the Council will ensure the car complies with all relevant requirements of the law and will pay the cost of keeping the car in a proper state of repair except:-

- Where the repair arises because you have not following the conditions of your agreement
- Where the car is stolen and not recovered within 3 months of the theft
- Where the car is beyond economic repair

### Arranging for the car to be serviced?

You are responsible for making sure the car is serviced in accordance with the manufacturer's advice.

To arrange your service you need to contact Total Motion direct on the Service and Repair line, 0870 8508085.

## **Section Five**

### **End of the agreement**

#### **Returning the car**

At the end of your agreement you have two choices; you can either buy the car or return it to the Council.

If you want to buy the car you should contact Organisational Development at least two months before the agreement ends. You will be offered the vehicle at the CAP Clean price (trade value). You will then have one month to decide if you want to purchase the car.

If you do not want to buy the car, you must return the car to the Council on the end date of your agreement.

You must return your car keys to Organisational Development who will assess the car's condition in your presence. You will be responsible for any damage affecting the residual value of the vehicle which is not defined as "fair wear and tear", or which could have been repaired under the insurance cover.

You will be given the option of either making good the damage at your own expense or making a payment equal to the reduction in residual value.

Examples of fair wear and tear include:-

- Superficial scratches, scuffs, stone chipping and minor scratches to paintwork if the paint surface is not broken and undercoat or metal is not visible
- minor stains to upholstery, interior trim, carpets and headlining that can be readily removed with a proprietary cleaner
- wear to upholstery, carpets, bodywork commensurate with age and mileage.

Excess wear and tear includes:-

- Scrapes and scratches where paintwork is broken, i.e., where cutting will not restore the finish and repainting is necessary
- Dents or other impact damage to bodywork or bumpers; broken, cracked or chipped glass which could have been dealt with under insurance cover
- Tears, rips, cuts to seats, interior trim, carpets and headlining
- Any stains from oil, glue chemicals or other matter which cannot be removed using proprietary cleaners
- Damage not commensurate with normal business usage and mileage covered.

If the value of the car is less than the original estimated residual value through no fault of your own, you won't need to pay a penalty. Where the value is greater you will not receive any reimbursement.

## **Section Six**

### **Contact details**

The fleet is managed by a company called Total Motion Vehicle Management, our account manager who you can contact regarding quotations and test drives is Simon Hill.

Telephone 0116 2488160  
Mobile 07714 766980  
Fax 0116 2488161  
E-mail [Simon@totalmotion.co.uk](mailto:Simon@totalmotion.co.uk)

To arrange a service or repair contact Driver Support

Telephone 0870 8508085  
[www.totalmotion.co.uk](http://www.totalmotion.co.uk)

## **Section Seven**

### **Forms**

# Car Scheme Application Form

## 1. PARTICULARS OF APPLICANT

Name: \_\_\_\_\_ Mr/Mrs/Miss/Ms Payroll Ref: No \_\_\_\_\_

Home Address \_\_\_\_\_

\_\_\_\_\_ Post Code \_\_\_\_\_

Department/Section: \_\_\_\_\_ Ext No. \_\_\_\_\_

Post Title: \_\_\_\_\_

Official Mileage Last Financial Year \_\_\_\_\_

If not available over this period specify amount of mileage and period in question

\_\_\_\_\_ miles from \_\_\_\_\_ to \_\_\_\_\_ (inclusive)

Estimated Annual Private Mileage \_\_\_\_\_ (Last 12 months)

Do you have any outstanding Council Car Loan? \_\_\_\_\_

## 2. EMPLOYEE'S DECLARATION

I have read the conditions of the East Northamptonshire Council's Car Scheme and agree to be bound by them. I certify that the information I have given on this application is correct.

### MEDICAL STATEMENT

I certify that I have no physical or medical condition which might affect my ability to drive. I confirm that in the event of my developing such a physical or medical problem I will immediately inform the Executive Director (Chief Finance Officer) in writing.

**or**

I suffer from the following physical or medical condition which might affect my ability to drive safely. I therefore consent to a physical examination by a recognised medical practitioner in order to assess my ability to drive.

Signature of Applicant \_\_\_\_\_ Date \_\_\_\_\_

## 3. APPROVAL OF DIRECTOR

I certify that I have inspected the Officer's driving licence and enclose a certified copy.

I certify that the applicant is eligible for the car scheme, and that the car applied for is suitable for the Officer's duties.

DIRECTOR'S Signature \_\_\_\_\_ Date \_\_\_\_\_

***On completion please return to the Organisational Development together with completed car order form.***

# CAR ORDER FORM

**NOTE: PLEASE COMPLETE IN CAPITALS**

## DELIVERY ADDRESS

East Northamptonshire Council  
East Northamptonshire House  
Cedar Drive  
**THRAPSTON**  
Northamptonshire  
NN14 4LZ.

