

People skills

How to keep staff motivated through an appealing benefits package.

Meeting both staff and business requirements is always a delicate balancing act. If you offer too many appealing benefits to employees, you risk reducing profits but if you focus too much on cutting employee costs you risk losing your best staff – or not even persuading them to come and work for you in the first place.

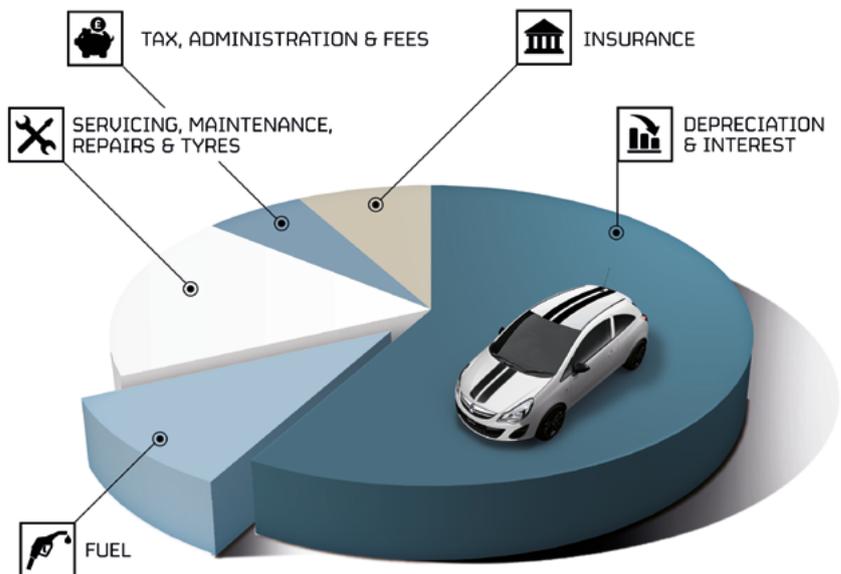
But there are a few simple actions that small businesses can take to improve staff benefits without affecting the bottom line.

This includes looking at salary sacrifice schemes to see if they can be used to offer a car scheme to all employees, but without the financial and administrative burden for the business.

Salary sacrifice is an employee-wide benefit that allows your staff to exchange some of their pre-tax salary in return for a car that is leased through the business.

For businesses of all sizes, salary sacrifice offers significant reductions on both tax and NI. It can also deliver savings compared to buying the same car privately – working in partnership with Lombard Vehicle Solutions means that your drivers can benefit from discounts provided by car manufacturers.

And there are no financial penalties to your business for setting up and running such a scheme. In fact, the business actually saves costs by only paying NI on the car benefit rather than on the employee's sacrificed salary.



Such schemes will not be suitable for all businesses though – particularly those with high staff turnover. So it is vital to make sure that you are working with an expert in salary sacrifice, such as Lombard Vehicle Solutions, who can advise you on suitability and guide you through the set-up process.

As well as looking at salary sacrifice, one other action worth considering is revising your car choice list, again with a view to balancing employee and business needs.

Cars are a highly emotive subject for most people and whilst it may feel like you're working at cross purposes with your drivers, it's worth taking a step back, firstly to understand the needs of the business and whether you are looking to use cars to recruit, retain and reward the best employees or just provide drivers with tools to do their job. It's also advisable to check out what cars are being offered by rival businesses to benchmark your proposition.

And you should also look at how you are selecting cars for your business. By choosing vehicles based on their total cost of ownership (or 'TCO') – which includes depreciation, fuel costs, maintenance, repairs, motor insurance, tax relief, National Insurance and inter-

est – you will get a far more accurate snapshot of their full running costs over their time, enabling you to take a fresh look at vehicle choices.

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It's also worthwhile taking advice from a vehicle leasing specialist. They will use tailored software to take into account all of your preferences and show you a range of options, as well as exploring how different choices impact the results.

Finally, involving your drivers in vehicle choice can also pay dividends and, alongside a set of well thought out requirements, can help create a car policy that is attractive to staff while being extremely cost effective.

If you would like to find out more about what Lombard Vehicle Solutions could do for you, or would like to see our vehicle special offers, please click [here](#).

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