

ULEVs – How can they work for you?



With driver suitability remaining absolutely key, you may well find that a higher proportion of your drivers are suitably placed for a ULEV (ultra-low emission vehicle) now than perhaps you realise.

So how should you go about assessing what percentage of your drivers' profiles are similar to ULEVs today? What are the necessary steps to implement a switch? The following guide will give you an idea of the main areas to consider.

Quick reference step-by-step guide:



Step 1.

Establish your objectives



Step 3.

Implement the infrastructure



Step 4.

Identify driver training needs



Step 2.

Understand financial implications



Step 5.

Optimise performance

Step 1. Establish your objectives

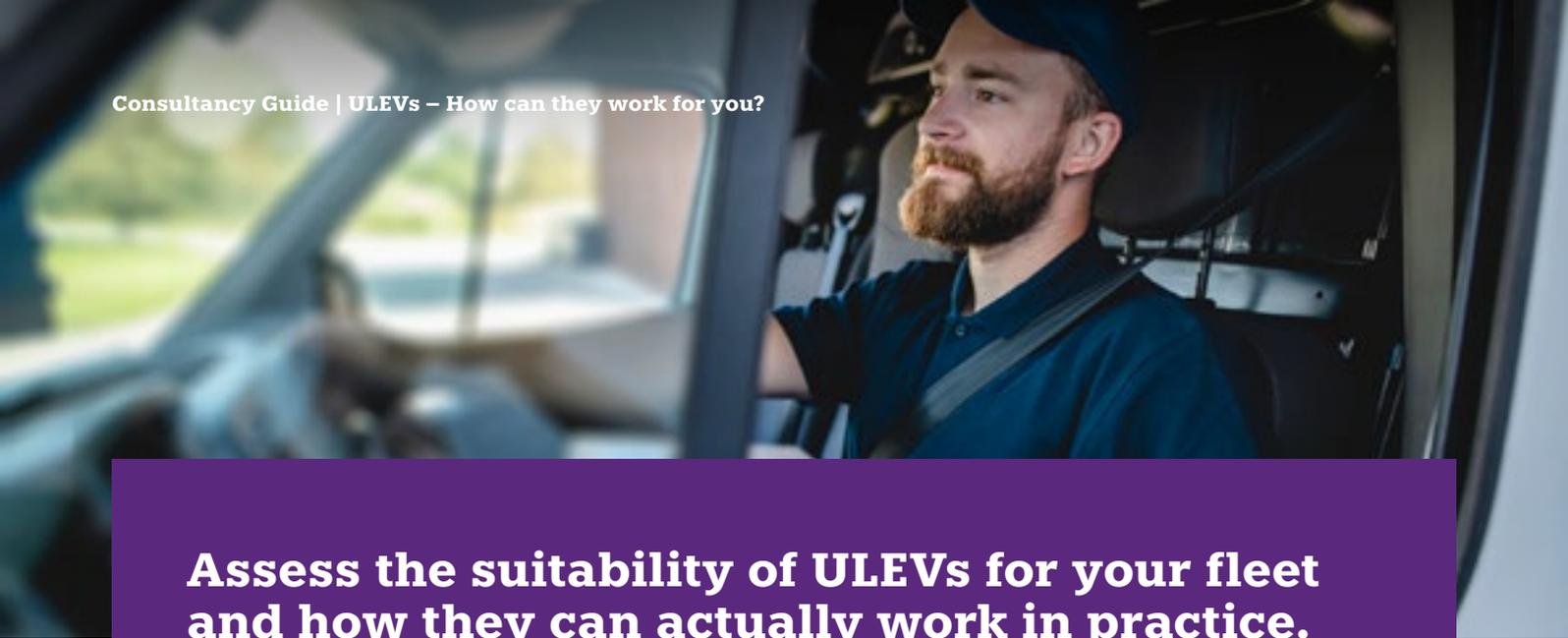


Determining what’s motivating you to consider the adoption of ULEVs is the very first step in the process.

Prioritise what’s most important to you and list how ULEVs will help you achieve your goal.

