

This Credit Agreement is regulated by the Consumer Credit Act 1974

CONTRACT HIRE AGREEMENT
Between

Essex Partnership University NHS Foundation Trust
Thameside House
Thurrock Hospital
Long Lane
Grays
Essex
RM16 2PX

And

Agreement no. _____ **YOUR LEASE CAR**

Welcome to the Essex Partnership University NHS Foundation Trust Salary Sacrifice car scheme.

The following guide is to help you understand the benefits of the scheme and where your responsibilities lie in relation to the scheme. If there are any points upon which you need greater detail, please contact us.

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DEFINITIONS

"We", "Us" and "Trust" means the Essex Partnership University NHS Foundation Trust.

"You" means

"Company" shall mean the contract hire company

" Rental Period" means 36 months from the effective date

" Rent, or Rental costs" means the charge the Trust make to .

"Vehicle Supplier Lease" means any agreement between Essex Partnership University NHS Foundation Trust and a vehicle supplier to supply vehicles.

"Lease cost" is the cost to Essex University NHS Foundation Trust of hiring the vehicle.

"Motoring Organisation Membership" means the leasing companies appointed breakdown service provider

"the Schedule" means the Schedule attached to this document

SAMPLE - DO NOT USE

Essex Partnership University NHS Foundation Trust

SALARY SACRIFICE VEHICLE HIRE SCHEME

TERMS AND CONDITIONS

1. GENERAL

- 1.1 Employees signing the Salary Sacrifice Vehicle Hire Scheme Agreement will have entered into a legally binding contract with the Trust.
- 1.2 The Trust shall arrange for the Employee to be provided with a new motor vehicle through a contract hire company as specified and agreed by the Employee, which will be taxed and fully maintained by the Company pursuant to Clause 2.
- 1.3 The employee's annual salary will be reduced by the annual lease cost of the Vehicle. This will be reflected in the employee's monthly pay advice.
- 1.4 If there is a change to the cost of the Vehicle Hire Scheme over which the Trust has no control e.g. vehicle tax, vehicle insurance, and mileage, the amount of salary foregone by the employee may need to be revised. Employees will be notified in writing by the Car Leasing Department if the amount of salary foregone is being revised.
- 1.5 The Employee must not sell, assign, rehire, charge, or part with possession of the vehicle.
- 1.6 Any act or omission of any person authorised by the employee to use the vehicle shall, for the purpose of this Agreement, be deemed to be the act or omission of the employee.
- 1.7 The Trust is responsible for ensuring the vehicle has fully comprehensive insurance for the Employee and the named drivers permitted to use the vehicle.
- 1.8 The Trust reserves the right to discontinue the scheme at the end of the Vehicle Hire Scheme period.

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1.9 Eligibility Criteria

Eligibility is subject to meeting all the following conditions:

1.9.1 You are a permanent employee of Essex University NHS Foundation Trust. This excludes Fixed Term and Bank Staff.

1.9.2 One lease car per employee.

1.9.3 You hold a full UK driving licence. It is your responsibility to declare any endorsement immediately to the Car Leasing Department. Depending on the endorsement you may no longer be covered by the insurance and will need to return the vehicle. You will be liable for any early termination costs.

1.9.4 Your net salary does not drop below the national minimum wage as a result of taking on a salary sacrificed vehicle.

1.9.5 If your contract at the Trust is terminated as a result of a disciplinary action, sickness hearing and other such circumstance you are liable for any early termination fee/pro rata charges and must notify the Car Leasing Department and arrange the return of the vehicle immediately. You will also be liable for any damage to the vehicle or excess miles once returned.

The Trust reserves the right to decline any application

2. MAINTENANCE AND REPAIR

2.1 The Scheme allows for full maintenance of the Vehicle which will include:-

2.1.1 the cost of all servicing in accordance with the manufacturer's recommendations at an approved dealership / repairer (subject to fair wear and tear guide).

2.1.2 mechanical or electrical repairs,

2.1.3 Replacement of tyres, batteries, exhausts, etc.

2.1.4 The cost of replacing fluids (i.e. oil or water) which may be required between services will be met by the Employee.

