

Preparedness

How to manage on going uncertainty

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Where are we?

- Unprecedented levels of change, disruption and uncertainty
- Reduction in Grants for Hybrids
 - Reduced from £4k to £3.5k
 - Hybrids no longer eligible (where range is under 70 miles)
 - Leaves only 19 cars qualifying (20 cars no longer eligible incl popular models like Outlander and Prius plug in)
- WLTP
 - Severe impact on CO2 (increases of 5-25%) and supply (models changed or removed)
- Brexit
 - Major concerns over supply and movement through borders
- CAZ
 - As yet unknown impact due to plans being delayed



Where do we go from here?

- Unlikely to change nor improve in the immediate future
 - Need to think of immediate plans through to medium and long term
- Spring Budget
 - Reasonable to expect full clarity over future taxation, grants etc.
- Brexit
 - Well.....!
- WLTP
 - Settling of availability, supply, lead times and greater clarity over impact.....in time!
- CAZ
 - Plans should be released



What can we do now?

- Data. Ask yourself – how much do you know about how employees move around and how this links to your fleet (including grey fleet)
- Get ready for wider mobility solutions:
 - Expenses and Travel. What data is there? How accurate is it? How accessible is it?
 - Mileage patterns. What changes can you already detect in mileage patterns? Total mileage split by business and private and ideally trip patterns
 - Internal. How has travel changed within your business? Do employees think differently about how they move?
- Cash. Increasing levels of movement into cash:
 - Policy. What does your policy allow your employees to drive and claim for?
 - Duty of Care. Do you have sufficient levels of control over the types of vehicles driven on business?
 - Cost creep into expenses. What are cash takers allowed to claim for? Potential increase into rail?



What can we do now?

- Appetite for change.
 - How does your company feel about cars as a benefit?
 - What can you do to influence
- Fleet profile
 - Extensions and contract flexibility. Can you extend, alter contract length and mileage? Can you keep amending this?
 - ET. What is in place to control ET costs? What flexibility can you negotiate in?
 - Driver comms. How well do your drivers understand what is happening, how that affects them and what their options are?
- Shift in available products and services
 - Considerable increase in retail style products, PCH, subscription services



What has worked for others?

- Shifting the replacement profile on At Risk vehicles (at highest impact of BIK changes) to a shorter term
- Swapping cars – between employees, when employees leave
- Negotiate improved terms for return/reallocation
- Use mid term contracts
- Communication - again and again and again
 - Manage stakeholders
 - Ensure your drivers understand the relative benefits of car and cash
- Start running feasibility against alternative scheme designs
- Data....and more data...and more data !
 - Be prepared for the adoption of wider mobility solutions
 - Map converting the cash allowance to a mobility allowance



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Final word

There is no crystal ball – expect to continue to ride the storm for some months

Is the end of company cars as we know it? The final death rattle is some way off.....and everything can change depending on what government does next

Use this time to your advantage, do your research, gather your data, manage your stakeholders and drivers and Get Ready !



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