Hanson UK

Hanson
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company car policy

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1 Introduction

The Hanson UK company car scheme ("the scheme") detailed in this policy replaces all existing company car, car allowance and mileage payment schemes operating across the business and their associated policies.

Hanson UK is a trading name and includes Hanson Quarry Products Europe Limited, Hanson Building Products Limited, Castle Cement Limited, Civil and Marine Limited, Hanson Packed Products Limited, Structherm Limited, Irvine Whitlock Limited and Midland Quarry Products Limited. The scheme covers all employees of these entities and replaces the existing car schemes operating in each. References to Hanson UK ("the company") shall include all of these companies and any other companies the directors wish to include from time to time.

The scheme was introduced in July 2010 as a result of a need to provide greater consistency and fairness for all Hanson UK car users, as well as improve sustainability and safety standards. There was also a requirement for the scheme to be both attractive to employees and cost effective to the company.

The scheme will be reviewed on an ongoing basis to ensure that it reflects current business requirements. The company reserves the right to alter, amend or withdraw any car or provisions of this scheme at any time without prior notice at its discretion and without compensation.

The provision of a company vehicle to an eligible employee is subject at all times to that employee holding a full valid UK driving licence. An employee must immediately inform the company if they are convicted of a driving offence or disqualified from driving. It is also the employee's responsibility to notify the company of any licence endorsements or any other relevant and/or material facts such as a medical condition that could adversely affect safe driving.

If the employee's role involves a need to drive and they lose their driving licence, the company reserves the right to terminate their employment.

2 Eligibility

2.1 Employee eligibility

In order to meet the needs of the business, the company recognises the requirement for certain staff to regularly make journeys in order to carry out the duties of the role (job requirement). The company also recognises that in some circumstances market forces dictate the requirement to offer provision of a vehicle to other members of staff ('perk' car).

Participation in the scheme is based on the following criteria:

- Any new or existing employee who is required to drive 5,000 or more business miles per annum.
- Any new or existing employee who is in a role in grade 17 or above.

The estimated business mileage for a role should take account of historical data where available and requires approval from the managing director or head of staff function.

To qualify for a perk car at grade 17 or above, the job description must have been evaluated through the Hay job evaluation methodology and approved by the HR director and chief executive officer (CEO) of Hanson UK.

The company reserves the right to refuse or withdraw participation in the scheme.

All eligible employees who join the scheme must comply with the terms outlined in the policy.

Anyone found to be in breach of this policy and any other guidelines issued by the company from time to time will be subject to the company's disciplinary procedure.

2.2 Exceptional arrangements

The eligibility of employees who were part of an existing car scheme prior to the launch of the scheme, who drive less than 5,000 business miles per annum and who are less than grade 17, will be reviewed on an individual basis. Their eligibility under the scheme will be at the sole discretion of the CEO of Hanson UK.

2.3 Removal of the benefit of a company car

The benefit of a company car may be removed from an individual at any time at the company's sole discretion. The reason for doing so may include, but is not restricted to loss of licence, persistent breaches of the law or this policy thus bringing the company into disrepute, or a bad accident record. Where the benefit is removed, the company will not compensate the employee for the loss of benefit.

Employees participating in the scheme must notify the company of any serious motoring convictions which could result in a driving ban. The company reserves the right to refuse or withdraw participation in the scheme to any individual convicted of a serious motoring offence.

The company also reserves the right to remove the benefit of a company car where an individual takes up a new position which does not warrant such a benefit or where the duties within their present position have altered to such an extent as to eliminate the requirement to be mobile. In each of these cases, the company will endeavour to give as reasonable a period of notice as possible. If the car is removed for whatever reason, it should be returned to the company in good condition, clean and tidy, free of personal property and along with keys and associated documentation.

3 Responsibilities

3.1 Individual

In agreeing to join the scheme each employee has confirmed that they have read and understood the rules outlined in the policy and will adhere to them.

3.2 Line manager

A line manager has a responsibility to ensure that the company car policy is adhered to by all drivers who report to them directly or indirectly.

3.3 HR department

The HR department is responsible for the provision of the scheme as an employee benefit, including responsibility for the policy.

3.4 Purchasing department

The role of the purchasing department is to provide supplier management in conjunction with HR.

3.5 Fleet administration

The company has outsourced fleet administration of the scheme to Pendragon Contracts Limited ("Pendragon"). Employees who participate in the scheme acknowledge and give their express consent under the terms of data protection to the transfer of necessary and relevant personal data to the administrators as required.

