



# **SALARY SACRIFICE LEASE CAR POLICY**

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**The on-line version is the only version that is maintained. Any printed copies should, therefore, be viewed as 'uncontrolled' and as such may not necessarily contain the latest updates and amendments.**

## AMENDMENTS

Amendments to the policy may be issued from time to time. A new amendment history will be issued with each change.

<b>New Version Number</b>	<b>Issued by</b>	<b>Nature of Amendment</b>	<b>Approving body</b>	<b>Approval date</b>	<b>Date published on website</b>
0.1	Finance and Investment	New policy	ICB Executive Directors	26/03/24	April 2024

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## 1 Introduction

NHS Humber & North Yorkshire ICB has teamed up with NHS Fleet Solutions, a part of NHS Northumbria Healthcare NHS Foundation Trust, to offer its employees the opportunity to lease a car through a salary sacrifice agreement.

## 2 Purpose

The purpose of this policy is to provide:

- a practical guidance to staff and managers on process and procedure.
- outline the criteria for accepting employees onto the scheme.

## 3 Scope of the Policy

The policy applies to NHS Humber and North Yorkshire ICB employees.

## 4 Duties/ Accountabilities and Responsibilities

### 4.1 Duties within the organisation

This policy, whilst the responsibility of the Finance Directorate, has been written in conjunction with the People's Directorate.

### 4.2 Executive Director of Finance and Investment

The Director is responsible for:

- ensuring the policy is fair and equitable.
- ensuring that the ICB has procedures and capacity to enact this policy.
- ensuring that the ICB monitors compliance to this policy.
- ensuring that the ICB can provide advice and guidance in relation to the application of this policy.

The Executive Director of Finance and Investment will be supported by the Assistant Director of Finance and the Head of Financial Services in monitoring and reviewing this policy.

### 4.3 Line Managers

Line Managers are responsible for:

- applying this policy in a fair and equitable manner.
- ensuring that new employees are made aware of this policy.
- ensuring that applications are approved only where the continued employment of their team member is not in doubt i.e. no planned restructures or being managed through a policy that may result in the individual being dismissed.
- approving their team members applications.
- seeking advice on the application of this policy, if and when required, from the ICB's financial services team - [hnyicb-ny.staffexpenses@nhs.net](mailto:hnyicb-ny.staffexpenses@nhs.net)

### 4.4 Employees

Employees are responsible for:

- checking that they are entitled to commit to a lease car – have they successfully completed their probationary period.
- carefully considering their short to medium term career plans and the impact of committing to a lease car agreement may have on them.
- carefully considering their short to medium term personal plans and the impact of committing to a lease car agreement may have on them, such as maternity leave pay.
- carefully considering the impact of reducing their salary may have on their retirement plans and expectations on pension income.
- seeking authorisation from their line managers in advance of committing to a lease agreement.

#### **4.5 Responsibilities for approval**

The ICB Remuneration Committee is responsible for approving this policy.

## **5 Lease Car Agreement**

### **5.1 Eligibility**

All employees, once they have successfully completed their probationary period, are eligible to sign up to a lease car. However, there are statutory regulations in place that do not allow employees to reduce their salaries below the national minimum wage or the rate at which they would not become entitled to statutory pay, such as for sickness and maternity leave. These regulations will impact on the value of the car you can lease. NHS Fleet Solutions have built these regulations checks in to their system.

### **5.2 Accessing NHS Fleet Solutions**

NHS Fleet Solutions have access to an extensive list of makes and models for you to choose from. These are ordered from manufactures at the point lease agreements are approved by the ICB and then subject to a delivery date. This can take many months.

From time to time, they have special deals and offers, some of which will be immediately available.

When you create an account on their website you will need to enter our VPD code, which is 857.

<https://www.nhsfleetsolutions.co.uk/login/>

### **5.3 Eligible Business Miles Reimbursement**

The reimbursement rates for employees are currently the same rates as those without a lease car. These are outlined in the Travel Expenses Policy (Appendix 3).

