



# CARS AND CAR ALLOWANCES POLICY COMPANY CARS

MSR ROUP

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## *CARS AND CAR ALLOWANCES POLICY*

### *Company cars*

If you are provided with a company car, this will be set out in your contract of employment. Unless you are notified otherwise, a company car may be used for both business and private use, subject to such restrictions and upon such conditions (if any) as the Company may from time to time impose.

In particular, the employee is the only person authorised to drive the car. Under no circumstances may any other person drive the car.

Employees are only provided with company cars at the absolute discretion of the Company and the the company car may not be used for:

- any business purposes other than those undertaken on behalf of the Company
- hire or reward (either goods or passengers)
- racing, pace making, rally driving or any other competitive event
- towing.

The Company reserves the right to set a maximum lease value on company cars and/or to specify the make, model and colour that will be provided.

The Company will pay for the

- MOT
- licensing,
- insurance,
- maintenance,
- repair and servicing

Repair and servicing of company cars (provided repairs and service are not caused by the employee's negligence or wilful default) and when necessary replacement thereof. However, employees have no contractual right to a replacement car.

The Company will also pay for the cost of petrol/diesel (as appropriate) for business use only. The employee must pay for petrol/diesel for all private mileage.

When any manufacturer's cover expires, the Company will also arrange to provide and pay for emergency breakdown/roadside assistance cover through a motoring organisation selected by the Company.

The employee will be responsible for any income tax and National Insurance liability as assessed by HM Revenue & Customs in respect of the use of the car.

**Employees Responsible**

1. The employee must not permit the car to be taken out of Great Britain without the prior consent of their line manager.
2. The Company will retain all documents relating to the registration of the car. However, the employee is responsible for ensuring the car has a valid MOT certificate and road tax cover and for ensuring the car is properly maintained and serviced.

As stated above, the Company will generally bear the cost of these matters. Appointments for MOT testing and servicing must be made with a garage approved in advance by the Company.

3. Employees are required to identify the service dates in line with the vehicle log book and mileage record.
4. The employee is also responsible for ensuring the car is properly looked after at all times and is responsible for the cleanliness of it, together with its equipment and fittings.
5. The employee must ensure that it is kept in a roadworthy condition, that regular checks are made of tyre tread, tyre pressure, lights, brakes, oil, water coolant, fuel, screen wash and battery and that it conforms with current road traffic legislation and that the provisions and conditions of the policy of insurance relating thereto are observed and that such policy is not rendered void or voidable.
6. The Company may seek to recoup any losses in the event of damage caused to the car by the employee's negligence or wilful default.
7. The employee is responsible for the excess which is required to be paid which is not recoverable from the insurance company should the vehicle be involved in an accident, irrespective of the responsibility for the accident.

The employee accepts that the Company shall be entitled to deduct the cost of repair of any such damage and/or the cost of the insurance excess from his or her wages and, if this applies, a relevant deduction from wages clause will be set out in the employee's contract of employment.

8. Employees are not permitted to carry out any alterations to the car, nor are they permitted to fit car radios, stereo equipment, fog lamps, roof racks, tow bars or any other accessories.

Personal items are left in the car entirely at the employee's own risk and the Company does not accept any liability for loss, theft or damage of personal items.

**The employee must report to the Company forthwith:**

- vehicle defects or damage to the car
- any theft or loss of the car
- any road traffic accident in which the employee may be involved whilst driving the car, whether or not that occurred on the Company's business
- any fixed penalty notice or any order of any court to endorse the employee's driving licence or to disqualify him or her from holding a driving licence, whether or not that consequence occurred whilst driving on the Company's business
- any other event which results in the employee being ineligible to drive the car.

The employee must also immediately report any theft or loss of the car or reportable road traffic accident involving the car to the police.

Where a road traffic accident also involves a third party's vehicle, the employee is responsible for obtaining the registration number of that vehicle and the particulars of any persons involved in the accident, as well as the names and addresses of any witnesses to the accident.

The employee must drive within the law and abide by all requirements of road traffic law and the Highway Code, including but not limited to:

- ensuring that traffic signs and speed limits are observed
- ensuring that the car is properly parked and not in breach of any road traffic regulations.

The employee is responsible for the payment of any and all fines incurred as a result of a motoring offence whilst the car is in the employee's possession, including parking and speeding fines and, if this applies, the employee accepts that the Company shall be entitled to deduct the cost of any such fines from the employee's wages and a relevant deductions from wages clause will be set out in the employee's contract of employment. Upon request, the employee must provide his or her full driving licence for inspection.

Failure to observe these rules or failure to use the car in a reasonable and responsible manner may result in the Company withdrawing the use of the car from the employee concerned. In addition, a failure to observe these rules will be regarded as a disciplinary offence and will be dealt with in accordance with the Company's disciplinary procedure. Depending on the seriousness of the breach, it may constitute potential gross misconduct rendering the employee liable to summary dismissal.

In the event that the Company suspends the employee from the performance of his or her duties in accordance with the Company's disciplinary procedure, the employee will not be entitled to the continued use of the car during that period of suspension.

