

# East London NHS Foundation Trust

## Lease car scheme Terms & Conditions of Use

### First Schedule

#### INTRODUCTION

1 The scheme shall be known as the East London NHS Foundation Trust Lease Car Scheme, hereafter referred to as 'the scheme'.

#### Definitions

The Employer shall mean the East London NHS Foundation Trust

"The Hirer" shall mean an employee of the Employer entering into this agreement.

"Line manager" shall mean the employees direct supervisor who would sign mileage returns

"Budget Holder" shall mean the senior manager accountable for financial expenditure.

"Scheme" shall mean the lease car scheme.

"Scheme Manager" shall mean Knowles Associates Total Fleet Management Ltd.

#### Eligibility

2 The scheme supersedes the Agenda for Change Crown Car and all other East London NHS Foundation Trust car schemes. All new cars will be subject to the terms and conditions contained herein. The terms and conditions should be read in conjunction with the lease car policy document

3 The purpose of the scheme is to provide transport to employees who are required to be mobile and where it is in the interest of the Employer to do so. In this respect a car will be offered to all new and existing employees who are required to travel on Employer business. Please refer to the lease car policy document for specific qualification criteria.

4 All other employees of the Employer are invited to apply to join the scheme. Entry will be at the discretion of the Employer.

#### Duration of Scheme

6 Entry to the scheme will be voluntary but employees who decide to enter the scheme will sign an undertaking with the Employer to participate in the scheme for a period of three years or any such other period that is agreed.

**Note: The scheme will place a long term financial commitment on employees, and employees should study carefully all the conditions contained in this document before applying to join. Employees signing the lease car leasing document (hereafter referred to as the 'The Agreement') will be deemed to have entered into a binding legal agreement.**

7 The scheme is based on a binding contract between the East London NHS Foundation Trust (hereafter referred to as 'The Employer') and a specified named person (hereafter referred to as 'The Employee').

#### YOUR RIGHT TO CANCEL

8 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 owner 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 your nearest Citizen's Advice Bureau.

9 You have a right to cancel this agreement. You can do this by sending or taking a written NOTICE of cancellation to the Scheme Manager at its address. You have FIVE DAYS starting with the day after you received this copy. If you cancel this agreement within the cancellation period, any money you have paid, goods given in part-exchange (or their value) and property given as security must be returned to you. You will not have to make any further payment.

10 If you already have goods under the agreement, you should not use them and should keep them safe. (Legal action may be taken against you if you do not take proper care of them). You can wait for them to be collected from you and you need not hand them over unless you receive a written request. If you wish, however, you may return the goods yourself.

11 IF YOU WISH TO CANCEL THE AGREEMENT Please contact Knowles Associates immediately and confirm your decision in writing within 72 hours.

#### Cancellation Charge

12 If you cancel the order after the 'cooling off' period has expired you will be required to meet all costs associated with the cancellation. This would normally be limited to the first year early termination charge stated on your lease car quotation form. You are advised to contact the scheme manager before you cancel the order.

## **The Nature of the Scheme**

- 13 Under the scheme the Employer shall arrange through a contract hire company for the employee to be provided with a new motor vehicle as specified which will be taxed and fully maintained by the contract hire company. In addition, full comprehensive insurance cover will be arranged on behalf of the employee. The employee has a free choice of car provided that it is suitable for the business requirement. Due to the diverse nature of the work activities of the Employer's employees it is not appropriate to specify a car type. However the Employer reserves the right to turn down a selection if it is considered inappropriate. Please refer to the lease car policy document for specific vehicle suitability criteria.
- 14 The employee is required, as a condition of the car being made available for their private use, to pay (an amount of money) for that private use of the car. The monthly payment will be determined by the Employer at the beginning of the agreement. On signing the agreement to enter the Lease Car Scheme the employee will voluntarily and permanently forego entitlement to Regular Car User and Standard Rate Mileage Allowances.
- 15 All eligible staff, as defined in paragraph 2-4 above, will be designated a business mileage allowance, based on the estimated annual business mileage agreed by the employee's line manager. The mileage allowance will be subtracted from the total annual cost of the selected car and the resulting balance will be the charge, to the employee, for the private use of the car. VAT will be charged at the standard rate.
- 16 The private use rental charge will be adjusted for any variations between the estimated and actual business mileage. Adjustments for private mileage variance will be made on request from the driver or following a recommendation by the scheme manager.
- 17 The Employer reserves the right to discontinue the scheme at the end of the contract period
- 18 Employees will be required to refuel their lease cars and submit monthly returns showing business and private mileage where appropriate.
- 19 The allowance for business mileage is the contribution made by the employer and will vary based on the actual mileage travelled.
- 20 Failure to submit mileage returns may result in the business allowance not being paid.