To ensure this is still valid employees should check the 'Rates of Reimbursement' chapter in the Agenda for Change terms & conditions handbook.

<https://www.nhsemployers.org/publications/tchandbook>

## **5.4 Claiming For Travel Expenses**

The ICB uses the EASY expenses platform for the processing and validation of eligible travel claims. Approved claims will be reimbursed by payroll through your monthly salary.

Please refer to the Travel Expenses Policy (section 8) for further information and how to access EASY.

## **5.5 Business Miles Reimbursement for Electric Cars**

The reimbursement rates for employees with electric or hybrid cars is currently the same rates as those with petrol/diesel cars.

To ensure this is still valid employees should check the Travel Expenses Policy.

## **5.6 Early Termination of Agreements Charges**

The employee is responsible for paying early termination charges, which will be outlined in the lease agreement document. The exceptions to this are:

- if the ICB terminates their employment through compulsory redundancy.
- if the ICB terminates their employment through early retirement.
- if they are being TUPEd to another organisation that does not operate a lease car scheme or it's lease car scheme cannot accept a lease transfer from NHS Fleet Solutions.

## **5.7 Fines & Charges**

The employee is responsible for paying any fines and charges attributable to the vehicle during the lease period. As NHS Fleet Solutions is listed as the owner of the vehicle such costs are initially charged to them and recharged to the ICB. Such examples are toll road fees, low emission zone fines, car parking fines & speeding fines. NHS Fleet Solutions will pay such charges immediately to stop late payment charges being added. The ICB will then recover such costs as a deduction from the employee's salary.

## **5.8 Return of Vehicle – Damage Above Wear & Tear**

The employee is responsible for paying any charges arising from return vehicles with damages above expected wear and tear. This relates to both the inside as well as the outside of the vehicle. These will be highlighted and agreed with the employee as part of the return of vehicle procedure. Again, such charges are recovered from the ICB. The ICB will then recover such costs as a deduction from the employee's salary. If these costs are excessive, the ICB will agree with the employee a repayment period.

## **5.9 Return of Vehicle – Excess Mileage**

The employee is responsible for paying any charges attributable to excess miles incurred above the agreed number of miles within the lease period. Again, such charges are recovered from the ICB. The ICB will then recover such costs as a deduction from the employee's salary. If these costs are excessive, the ICB will agree with the employee a repayment period.

## **5.10 Using the lease car abroad**

Use of the lease car abroad is permitted, subject to prior written application to the fleet management company. However, maintenance costs are not covered when the vehicle is abroad, and it is the employee's responsibility to make special arrangements to cover this period. Employees will be advised of the maintenance requirement when written permission is given depending on the country of travel.

## **5.11 Sick Leave, Maternity Leave, Career Breaks**

Staff should be aware that repaying the full cost of lease cars is their responsibility. Deductions will continue to be taken from salary payments whilst staff are on sick leave and maternity leave.

Should salaries reduce to levels where deductions can no longer be made, then individual conversations will take place to agree a payment plan. This could be that deductions are paused until the employee returns to work with higher deductions made for the remainder of the lease agreement, deductions continuing after the lease agreement has ended, or reverting to a non-salary sacrifice and payments made by the employee to the ICB to cover the monthly costs.

Staff should also consider returning the lease car early (see section 5.6 above).

# **6 New Employees with Current Lease Car Commitments**

## **6.1 Transferring Lease Cars**

New employees can transfer existing lease car agreements they have with NHS Fleet Solutions to H&NY ICB.

New employees who have a lease car with a different leasing organisation can usually also transfer the lease to H&NY ICB. However, this is not guaranteed and will be agreed on a case-by-case basis. The criteria is solely based on whether the existing leasing organisation is willing to transfer to one of the leasing organisations that the ICB uses.

Any transfer administration charges are payable by the employee and should be paid directly to the leasing company.

Upon termination of the lease agreement, should the employee wish to continue with a lease car a new lease agreement can only be agreed with NHS Fleet Solutions.

