



NFDA / MHA Dealer EV Strategy Workshop

22 July 2021





NFDA Welcome and Opening Remarks

Sue Robinson





EV Readiness & an introduction to the MHA EV alliance

Steve Freeman





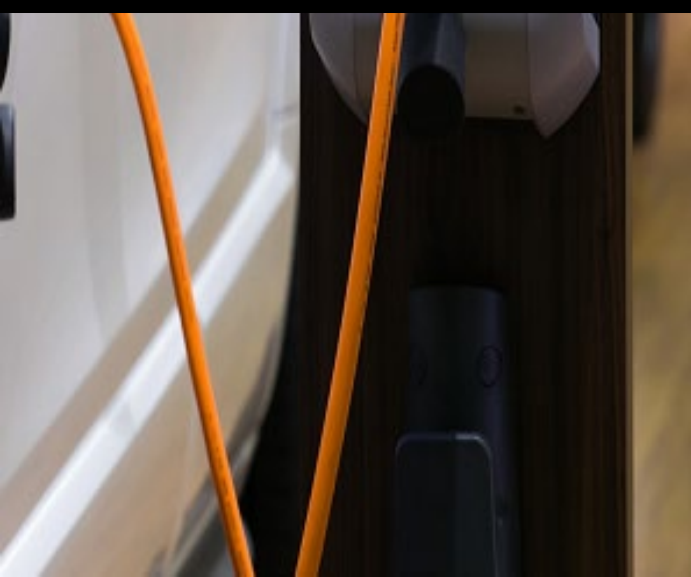
The Automotive Sector – a period of fundamental change



- Electric Vehicles, the 2030 ICE ban and also:
 - Changing commercial models, including online, agency and subscription
 - Connectivity and autonomous vehicles
 - Changing shape and rationalisation of dealer networks
 - New market entrants and disruptors
- Dealers need to make strategic moves now
- EV Readiness is a critical part of this!



Dealership of the Future – key considerations



- Consumer Journey
 - How and where will dealers sell and deliver new and used vehicles in 2025/30?
 - Who controls the online journey, OEM and/or Dealer?
 - What other bundled products and services will the dealership be selling (including energy) and how will aftersales be provided?
 - How will changing consumer attitudes and demographics impact the “how” and “what” dealers are selling, what are the barriers to EV sales?
- EV and Energy Solutions
 - How can individual site and dealer network EV Readiness foundations be laid with future-proof EV charge-points and infrastructure?
 - How can future energy needs (chargers, solar, battery storage and V2G) be sourced to maximise future vehicles sales?
 - What other blue-sky commercial opportunities exist (e.g. e-hubs and e-forecourts)?
 - How does a dealers EV and Energy strategy align with their future carbon emissions targets and sustainability strategy
- Dealership Property
 - What will physical dealerships and their foot print look like in 2030?
 - What other mixed use opportunities exist for dealers property?
- Funding the Dealership Transition
 - What new funding solutions are available to dealerships in the new model, green loans and ESG reporting?



Introduction to the MHA EV Alliance



- Welcome to the MHA EV Alliance:
 - Network of Automotive sector advisory businesses under MHA's leadership
 - Market leading independent alliance:
 - Specialists in EV, Energy, Consumer/Network Planning, Technology, Property and Tax planning
 - Working with dealers and OEM's
 - Trusted advisor and one point of contact for all EV Readiness and Dealership of the Future planning needs
- Key objectives and goals:
 - Help dealers plan and prepare for the future growth in EV's ("EV Readiness"); and
 - Advise and support dealers in their transition to the Dealership of the Future



Agenda for today



Welcome and opening remarks	Sue Robinson
EV Readiness and an introduction to the MHA EV Alliance	Steve Freeman (MHA)
NFDA EVA Update	Paddy O’Connell
The EV Consumer Journey, Understanding EV Demand and Planning	James Debenham (CACI)
Coffee break	
EV Uptake Scenarios and Energy Needs; EV Charge point Infrastructure Forecasting; plus EV Energy Asset Management	Ewan Cross (Rolton Group)
Site Surveys and Optimising EV Infrastructure Planning; Proactive Interaction with the DNO’s	Chris Dore / Steve Ridsdale (eSmart Networks)
Commercial Partnership Opportunities for Sites / Charge points	Phil Hack (EV Network)
Recap of the Morning and Plan for the Afternoon	NFDA / MHA
Lunch break	
Practical Considerations for your Sales and Aftersales Processes	Darrell Grimshaw (CGC)
Sales Process Support and training for your Colleagues	Georgia Harbison (Cognito Learning)
Tax Considerations for EV Commercial Opportunities (BIK and Salary Sacrifice) and Investment Expenditures (CA’s and the Super Deduction)	Nigel Morris and Anthony McFarlin (MHA)
Factoring EV Readiness into your overall Environmental, Sustainability and Governance (“ESG”) Strategy	Rich Hall (MHA)
Recap and Closing Remarks	NFDA



NFDA EVA Update

Paddy O'Connell



Electric Vehicle Approved

- Started in 2019
- Set of standards for all areas of automotive retail
- Endorsed by Government's Office for Zero Emission Vehicles (OZEV)
- Audits undertaken independently by Energy Saving Trust



EVA Standards

Standards agreed on to display a trustmark, giving consumers the confidence in dealers to meet the ever-changing demands.

- Retail EV Ambassadors
- Every level of staff creating an EV culture
 - Understanding customer needs
 - EV advocates
- Realistically engaging with customers about EV options



EVA Sales Standards

- Sales process:
 - Clear and impartial
 - Educators as well as sales
 - Avoid jargon
 - Opportunity for feedback
- Vehicle checks
 - History/mileage/insurance categories
 - Vehicle title disclosure
 - Mechanical condition
 - Battery lease/replacement



EVA Sales Standards

- Handover:
 - Finding public chargepoints
 - Home charger advice
 - How to charge
 - Driving modes and importance
 - Real world ranges/performance
 - Battery and vehicle maintenance
- Sales advertising
 - Best practice
- Warranty explanations
 - New
 - Used



EVA Aftersales Standards

- Staff training
 - Good understanding for all staff
 - Specialist EV training for technicians
 - Sufficient coverage to avoid unreasonable wait times
- Communication
 - Upfront information on payments
 - Accurate and transparent quotations
 - Contact for authorization for further work



EVA Aftersales Standards

- Process
 - Manufacturer standards followed
 - Manufacturer parts unless authorized
 - Notified of any recalls
 - Qualified EV techs to road test with customer
 - Minimum 12-month warranty on repairs
 - Quality control processes in place
 - Correct workshop equipment



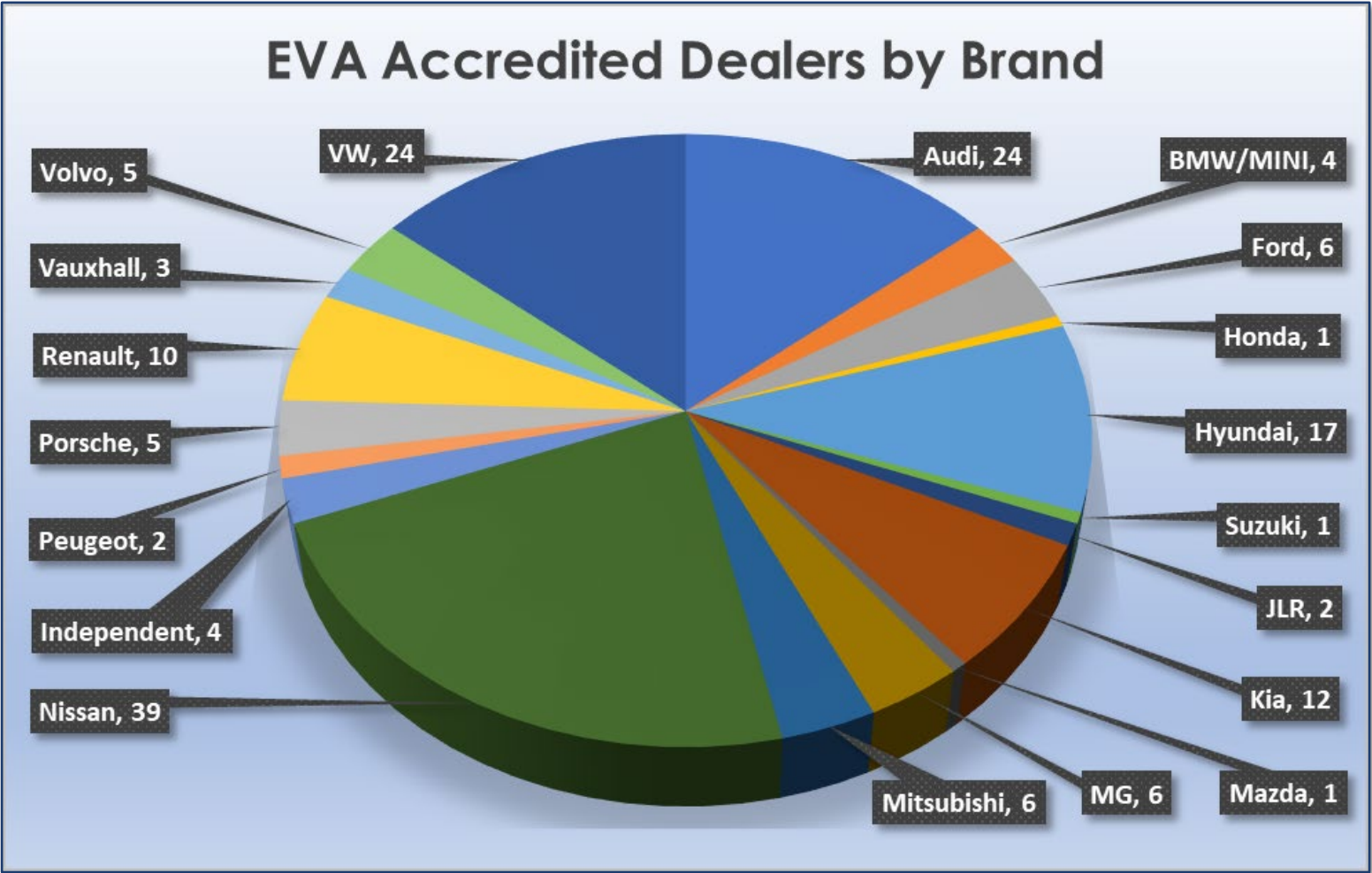
EVA Aftersales Standards

- Complementary Services
 - “while you wait”
 - Complimentary WIFI
 - Courtesy vehicles (EV where possible)
 - Customer drop-offs
 - Available charge points
- Consumer complaints
 - Correct complaint handling
 - Timely and professional
 - Membership to Conciliation and Arbitration



EVA now

- 172 Accredited sites
- Current round of funding to be approved
- Consumer focus



EVA in the future

- Manufacturers' funding dealerships
- Pure aftersales standard
- Remarketing standards
- Consumer focussed marketing
- Licensing activity in other territories



NFDA EV Lobbying Activity

Decarbonisation paper (July 2021)

Full version of the main decarbonisation transport released 14 July, along with “delivery plan”.

