



ASSISTED CAR PURCHASE SCHEME APPLICANT'S NOTES OF GUIDANCE

Rhondda Cynon Taf County Borough Council operates a Loan Scheme to assist certain employees to purchase motor vehicles. Under the scheme, assistance is given by way of a loan, which is repayable with interest and deducted at source from the employee's salary. It follows, that any vehicle which is purchased in this manner, will obviously be registered in the name of, and be in the ownership of the employee to whom the loan is granted. **However, the County Borough Council's interest in the vehicle must be disclosed to the vehicles insurers, until such time that the loan made, along with the subsequent interest payment due, have been repaid in full.**

Upon taking out an Assisted Car Purchase Agreement, the employee is required to pay the premium on an Indemnity Bond taken out by the Council, for the purpose of indemnifying the Council against any loss that it may sustain in the event of default by the employee taking advantage of the loan scheme. The cost of the Indemnity bond may be included in the cost of the loan, if the employee so requires, provided that maximum limit currently prescribed is not exceeded, or it may be paid separately.

ANY GRANT OF ASSISTANCE UNDER THE SCHEME WILL BE SUBJECT TO THE CONDITIONS LAID DOWN IN THE AGREEMENT, WHICH THE EMPLOYEE WILL BE REQUIRED TO SIGN.

1. EMPLOYEES ELIGIBLE FOR ASSISTANCE UNDER THE SCHEME.

- 1.1 All permanent employees are eligible for assistance under the scheme provided that they have undertaken 1,500 miles on County Borough Council business in the preceding 12 months.

2. AMOUNT OF ASSISTANCE TO BE PROVIDED.

- 2.1 The maximum amount of assistance which may be granted under the Assisted Car Purchase Scheme shall be the value of the vehicle to be purchased subject as follows:

- to a maximum limit as presently determined by the County Borough Council.
- the price of the new car being enabled to exceed the "ex works" list price by the cost of delivery charges, number plates, **and other extras which form part of the car**. Under no circumstances will assistance be given towards the cost of Road Fund Licence or Insurance. Applicants should ensure that these costs are not included.
- to the price of the second hand car being that value certified by an Independent and Qualified Automobile Engineer. The report must be on official business stationery stating the life expectancy and value of the vehicle the number of years and amount must be specific. (Please note that not all automobile engineering companies provide such specific information. It would be advisable to check with the company before engaging their services).

- 2.2 From this maximum assistance, there will be deducted, the value of any vehicle given in part exchange, or disposed of during the preceding 12 months, or retained by the employee, upon which motor car allowance has been claimed from the County Borough Council during the preceding 12 months.

- 2.3 The vehicle to be purchased shall not be the subject of any other Hire Purchase or Credit Agreement where the vehicle is the collateral. **The County Borough Council must be the only third party with an interest in the vehicle being purchased.**
- 2.4 The County Borough Council reserve the right to call for an independent valuation of the vehicle being disposed of / retained by the employee, if in their opinion the circumstances so justify. If this is deemed to be necessary, the cost of such a valuation is the responsibility of the applicant.
- 2.5 Subject to the maximum assistance stated at Paragraph 2.1 not being exceeded, the balance outstanding on any existing loan from the County Borough Council may form part of the assistance given and can be transferred and added to a new loan.

3. PERIOD OF ASSISTANCE.

- 3.1 The maximum period over which assistance will be granted in respect of a loan will be 5 years, except in the case of a used vehicle which is over three years old at the date of purchase, whereby, the maximum period of assistance will be limited to 4 years.

4. GENERAL.

- 4.1 The employee is required to produce to the Chief Officer, or Director of Personnel in the case of the Chief Officer or related post holders being the applicant(s), the original order / invoice / quotation at the time of the application, and within one calendar month of receiving the loan, the original receipted Bill of Sale showing details of the purchase price of the vehicle together with the full vehicle registration document. Photocopies will not be considered acceptable.

Additionally, the employee may be asked to produce documentary evidence of the amount received in respect of any vehicle disposed of within the preceding 12 months.

FAILURE TO COMPLY WITH EITHER OF THESE CONDITIONS WILL RENDER THE LOAN AND SUBSEQUENT INTEREST PAYMENTS IMMEDIATELY REPAYABLE.

- 4.2 Where any change of circumstances affecting this application takes place between loan application and vehicle collection dates, or subsequently, these must be reported in writing, to the Chief Officer, or Director of Personnel, in the case of Chief Officers and related post holders.

5. REPAYMENT OF ASSISTANCE.

- 5.1 Any employee granted assistance will repay to the County Borough Council, the full amount of the assistance plus interest at the rate stated in the National Joint Councils Conditions of Service Manual for Local Authority Staff.
- 5.2 The repayments will be by way of equal instalments deducted from the employee's salary over the period of the loan. However, in certain circumstances, the balance of the assistance plus interest will become repayable to the County Borough Council immediately.
- 5.3 Such circumstances will include;
- termination of the employee's appointment.
 - death of the employee.
 - the employee ceasing to receive a motor car allowance.
 - the employee being declared Bankrupt or Insolvent.
 - the employee committing an act which results in the lawful seizure of the vehicle by a third party.

