COMPANY CAR AND CAR ALLOWANCE POLICY

GENERAL

It is the intention of Pilgrims Hospices to move progressively towards providing a car allowance for all employees who need cars routinely for business purposes rather than provide Company cars. Clearly, for some employees, the provision of a Company car is central to their terms and conditions of employment, and the Hospice will therefore continue to provide Company cars to these employees until they either choose to opt out of the system or for whatever reason leave the employment of the Hospices. A “mixed” economy of Company cars and car allowance will therefore exist for some years.

CAR ALLOWANCE POLICY

It is Pilgrims Hospice policy to provide all employees who have to use their own cars routinely for business purposes with an allowance of £128 per calendar month (see reference below to pro rated allowance for part time staff) in lieu of the allocation of a Company car (this figure will be amended by the Trustees from time to time). Where this is authorised, the allowance will be paid along with the employee’s monthly salary, before deduction of income tax. However, if the employee loses his/her driving licence e.g. as a result of a motoring offence, no monetary allowance will be paid in lieu of the provision of a Company car. The Hospice has the right to remove the use of a Company car or allowance if necessary.

This allowance is paid:

- To staff who use a car as part of their daily work routine
- To staff whose terms and conditions of employment specifically state an allowance is due
- To staff to travel over 5,000 business miles each year

A car allowance will be pro rated for part time staff according to the days worked, unless an employee’s conditions of employment specify otherwise.

If part time staff are required to work additional days or shifts for a period of more than one month they will be eligible for additional car allowance. They should bring this to the attention of their Manager and ensure the “Pilgrims Hospice Expense form makes this clear.

BUSINESS MILEAGE

Employees who use their own car for business purposes should submit a travel claim for business mileage monthly on a Pilgrims Hospices Expenses claim form, giving details of the visits (see attached form). The first 10,000 miles will be paid at the full mileage rate and at a reduced rate over 10,000 miles to comply with HMRC EIM31240.

COMPANY CAR

Employees who are already provided with a Company car will retain this benefit until their employment in the role that requires them to have a car ceases, or they choose to opt out of the Company scheme and use their own car. Any car provided will remain the Hospice’s exclusive property. The Company car is primarily for the employee to carry out their work, it may however be used by the employee and his or her partner and authorised family members when not required for Hospice purposes and subject to the Hospice’s policy in force from time to time.
The Hospice reserves the right to determine the value, make and model of the car to be provided to the employee and to change, vary or withdraw the employee’s allocated car at any time for any reason. In practice, however, the Hospice will endeavour to consult each employee with a view to offering a reasonable choice as to the make, model and colour of the car to be allocated. Basic requirements are: 4 doors; air conditioning and a boot that is adequate to take the necessary documents and equipment to enable the employee to perform his/her function. Employees may opt to have a vehicle with a higher specification than above, but they will only be funded to the market price of the specified car. (If the Hospice have funded the purchase of a vehicle the same proportion funded shall be refunded to the Hospice when the vehicle is sold).

This car must be fit for purpose and in keeping with the image the Hospice wants to present. The Hospices can withdraw financial support if the proposed purchase is considered inappropriate.

Replacements of Company cars will be entirely at the Hospice’s discretion and, for those purchased from new, this will normally be after 60,000 miles. For those purchased as used cars, replacement will normally take place after 60,000 miles have been clocked up during Hospice ownership.

If for any reason, the employee is suspended from work, is placed on garden leave or is working out a period of notice, the Hospice reserves the right to withdraw the Company car and pay an allowance equivalent to the value of the normal use of the car instead.

**CONDITIONS OF ENTITLEMENT FOR A COMPANY CAR OR CAR ALLOWANCE**

Provision of a Company car or Car Allowance is subject to the employee holding and continuing to hold a current, full driving licence. It is also a condition of being allocated a Company car or Car Allowance that the employee declares to the Hospices (your Manager) any current driving convictions or penalty points received. The Hospice has the right to inspect driving licenses of staff and other Company car drivers on a regular basis.

- If an employee incurs a driving fine, including parking tickets, the responsibility for paying these rests with the employee. Disciplinary action will be taken against any employee who incurs fines or penalties that are either not declared or not paid.

- If an employee receives a car allowance and is off work due to illness or accident for over one month, the Hospices has the right to suspend this allowance for the duration of absence from work. If the employee has a Company car and is absent from work due to illness, the Hospice reserves the right to discuss with the employee arrangements for the car to be handed back e.g. if the illness prohibits driving. Each situation will be dealt with on a case by case basis.