4 Policy conditions

4.1 Car list

The company has entered into agreements with selected manufacturers to provide cars under the scheme. No models outside of the agreed manufacturers are available.

Availability of models and types of vehicles is entirely at the discretion of the company who will determine the suitability/acceptability of any selected vehicle and its trim level. Car benefit levels ("bands") are established which are linked to an employee's job grade. A car list is available for each car band.

The cars available on these lists have been chosen as a result of manufacturer negotiations but also take into account CO_2 emissions and NCAP ratings. The car list is also determined by the whole life cost of each vehicle, which takes into account the purchase price; depreciation; maintenance/ running costs; and the residual value.

Each car list is subject to change on a regular basis and will vary depending on new models being launched, models no longer being available or changes in the arrangements the company has with the manufacturers. The company does not guarantee that a specific make or model which is currently on the list will always be on it in the future. Manufacturer price increases will also affect the cars available on the list for each band.

The following vehicles are not included in the car lists for each band:

- those which exceed the whole life cost limit
- petrol vehicles
- those which exceed the CO_2 cap
- cars with an NCAP rating of below four stars
- two or three door vehicles
- cabriolets
- cars deemed to be unsuitable for the company's fleet

The normal contract for all company cars is 48 months. Pendragon and the company will determine the most cost effective contract on an individual basis as part of the ordering process. On an exceptional basis, the term applied may vary.

Whilst a car is on order, an employee may be required to use an existing spare company car to the end of its lease term. No additional payments or compensation will be paid during this time. All costs associated with the car will be transferred to the employee's cost centre.

4.2 Extras and accessories for cars ("options")

The car list is wide and extensive, including various trim levels of the different models available. These include variations in factory fitted extras and accessories which are factored into the whole life cost of the vehicle. The only additional options allowed on request are tow bars and roof bars. The cost of including this will be taken into account when choosing the car.

No further additional options are allowed.

4.3 Cherished number plates

Cherished or personalised number plates are permitted, however all costs associated with the transfer at either the beginning or end of the lease are the responsibility of the employee. If these are not repaid in full they will be deducted from pay.

4.4 Authorisation

All orders for new company cars must be approved by the employee's line manager and managing director/head of staff function.

The company reserves the right to refuse or reject the choice submitted if deemed unsuitable.

4.5 New starters/existing employees renewing

When a new starter joins the company and is eligible to join the scheme, or an existing

employee's car is due for a change, the following procedure, listed by priority, should be followed:

- The employee will select a car from any of the spare vehicles due for reallocation which are relevant to their car band. The costs of the car will be transferred to the employee's cost centre and the car will be retained for the duration of the remaining lease.
- If a car relevant to their band is not available, the employee can choose a car in a lower car band which is due for reallocation and receive the appropriate trade down allowance. The costs of the car will be transferred to the employee's cost centre and the car will be retained for the duration of the remaining lease.
- If there are no suitable spare cars available which can be reallocated, the employee can order a new vehicle from their appropriate car list.

A new starter may be required to take a hire car or mini-lease vehicle for a defined period. The temporary vehicle will normally be in line with the employee's company car entitlement.

4.6 Promotion/demotion

If an employee is promoted or demoted into a different car band or changes jobs, they will normally be required to maintain the use of their current car until such time as it is due for replacement or it can be satisfactorily reallocated. No additional payments or compensation will be paid during this time. At the end of the term the employee will be able to select from the car list available at that time.

4.7 Trading down

The scheme has been designed to allow employees to trade down and choose a car in a lower car band than they are entitled to. This maybe chosen due to a number of reasons, such as: the actual model preferred by the employee is in the list below; the employee wants to choose a more sustainable car with lower CO_2 emissions; or they want to choose a car with a lower list price to help reduce the benefit in kind tax liability.

If an employee trades down they may receive a cash allowance on a monthly basis in addition to the company car, subject to deductions for tax and National Insurance. The allowance does not form part of the employee's salary or pensionable salary and will therefore not be included when calculating any salary increase, bonus or any other salary related payment.

The allowance will vary depending on the particular model chosen to reflect the differences in costs in running the cars. The allowance available for a car is shown on the online ordering service and can be compared against the tax liability.

Trade-down payments are effective from the date of delivery, but will start in the next available payroll, with any retrospective adjustment as necessary. The value of the cash allowance will remain fixed for the 48 month contract. The payment will stop when the lease term ends, the individual no longer requires a company car, or leaves the company.