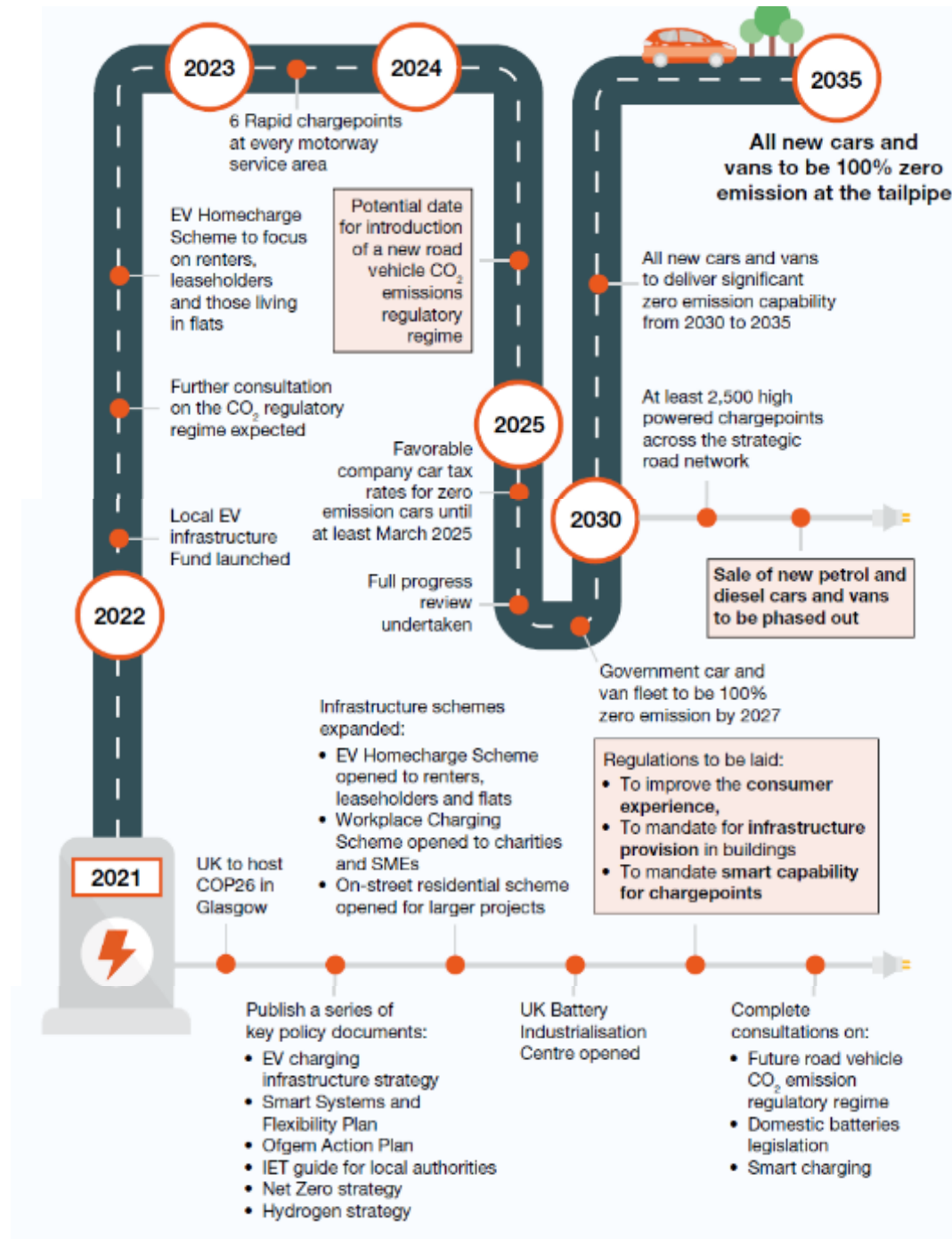
- Discouragement of growth of motorparc:
 - £2B/5 years investment in walking and cycling
 - Rail/Buses/Maritime to be Carbon-zero by 2040
 - Place based solutions – “industrial superplaces”
 - Local Authority empowerment
 - Support for E10/Bio-fuel and Hydrogen Technology

Automotive highlights:

- Motorcycles (PTW) significant change
- LCV and HGV goals set



Government Delivery Plan - Timeline (July 2021)

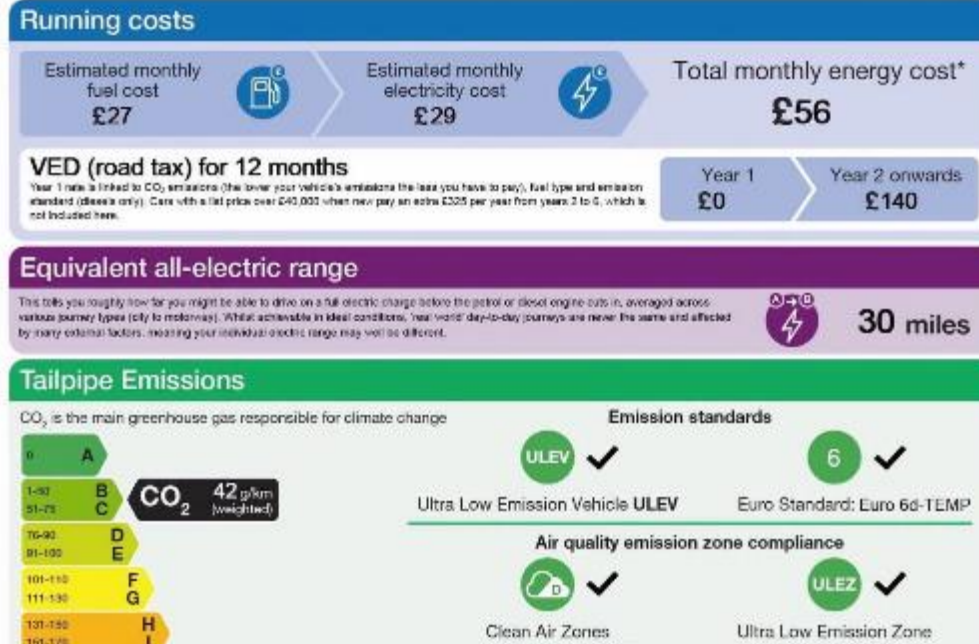


NFDA EV Lobbying Activity

- Road pricing
- Environmental Labels
- PHEV “significant distance”

Fuel economy, emissions and running costs

Plug-in hybrid 



An illustration on a dark blue background showing a red electric vehicle charging station on the left with a lightning bolt symbol. Three cars are parked in a row: a red car on the left with a charging cable plugged into its rear, and two white cars to its right. A person in a red shirt and dark pants is walking on the right side of the scene.

How Different Consumer Attitudes Will Dictate EV Adoption

Presentation to NFDA EV Readiness Forum

July 22nd 2021

What we do at CACI

**DOING AMAZING
THINGS WITH
DATA**

AUTOMOTIVE

RETAIL

LEISURE

**CONNECTING
BRANDS WITH
PEOPLE & PLACES**

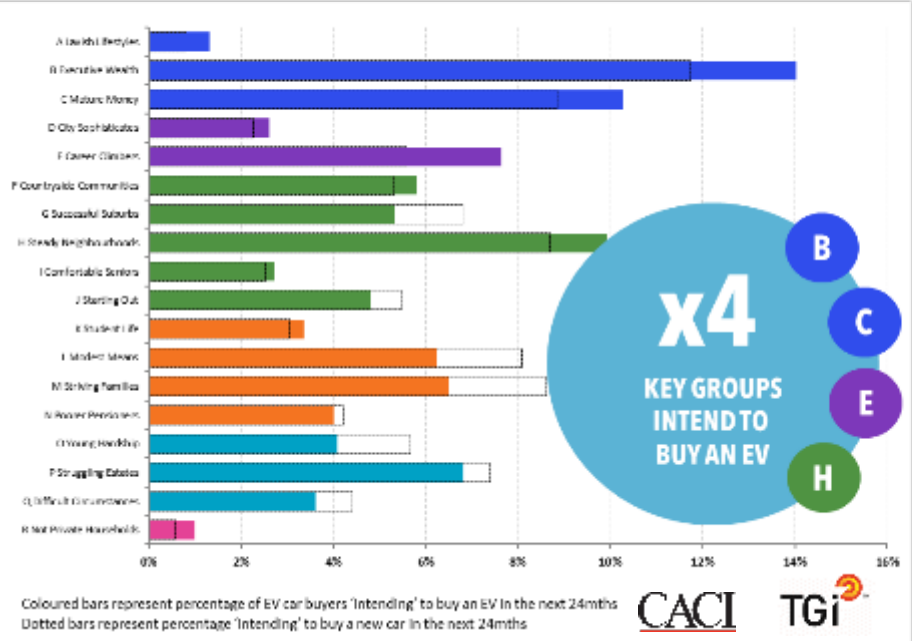
GROCERY

LOGISTICS

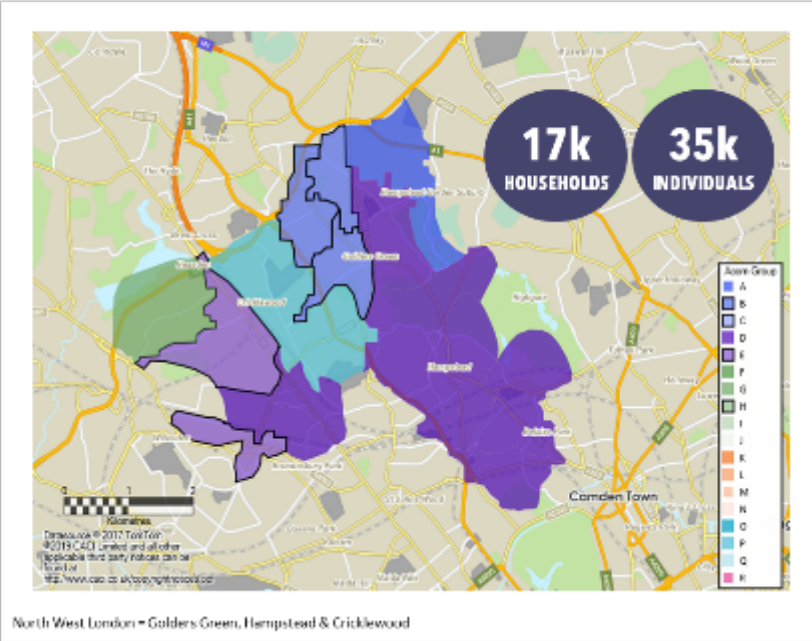
Understanding Demand for EVs

WITH CONSUMER DATA YOU CAN DEFINE THE DEMAND FOR NEW VEHICLE TYPES WHERE THE MARKET IS DEVELOPING RAPIDLY

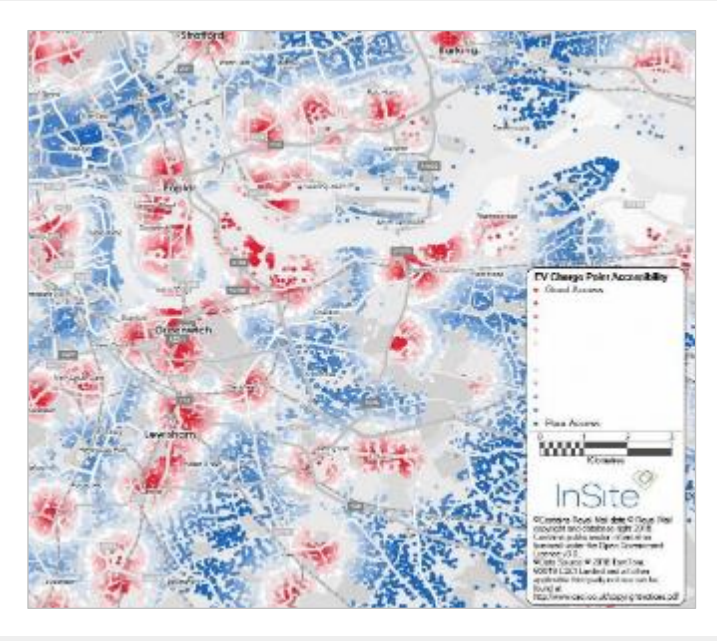
CONSUMER GROUPS INTENDING TO BUY AN EV IN NEXT 24 MONTHS



TARGET ACORN GROUPS IN A GEOGRAPHICAL LOCATION



TRACK ACCESS TO NECESSARY INFRASTRUCTURE



DEMOGRAPHICS

TECH LIFESTYLE

INCOME

GREEN LIFESTYLE

ACCESS TO CHARGING

Consumers drive change

Different consumer groups have diverse attitudes towards Electric Vehicles that will determine their rate of adoption

We wanted to understand these differing attitudes so we asked:

1

How likely will it be that your next car will be an EV?

2

When do you expect to purchase?

3

What do you consider to be the main barrier to purchase?

