



Supporting the Sustainable Adoption of Electric Cars & Vans through Leasing



Richard Markey, Managing Director

Fleet Electric

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Why?

- To support small and medium enterprises transition to electric vehicles as sustainably as possible.
- Plant trees and fund the world's best climate crisis solutions through electric mobility.

How?

- Using experience and connections from working for the biggest seller of plug-in vehicles in the UK, Europe and World.
- Passing on knowledge and best practices from some of the UK's largest and most diverse fleets (BT, National Grid, Environment Agency, Highways England Enterprise, Hertz, etc.)

"The UK's First Climate Positive Leasing Service."

What does **Fleet Electric** offer?

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Contract Hire & Leasing

Working with an array of funders and manufacturers to always broker you the best deal for your requirements.



Fleet Consultancy

Advising your business on the best course of action to achieve your goals, maximise profits and improve efficiencies.



EV Salary Sacrifice Schemes

Extremely tax efficient benefits scheme allowing employees to lease an electric car through their gross salary (30-40% discount), plus the company saves on National Insurance Contributions and Corporation Tax.



Climate Positivity

Off setting the CO2e emissions of every vehicle we supply before its even hit the road means your fleet will be at least carbon neutral from mile one.



Why you need to be Considering Electric Vehicles now

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Key Dates in the Governments Plan for the Green Revolution

Petrol & Diesel

2030 will mark the end of all new petrol and diesel cars and vans being sold. Only electric, plug-in hybrid and hydrogen vehicles will continue.

2030

Plug-in Hybrid

From 2035 new plug-in hybrids will be no longer be on sale. Only new cars and vans fully zero emission at the tailpipe will be sold.

2035

Heavy Goods Vehicles

HGVs weighing 3.5-to-26 tonnes will be phased out by 2035 and those weighing more than 26 tonnes by 2040.

2035

2040

Net-Zero Emissions

The UK was the first major economy in the world to pass laws to end its contribution to global warming by 2050.

2050

Why we need to go electric sustainably

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Fleet Electric's Motivations for Climate Positivity

The world is getting warmer

The last 5 years have been the warmest on record. The Carbon dioxide in our atmosphere is at its highest levels in over 800,000 years. The average temperature of our planet has risen by 1-degree in the last 200 years.

Our Oceans are more acidic

Since the industrial revolution, our oceans have become **30% more acidic**. By the end of this century the surface waters of the ocean could have a pH around 7.8. The last time the ocean pH was this low was 14-17 million years ago.

The Ice is Melting

Arctic and Antarctic ice lost has tripled in the last decade. The Earth has lost **28 trillion tonnes of ice in less than 30 years** reducing the planet's ability to reflect solar radiation back into space.



Sea Levels are rising

In the last century sea levels have risen **by over 20 centimetres**. The rate of increase has doubled in the past two decades. Sea levels could rise by up to a metre by the end of the century, every centimetre will displace a million people from their low-lying homes.

Weather is more Extreme

Extreme weather events have tripled. **Hurricanes, wildfires and flash flooding are multiplying**. What had once been biblical is becoming common place. Coastal flooding is projected to rise by 50% by the end of the century.

Animals are becoming Extinct

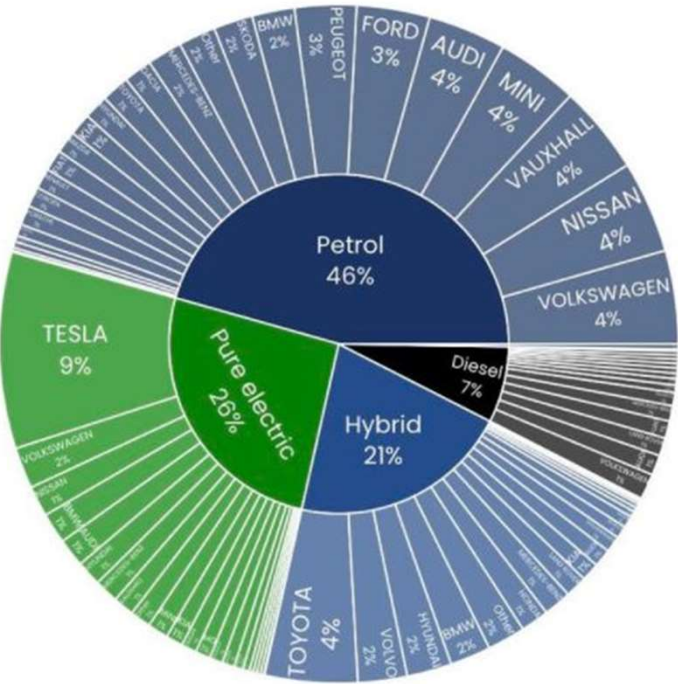
Animal extinctions rates are **100 times more than any other time over the past several million years**. The population of mammals, birds, fish, reptiles and amphibians has fallen by over 70% in the last 60 years.