2.3 Service maintenance and repair will be carried out by an appropriate dealer approved by the hire company. All warranty work must be undertaken by a franchised dealer. Unauthorised maintenance/repair work may result in the withdrawal of a Vehicle Hire Scheme hired vehicle from the Employee or the Employee may be required to meet the cost of the work undertaken.

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- 2.3 The Employee will be responsible for contacting the approved dealer in advance of the date the service is required. The Employee is required to contact the approved dealer when ad-hoc repairs become necessary. A booklet giving full service details will be provided when the vehicle is delivered. This booklet should be kept in the vehicle.
- 2.4 The Employee is required to organise their working day so that vehicle service/repair arrangements have the minimum effect on their work. The Agreement does, however, provide for a relief vehicle should the Employee's contract hire vehicle be unavailable for a period of more than two days for reasons of repair or maintenance. (This is subject to availability and can be obtained from Thurrock site).
- 2.5 The cost of repairs and replacements to the vehicle made necessary as a result of deliberate abuse or willful neglect, are payable by the Employee. Any cost that the Company considers to have been caused by deliberate abuse or willful neglect must be reimbursed to the Trust by the Employee on receipt of an account for the amount due. Inspection of the vehicle may be made by the Trust at any reasonable time. Any damage found on inspection is rectifiable at the Employee's expense.
- 2.6 The Employee is required to keep the Vehicle in good condition and to the same high standard as if it were owned by the Employee. A British Vehicle Rental Leasing guide to acceptable return and vehicle condition will be provided to the Employee upon collection of the vehicle. If the vehicle is delivered to a home or work address a guide will be emailed to the employee.
- 2.7 The Employee has specific responsibility for undertaking and paying for:
 - 2.7.1 Keeping the vehicle in a clean condition;
 - 2.7.2 At daily intervals checking the oil, water, lights, battery, brake and any other fluid levels, tyre pressures, adblue levels and condition of tyres, and taking any necessary corrective action. Undue wearing or damage to tyres must be reported to the Trust immediately and the vehicle must not be used unless the tyres conform to all relevant legal requirements. The Employee must not change the vehicle's tyres or battery without notifying the Trust within a reasonable period of time.
 - 2.7.3 Reporting defects promptly to an approved dealer and the Trust.
 - 2.7.4 Ensuring that servicing and maintenance are carried out by an approved dealer at the intervals specified in the manufacturer's handbook.
 - 2.7.5 Ensuring that you keep the Leasing Company and Insurance Company details within the vehicle for emergencies.
 - 2.7.6 Ensuring the reasonable security of the vehicle at all times. Any garage costs are to be borne by the employee.

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- 2.7.7 Conforming to all instructions and recommendations in the manufacturer's handbook and all other instructions and advice from the Contract Hire Company of the Trust including any running in period of the vehicle.
- 2.7.8 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 Hire Company.
- 2.7.9 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.
- 2.7.10 Notifying the Trust as soon as reasonably practical of any defect or failure of the milometer of the vehicle, in which event the Trust may, in its absolute discretion, estimate unrecorded mileage based upon the average distance covered during the last complete year before such failure or defect was discovered, and any such other relevant information as it chooses to consider.
- 2.8 Periodically, the vehicle may be appraised for condition during the hire period. The Employee must promptly arrange for any repairs considered necessary at the time of the appraisal to bring the vehicle into good condition taking fair wear and tear into account, to be carried out.
- 2.9 There may be an appraisal of the vehicle's condition by the Trust approximately one month before the Agreement expires.

3. USE OF VEHICLE

- 3.1 The vehicle will only be used by the Employee and those authorised to do so by the Trust, provided they are properly qualified drivers holding a full current UK driving licence and are included within the Trust's insurance policy. You are able to add 3 additional drivers to your vehicle policy. Any extra drivers will incur a £20 admin fee and additional charges for checking their licence.
- 3.2 Business use refers to use of the vehicle by the employee only on official Trust business and no one else's business and not for hire or reward.
- 3.3 The vehicle may be used for normal social, domestic and pleasure purposes. The vehicle shall be available for Trust business use at all reasonable times except when it is being repaired or serviced.
- 3.4 You will not remove the car from the United Kingdom without prior written consent from the Leasing Company and the Insurance Company. You must contact the Leasing Company and Insurance Company a minimum of 4 weeks prior to travel. The vehicle must not be out of the country for more than 4 weeks and we/they are entitled at any time by written notice to terminate the consent with immediate effect. Breakdown cover must be discussed with the Leasing company and arranged prior to travel. You will require authorisation form (VE103) from the Leasing Company otherwise Customs may impound the vehicle. You will also require a Green Card from the Insurance Company.