- For Health and Safety reasons you must not smoke in the Company Car or your own car when being used for business purposes and carrying a passenger.

- Drivers must not use mobile telephones (other than when using appropriate hands free equipment). Drivers are advised to switch to a message service and/or pick up messages when taking breaks from driving.

**USE OF THE COMPANY CAR**

The Hospice permits employees who are allocated a Company car to use it for personal purposes as well as on Company business.

Any Company car provided may be driven by the employee and, if applicable and subject to the Hospice’s written approval, the employee’s spouse, civil partner or partner and members of the
employee’s immediate family residing in the same household as the employee. Permission for the employee’s spouse, civil partner or partner and family members to drive the car will also be subject to the employee providing details of the relevant persons’ names, driving records and other relevant details and to the spouse/civil partner/partner/family members signing a declaration and showing proof that they hold a valid driving licence. The Hospice does not cover anyone holding a provisional licence.

Employees are also required to notify the Hospice (their Line Manager) in writing of any motoring offences (including parking tickets) with which he/she or his/her partner/any family member who is authorised to drive the car has been charged or convicted.

OVERSEAS TRAVEL

If the employee wishes to take the Company car overseas for either business or personal use, prior written authorisation must be obtained from the Hospices (the Chief Executive); email would be acceptable for this purpose. When the overseas visit is for two or more weeks, the employee is required to give at least one month’s notice. It is accepted that occasionally, short, unplanned visits can arise and in this situation, the employee must inform the Chief Executive as soon as possible prior to the trip. (If the Chief Executive is not available please seek authorisation from the Acting Chief Executive or thereafter your line manager).

OTHER DRIVERS

The Hospice insurance policy provides for regular drivers who are under 25 years old to drive Company cars (unless previously prohibited from doing so). Details of any such driver(s) must be given to the Chief Executive (using the attached Declaration form). The Chief Executive will thereafter notify the Hospice insurers. The insurers may charge additional excess for young and inexperienced drivers who are involved in a claim, payment for which may rest with the driver. The only exception to the above principles will be in a genuine emergency, in which case any licensed driver may drive the Company car.

OTHER USES

Company cars may not under any circumstances be used for any of the following purposes:
- racing or rally driving;
- hire or reward;
- driving tuition of any kind, including tuition of family members.

MAINTENANCE OF THE COMPANY CAR

The expense of taxing, insuring, MOT testing, repairing, maintaining and, in so far as attributable to the use of the car for the purposes of the Hospice’s business, running the car will be borne by the Hospice. It is the condition of the provision of a Company car that the employee ensures that the car is maintained in a safe and roadworthy condition at all times, complying with all existing legal requirements. The employee is therefore responsible for:
- checking all lubricants on a regular basis;
- checking tyre pressure and treads regularly;
- checking all lights regularly;
- cleaning the car internally and externally on a regular basis;
- submitting the car for service as recommended by the manufacturer or specified in any warranty;
- informing their Manager in the event of an accident. The driver will be required to fill in an insurance claim form so must obtain all details of third parties and witnesses;
In case of an accident involving a Company car you or others may need to provide Hospice insurance details as follows: Norwich Union, Policy No. 51FLW1746446.

informing the HR Manager of any incident that might result in the police contacting the Hospice as the registered owner of the vehicle.

It is normal practice for the Company car user to initially pay for repairs and maintenance. These costs will be reimbursed by the Hospice on receipt of an expenses claim and relevant invoices.

**APPROVED GARAGES AND DEALERSHIPS**

Company cars must be taken to approved garages or car dealerships for servicing, repair and MOTs. This will normally be the garage, or dealership, from where the car was purchased and specified in any guarantee or car warranty, and/or where the Hospice has a business account.

**PRIVATE MILEAGE**

Company cars can be used for private mileage. Each month all mileage must be recorded (personal and business related) and submitted to your Line Manager for authorisation. If you have a Company car you will pay for personal mileage as deductions from salary (after tax and NI deductions have been calculated). Those that receive an allowance will be paid for Hospice mileage only. Should your private journeys result in the vehicle completing more than 25000 miles per year, an additional charge of 5 pence per mile will be raised. In calculating the petrol costs to be levied for private mileage incurred in Company cars, the manufacturer’s advertised mileage per gallon will be used.

The Hospice will normally define home to work travel as private mileage (in accordance with current HMRC rules).

**BUSINESS MILEAGE**

Each member of staff provided with a Company vehicle will be provided with Mileage Record Summary Sheets, an example of which is attached. Each form should show the business mileage record for a complete week except at the beginning and end of each month if the change of month comes in the middle of a week. Except in the event that there is no business mileage for a whole week, there should be entries in each day and e.g. ‘Annual Leave’ or ‘Sick’ written in if it is appropriate.