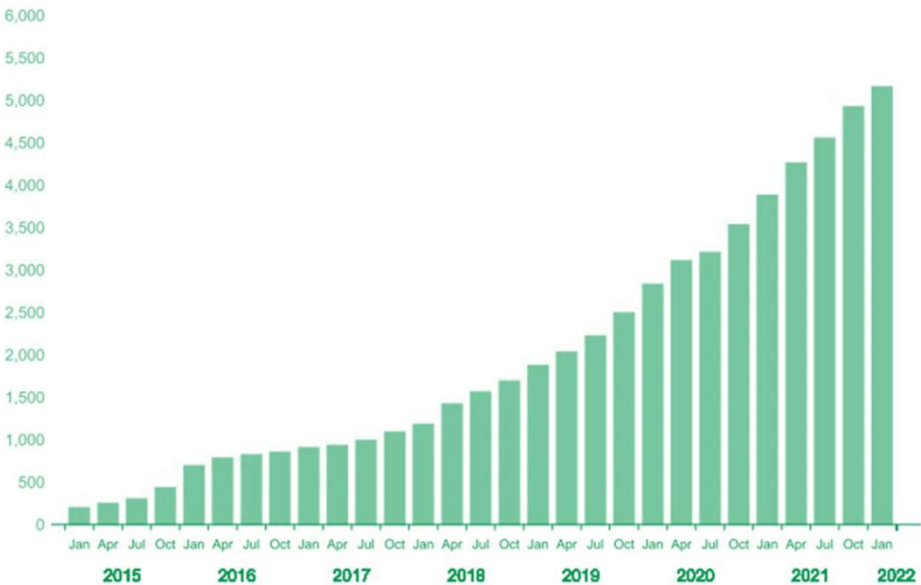
The Electric Revolution has already started

