Procedure

# Provided Vehicles

Pro/10/04 Operational Assets

Next review due: 31/07/2024

Hampshire & Isle of Wight FIRE & RESCUE SERVICE

## Description

The purpose of this procedure is to set out the Hampshire and Isle Wight Fire and Rescue (HIWFRS) position, when the organisation provides vehicles for staff who are required to travel in the course of their duties. This procedure applies to all employees of HIWFRS.

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## Vehicle definitions

**Provided vehicle**
A vehicle owned, leased or hired by HIWFRS and provided to a qualifying individual on a short, medium or long-term basis, to allow them to perform their Service duties.

**Dedicated vehicle**
A sub-set of the defined (provided vehicle) group above where the vehicle is allocated to an individual for their own dedicated, though not exclusive, use for a significant period. This is for business or business and private use.

A sub-set of the defined (Provided Vehicle) group above where the vehicle is allocated to a department, group, station, etc. for a dedicated (though not necessarily exclusive) function for a significant period. This is for business use only.

**Pool vehicle**
A sub-set of the defined (Provided Vehicle) group above where the vehicle is allocated to an individual, department, group, station, etc. for use for a short period of time. This is for business use only.

## Mobility requirements

Response use Suitably trained, qualified and appointed Flexible Duty System officers or other suitably trained and qualified personnel will require adapted vehicles for response activities.

**Business use**
Many HIWFRS personnel across all functions and hierarchies require access to a vehicle to allow them to perform their Service duties. Such access may be of short, medium, long, variable or ongoing term. The use itself will also be very varied from successive, frequent long business trips to occasional ad hoc requirements.

**Private use**
HIWFRS do not recognise any obligation to provide mobility for private use. However, the Service does recognise that some users, most usually those on-call or on a flexible duty system, will need to have the facility for private use of a Service vehicle for reasons of practical integration with duty commitments. Therefore, for this practical reason, a dedicated vehicle cannot be made available without the facility for unfettered private use unless the vehicle is classified as a van where private use will not be allowed.

**Use of own vehicle**
The Service objective will not contractually require any individual to use their own "private" vehicle for business use. Occasionally but exceptionally such use may be expedient, but this must be agreed with the individual and authorised in advance by the line manager

## Provided vehicles

**Vehicle specification and acquisition**
A detailed vehicle specification has been developed by the Service for the various categories of vehicle. This specification has been solely influenced by

factors necessary to allow the appropriate personnel to undertake their at-work duties.

**Response Use - Dedicated vehicles**
Vehicles suitably adapted and prepared to Service standards will be provided to enable officers to undertake their operational commitments in recognition of their on-call commitments and to support other Service response and non-response activity.

**Business Use**
Vehicles suitably prepared to Service standards will be provided to enable officers and other HIWFRS personnel to undertake their operational and managerial commitments and to support other Service non-response activity.

All dedicated vehicles will be fitted with a telematics tracking device to aid officer dispatch and to monitor business/private journeys accurately.

**Pool vehicles**
Vehicles suitably prepared to Service standards will be made available from a vehicle pool operated by the HIWFRS Fleet Management and Maintenance Centre (FMC), who will also handle booking/reservation of vehicles and respond to ad hoc requirements as they occur. Such vehicles will normally be returned to Service premises after use. A telematics solution will be installed in these vehicles so that vehicle location can be determined at any time if required. If a vehicle is not returned to its base by a defined cut-off time this will be notified automatically to HIWFRS FMC, who will deal with the matter as required depending on the prevailing circumstances, explanation, etc.

Adaptation/branding of vehicles all HIWFRS pool vehicles may carry Service identification

Service and maintenance of all vehicles will be serviced and maintained by the FMC in accordance with manufacturer recommendations and as required for Service use

Safety checks The FMC will schedule and undertake regular safety checks on all HIWFRS vehicles in accordance with all current Service inspection schedules

**See Insurance section**

**Accidents, incidents and defects**

FMC must be notified of all incident/accident or defect that occurs to/with/by a Service vehicle or a Service employee involved in using or travelling in a Service vehicle.

**Vehicle replacement cycle**

The vehicle replacement programme will be established by the Fleet Manager; however this may be varied on a case by case basis by the Fleet Manager in order to maintain optimum utilisation of HIWFRS fleet assets.

**See Telematics section**

## Financial implications of private use

Where a dedicated provided vehicle is allocated to an HIWFRS employee with the associated private use facility, the individual employee will reimburse the Service for the identified costs of that private use.

**VAT (additional cost)**

Any element of private use in a Service vehicle, however small, has the effect of blocking the reclaim of purchase VAT on that vehicle.

**Fuel**

The VAT on fuel purchased for bulk stocks or using a fuel card will be reclaimed by the Service. Private journeys will be declared by the individual and that individual will fully reimburse the Service with the cost of the fuel used for those journeys. This will be at the HMRC published Advisory fuel rate (AFR) and will include VAT.

