COMPANY VEHICLE POLICY

- The following is a guide of what to include in a Company Vehicle Scheme.
- This can be used as a template by you to construct your own policy and adapted to suit your own company.
- It poses questions you will need to consider carefully.
- Not all the clauses may be relevant for every business so just delete them as you see fit.
- Remember this is only a guide however.
- Your Contract Hire Partner will be able to help you fill in the gaps.

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1. **GLOSSARY**

- You need to define any repeated terms that you use in your document.
- This ensures there is clarity for everyone and some samples of these terms are shown below.

**Company Vehicle**

means any motor vehicle supplied by the Company to a Driver on a permanent or temporary basis;

**Company Business Travel**

means any business journeys excluding travelling to and from the office that an employee is based at;

**Driver/you/your**

means any employee provided with a Company Vehicle by the Company including any Additional Driver requested by that employee;

**Manager**

means the employee that the Driver reports to (or where relevant, the Cost Centre Manager);

**Policy**

contract of employment of employees who are Company Vehicle Drivers;

**We/Us/Our/Company**

means “Your name Ltd”, the name of the company that is providing Company Vehicles under this Policy and the employer of all employees.

*Caveat* - “the Policy will be reviewed on an ongoing basis to ensure it reflects current business requirements and incorporates all relevant Health and Safety legislation. We reserve the right to make such changes as required”

2. **COMPANY POLICY STATEMENT AND SCOPE**

- It is useful to define the aims of the company vehicle policy.
- So what is the purpose, who gets a vehicle and who doesn’t?
- Are you going to allow eligible employees to trade up or trade down from their monthly allowance?
- Now that you have defined who is eligible for a vehicle you need to confirm the purpose of the document i.e. why you have a Policy document.
- State also that all eligible Company Vehicle Drivers or drivers just using Company vehicles occasionally for business travel are covered by the Policy whether they sign the Declaration form at the end of this document or not.
3. WHO DOES WHAT I.E. RESPONSIBILITIES

3.1 THE INDIVIDUAL DRIVER

- Define the responsibilities of the individual driver.
- An employee needs to read the Policy, understand it and adhere to it.

3.2 MANAGER

- Define the responsibilities of the Employee manager i.e. that the manager will ensure the employee gets the right vehicle for their entitlement.

3.3 “FLEET MANAGEMENT TEAM”

- Define the responsibilities of whoever is managing the fleet i.e. whoever is supporting the needs of the Company Vehicle Drivers.
- This could be one person so if so confirm this and provide the contact details

3.4 HUMAN RESOURCES

- If you have a Human Resources department confirm that they will handle any grievance raised in relation to the application of your Policy.

4. GUIDELINES FOR USING FOR COMPANY VEHICLES

- The following headline areas need to be confirmed or noted in one sentence:
- How should your Company vehicles be used i.e. for what purpose?
- What is your policy on employees using their personal vehicles for company business as you have a duty of care responsibility?
- Who decides when and how the employee changes their vehicle?
- If the Driver has an accident, refer them to the relevant section in the document.
- If you intend to have demonstration, loan or other temporary vehicles define how the employee should drive these i.e. what is the process?
- If you have maintenance contract hire vehicles refer them to the Driver Pack the contract hire company will supply with the vehicle.
- What happens if an employee fails to adhere to your policy?
5. WHO GETS A COMPANY VEHICLE?

5.1 ALLOCATION & ELIGIBILITY GUIDELINES

- What is your policy on eligibility and can employees’ drive any vehicle or are there any restrictions and if so what are they i.e. NO Convertibles for example?
- Many companies create lists of choices from a standard contract hire term and annual mileage i.e. 3 years, 20,000 miles per annum, maintenance contract hire, for example, to make sure everyone gets quotes on a like for like basis.
- Your contract hire partner can assist you in this however an example might be;

<table>
<thead>
<tr>
<th>Benefit Entitlement</th>
<th>Choice List Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>up to £200 per month</td>
</tr>
<tr>
<td>Level 2</td>
<td>£200 - £250 per month</td>
</tr>
<tr>
<td>Level 3</td>
<td>£250- £300 per month</td>
</tr>
<tr>
<td>Level 4</td>
<td>£300 - £350 per month</td>
</tr>
</tbody>
</table>

- If you have spare vehicles, confirm that new eligible employees may have to take one of these, to save you having to sell or return the vehicle early.
- Confirm what your replacement cycle is i.e. three years or whatever. Although the choice list may be based on 3 years @ 20,000 miles per annum you may decide to write your contracts on the correct mileage to avoid excess mileage charges or over payments.