Now is the time to get onboard

UK Vehicle Sales December 2021

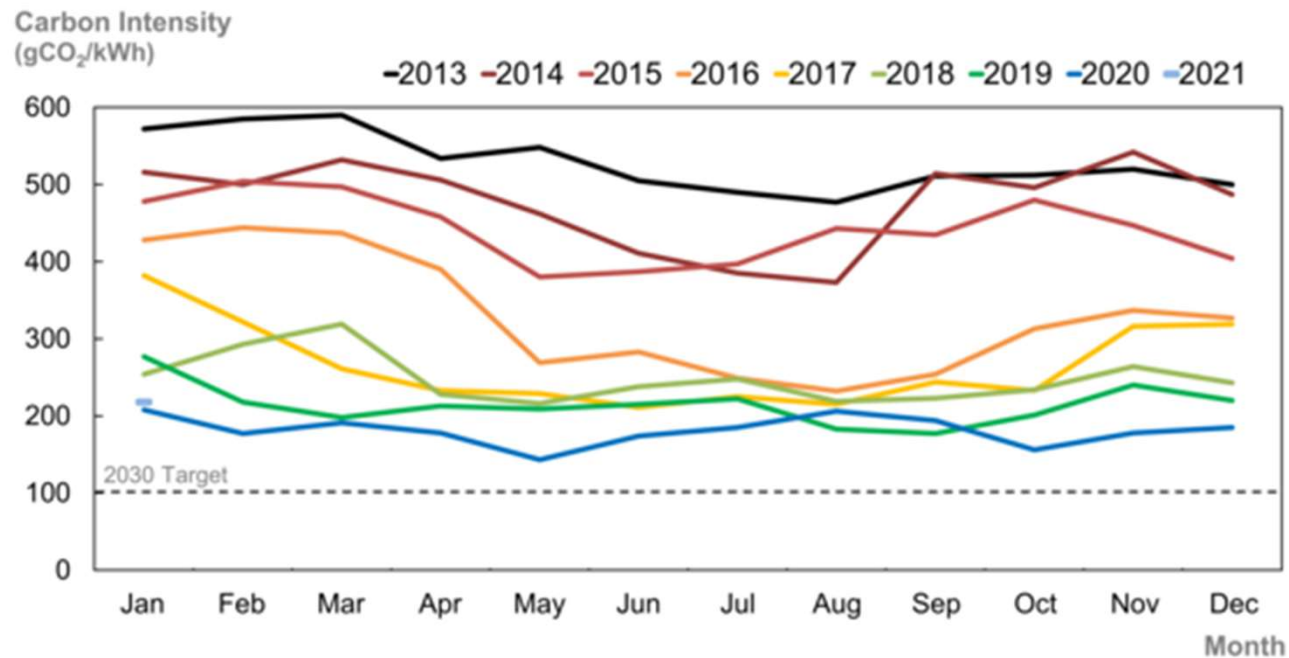


Growth in UK Rapid Chargepoints



The Decarbonisation of British Electricity

Electric Vehicles are getting cleaner and greener everyday



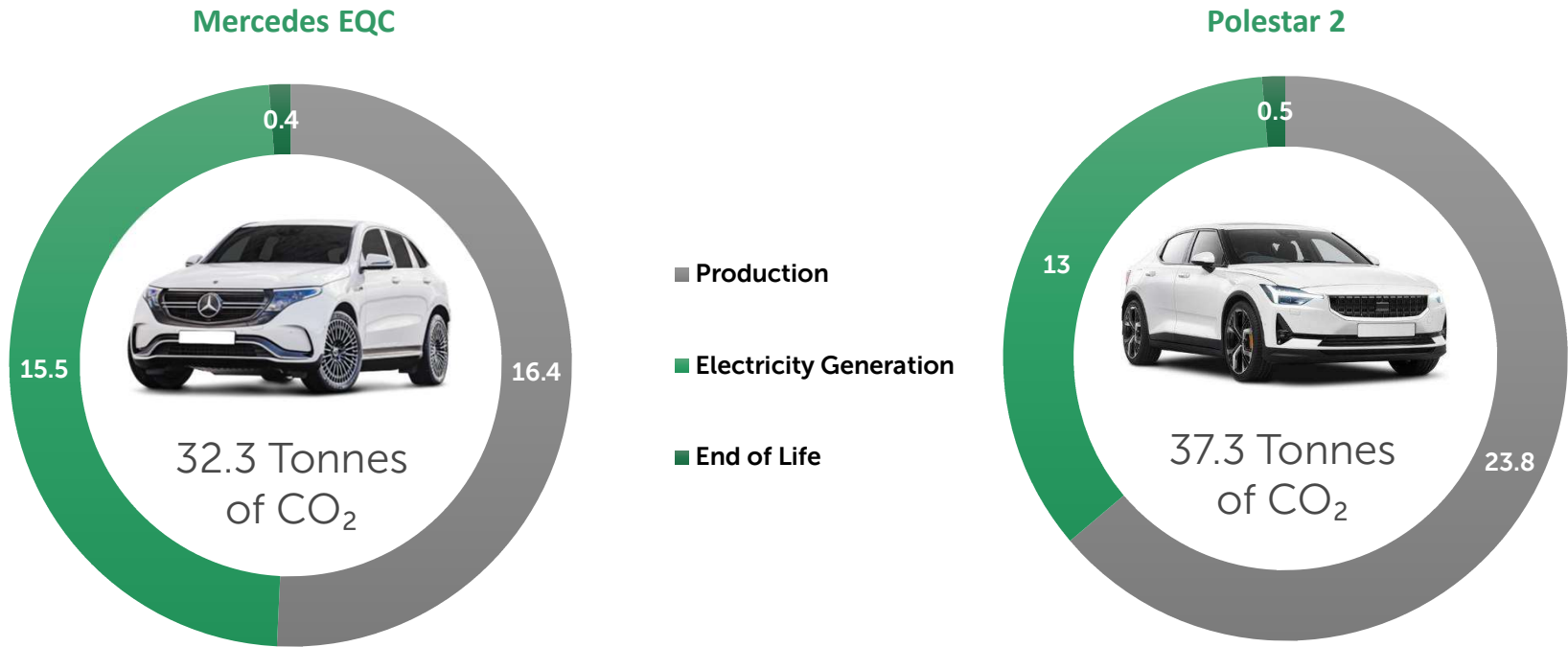
↓ **65.8% decrease**
from 2013 to 2020

2013	529 gCO ₂ /kWh
2014	477 gCO ₂ /kWh
2015	443 gCO ₂ /kWh
2016	330 gCO ₂ /kWh
2017	266 gCO ₂ /kWh
2018	248 gCO ₂ /kWh
2019	215 gCO ₂ /kWh
2020	181 gCO ₂ /kWh



