

SPRING 2023

LeasePlan

Driving Insights

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News and updates:

Budget 2023 – key stories for fleets

Having issued long-awaited clarity about future Benefit-in-Kind bands during the Autumn Statement, the Spring Budget contained few significant announcements for motorists.

Fleets and drivers welcome the continued 5p per litre fuel duty reduction, while delaying the higher Energy Price Guarantee offers cheaper home charging for electric vehicles until July. However, calls for the Chancellor would take action on the spiralling cost of public charging were left unanswered. [We've had a look at the most important Budget announcements here.](#)

Latest Advisory Fuel and Energy Rates

HMRC has published new mileage rates, effective from 1 March 2023. Most Advisory Fuel Rates (AFRs) have fallen compared to the previous quarter – a period during which the average cost of petrol and diesel declined by 13p and 17p per litre respectively. The Advisory Electric Rate (AER), which is also now updated quarterly, was raised by 1p per mile, having already increased from 5p to 8p last December. [To find out more, visit gov.uk/guidance/advisory-fuel-rates](https://www.gov.uk/guidance/advisory-fuel-rates)

New EV targets for car and van manufacturers

The Government has published further details of the Zero Emission Vehicle (ZEV) Mandate, reaffirming its commitment to phasing out petrol, diesel and hybrid cars and vans by 2035. From 2024, manufacturers will have to transition at least a minimum share of their UK sales mix to battery-electric or hydrogen fuel cell models, and these will be adjusted annually. The proposals include tough penalties for not meeting average CO₂ or ZEV sales targets. [Here's what you need to know.](#)

Tesla cuts prices for Model 3 and Y

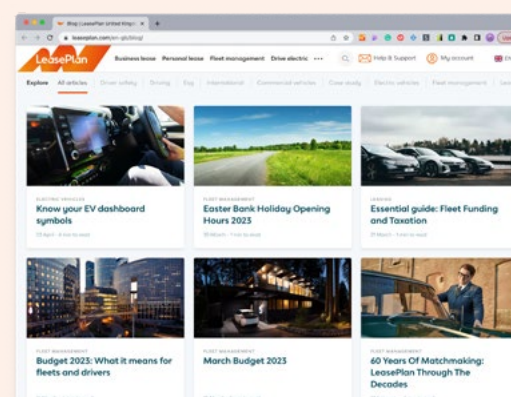
Having topped the UK's electric vehicle sales charts in 2022, Tesla has slashed the list prices of its most popular models by up to £8,000, affecting residual values and monthly rental costs. Price adjustments the Model 3 saloon and Model Y SUV, which accounted for 20% of the UK's electric car market last year, are said to result from improved manufacturing efficiency and a more stable supply chain. [Click here to find out how this affects LeasePlan customers.](#)

What to expect in 2023

Whether it's new technology or shifting regulations, the automotive industry has never been more dynamic. We've had a look ahead at what to expect during 2023, from the rise of battery-electric vehicles and advances in automated driving features, to the ongoing challenges with vehicle supply. [Get all the details](#) here or why not check out [monthly podcast] to stay up to date with the latest changes affecting fleets.

Stay up to date:

Our LeasePlan Insights website offers regular updates and advice about issues affecting motorists. To keep up with what's happening, [visit the LeasePlan Insights blog here.](#)





60 years
of match
making

60 years of matchmaking: LeasePlan through the decades

In 2023, we're celebrating LeasePlan's 60-year anniversary – that's six decades of (vehicle) matches made in heaven for our customers! Read on for some of the highlights from our story so far, and watch our time-travelling video!

A lot has happened in the 60 years since LeasePlan launched in the Netherlands. Here are a few of our highlights in the UK, along with a reminder of the cars that defined each decade.

1963: Setting up shop in Amsterdam

Having started life with just a director and a secretary, LeasePlan quickly went from strength to strength, outgrowing every new office it moved to. Initially focused on leasing office furniture and equipment, it wasn't until 1970 that a specific vehicle leasing department was set up – and the rest is history.

1972: The birth of open calculation

That same year, LeasePlan introduced a revolutionary new concept to the leasing market: open calculation. Invoices were based on estimated costs, including management fees, with LeasePlan covering any excess or refunding customers if the actual costs were lower. This game-changing model still sits at the heart of our business today.

1979: LeasePlan UK opens its doors

The UK was the fourth country that LeasePlan set up offices in (joining the Netherlands, France and Belgium). We opened our doors in Windsor at the end of the 1970s, just in time to join the company car boom of the 1980s. For many companies, a desire to recruit

combined with pressure to limit wages made company cars an appealing incentive and, by the end of the decade, it was estimated that one in seven working people in the UK had a company car. In this environment, LeasePlan UK quickly outgrew its Windsor offices. Today, we employ more than 500 people at our headquarters in Slough.