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- 3.5 All Trust business mileage shall be undertaken in the Vehicle, unless unavailable due to repair or servicing. Business mileage will be reimbursed in accordance with Clause 6. Any business mileage undertaken in a vehicle other than the Vehicle Hire Scheme vehicle will be reimbursed as if the Vehicle Hire Scheme vehicle had been used.
- 3.6 Not without our consent in writing to make alterations to the car or affix any accessories (including tow bar).
- 3.7 The Employee must not use, or permit the vehicle to be used, for hire, reward, competition, trials, pace making or driving tuition.
- 3.8 The Employee must take all reasonable steps to keep the vehicle free from any distress for rents, tax, executions or other legal process, and if for any reason the same is (whether under legal process or not) seized or taken out of his/her possession or control, the employee must immediately inform the Trust. The employee will indemnify the Trust for any loss to it so arising.
- 3.9 The Employee may not remove factory fit extras from the Vehicle, either before or after the expiry of the period of hire, any such accessories. Except as permitted above, no accessories may be fitted to the vehicle.

4. SALARY SACRIFICE

- 4.1 The Trust will pay the lease of the Vehicle and the Employee's salary will be reduced. The contribution will depend upon the vehicle chosen and any optional extras.
- 4.2 Contributions are subject to VAT. Any changes in the VAT rate will require an appropriate adjustment to the monthly repayments and will be notified in writing to the Employee by the Car Leasing Department.
- 4.3 Any other changes notified by the Government, over which the Trust has no control, which may affect the annual lease cost and will result in a change to the amount of salary foregone, will be notified in writing to the Employee by the Car Leasing Department.
- 4.4 Any changes in the tax implications of this benefit, such as the benefit in kind calculation, CO2 emission bandings etc. will be applied through changes in tax code notified by HMRC.
- 4.5 The lease car will be provided with full comprehensive insurance, including business travel and private use under the terms of the insurance held by the Trust. Spouse/Partners can be included on the insurance policy as named drivers subject to the underwriters' approval (3.1). The insurance Terms and Conditions are subject to change on an annual basis when the fleet policy is renewed. Please see compulsory excess table below.

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Our excess rates depend on individual circumstances such as age, convictions and previous fault accidents it should be noted that the above may be subject to change at the underwriter's discretion. Please also note the underwriters reserve the right to refuse insurance at their discretion.

Driver Category	Main Driver Excess + VAT	Additional Driver Excess + VAT
<21	£1,000	£1,000
21- 25 but has only held licence for less than 2 years	£750	£750
21-25 and held licence for more than 2 years	£500	£500
26 and over	£250	£250
In addition, a further additional excess of £250 + Vat will also apply should a driver make any additional "fault" claim in a 12 month period.		

- 4.6 The Employee is responsible for the payment of any fines, penalties for unlawful parking of the Vehicle and any other fines which arise through the driving of the vehicle. Upon receiving the fine it is the drivers responsibility to either appeal or pay the fine. You need to make the Car Leasing Department aware of your intention. If the fine escalates or appeal process is denied the Trust will pay the fine/ticket/penalty and recharge the driver. If you receive 3 upheld fines, tickets or penalties within the 3 year leasing period, a £20 administration fee will be deducted for any additional fine, ticket and penalty. This will also be taken into consideration for any future car lease applications.

The employee will also pay for any related legal, administrative or maintenance costs which arise from an illegal act. The vehicle hire company will pay the fine, and the Trust will recover the costs via Payroll as a deduction or raise a debtors requisition to the employee. The employee may not be able to benefit from the 'reduced fee' option relating to early payment of fines and penalties.

