

SWITCHING YOUR FLEET TO *ELECTRIC*

A guide by

**Lookers
Leasing**





Environment is no one's
property to destroy; it's
everyone's responsibility to
protect it.

– Murad Naser



INTRODUCTION

There is no denying that the world is getting warmer. Global warming is starting to affect us all on a personal level. We all need to think about how we can play our part in slowing it down. With transport now one of the UK's biggest polluters, there have been big shifts in public attitude towards cleaner driving. This has led to major investment by manufacturers to improve their electric offering. The Government have also incentivised owners and fleet managers with tax breaks and reductions for EV's. Now has never been a better time to make the switch to electric and take the steps needed to reduce our carbon footprint on the planet



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TYPES OF EV

Know your BEV from your PHEV? This handy guide will demystify the acronyms

BEV - Battery Electric Vehicle

A fully electric vehicle charged by an external power source

PHEV - Plug-in hybrid electric vehicle

A vehicle with an electric drive motor as well as an internal combustion engine (ICE) with the ability to be charged from an external power source, driven by the ICE, or both together

E-REV - Extended range electric vehicle

A vehicle with an electric drive motor as well as an ICE. The electric motor drives the wheels and the ICE acts as a generator when the battery is flat

HEV - Hybrid electric vehicle

A vehicle with a small electric drive motor charged when braking, as well as an ICE. The electric motor powers the vehicle up to 15mph when the car is at it's least fuel efficient, then the ICE takes over

MHEV - Mild Hybrid electric vehicle

A vehicle with a very small electric drive motor as well as an ICE. The battery stores energy from braking, and supports the engine during acceleration and cruising only

FCEV - Fuel cell electric vehicle

A vehicle with an electric drive motor as well as an ICE. The electric motor drives the wheels and the ICE acts as a generator when the battery is flat

Contact us for more information on which EV is right for you and your business

There are lots of options out there to consider when deciding to switch to electric - on this page are the different variations, all of which will suit different business needs. Typical things to consider are outlined on the '[Practicalities](#)' page - these should help you decide which variations are most suitable for you



COMMON BARRIERS TO MAKING THE SWITCH

Hopefully the points below will help to reassure you and your drivers that switching to electric is possible and easier than you think!

- **Not enough charging locations** – this is the biggest objection to going electric but the infrastructure has actually improved massively the past couple of years – did you know there are now more charging locations than petrol stations in the UK? The best place to find one near you is [Zap-Map](#).
- **Battery will become inefficient over time** – Electric car batteries are not the same as those found in mobile phones and laptops. They use a different technology and also have built in battery management systems to protect battery life. To further reassure drivers, almost all models come with a 100,000 mile battery warranty, enough for 10 years of driving for the average user!
- **Range Anxiety** – The average driver drives 20 miles a day, most of which is town driving. The vast majority of electric cars released now have at least 150 miles on a full charge, up to 300 for the longest range vehicles. This, coupled with the network of charging points around the UK, means drivers are unlikely to be caught out, even on longer journeys. Charging points can also be installed at their homes and workplaces, and getting into the habit of putting your car on charge through the night may also work out cheaper, with some energy companies offering lower rates for electricity
- **Expensive** – Although it's true that the initial cost of an electric car is still more expensive than the equivalent ICE vehicle, with the tax reductions and reduced cost of fuel, in the long term, electric cars cost much less to run. See our [cost saving analysis](#) for more on this





BUSINESS BENEFITS

You won't just be helping the environment by making the switch - there are lots of cost savings and reputational benefits to be had too:

- **More sustainable business** - with the Government placing more emphasis on the environment than ever before, there comes new legislation for companies to meet reduced carbon targets. By switching to electric, you are helping the business reach these targets, whilst also showing your customers, competition and suppliers you are committed to reducing pollution
- **Reduce costs** - with the tax and fuel savings on electric cars, plus the lower maintenance costs associated with EV's, your fleet will cost your company and your drivers less
- **Improve talent attraction** - People care more and more about the environment and those companies who show they care through initiatives like electric fleet cars are likely to be in better favour with jobhunters
- **Enhance your reputation** - The companies who show initiative and willing early on to reduce their carbon footprint are the ones who are going to have the best reputations - not doing so until you are forced to by legislation could do reputational damage later on





PRACTICALITIES

POWER SUPPLY

Is your company power supply good enough for car charging? Do you have a back up if the power should fail? Are you able to install the charging points you need?

COMPANY CULTURE

Communication with your employees is key for successful EV adoption as there may be existing mindsets which don't fit. Conveying the cost and environmental benefits will help to shift the culture to adopt EV more easily

CHARGING

How many charging points will you need? Have you got somewhere these can go? What about charging points at employees homes? Looking at existing telematic data might help with planning these



BENEFITS OF LEASING

- **Lower your up front costs** - *There are no large up front costs with leasing*
- **Affordable monthly cost** - *predictable monthly cost means easier budgeting*
- **More regular new cars** - *with R&D money going into EV's, your drivers can keep up with the latest technology every couple of years without the cost of buying and selling*

BENEFITS OF LEASING

LEASING

- **No depreciation** – the leasing company bears the cost of depreciation, so you don't have to worry
- **Maintenance & Breakdown cover included** – ensure your fleet are maintained by EV qualified mechanics
- **EV's not subject to lease rental restriction** – companies can deduct 100% of the rental costs against taxable profit, rather than the 85% on ICE vehicles

COST SAVING ANALYSIS



- **Whole life cost** – It's no secret that electric cars are at a higher initial price point than ICE vehicles which may lead you to assume that they cost more in general. This is not the case however. To help you calculate whether EV's will cost less in the long run, we have created a **total cost calculator** . With the range of tax benefits, the increasing popularity of EV's and technology improving, along with lower fuel costs, the whole life cost may well be quite a bit lower than sticking with ICE vehicles
- **Lower maintenance** – EV's have less components and moving parts, which means there is less to go wrong, leading to reduced maintenance and repair costs

COST SAVING ANALYSIS



- **Tax Benefits** – There are a number of tax benefits to driving an EV. Fuel duty does not apply, vehicle excise duty does not apply to EV's under £40k, VAT is only 5% on electricity (much lower than the 20% charged for fossil fuels), you can write down 100% of the purchase price against corporation tax in year one, there's exemptions from ultra-low emission zones and clean air zones and there's no fuel benefit charge either. All of this means your company could save thousands of pounds a year by switching
- **Residual Value** – With data on the residual values of electric cars becoming more accessible as the market matures, this is something which needs to be taken into account when working out your total cost of ownership. The likelihood of EV's retaining a higher residual value than ICE vehicles is high as the world remains committed to stopping the production of ICE vehicles

INTEGRATING EV'S INTO YOUR FLEET



- Provide drivers with information about their new vehicle
- Encourage drivers to start planning routes in advance
- Work out how you are going to manage home charging and driver reimbursement for energy used for charging their car
- Make the information about how switching to EV is benefitting the business available to employees and stakeholders
- Make training available on efficient driving and what to expect from an EV
- Ensure there is a procedure in place for running out of charge to lessen range anxiety
- Encourage employees to download apps like zap-map to help them with route planning



CONTACT

Want to find out more about making the switch? Chat to our sales team

Lookers Leasing
Lookers House
Cardale Park
Harrogate
HG3 1RY

www.lookersleasing.co.uk
sales@lookersleasing.co.uk
01423 853000