

A photograph of a man with short brown hair and a beard, smiling while driving a car. He is wearing a dark blue button-down shirt. The car's interior, including the steering wheel and dashboard, is visible. The background shows a blurred view of a building through the car window.

# Building a business case for BEVs

# The year 2020 was coined by many in the fleet industry as ‘The Year of Electric’, although this was impacted by Covid-19.

**That said, the case for businesses to start adopting Battery Electric Vehicles (BEVs), both financially and environmentally, remains strong.**

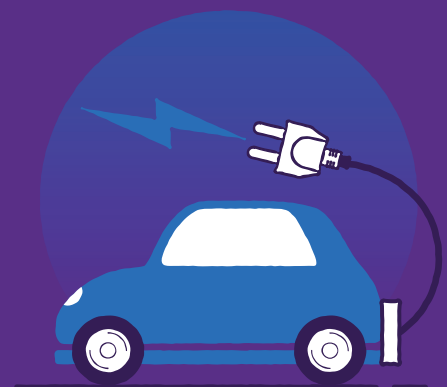
If you're looking to make savings and future proof your fleet, then you should be investigating the opportunity and benefits of adopting BEVs into your fleet mix.

The Government is currently steering vehicle choice towards BEVs; the ultimate goal is to achieve zero emissions by offering incentives to adopt low or zero emission vehicles, as part of the Road to Zero strategy.

Some of these incentives include 2% BiK rates, grants which can give up to 35% off the price of certain small and large vans, zero Vehicle Excise Duty (VED) payable, 100% First Year Allowance and charge point grants for businesses and homeowners who live in flats and people in rental accommodation (flats and single-use properties). These incentives are likely to be available for a limited period only, so there is no time like the present!

Collectively, these incentives contribute to a strong financial case to adopt BEV technology. To gain an insight into the overall potential savings, a Total Cost of Ownership (TCO) analysis should be used. Calculating a vehicle's TCO provides a granular picture of the financial impact on your business of providing a vehicle over its whole lease.

The pie charts on page 4 are based on the average TCO of 17 Internal Combustion Engine (ICE) vehicles and 17 BEVs on a 36 months/20,000 miles per annum contract (14,000 business and 6,000 personal).







# Total Cost of Ownership BEV vs ICE comparison

**This type of calculation can show that, depending on the vehicles you have in your fleet, the savings available by changing to BEVs are tangible, both financially and environmentally.**

However, when choosing to move to BEVs, unlike ICE alternatives, there isn't a one size fits all option for your drivers. BEVs will be viable for some of your drivers, but maybe not all. At the moment, care must be taken when drawing up your fleet policy to ensure the right fit.

Calculating the true TCO of your fleet and identifying those drivers who would benefit from a BEV can be challenging. If you'd like to discuss this further, please contact your Account Manager or our Business Intelligence & Consultancy Team who will be able to assist you in producing a TCO analysis to help shape your future fleet policy.

## BEV TCO example

Effective rental

**£892**

per month

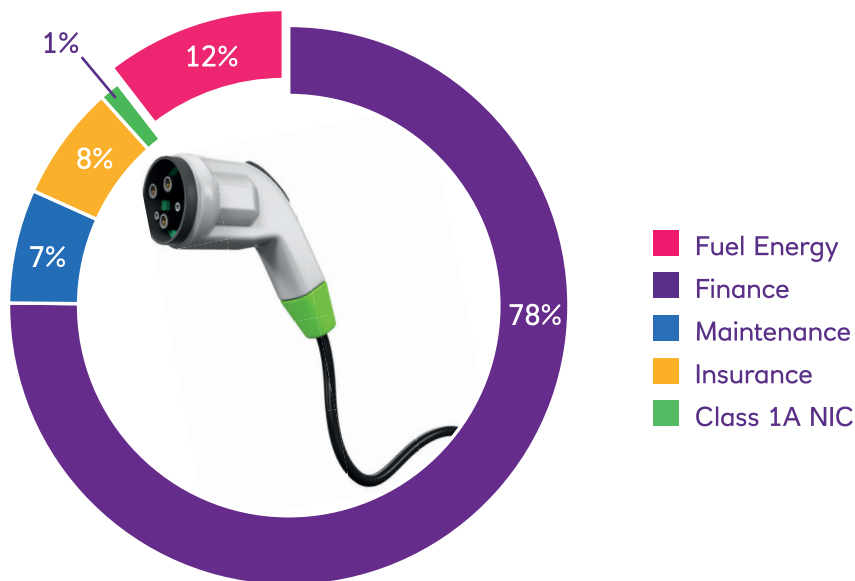
TCO

**£28,554**

Average monthly  
BIK

20% £18

40% £36



## ICE TCO example

Effective rental

**£805**

per month

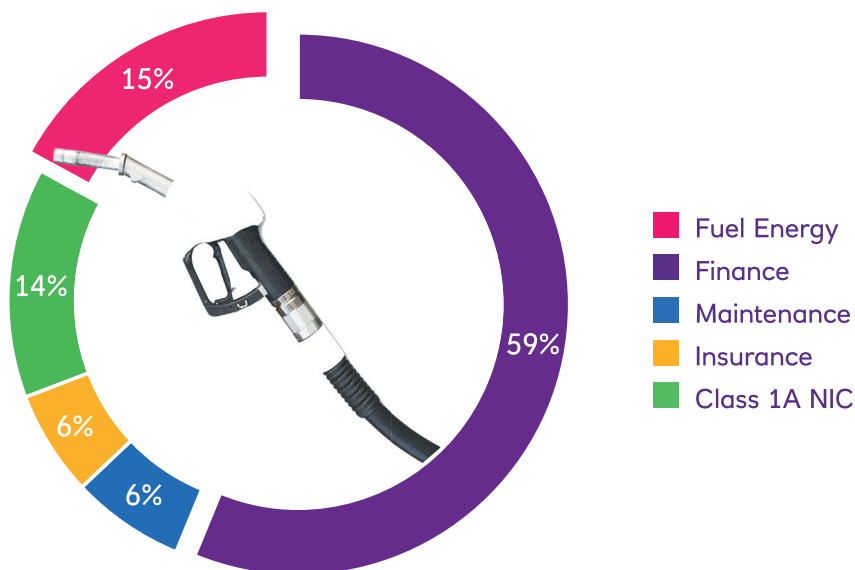
TCO

**£35,129**

Average monthly  
BIK

20% £262

40% £524



TCO is based on a basket of 17 vehicles for each powertrain.

Based on Contract Hire Full Maintenance with a contract term of 36mths / 20,000 miles per annum.

Data source: Lombard Vehicle Solution Total Cost of Ownership Software.

If you would like to discuss the changing landscape of fleet management and how to prepare for this then please get in touch with your Account Manager or our Business Intelligence & Consultancy Team. Tel: 0117 908 6490 or email us at [enquiries@lombardvehiclesolutions.com](mailto:enquiries@lombardvehiclesolutions.com)

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Call us on 0117 908 6490



[enquiries@lombardvehiclesolutions.com](mailto:enquiries@lombardvehiclesolutions.com)



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