### **Passenger Allowance**

- 21 The employer pays all the costs associated with the business use of lease vehicles. Therefore where other employees or members of the employing authority are conveyed in the lease vehicle the passenger allowances shall NOT be paid.

## **TERMS & CONDITIONS OF USE**

### **Hire**

- 22 The Employer has agreed to hire out and the Hirer shall take the Vehicle described in the Schedule and the word "Vehicle" shall include all and any replacements of component parts and all additions and accessories in any way affixed to the Vehicle during the subsistence of this Agreement subject to the terms and conditions set out in this Agreement, including the Schedule, for the Period of Hire and at the Rentals stated in the Schedule.
- 23 The Hirer is an employee of the employer and desires to hire a Vehicle for use in the performance of his/her duties and/or for social, domestic and pleasure purposes. The Hirer acknowledges that he/she has selected the Vehicle and that the Employer has entered into a Lease Hire Agreement with the Leasing Company for the purposes of this Agreement at the request of the Hirer. A copy of the Leasing Company agreement will be made available on request.

### **Payment**

- 24 The Hirer authorises the Employer to deduct the rental and any other amounts, which may be due or become due under any part of this Agreement, from any remuneration due to the Hirer from the Employer. These will include but not be restricted to the following:
- a. Monthly Hire Payment.
  - b. Any excess mileage charge and any charges resulting from excess wear and tear at the end of the contract or on termination.
  - c. Any payment for fixed penalty fines or any other costs for motoring offences charged to the Employer.
  - d. Any other charges imposed by the supplier that may be attributed to the employee.
  - e. Any early termination charge that is attributable to the employee.
  - f. Any insurance excess charges imposed that may be attributed to the employee.
  - g. Any increase in the annual car insurance premium.
  - h. Any increase in the annual cost of Road Fund Licence.

- i. Any increase in the rate of Value Added Tax.
- j. Any recharge as a result of over payment of the business allowance.
- k. Any other car.

#### **Hirer's Obligation**

- 25 The Hirer shall pay the Rentals and Excess Mileage Charge (if any) specified in the Schedule and all other moneys falling due under the terms of this Agreement punctually at the times specified in the Schedule or elsewhere in this Agreement or at such other times as the Employer may notify to the hirer. Any such payment must include the appropriate amount of VAT on it. The Rentals shall be paid without demand and payments shall be made in accordance with the provisions of Clause 24.
- 26 Throughout the Period of Hire the Hirer agrees that he will not use or cause the Vehicle to be used in any way that may result in the breach of any of the covenants, restrictions and any stipulations contained in this Agreement

#### **Exclusion of Liability**

- 27 Except in respect of death or personal injury arising as a result of the negligence of the Employer or its employees (other than the Hirer) the Employer shall not be liable for any damage, loss, charges or expenses arising out of or in consequence of the use of or any accident involving the Vehicle.
- 28 The Hirer hereby undertakes to indemnify and keep indemnified the Employer and the Leasing Company from any liability arising from death or personal injury or damage to or theft or loss of property caused by or to the Vehicle, unless such death, injury or damage is caused by the negligence of the Employer or the Leasing Company (as appropriate) or his/her respective employees (except the Hirer) or agents.

