

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	<ul style="list-style-type: none"> • Why providing company vehicle • Expected driving behaviour • Importance of adhering to road safety policy 	<ul style="list-style-type: none"> • Defines what is expected of employee when driving on company business and in terms of taking care of the vehicle (a company asset)
Responsibilities	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Entitlements, trade up/down • Extras, terms, how to order • Reallocation policy • Effect of role changes • Opting out 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Driver (P11D) • Vehicle (RFL) 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • How to buy fuel and oil • Minimising costs • Reimbursements • Mileage reporting • Free Fuel benefit 	<ul style="list-style-type: none"> • Fuel represents 25% of overall fleet costs • Costs can be reduced by: <ul style="list-style-type: none"> – 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	<ul style="list-style-type: none"> • Service, maintenance and repair • Breakdown • Tyres • Glass • Refer to handbook 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • What to do in the event of an accident • Reporting 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • When to use rental • How to book 	<ul style="list-style-type: none"> • Unmanaged vehicle rental can lead to considerable expense. This can be reduced by: <ul style="list-style-type: none"> – 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	<ul style="list-style-type: none"> • Speeding • Parking • Congestion Zone 	<ul style="list-style-type: none"> • Explain procedures to follow, including process for recharging drivers and challenging penalties • Avoidance of escalating costs due to delayed settlement
Foreign Travel	<ul style="list-style-type: none"> • VE103 form • European Breakdown Cover • Overseas motoring offences 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Details of cover • Applicable employee accident excess • Reporting of changes to licence / health 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Restrictions applied 	<ul style="list-style-type: none"> • 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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<i>Disposal of vehicles</i>	<ul style="list-style-type: none"> • <i>Process</i> • <i>Unfair Wear and Tear</i> • <i>Driver Sales</i> 	<ul style="list-style-type: none"> • <i>Instructions for driver on return of vehicle, inspection process, damage re-charging policy (companies may choose to pass on to employee)</i> • <i>Option for drivers to buy vehicles at end of lease – employee benefit and may improve sales proceeds depending on funding method / contract type</i>
<i>Road Safety</i>	<ul style="list-style-type: none"> • <i>Fitness to drive, eyesight</i> • <i>Licences and checking</i> • <i>Drink & Drugs</i> • <i>Driver Training</i> • <i>Journey Planning</i> • <i>Speeding</i> • <i>Mobiles</i> • <i>Smoking</i> 	<ul style="list-style-type: none"> • <i>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</i> • <i>A clear road safety policy is an essential step in exercising an employer's Duty of Care</i> • <i>Safe driving reduced costs – fewer accidents, lower insurance premiums, less staff absence</i> • <i>Good driving reduces fuel consumption, maintenance costs and increases sale proceeds</i> • <i>Companies implementing a road safety policy, risk assessment and driver training can typically achieve a 20% improvement in fleet costs</i>
<i>Environmental Considerations</i>	<ul style="list-style-type: none"> • <i>Eco-driving</i> 	<ul style="list-style-type: none"> • <i>Eco driving techniques can help to reduce fuel consumption and costs (as well as reducing Greenhouse Gases emissions)</i> • <i>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</i>
<i>Terms of Withdrawal</i>	<ul style="list-style-type: none"> • <i>Termination of employment</i> • <i>Gross misconduct</i> • <i>Motoring disqualifications</i> • <i>Fitness</i> 	<ul style="list-style-type: none"> • <i>Sets out terms under which vehicle benefit may be removed</i> • <i>Essential to have in place, with signed acceptance, in advance of any attempted withdrawal</i>
<i>Sign Off Form</i>	<ul style="list-style-type: none"> • <i>Understanding</i> • <i>Acceptance</i> 	<ul style="list-style-type: none"> • <i>Provides clear audit trail of understanding and acceptance of any authorised driver</i> • <i>Essential in the event of an accident investigation or grievance / disciplinary procedure</i>