

**1. Preamble**

- 1.1 This policy forms part of the terms and conditions of the agreement between the employee and the University in relation to the Salary Exchange Car Policy.
  - 1.2 The Salary Exchange Car Scheme is based upon a leasing agreement between the University of Exeter and Lombard Vehicle Management. The leasing agreement can be viewed at <http://admin.exeter.ac.uk/personnel/employeebenefits/carleasing.shtml> and all the terms imposed on the University are, so far as is relevant to the hire of a vehicle by an employee apply to the employee. The legal owner of the car will be Lombard Vehicle Management but for the purpose of the agreement between the employee and the University, the owner will be the University, which is responsible for the administration of the scheme. The employee must enter into a formal agreement with the University in order to participate in the Scheme. This is the formal agreement.
  - 1.3 Signature of the agreement shown as Appendix 2 of this document will be taken as an indication that you have read and understood the whole of this document and that you accept the terms and conditions of this agreement as legally binding on you the employee.
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**2. Eligibility**

- 2.1 The scheme is only eligible to employees of the University who hold a full valid United Kingdom/EC/EEA driving licence. Individuals engaged on a claims basis and Graduate Teaching Fellows are not eligible. It is the employee's responsibility to ensure that the licence is valid for the duration of the agreement. You must let the University know immediately if you are no longer allowed to drive. Please note, photo driving licences have an expiry date.
  - 2.2 Normally, employees must have a minimum of 12 months continuous service with the University to be eligible to participate, although the Director of Personnel and Staff Development may agree to offer the benefit to other appointments as part of a recruitment package which will be detailed in the further particulars for the appointment.
  - 2.3 In the case of a 36 month agreement, only employees who have at least 36 months to run on their current contract of employment (i.e. until the expiry of a fixed term contract or their contractual date of retirement), dated from the commencement of the agreement, are eligible to participate. In the case of a 24 month agreement, only employees who have at least 24 months to run on their current contract of employment (i.e. until the expiry of a fixed term contract or their contractual date of retirement), dated from the commencement of the agreement, are eligible to participate.
  - 2.4 Employees will not be eligible to participate if the effect of the salary exchange arrangement - together with any other salary exchange arrangements which apply to their salary - would be to reduce their pay below the National Minimum Wage or the Earnings Threshold for National Insurance Contributions.
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**3. What is included in the Scheme**

- 3.1 The use of the vehicle, all routine servicing, repairs and maintenance, replacement tyres, batteries and exhaust systems, Road Fund Licence, MOT, insurance (see Appendix 1) and Breakdown Recovery.
- 3.2 A driver's pack to include carpet mats, tax disc holder, driver card and key fob.
- 3.3 The car will be to the manufacturer's standard 'on the road' specification. Factory fitted options and dealer fitted accessories can be fitted before delivery as long as they are specified at the time of order. These extras will be included in the calculation of the employee's salary exchange reduction.
- 3.4 Main dealers may also fit accessories, after delivery only, at the employee's expense (not through payroll) e.g. tow bars, hands free phone kits. Employees are advised to contact Lombard Vehicle Management Customer Services department prior to requesting the fitting of accessories. The costs of removing accessories and returning the car to its original condition at the end of the agreement must be borne by the employee and may be recovered by deduction from their net pay.

When accessories remain fitted, the additional cost of supplying these extras or their value will not be reimbursed to the employee by Lombard Vehicle Management at the end of the agreement.

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#### **4. Placing an order**

- 4.1 Employees are not allowed to make any commitment for a particular car directly with a dealer. All orders need to be made and authorised via Lombard Vehicle Management's web site.
  - 4.2 Before a car can be delivered, the Personnel Benefits Team must have received a signed copy of Appendix 2 of this document which becomes part of the employee's amended Terms and Conditions of Employment. This authorises the reduction to the employee's pay. Neither Lombard Vehicle Management or the University are able to guarantee a delivery date.
  - 4.3 Prior to delivery of the vehicle, an employee may be able to cancel their order. The employee would need to contact Lombard Vehicle Management direct to discuss this and there may be a cancellation fee to pay which must be made by the employee from their net pay. Cancellation after delivery would result in the employee paying an early termination fee. The salary exchange arrangement would not end until the early termination fee had been paid.
  - 4.4 Cancellation after delivery shall result in the employee paying an early termination fee (see 9.1)
  - 4.5 Prior to taking delivery of a vehicle, on an annual basis and at other times on demand, the employee must present a full, valid UK/EEC/EEA driving licence.
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#### **5. Insurance, Foreign Use and Road Fund Tax**