4.8 Trading up

There is no facility for employees to trade up and choose a car in a higher band.

4.9 Smoking

Smoking is not permitted in any company car at any time, nor in any vehicle hired/used for company business.

4.10 Driving licences

All individuals driving on company business

are required to produce a valid licence for the class of vehicle they are driving.

For insurance purposes, they will also be required to declare to the company details of any driving penalties, convictions and any physical or medical condition recognised as impairing their ability to drive prior to commencing the first period of driving and annually thereafter, or immediately when any change occurs.

The company may instruct a third party company to carry out a licence check on its behalf and employees will be required to provide relevant documentation to complete this process. The third party company will apply to the DVLA for a copy of the driver's current entitlements and current convictions. Information from the licence will be reported to the company for risk assessment and health and safety reasons. The company may hold details of driver penalties, convictions or driving impairments. The employee is required to provide relevant information for these purposes.

The line manager and managing director and/or head of staff function will be notified of the findings from the licence check and appropriate action will be taken.

The employee is responsible for ensuring that their spouse, partner or any other authorised driver given permission by the employee to drive the car has a valid licence to drive the class of vehicle in question. The company reserves the right to ask to check additional drivers' licences and the employee must provide a copy of driving licences whenever requested to do so.

4.11 Provisional licence holders

The scheme does not permit provisional licence holders to use company vehicles.

4.12 Road fund licence

Road fund licences are automatically sent to employees by Pendragon. If a new licence has not been received prior to the expiry date the employee should contact Pendragon. Any costs associated with replacing a licence which the employee has lost or misplaced will be charged to the employee.

5 Fuel policy

Fuel cards are a convenient way to pay for company vehicle fuel and help the company to manage business fuel costs more effectively. Care should be taken to keep these cards secure. Any card loss or theft should be reported to the company immediately.

5.1 Use of the fuel card

All eligible employees will be allocated a company fuel card for their company car. The company will pay for all fuel incurred in a particular month.

Employees must record their business mileage and total mileage in the month and the proportionate cost difference of the two mileages (i.e. private mileage) will be reimbursed by the employee to the company by deduction through payroll. If you have a fuel card you must not claim fuel through expenses.

Vehicle fuel is costly. Company car drivers are expected to take all reasonable steps to minimise the volume of fuel used on business and the price paid for it.

The company reserves the right to deduct any expenses relating to recovering or making good the company vehicle following incorrect re-fuelling by the employee (e.g. putting petrol into a diesel vehicle or vice versa).

It is expressly forbidden to use the company fuel card to purchase fuel for any privately owned vehicle (eg another family vehicle). Employees may only purchase fuel with the fuel card for their company car.

5.2 Business mileage records

Employees will need to maintain accurate records of all business journeys. Failure to maintain accurate records may invalidate an employee's fuel claim. Falsifying records is defrauding the company and will result in disciplinary proceedings.

Employees need to complete a monthly business mileage return showing their business mileage and total mileage. Business mileage returns must be authorised by the line manager.

The submission of prompt and accurate business mileage is a requirement. Failure to comply with the due date could result in an automatic debit of up to 100 per cent of the month's fuel cost, which may be reconciled in a subsequent month when the full details have been submitted.

6 Driver's responsibilities

The scheme covers all cars for service and maintenance, however, the driver is responsible for the cleanliness and road worthiness of the vehicle and standard of driving. Drivers should also read the company's safe driving procedures which can be found on the intranet.

It is the employee's responsibility to:

- read and understand the vehicle manufacturer's handbook
- initiate services and repairs via Pendragon in line with the manufacturer's recommendations and ensure the service book is stamped after each service
- make sure the vehicle is maintained with the correct types and amounts of oil, water, fuel and antifreeze
- maintain tyre pressures correctly and ensuring that there is adequate tread to meet legal requirements
- ensure that the vehicle is kept in a clean and tidy condition, both internally and externally at their own expense.

For the avoidance of doubt, the responsibility for the roadworthy condition and maintenance of the car is that of the employee. If an employee is due to drive on company business and the car is not in a totally acceptable and roadworthy condition, the company will not allow the employee to use it for business purposes. The employee must report the situation immediately to Pendragon and ensure the problem is rectified and/or the employee has access to a suitable alternative as soon as is reasonably practicable.

Pendragon manages the process of arranging services, MOTs, tyre replacement, windscreen repairs, breakdown recovery and accident management. The company and Pendragon will not pay for any repair or service not arranged through Pendragon.

