

	<u>Action</u>
<p>1 <b><u>Issue Of Company Cars</u></b></p> <p>1.1 Cars are provided at the Company's discretion and employment at a particular grade or job title does not confer an entitlement. Generally account will be taken of requirement for business use in determining whether a car should be issued.</p> <p>1.2 Essential user cars are normally issued to staff whose anticipated or actual business mileage is 10,000 per year.</p> <p>1.3 Cars will not be automatically changed on promotion but will be replaced with the appropriate level of car when the existing car is due for replacement or earlier, if this can be arranged.</p> <p>1.4 Cars will normally be replaced at 80,000 miles for petrol models/100,000 miles for diesel vehicles or at 4 years, whichever is reached first. If a petrol car is greater than 2.0cc it will be replaced at 100,000 miles or 4 years, whichever is reached first.</p> <p>1.5 Issue is conditional on staff taking care of the vehicles and accepting standard Company obligations relating to the issue of Company cars to staff. Rules governing the use of Company owned cars must be given to each employee on issue of a car, in addition to the handbook issued by BB Plant Division.</p> <p>1.6 The Company has set down Medical Standards for driving Company Vehicles, which is laid out in the Health and Safety Manual Ref HS/8/3.</p> <p>1.7 Cars may only be issued by BB Plant Division with the authorisation of the appropriate OpCo Directors.</p> <p>1.8 A Company car is issued on the understanding that at the discretion of the appropriate OpCo Directors, the vehicle may be withdrawn if the member of staff to whom the car has been issued wilfully fails to comply with any instruction or fails to observe good practice concerning the maintenance, upkeep and the safe and considerate use of the vehicle.</p>	

1.9 In the event of a Company car being involved in an accident and either:-

a) It can be proven that the driver is at fault.

or

b) The car is being driven by a spouse or other non employee and our insurance company have to accept responsibility for settlement of cost:

The member of staff concerned may be liable to pay the first £150 of the cost, which is the amount of the uninsured excess.

## 2 **Trading Up**

2.1 Balfour Beatty has a policy enabling employees to “trade up” within the existing Company car range. The following policy applies:

2.2 Staff eligible to receive a Company car can choose a vehicle either one or two categories above their stated grade, with Category G being the maximum. It is discretionary and the employee will only be able to select a model from the range of cars offered under the current Car Policy.

2.3 The employee who trades up will be required to make payments to the Company. The amount of payment will be notified to the individual by the HR Department and will be deducted from salary each month. These payments are made as a condition of the car being made available for the employee’s private use and these payments will be required specifically for that use. If this is not done, there is likely to be a tax charge. Whilst the payment towards the cost of the car will be offset against the scale charge on the employee’s P11D, the employee will be entirely and solely responsible for any and all tax due should the Inland Revenue not allow tax relief on payments.

2.4 This arrangement is designed to enable employees to have a car above their normal entitlement. However, in introducing such an arrangement, the Company must not incur additional cost.

2.5 Should those who have “traded up” subsequently be promoted, and the higher grade car becomes an entitlement, then the payment will be adjusted or terminated.

HR Admin

HR Admin

2.6	It is the responsibility of the HR Department to ensure that when individuals express an interest in this arrangement, they are made aware of all the terms and conditions that apply in writing.	HR Admin
2.7	All business travel (including use by other authorised Company drivers) must continue to be undertaken to meet the Company's requirements.	Employee
2.8	Where the employee decides to "trade up", the mileage rate for business use is to be the rate which applies to the car actually driven rather than the "notional" entitlement.	
3	<b><u>Trading Down</u></b>	
3.1	As with the trading up policy, the company also has a policy enabling employees to "trade down" within the existing Company car range. The following policy applies:	
3.2	Staff eligible to receive a Company car may choose a vehicle from a category below their stated grade. This is discretionary and before agreeing the Company must ensure that the lower car level is compatible with the employee's job role and responsibilities.	
3.3	Trading down allowances are capped at the value three levels below the category to which the employee is entitled. The amount to be paid as an Allowance will be notified by the HR Department.	
3.4	Trading down allowances will be adjusted accordingly as a consequence of promotion.	HR Admin
3.5	It is the responsibility of the HR Department to ensure that when individuals express an interest in this arrangement, they are made aware of all the terms and conditions that apply in writing.	HR Admin
3.6	Where the employee decides to "trade down", the mileage rate for business use is to be the rate which applies to the car actually driven rather than the "notional" entitlement.	
4	The Company Car List is included in Appendix PT6_1/A2. The list confirms the current Company car range, including monthly trading up costs and trading down payment amounts, approved for staff within BBCL.	