1992: Meet LeasePlan International

A cross-border solution for multi-national customers: LeasePlan International has been a valued partner for international fleet managers for 30 years. Since signing its first client, the business has brought on board nearly 1,000 international corporate customers – including long-term relationships with some of the world's biggest brands – who trust LeasePlan to deliver a top-quality service.

2007: Going green

GreenPlan was the first international eco-friendly programme in the fleet management industry (paving the way for LeasePlan to become a leader in sustainable mobility). Our initiative included measures to help customers monitor, reduce and compensate their greenhouse gas emissions, for example by imposing fuel limits, offsetting emissions and advising them on vehicle choice and driving behaviour.

2017: Stepping up for the environment

This was a big year for LeasePlan as the business embraced its responsibility to help protect the planet. We made an industry-first pledge committing to net-zero emissions from our funded fleet by 2030, and joined the EV100 as a founding member. Since then, among other initiatives, we've launched our Green Bond programme (2019), updated our Driving to Zero sustainability strategy (2021) and submitted our science-based targets for validation by the SBTi (2022), as well as signing multiple key partnerships with electric vehicle (EV) manufacturers. Today, a quarter of new vehicle activations are EVs – and we're determined we won't stop there!

2023 and beyond: What's next?

If the last 60 years are anything to go by, a bright future lies in store as we prepare to join forces with ALD in our proposed merger. From sustainability to the subscription megatrend, all kinds of factors will continue to shape the fleet industry in the years to come – and LeasePlan will be leading the transition, all while continuing to do what we've done best for six decades: helping you find your perfect match.

[Watch video](#)



News and updates:

Industry challenges continue

The automotive industry has endured a challenging recovery from the disruption of the Covid-19 pandemic, and it's affected the cost and availability of new vehicles – while also impacting cars and vans that are already on the road. Here's what you need to know.

Challenge 1: Parts and Vehicle Shortages

What's the problem?

Vehicle manufacturers are facing shortages of critical components required to build new cars and vans. The latest models feature hundreds of semiconductor chips, and they're an integral part of everything from engine management to infotainment and safety systems. They're produced in a handful of specialist factories, which have been impacted by Covid-19 restrictions, fires and extreme weather, creating a growing gap between supply and demand.

Bottlenecks were exacerbated by the Chinese government's zero-Covid policy, closing factories and ports in a market that makes 25% of all automotive components, and war disrupting production at factories in Ukraine. Meanwhile, global demand is soaring for electric vehicles and pushing up the cost of raw materials, causing battery prices to rise for the first time in a decade.

How does this affect drivers?

Supply chain challenges are beginning to resolve, but this will take time. With demand for new vehicles outpacing supply, the result is longer delivery times, higher list prices and reduced discounts. LeasePlan data shows a 7.05% increase in list prices for the most popular cars and 11.5% for light commercial vehicles since the start of 2021, while the average time between ordering and delivery has tripled since the start of 2020, to almost 184 days.

Challenge 2: Energy Costs

What's the problem?

Europe is enduring a once-in-a-generation energy crisis. Wholesale gas prices surged during Autumn 2021 as supply struggled to keep pace with post-pandemic economic recovery and sanctions on Russian energy have exacerbated that shortage.

Fuel prices have fallen since their £2 per litre peak in July 2022, but diesel is still 12p per litre pricier than it was a year ago despite the 5p/litre reduction in fuel duty, while electric vehicle charging – at home and in public – has doubled in price during the same period, despite the Government stepping in to control costs.

How does this affect drivers?

Rising energy prices have significantly increased the cost of driving an electric vehicle and, although the Advisory Electric Rate (AER) used for reimbursement is now adjusted quarterly, it isn't keeping up. A Kia Niro EV, for example, would cost 9p per mile charged at home, in line with the latest AER, but that's half the cost of charging at the most expensive chargepoints – which could leave drivers out of pocket.

Challenge 3: Inflation and Interest Rates

What's the problem?

The Bank of England base rate, which influences interest on loans and savings, was cut from 5% to 0.5% following the 2007-2008 financial crisis and had stayed low since. Soaring fuel and energy costs pushed inflation to a 45-year high of 11.1% in October 2022, triggering the Bank of England to raise its base rate from 0.1% in January, to 4.25% today. This is as part of measures to curb inflation, the aim of which is to incentivise saving money, and close the gap between supply and demand of goods.

How does this affect fleets?

Although it's good news for savers, a higher base rate will make it more expensive to borrow money – and that includes finance for vehicles. Alongside higher transaction costs, the BVRLA says monthly rentals have almost doubled on some models and long lead times means these can change between ordering and delivery.