Price | Range | Charging

4

What are the main advantages & disadvantages of EV ownership?

UK consumers are EV ready!

Of them:

42%

Think their next car will be an EV

64%

Expect to purchase in the next 2 years

Consumer attitudes are hardening

Advantages

77%

of consumers think the main benefit is environmental impact (lower air pollution)



Disadvantages

74%

of consumers see price as the biggest disadvantage

53%

see lowering the purchase price as the key to greater adoption

What is Acorn?



Acorn is the industry standard consumer segmentation

A geo-demographic classification that segments the UK's population according to their lifestyle, life stage and affluence



- ✓ The UK's leading demographic classification
- ✓ Classifies every UK postcode
- ✓ Acorn contains 6 categories, 18 groups and 62 types
- ✓ Coded onto leading market research & government surveys
- ✓ Common language across media, agencies and marketing organisations

Acorn identifies differences just streets away

S 75 3EE: EXECUTIVE WEALTH

Average Age	House Type
45-64	Detached
Household Income	Tenure
£60K	Owned outright

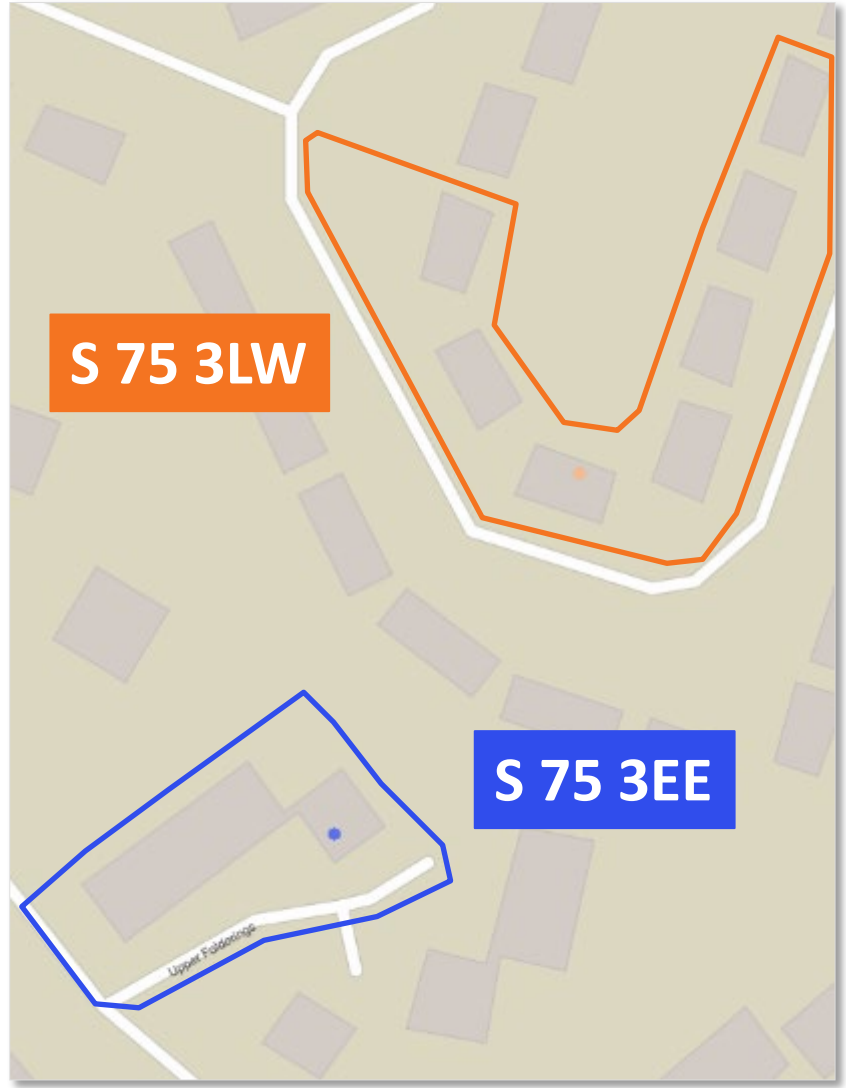

UK Av: £39k



S 75 3LW: STRIVING FAMILIES

Average Age	House Type
24-44	Semi or Terraced
Household Income	Tenure
£32K	Social rented

UK Av: £39k



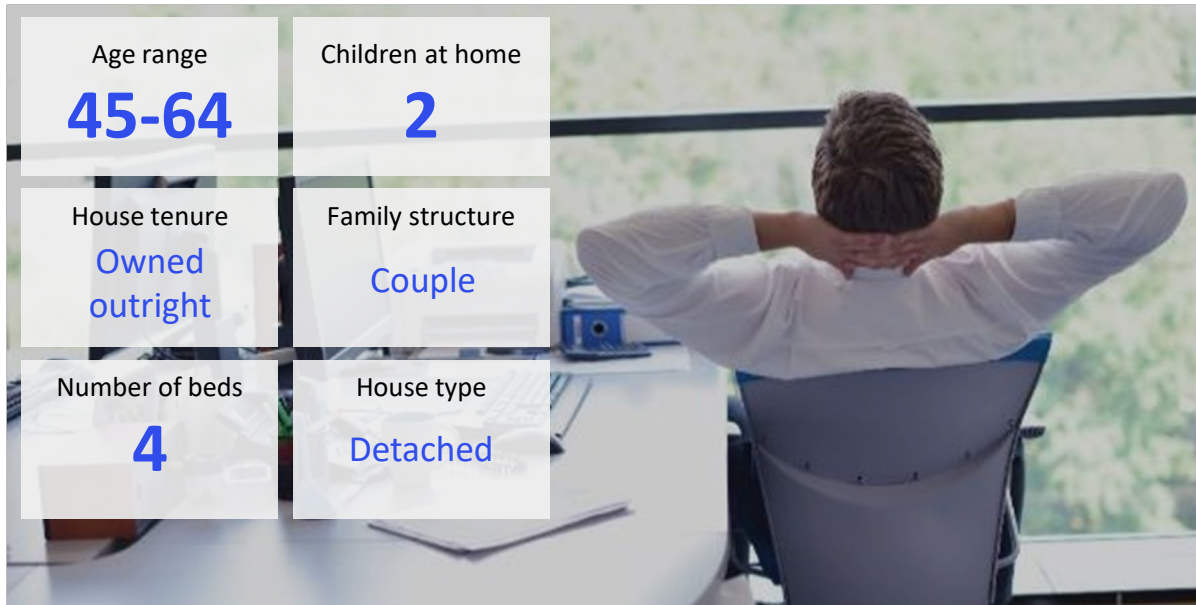
1 B Executive Wealth

8.3M
UK Individuals

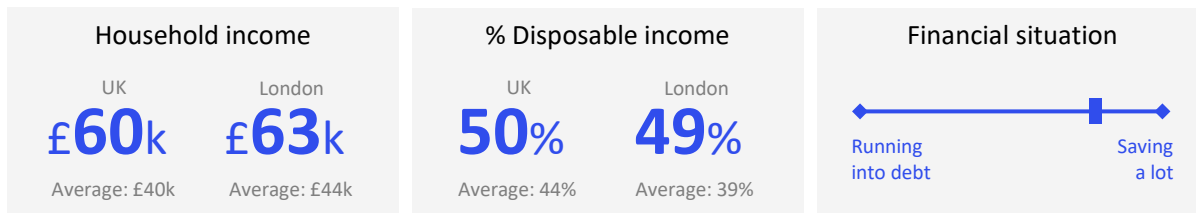
12.4%
of UK

High income people, successfully combining jobs and families. These are wealthy families living in larger detached or semi-detached properties either in the suburbs, the edge of towns or in semi-rural locations.

DEMOGRAPHICS



FINANCIAL PROFILE



BRANDS

SHOPPING

Cath Kidston

THE WHITE COMPANY
LONDON

JOHN LEWIS
WHAT WE DO

Russell & Bromley

LEISURE

M&S
SIMPLY FOOD

★ PRET A MANGER ★

WHOLE FOODS
MARKET

wahaca

WEBSITES

BBC
SPORT

rightmove

M&S
EST. 1884

MoneySavingExpert.com

DIGITAL

ATTITUDES

I worry about online security



58%

UK average: 55%

Shopping online makes my life easier



58%

UK average: 53%

I couldn't live without the internet on my mobile



31%

UK average: 34%

KEY INTERNET USAGE

This group are more likely to **browse for hotels** online

This group are more likely to **purchase holidays** online

TECHNOLOGY USAGE

This group are more likely to **own an iPhone**

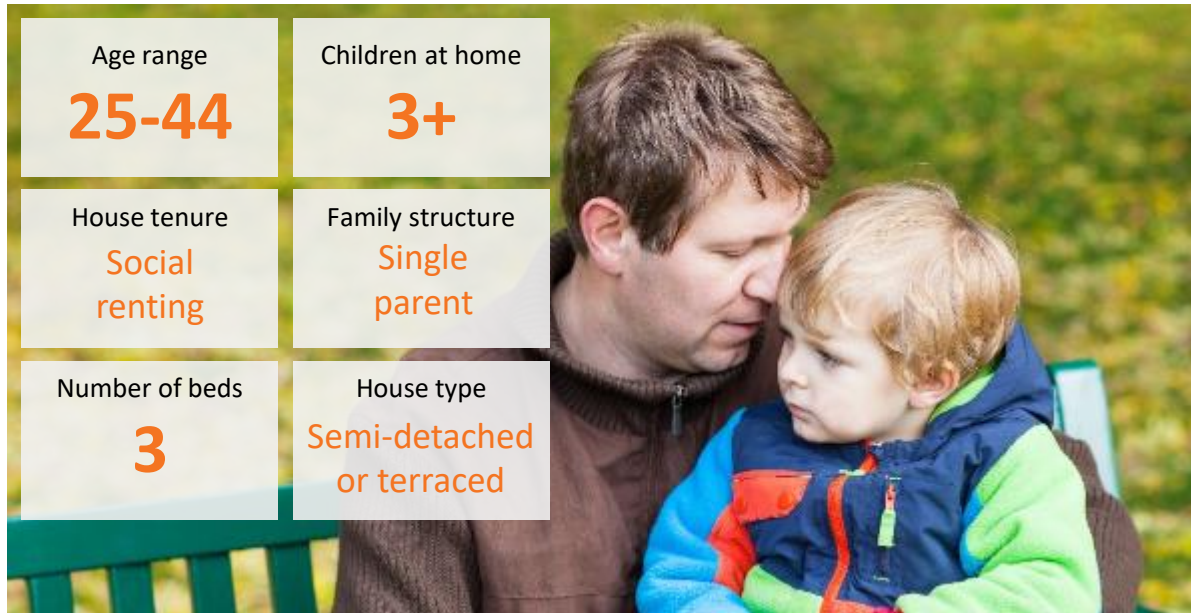
4 M Striving Families

5.5M
UK Individuals

8.2%
of UK

Struggling families on limited incomes in urban areas. These low income families typically live on traditional low-rise estates. Relatively high numbers of children are typical and there may be high numbers of single parents.

