

COMPANY CARS

1. GENERAL

Motability provides a company car to employees in either of two situations: (i) as part of a Contract of Employment (contract-related) or (ii) where a car is necessary due to the nature of employment (job-related).

Where an employee with a job-related car is absent due to a period of extended leave (i.e. sabbatical, or career break), the car must be returned to the Facilities Manager prior to commencing the leave period.

2. COMPANY CAR HANDBOOK

This Company Car Policy should be read and applied in conjunction with the Company Car Handbook.

3. CARS

Currently cars are provided under a Contract Hire/Lease Agreement. Cars are to be used primarily for Motability's business purposes and as with any other Company Asset, employees have a duty to ensure that they are properly safeguarded and maintained. Motability will insure the car and employees should not allow anyone to drive the vehicle, who is unauthorised or unqualified or who is not covered under the rules set out by the Company's fleet insurance. Any damage to the car must be reported to the Motability Facilities Manager immediately.

Employees entitled to contract-related cars may choose the make and type of car within financial limits.

For those entitled to a job-related car, the cost of the car should be the minimum cost to Motability to provide for the specific needs of the job.

Motability will ensure that the most suitable car is provided for each entitled individual, taking account of CO₂ emissions, economy and engine size as well as the work requirements.

4. EXCESS MILEAGE

All cars have set mileage contracts. The annual limit is 15,000 for contract-related cars and 25,000 miles for job-related cars. The mileage allowance may be adjusted based on the mileage recorded in the previous contract.

If the contract mileage is exceeded, there will be a charge to Motability. In the case of employees regularly incurring excess mileage charges, where it is clearly shown that this is as a result of high private mileage, the mileage allowance for the next vehicle may be increased to allow for the higher mileage. This, in turn, would increase the lease costs, which may reduce the choice of contract-related car or result in a lower specification job-related car.

5. MAINTENANCE AND SERVICING

Routine maintenance and servicing will be met by Motability and are included in the lease. Employees will pay for consumables, such as petrol and oil. These may be reclaimed under the business mileage rate.

Your attention is drawn to the section on tyre replacement in the Company Car Handbook.

6. CASH ALTERNATIVE

Employees entitled to a company car may take a cash alternative in lieu, which will be calculated to be cost neutral to Motability taking into account employer national insurance contributions payable on the cash sum.

For those employees wishing to take cash in lieu of an existing allocated company car, the specific third party car lease cost will be used together with an average insurance cost. For those without an existing car, an average of lease costs for all contract or job related cars will be used. In all cases, employees will be required to sign an acceptance to various conditions relating to insurance, tax, maintenance and other health and safety factors relating to the use of their private car for business purposes.

The financial model used to determine the cash sums will be reviewed by independent auditors should company car tax or employer tax rules change in the future.

7. INSURANCE

Motability's policy is to insure the keeper of the car and other personnel, who may be nominated as a driver. At the employee's request a partner and any other home resident family members may also be insured.

All drivers must be over 25 years of age.

All persons to be insured must complete and sign an insurance form relating to their driving history. Persons, who answer yes to any of the questions, will only be allowed to drive if the insurance company and Motability approve.

From time to time Motability may insure vehicles that are loaned to it for short periods for events, demonstrations and any other business activities. Members of the public or customers are not insured to drive vehicles under Motability's insurance policy.

Insurance Excess

In the event of an accident Motability has to pay an excess amount of £150. Any excesses that arise as a result of claims will be the responsibility of Motability provided the driver has exercised reasonable care at all times.

8. MILEAGE CLAIMS

Claims for business mileage should be made on expense claim forms. These will be made on a "reclamation" basis, the expense being made out of the employee's own funds and then claimed back at a later date.

All business trips and the method of travel should be approved by senior management before being made. Where the trip is being undertaken in a job-related car as part of the employee's normal duties, then approval for individual trips is not necessary.

The amount of miles that may be claimed for business purposes is the lower of office to destination or home to destination (if the trip was made to or from home). This is to comply with Inland Revenue policy.

Employees using a company car for travel to a business destination, which is not their normal place of work will be able to claim a mileage rate according to the Inland Revenue advisory fuel rates currently in force.

9. EMPLOYEES USING THEIR OWN VEHICLES

Where a member of staff needs a vehicle for a business journey, and there is no job-related or pool car available, it is standard policy to request a hire car from the Facilities Department. If a member of staff wishes to use their private vehicle instead, for business journeys, then this is subject to prior approval from their Director, who must ensure that:

- i. the vehicle to be used has a valid MOT certificate,
- ii. the driver holds an insurance certificate, which includes use for business purposes and

- iii. Permission for staff to use their own vehicles should normally only be given when the journey is less than 60 miles.

Departments may find it appropriate to take copies of the MOT and insurance documents for all potential drivers and update them as necessary.

On no account will Motability pay for any of the following costs in placing a member of staff in a position to use a private vehicle:

- i. MOT certificate,
- ii. insurance,
- iii. breakdown or recovery service and
- iv. a replacement vehicle.

Rates for reclaiming mileage costs are as per the Inland Revenue guidelines as set out in Appendix Advisory Fuel Rates.

The amount of miles that may be claimed for business purposes, is the lower of office to destination or home to destination (if the trip was made to or from home). This is to comply with Inland Revenue policy.

10. DRIVING CONVICTIONS

All Company Car drivers must report any driving convictions, which results in points on licence or a ban from driving, immediately to their Line Manager, who in turn, must inform the Facilities Manager, and as appropriate, the Human Resources Manager.