Climate Positive Leasing

Carbon Life Cycle Assessment



Fleet **Electric** invest in certified carbon reduction & reforestation projects to offset the carbon produced by the production of an electric vehicle (25 Tonnes)



Fleet **Electric** plant 100 trees equivalent to twice the carbon generated by charging an electric vehicle over its life time from non-renewable electricity (30 tonnes)



Case Study: Markey Group

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Install Chargepoints at Driver's Homes

Drivers of plug-in hybrid and electric vehicles have had a home chargepoint installed and their electricity cost charged to the company and the driver reimbursed by crediting their home energy account. Negates the need for expense claims, reduces fuel costs and saves 1.4 tonne of CO2 every 10,000 miles.



Installed Workplace Chargepoints

Enabling employees and company car drivers to go electric, Markey Group have installed 10 x 7kW chargepoints in their car park with the provision for an additional 18 in future. The back-office system allows for visitors, company car drivers and employee's to be charged a different tariffs (if necessary).



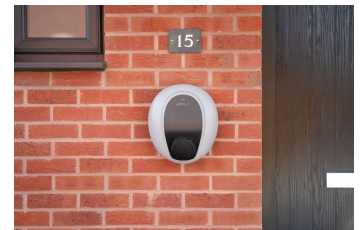
Changed Vehicle Procurement Criteria to Whole Life Costs

Company cars and vans are now chosen based on their whole life costs as well as their business need and job requirement rather than outright cost or monthly rental. Allowing for electric vehicles to be amongst the consideration in vehicles replacements.



Launched an Employee Salary Sacrifice Scheme

Allowing Markey Group employee's to lease a fully maintained and insured electric car through sacrificing part of their gross salary. Effectively providing a 30-40% discount.





Whole Life Costs

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Total Cost of Ownership - Comparison



Small SUV Example – Hyundai Kona

	Mild Hybrid 1.0 TGDI 48V Premium	Hybrid 1.6 GDI Premium	Electric Premium 64kWh
P11d Value	£ 24,165	£ 27,095	£ 35,560
CO2 Emissions	137	114	0
Benefit in Kind Rate (2021/22)	31%	26%	1%
Monthly Net Rental (Vehicle)	£ 308.15	£ 327.91	£ 364.34
Monthly Net Rental (Maintenance)	£ 18.57	£ 18.89	£ 13.84
Disallowed VAT	£ 30.82	£ 32.79	£ 36.43
Employer National Insurance	£ 86.15	£ 81.01	£ 4.09
Lease Rental Restriction	£ 11.93	£ 12.69	£ 0.00
Fuel/Electricity	£ 62.50	£ 75.00	£ 25.00
Monthly Whole Life Cost	£ 518.11	£ 548.30	£ 443.70
Annual Whole Life Cost (Saving)	Benchmark	£ 362.24	(£ 892.88)

Assumptions: Rentals based on 3 years x 10,000 per annum with 3 initial rentals. 75% business miles per annum. Fuel based on AFR rates (assume drivers without free private fuel reimbursed via expenses). Assuming 20% taxpayer.





Salary Sacrifice Scheme

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Salary Sacrifice Scheme

Employee Benefits

Most cost-effective way to drive a brand-new electric car

In addition to the employers fleet discounts and VAT savings, the employee will reduce the amount of Income Tax and National Insurance they pay.

All servicing, insurance and road tax costs covered

Maintenance, servicing, insurance, road tax, accident management, tyres and breakdown cover are all included, the employee just adds electricity/fuel.

No Credit Check

Due to the payment for the vehicle being made via the employee's salary they do not need to pass any credit checks.

Insurance for partners and family

An additional two named drivers can be added to the fully comprehensive fixed insurance policy, which must be 18+ years old.