### **COSTS BORNE BY THE EMPLOYEE**

#### **Monthly Rental**

- 29 The employee will pay the monthly, or weekly, contributions agreed at the commencement of the contract and shown on the Quotation Form and confirmed on the Second Schedule. The Second Schedule will be issued shortly after delivery of the vehicle and will confirm full vehicle and employee details.
- 30 The Employer will pay the leasing cost of the car. As a condition of the car being available to the employee for private use, the Employer will require the employee to pay a contribution for the private use according to the calculation set out on the quotation form. Value Added Tax will be applied to the monthly rental as detailed in the second schedule.
- 31 The payment for the private use of the car will be made by salary deduction. Where an employee has a period of absence without pay e.g. long-term sickness, maternity leave etc. the employee should continue to make payments by means of a personal cheque. Under certain circumstances employees can take a payment holiday and "catch up" on return to full salary with prior agreement with the Employer.

#### **Variation to Charges**

- 32 The rental may be varied by the Employer to take into account any increases resulting from changes to Insurance Rates, Road Fund Licence fees, VAT rate or Contract Hire variations due to changes in private mileage.
- 33 Additional costs attributable to the employee will be those arising from employee's actions or from misuse, negligence or breach of the contract conditions contained herein or contained within the manufacturers handbooks and other publications issued from time to time. Failure to ensure that the vehicle is serviced at the recommended intervals or failure to maintain correct air and fluid levels will constitute negligence or breach of contract and may result in additional costs being levied on the employee.
- 34 The rental will be based on the latest price issued by the supplier applicable at the time of delivery of the vehicle. The price may vary from the quotation provided at the time of application. The Employer will make every reasonable effort to notify employees of changes but it will not accept any liability for additional costs.
- 35 Should any modifications be required to the vehicle due to statute, the cost will be shared between the employee and the Employer in the same proportion that the original hire cost was split between the Employer and the employee.
- 36 The employee will pay for all fuel, the provision of all vehicle top-up fluids and car cleaning.
- 37 The employee will pay any fixed penalty fines for unlawful parking of the hired car and any other fines that arise through the driving of that vehicle under **The Road Traffic Act 1991**. The employee will also pay for any reasonable related legal, administrative or maintenance costs which arise from an illegal act.
- 38 The employee will pay any insurance excess charges, as set out in the insurance summary, for claims for accidental damage, fire or theft, including windscreens, window glass, mirrors and headlight replacement as they apply to the insurance policy in force at the time.

- 39 The employee will pay the costs of repairs and replacements to the car made necessary as a result of deliberate abuse or wilful neglect. Any such costs, that the employer considers to have been caused by such deliberate abuse or wilful neglect, must be reimbursed to the employer by the employee on receipt of an account for the amount due.
- 40 A nominated representative of the Employer may make an inspection of the car at any reasonable time. Any damage found at that time should be rectified immediately.

### **Contract Terms**

- 41 Save as expressly provided in this Agreement the Employer does not supply the vehicle with or subject to any warranty express or implied by Statute or otherwise as to capacity, age, quality, state, condition or fitness for any purpose whatsoever.
- 42 The employee must not sell, assign, re-hire, charge or part with possession of the hired vehicle or attempt to do so except as authorised under the following terms and conditions.
- 43 The act of omission of any person authorised by the employee to use the vehicle shall for the purposes of the Agreement be deemed to be the act or omission of the employee.
- 44 The employee shall permit representatives of the Employer or the Contractor to inspect the state and condition of the car at any reasonable time.
- 45 Subject to the employee continuing to be eligible under these terms and conditions he/she will normally have the option at the end of the contract period to either:
- a. Enter into a new hire agreement. Or
  - b. Use his/her own car for official Employer business.

### **Health and Safety at Work**

- 46 The Health and Safety at Work Act 1974 revised 1999 states that a vehicle is 'a place of work'. Health and Safety as it applies to motor vehicles places an absolute "duty of care" on management applicable to vehicle users.

### **Drivers Responsibility**

- 47 Whilst the Employer will actively manage 'at work' road risk, drivers must remain responsible for their own and others safety on the road. Drivers must retain responsibility to themselves to drive safely complying with Road Traffic Acts and the Highway Code. Under the Health and Safety at Work Act, drivers should co-operate with the Employer to enable the Employer to comply with their Health and Safety duties. In this respect they should take reasonable care of their own health and safety and that of others who might be affected by their actions, and they should use equipment provided to them correctly.