- 4.7 At the end of the three year Vehicle Hire Scheme period the total mileage travelled by the vehicle will be compared with the original estimated mileage used for the basis of the Scheme. If the mileage is above the contracted limit, an excess charge will be levied upon the Trust and this will be passed onto the Employee for payment. Excess mileage varies by leasing company, a schedule will provided with your contract regarding your specific vehicle rate. To ensure collection at the end of the lease the vehicle has to have a valid MOT, have both sets of keys, a minimum of a ¼ tanks of fuel, and items in the vehicle upon

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delivery must be in the vehicle on return E.g. locking wheel nut). The vehicle must be road worthy (e.g. tyres within legal limit).

5. ACCIDENT OR DAMAGE

- 5.1 Notify the insurance Company immediately of every accident in which the car is involved. All accidents involving a third party must be reported to our insurance Company within 24 hours. All other accidents must be reported within 72 hours of the incident otherwise the claim will have to be dealt with privately using a recommended body shop at the cost of the hirer and not the insurer.
- 5.2 It is the Employee's responsibility to ensure that all accident repair work returns the vehicle to its former condition prior to the accident.
- 5.3 Should the hire vehicle be unavailable for a period of more than two days, a relief vehicle will be made available wherever possible. This is not like for like.

6. BUSINESS MILEAGE REIMBURSEMENT

- 6.1 The Employee will be reimbursed for business mileage as per the table below.

Mileage	Rate per Mile (pence)
0-6000	45p
6001 +	25p

- 6.1.1 All employees must record accurately their total daily official mileage on the vehicle mileage claim form which will be approved by their Line Manager and sent to the Car Leasing department to validate and forward to Payroll for payment processing.
- 6.1.2 The business mileage reimbursement is subject the PAYE and NI.

7. Breakdown

- 7.1 A breakdown recovery service is included as part of the Vehicle Hire Scheme, the breakdown recovery company will be dependent on who the Vehicle Hire company uses.

If the vehicle is not drivable as a result of an accident it will need to be recovered by the insurance company and not the Leasing Company.

8. INCOME TAX POSITION

- 8.1 A liability to payment of income tax will arise as a result of participation in the scheme.

8.1.1 The tax liability will depend on a number of factors including, the value of the vehicle, the Co2 emissions of the vehicle and the salary of the employee e.g. a higher rate tax player.

Examples have been provided in the salary sacrifice booklet.

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8.1.2 It should be noted that the HMRC tax table is updated each financial year, so a benefit-in-kind tax payment in this financial year may not be the same for subsequent years. Any quoted tax is subject to change.

9. PURCHASE OF A CONTRACT HIRE VEHICLE

- 9.1 If at the end of the Agreement the Employee wishes to purchase the Vehicle from the Vehicle Hire Company this will be the subject of a private contract between the Employee and the Vehicle Hire Company.

10. TERMINATION OF A CONTRACT HIRE AGREEMENT

10.1 The Vehicle Hire Scheme will terminate upon any of the following events and any costs incurred as a result of early termination may be paid by the Employee. Given that you have entered into a salary sacrifice arrangement in regard to this vehicle an early termination will only be permitted in certain specific circumstances. These are if your circumstances change and these would permit under HMRC rules a 'lifestyle change' or on the anniversary of this agreement.

- 10.1.1 The Vehicle for whatever reason becoming in the opinion of, and at the sole discretion of the Company, uneconomic to repair and/or maintain.
- 10.1.2 The loss whether by theft or otherwise of the Vehicle for three consecutive months.
- 10.1.3 The Employee commits a material breach of the terms of this Agreement.
- 10.1.4 The Employee becoming disqualified from holding or, for any reason ceasing to hold, a valid driving licence entitling him/her to drive a vehicle. Or in the even of the driver no longer being covered by the insurance.

The Trust undertakes a process for obtaining a copy of driving licences every 6 months; these checks are applicable to this Agreement. If you or your named driver(s) are deemed a "higher risk" by the insurance company additional checks will be mad and these will be charged to the driver. If the insurance deem the driver too much of a risk they will not be added to the insurance.

10.2 The Scheme will terminate upon the termination of the Employee's contract of service with the Trust (as detailed in criteria 1.9.5)

- 10.2.1 Upon voluntary resignation or dismissal, should the Employee decide not to purchase the vehicle and the Trust is unable to transfer the Agreement to **a)** another Employee or **b)** the Employee's new employer, any early termination costs will be met by the Employee.