6.1 Fair wear and tear

Fair wear and tear summarises the degree of deterioration judged to be reasonable when a lease vehicle is returned at the end of a contract period. A full guide of what is considered to be fair is available on the intranet.

In order to help deliver a cost effective policy, any costs that are associated with unfair wear and tear will be discussed with the employee on an individual basis and, where appropriate, the company reserves the right to charge the driver, deduct costs from pay or take action via the disciplinary procedure.

6.2 Breakdown

The company car will be covered for breakdown services. All breakdowns are to be reported to Pendragon.

6.3 Fines and charges

It is the employee's responsibility to pay all fines and fixed penalty notices and charges within the specified time limit as notified by the issuing authority. This includes, but is not limited to, speeding fines, parking fines, third party charges, congestion charges and bus lane fines. These costs are not the responsibility of the company and cannot be reclaimed from expenses. Any sums the company has to pay for offences an employee commits will be deducted from their salary. The company also reserves the right to deduct any costs incurred from pay, having notified the employee beforehand of the amount involved.

Any serious offence committed by the employee may result in the forfeiture, either temporary or permanent, of the employee's use of the vehicle, at the company's discretion. Such offences may impact upon the employee's continued employment with the company.

6.4 Accident management

The employee must report all details obtained at the scene of an accident/incident to Pendragon within 48 hours (weekends excluded). Failure to do so may result in an excess charge.

If any company car driver receives correspondence from any party (including third parties or agents acting on their behalf, or the police) in relation to an accident/incident, this should be forwarded immediately, unanswered to Pendragon.

The company does not accept motor vehicle 'accidents' lightly and will review all accident information on a quarterly basis. An employee's line manager may discuss the accident with the driver.

Any serious offence committed by the employee may result in the forfeiture, either temporary or permanent, of the employee's use of the vehicle, at the company's discretion. Such offences may impact upon the employee's continued employment with the company.

7 Overseas travel

Company cars are available for overseas travel subject to required documentation. For travel outside the UK, the employee must, at their own cost, obtain a VE103 (certificate of authority) which can be obtained via Pendragon. One week's notice is required for all applications. The company insurance policy covers overseas travel within the European Union.

8 Insurance

Insurance is provided on a third party only basis. If the employee or authorised driver has complied with the rules of the scheme, the cost of any damage (which cannot be reclaimed from the third party) will be paid for by the company.

Authorised drivers are defined as:

- the employee allocated the company car
- any person authorised by the employee, provided they are of a minimum age of 21, hold a full driving licence and the employee takes full responsibility for the action of the driver.

Authorised drivers are required to comply with all aspects of this policy. It is the employee's responsibility to convey to the authorised driver the relevant aspects of this policy.

In addition to business use, the company car can only be used for social, domestic and pleasure purposes. Company cars should not be used:

- for any other business or profession purpose
- for any other purpose for which they were not authorised
- carrying passengers for hire and reward
- for racing, rallies, competitions or trials
- by learner drivers
- when in contravention of any law eg insufficient tyre treads.

8.1 Insurance costs

Where the company is not able to recover the cost of repair from a third party, this is deemed as a non-recoverable accident/incident.

Any employee or spouse who is involved in a 'non-recoverable' accident/incident in any 12 month period, will be liable for a contribution towards costs of up to £100. Any employee or spouse who is involved in second 'non-recoverable' accident/incident in any 12 month period, will be liable for a contribution towards costs of up to £200. Any employee or spouse who is involved in third 'non-recoverable' accident/incident in any 12 month period, will be liable for a contribution towards costs of up to £300 and a review with the relevant line manager. These deductions will be made from pay following assessment by the company and prior notification to the employee. In deciding the cost, a determination will be made on fault, extent of damage and an assessment of the employee's consideration of the vehicle under their custody and control. The figures stated above are reviewed from time to time and may be subject to change.

Any serious offence or multiple incidents numbering above three committed by the employee may result in the forfeiture, either temporary or permanent, of the employee's use of the vehicle, at the company's discretion. Such offences may impact upon the employee's continued employment with the company.

8.2 Company property and personal effects

The company's insurance only covers the vehicle and its accessories. Loss of personal effects from the vehicle is not covered, irrespective of whether there was a business reason for them being carried. Employees are required to recover the cost of personal items under their individual household insurance policy wherever possible. Any payment by the company for loss of unrecoverable personal effects from fire, theft or accident involving the vehicle will be at the sole discretion of the managing director/head of staff function.