At the end of each calendar month the monthly summary (example attached) should be completed and attached to the relevant weekly sheets and then submitted to the HR Department in Canterbury, following authorisation by your Line Manager.

A NWB Business card will be issued to those employees using Company cars for the purchase of oil and petrol. The limit on this card will be £200. The card should not be used for other items unless in an emergency, e.g. a new tyre.

All staff will have a designated work base, even if their working day is spent travelling to other locations. In such cases, staff are not permitted to claim travel from home to their nominated base each day. If the day starts or ends at a place other than a Hospice, a claim can be submitted for mileage only if the journey is longer than the home to base mileage.

**COMPANY CAR IF CHANGING CONTRACT**

A member of staff, who currently has a Company car, and reduces their working days can elect to give up the car for a pro rated car allowance. It is recommended that the member of staff
discusses with their Line Manager their individual circumstances and the options available e.g. in relation to taxable benefits.

**USING YOUR OWN CAR FOR BUSINESS**

Staff who use their privately owned car for business purposes must:
- ensure that the car conforms to the Hospice standards of safety, maintenance and appearance, and
- ensure that their car insurance includes cover for business mileage.

<table>
<thead>
<tr>
<th>Lead and Author</th>
<th>Head of Human Resources</th>
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</thead>
<tbody>
<tr>
<td>Date</td>
<td>April 2010</td>
</tr>
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<td>Policy Version No</td>
<td></td>
</tr>
<tr>
<td>Policy application</td>
<td>Hospice wide</td>
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<td>Approving body</td>
<td></td>
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<tr>
<td>Review</td>
<td>April 2012</td>
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# PILGRIMS HOSPICE
## Mileage Record Summary Sheet

Name .................................  Month .................................

<p>| | |</p>
<table>
<thead>
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<tbody>
<tr>
<td>Opening Mileage Total</td>
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<td>Closing Mileage Total</td>
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<tr>
<td>Total Mileage for Month</td>
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<tr>
<td>Hospices Mileage</td>
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<tr>
<td>Personal Mileage</td>
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</table>

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**Office Use Only**

**Private Mileage Bill**

Name .................................  Month .................................

Private Mileage ........................

Charged at 10p per mile ........................

Total amount to be deducted £ .........................
PILGRIMS HOSPICE
COMPANY CAR AND CAR ALLOWANCE POLICY

DECLARATION

To be completed if you are a Company car driver and wish your car to be driven by your spouse, civil partner or partner and members of the employee’s immediate family in accordance with the Company Car and Car Allowance Policy. The Hospice does not cover additional drivers holding a provisional licence.

Name (member of staff): …………………………………………

Signed ………………………………………………………

Date:……………………………………………………

Family Members’ Declaration, in respect to section 6 (ii) and 6 (v) (please copy this form if necessary):

Name:……………………………………………………………

Signed ………………………………………………………

Relationship to member of staff:………………………………

Date of Birth:……………………………………………………

Date:……………………………………………………

(Please ensure that any family member or spouse’s current driving license is presented for inspection to either the member of staff’s line manager or a member of the HR Department).
EXPENSE CLAIM FORM

Name: ___________________________ Date of Claim: ___________________________

Internal or home address: ________________________________________________________

Mileage claims

<table>
<thead>
<tr>
<th>Date of expenditure</th>
<th>Purpose of journey</th>
<th>From</th>
<th>To</th>
<th>Miles</th>
<th>Home to base deduction *</th>
<th>Rate</th>
<th>Amount £</th>
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Total miles: ___________________________ Total claim: ___________________________

Other claims

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<thead>
<tr>
<th>Date of expenditure</th>
<th>Reason for expenditure</th>
<th>Details of expenditure</th>
<th>Amount £</th>
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Authorisation

Declaration: I declare that the expenses claimed are in accordance with the approved scale of payment set out on the Pilgrims Hospices expenses policy. This claim is not in excess of the actual costs incurred.

Certification: I certify that the expenses claimed were necessarily incurred on Pilgrims Hospice business and comply with the Hospice Expenses policy. I confirm original copies of receipts are attached and are legitimate.

Signature

Claimant signature ___________________________ Authorised by (print) ___________________________ Authorised by (signature) ___________________________

Please attach all original receipts as appropriate and send this form to the Accounts Department in Canterbury. * when working further away from your normal base, please ensure you deduct your normal commutable travel miles.