# **7 Associated Documentation**

- Travel Expenses Policy.
- Agenda for Change Terms & Conditions of Service Handbook.
- NHS Fleet Solutions Lease Agreements.

# **8 References**

The NHS Agenda for Change Terms and Conditions of Service Handbook has been referred to in this document. At the time of writing this policy the version of the handbook used is 52 (TCS Advisory Notice 02/2023).

## **9 Appendices**

Appendix 1 – Anti-fraud, Bribery & Corruption

## **10 Impact Assessments**

### **10.1 Equality**

NHS Humber and North Yorkshire ICB is committed to creating an environment where everyone is treated equitably and the potential for discrimination is identified and mitigated. It aims to design and implement services, policies and measures that meet the diverse needs of our service, population and workforce, ensuring that none are placed at a disadvantage over others.

This policy takes into account the potential adverse impact on any protected group. For example, it recognises and makes provision for employees who may be financially constrained and will be monitored as part of the routine work to monitor compliance with the policy.

### **10.2 Sustainability**

There will be positive impact from this policy in terms of promoting the reduction of CO2 emissions as staff are asked to consider the benefits gained from undertaking travelling and the use of alternative arrangements. Staff are also encouraged to use public transport and allows financial assistance for the purchase of annual bus and rail travel cards.

### **10.3 Bribery Act 2010**

Due consideration has been given to the Bribery Act 2010 in the development (or review, as appropriate) of this policy document, further details can be found in appendix 1.

### **10.4 General Data Protection Regulations (GDPR)**

The ICB is committed to ensuring that all personal information is managed in accordance with current data protection legislation, professional codes of practice and records management and confidentiality guidance. More detailed information can be found in the Data Protection & Confidentiality Policy and related policies and procedures.



## Appendix 1 - Anti-Fraud, Bribery and Corruption

The ICB has a responsibility to ensure that all staff are made aware of their duties and responsibilities arising from the Bribery Act 2010. Under the Bribery Act 2010 there are four criminal offences:

- Bribing or offering to bribe another person (Section 1)
- Requesting, agreeing to receive or accepting a bribe (Section 2);
- Bribing, or offering to bribe, a foreign public official (Section 6);
- Failing to prevent bribery (Section 7).

These offences can be committed directly or by and through a third person and, in many cases, it does not matter whether the person knows or believes that the performance of the function or activity is improper.

It should be noted that there need not be any actual giving and receiving for financial or other advantage to be gained, to commit an offence.

All individuals should be aware that in committing an act of bribery they may be subject to a penalty of up to 10 years imprisonment, an unlimited fine, or both. They may also expose the organisation to a conviction punishable with an unlimited fine because the organisation may be liable where a person associated with it commits an act of bribery.

Individuals should also be aware that a breach of this Act renders them liable to disciplinary action by the ICB, whether or not the breach leads to prosecution. Where a material breach is found to have occurred, the likely sanction will be loss of employment and pension rights.

To raise any suspicions of bribery and/or corruption please contact the Executive Director of Finance and Investment. Staff may also contact the Local Counter Fraud Specialist (LCFS) at – Audit Yorkshire, email: [nikki.cooper1@nhs.net](mailto:nikki.cooper1@nhs.net) or mobile 07872 988939.

The LCFS or Executive Director of Finance and Investment should be the contact for any suspicions of fraud. The LCFS will inform the Executive Director of Finance and Investment if the suspicion seems well founded and will conduct a thorough investigation. Concerns may also be discussed with the Executive Director of Finance and Investment or the Audit Committee Chair.

If staff prefer, they may call the NHS Counter Fraud reporting line on 0800 028 40 60 between 8am-6pm Monday-Friday or report online at [www.reportnhsfraud.nhs.uk](http://www.reportnhsfraud.nhs.uk). This would be the suggested contact if there is a concern that the LCFS or the Executive Director of Finance and Investment themselves may be implicated in suspected fraud, bribery or corruption.