DEMOGRAPHICS



Age range 25-44	Children at home 3+
House tenure Social renting	Family structure Single parent
Number of beds 3	House type Semi-detached or terraced

FINANCIAL PROFILE

Household income UK: £32k London: £37k Average: £40k / Average: £44k	% Disposable income UK: 41% London: 37% Average: 44% / Average: 39%	Financial situation Running into debt ← → Saving a lot
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BRANDS

SHOPPING



LEISURE



WEBSITES



DIGITAL

ATTITUDES

I worry about online security 54% UK average: 55%	Shopping online makes my life easier 49% UK average: 53%	I couldn't live without the internet on my mobile 32% UK average: 34%
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KEY INTERNET USAGE

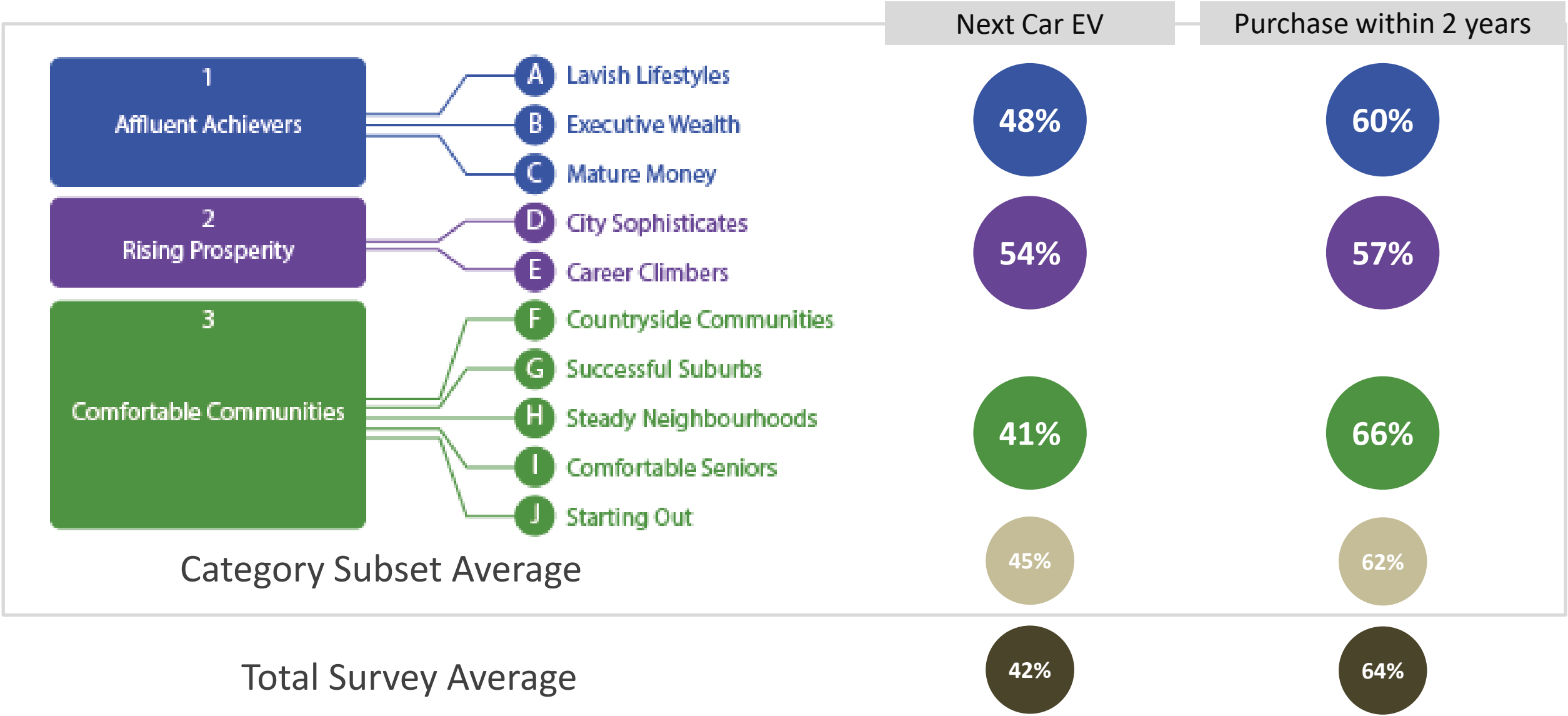
Whilst internet usage is below average, this group are more likely to **browse for computer games** online

TECHNOLOGY USAGE

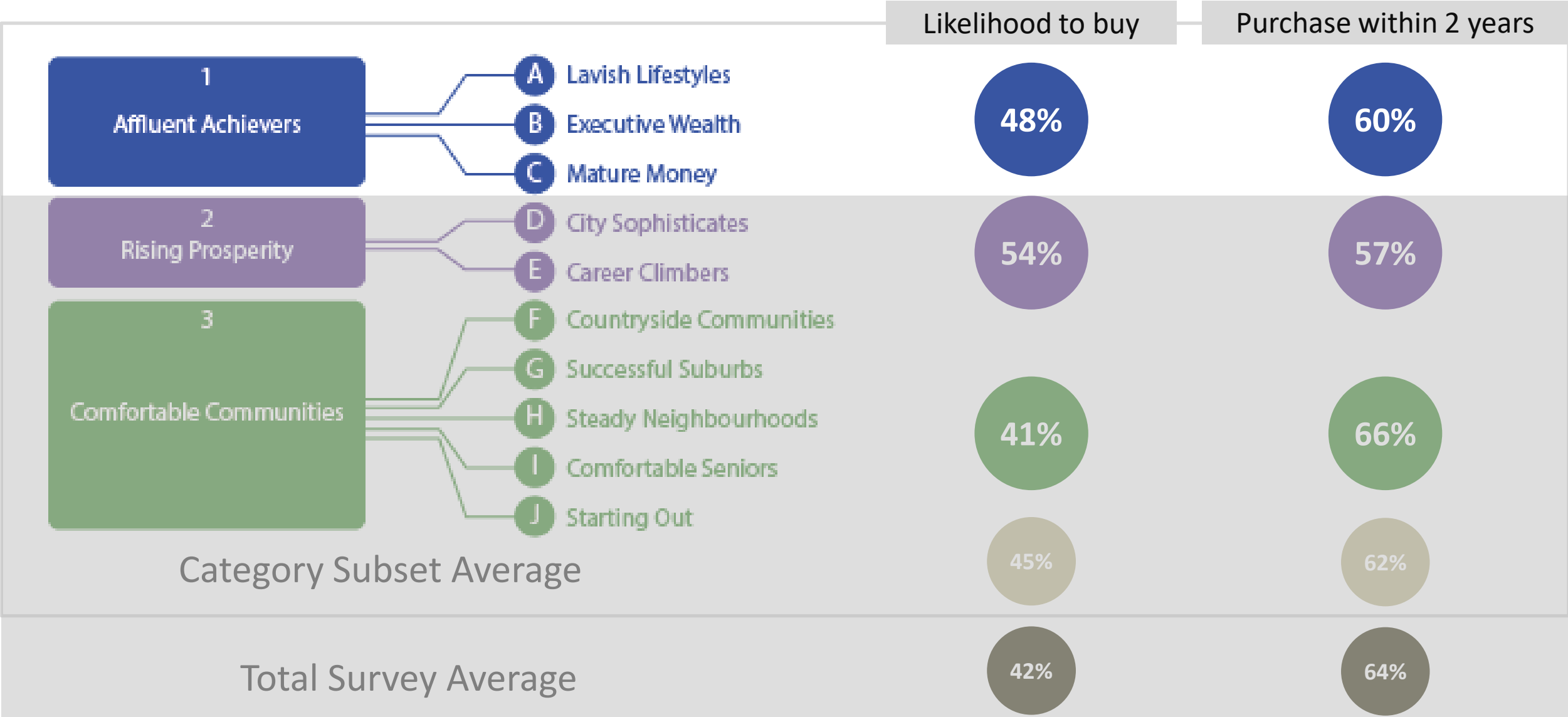
Whilst internet usage is below average, this group are more likely to **purchase toys** online

This group are more likely to **watch TV on demand on a mobile**

Consumer Opinions vary by demographics



Consumer Opinions vary by demographics



1 Affluent Achievers

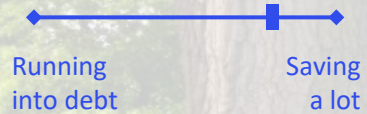
12.0M
UK Adults

22.8%
of UK

Age range

55+

Financial situation



Children at home

0

House type

Detached

House tenure

Owned outright

Number of beds

4+

These are some of the most financially successful people in the UK. They live in affluent, high status areas of the country. They are healthy, wealthy and confident consumers.

Acorn Groups within Category 1: Affluent Achievers



1

Affluent Achievers

12.0M
UK Adults

22.8%
of UK

Highest Rates of EV
Ownership

10%

Category Subset = 8%

Most likely that EV will be
Second Car

12%

Survey = 9%

More likely to see advantages
of home-charging

46%

Survey = 43%

Aware of cost-of-ownership
savings (fuel)

71%

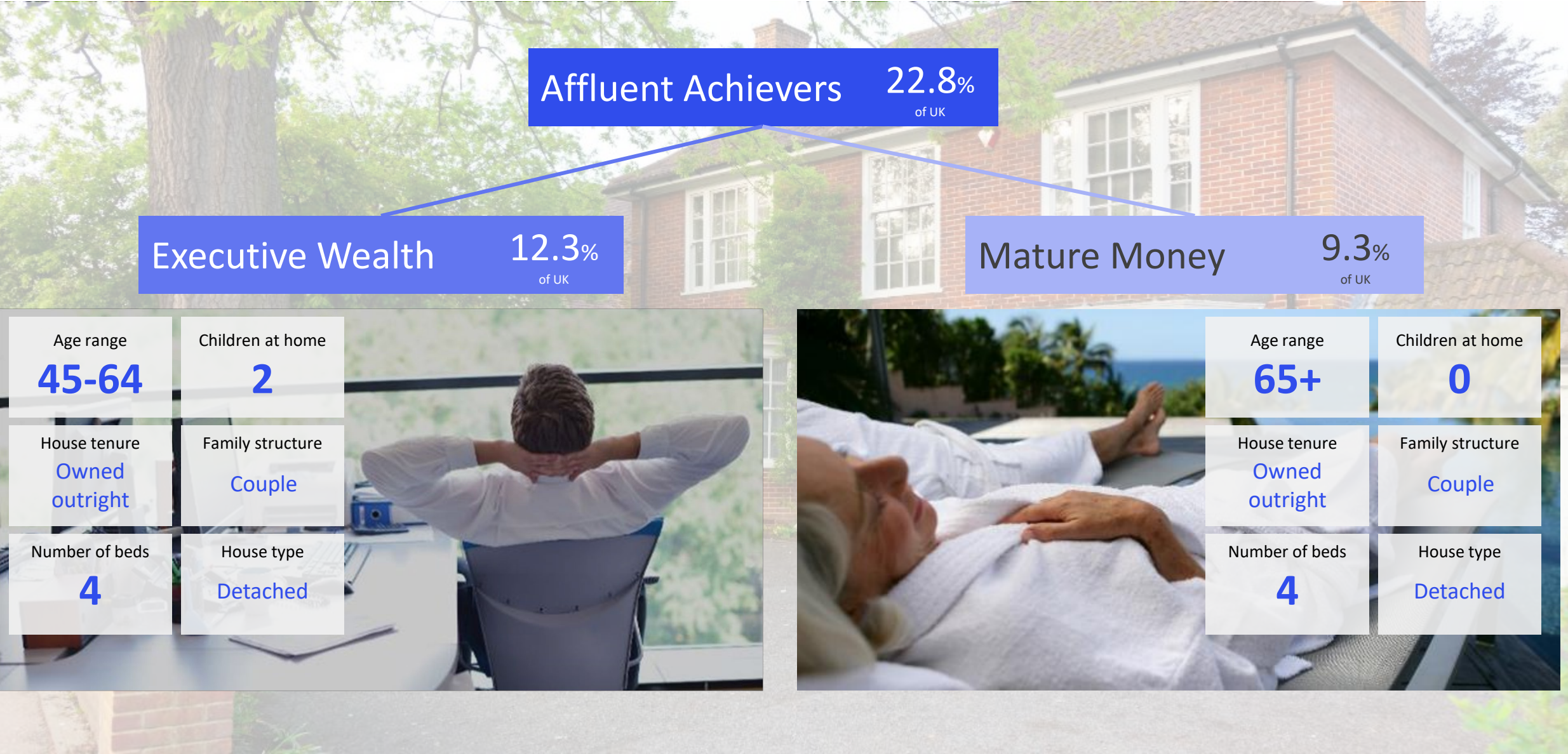
Survey = 68%

Less concerned about public
charging infrastructure

58%

Survey = 62%

But affluence is just one element here...