- 5.1 The University is responsible for insuring the vehicle – full details are given in Appendix 1.
  - 5.2 Employees must not take the vehicle abroad without first contacting the University Insurance Office to confirm that the University fleet insurance policy will provide cover. In most circumstances, there should be no charge for foreign use; however, the insurer reserves the right to make a separate charge, payable by the employee, for using the vehicle in certain countries. The Insurance Office will forward a temporary certificate of insurance and European Accident Statement for the trip. The certificate of insurance must be returned to the Insurance Office within two working days of the employee returning to work after the return to the UK. It is the responsibility of the employee to ensure that all drivers comply with local laws when driving abroad.
  - 5.3 Employees wishing to take their vehicle abroad will also need to obtain a VE103 document by contacting, at least 5 working days prior to travel, Service Solutions on 0870 330 0330. A nominal administration fee will be charged for this service. It is not permitted to take the vehicle abroad for more than 28 days.
  - 5.4 Lombard Vehicle Management will ensure that the road fund tax is paid and a current licence issued subject to a valid MOT being in place, where applicable. It is up to the employee to ensure that this is displayed and any fines for failure to do so will be paid by the employee.
  - 5.5 Where the University is not indemnified by insurance cover, the employee will be liable to repay the University any amounts that it incurs as a result of third party action. This may be done by way of deductions from the employee's net salary payments or they will be recoverable from the employee as a debt.
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#### **6. Care of the Vehicle**

- 6.1 Employees should ensure that the vehicle is maintained and operated in accordance with the manufacturer's instructions. Employees must also at regular intervals check and 'top up' the oil, water, battery, brake and any other fluid levels and check tyre pressures and the condition of the tyres; they must pay for all such 'topping up' fluids. Employees will also be responsible for ensuring that the car is maintained in a roadworthy condition and for arranging for it to be maintained in accordance with the manufacturer's and Lombard Vehicle Management's recommendations (although the costs of such maintenance will be met by Lombard Vehicle Management unless the employee has breached his or her obligation to maintain the vehicle in accordance with this policy). Failure to adhere to this could result in a charge e.g. the cost of replacement brake discs if brake pads have been allowed to wear out below their normal limit.
- 6.2 The employee is responsible for complying with all instructions with Lombard Vehicle Management regarding timing of services and MOT (although the costs of such servicing and MOT will be met

by Lombard Vehicle Management unless the employee has breached his or her obligation to maintain the vehicle in accordance with this policy). Lombard Vehicle Management reserves the right to instruct the driver not to use the vehicle if the vehicle is deemed to be non roadworthy. For example if the vehicle is taken to a garage for repairs and then the employee wants to drive it to an alternative garage but the vehicle is not in a legal state of repair to be on the road Lombard Vehicle Management have the right to inform the driver that the vehicle can not be moved.