## **DRIVER DETAILS:-**

Full Name: \_\_\_\_\_  
Department \_\_\_\_\_ Ext. No \_\_\_\_\_  
Quotation No. \_\_\_\_\_ Projected Total Cost \_\_\_\_\_  
Estimated Annual Mileage:- Business \_\_\_\_\_ Private \_\_\_\_\_  
Subsidy Band \_\_\_\_\_  
Date Required \_\_\_\_\_  
Car \_\_\_\_\_ Supplier \_\_\_\_\_  
Contracted hours of work \_\_\_\_\_

## **VEHICLE DESCRIPTION**

MAKE \_\_\_\_\_ 1. \_\_\_\_\_  
MODEL \_\_\_\_\_ 2. \_\_\_\_\_  
ENGINE SIZE \_\_\_\_\_ 3. \_\_\_\_\_  
SPECIFICATION \_\_\_\_\_ 4. \_\_\_\_\_  
NUMBER OF DOORS \_\_\_\_\_ 5. \_\_\_\_\_  
MANUAL/AUTOMATIC \_\_\_\_\_ 6. \_\_\_\_\_  
PETROL/DIESEL \_\_\_\_\_ 7. \_\_\_\_\_  
LPG/CNG/BI-FUEL \_\_\_\_\_ 8. \_\_\_\_\_  
SALOON/HATCH/ESTATE \_\_\_\_\_ 9. \_\_\_\_\_

## **EXTRAS REQUIRED**

## **VEHICLE COLOUR CHOICE**

1. EXTERIOR \_\_\_\_\_ INTERIOR \_\_\_\_\_  
2. EXTERIOR \_\_\_\_\_ INTERIOR \_\_\_\_\_  
3. EXTERIOR \_\_\_\_\_ INTERIOR \_\_\_\_\_

## **ADDITIONAL INFORMATION**

\_\_\_\_\_  
\_\_\_\_\_

## **DRIVER DECLARATION**

I \_\_\_\_\_ have checked the above details and declare them to be correct.

**NB You get it wrong - you get the wrong car.**

Signed \_\_\_\_\_ Date \_\_\_\_\_

# ACCEPTANCE OF TERMS AND CONDITIONS

Having accepted delivery of the car detailed below:

Reg. No. \_\_\_\_\_ Make: \_\_\_\_\_ Model: \_\_\_\_\_

I agree to be bound by all terms and conditions of the Council's Car Scheme.  
In the event of my terminating the agreement before the agreed period ends I authorise the Council to deduct any charges outstanding or any termination charge as outlined in the scheme from my final salary except in circumstances where I have agreed an alternative method of payment acceptable to the Head of Organisational Development.

I further agree that where sums of money are due as a result of excess mileage or damage beyond fair wear and tear to the vehicle, these sums may be deducted from my salary except where I have agreed an alternative method of payment acceptable to the Head of Organisational Development.

I also authorise deductions from my salary where I incur fines and administrative costs as a result of parking or driving offences or in the event of premature termination of the lease as outlined on page 5 of the car scheme handbook. I understand that no deductions will occur without prior discussion with me.

I understand that I may be required to enter into a formal Hire Agreement before taking delivery of the car.

I further agree to authorise the Head of Organisational Development to deduct the sums specified in that Agreement from my salary.

I certify that the information which I have given on this acceptance is correct.

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_  
**Post Code:** \_\_\_\_\_

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

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## WITNESS

**Name of Witness:** \_\_\_\_\_

**Address of Witness:** \_\_\_\_\_

\_\_\_\_\_  
**Post Code:** \_\_\_\_\_

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

**EAST NORTHAMPTONSHIRE COUNCIL**  
**Hire Agreement Regulated by the Consumer Credit Act 1974**

TO: East Northamptonshire Council ("the Council")

**HIRER DETAILS**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Post Code: \_\_\_\_\_ Date: \_\_\_\_\_

**CAR TO BE PROVIDED ("the Car")**

Make: \_\_\_\_\_  
Model: \_\_\_\_\_  
Body Colour: \_\_\_\_\_  
Hatch/Estate/Saloon: \_\_\_\_\_  
Date of First Reg: \_\_\_\_\_  
Reg. No: \_\_\_\_\_

**PERIOD OF HIRE:** Maximum of \_\_\_\_\_ months commencing on the date of signature of this agreement by the Hirer, subject to the provisions for earlier termination set out below and in the terms and conditions of hire.

**HIRE PAYMENTS** £\_\_\_\_\_ per month. The first payment will be due \_\_\_\_\_ day of \_\_\_\_\_ and remaining payments will be due on the same day of each month thereafter until the agreement is terminated.

The Council may vary the hire payments in accordance with the terms and conditions of hire by giving the Hirer 14 days notice in writing at any time if:-

- there is a change in the rate of any Government taxes, such as Value Added Tax or Road Fund Licence.
- in exceptional circumstances the cost to the Council of maintaining all cars under the scheme is increased by the Fleet Management Company
- The employee substantially exceeds his/her estimated mileage.

The Hirer must indemnify the Council for any loss arising from any breach of the terms and conditions of hire including, for example, loss arising from the neglect or abuse of the car, or its use in contravention of the law.

**TERMS AND CONDITIONS OF HIRE**

These are set out in the document entitled Council Car Scheme which is available on the Council's intranet. The Hirer must read this document carefully because he/she will be bound by all its conditions if he/she signs this agreement.