Brand new car every 2 or 3 years

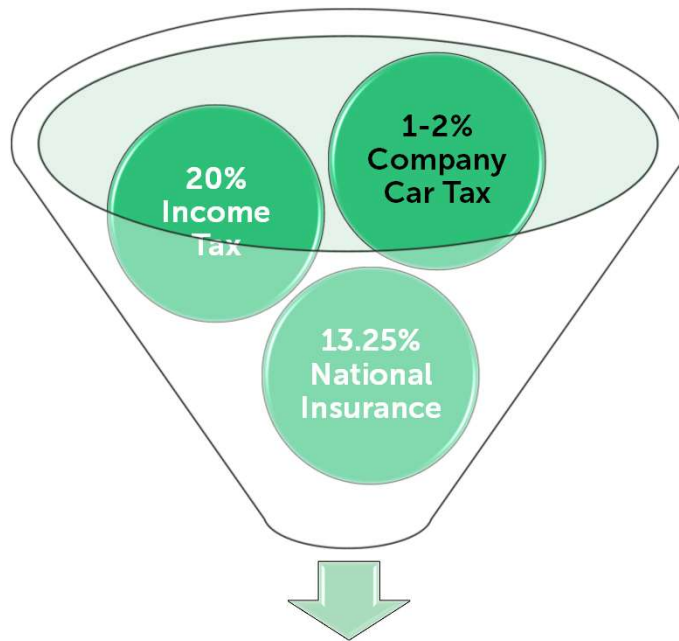
With no deposits or an old vehicle to sell, the employee can change their car every 2 or 3 years with ease.



Salary Sacrifice Discount

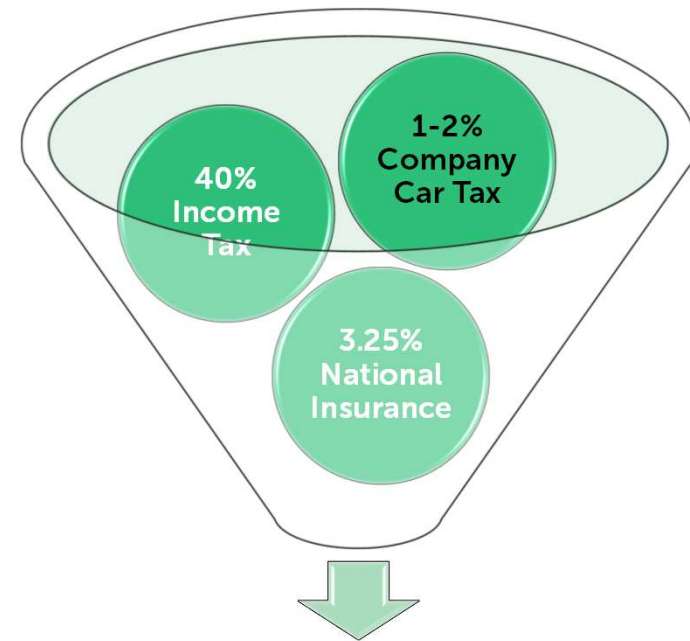
Basic & Higher Rate Taxpayer

20% Taxpayer



~30% Discount

40% Taxpayer (>£50k p.a.)



~40% Discount

Salary Sacrifice Scheme

Employee Example

20% Taxpayer

Mini Electric Cooper S



Monthly Cost	£502.13
Income Tax Saving	-£100.43
National Insurance Saving	-£60.26
Company Car Tax	£7.90

Net Monthly Salary Reduction	£349.35
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40% Taxpayer

Tesla Model 3 RWD



Monthly Cost	£906.91
Income Tax Saving	-£362.76
National Insurance Saving	-£18.14
Company Car Tax	£22.74

Net Monthly Salary Reduction	£548.75
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Figures based on 3 year contract, 8,000 miles per annum including all maintenance, servicing, tyres, breakdown and fully comprehensive insurance. Company car tax based on delivery from April 2021.

Salary Sacrifice Scheme

Employer Benefits

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Employee Retention & Recruitment

An employee benefit allowing staff access to a brand new car with everything included at fixed cost for contract period.

National Insurance Savings

The reduction in the employee's salary decreases the National Insurance Contribution (NIC) made by the company.

Corporation Tax Savings

Electric & plug-in hybrid vehicles below 50 g/km of CO2 qualify for 100% of the rental to be offset against corporation tax.

Lower Grey Fleet Risk

Meet legal obligations to ensure that an employee's vehicle is reasonably safe to use, fit for purpose and lawfully on the road.

Reduced Carbon Footprint

Encourages low-emission motoring due to financial and tax benefits of electric and plug-in hybrid vehicles.



Salary Sacrifice Scheme

Employer Saving Example

20% Taxpayer

Mini Electric Cooper S



40% Taxpayer

Tesla Model 3 Standard Plus



Employers can save several thousand pounds on every employee vehicle leased through a salary sacrifice scheme.

