

Electrical Vehicle Awareness

Despite the fact that there seems to be a lot of noise supporting the move to ultra low emission vehicles at the moment, a recent report commissioned by the Institute of the Motor Industry (IMI) has revealed how electric vehicles (EVs) are perceived by the UK public.

Nearly one third of those people surveyed said that they would never consider buying an EV. Two thirds (66%) said they would not know where to find a charging point, while 82% of respondents said they don't know enough about EVs to switch over from petrol- or diesel-powered vehicles.

After almost 100 years of the internal combustion engine consumers are used to the same petrol or diesel cars and vans. Advances in automotive technology now present vehicles that are cleaner, quieter and more efficient, both in terms of running costs and upfront savings.

Motor dealers need to evolve to embrace EV's, from educating sales teams to addressing reduced servicing requirements and identifying new revenue streams. Perhaps the first step in the process is ensuring the sales team is fully briefed on the advantages of switching to EVs, both for an individual and a business customer:

Individual

In comparison to a "traditional" petrol or diesel car, EVs can be cheaper to run, cost less to service and maintain, and benefit from tax savings and other incentives.

New vehicles may seem a little expensive but there are currently a number of grants available to customers buying either a 100% electric or plug-in hybrid car or van. The Governments Plug-in Car Grant offers up to

£4,500 off the "on the road" price of an eligible 100% electric car, £2,500 off eligible plug-in hybrid cars and up to £8,000 off the price of a new electric van. In addition, a grant of up to £500 is available against the cost of installing an authorised home charging unit.

Changes in the way vehicle tax is calculated on new registrations came into force in April 2017, with the first year charge being based on CO2 emissions, and following years being based on the fuel type of the vehicle. Under this regime, a pure electric car with zero CO2 emissions (and costing less than £40,000) attracts a rate of £0 per year. Alternative fuel vehicles, including plug-in hybrids, receive a £10 discount each year.

For company car drivers, there may also be savings to be enjoyed on company car tax as lower emission vehicles benefit from a lower % charge against list price.

Business


Fleets and business should also consider EVs when making their next purchase. Whilst the cost price of an electric vehicle is potentially higher than that of conventionally powered vehicles, the cost can be offset by other benefits such as reduced service and maintenance costs, reduced VED rates and savings in Class 1A NIC as a result of more favourable company car tax calculations. Tax changes from 2020/21 are further designed to provide incentives to employees

Continued overleaf

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to choose electric vehicles as company cars.

Businesses can also claim financial support from government – The Plug-in Car Grant referred to earlier is also available to business customers. The Workplace Charging Scheme offers a grant of £300 per socket for businesses to install EV chargepoints, up to a maximum of 20 sockets, dependent upon dedicated off street parking for staff or fleet use. In addition, employees can claim up to £500 towards a home chargepoint as detailed previously.

Businesses can also take advantage of favourable capital allowances which enable companies to write down the costs of purchasing cars and vans against taxable profits. Cars and vans with CO2 emissions 50g/km or less are eligible for 100% first year capital allowances until April 2021. For zero emission vans, this benefit is limited to businesses that do not claim the Plug-in Van grant so some consideration may need to be given to the structure of the purchase. In addition, businesses can claim 100% first year allowances on EV chargepoints installed at the

workplace before 2019.

The EV is here to stay

With the proposed 2040 ban on the sale of new vehicles fitted with internal combustion (IC) engines in the UK the switch to advanced technologies is inevitable. It is vital that sales teams understand the implications and are equipped with the knowledge to explain the features and benefits, thereby remaining competitive in the marketplace.

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