- 6.3 The employee must take all reasonable precautions against frost damage and ensure sufficient antifreeze is used in accordance with the manufacturer's recommendations. The employee must pay for all antifreeze and for any frost damage caused by failure to take such precautions.
- 6.4 The employee is responsible for the cost of any repairs to the vehicle over and above fair wear and tear and the employee must pay a garage direct for any such repairs. Lombard applies the BVRLA (British Vehicle Rental & Leasing Association) guide to Fair Wear and Tear. A copy of the guide is available on request.
- 6.5 Where Lombard Vehicle Management has met any cost of repairs and seeks to recover the cost and any administrative charges levied by Lombard Vehicle Management from the University, the University will recover the full amount (including any administrative charges levied by Lombard Vehicle Management) from the employee. By participating in this scheme, the employee is agreeing that the University can recover all additional charges levied by Lombard Vehicle Management in respect of the lease of the vehicle from their monthly salary payments. (Such salary deductions will not be subject to Salary Exchange; that is they will be made after the application of statutory deductions.) Otherwise the employee will be required to pay any additional costs levied by Lombard Vehicle Management in full on demand from the University and those costs will be recoverable as a debt.
- 6.6 The employee is responsible for paying any excess charge levied by Lombard Vehicle Management on the termination of the lease in respect of damage exceeding fair wear and tear and mileage in excess of the amount agreed at the commencement of the agreement. Where Lombard Vehicle Management levies any such charges on the University, the University will recover the full amount from the employee. By participating in this scheme, the employee is agreeing that the University can recover all additional charges levied by Lombard Vehicle Management on termination of the lease from their monthly salary payments. (Such salary deductions will not be subject to Salary Exchange; that is they will be made after the application of statutory deductions.) Otherwise the employee will be required to pay any additional costs levied by Lombard Vehicle Management in full on demand from the University and those costs will be recoverable as a debt.
- 6.7 The employee must not transfer the benefit of the agreement to or sub-hire or sub-lease or mortgage or charge the car to any other person or represent himself in any way as being the owner of the car. The employee must not part with possession of the car except in accordance with these conditions and must not allow it to be seized by any third party.

## **7. Motoring Offences and Parking Fines**

- 7.1 The employee must advise the University, immediately and in writing, of any endorsements on their driving license or of any suspension or revocation of their driving licence. The University reserves the right to periodically check for offences and other licence related information directly from DVLA, without obtaining consent from the driver.
- 7.2 The employee is responsible for paying all driving and parking related fines including congestion charges. Where Lombard Vehicle Management has met these fines and seeks to recover the additional cost and any administrative charges levied by Lombard Vehicle Management from the University, the University will recover the full amount (including any administrative charges levied by Lombard Vehicle Management) from the employee. By participating in this scheme, the employee is agreeing that the University can recover all additional charges levied by Lombard Vehicle Management in respect of the lease of the vehicle from their monthly salary payments. (Such salary deductions will not be subject to Salary Exchange; that is they will be made after the application of statutory deductions.) Otherwise the employee will be required to pay any additional costs levied by Lombard Vehicle Management in full on demand from the University and those costs will be recoverable as a debt.

- 7.3 For certain traffic offences, Lombard Vehicle Management will advise the enforcement authorities that the employee is the authorised driver and it will be the employee's responsibility to pay or contest any fine. Lombard Vehicle Management may charge an admin fee for this service.
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## **8. Tax and Salary Exchange**

- 8.1 Taxable benefits are subject to amendment from time to time and are beyond the control of the University; the latest position can be determined from the local HMRC Office or website. The University reserves the right from time to time to amend the amount of salary exchanged as a result of statutory changes, including VAT rate changes.
- 8.2 The reduction to salary under this agreement will continue if the vehicle is off the road for an extended period or if it is stolen or until termination of the lease.
- 8.3 It is entirely a matter for the employee to consider the impact of the salary exchange arrangements on their personal financial circumstances. The University cannot accept any responsibility in this matter and applicants are advised to be cautious before entering into any financial obligation.
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## **9. Termination of the lease**

- 9.1 If the employee wishes to terminate their agreement prior to the end of the lease term that the University has agreed with Lombard Vehicle Management, then Lombard Vehicle Management will charge an early termination payment in accordance with the terms set out in the contract with the University. By participating in this scheme, the employee is agreeing that, in the event that the agreement is terminated prior to its expiry date, then the University can recover the early termination payment from their final monthly salary. Otherwise the employee will be required to pay the early termination payment in full on demand from the University and the payment would be recoverable as a debt. The early termination payment will not be charged in the event of death in service or where the principal reason for the employment ending is redundancy. The early termination payment will not be charged where another employee agrees to take over the balance of their agreement provided that the other employee is eligible to do so and signs an agreement in these terms. The Early Termination Payment will be made from net pay.
- 9.2 The University lease arrangements with Lombard Vehicle Management are covered by the framework pan-government agreement for the lease of cars. It is a condition that the lease has to be provided to a participating public sector organisation. This means that if the employee leaves the employment of the University before the expiry of the lease, they cannot take over the outstanding period of the lease on a personal basis. If the employee is moving to work for another public sector employer, then it may be possible for their new employer to take over the balance of the lease. Where this is not possible, the early termination payment will apply.
- 9.3 At the termination of the lease (howsoever terminated) the employee must make the car available to a person authorised by Lombard Vehicle Management to receive it. Any costs arising out of failure properly to make the car available will be charged to the employee and will be recovered by deduction from the employee's net pay.
- 9.4 The University reserves the right in the light of significant changes to taxation legislation to terminate the scheme and thereby terminate all current agreements prior to their expiry. In such circumstances the University will meet the early termination charges.
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## **10. Miscellaneous**