Affluent Achievers 22.8%
of UK

Executive Wealth 12.3%
of UK

Mature Money 9.3%
of UK

Age range
45-64

Children at home
2

House tenure
Owned outright

Family structure
Couple

Number of beds
4

House type
Detached



Age range
65+

Children at home
0

House tenure
Owned outright

Family structure
Couple

Number of beds
4

House type
Detached

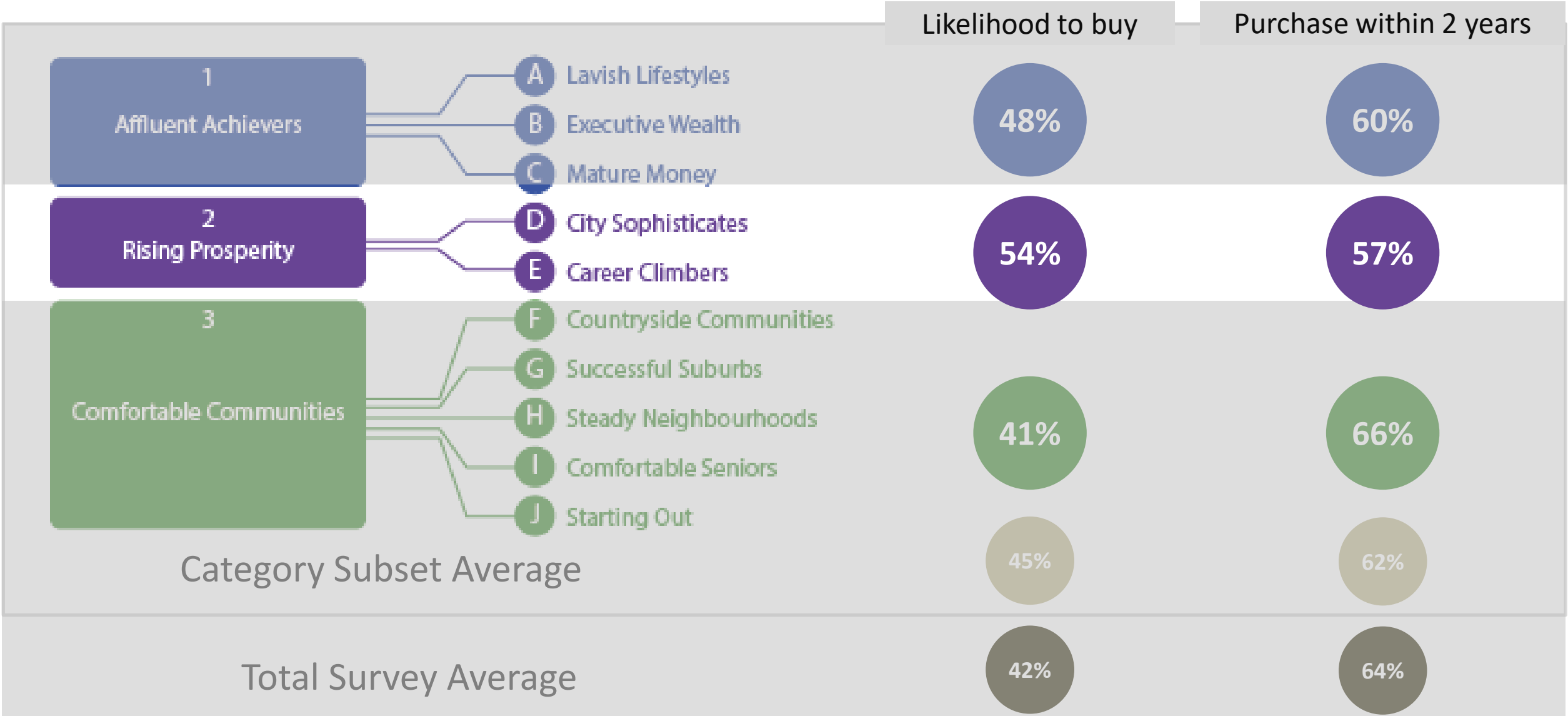
....Age/Lifestage is important too



Survey Average

	51%	42%	42%
Next Car EV	51%	42%	42%
Purchase within 2 years	60%	58%	64%
Price as Main Barrier to Purchase	41%	48%	48%
Range as a disadvantage ("Range Anxiety")	58%	67%	61%
Not enough public charge points	56%	62%	62%
Convenience of home-charging	48%	42%	43%

Consumer Opinions vary by demographics



2

Rising Prosperity

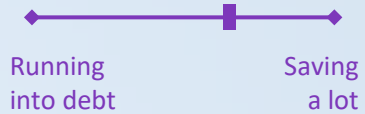
5.0M
UK Adults

9.4%
of UK

Age range

25-44

Financial situation



Children at home

0

House type

Flat or
maisonette

House tenure

Privately
renting

Number of beds

1-2

These are generally younger, well educated, professionals moving up the career ladder, living in our major towns and cities. Singles or couples, some are yet to start a family, others will have younger children.

Acorn Groups within Category 2: Rising Prosperity

D City Sophisticates



E Career Climbers



Least likely to commit to a date of purchase

11%

Survey = 7%

Most likely to see Price as main barrier

57%

Survey = 48%

Least likely to be concerned about range

7%

Survey = 22%

See public charging infrastructure as a barrier

35%

Survey = 29%

See lack of private chargepoint as a disadvantage

58%

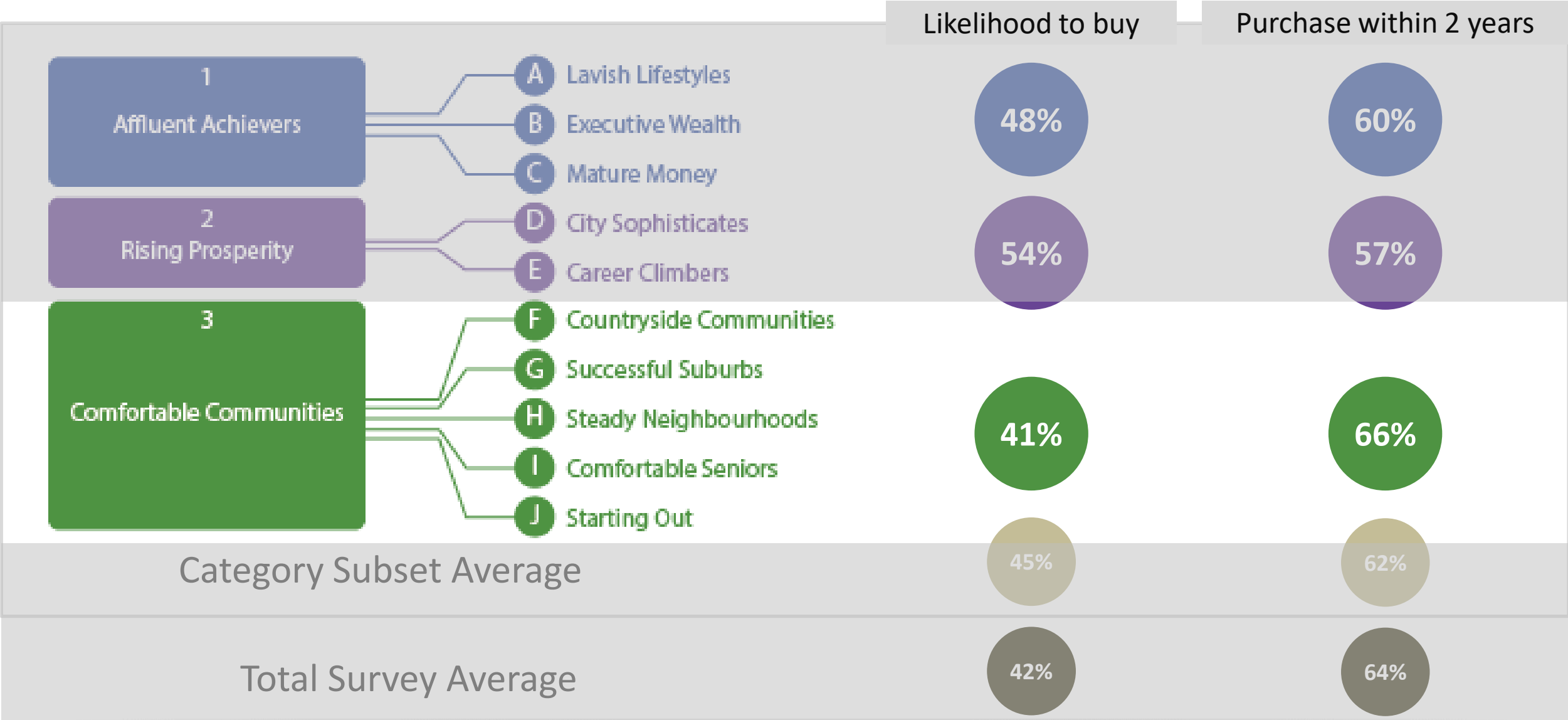
Survey = 55%

Most attuned to Environmental Benefits

80%

Survey = 77%

Consumer Opinions vary by demographics



3

Comfortable Communities

14.4M
UK Adults

27.3%
of UK

Age range

35-64

House type

Semi-detached
or detached

Financial situation



House tenure

Owned outright
or mortgaged

Children at home

0-2

Number of beds

3-4

This category contains much of middle-of-the-road Britain, whether in the suburbs, smaller towns or the countryside. They are stable families and empty nesters in suburban or semi-rural areas.

Acorn Groups within Category 3: Comfortable Communities



Highest likelihood to say EV is
unlikely

36%

Survey = 32%

Highly likely to quote price as
a disadvantage

78%

Survey = 74%

Very likely to see price as the
main barrier

60%

Survey = 56%

Put off by lack of second-
hand EVs on the market

24%

Survey = 19%

Likely to state the lack of
public chargepoints as a
disadvantage

63%

Survey = 55%

But don't specifically see these as a barrier to
purchase

63%

Survey = 62%

F: Countryside Communities



Less likely to buy

36%

See Range as a disadvantage

67%

Are attracted to home-charging & lower fuel costs

G: Successful Suburbs



Likely to wait longest (10 years)

14%

Less discouraged by price (as main barrier)

45%

Less put-off by range but are concerned about charging infrastructure

H: Steady Neighbourhoods



Higher likelihood to buy

44%

May purchase soon (next 2 years)