### **Use of Car**

- 48 The car will generally be used only by the employee and by anyone authorised by the employer, provided that they are properly qualified drivers holding a full current driving licence and are included on the insurance policy. Business use is restricted to when the employee is using the car on East London NHS Foundation Trust business.
- 49 The hirer will submit a copy of a driving licence for each driver named by the employee to drive the vehicle and will be responsible for notifying the Employer of any changes including any driving offences or penalties awarded against the nominated driver. The hirer will also notify the Employer of any illness or disability suffered by any approved driver, which may affect the Employer's vehicle insurance.
- 50 The car may only be used for official business and normal social, domestic and pleasure purposes. The car shall be available for official use at all reasonable times except when the car is being repaired or serviced.
- 51 The employee must not use, or permit to be used, the vehicle in breach of any sub-clauses of this clause nor for hire, reward, competition, trials or pace making. The vehicle may only be used for driving tuition with the expressed written agreement of the Employer.
- 52 Use abroad is permitted subject to prior written application to the Scheme Manager. Maintenance costs are not covered when the car is abroad. It is the employee's responsibility to make special arrangements to cover this period. The minimum acceptable cover is that provided under AA 5 star cover or equivalent. Employees will be advised on the maintenance requirement when written permission is given.
- 53 If during the period of hire the vehicle becomes unroadworthy the employee's obligations to make the hire payments to the Authority under this Agreement will remain the same.
- 54 All official business mileage shall be undertaken in the lease car rather than use public transport or travel with an officer claiming NHS Terms and Conditions of Service reimbursement, unless the lease car is not available due to repair or servicing. When a pool car is not available (and when the lease car is not available) a private vehicle can be used but the business mileage reimbursement will be calculated at the current public transport rate.

**Note All private vehicles used for official business must meet the full insurance requirements contained herein paying particular attention to cover during business use by the employee.**

- 55 At all times to park the vehicle in such a manner as to minimise the risk of damage or theft and to keep the vehicle secured. The vehicle must not be left parked on a public highway overnight without good reason, and the hirer must inform the scheme manager of any change of address at which the vehicle will be kept or garaged.
- 56 Relief Vehicles: The employee does not have an automatic entitlement to a replacement car if the lease car is unavailable due to normal repairs or servicing. A relief vehicle is available as an optional extra and the employee will meet the full cost. The scheme manager will make every reasonable effort to provide a relief vehicle if adequate notice is given. Where a hire car is provided by the Employer, for business use, it will not be of the same specification as the lease car. Staff will make a contribution for the hire car if it is used privately.
- 57 The employee is permitted to tow a caravan, boat or trailer provided prior approval in writing is obtained from the Contractor through the Scheme Manager. Approval will not be forthcoming if the employee's choice of vehicle is not considered suitable for the proposed towing. Any caravan, boat or trailer shall be towed only in conformity with all legal requirements and the manufacturer's specification.
- 58 Should the contract hire company choose to charge an increased rental to the Employer to cover the lower residual value and higher maintenance costs which result from towing this charge will be paid in full by the employee.

#### **Accessories**

- 59 The employee may request either at the time the vehicle is ordered, or at any subsequent time, subject to written approval, the addition of any accessories approved by the Leasing Company. An approved dealer will then add these to the vehicle at the employee's expense. The employee will not be entitled to remove from the vehicle, either before or after the expiration of the contract period, any such accessories so fitted save with the written approval of the Leasing Company. Except as permitted above, no accessories may be fitted to the vehicle.
- 60 Income tax is chargeable on all accessories fitted to the lease car. Therefore, It is the responsibility of the employee to notify the Employer of the item and the full list price excluding VAT of the item and the price paid.

#### **Smoking**

- 61 The Employer has a strict no smoking policy and all vehicles are no smoking areas during working time. This policy applies to all official vehicles whether owned, leased or hired by the Employer. Drivers are responsible for ensuring that they and their passengers observe and adhere to the law in regard to cars defined as 'Smoke Free' vehicles.