- 10.1 The framework pan-government agreement under which the University has signed up for the lease of cars, in order to attract discounted rates, expects the vehicle to be available for business use as well as private travel. Where business mileage is incurred, this can be reclaimed at the car scheme rate shown on the University Finance Services website.
- 10.2 If the employee varies their use of the vehicle (causing a variation in mileage) then it is the employee's responsibility to ensure that they do not exceed the contracted mileage or if they do so they must liaise direct with Lombard Vehicle Management to discuss a variation to the terms of their agreement. (The contract can only be amended on an annual basis).
- 10.3 Mobile phones and other hand held electronic information and communication devices should only be used in a vehicle when the employee is parked safely and legally. The employee must not use their device at any other time, including when they are stopped in traffic. Use includes: making or

receiving calls, writing, sending or viewing text or picture/video messages, accessing the internet or sending or receiving emails or listening to voice messages. If the employee is using a hands free device then this should be fitted as stated by the manufacturer. Employees are reminded that they must drive safely at all times and only make or receive calls using a hands free device when it is safe to do so. Failure to do so will be treated under the disciplinary procedure as potential misconduct.

10.4 Employees have a duty to notify the University of any change of address.

10.5 Data Protection – by entering into this agreement the employee is agreeing to the University requesting or passing on personal information (and changes) about the employee to Lombard Vehicle Management, the University's insurers or to certain third parties such as the DVLA or the police. Lombard Vehicle Management will contact the employee by mail/email/telephone for reasons connected to this scheme and for monitoring quality purposes only.

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## Appendix 1: Insurance

### Cover

- 1 The University will arrange comprehensive insurance cover for the vehicle under a fleet insurance policy.
- 2 Very limited cover is provided in respect of loss or damage to personal property in the car and individuals are advised most strongly to make their own arrangements for cover of this nature.

### Drivers

- 3 Insured drivers will be the employee, their partner and close family members (children) with no age restrictions. Insured drivers must have the same residence as the employee. The employee must hold a full driving licence; additional drivers may drive the vehicle with a provisional driving licence provided they are appropriately accompanied.

### Use

- 4 The policy covers the use of the vehicle by the employee for social, domestic and pleasure purposes only, including commuting to and from work, and for University business travel by the employee.
- 5 The policy covers the use of the vehicle by the partner and close family members of the employee for social, domestic and pleasure purposes only, including commuting to and from one permanent place of work (which may not be connected with the University). The policy does not cover business travel by close family members of the employee.
- 6 The vehicle must not be used for: hire, reward, driving tuition for commercial gain, racing rallies, speed or time trials, hill climbs or any form of competition; any purpose for which the vehicle is not designed; any unlawful purpose or in any contravention of any status or regulation.
- 7 The employee must not lend, let or hire, sell, assign, transfer, change, dispose or part with control of the hired vehicle, or attempt to do so.
- 8 The employee must not carry inflammable, toxic, corrosive, explosive or hazardous substances in the vehicle. The fleet insurance policy provides no cover for the transit of research equipment and /or IT equipment in connection with University business; however the University Insurance Office can arrange cover, if required.
- 9 Trailers and caravans – the policy will cover third party claims involving trailers/caravans. Damage to the trailer/caravan is not covered under the University fleet insurance policy. Drivers are advised to insure their trailer/caravan separately.