5.2 TRADING UP

- Decide if you want to allow employees to contribute towards their allowance to trade up to a better vehicle.
- Consider this carefully as if they leave your employment you may have a vehicle that is not suitable for other eligible employees. They may not want to pay the extra rental amount per month.
- How are you going to collect the amount of money that the employees will contribute?
- Is the employee fully aware of the financial risk of trading up and their personal tax liability?

5.3 TRADING DOWN

- If you allow trading up you will be asked if you can trade down.
- This means taking a lesser vehicle than you are entitled to and taking the cash difference.
- Consider this carefully as will the vehicle be fit for purpose?
- For example a vehicle with a small capacity engine travelling thousands of miles a year may not be as reliable as a larger model?

5.4 ORDERING THE COMPANY VEHICLE

- You need to define the process for ordering a vehicle i.e. what does the driver do?

5.5 VEHICLE EXTRAS POLICY

- Are you going to fit any standard accessories to your vehicles? These should be noted in your policy i.e. metallic paint, floor mats, air conditioning?
• Is the driver aware of the increase in their personal tax liability? You need to state it is their responsibility to find out.
• You need to confirm the process for paying for any extra accessories over their entitlement and what happens at the end of the contract or if the driver leaves the company.
• What accessories will you allow and what will you not allow?
• Confirm that all accessories must be fitted in line with the manufacturer’s guidelines and they should not affect the resale value of the vehicle.

5.6 SHORT TERM VEHICLE REPLACEMENT

• Do you have any loan vehicles to offer?
• If you do what is the process for someone getting a loan vehicle, who qualifies for them and what notice period do you want before you allocate them?

5.7 DRIVER INSURANCE DECLARATION & ADDITIONAL DRIVERS

• You need to ensure your eligible driver has a valid driver’s licence and confirm that you intend to check this.
• If you are going to allow additional drivers i.e. family members for example what is the process for adding them to the Company insurance arrangement?

5.8 FULL DRIVING LICENCES, PROVISIONAL & FOREIGN LICENCES

• Confirm what you expect your driver to provide you in your annual, six monthly or quarterly licence checks.
• Confirm what happens if there are any changes in the circumstances of the driver i.e. name changes through marriage or divorce (or for any other reason), address changes or penalty points that affect the driving licence.
• What other responsibilities does the driver have i.e. notifying you and the DVLA about any medical conditions that may affect their ability to drive?
• What is your policy about allowing provisional licence holders to utilise Company Vehicles? If the answer is no then state this.
• What is your policy about Foreign Driving licence holders utilising Company Vehicles? If the answer is no then state this.

6. FUEL POLICY

• What is your policy on providing fuel?
• What is the process to claim fuel costs used on company business?

6.1 USE OF THE FUEL CARD IF YOU HAVE ONE

• Are you going to provide fuel cards?
• If so what is the process to get a fuel card allocated and what are the responsibilities of the driver in using the card i.e. taking care of it?

6.2 MINIMISING FUEL COSTS AND CONSUMPTION

• How do you want your drivers to minimise fuel costs?
• Where do you want them to fill up?
6.3 PROCESS FOR REIMBURSEMENT OF PRIVATE FUEL USAGE

- How will you monitor private and business fuel use?
- If someone uses a vehicle for private fuel are you going to pay for this?
- If not what is the process to reimburse the company?

6.4 PURCHASING OIL

- What is the process to put oil in the vehicle and how is this cost reclaimed by the employee?

7. DRIVER’S RESPONSIBILITIES

Define the headline responsibility of the Company Car Driver i.e. they are responsible for the cleanliness and roadworthiness of the Company Car.

7.1 OPERATING AND COMPANY VEHICLE MAINTENANCE

- When the employee receives their company vehicle what responsibilities do they have?
- How will they get the vehicle serviced?
- What do you expect them to do about cleaning the vehicle?
- Displaying Vehicle Excise Duty correctly?
- Driving behaviour, speeding, parking fines and payment of an MOT if needed.
- All need to be defined so it is clear.

7.2 BREAKDOWN

- What does the driver do if they have a breakdown?
- Who do they call?
- What is your policy about a replacement vehicle if the company vehicle is not roadworthy or driveable?

7.3 PARKING FINES & INTENDED PROSECUTIONS

- What is the process if the driver gets a fine or is stopped for any road traffic infringement like speeding?
- How is the fine going to be paid and who has the responsibility for doing this?

7.4 ACCIDENT – DRIVER’S RESPONSIBILITIES & PROCEDURES

- What do you want your driver to do if they are involved in an accident?
- What do you not want them to do?
- Have you got an accident checklist?
- What is the process for obtaining third party details?
- How should they record witness details?
- How should they deal with the Police?
- What is the process for reporting the accident to the Company thereafter?
7.5 MOBILE PHONES

- What is your policy on mobile phones?
- How are they fitted to the vehicle and who does this?
- How do you want your drivers to use the phone i.e. are they to be used whilst driving with a hands free kit?
- How will you treat a breach of your policy?