Challenge 4: Customer Support

What's the problem?

Customer service teams at many companies are facing significant challenges. Even market leaders within the automotive industry are not currently hitting targets for customer service. Sadly, this is not surprising as the other industry challenges we've highlighted in this article have made it increasingly difficult to provide customers with the support they need.

The challenges are affecting our suppliers as well, so they are letting us down more often than usual and creating problems that our teams are required to navigate. Recruitment has become more challenging too, which means it's taking longer to replace staff if they move on and others are picking up extra work too.

How does this affect fleets?

It may take us longer to respond when you call and finding a resolution to any problems may take longer as well. Online tools can be the quickest way for drivers to get the help they need which you can access here but please bear with us as we work on ways to improve the situation.

News and updates:

New EV launches

Following a year of record demand, manufacturers are readying an even broader choice of new electric vehicles for 2023. Here's what's hitting UK roads in the next few months.



01 Abarth 500e

What is it?

Abarth's performance-focused overhaul of the latest Fiat 500e is its first ever electric hot hatch. Beneath the aggressive styling, sports seats and paint options, the 155hp motor propels the city car to 62mph in seven seconds, accompanied by a simulated engine note and track drive mode. If you don't have the willpower to eke out the published range, 85kW on-board charging will restore 80% of it in just 35 minutes.

Electric range:
199 miles (est)

Price (OTR):
£38,695 (launch edition)

When:
June 2023



02 BMW i5

What is it?

The eighth-generation 5 Series will be the first to include a battery-electric variant, launching as a saloon first but with a Touring estate to follow in 2024. BMW hasn't released many details yet, but the newcomer will use the latest version of the motor and battery technology from the iX SUV. Testing is focused on ensuring a long range and short charging times, even in extremely cold weather.

Electric range:
TBC

Price (OTR):
£TBC

When:
October 2023



03 Ford Explorer

What is it?

Slightly smaller than the Kuga, the Explorer is a compact crossover designed and built in Europe and sharing an EV-only platform with the Volkswagen ID.4. It includes a cabin packed full of useful storage and a 14.6-inch tablet-style central display which can slide up or down for easier access. Ford hasn't confirmed powertrains yet, but expect similar battery options and range to its Volkswagen Group stablemates.

Electric range:
>300 miles (est)

Price (OTR):
<£40,000

When:
Late 2023



04 Lotus Eletre

What is it?

The result of a global collaboration between engineering teams in the UK, China and Germany, the Eletre takes Lotus into uncharted territory. It's a high-performance luxury SUV, longer end to end than a BMW X5 available with a choice of 603hp or 905hp powertrains with a 112kWh battery. Technology rich, it includes EV-specific predictive navigation, hardware ready for automated driving, and can charge from 10-80% in 20 minutes.

Electric range:
304-373 miles

Price (OTR):
£89,500-£120,000

When:
Available now



05 Vauxhall Astra Electric


What is it?

A British motoring staple for more than 40 years, the Astra line-up will expand to include its first battery-electric variant in 2023, available as a hatchback or flexible Sports Tourer estate. Vauxhall claims high efficiency of almost five miles per kilowatt-hour from the new generation 156hp electric motor, while 80% of the range can be restored in half an hour at a 100kW chargepoint.

Electric range:
258 miles

Price (OTR):
£TBC

When:
June 2023



Driver advice:

How can you keep your in-vehicle data safe?

Our increasingly connected lives are creating an ever-bigger digital footprint, and cars and vans are becoming an ever-bigger part of that landscape. New technology offers loads of useful features for drivers, but it's also introduced a few privacy concerns when those vehicles change hands. Here's why.

What personal data is my vehicle collecting?

Satellite Navigation: It's easier than reading a map, and most systems use live traffic data to help avoid needless delays, but your sat nav also knows your habits better than you think. Previous and favourite destinations can pinpoint your home, work and other private locations and some vehicles will even learn your daily routines, suggesting alternate routes if there's traffic ahead.

Phone Book: Hand-held mobile phone use became illegal in 2003, and almost all new cars and vans include a Bluetooth connection to reduce distraction and offer wireless music streaming too. However, vehicles will usually download a copy of your entire phonebook and a list of your recent calls, as storing it on board means that data doesn't have to be transferred at the start of every journey.

Cameras: Safety and assistance features are introducing a growing number of cameras and other sensors into vehicles, and manufacturers are finding additional uses for that technology. BMW and Tesla both enable drivers to save footage captured by external cameras, a bit like using a dashcam, and the latter has a "Sentry Mode" which automatically records and stores videos of any activity near the car – including your home and family, if it's parked on your driveway.