- the employee selling, hiring or pledging the vehicle.
- the employee failing to comprehensively insure the vehicle, or
- the employee failing to comply with any of the terms contained within his/her Agreement.

IN NO CIRCUMSTANCES SHALL A CAR WHICH IS THE SUBJECT OF ASSISTANCE UNDER THIS SCHEME BE SOLD, EXCHANGED, OR REPLACED WITHOUT WRITTEN APPROVAL OF THE CHIEF OFFICER OR DIRECTOR OF PERSONNEL, IN THE CASE OF CHIEF OFFICERS AND RELATED POST HOLDERS. SUCH AN APPROVAL WILL BE DEEMED TO HAVE BEEN GIVEN ON APPROVAL OF A SUBSEQUENT LOAN APPLICATION.

ANY EMPLOYEE NOT OBSERVING THESE FORMALITIES OR MAKING A FALSE DECLARATION IN APPLYING FOR ASSISTANCE WILL BE THE SUBJECT OF DISCIPLINARY ACTION, WHICH COULD LEAD TO DISMISSAL. IN ANY EVENT, IN ADDITION TO BEING REQUIRED TO IMMEDIATELY REPAY TO THE COUNTY BOROUGH COUNCIL ALL MONIES OUTSTANDING, THAT EMPLOYEE WILL DEBAR HIMSELF / HERSELF FROM FUTURE ACCESS TO THIS FACILITY.

6. APPLICATION FORMS.

- 6.1 Application forms are available on Inform and upon completion should be returned to the appropriate Chief Officer for their approval, or in the case of Chief Officers and related post holders to the Director of Human Resources.
- 6.2 The application form must be accompanied by the vendor's original invoice/quotation in respect of the vehicle to be purchased. Photocopies will not be acceptable.
- 6.3 No guarantee is given by the County Borough Council that assistance will be given in any particular case, and the employee should not therefore make any definite arrangements with vendors before their application has been approved.
- 6.4 No application will be considered where the vehicle has been obtained and/or paid for prior to assistance being granted. Loan cheques can be made payable to either the applicant or the vendor. Care should therefore be taken to ensure that the name of the payee given on the application form is as it should be stated on the cheque.

7. INSURANCE REQUIREMENTS.

- 7.1 Special attention is drawn to Clause 9 of the Assisted Car Purchase Agreement signed with the County Borough Council. This clause reads as follows:

"The employee shall forthwith arrange for the said vehicle to be insured and kept insured during the currency of this Agreement by, and at the expense of the employee, in a reputable office and in a comprehensive form including cover for business use, insurance against loss of, or damage to the said vehicle by fire, theft, and all other usual risks.

The employee will at all times, on request, produce the Insurance Policy, and the receipt for the current year's premium to the County Borough Council. In the event of loss or damage to the said vehicle, the employee shall give notice forthwith to the County Borough Council, and in the event of any monies being received from the Insurers by reason of damage to the said vehicle, the employee shall apply such monies in having the vehicle repaired to its former condition, or if such damage shall render the said vehicle a total loss, or if the said vehicle be lost by theft, the employee shall forthwith repay to the County Borough Council the whole of the balance of such loan and the interest charges thereon then remaining for payment. The

employee shall not do any act or thing which would render the said policy of insurance void or voidable, and in particular, shall not drive the said vehicle without a current driving licence.

The employee shall forthwith declare to the Insurers, the County Borough Council's interest in the vehicle and request that any policy of insurance effected by the employee shall be endorsed accordingly, and such interest be noted in respect thereof".

- 7.2 Immediately a loan has been approved, an employee should make the necessary arrangements with his/her Motor Insurance Company registering the County Borough Council's in the vehicle well in advance of signing the Agreement.

8. INDEMNITY BOND.

8.1 The County Borough Council will require each employee to take out an Indemnity Bond, for the purpose of indemnifying the Council against any loss that it may sustain in the event of default by an employee taking advantage of the loan scheme. The Bond will be obtained by the Council on behalf of the employee, by way of its nominated Insurance Company. The cost of the Indemnity Bond may be included in the cost of the loan, if the employee so requires, provided that maximum limit of the loan is not exceeded, or alternatively, it may be paid separately.

8.2 The cost of the Indemnity Bond will be based upon a specified rate per £1,000 of loan taken out. Details of the current charges can be obtained from the Finance Division who can be contacted on 01443 680 741.

9. USE OF VEHICLE.

9.1 The purpose of an Assisted Car Purchase Loan is to enable an employee to purchase a vehicle for use on official duties. It therefore follows that should an employee who is receipt of such a loan fail to make his/her vehicle available for such duties, then the County Borough Council would be failing in its duty to ensure proper application of its funds, if it did not then take steps to reclaim the outstanding balance of the loan along with the interest payments due.

THIS DOCUMENT SETS OUT THE POLICY AND RULES OF THE COUNTY BOROUGH COUNCIL. THIS DOCUMENT MUST NOT BE ALTERED IN ANY CIRCUMSTANCE

Mae'r ddogfen hon ar gael yn Gymraeg / This document is also available in Welsh

RHONDDA CYNON TAF