What’s important to me?	How can ULEVs help me?
Fleet costs	<ul style="list-style-type: none"> • Often lower Total Cost of Ownership (TCO) per vehicle compared with diesel/petrol alternatives • Reduction in fuel spend as electric is relatively cheaper than petrol or diesel
Employee benefits	<ul style="list-style-type: none"> • Low Benefit In Kind (BIK) tax means ULEVs can be a cheaper company car to run compared with diesel/petrol alternatives
Impact on the environment	<ul style="list-style-type: none"> • Lower emissions compared with diesel/petrol alternatives • Higher percentage of journeys can be conducted using electric • Encourage a more efficient and economical driving style • Lower carbon footprint over the lifetime of the vehicle • Meeting your organisation’s ESG goals
Duty of care responsibilities	<ul style="list-style-type: none"> • Encourage a more efficient and economical driving style that can lead to safer driving • Reducing tailpipe emissions, especially in urban areas, can help improve air quality and reduce the impact of pollution on health-related issues, such as asthma

Being clear on your goals will help you to plan implementation and measure performance more effectively.



Assess the suitability of ULEVs for your fleet and how they can actually work in practice.

Things to consider include:

- What percentage of my drivers' journey profiles are suitable for the switch to a ULEV? Consider aspects of the driver profile, including miles per annum, average journey length and distance from the office.
- Will ULEVs initially replace existing petrol/diesel vehicles or complement them?
- How will ULEVs fit into the wider mobility mix?
- You may find that ULEVs still aren't suitable for some of your drivers' profiles because their annual mileage is too high, or they do a lot of motorway driving, for example. In these instances, think about how ULEVs could be used as part of a holistic mobility solution.
- For instance, how many of your drivers could take the train for their furthest journeys and supplement this with a ULEV to get to and from the station? Or how many could use a ULEV for 90% of their journeys and daily rental or car share for the longer trips which make up only 10% of their yearly travel?
- Smart mobility solutions like this often come with added benefits that make them more attractive than a traditional company car. In the former example, your driver gets more hours of their day back by being able to work on the train, while at the same time making considerable BIK savings because they no longer have a diesel. At the same time, you as the employer are likely to make savings from a TCO perspective, while being able to reduce the overall CO₂ emissions of your fleet.
- What does your existing infrastructure look like? Can you facilitate the installation of work place chargers?
- How easy is it for your drivers to charge their ULEVs at home? What percentage will need administrative or financial support/help applying for the Government's EV Chargepoint Grant?



Determine how you will get buy-in from the wider business and your drivers.

- Determining where each area of your business is going to get value from the implementation of ULEVs is an important way of ensuring their success. What objectives can you help them to reach by switching your vehicles to ULEV alternatives? For example, HR are going to be very focused on keeping employees happy through benefits and remuneration, how will ULEVs help achieve this? E.g. BIK savings, lower fuel costs, doing their bit for the environment etc. Finance on the other hand are likely to be more interested in the numbers. E.g. lower TCO costs, reduced total fuel spend.
- How will you get buy-in from your drivers? Think about how you will communicate the benefits of ULEVs to your employees. Consider how you will identify and manage any driver training needs.



Step 2. Do the numbers



What are the cost implications for your business?

Understanding the financial implications of running a ULEV fleet should start with a Total Cost of Ownership (TCO) analysis.

- With TCO, rental, fuel, insurance, corporation tax, NI and VAT are all factored in to reveal the true cost of the vehicle over its entire lifetime, rather than focusing on the initial outlay. In our trial, we found that car fleets could save up to £2,000 per vehicle when compared with a diesel alternative. Understanding the difference in pounds and pence will help you to calculate whether it's worth the switch.
- Using real life fuel economy figures when assessing ULEVs instead of Worldwide Harmonised Light Vehicles Test Procedure (WLTP) figures, TCO is more likely to show more achievable cost savings where this vehicle type is deemed as a practical alternative to petrol or diesel.

Extra help with TCO+

- When looking at LCVs, many predicted fleet costs are different to actual in-life fleet costs, which can make knowing whether to switch to eLCVs tricky. We have a new model of TCO, called TCO+, that has a consultative, overarching approach and helps you identify the most suitable LCV for your business.

- TCO+ is based on the vehicle's actual performance; physically, operationally and financially, including your in-life running costs (such as downtime) and infrastructure upgrades. It also covers the vehicle's short and long-term reliability based on the manufacturer's performance records, providing you with a truer TCO figure. TCO+ helps you to find the right van quickly and effortlessly by analysing your requirements, fleet performance and market data, all guided by our expert fleet consultants.
- Using TCO+, you can work out whether your fleet is ready to transition to eLCVs, find the right powertrain mix and make the best decisions for your business.

What do the costs look like for your drivers?

- ULEVs can be an attractive choice of car for your drivers because they typically attract lower BIK status due to lower CO₂ emissions. As a result, they present a great opportunity for you to improve your benefits and remuneration package.
- Think back to your objectives; if keeping your employees happy is a motivating factor then communicating the cost benefits to your drivers will be key.