Employees should be aware that they will only have third party cover when towing with their company car. The employee should take out their own insurance for their towed vehicle. Any uncoupled caravan/trailer is not covered under the company's insurance policy and separate cover should be arranged by the employee. Company vehicles may be used for towing only up to the manufacturer's weight limits, as otherwise the insurance is invalidated.

9 Taxation

9.1 Company vehicles

When a company car is made available for the private use of an employee a 'benefit in kind' value is calculated in relation to the car. The benefit in kind value is calculated by multiplying the car's list price when new by a percentage. The percentage used is based on carbon dioxide (CO_2) emissions measured in grams per kilometre (g/km).

Income tax is due on the value of the benefit at the employee's marginal rate of income tax. No National Insurance contributions are due.

The rules and method of calculation of the tax can be obtained from HMRC's website. A link to this is available through the intranet.

9.2 Reporting procedures

The company is required to report to HMRC the details of any company cars provided for private use and will adhere to this requirement at all times. Employees are also recommended to notify HMRC of the date of receipt of their company car.

A draft P11D will be distributed annually detailing all the benefits in kind provided in the previous tax year. It is the employee's responsibility to ensure that this is correct and any discrepancies should be reported to payroll.

Information on calculating the benefit in kind of a company car can be found on HMRC's website. A link to this is available through the intranet.

10 Driver training

The company expects the highest standards from drivers whilst driving on company business. The company reserves the right to require any employee with a company car to undertake a driving course organised by the company. Individuals with a high-risk assessment from the training may not be permitted to drive on company business.

11 Periods of driving

By the nature of many the company's activities, travelling on business can involve considerable mileage and total driving time.

It is the responsibility of the driver to plan journeys as carefully as possible. Inevitably, with even the best planning there can be considerable delays to journeys because of traffic jams and the weather. It is imperative that the hazards of long distance driving are recognised and consideration should always be given to regular breaks and/or overnight stops.

12 Mobile phones (including Blackberrys and similar devices)

All company cars will be fitted with either Bluetooth or equivalent technology. However, responsibility for safe control of a vehicle always rests with the driver. The company does not require the driver to answer a phone whilst in control of the car.

Research has shown that drivers are four times more likely to have an accident if they are using a mobile phone whilst driving. Government legislation makes the use of hand-held mobile phone whilst driving illegal. It is a strict company policy that hand-held mobile phones are not to be used by the car driver when the car is in motion. Responsibility for safe control of a vehicle always rests with the driver.

While consideration has been given to a total ban on the use of mobile phones, this will not be implemented as long as evidence and feedback shows that these guidelines are being followed and there is no evidence of indiscriminate use:

- no mobile phone should be used by a driver unless it is securely positioned, ie not placed in a situation that could obscure driving instruments or placed on a surface that may result in it falling on the floor
- any use of a mobile phone by the driver must be hands free

- all mobile phones can be programmed to answer automatically after five seconds. The call can be ended by the push of one button
- it is recommended that calls should not be lengthy – even with hands free, research has shown that reaction times are considerably lengthened when drivers are engaged in telephone conversations. There is no company requirement for extended telephone conversations while driving. For urgent matters a short call to advise the driver should be followed by the driver parking safely and returning the call
- the reading of any text messages while the car is in motion is prohibited.

13 Disposal of company vehicles

13.1 Car at end of lease term

At the end of the specified lease term, the car can be returned to Pendragon. It is the employee's responsibility to ensure the vehicle is clean and tidy inside and out, that any repairs are completed and that any personal belongings are removed.

At the point of handover, a condition report will be completed in the driver's presence, which the employee is required to sign and confirm agreement to the car's condition. If the vehicle is returned with damage above that which is considered fair wear and tear, the company reserves the right to apply an excess charge.

The employee may be able to purchase the car if it is not required within the company's fleet. All enquiries should be raised with Pendragon ahead of the disposal.

13.2 Termination of employment

The use of and right to retain a company vehicle will cease on the day that an employee leaves the company unless specific arrangements have been made to the contrary and agreed in writing.

It is the employee's responsibility to return the company car keys and associated documents to the company at an agreed date and time. The car should be cleaned both inside and out and any repairs must be completed and any personal belongings removed before returning the vehicle. The company reserves the right to deduct any charges from pay relating to the return of the vehicle, such as, but not limited to, missing keys, or a condition worse than what is deemed fair wear and tear.

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