ARVAL
A BNP PARIBAS company

Directions

Policy

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Defining a policy for vehicles and business drivers

Any company with five or more employees who regularly drive on company business should have a written 'fleet' policy. The following table outlines the topic headings that should appear in any policy, the key points that should be covered and the purpose and/or benefits of so doing.

This list is comprehensive so not all points may be appropriate for your organisation.

If you wish to receive further advice from us please e-mail **telebusinessstrategyteam@arval.co.uk**

Policy Section	*Key Points*	*Purpose / Benefits*
Objectives	• *Why providing company vehicle* • *Expected driving behaviour* • *Importance of adhering to road safety policy*	• *Defines what is expected of employee when driving on company business and in terms of taking care of the vehicle (a company asset)*
Responsibilities	• *Drivers should follow all rules laid out in the policy* • *Drivers should ensure vehicle roadworthiness before driving* • *Drivers should ensure personal fitness to drive* • *Define company responsibilities and owners* • *Drivers should be aware of the highway code*	• *Establishes driver responsibilities* • *Drivers should adhere to policy* • *Reference point when dealing with drivers who have not followed policy* • *Advises drivers where to address fleet queries*
Eligibility	• *Entitlements, trade up/down* • *Extras, terms, how to order* • *Reallocation policy* • *Effect of role changes* • *Opting out*	• *Outlines which vehicles an employee is allowed to order and the extra features they can select* • *Sets out any costs that drivers have to cover* • *May oblige drivers to take reallocated vehicles (avoiding cost of early termination vehicles where staff leave)* • *States how long the driver will keep the vehicle for and any effect of role changes* • *May include details of opting out / cash allowances*
Taxation	• *Driver (P11D)* • *Vehicle (RFL)*	• *Ensures drivers understand Benefit In Kind liabilities* • *Direct drivers to company car tax calculators e.g. on leasing company website* • *Assist drivers in calculating tax due through provision of P11D data* • *Sets out process for taxing vehicles*
Fuel	• *How to buy fuel and oil* • *Minimising costs* • *Reimbursements* • *Mileage reporting* • *Free Fuel benefit*	• *Fuel represents 25% of overall fleet costs* • *Costs can be reduced by:* – *Effective fuel procurement (e.g. fuel cards to reduce administration)* – *Directing drivers to low cost sites* – *Efficient reimbursement of drivers (e.g. mileage capture system)* – *Ensuring drivers provide registration and mileage data to allow useful management information* – *Reviewing benefit of free fuel to both company and employee*

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Maintenance	• *Service, maintenance and repair* • *Breakdown* • *Tyres* • *Glass* • *Refer to handbook*	• *State basic policy for vehicle maintenance e.g. included in contract hire / use of fleetcard* • *Drivers should be referred to separate handbook that details instructions for maintenance, breakdown, tyre & glass replacement, accident and theft procedures* • *The handbook should be kept within the vehicle* • *Driver maintenance tasks should be stipulated e.g. tyre pressures and tread; oil, fuel, water, antifreeze levels; wiper blades; vehicle cleanliness; lighting checks* • *Proactive maintenance can prevent additional costs and reduce fuel consumption*
Accidents	• *What to do in the event of an accident* • *Reporting*	• *Advice to drivers on procedures to follow* • *All incidents should be reported to line managers / fleet department for recording and investigation* • *Drivers should be instructed NOT to admit liability at the time of the accident* • *Adherence to policy can help keep drivers safe and ensure appropriate details captured to establish liability* • *Avoidance of unnecessary legal / insurance / compensation costs*
Short Term Rental	• *When to use rental* • *How to book*	• *Unmanaged vehicle rental can lead to considerable expense. This can be reduced by:* – *Selecting a preferred supplier* – *Implementing a rental policy e.g. to restrict vehicle choice by banding* – *Defining circumstances under which rental vehicles can be used* – *Instructing drivers on how to hire and off hire vehicles (e.g. refuel prior to return)* – *Instruct drivers on insurance method*
Fines	• *Speeding* • *Parking* • *Congestion Zone*	• *Explain procedures to follow, including process for recharging drivers and challenging penalties* • *Avoidance of escalating costs due to delayed settlement*
Foreign Travel	• *VE103 form* • *European Breakdown Cover* • *Overseas motoring offences*	• *Legal requirement for taking a company owned / leased vehicle abroad* • *Pre-arranged breakdown cover should be mandatory (ad hoc recovery / repatriation charges are best avoided)* • *Advise drivers to check and follow local driving laws*
Insurance	• *Details of cover* • *Applicable employee accident excess* • *Reporting of changes to licence / health*	• *Clarify basis of cover e.g. specific vehicle or any company vehicle* • *State whether policy cover personal belongings* • *Companies may wish to recover excesses from drivers where at fault accidents occur* • *Any relevant changes to driver circumstances must be reported to keep insurance valid*
Additional Drivers	• *Restrictions applied*	• *Establishes that additional drivers must adhere to policy as per any other driver* • *Needed to ensure that drivers fit insurance criteria e.g. minimum / maximum age, endorsement points*

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Disposal of vehicles	• *Process* • *Unfair Wear and Tear* • *Driver Sales*	• *Instructions for driver on return of vehicle, inspection process, damage re-charging policy (companies may choose to pass on to employee)* • *Option for drivers to buy vehicles at end of lease – employee benefit and may improve sales proceeds depending on funding method / contract type*
Road Safety	• *Fitness to drive, eyesight* • *Licences and checking* • *Drink & Drugs* • *Driver Training* • *Journey Planning* • *Speeding* • *Mobiles* • *Smoking*	• *Any company with more than 5 employees is legally obliged to have a written health and safety policy, including road safety if journeys are carried out for business purposes* • *A clear road safety policy is an essential step in exercising an employer's Duty of Care* • *Safe driving reduced costs – fewer accidents, lower insurance premiums, less staff absence* • *Good driving reduces fuel consumption, maintenance costs and increases sale proceeds* • *Companies implementing a road safety policy, risk assessment and driver training can typically achieve a 20% improvement in fleet costs*
Environmental Considerations	• *Eco-driving*	• *Eco driving techniques can help to reduce fuel consumption and costs (as well as reducing Greenhouse Gases emissions)* • *Removal of unnecessary weight in vehicles, appropriate use of air conditioning, maintenance of correct tyre pressures and smoother driving style will all help – good environmental performance usually leads to lower costs*
Terms of Withdrawal	• *Termination of employment* • *Gross misconduct* • *Motoring disqualifications* • *Fitness*	• *Sets out terms under which vehicle benefit may be removed* • *Essential to have in place, with signed acceptance, in advance of any attempted withdrawal*
Sign Off Form	• *Understanding* • *Acceptance*	• *Provides clear audit trail of understanding and acceptance of any authorised driver* • *Essential in the event of an accident investigation or grievance / disciplinary procedure*