### Excess

- 10 This insurance policy contains a standard excess of £250 for accidental damage, fire and theft excess. Windscreen replacement/repair claims are subject to an excess of £50. Windscreen repairer/replacement must be carried out by a company approved by the insurers.
- 11 The following additional excesses apply:
  - Drivers under 21 years: £250
  - Drivers under 25 years: £150
  - Drivers over 25 years with a provisional licence or with a full licence for less than one year: £100
- 12 The excess payment is the responsibility of the employee, regardless of fault. By participating in this scheme, the employee is agreeing that the University can recover any excess charges paid by the University in respect insurance claims from their monthly salary payments. (Such salary deductions will not be subject to Salary Exchange; that is they will be made after the application of statutory deductions.) Otherwise the employee will be required to pay any excess charges in full on demand from the University and those costs will be recoverable as a debt. Where the University fleet insurer makes a full recovery of its outlay from the third party insurers, the University Insurance Office will attempt to recover the excess from the third party and, if successful, repay this to the employee. The Insurance Office will make all reasonable efforts but cannot guarantee success.
- 13 The excess payable by the employee in the event of a claim is subject to review from time-to-time in line with the terms of the University insurance arrangements. Details of the current excesses

are available on request from the University of Exeter Insurance Office. Any changes to policy excesses will be communicated to the employee.

#### Miscellaneous

- 14 The employee does not earn an individual no claims discount entitlement under the University fleet insurance policy. Subject to no claims occurring during the lease period, however, the University fleet insurer will, on termination and on request, provide a statement confirming the period the employee has been covered claims free. This may be accepted by most insurers as equivalent to proof of no claims discount. It is recommended that a record of no claims discount earned prior to signing the Salary Exchange Car Scheme agreement is retained for future reference.
- 15 The insurance policy can be viewed in the University of Exeter Insurance Office on request.
- 16 If the car is stolen, damaged or an accident occurs involving the car, the employee must contact the University of Exeter Insurance Office at the earliest opportunity. The employee must provide full details of any accident, damage or theft and comply with any instructions arising from any accident, claim or proceedings.

#### Risk Management Procedures

- 17 To comply with risk management policies and insurance arrangements:
  - (a) The employee must produce a copy of their driving licence at the commencement of the scheme and at other times at the request of the University and sign an annual declaration in accordance with a procedure determined by the University. Driving licence details for other drivers of the vehicle may also be requested by the University at any time.
  - (b) The employee should, without delay, declare to the University any medical conditions of any driver who may use the vehicle with the knowledge of the employee that, at any time, may affect his/her licence or ability to drive.
  - (c) The employee must also advise the University, without delay, of any conviction or licence restriction that occur during the period of the agreement, for any driver who may use the vehicle with the knowledge of the employee.
  - (d) The University reserves the right to refuse an application to join the Salary Exchange Car Scheme should the University fleet insurer not be willing to offer insurance cover at its standard terms due to the individual circumstances. The University also reserves the right to require the employee to undergo driver education in the event of a declining accident record and/or increasing points earned with the ultimate sanction to withdraw the employee from the scheme. (In the event that the University exercises its right to withdraw the employee from the scheme under this paragraph, the termination charges in paragraph 9 of the Salary Exchange Car Policy will be met by the employee.)
  - (e) The employee should at all times comply with any advice/guidance issued by the University regarding business use of vehicles, particularly with regard to driver safety and rest breaks.
  - (f) The vehicle is primarily for the use of the employee and should be available for use in connection with the business of the University at all times.