The employee must promptly return or account for the car and deliver up the keys to ..... (*insert name of contact*) in the following circumstances:

- on the termination of the employee's employment
- if, for whatever reason, the employee ceases to hold a valid and current licence to drive private motor cars
- during any period of extended leave granted by the Company
- if the employee is convicted of a careless, reckless or dangerous driving offence, at the discretion of the Company
- if the car is involved in an excessive number of accidents whilst being used by the employee, as determined by the Company
- if the employee violates the terms of this policy or fails to use the car in a reasonable and responsible manner, as determined by the Company
- if there is an unacceptable increase in the insurance premium for the car as a result of the number of penalty points endorsed on the employee's driving licence, as determined by the Company.

If one of these applies, the employee accepts that his or her failure to return or account for the car will entitle the Company to withhold any outstanding monies/wages due from the Company to the employee up to the value of the car and a relevant deduction from wages clause to this effect will be set out in the employee's contract of employment.

### *Carrying of passengers*

Whilst it is acceptable to carry personal passengers (including children) in the car when using it for private travel, the employee is prohibited from carrying personal passengers (including children) in the car when using it for business travel. However, the employee is permitted to carry business-related passengers in the car (such as fellow employees or clients/customers) when using it on Company-related business as the circumstances of the case dictate.

It is acceptable to have a child seat fitted in the car where it may be used for private travel.

When carrying passengers, the employee should ensure they comply with the car manufacturer's design specification. There should be enough seats for all passengers and only one person per seat. The driver and any passengers must wear seat belts on all journeys.

### *Contributions to private use*

Where the company requires the employee to contribute to the running costs of the car for purposes other than company business, payments are due no later than the last day of the month to which the contribution relates. A contribution received late, that is, after the end of the month for which it was due, will count as a contribution for the month in which it is paid.

### *Car allowances*

In lieu of the provision of a company car, the employee may elect by notice in writing to the Company to receive a monthly car allowance of such amount as shall be notified by the Company from time to time. This allowance shall be added to and paid on the due date for payment of salary.

## *Driving and mobile phones*

Some employees are required to drive on the Company's business as part of their job duties. Operating a mobile phone whilst driving reduces concentration and increases the likelihood of an accident. It is also a criminal offence in certain circumstances. This section therefore also sets out the Company's requirements in relation to employees using mobile phones whilst driving on Company business.

It applies irrespective of whether the employee uses a Company-provided mobile phone or their own personal mobile phone and irrespective of whether they are driving a company car or their own car.

Employees are completely prohibited from using a hand-held mobile phone or similar hand-held electronic device whilst driving as part of their job duties, whether this is to make or receive telephone calls, send or read text or image/picture messages, send or receive facsimiles or to access the Internet or e-mail. If any employee is discovered contravening this rule, they will face serious action under the Company's disciplinary procedure. In view of the potential health and safety implications, it may also constitute gross misconduct and could render the employee liable to summary dismissal.

If an employee does wish to use a hand-held mobile phone when driving, he or she must stop the car and completely turn off the car's engine before using the mobile phone. A person is regarded as "driving" for the purposes of the law if the engine is running, even if their vehicle is stationary. This means employees must not use a hand-held phone at traffic lights, during traffic jams or at other times when the engine is still running.

A hands-free phone is one that does not require the user to hold it at any point during the course of its operation. A mobile phone that is attached to fixed speakers and does not require the user to hold it whilst in use (for example, because it is stored in a cradle) would be covered, as would a hands-free mobile phone with voice activation.

If the phone needs to be held in the user's hand at some point during its operation, for example to dial the number or to end the call, it is not hands-free. If employees are required to drive as part of their job duties and they wish to use a mobile phone, they must ensure they have the appropriate hands-free equipment for the phone. However, even with hands-free equipment, driving and conducting a telephone conversation are both demanding tasks and the employee should take all reasonable steps to ensure they do not carry out these tasks at the same time.

The employee should therefore make use of any voicemail or call divert facility available, rather than make or receive "live" calls. The employee should then stop regularly in safe places to check for voicemail messages and to make and return calls. If an employee does need to make or receive a call whilst driving on Company business and he or she has the appropriate hands-free equipment, these calls should nevertheless be limited to essential calls and only when it is safe to do so.

## *Vehicle tracking*

The Company reserves the right to install monitoring devices such as satellite tracking systems in all company cars to track the movement of the vehicle during business use. Such devices may record or transmit information such as the location of the car, the distance it has covered, its speed and related information about the user's driving habits. An employee will be advised if a monitoring device has been installed, or will be installed, in their company car and will also be advised of the nature of the monitoring that will take place.

As company cars may also be used for private use, the Company does not wish to monitor the car when used privately. Therefore, where a monitoring device has been installed, a "privacy button" or similar arrangement will be provided to enable the monitoring to be disabled or deactivated by the employee during private use. Monitoring must not, however, be disabled at any time during business use. If any employee is discovered contravening this rule, they will face serious action under the Company's disciplinary procedure.

The purposes of vehicle tracking are to:

- ensure drivers are not in breach of the Working Time Regulations 1998
- help prevent accidents by monitoring driver speed and habits
- maximise driver performance and productivity and improve customer service
- improve fuel economy by monitoring and managing company cars more effectively
- protect the health, safety and welfare of lone drivers by ensuring they can be more easily located in the event of an emergency.

In some cases, the Company may be under a legal obligation to monitor the use of vehicles, even if used privately, for example by fitting a tachograph as a permanent fixture in a lorry. In these cases, the Company's legal obligation will always take precedence and the monitoring cannot be turned off.

The Company may use the information obtained from vehicle monitoring in any subsequent disciplinary action where the data shows there has been a breach by the employee of Company rules and procedures.]



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