#### **Maintenance and Repair**

- 62 The scheme incorporates full maintenance which includes the cost of all servicing in accordance with the manufacturer's recommendations, mechanical or electrical repairs, replacement of tyres, batteries, exhaust except:
- Where the need for repair or replacement arises by virtue of any breach of the terms of this Agreement by the employee (when the employee will be responsible) or
  - Where in the opinion of the Contract Hire Company it would not be economic to repair the vehicle.
- 63 Breakdown and recovery services are included in the scheme. The name of the service provider and contact details will be provided when the vehicle is delivered. Membership of the recovery service is based on a fleet arrangement and does not provide corporate membership facilities.
- 64 In certain cases repairs to tyres (i.e. punctures) will be the financial responsibility of the employee although faults in tyres due to a problem in manufacture will be the financial responsibility of the servicing agent. Damage caused by accidents or running over debris etc. will be classed as accident damage and subject to insurance excesses. Where a tyre is replaced the value of the remaining tread depth will be taken into account.
- 65 An approved dealer, who is acceptable to the Contractor, the Employer and the employee, will carry out all servicing, maintenance and repair. A franchised dealer must undertake all warranty work. Unauthorised maintenance/repair work could result in the withdrawal of a hired vehicle from the employee.
- 66 A driver's handbook will be given to the employee when the car is delivered. This handbook should be kept in the car for ease of reference. The employee must familiarise him/herself with the instructions contained therein for dealing with repairs to the vehicle whether arising by virtue of an accident or otherwise and comply with the same.
- 67 The employee must not commit the Employer or the Contract Hire Company to any expenditure for repair, unless in an extreme emergency occurring outside working hours, without the express consent of the Leasing Company.
- 68 Employees will be expected to organise his/her working day so that car service/repair arrangements have the minimum affect on his/her workload.

## Employee's Responsibilities

69 The employee has specific responsibility for the following:

- a. Keeping the car in a clean condition.
  - b. At regular intervals checking the oil, water, lights, battery, brake and any fluid levels, tyre pressures and the condition of tyres and taking necessary corrective action. Failure to maintain the vehicle oil and fluids at the correct level will result in recharges to the employee for any resultant damage
- N.B.** Undue wearing of or damage to tyres must be reported to the repairer immediately and the car must not be used unless the tyres conform to all relevant legal requirements. The employee will not change the car's tyres or battery without the consent of the Scheme Manager.
- c. Taking all reasonable precautions against frost damage and ensuring the anti-freeze content within the engine coolant system is of adequate strength.
  - d. Observe any recommended "running in" speeds and complying with any other recommendations concerning the running of the car during a "running in" period.
  - e. Reporting defects promptly to the appropriate dealer and the Scheme Manager.
  - f. Ensuring that the appropriate repairer carries out servicing and maintenance at the intervals recommended in the car manufacturer's handbook.
  - g. Ensuring that the road fund licence is displayed in the car by the due date on receipt from the Scheme Manager.
  - h. Ensuring that an MOT test is carried out in sufficient time for the contractor to receive the certificate and obtain a valid road fund licence. The driver should ensure that the service agent submits the MOT certificate directly to the contractor with their repair invoice.
  - i. Ensuring the reasonable security of the car at all times, any cost of garaging to be borne by the employee and any change of address to be given in writing to the Scheme Manager.
  - j. Conforming to all instructions and recommendations in the manufacturer's handbook and all other instructions and advice given by the Contractor or the Employer.
  - k. Not altering, modifying or removing any parts from the vehicle, nor changing any of the identification marks or numbers, without prior consent in writing of the Leasing Company.
  - l. Not overloading, overworking or otherwise subjecting the vehicle to stresses for which it is not designed, nor using the same to carry goods for which it is not suited.
  - m. Notifying the Scheme Manager as soon as reasonably practical of any defect or failure of the odometer or milometer attached to the vehicle. In which event the Employer may in its absolute discretion estimate unrecorded mileage upon the average distance covered during the last complete year before such failure, or defect was discovered and such other relevant information as it chooses to consider.

