

# Leasing Case Study

## Introduction

Established in 1963, LeasePlan has grown to become the World's leading provider of fleet management services and are now active in 31 countries. LeasePlan employs more than 6,000 dedicated people who deliver on the company's client promise 'It's easier to leaseplan'.

With over 30 years of experience in the UK and a fleet in excess of 125,000 vehicles including 32,000 commercial vehicles, LeasePlan UK provides dedicated services to all market segments through four distinct brands.

## Focus on Public Sector

Automotive Leasing is the Brand within LeasePlan UK dedicated to servicing the Public Sector. For over 20 years, Automotive Leasing has delivered fleet funding and fleet management solutions to over 550 Public Sector and not-for-profit organisations across the UK, including the National Health Service, Central Government departments, local authorities, universities, charities and housing associations.

Automotive Leasing has a complete range of fleet funding products and fleet services perfectly suited to the varied needs of the public sector. The vehicles supplied to clients is wide ranging, including everything from cars to police support vehicles, ambulances and specialist commercials such as road sweepers and other municipal vehicles.

## Case Study – Soldiers, Sailors, Airmen & Families association (SSAFA)

SSAFA are the national charity for those who serve in the Armed Forces, those who used to serve, and their families.

SSAFA's commitment is to provide a lifetime of support to anyone who has ever served.

Each year, SSAFA's trained staff and network of 7,500 volunteers provide practical support and assistance to more than 50,000 people, from D-Day veterans to young soldiers wounded in Afghanistan

## Background

Prior to the recent leasing deal with Automotive Leasing, SSAFA operated an outright purchase policy for their key operational vehicles, for the other 60 vehicles they paid the drivers £1500pa plus 55p per business mile to source and run their own vehicles. This policy caused a number of concerns:-

- Significant costs were incurred on the key operational vehicles due to unexpected maintenance costs and variances in the expected re-sale values at the end of their operational life

- There was little control over the vehicles chosen by the drivers. Health and Safety concerns over the suitability of the chosen vehicles, the image of the charity and the lack of any environmental focus.
- Drivers were unhappy that the amounts paid via the mileage re-imbusement was totally dependent on business mileage and in the case of the lower mileage drivers these payments did not cover the vehicle running costs

## **Leasing Solution**

Following extensive discussions that included Automotive Leasing providing SSAFA with a detailed cash flow and whole life cost analysis comparing the current policy with a leasing option; a full review of the current fleet profile and potential CO2 and fuel saving opportunities, SSAFA agreed to move the whole fleet to a fully maintained contract hire solution. This provided SSAFA with significant benefits:-

- Fixed monthly fleet cost to enable accurate planning and budget forecasting
- Flexible mileage and contract terms to provide drivers with similar vehicle choice regardless of business mileage
- No residual value risk at the end of the contract or exposure to unexpected maintenance costs
- Greater control over vehicle choice to cover their duty of care and environmental responsibilities and to ensure the vehicles were in keeping with the charity's image
- A tax efficient scheme for both employer and employee
- Access to Automotive Leasing's buying power with suppliers to reduce costs
- Usage of Automotive Leasing's driver services giving SSAFA drivers a dedicated contact point for advise and queries
- Access to the range of additional services provided by Automotive Leasing including short term hire, accident management and fuel management.

Following the successful implementation of this new leasing solution SSAFA are looking to replicate this across their 70 vehicle fleet in Germany