**National Insurance (additional cost)**

The provision of a vehicle to an individual where private use of the vehicle is allowed leads to an Employers National Insurance liability at published HMRC rates. The Class 1A NI due is calculated by applying the prevailing HMRC NI percentage to the taxable benefit figure for any given vehicle. The taxable benefit figure may be derived from HMRC emissions-based rules (e.g. for cars), a fixed scale charge (vans) or as a percentage of market value (for provided response vehicles)

**Running costs (additional costs)**

Fixed costs can be identified for each vehicle and include such costs as:

- Insurance
- Road Fund Licence/VED (tax disc)
- The annual proportion of depreciation over the assumed lifetime of the vehicle attributable to private use (see Residual value - e)

- Variable costs can be identified for each vehicle
- Fuel
- Maintenance
- Tyres
- Damage repairs

Running costs may be allocated to business/private use by the application of a business/private ratio derived in-turn from the automated, telematics mileage record or by other means. Telematics may be able to record some costs (e.g. fuel used for private journeys) directly rather than inferring it from an applied ratio.

**Taxation and other financial impact on the individual**
Response vehicles – provided asset Where a dedicated vehicle is adapted for emergency use but is made available for private use also, it will attract a taxation liability for the individual to whom the vehicle is allocated for the period of the allocation. The liability will be calculated according to HMRC rules for a provided asset, as such a vehicle falls out of the conventional company car taxation rules (by virtue of it not being suitable for general public use).

**Other vehicles**
Provided vehicle In all other cases where private use is allowed (non-response vehicles) in a dedicated vehicle the conventional company car or company van taxation regime will apply and the individual's tax liability will be calculated according to HMRC Benefit in Kind rules. For a car this is currently based on list price and emissions and the tax payable will be affected by the individual's prevailing tax rate. For a van the current HMRC rules specify a fixed scale charge which will be taxed at the individual's prevailing tax rate.

**Fuel benefits charges**
HIWFRS will provide all fuel for vehicles owned (or leased or hired) by the Service through its own bunker sites and a fuel card provision. All fuel used for private journeys will be paid back to the Service via payroll deductions at the approved HMRC rate (AFR) such that there will be no fuel Benefit in Kind charge falling to the individual. This approach will apply to response and non-response vehicle alike. A telematics system will be implemented in all vehicles and where private use is mandated, the driver will have the option to specify each and every journey as either a business journey or a private journey. This will allow highly accurate reporting and analysis of the use of provided vehicles.

**Personal contributions**
The Service will calculate the payment to be made by individual employees based on the costs relating to the private use of that dedicated vehicle type and (for fuel reimbursement only) the private mileage driven. Any individual contribution made may impact the Benefit in Kind tax liability calculation for that employee.

N.B. This procedure does not rely on any Emergency Vehicle exemption. Where there is any element of private use actual or expected for the particular vehicle in question such exemption cannot apply.

**Residual value**
Private use is expected to reduce the residual value of any given vehicle by increasing overall mileage (and general wear, etc.) and by changing the perception in the marketplace of the 'use' the vehicle will have had.
In practice, the residual market value of any vehicle at its projected de-fleet age can only be estimated at the outset of the vehicle's life. However, because of the significant fleet management experience within HIWFRS, the number of vehicles it operates, and the documented residual values received for ex-Service vehicles, it will be possible to estimate a residual value with a good level of confidence for vehicles both with and without private use.
A lower residual percentage will be applied for vehicles where private use is allowed and the differential (the private use additional depreciation) can be identified. HIWFRS will actively manage the fleet of provided vehicles (by swapping vehicles in and out of the fleet and between users) to maximise the potential residual value of all vehicles. By this means any individual vehicle should be much closer to an average estimated residual value at disposal than if great variation in vehicle mileages and conditions was allowed to come about. A predicted residual value will be given by the Service to an individual allocated a car with private use prior to the commitment to a vehicle and this will be agreed as binding on both sides.

**Fuel**
Fuel will be provided through the exiting HIWFRS bunker sites and the existing fuel card purchase arrangements. Fuel will be logged on HIWFRS systems (as is currently the case where the Service purchases/dispense fuel) and vehicle usage will be reconciled with telematics data periodically to verify its accuracy and identify any discrepancies.

## Insurance

HIWFRS will provide comprehensive insurance, including blue-light cover where applicable, to all vehicles on its fleet. The Service will maintain a list of authorised drivers for its vehicles. Insurance cover may be denied (or restricted via variable excess charges) to those with a poor driving record or other significant risk factors.

**Licence Checking**

HIWFRS will comply with Section 87(2) if the Road Traffic Act 1988 to ensure that any employee who drives any vehicle for work purposes has a valid UK Driving Licence endorsed with the correct categories of vehicle that the individual is expected to drive. In order to do this, there will be an annual licence check of all such individuals managed by the HIWFRS Fleet Manager. The licence checking process may be undertaken by a suitably qualified third party and will require the periodic completion of a DVLA licence checking data mandate. The process will be under the periodic review of the HIWFRS Information Compliance Officer. Where an individual become subject to a new driving/licence penalty (excluding parking notices) they must declare it to the HIWFRS Fleet Manager immediately the offence occurs or is known to occur. A serious offence may affect whether or not the employee is able to continue to drive for the Service.