70 **The rentals charged to the employee are on the assumption that the car will be kept in good condition and to the same high standard as if the employee owned the car. It is, therefore, in the interest of all parties that this standard is maintained particularly in ensuring that the car has a maximum value when returned at the end of the hire period.**

## AT THE END OF THE CONTRACT PERIOD

- 71 At the end of the contract hire period the employee must immediately deliver up the vehicle to the Employer in good repair and condition (as per the BVLRA Guidelines on fair wear and tear) and free from any defects other than those already notified by the employee to the Employer.
- 72 The vehicle condition will be appraised by the leasing company representative in the presence of the employee. The employee may be required to pay the equivalent cost of any damage that the Leasing Company considers has reduced the vehicle resale value (as per the BVLRA Guidelines on fair wear and tear). If an employee is unable to be present at the initial appraisal, it is their responsibility to ensure that another person is present to represent them.
- 73 In default of delivery of the vehicle upon termination, the Employer will be entitled without notice to retake possession of the vehicle and all costs and expenses incidental to the recovery of the vehicle, incurred by the Employer, must be repaid to the Employer by the employee.

## Purchase of a Hired Car

- 74 At the end of the contract hire period, or on early termination of the contract, the employee will be given the opportunity to purchase the vehicle at a rate agreed with the contract hire company.

## Title to the Vehicle

75 Nothing in this Agreement is to be construed as implying that title to the Vehicle can or shall at any time pass to the Hirer. However, it is agreed and understood that between the date of the Agreement and the time when the Vehicle is actually returned to the Trust the Hirer (being the person by whom the Vehicle is kept) is the 'Owner' of the Vehicle for the purposes of Sections 1-5 of the Road Traffic Act 1974 and any Statutory re-enactment thereof). If, notwithstanding the above, any notices are served upon or proceedings instigated against the Trust or the Leasing Company in respect of any offence allegedly committed or excess charge allegedly incurred in respect of the Vehicle during the aforesaid period the Trust and the Leasing Company shall be at liberty to take such action in relation thereof as the Trust or the Leasing Company in their reasonable discretion deem fit (including paying any fines, penalties, or excess charges whether legally demandable or not, or defending such proceedings) and the Hirer shall indemnify the Trust to the Leasing Company in respect of fines, penalties, excess charges costs or legal expenses and shall further indemnify the Trust against their administration costs involved. The Hirer should notify the Line Manager of any such fees, penalties or excess charges incurred during the course of the Hirer carrying out his duties.

## **INSURANCE REQUIREMENTS**

- 76 The vehicle shall be at the risk of the Employer, which will keep in force, with the insurer, comprehensive insurance cover including private use against:
- a. Damage to the vehicle by fire, theft, accident and any other cause against which insurance is normally obtainable. And
  - b. Third party liability arising in connection with the use of the vehicle as required by law.
  - c. A copy of the Insurance policy and schedule will be made available to the driver on request
- 77 Employees must make themselves familiar with the insurance arrangements and will be required to complete a proposal form at the start of the contract, providing details of all drivers of the vehicle and where the vehicle will be kept. Employees must submit a copy of each drivers licence as required by the employer and notify the Scheme Manager of any changes. A copy of the insurance policy and schedule will be retained by the Scheme Manager and made available to the driver on request.
- 78 The Employer will arrange and automatically renew the cover annually. Employees will ensure that they keep in force and do not by any act or omission invalidate the insurance cover.
- 79 The Insurance Schedule incorporates policy excesses in the event of any claim. Additional excesses apply in the event that the vehicle is being driven by, or is in the charge of for the purpose of being driven by, any young person and any person who holds a driving licence other than a full driving licence for less than 12 months immediately preceding the claim as set out in paragraph 100 below.
- 80 Full details of the excess charges and the responsibility for payment of the excess charges are provided in the cost data summary attached and amended from time to time.
- 81 In the event of a claim for a windscreen or glass only replacement (and the insurance policy, in force at the time, includes an excess) the excess will be paid by the Employer and recovered from the employee by cheque or salary deduction.
- 82 The standard policy provides limited cover for any loss or damage to personal effects in or on the insured vehicle if they are lost or damaged. The current cover for personal effects is provided in the cost data summary. Please note, we strongly advise that personal effects should not be left in the car at anytime. If you do leave items in the car they should be securely locked in the boot and kept out of sight.
- 83 The Employer will not accept any liability for the loss or damage to personal effects. Employees are advised to ensure that insurance cover is adequate for his/her needs; additional cover should be taken out if necessary. Personal effects are normally covered under domestic household contents policies.
- 84 The insurance premium quoted does not include an indemnity against financial loss consequent upon the early termination of the lease vehicle contract.