## Appendix 2: Changes to Terms and Conditions of Employment

Annual Salary:	The statement of terms and conditions set out in your contract of employment with The University of Exeter ("the University") sets out your level of annual salary, and this may be amended over time. The changes under Salary Exchange for the University Car Scheme will mean that your level of annual salary (your annual salary, not including overtime and other supplementary payments) will be reduced by the sum shown on your Order Form for the University Car Scheme). There will also be a variation of this reduction to reflect any future changes to VAT from the level applicable at the time of the commencement of the agreement. However, your pre-reduction pay will still be used to calculate other benefits and will be referred to as "Reference Salary". Future pay awards will continue to be based on Reference Salary and be notified to staff by the University.
Adjusted Salary:	This means your Reference Salary, as amended from time to time, but which has been reduced by the Car Scheme salary exchange.
Overtime:	If you are entitled to additional payment for overtime working, this will be calculated on your Reference Salary.
Holiday Pay:	Any holiday pay on leaving (whether owed by you or the University) will be based on Reference Salary.
Other payments and allowances:	All other payments and allowances payable by the University that are earnings-related will also be based on Reference Salary.
Pension Scheme:	Pension contributions and pensionable salary will be based on Reference Salary.
Salary Exchange for Car Scheme	The University reserves the right to amend or discontinue Salary Exchange for the Car Scheme should the University determine that it is appropriate for it to do so taking into account such matters as it may determine relevant from time to time including changes to UK tax legislation.
Withdrawal from Salary Exchange for Car Scheme	<p>This Agreement is for a 24 / 36 month agreement (as confirmed on the Lombard Vehicle Management Order Form).</p> <p>If the University terminates the lease prior to its agreed end date, Lombard Vehicle Management will charge an early termination payment in accordance with the terms set out in the contract with the University. By participating in this scheme, you are agreeing that, in the event of your employment ending for any reason during the period of the lease or if you wish to terminate the agreement prior to the end of the lease term that the University agreed with Lombard Vehicle Management, the University can recover the early termination payment from your final monthly salary.</p> <p>The termination fee will be collected by the University from any remaining <u>net</u> salary payments i.e. you will not benefit from any tax exemption. Should this not be possible for any reason, or the outstanding liabilities exceed any remaining net salary payments due to you, then the University will require settlement of any outstanding liabilities within 14 days of leaving your employment and such liabilities will be recoverable from you as a debt.</p> <p>The early termination payment will not be charged in the event of death in service or where the principal reason for the employment ending is redundancy. The early termination payment will not be charged where another employee agrees to take over the balance of the agreement.</p>

### DECLARATION

- I have read and understood the Salary Exchange Car Policy and agree to be bound by its conditions and to comply with its requirements.
- I agree to the variation of my terms and conditions of employment as outlined above and authorise the University to make the salary adjustments required for me to participate in the scheme.
- I agree to a deduction of £5 per month to be deducted from my salary to cover administrative costs for the scheme.
- I authorise the University to make deductions from my salary in respect of any additional charges levied by Lombard Vehicle Management on the University.
- I agree that any liabilities not recovered through such deductions will be recoverable from me by the University as a debt.
- I give my consent to the processing of personal information (including sensitive personal information) by the University as indicated in the Salary Exchange Car Policy.

Signed:	Date:
Print Name:	Employee No:
Length of Lease: 24 / 36 months (please delete)	Monthly Salary Exchange Reduction: £

**PLEASE ATTACH A COPY OF YOUR FULL DRIVING LICENCE (CARD AND PAPER SECTIONS, IF APPLICABLE) AND THE DRIVING LICENCES OF OTHER DRIVERS**

**University Car Scheme  
Drivers' History Form**

**Main Driver**

Full Name (staff member):


Employee No (can be found on your payslip):


Home Address:


Date of Birth:


Any accidents in last 3 years:

Yes / No

Any driving convictions in last 5 years:

Yes / No

Have you ever been banned from driving?

Yes / No

Have you ever been refused insurance?

Yes / No

**Other Drivers:**

(Any other Drivers must live at same address as the Main Driver – please see the Car Scheme Policy for further information on restrictions of use and insurance excesses)

1) Name:		2) Name:	
Date of Birth:		Date of Birth:	
Occupation:		Occupation:	
Any accidents in last 3 years:	Yes / No	Any accidents in last 3 years:	Yes / No
Any driving convictions in last 5 years:	Yes / No	Any driving convictions in last 5 years:	Yes / No
Have you ever been banned from driving?	Yes / No	Have you ever been banned from driving?	Yes / No
Have you ever been refused insurance?	Yes / No	Have you ever been refused insurance?	Yes / No

Please continue on another page if you have more additional drivers to add.

If you have answered yes to any of these questions then you will be contacted by the Insurance Office for further information.

<b>PLEASE ATTACH A COPY OF YOUR FULL DRIVING LICENCE (CARD AND PAPER SECTIONS, IF APPLICABLE) AND THE DRIVING LICENCES OF OTHER DRIVERS</b>
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