Early Termination Fees Table

Year 1	As per stated on your individual contract
Year 2	As per stated on your individual contract
Year 3	As per stated on your individual contract

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- 10.2.2 Upon compulsory redundancy, should the Employee decide not to purchase the vehicle and the Trust is unable to transfer the Agreement to another Employee or the Employee's new employer (if applicable), any early termination costs will be met by the Trust.
- 10.2.3 Upon death of the Employee, should the Trust be unable to transfer the Agreement to another Employee, any early termination costs will be met by the Trust.
- 10.3 An Employee may be able to terminate the Agreement in exceptional cases before the three year period is complete, if the Employee does not wish to purchase the Vehicle and if the Trust is unable to transfer the Agreement to another Employee, any early termination costs shall be met by the Employee. This again is subject to the conditions specified at 10.1 above
- 10.4 The Scheme will terminate upon the cessation of the Trust's entitlement to possession of the said vehicle under its Agreement with the Hire Company.
- 10.5 In the absence of any of the aforementioned events, the Hire Agreement will terminate at the expiry of the three year period.
- 10.6 Upon termination of the Scheme the vehicle shall forthwith be returned to the Trust in good condition and free from defects (other than those already notified by the Employee to the Trust) consistent with the age, nature and mileage of the vehicle. The employee shall pay to the Trust any costs required to put the vehicle into a good condition. A Vehicle Leasing Rental Agreement will be provided.
- The Employee shall permit representatives of the Trust and/or the Hire Company to inspect the state and condition of the vehicle at any reasonable time to determine compliance with Clause **10.7** or for any other reasons.
- 10.7 In the event that the Employee fails to return the Vehicle to the Trust on termination of the Hire Agreement, the Trust may repossess the Vehicle without being liable to any action or other proceedings at the suit of the Employee or any person claiming under or through him/her.
- 10.9 In the event that the Employee is absent from work for an extended period on maternity leave, sick leave or on approved training, the Employee may choose to continue to pay at the contracted charge or to return the Vehicle to the Trust and pay the termination charge.
- 10.10 In exceptional cases the Trust may offer an Employee a Vehicle that is not new if it has been released following termination of an Agreement by another employee. In such cases, the period of use will be the unexpired portion of the three year period and the contribution will be the original charge when the vehicle was first supplied.
- 10.11 If the Agreement between the Company and the Trust is terminated by the Company for any of the reasons stipulated in the Agreement between the Company and the Trust, then the Agreement between the Trust and the Employee shall also be terminated.

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The Trust reserves the right to take legal proceedings to recover and sums owing or the Vehicle should the Employee default against this Agreement.

SAMPLE - DO NOT USE

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SCHEDULE

Customer's name

Address

The Car:

Your Annual Salary Reduction: £

Your Monthly Salary Reduction: £

Length of Contract: 36 Months

Annual mileage limit:

Excess Mileage Rate: p PER MILE

Lease company:

Supplying Dealer

Termination Charges: Year 1 -
Year 2 -
Year 3 -

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I have read terms and conditions above and agree to a reduction in my salary in exchange for a lease vehicle:

SIGNATURE _____

DATE _____

PRINT NAME _____

This is a Credit Agreement regulated by the Consumer Credit Act 1974.

Signature of Customer _____

Date of Signature _____

Motor Fleet Manager Signature on and behalf of Essex Partnership NHS University Foundation Trust

Date of Signature

NOTICE

IMPORTANT - YOU SHOULD READ THIS CAREFULLY

**STATUTORY NOTICE RELATING TO A
REGULATED CONSUMER CREDIT AGREEMENT**

YOUR RIGHT TO CANCEL

You have a right to cancel it if you wish. You can do this by sending or taking a **WRITTEN** notice of cancellation to **Laura Guymmer, Essex Partnership University NHS Foundation Trust, Thurrock Hospital, Long Lane, Grays, RM16 2PX**. You have **FOURTEEN DAYS** starting from the date of signing the attached credit agreement. Please note that the vehicle will not be ordered until the 14 day period has elapsed.

CANCELLATION FORM

(Complete and detach and return this form **ONLY IF YOU WISH TO CANCEL THE AGREEMENT**)

To:

I/We hereby give notice that I/We wish to cancel agreement number:

Signature _____

Date _____