

## CUMBRIA COUNTY COUNCIL

### Car Loan Scheme Guidance from 1<sup>st</sup> October 2011

If an employee is classed as an essential user or local car user then they will be eligible for financial assistance in accordance with the National Joint Council Scheme, subject to the following rules:

1. The maximum advance per loan to be:

a)	Cars over 1450 cc	-	£9,900
b)	Cars under 1451 cc	-	£11,100
c)	First time applicant	-	£12,300

Or the purchase price of the car (**LESS THE EXCHANGE VALUE OF THE CAR USED IN THE LAST 12 MONTHS**), whichever is less.

Please note:

- A current/new employee not previously using a vehicle for work purposes is required to pay £200 deposit towards the car loan; **this is only applicable if no vehicle to trade in.**
- A current/new employee previously using a lease/company vehicle for work purposes is required to pay £200 deposit towards the car loan.

2. **Second and subsequent loans will not be granted until:**

The original loan period has expired or the loan has been repaid **AND** either 20,000 miles have been run since the applicant purchased the car **OR** a period of three years has passed from the date of the previous loan, whichever is the sooner.

3. Interest to be charged at the rate recommended from time to time by the National Joint Council for Local Authorities' APT & C Services (at present 2.0% flat rate) on the whole loan, the monthly repayments to be an equal amount throughout the period of the loan.
4. The repayment of the car loans to be deducted from salary.
5. An application under this scheme in respect of a second-hand car that is over 12 months old or has done more than 12,000 miles must be accompanied by a certificate as to the reasonableness of the price, the roadworthiness and the estimated future life of the vehicle, given by a qualified independent automobile engineer. (The certificate must be given on the County Council's 'Motor Engineers Report' unless the certificate is issued by the AA or RAC in which case these authorities will use their own form.)
6. Taking into account the annual mileage that an employee might reasonably be expected to cover, no application shall be approved unless the estimated future life of the vehicle is 2 years or more.
7. **NO APPLICATION SHALL BE APPROVED UNLESS THE EMPLOYING AUTHORITY IS SATISFIED THAT THE TYPE OF VEHICLE CONCERNED IS SUITABLE FOR THE PERFORMANCE OF THE OFFICIAL DUTIES FOR WHICH IT IS REQUIRED.**
8. A loan granted shall be repayable by monthly instalments. **All car loans to be repaid within eight years of the date of original registration.**
9. The employee will be required to sign an agreement (The provisions of the agreement will include the procedure to be adopted if the employee during the continuance of the agreement ceases to use the car for official duties, or without the Council's consent pledges, sells or otherwise disposes of the car, leaves the Council's service or retires or dies, and requires the employee to keep the car insured by a fully Comprehensive Policy including use by him/her on County Council business.)

## CONDITIONS

1. The Borrower must not sell, assign, pledge as security to a third party, charge or part with possession of the motor car without the previous consent of the Corporate Director.
2. The Borrower must use the motor car in the performance of their official duties except when it is receiving necessary repairs or overhauls.
3. The Borrower must maintain a comprehensive policy of insurance in respect of the motor car for the full value
4. The Borrower must forward a photocopy of:-
  - i. Vehicle Registration document (which must be in their name).
  - ii. Receipted Invoice for the purchase of the motor car.
  - iii. Certificate of Insurance or Cover Note (as named policy holder or named driver to include cover for business use)

to the HR Service Centre, Parkhouse Building, Baron Way, Kingmoor Business Park, Carlisle, CA6 4SJ for inspection. This must be done within fourteen days of receiving the BACS payment or, in respect of the registration document, as soon as it has been received from the DVLA, Swansea. **PLEASE DO NOT SEND ORIGINAL COPIES OF DOCUMENTS.**

**IF COPIES OF THESE DOCUMENTS ARE NOT RECEIVED WITHIN 3 MONTHS OF THE LOAN BEING GRANTED AN INVOICE WILL BE SENT TO THE BORROWER TO RECOVER THE OUTSTANDING BALANCE OF THE LOAN.**

5. The Borrower must, if the motor car is damaged, spend any sum received under the insurance policy in having the motor car repaired or, in the event of it being lost or stolen and not recovered or written off, in repaying the outstanding amount of the total sum due to the County Council.
6. If the Borrower fails to observe any of the above Conditions or ceases to be an employee of the County Council, or becomes bankrupt, or commits any act resulting in the seizure of the motor car by or on behalf of creditors, the balance of the loan outstanding will immediately become payable to the County Council.
7. If the Borrower is appointed or transferred to a post with the County Council, that does not carry eligibility for a car loan, they may be permitted to continue to repay the loan as if they had not been so appointed or transferred.
8. The Borrower may, by giving not less than one month's notice in writing or via email to the HR Service Centre, pay off the outstanding balance due to the County Council under this Agreement before the expiration of the loan period.

Address: HR Service Centre, Parkhouse Building, Baron Way, Kingmoor Business Park, Carlisle, CA6 4SJ  
Email: [hrrservices1@cumbria.gov.uk](mailto:hrrservices1@cumbria.gov.uk)