Smartphone Apps: Lots of new vehicles have dedicated smartphone apps, which enable drivers to download previous journey details, unlock doors, check charging status and pre-warm the cabin in winter. They're linked to an account which in many cases contains a log of recent journeys, including departure times and other sensitive information.

Passwords: Logging your car into your e-mail account, music streaming services (such as Spotify), or your home Wifi to download large over-the-air updates, stores all the required usernames and passwords for those features on board. It avoids re-entering details every time you use those features.

How can drivers protect their personal data?

The automotive and technology sectors are working closer together, offering new features for drivers, developing data-rich maps, enabling cars to share information about road conditions and even interact with infrastructure such as traffic lights and signage.

Until privacy-by-design becomes the default for new vehicles, it's our personal responsibility to make sure our personal data is safe. However, four in five drivers surveyed by Which? said they weren't factory-resetting on-board systems to clear their private data before selling their car. A third claimed to have done nothing at all.

At the end of a rental or lease contract it's vital to ensure that:

- Mobile phones are un-paired
- Navigation history, your "home" location and other favourites are cleared
- All app logins, wireless hotspots and any stored camera footage is deleted

A full factory reset will remove all of this data from the vehicle in one go. The details can be found in your user manual.



ELECTRIC
VEHICLE
CHARGING
ONLY

Frequently asked questions: Public charging FAQs

With a growing choice of modes offering ranges of more than 200 miles, it's never been easier to get around the UK in an electric vehicle. Here's what you need to know.

Q. How long does it take to charge an electric vehicle on the road?

It depends where you plug in. Chargepoints are typically installed based on the sort of stops drivers make at those locations. The most common types are as follows:

- **Slow chargers** tend to be where drivers stop for several hours, such as shops, hotels and city centre car parks. These add up to 30 miles of range per hour of charging, depending on the vehicle.
- **Rapid chargers** are usually located at service stations and rest areas close to motorways and A-roads. They're designed for a short refill while drivers take a break, usually adding around 100 miles of range in half an hour. Some of the latest 'ultra-rapid' chargers can add 120 miles in ten minutes for compatible vehicles, though not many offer this yet.

Q. Does the UK have enough chargepoints?

The UK has one of the world's most advanced chargepoint networks, and it's growing all the time. There are almost 39,000 units in the UK, many of which can charge more than one vehicle at the same time. Most major routes are also well served by 'rapid' chargers, which are located at service stations and rest stops near motorways and A-roads.

Q. Aren't there lots of different charging connectors?

No. The European Commission set the Type 2 connector as the standard for Europe in 2013. Most manufacturers now use this for their vehicles, and charging points typically have a Type 2 socket as well. Similar to a USB port, this means vehicles can be plugged in regardless of what socket they have on board.

Rapid chargers are slightly different, as these have thicker and often water-cooled cables which are tethered to

the unit itself. Again, there is a European standard (the Combined Charging System) used by most new cars, but chargepoints are usually fitted with several connectors compatible with the three most common standards.

Q. Do you need lots of apps and membership cards?

Fewer than you would have a few years ago. All new rapid chargers should already offer payment via contactless credit or debit card, and a lot of slower units offer one-off payments without registering an account.

However, this is usually the most expensive way to charge. Many networks offer discounts for account holders, and store payment details to make it quicker to start a charging session. Some memberships and fuel card providers also offer 'roaming' capability, which enables drivers to access and multiple networks with a single account. A few also offer international roaming.

Q. Will I need a different charging cable if I go abroad?

Only if you're charging from a domestic plug socket. Travel adaptors to convert a three-pin plug are not suitable for the sustained high currents needed for electric vehicle charging. However, the Type 2 connector is standard across Europe, so public chargepoints at destinations and rest areas will have the same socket or leads as in the UK.

Here to help

LeasePlan has spent years working with drivers and fleets as they adopt electric vehicles. We've compiled a list of the common concerns which you'll find in our [Frequently Asked Questions Guide](#).



Is an electric vehicle right for you?

Choosing an electric vehicle can feel like a giant leap for drivers, but it doesn't have to be daunting...

With an ever-expanding range of versatile, desirable, long-range electric cars to choose from, and renewed incentives from government, we think there's never been a better time for drivers to make the switch.

Of course, we also recognise that it's a new technology, and it's important to understand how well it fits your needs. So we've developed a suite of free online tools to help walk you through the process and alleviate any concerns along the way.

With our vehicle tool, answer a few simple questions about your usage, driving habits and what you need out of a car, and we'll help you to understand how different options could suit your lifestyle, with clear guidance on the next steps and suggestions of further tools to help with the transition. It only takes a couple of minutes.

LeasePlan

**Could an electric car
work for you?**

DriverLine

For help with your vehicle please call the
LeasePlan DriverLine on **0345 250 0000**