70%

Don't see home-charging as an advantage and concerned about range

I: Comfortable Seniors



Least likely to buy

35%

See Price as main barrier

73%

Less worried about range and like the convenience of charging at home

J: Starting Out



Highest likelihood to buy in Category

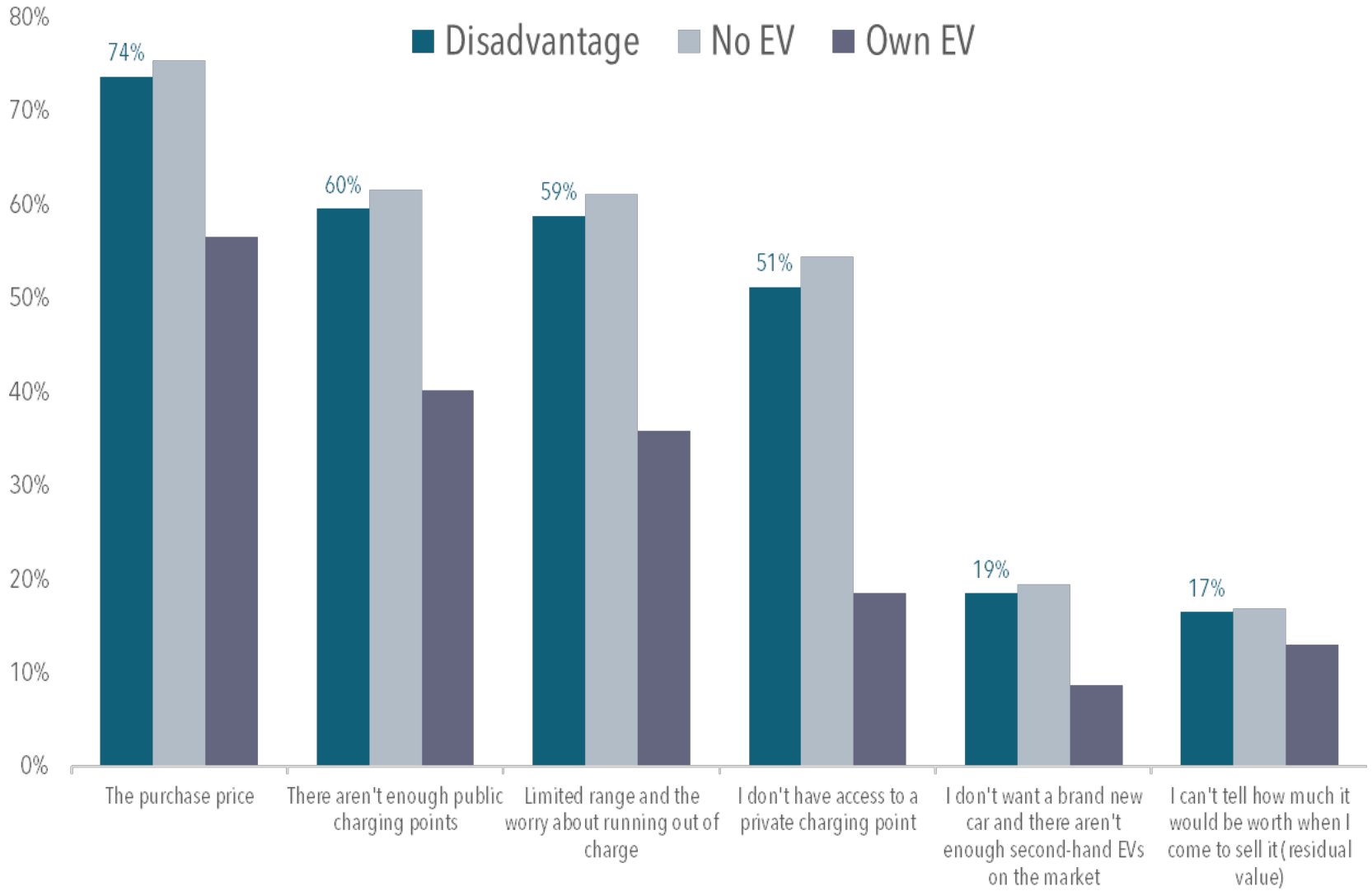
46%

Likely to wait 5 years

42%

Discouraged by access to chargepoints (private and public)

There is still an information gap for EVs



EVs present an opportunity for all



48%

of EV owners have engaged with charging infrastructure at a public car park in the last 12m



33%

have charged their EV at a supermarket



68%

of those who say they are likely to buy an EV also say they will visit retailers, business and services more if they provide charging facilities

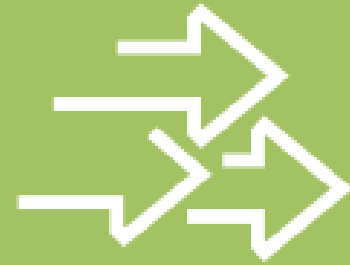
Conclusions



More investment is needed to bridge the information gap



We must address the unique barriers by lifestyle/demographic



EV's are the future – huge opportunity for companies to get a “first mover advantage”

Questions?

James Debenham, Principal Consultant | Automotive
jdebenham@caci.co.uk
020 7605 6106



A woman with dark hair tied back, wearing glasses and a patterned sweater over a collared shirt, is smiling while looking at a tablet computer. She is standing in a warehouse or industrial setting with metal shelving units in the background. The lighting is warm and focused on her.

Useful Links:

EV Survey Infographic:

<http://bit.ly/3cwulCh>

CACI Acorn Microsite:

acorn.caci.co.uk

CACI



Coffee Break



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ENGINEERING THE FUTURE™

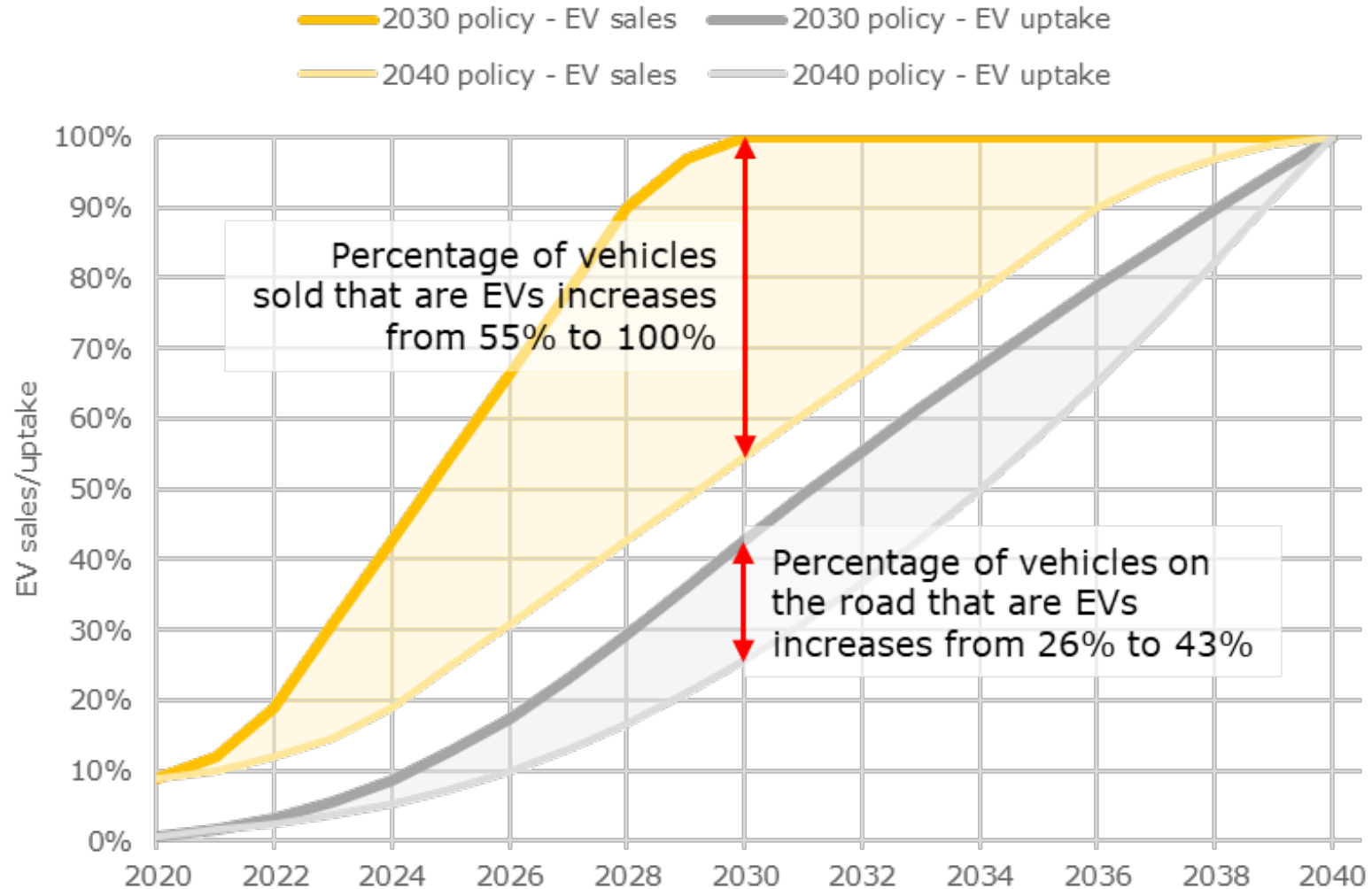
ELECTRIC VEHICLE CHARGING
AND ENERGY OPPORTUNITIES

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2030 and 2040 policy EV sales and uptake comparison



EV Charging

The number of charge points in the UK is going up.

This means greater ease and speed of charging.

Which encourages driver to switch to EVs.

EV Choice

The number of EV models is increasing.

There are over 140 EV models available now.

This means much greater choice for consumers.

EV Costs

This means the price of EVs is dropping.

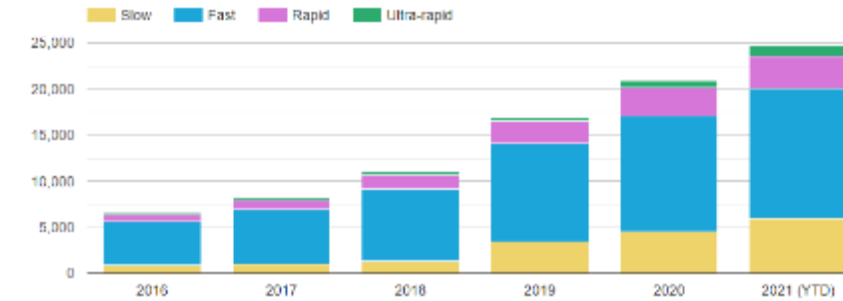
Purchase cost of EVs could drop below ICEs by 2027.

Low BIK is proving to be a major incentive.

EVs are expensive because batteries are expensive.

The price of lithium ion batteries is dropping.

Number of public charging points by speed (2016-to date)

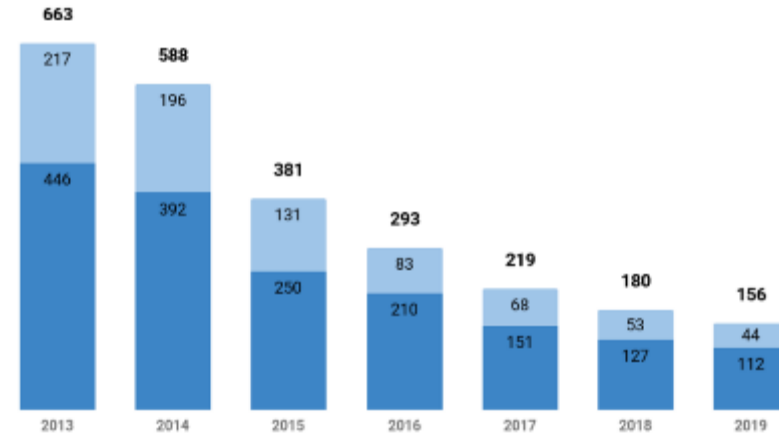


Total devices: 24681, Updated: 01 July 2021



2019 BNEF Battery Price Survey (with Cell and Pack split)

Data derived from BNEF, prices in 2019 USD, 2019 cell/pack split estimated. Prices are industry weighted averages, not cost leaders



Graphic © Maximilian Holland / CleanTechnica

Electrification of vehicles in the UK is continuing to gather pace rapidly.

The UK is now targeting a ban of all ICE cars from 2030 (PHEVs from 2035) and potentially 2040 for all other vehicles.

UK car manufacturers will require a supply of batteries to electrify their vehicle line ups.

As such, the UK battery industry is forecast to be worth £5 billion by 2025.

Britishvolt is to build a battery manufacturing facility, or “Gigaplant” in Blyth, Northumberland.