Step 3. Think infrastructure



A consideration of ULEVs is that you will need to be able to support with the implementation of charging infrastructure.

At the office:

- How much power is available?
- What sort of chargers will you require?
- How many chargers will you need? Can you build in the capability to add more if EV uptake increases?
- Will you charge non-company car drivers and guests with electric vehicles to use the chargepoints?
- What policy will be required for management of chargers?

At home:

- What proportion of your drivers are able to install a home charging point?
- Will you contribute to the cost of a home charger and what does this mean from a BIK perspective?
- Consider looking for a reputable supplier with experience. It's advisable to use the same supplier for both workplace and business chargers for ease of use.
- Can you install chargers that can cope with a range of electric vehicles so that you can future proof your infrastructure? E.g. a 7kWh will cope with a Battery Electric Vehicle (BEV) as well as a Plug-in Hybrid Electric Vehicle (PHEV).
- How will your employees pay for the electricity consumption? Electric corporate fuel cards provide access to multiple charges and can be used to manage home, business and public chargers.

Step 4. Work out driver engagement



You've done the leg work, your ULEVs are on order and you're ready to go electric. What's next?

The results of our trial show just how important driver input and attitude is in getting ULEVs to perform to the best of their ability. The next step is about ensuring your drivers are prepared for their new vehicle and putting strategies in place to support them on an ongoing basis.

- It's important to create a clear policy for the use of ULEVs and to share this with your drivers before they receive their vehicle. The policy should give clear guidance on what you expect from your ULEV drivers, such as how regularly you expect them to charge the car, fitting home chargers and even a target fuel economy.
- A very important part of this stage is ensuring drivers know how to get the best performance out of their vehicle.



This should include:

- Ensuring the driver makes time for a full handover when their vehicle is delivered so that they are comfortable with the electric driving experience.
- Guidance around how to drive the vehicle in an efficient manner, such as engaging the regenerative braking function to give the battery a boost while driving etc.
- Building a driver community that encourages drivers to share their experiences, tips and best practice.
- Encouraging drivers to share their pence per mile through a leaderboard system. We found that introducing an element of competition and gamification encouraged our drivers to get the best performance out of their vehicle. This meant that they were able to experience the vehicle's full benefits.
- The drivers in our trial who charged their ULEV frequently and sufficiently saw a better overall performance. Part of the initial handover process should not only provide guidance on how to charge the vehicle, but also should place emphasis on the importance of regularly charging the vehicle.

This will include:

- Encouraging the installation of home chargers, where possible, as they are quicker, safer and easier to use than plugging into a 3-pin plug.
- Encouraging a polite charging 'etiquette', especially on workplace chargers.
- Encouraging drivers to plan their journeys effectively around public charge points – many offer free charging with a membership card.

Step 5. Optimise



The final stage of implementation is possibly the most important one.

It's where you will measure, refine and improve your ULEV fleet's performance. A key part of this stage is to monitor the performance of your fleet and to compare this against the objectives that you set at the start of the process.

- If you find that you're falling short of your objectives, ask yourself why? Are there areas that you could tweak and refine that will help you get closer to your goals?
 - Installing a telematics device in each vehicle will enable you to measure performance and identify opportunities for driver training. For example, harsh braking and acceleration can be replaced with more economical driving to achieve a better MPG or electric range.
 - Reviewing data from work place chargers and reviewing public charger use through electric charge cards will indicate when drivers are topping up their vehicles. Combining this information with telematics data will give you a well-rounded view of overall performance.
 - Trends identified from this analysis should be used to tweak and refine your ULEV policy and create opportunities to improve the operation of ULEV's on the fleet.
- This could be through improved driver training, hand over tips or information on the performance of different vehicles.
- Sharing this information with all company car drivers may encourage or allow other drivers to take a PHEV/BEV in the future, but also help existing ULEV drivers get the best out of their cars. Producing this type of analysis in a proactive way will be of benefit to both the drivers and the company.
 - Share the results with your wider stakeholder group against their individual objectives so that you can demonstrate where they are getting value from the ULEVs. Today, mobility is a company-wide concern; making it easy for your stakeholders to see how new mobility innovations are helping them meet their goals means you're likely to get greater support in future. For example, can you show the Finance Director that you've cut fuel spend by 10%? Or the CSR Manager that you've reduced CO₂ emissions by 20%?

Hopefully this information will help you implement ULEVs into your fleet, and you can see that, when put into steps, switching powertrain can be simpler and more effective.

If you would like help transitioning your fleet to ULEVs, you can always give us a call or contact your Lombard Vehicle Solutions Account Manager.



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