

CAR LEASING SCHEME

1. Revise the Current Lease Car Scheme

It is proposed that the Scheme is amended to the following;

Eligibility

1. Annual business mileage is 2,000 miles or above, (unless this is caused by a few especially long journeys), or
2. The average annual mileage is over 1000 miles and
 - an average of ten or more visits are done each week, or
 - the employee is likely to need to attend emergencies outside office hours as a matter of urgency, or
 - there is a daily need to transport specialized or bulky equipment which could not be transported by other means.

Employees currently on the scheme who do not meet the above criteria will not continue on the scheme once their current contract comes to an end.

Contributions

1. A ceiling of £3,000 annual rental and insurance will apply,
2. Eligible employees will contribute 20% towards the annual rental and insurance (on first £3,000),
3. The Council will contribute 80% towards the annual rental and insurance (on first £3,000), and
4. Eligible employees will contribute 100% of the rental above £3,000.

Terms and Conditions of the Scheme

The Scheme will include the following;

1. Increasing the insurance excess to £500,
2. If employees require a hire car this will be met by the employee or their insurer,
3. When the employee leaves/wishes to return the car before the end of the lease they will be responsible for all outstanding contributions and costs (both the employee's and the Council's). This will also include any costs involved in transferring the car to another eligible employee.

Restricted Model List

The Council is proposing to restrict the cars employees are able to select from the scheme to assist the Council with the 'Green' Fleet proposal which recommended encouraging employees to own lower emitting cars.

AND

2. Direct Discount Lease Scheme (Employee Ownership)

Under a direct lease scheme an employee signs a contract with a leasing company to lease the vehicle over a set period and set mileage. Typical agreements run for two or three years and will include servicing, maintenance,

road tax and breakdown recovery. Employees are likely to be given the opportunity of buying the vehicle at the end of the agreement.

As the contract is between the employee and leasing company the Council would have very limited involvement, only setting up the scheme with an external company and the marketing and communicating the Scheme to the workforce. It is proposed that the Council will not make a contribution towards the annual rental under this scheme and therefore it could be introduced for all employees at little cost.

Employees would pay contributions directly to the lease company by direct debit from their bank accounts not through the Council's payroll. Tax rules are complex, but employees using such a scheme as this are exempt from company car benefit in kind tax as the title of the vehicle passes to the employee under a credit-sale agreement.

The Council would make every effort to negotiate discounts for employees and will try to give some indications of the discounts as soon as is practicable.