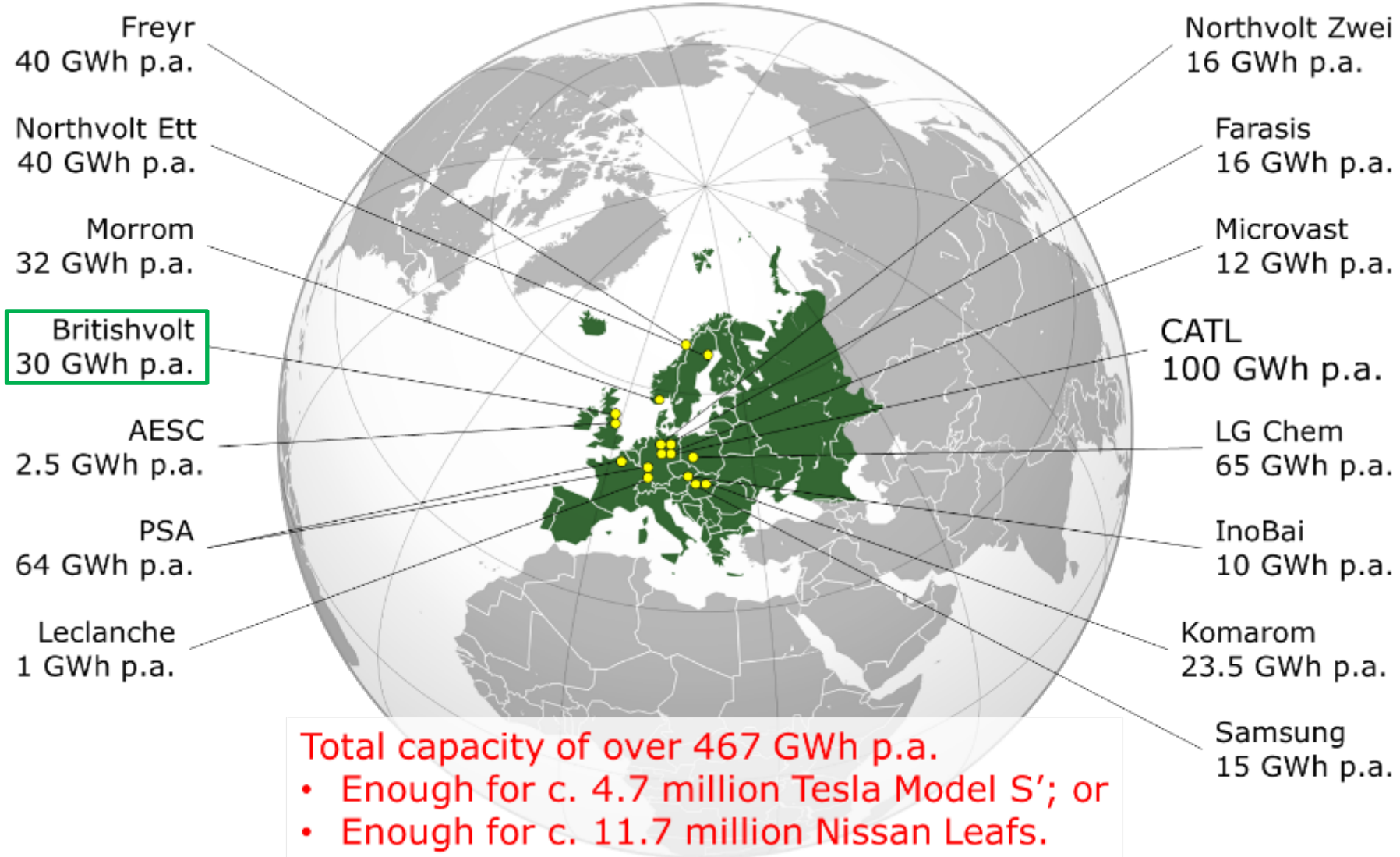
At 95 Ha and £2.6B, it will be the largest industrial investment in the North East since Nissan in 1984.

The Gigaplant will be capable of manufacturing 30 GWh of batteries per annum:

- Enough for c. 300,000 Tesla Model S’s; or
- Enough for c. 750,000 Nissan Leaf’s.

But if you thought this was big...





- Define immediate needs (e.g. OEM requirements).
- Forecast credible maximum charging requirements.

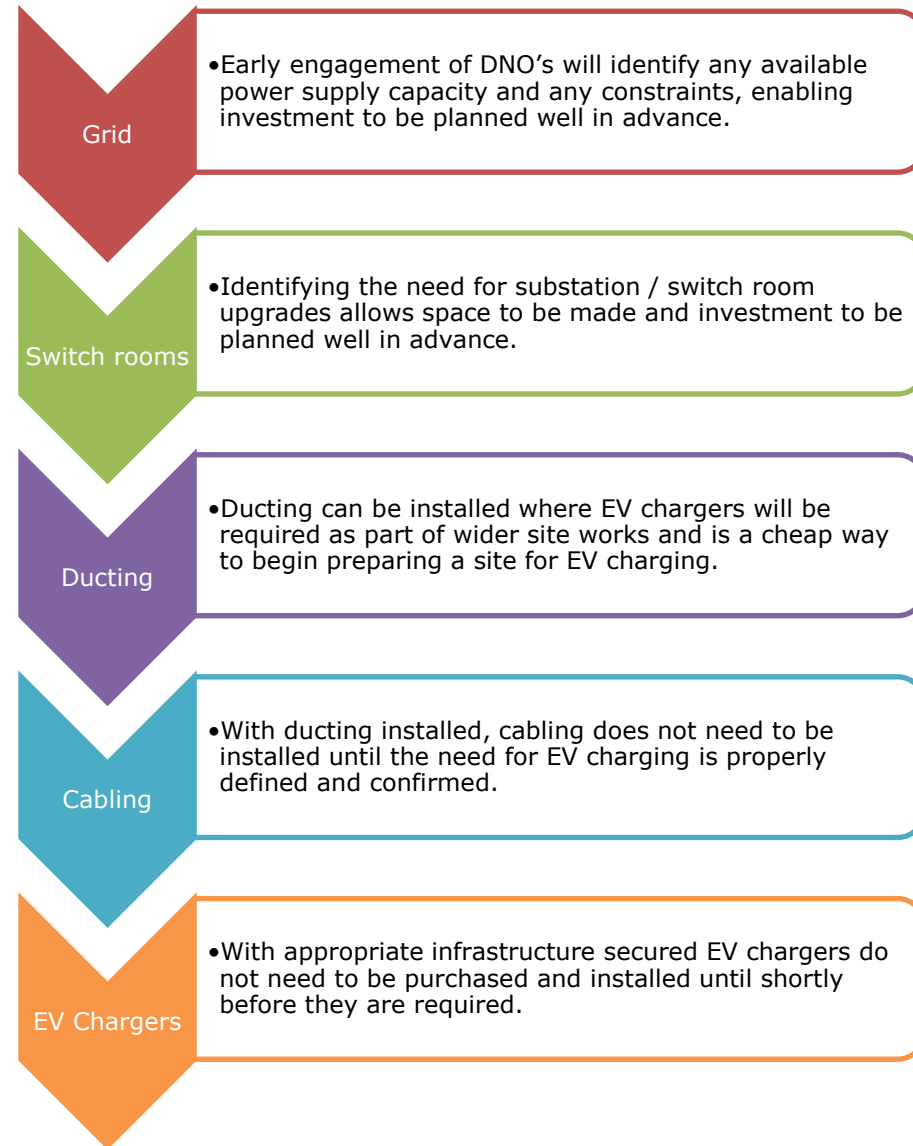
Be aware of the areas of expenditure:

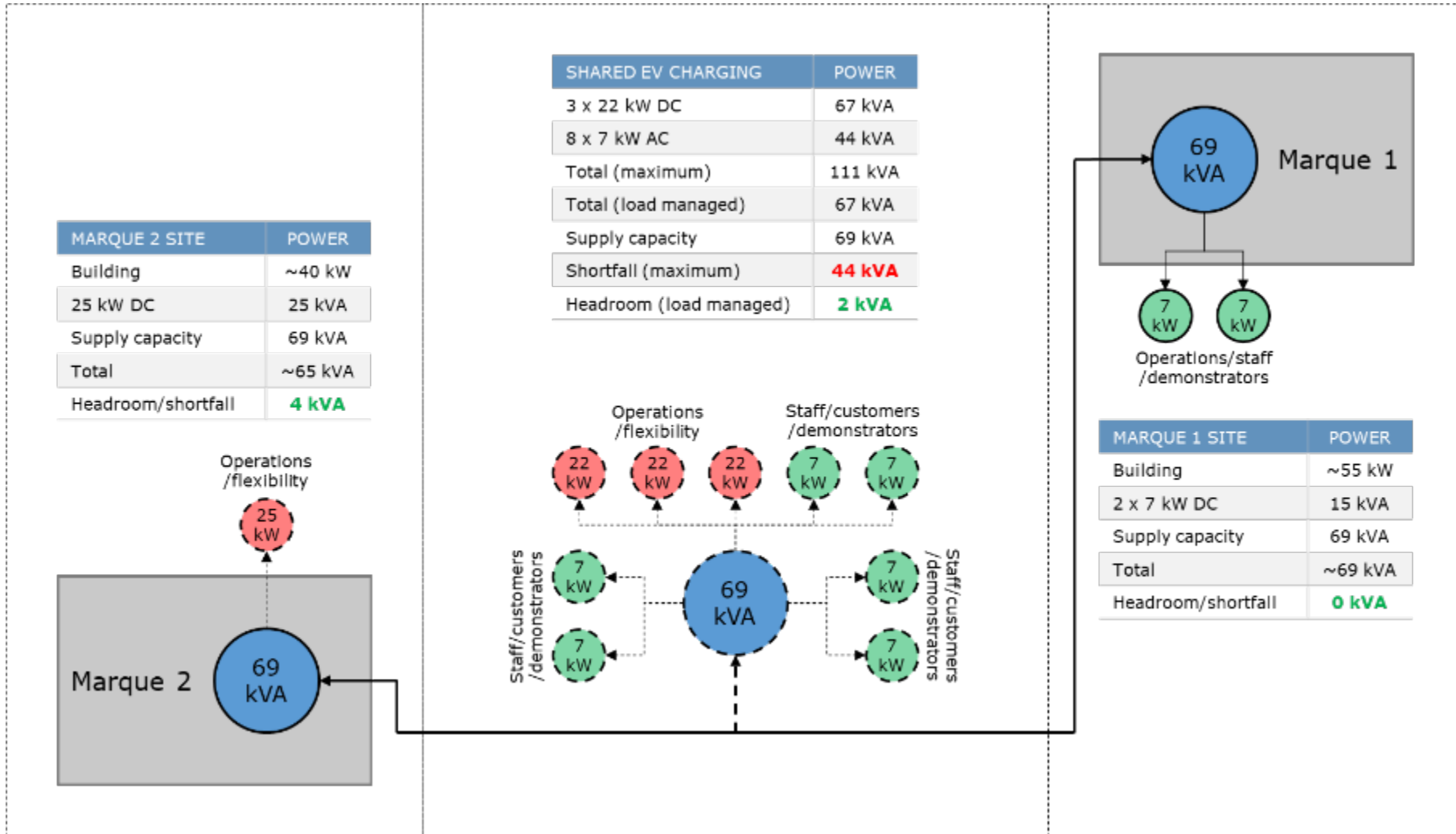
- **Grid connection capacity increases;**
- **Substation / switch room upgrades;**
- **Civils (trenching and ducting);**
- **Power and communications cabling; and**
- **EV chargers units.**

Develop a flexible EV charger strategy:

- Power supply – availability vs requirement.
- Infrastructure – make provision, don't go too far.
- EV chargers – install when demand requires.
- Identify locations for chargers and stick to them.

Look to other energy measures, such as energy generation, storage, management and efficiency, to provide additional flexibility for EV charging power demands.