## **Accident Damage**

- 85 In the event of any accident that may result in a personal injury claim the employee must report the incident immediately to the scheme manager. Any correspondence received from a third party must be posted to the scheme manager without delay. There is a legal requirement to acknowledge personal injury claims within a prescribed time scale failure to do so may prejudice any defence and may result in costs being awarded against the Employer and/or the driver.
- 86 Employees are responsible for informing the Scheme Manager of all accidents the next working day and complete and return an insurance claim form within two weeks. Any claims not reported to the insurance company within 180 days may become invalid and all costs will be borne by the employee. Employees should also enact all repairs necessary to restore the vehicle to its former condition prior to the accident; as soon as possible after authority has been given.
- 87 Where damage is light, the employee may choose to pay for the cost of repairs, subject to notification to the Scheme Manager.
- 88 In the event of a total loss of the vehicle the driver will continue to pay their agreed monthly private use rental until such time as settlement has been made.

## **Early Termination of the Contract**

- 89 If any of the following events occur the employee's right to a car within the scheme will discontinue forthwith. Any costs resulting from the early termination of the contract will be borne by the employer or the employee as described below.

- a. The cessation of the employer's entitlement to possession of the vehicle under its agreement with the leasing company.
- b. The vehicle for whatever reason becomes, in the opinion of the leasing company, uneconomic to repair and/or maintain.
- c. The total loss, whether by theft or otherwise of the vehicle for three consecutive months.
- d. The termination of the employee's contract of service with the employer whether by virtue of death, voluntary resignation, dismissal, redundancy, retirement or otherwise.
- e. The employee commits any breach of the terms of the hire agreement, express or implied.
- f. Any meeting of the employee's creditors is called or the employee commits any act of bankruptcy or any attempt be made to levy distress against the vehicle by reason of the employee's indebtedness.
- g. Prolonged absence by the employee from his/her official duties.
- h. The vehicle covering private mileage, which in the opinion of the scheme manager is abnormal.
- i. Failure to pay money due to the employer from the employee under this agreement within thirty days of the same becoming due.
- j. The employee becoming disqualified from holding or for any reason ceasing to hold a valid licence entitling him/her to drive a car.
- k. In the absence of any of the aforementioned events, the expiration of the period of hire specified above, or any extensions of the same.
- l. When, in very exceptional circumstances an employee applies to terminate his/her participation in the scheme.
- m. Any other very exceptional circumstances not provided for in sub-paragraph a to l above.

#### **Costs borne by the Employer**

- 90 In the event of the employee's death in service or on early termination of the employee's contract on the grounds of ill health or redundancy there may be no financial penalty to the employee or his/her estate on account of the early termination of the contract for private use of the car.

#### **Costs borne by the Employee**

- 91 In the event that an employee is absent from work on sick leave, maternity leave or on approved training, the employee, who has contracted for private use, may choose to continue the private use of the car. The Employer allowance will be adjusted for the duration of the absence. When the employee has an extended period of maternity or sick leave the allowance will be removed, at the discretion of the Employer, and the driver will pay the full cost of the lease car. On return to work the allowance will be reinstated based on the business mileage going forward. If the employee chooses to return the vehicle to the Employer they will be liable for a financial penalty, on account of early termination of the contract, except in exceptional circumstances to be determined by the Employer.

#### **Change to employment conditions**

- 92 If the employee leaves their employment the lease vehicle may transfer to the new employer with the new employers agreement. If the employee changes jobs or voluntarily takes on a new role within this organisation and there is a significant change in business mileage they may choose to keep the car at a revised charge. If the employee chooses to return the vehicle they will be liable for a financial penalty on account of early termination of the contract. If there is a reduction in business mileage due to a change in employment, duties or work base that is not voluntary the driver can retain the use of the car at the same charge subject to the organisations approval; if the organisation prefers to terminate the contract under these circumstances, there will be no early termination penalty to the employee.

