

**ARK HOUSING ASSOCIATION LTD (ARK)**

**POLICY REF: HR30**  
**Version 2.0 – August 2018**

**CAR ALLOWANCE POLICY HR30****1.0 ARK'S VALUES**

1.1 Our organisational values are the basis for everything that we do, from providing housing, care and support to tenants and service users to ensuring that staff have clear standards of performance set. ARK believes that everyone should have the opportunity to lead a happy, health and safe life. We value:

- The worth of each person
- Trusting relationships
- Understanding difference
- Challenging oppression
- Personal and organisational accountability
- Caring for our physical environment
- Enjoyment

1.2 All ARK policies and procedures are underpinned by our values and we will ensure that our employees are treated fairly, consistently and in line with our values.

**2.0 PURPOSE**

2.1 The aim of this policy is to provide information about the use of vehicles for business use under ARK's Car Allowance arrangements.

**3.0 ELIGIBLE POSTS**

3.1 ARK employees will be eligible for the car allowance when their duties are of such a nature that it is essential for them to have a car at their disposal whenever required (e.g. individuals required to work throughout the geographic locations ARK covers). The current positions within ARK that are eligible for a car allowance are:

<b>Band</b>	<b>Posts</b>	<b>Allowance at 1 April 2018</b>
1	Chief Executive	£5,290 p.a.
2	<u>Executive Senior Management Team Grade:</u> Finance Director Director of People and Organisational Development Director of Care & Support	£ 3,927.36 p.a.
3	<u>Senior Leadership Team Assistant Director</u> Finance Manager Quality and Compliance Manager Head of Property & Maintenance Housing Services Manager ICT Manager Head of People & Organisational Development Tenant & Service User Participation Officer	£3,812.16 p.a.

	Area Manager Learning & Development Business Partner Human Resource Business Partner Health and Safety Advisor Area Manager SDS Manager	
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3.2

3.3 The Board will approve the amount of the annual allowance for Bands 1 and 2, and will also approve any amendments to the allocation of posts to individual bands. The Chief Executive will approve the amount of the allowance for posts in Band 3.

#### **4.0 DETERMINING ELIGIBILITY**

4.1 The Director of People and Organisational Development will review all posts to determine their eligibility to receive the car allowance. This will be done in consultation with the Chief Executive and the Board of Management.

#### **5.0 ALTERING THE STATUS OF A POST**

5.1 To request a car allowance for a post, the line manager must submit a written request to the Director of People and Organisational Development. The Director of People and Organisational Development will examine all requests, prior to seeking approval from the Chief Executive or the Board of Management. Once any adjustments are approved it will be the responsibility of the HR Department to update payroll records.

#### **6.0 CAR ALLOWANCE**

6.1 For those members of staff who receive the car allowance, it is regarded as a benefit. It is not dependant on the amount of mileage they do each year.

6.2 The allowance will be paid monthly as part of the employees' salary and will be subject to employee National Insurance contributions and to income tax.

#### **7.0 MILEAGE RATE**

7.1 A rate of payment to staff for business mileage incurred will be fixed annually in line with Inland Revenue recommendations. The rates will be set to cover fuel costs and should ensure that car users are adequately reimbursed for out of pocket expenses. Those members of staff receiving a car allowance will be eligible to reclaim the lower mileage rate.

#### **8.0 USING ALTERNATIVE TRANSPORT**

8.1 If an individual in receipt of a car allowance uses an alternative method of transport this should be agreed in advance with their line manager. In this instance the individual should claim the appropriate mileage (where the cost of mileage is lower than the cost of the alternative transport) and cover any additional costs themselves.

8.2 Alternatively where it is agreed that using another method of transport is more appropriate due to business needs i.e. working on a train, making a return journey in a day and avoiding an overnight stay, then ARK will cover the costs incurred in line with the Expenses & Allowance Policy (HR32).

## **9.0 PROVISION OF A CAR**

- 9.1 Those staff receiving the additional salary car allowance must tax and insure their care for business and private purposes, at their expense.
- 9.2 They must repair it promptly when necessary and make arrangements to provide themselves with an alternative vehicle at their own expense if it is unavailable for any reason.
- 9.3 ARK reserves the right to withdraw the allowance in the event of unsuitable transport being provided.

## **10.0 NOTICE**

- 10.1 If it is agreed that an entitlement to the car allowance is to be withdrawn the post holder will be entitled to one month's written notice.

## **11.0 DOCUMENTATION**

- 11.1 Once an individual is selected for a position that receives the car allowance the individual's Driving Licence and Insurance details should be checked. The individual will be required to provide these documents to the HR department and a copy will be taken for their files. The individual will be asked to confirm whether business use is included in their insurance cover. Any expenditure involved in adding business use to their insurance cover will be borne by the individual and not by ARK. This is in line with HS22 Use of Vehicles at Work Policy and associated procedures and guidance.
- 11.2 Employees will also be required to notify the HR team immediately of any change to status, e.g. penalty points on their driving licence, and/or insurance cover. Failure to do so may result in disciplinary action.
- 11.3 Those who receive the car allowance will be required to notify the HR Team if their car is not in use or will not be in use for any period over one month, as this may affect their entitlement.

## **12.0 CHANGES TO CONTRACTUAL OR PERSONAL CIRCUMSTANCES**

- 12.1 Employees who are contracted to work less than full time equivalent hours will have their pro-rata hours considered when calculating their car allowance.
- 12.2 Employees on maternity leave will stop receiving car allowance after their paid maternity period ends.
- 12.3 For employees on long term sickness absence the car allowance will be reduced to half when they go onto half sick pay and will cease when they go onto 'nil pay'.
- 12.4 Payment of the allowance will cease if an individual's driving licence becomes invalid due to a driving ban.
- 12.5 If an employee resigns, or is dismissed, from ARK, the Car Allowance will cease with effect from the employee's date of termination.
- 12.6 No compensation will be paid to employees in relation to Car Allowance in the event of redundancy, ill health retirement, normal retirement or death in service.

### **13.0 CONTRACT WORDING**

- 13.1 The following wording should go in the post holder's conditional offer and principal statement, or change of terms and conditions letter.

*You acknowledge that your salary payment includes an amount to assist you with the purchase, maintenance and insurance of a motor vehicle to enable you to perform your role with ARK Housing Association Limited. You therefore agree that you will maintain and insure a motor vehicle of sufficient standard to enable you to perform your role.*

### **14.0 OTHER CAR USERS**

- 14.1 Other employees who use their cars for company business but whose posts are not eligible for the car allowance will be paid the mileage rate set by HMRC. They will also have to submit documentation to their line manager as per section 11 above.
- 14.2 If a business journey will involve car sharing with other ARK employees there will be an expectation that the employee receiving the car allowance will transport their colleagues (where possible and/or appropriate)

### **15.0 DRIVING AND MOBILE PHONES**

- 15.1 Operating a mobile phone whilst driving reduces concentration and increases the likelihood of an accident. It is also a criminal offence. Please refer to HS22 Use of Vehicles at Work Policy and associated procedures and guidance.

### **16.0 POLICY MONITORING AND REVIEW**

- 16.1 Responsibility for monitoring the application of this policy will rest with the Head of People and Organisational Development.
- 16.2 This policy will be reviewed every 3 years with the amendments being made as appropriate.

**Approved by SLT in:**

**August 2018**

**Approved by Board of Management in:**

**September 2018**

**Approved by Unite**

**Pending**

**Next review of policy due by:**

**August 2021**