7.6 OVERSEAS TRAVEL

- What is your policy on overseas travel?
- What is the process for the driver if they go overseas and who covers the insurance?
- What happens if they breakdown overseas?

7.7 POSSIBLE DRIVER CHARGES

- What possible charges is the driver likely to be levied as detailed in your Policy?
- Itemise the possible charges i.e. insurance excess, damage to the vehicle?
- How will you recover the monies?

7.8 CONGESTION CHARGING

- Are eligible drivers aware of congestion charging?
- What is the process if an employee drives in a zone that has congestion charging?
- How will the driver recover any costs they incur?
- What happens if they fail to adhere to this and you are fined?

8. INSURANCE

8.1 WHAT DOES THE COMPANY INSURANCE COVER?

- How do you insure your vehicle fleet?
- What is covered and what is not?

8.2 WHAT ACCIDENT DAMAGE OR EMPLOYEE EXCESS IS THERE?

- What is your policy on any insurance excess?
- How much will the Employee have to contribute if the accident is their fault?

8.3 COMPANY PROPERTY & PERSONAL EFFECTS

- How do you want your driver to look after the vehicle and in particular any company property you might have provided i.e. laptops?
- What happens if the employee has any personal items stolen?
9. TAXATION

9.1 COMPANY CARS

- Is the employee aware of the taxable benefit of having a company vehicle?
- The rules and method of calculation of the tax can be obtained from HM Revenue and Customs website http://www.hmrc.gov.uk.

9.2 FUEL BENEFIT

- Is the employee aware of the taxable benefit of having free fuel?
- What is the company policy?
- There is a tax calculator on http://www.comcar.co.uk that will help the Driver make the calculation for their particular Company vehicle and their own circumstances.

9.3 REPORTING PROCEDURES TO HM REVENUE AND CUSTOMS

- Define how you will report data about the taxable benefit of the employee to HM Revenue and Customs.
- What is the process if the employee disagrees with what you intend to send?

10. DISPOSAL OF COMPANY VEHICLES

10.1 RETURNING THE COMPANY VEHICLE

- How does the employee return their company vehicle?
- What condition do you expect the vehicle to be in?
- What happens if the vehicle is not in the condition you expect it to be in and what will happen?
- Remember if you are returning the vehicle to a leasing company they will expect the vehicle to be in a fair wear and tear condition.
- Can the employee buy the vehicle and if so what is the process?

10.2 FAIR WEAR & TEAR / EMPLOYEE EXCESS

- Define what you expect the Fair Wear and Tear condition of the returning vehicle to be. (See BVRLA site for definition of Fair Wear and Tear @ www.bvrla.com).
- If the vehicle is not in a fair wear and tear condition how much do you expect the driver to pay towards the repair to make the vehicle good?

10.3 RESOLUTION OF DISPUTES

- If the employee has a dispute about this what is the process to resolve it?
11. HEALTH & SAFETY / ENVIRONMENTAL AWARENESS

11.1 DRIVER SAFETY

• What is your Health and Safety policy?

11.2 DRIVER TRAINING

• If you intend to offer this what is your policy?

11.3 HEALTH & FITNESS TO DRIVE

• What is your policy on any illness, deterioration of health or disability that may affect the employee’s driving?
• What is the impact of this as certain endorsements to a Driver’s licence or certain medical conditions may render your insurance invalid.
• What is your policy on drink driving or driving under the influence of drugs and what happens if an employee disregards this?

11.4 EYESIGHT

• What is your policy on eyesight and the ability of the Driver to read a number plate?
• What happens if the eyesight of an employee deteriorates?

11.5 ENVIRONMENTAL IMPACT

• What is your policy on the environment?

11.6 JOURNEY PLANNING

• What is your policy on journey planning?

12. WITHDRAWAL AND TERMINATION OF EMPLOYMENT

• Define the areas where you will consider withdrawing the provision of a Company Car and / or a Fuel Card (if provided).
• What happens if the Employee contract is terminated?
• What is the process to hand back the car?
13. DRIVER ACCEPTANCE FORM

Finally ask the employee who is eligible for a company car to sign a declaration form.

COMPANY CAR & ROAD SAFETY POLICY

POLICY ACCEPTANCE FORM

I have read and understood the Company Vehicle and Road Safety Policy and agree to the terms and conditions as set out therein. I accept responsibility for ensuring that any Additional Driver(s) that I have declared are informed of any terms and conditions that they should comply with.

Driver's Signature: ..............................................

Name in Block Capitals: ..............................................

Date: ............................................................

ISSUE DATE: xxxxxxxxxxxx