## Telematics

The HIWFRS provided vehicle solution relies on a telematics system being fitted in all vehicles regardless of use or user. Only in this way can the fleet, private mileage, HMRC compliance and so on be properly managed. Where private mileage is allowed in a vehicle the telematics system will allow the selection of ‘business/private’ at the start of all journeys. Private journeys will not be tracked but start and finish mileage will be reported by the telematics system. Business journeys will be tracked in real time and this data used for the efficient operation of the fleet as well as for the support of all Service drivers. Such support manifests itself in areas such as lone worker safeguarding, vehicle location, employee sickness alerts, accident/incident data and many other positive facets. (See also the relevant telematics devices and data Appendix A).

**Vehicle Use**

The use of any Service vehicle (provided or pool) will comply with one of the following categories:

**Business use**

Any journey (excluding commuting – see below) from a designated place of work to and/or from another location (HIWFRS site, operational incident, other location) that is attended for the purposes of carrying out service related duties.



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**Private use**
Any journey, other than one defined as 'Business Use'. (N.B. Private use will only be available to an individual who has use of an HIWFRS provided vehicle that is mandated for such use – many HIWFRS vehicles will never be available for private use).

**Commuting**
Travel to and from normal place of work in a suitably mandated Service provided vehicle is considered private use. In special circumstances (such as a flexible duty system) where officers are using emergency vehicles some commuting journeys within a duty period may be allowed as business use according to the specific rules for those circumstances. Travel to and from normal place of work in a Service provided van may be allowed on a case by case basis and is not considered private use.
Other Service provided vehicles will not be used for commuting at any time.

**Recall to duty**
When an officer is Recalled to Duty as defined in HIWFRS policies and they use a suitably mandated provided vehicle for that activity, they are deemed to be driving on business from the commencement of the Recall to Duty period. The use of any Service vehicle must comply with existing Service Policies, Service Orders, Personnel Handbooks and guidance on mileage reimbursement.

**Temporary secondment**
Where an officer is temporarily seconded to a temporary base for no more than 24 months they are able to claim tax relief on the whole of the mileage undertaken provided the journey is not "substantially the same" as their normal commuting journey. This in effect means more than 10 (additional) miles where the journey includes part of their normal home to work journey. The officer should deal with this claim via their own tax return submission and they should not treat such mileage as 'business' mileage for HIWFRS telematics/recording purposes.

**Driver behaviour**
This procedure does not deal in any detail with driver behaviour but expects all Service drivers to adhere to the HIWFRS Driver's Handbook

# Appendix A

### Use and management of telematic devices and data

**Introduction**

To satisfy the mobilising of duty personnel, HMRC reporting requirements and best practice fleet management, there is a requirement to operate a vehicle telematics solution across the Service fleet.

A telematics device utilises GPS, motion sensors and vehicle systems data to record vehicle, location, activity and driving behaviour. It may also allow safe two-way communication, journey planning and live traffic information. Data is transmitted from the vehicle in real time via mobile phone technology to a data storage facility.

**Aims and objectives**

The HIWFRS telematic system will:

- Provide a safe, two-way means of communication between duty personnel and Fire Control
- Monitor and report a vehicle's location
- Ensure effective and efficient utilisation of vehicle fleet assets
- Be an effective tool to monitor and assist the Service in its management of its Carbon Footprint
- Streamline and facilitate an improved travel claim process

**Procedure**

- The HIWFRS Fleet Manager will manage the telematics system, control its use and be responsible for its full and correct operation. Systems will be developed for both regular and ad hoc reporting of telematics data. This could include fuel usage, mileage data, carbon emissions and maintenance planning. Access to the telematics reporting facility will be strictly limited and controlled by the Fleet Manager. Reports will be similarly controlled
- Telematics devices will be fitted to vehicles that do not have MDT or radio, but may be mobilised to incidents, and/or fitted to vehicles that may be used privately. They will also be fitted to Service pool vehicles and those that are regularly used for, non FDS, duty rota transport
- At the point of issue a device will be dedicated to a vehicle or individual and will be set up accordingly.
- Dependant on how the device is configured, there may be a need for driver input at the commencement of each journey
- Telematics data is transferred automatically to a secure facility that complies with HIWFRS Data Protection procedure requirements
- Live location and status data will be used by Fire Control for mobilisation purposes
- Live and stored data will be accessed only by designated HIWFRS personnel



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- Management data and reports e.g. carbon monitoring, will mainly be of a generic nature and not individually focussed
- Regular reporting of personal data relating to journeys driven will be restricted to a monthly mileage report sent to the individual to assist their mileage declaration administration
- Ad hoc reporting on telematics data stored in the system will be strictly controlled and subject to a formal information request to the HIWFRS Fleet Manager. Examples of such requests might include investigations in the event of driving complaints, vehicle incidents or notice of intended prosecution.

## Updates

| Section | What's been updated and why | Date updated | Who updated |
|---|---|---|---|
| All | Transferred/reviewed to new template | 13.09.2019 | [redacted] |
| | Adjusted to CFA | Feb 2022 | Policy & Planning |
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