5	<b><u>Ordering of Optional extras on Company Cars</u></b>	
5.1	Factory fitted optional extras may be requested at the time of purchase but the agreement of BB Plant Division will be required and approval/authorisation will be at their absolute discretion.	
5.2	If a driver requests the fitting of an optional extra, then the HR Department will contact BB Fleet Services and request the purchase price for the item(s). The price quoted will be the manufacturers list price, less any discount, plus VAT.	HR Admin
5.3	The HR Department will be responsible for communicating this cost to the individual and obtaining the individual's cheque for the cost amount (including VAT).	HR Admin
5.4	The cheque will then be forwarded to BB Fleet Services along with the vehicle order form.	HR Admin
5.5	The individual will be sent an invoice shortly after the car has been delivered.	
5.6	Orders requesting optional extras will not be processed until the cheque is received.	
6	<b><u>Taxable Benefit</u></b>	
6.1	As a condition of the private use of Company cars the Company will insist that where a car is allocated to a named individual, he/she bears the appropriate taxable benefit.	
6.2	The Company notify the Inland Revenue quarterly of all changes connected with the allocation of Company cars and the individual's tax code is adjusted accordingly. Individual members of staff are also advised to notify the HM Revenue & Customs of any changes which occur. Staff will receive notification of this with their Notice of Coding and any queries on this should be taken up initially with the HR Department. The Company submits a Form P11D each year for each individual allocated a Company car.	HR Admin Employee HR Admin

7	<b><u>Use Of Company Owned Cars - UK</u></b>	
7.1	<p><u>Company cars are provided to enable members of staff to carry out business duties</u> and as a concession for private use. The nominated employee is responsible for the vehicle and for ensuring that no unauthorised person drives while it is in his/her care.</p>	
7.2	<p>Those authorised to drive a Company car are:-</p> <ul style="list-style-type: none"><li>a) The employee nominated to use the car.</li><li>b) Any other member of staff of the Company, providing they are on Company business, with appropriate permission, provided that he/she holds a full valid driving licence for driving in the UK. It is the responsibility of the employee nominated to use the car to ensure that anyone wishing to drive their vehicle has a full valid driving licence for driving in the UK.</li><li>c) Garage personnel for the purposes of repair and testing.</li></ul>	
7.3	<p><u>It is a condition of provision of a Company car that all drivers hold a full current driving licence.</u> The licence must be forwarded to the HR Department when a car is provided. A copy will be taken and the licence returned to the individual.</p>	Employee HR Admin
7.4	<p>In addition, the spouse / long-term partner of the nominated employee may use the car, with the permission of the nominated employee, for <u>occasional</u> private use providing they hold a full driving licence. A copy of the licence must be provided to the HR Department.</p>	Employee
7.5	<p>Driving by any other person other than those listed above is only permitted with the specific approval of the HR Director, or in such an emergency situation where the driving by any such person is limited to that which is absolutely necessary to deal with the emergency. An application for specific approval must be made in writing to the HR Director who will grant approval, as appropriate.</p>	Employee
7.6	<p>If you allow an unauthorised person to drive the vehicle, neither the vehicle nor the driver will be covered by the Company motor insurance. The person driving an uninsured vehicle is liable to prosecution and you would be liable to disciplinary action.</p>	