- 93 In the event of early surrender of the car for any reason not covered by Para 90. above, the employee could be liable to pay the early termination charge imposed by the leasing company. This is usually the multiple of the monthly rental charge paid by the Employer depending upon the length of time the contract has to run. The calculation of the charge varies between leasing companies, the charge is higher in the first year and reduces during the contract. An estimate of the likely early termination charge is provided on the quotation form as a guide only, the actual cost will be provided by the Scheme Manager on written request.

**Note: It is very important that at least one month's notice is given of early termination of the contract. Failure to provide adequate notice could result in a delay in the final payment of salary due, in order to resolve any problems.**

- 94 In the event of early termination detailed above, the employee will be liable to pay:

- a. Any early termination charge imposed by the leasing company.
- b. Any outstanding insurance premium.
- c. Any costs arising from the condition of the car or excess mileage on handover.

- 95 Employees are advised to seek advice before terminating this contract.

#### **General**

- 96 The rights and remedies of the Employer hereunder shall not be affected by any giving of time or any other concession or indulgence granted by or neglect of the Employer to the Hirer.

- 95 The Hirer shall not assign transfer charge the benefit of or in any way make over this agreement nor pledge or purport to pledge the Employer's credit.

97 All amendments to this Agreement shall be made in writing.

98 The employee must immediately report any change of address where the vehicle will be kept to the Scheme Manager.

#### **Communications**

99 Any communication required or permitted under the terms of this Agreement shall (unless otherwise provided) be in writing and shall be delivered in person or sent by registered mail as appropriate, properly posted and fully pre-paid in an envelope properly addressed to, in the case of the Hirer, the address set out in the Schedule or as otherwise notified in writing to the Employer and in the case of the Employer to:  
- Knowles Associates Total Fleet Management Ltd, Red Lion House, Great Bentley, Essex CO7 8QG.

## Insurance Summary

### Type of Cover

Fully Comprehensive Fleet Includes cover for own damage, fire, theft and windscreen and third party damage.

Any person can drive with the permission of the policy holder.

### Accidental Damage Excesses

The insurance is subject to a policy excess: under the Terms and Conditions of your contract the treatment of excess payments will be as follows

"In all cases" the Employee (Driver) will be liable to pay the excess. If, subsequently, any third party claim is successful, refunds will be made accordingly."

The following limits and policy excesses are provided as a **guide only**, they may change each year at renewal of the insurance. You are advised to check with Knowles Associates the current excess in the event of an accident or if young or inexperienced drivers are using the car. Please note that is in the best interest of the Employer and drivers to keep additional named drivers to a minimum.

### Excess

- £250.00 Drivers 25 years of age or over
- £425.00 Drivers 25 years of age or over and not having held a full licence for 12 months
- £500.00 Drivers 21-24 years of age
- £500.00 Drivers 17-20 years of age
- Application Drink &/or Drugs Convictions within past 3 years
- £250.00 Fire or Theft damage
- £250.00 Windscreen repair/replacement

### Personal Effects

£150.00 Personal effects limit

### Medical Expenses

£500. Limit of indemnity

### Claims Reporting

All claims to be reported on our website [www.nhsfleet.com](http://www.nhsfleet.com) or to our 24 hour Helpline on 0870 3002300

If the vehicle is not driveable the Accident Management Service will arrange to recover the vehicle and take it to the nearest approved repairer. If the vehicle is driveable the Accident Management Service will take the details of the claim and then liaise with the driver in relation to the repair of the vehicle.

### Courtesy Car

A courtesy car will be provided when the vehicle is being repaired.

If the vehicle is a total loss a hire car will be provided for the first 48 hours after the accident, free of charge, to enable the driver to make arrangements for a replacement vehicle. At the end of the 48 hours the hire car will be collected from the driver or he/she can continue with the vehicle but will be responsible for the hire charges.