**IMPORTANT - YOU SHOULD READ THIS CAREFULLY - YOUR RIGHTS**

The Consumer Credit Act 1974 covers this Agreement and lays down certain requirements for your protection which must be satisfied when the Agreement is made. If they are not the Council cannot enforce the Agreement against you without a court order. If you would like to know more about the protection and remedies provided under the Act you should contact either your local Trading Standards Department or nearest Citizens Advice Bureau.

Authorised signature on behalf of the Council \_\_\_\_\_ Date \_\_\_\_\_

**THIS AGREEMENT MUST BE SIGNED ON COUNCIL PREMISES**

This is a hire Agreement regulated by the Consumer Credit Act 1974. Sign it only if you want to be legally bound by its terms.

**Signature of Hirer** \_\_\_\_\_ **Date of Signature** \_\_\_\_\_

Under this Agreement the goods do not become your property and you must not sell them.



# Application for Additional Driver

|  |  |
|--|--|
|  |  |
|  |  |
| Name of Driver:  |  |
|  |  |
| Date of Birth:   |  |
|  |  |
| Relationship to main driver:                                 |  |
|  |  |
| Type of Licence Held:  |  |
|  |  |
| Driving Offences in last five years:                         |  |
|  |  |
| Details of accidents in last five years:                     |  |
|  |  |
|  |  |
| <i>to be completed by main driver</i>                        |  |
| Signed:  |  |
|  |  |
| Name:  |  |
|  |  |
| Date:  |  |
| <i>to be completed by Head of Organisational Development</i> |  |
| Approved:  |  |
|  |  |

## Appendix B - Financial Analysis

| Car Scheme  | 11/12          | 12/13         | 13/14         | 14/15         | 4-year total | 4-year average |      |
|---|----------------|---------------|---------------|---------------|--------------|----------------|------|
| <u>Current Scheme:</u>                                  |                |               |               |               |              |                |      |
| <b>No. of users:</b>                                    | 17             | 17            | 17            | 17            |              |                |      |
| <b>Revenue (Cost centre:</b>                            | £              | £             | £             | £             | £            | £              | £000 |
| Car Insurance AKF217/2811                               | 6,597          | 6,795         | 6,999         | 7,208         |              |                |      |
| Repairs & IAKB001/3121                                  | 17,500         | 17,500        | 17,500        | 17,500        |              |                |      |
| Staff Contr AKB001/9139                                 | -13,418        | -13,310       | -13,310       | -13,310       |              |                |      |
| NI Class 1 AKB001/3311                                  | 7,690          | 7,690         | 7,690         | 7,690         |              |                |      |
| Mileage Cc various                                      | 0              | 6,015         | 6,015         | 6,015         |              |                |      |
|   | <b>18,369</b>  | <b>24,690</b> | <b>24,893</b> | <b>25,103</b> | 93,055       | 23264          | 24   |
| <b>Capital Costs:</b>                                   | £              | £             | £             | £             |              |                |      |
| Purchase c JCJ601                                       | 114,000        | 68,000        | 68,000        | 50,000        | 300,000      | 75000          | 75   |
| Sale of company cars - (able to capitalise) HJF001/CZZC | 0              | 0             | 0             | 0             | 0            | 0              | 8    |
|   | <b>114,000</b> | <b>68,000</b> | <b>68,000</b> | <b>50,000</b> | 300,000      | 75000          | 67   |
| Sale of company cars - (unable to capitalise)           | 40,129         | 25,448        | 23,296        | 7,986         | 96,859       | 24215          | 24   |
| <b>Total Cost:</b>                                      | <b>92,240</b>  | <b>67,242</b> | <b>69,597</b> | <b>67,117</b> | 296,197      | 74049          | 68   |
| <u>If all essential Users:</u>                          |                |               |               |               |              |                |      |
| <b>No. of users:</b>                                    | 17             | 17            | 17            | 17            |              |                |      |
| <b>Revenue Costs:</b>                                   |                |               |               |               |              |                |      |
| Essential User Allowance                                | 21,063         | 21,063        | 21,063        | 21,063        | 84,252       | 21063          | 21   |
| Mileage Costs   | 0              | 0             | 0             | 0             | 0            | 0              | 18   |
| <b>Total Cost:</b>                                      | <b>21,063</b>  | <b>21,063</b> | <b>21,063</b> | <b>21,063</b> | 84,252       | 21063          | 39   |
| Increased cost to Revenue                               | 2,694          | -3,627        | -3,830        | -4,040        | -8,803       | -2201          | 14   |
| Revenue lost from sale of cars - (unable to capitalise) | 0              | 0             | 0             | 0             | 0            | 0              | 24   |
| <b>Potential revenue impact of scrapping the scheme</b> | <b>2,694</b>   | <b>-3,627</b> | <b>-3,830</b> | <b>-4,040</b> | -8,803       | -2201          | 39   |
| <b>Reduction in capital cost</b>                        | <b>114,000</b> | <b>68,000</b> | <b>68,000</b> | <b>50,000</b> | 300,000      | 75000          | 67   |

under an essential user scheme and so revenue savings may be marginally more.