<p>8 <b><u>Condition of Use</u></b></p> <p>8.1 Company cars issued to staff are owned by Balfour Beatty Fleet Services and hired by the Company. A manual is issued with each car on the procedures to be followed.</p> <p>8.2 All individuals allocated the use of a Company car (hereinafter referred to as the Nominated User) must follow this procedure with regard to the use, servicing, running and other aspects of car operations.</p> <p>8.3 Any queries on the interpretation of this car procedure should be directed to the HR Department.</p> <p>9 <b><u>Foreign Travel</u></b></p> <p>9.1 If the Nominated User wishes to take a Company car abroad the Application to Take Vehicle Abroad Form obtainable from the HR Department, must be completed and authorised by the HR Director and then forwarded to the AA with a copy to the HR Department.</p> <p>9.2 In return the nominated user will be provided with:-</p> <ul style="list-style-type: none"><li>a) A V103 form – certificate as proof of permission to take the vehicle abroad.</li><li>b) A letter from the AA stating that cover is valid for 12 months.</li><li>c) A Drivers’ Guide including breakdown information, telephone numbers etc.</li><li>d) A GB sticker for the vehicle.</li></ul> <p>9.3 Breakdown information is detailed on the Application to Take a Vehicle Abroad Form (Appendix PT/6_1/A2)</p> <p>10 <b><u>Car Allowance</u></b></p> <p>10.1 Employees who are entitled to a Company car may opt to take a car allowance instead, if agreed by the appropriate OpCo Director. The allowance that will apply depends on the car category to which the individual is entitled. The amount will be a gross allowance before tax and any other statutory deductions that may apply and would be paid with salary each month.</p>	<p>Employee</p>
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10.2	The scheme is designed to provide a benefit to employees for whom a Company car is not a necessary requirement of their job and, as a result, it only applies to those staff who expect to complete less than 5,000 business (and/or home to site) miles per year. Calculation of the allowance is based on the decision that the allowance should not exceed the Company's cost of providing a car.	
10.3	There are a number of conditions which apply to the granting of this allowance which are detailed below:	
10.4	The car allowance will not form part of basic or pensionable remuneration.	
10.5	The scheme can be amended or withdrawn at the Company's absolute discretion. In this event the employee will be able to retain the allowance for a one year period or until an earlier agreed date.	
10.6	Reversion to a Company car will only be with the agreement of the Company.	
10.7	Anyone taking a car allowance must demonstrate that they have a car available that they own or lease on a long term basis for business and getting to work use when required, which is fully maintained and fit for the purpose, and that the car is insured for business use liabilities.	Employee
10.8	In the event that an employee changes to a job in which additional business (and/or home to site) mileage becomes necessary, the Company may, again at its discretion, end the allowance by giving three months notice.	
10.9	Staff entitled to claim for home to work mileage (ie site based staff) will claim their actual return mileage at the appropriate mileage rate for their grade current at the time of the claim.	Employee
10.10	Company's requirements in respect of business travel will need to be undertaken in a suitable manner and without excessive cost to the Company.	
10.11	A car allowance cannot be paid to any member of staff who does not have a driving licence which is valid for driving a car in the UK or is ineligible to drive a car for any other reason. If a member of staff were to lose their driving licence for any reason whilst in receipt of the car allowance, then the allowance would cease to be paid.	

10.12 Where it is agreed that an allowance will be paid in lieu of a Company car, the employee will be required to sign an acknowledgement that they accept the change to their terms of employment.

Employee

10.13 Entry to the Car Allowance Scheme can only occur when an employee's current vehicle is due for change, if it can be transferred to another individual or if they have just become entitled to a Company car.

10.14 The car allowance levels are as follows:

Category	Allowance (per annum)
A	£3,000
B	£3,500
C1	£3,800
C2	£4,200
D	£5,400
E	£6,100
F	£7,000
G	£7,800

Under Review