Additional savings from Corporation Tax Relief also available.

Monthly Net National Insurance Contributions	-£66.09 (2021-22) -£62.89 (2022-24)
Net National Insurance Contributions over 3 years	-£2,302.44

Monthly Net National Insurance Contributions	-£120.16 (2021-22) -£115.16 (2022-24)
Net National Insurance Contributions over 3 years	-£4,205.76

Figures based on 3 year contract, 8,000 miles per annum including all maintenance, servicing, tyres, breakdown and fully comprehensive insurance. Company car tax based on delivery from April 2021. Saving calculation based on Class 1 National Insurance reduction from lower employee salary and increase in Class 1A National Insurance due to taxable benefit.



Summary

Recommendations

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Start planning how and when to transition your fleet to electric

Take advantage of Government incentives while they last – Plug-in vehicle grants, writedown allowances, low Benefit-in-Kind, Corporation Tax Relief, etc.

Ensure all new vehicles are procured on a Whole Life Cost basis

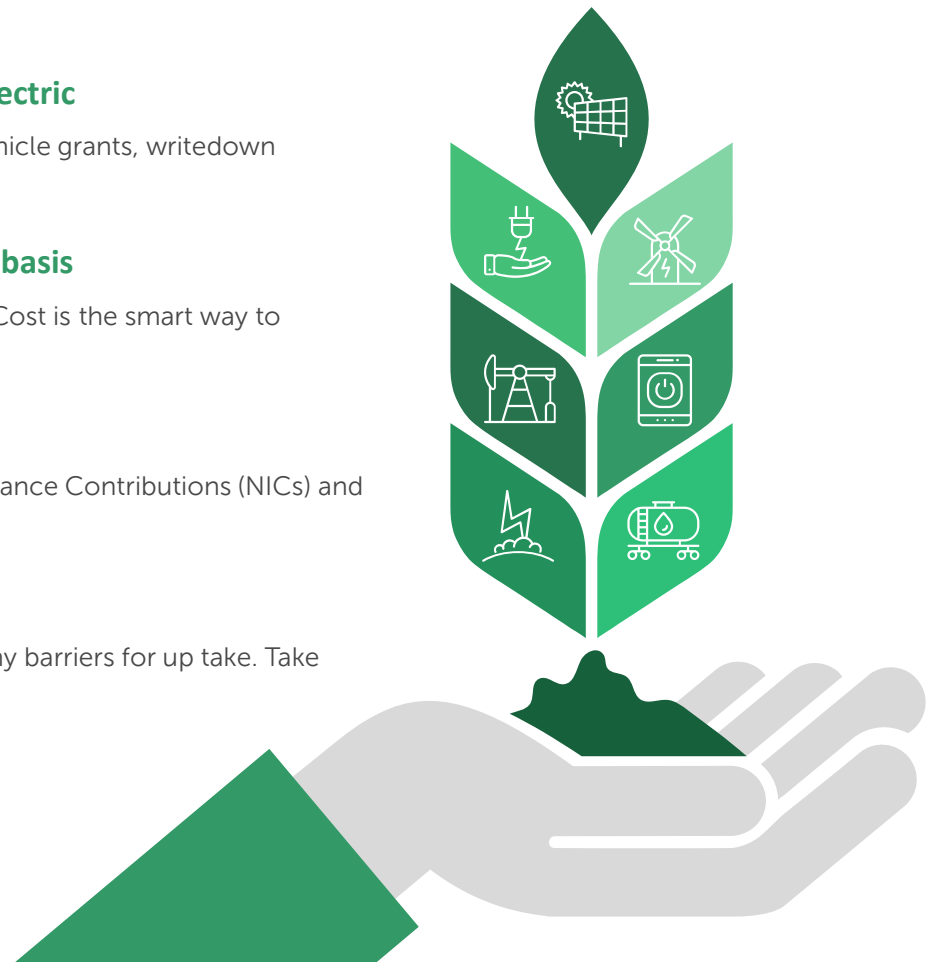
Whether electric or not, purchasing vehicles based on the Whole Life Cost is the smart way to renew your fleet.

Implement a Salary Sacrifice Scheme

Help your employees to go electric while reducing your National Insurance Contributions (NICs) and Corporation Tax bill at the same time.

Install chargepoints in key locations

Knowledge of reliable and readily available chargepoints will reduce any barriers for up take. Take advantage of **Super-Deductions** while they last.



Thank You

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