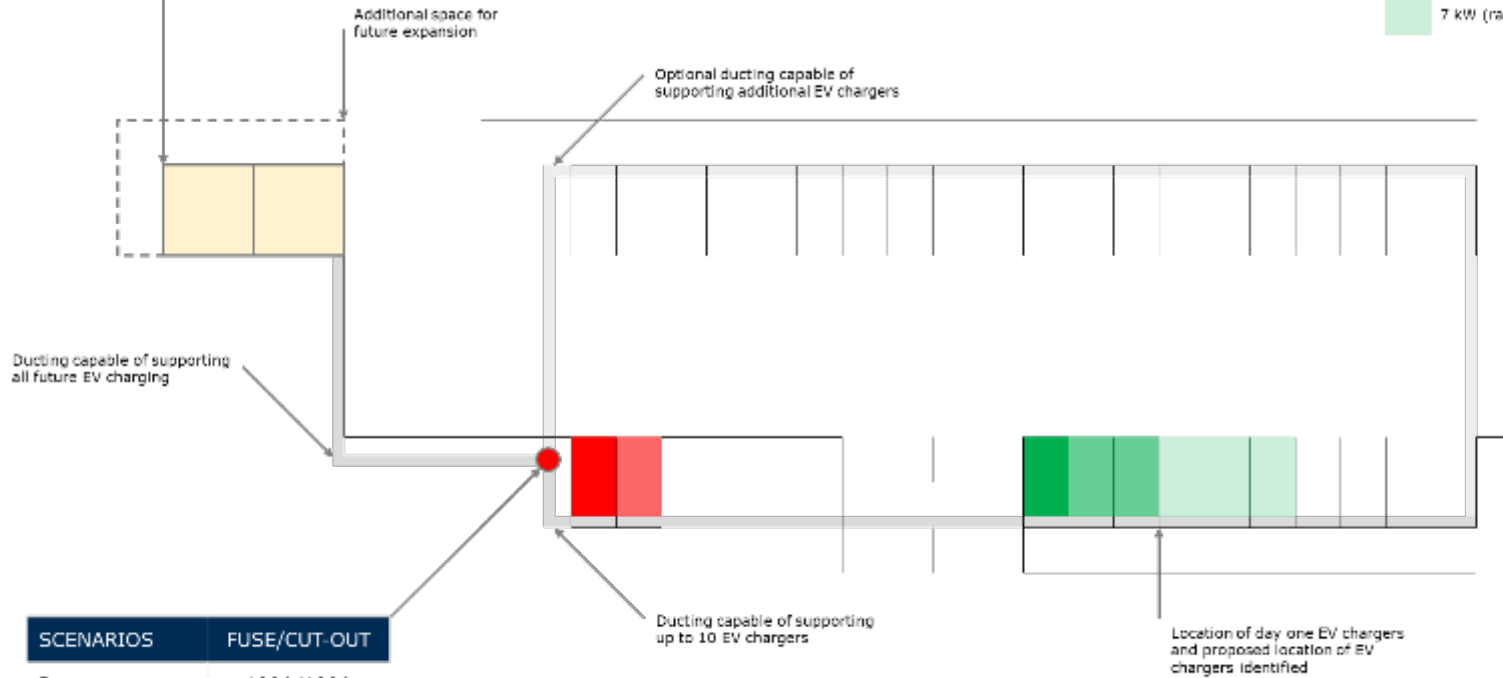
EV uptake and EV charger numbers

	EV UPTAKE	EV BAYS (MIN)	7 KW (SLOW)	50 KW (RAPID)
Day 1	1%	1 no.	1 no.	1 no.
2025	8%	3 no.	2 no.	1 no.
2030	25%	8 no.	6 no.	2 no.

KEY

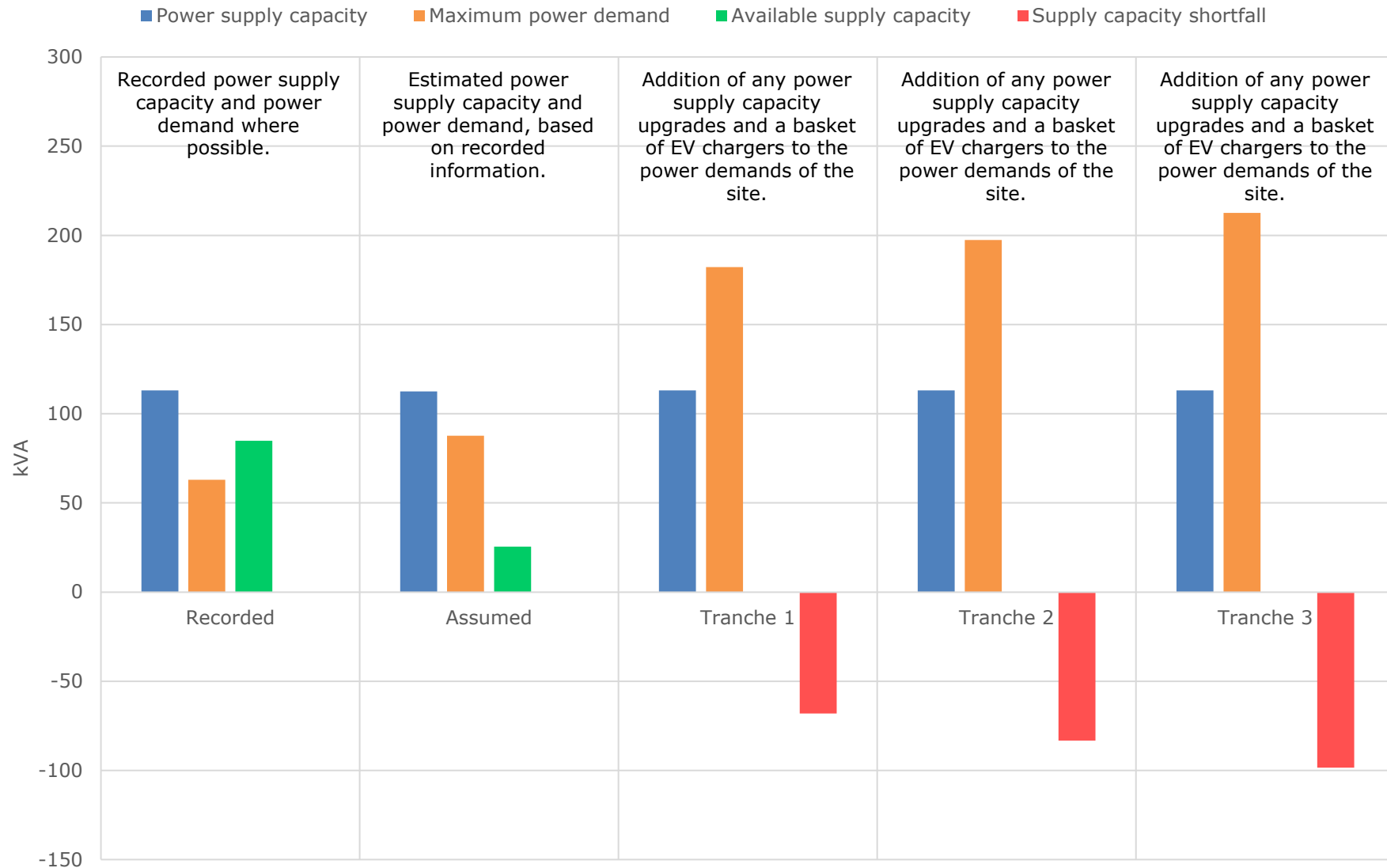
- 50 kW (rapid) EV charger - day one
- 50 kW (rapid) EV charger - 2025
- 50 kW (rapid) EV charger - 2030
- 7 kW (rapid) EV charger - day one
- 7 kW (rapid) EV charger - 2025
- 7 kW (rapid) EV charger - 2030

SCENARIOS	SUBSTATION
Day one	1 MVA
2030	1.25 MVA



SCENARIOS	FUSE/CUT-OUT
Day one	100A/100A
2030	400A/315A

The feeder pillar should have enough ways to support multiple rings for individual EV chargers, particularly for 50 kW (rapid) DC EV chargers



Business's energy demands are already increasing and access to energy supply is becoming costlier.

This makes energy a greater share of running costs and of greater importance to business continuity.

However, it also creates opportunities that previously weren't relevant or economical.

Using onsite energy generation and storage to:

- Reduce reliance on power from the grid;
- Shape consumption to avoid peak pricing; and
- Enable further EV charging capacity.

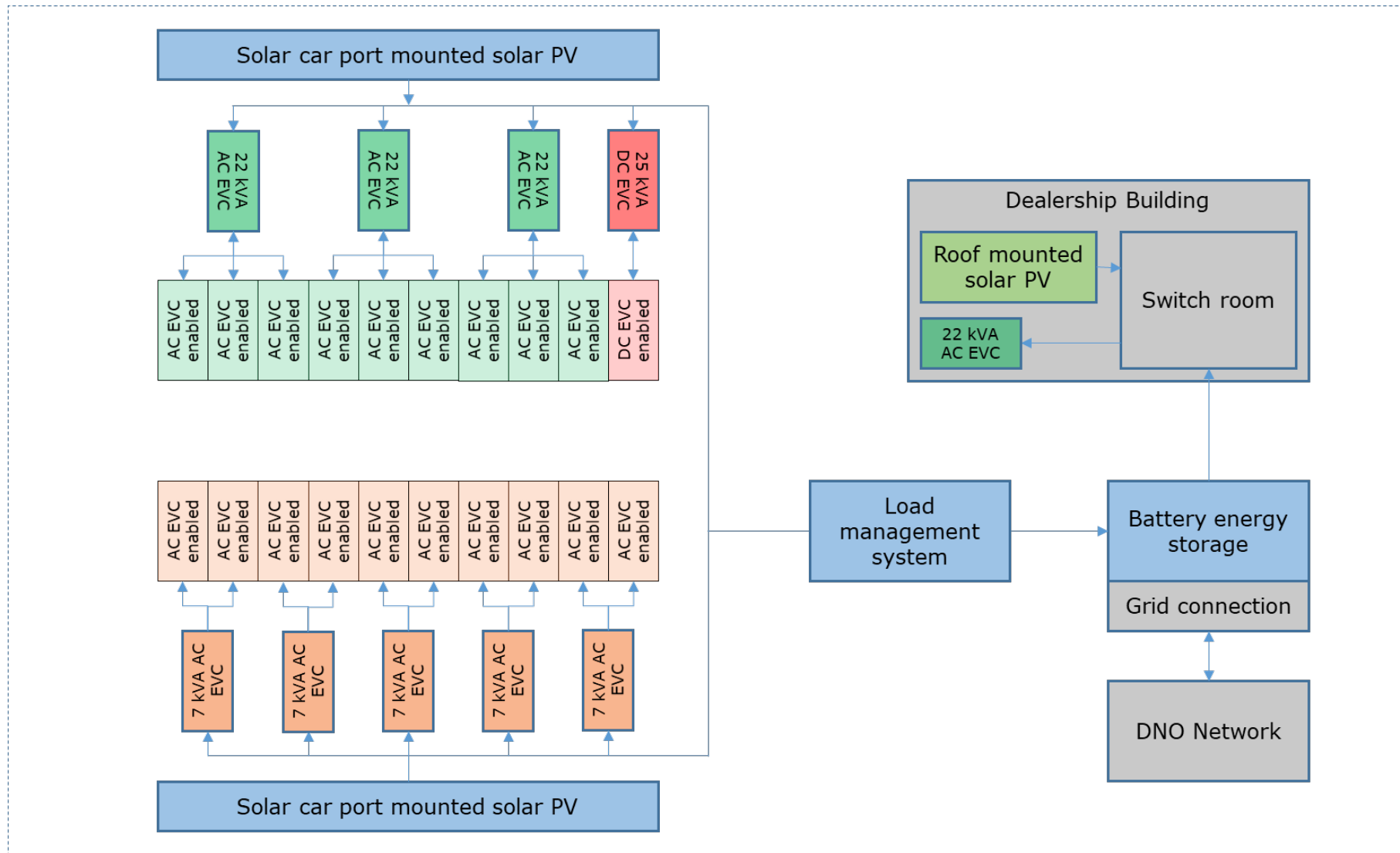
Using energy management and storage and vehicle to grid EV charging to:

- Provide grid support services; and
- Develop energy as an asset not a burden.

Using EV charging to drive and shape footfall and consumer behaviour.

Using EV charging to access new markets including commercial EV charging.







Site Surveys and Optimising EV Infrastructure
Planning; Proactive Interaction with the DNO's

Site Considerations

Available head room – How much power do you have spare – supply upgrade from the DNO can prove to be more expensive than looking at a new connection to the local LV Network

Neighbours – what other businesses are based around your site?

Future requirements – Switchgear upgrade

Site layout and cable route - New sites, ducting and cabling can be installed during the build phase at a reduced cost than retrofitting existing sites. Option of cleating cables to external and internal walls to reduce excavation costs and disruption, running cables above ground mounted on unistrut is another option



Site A



Scope of works:

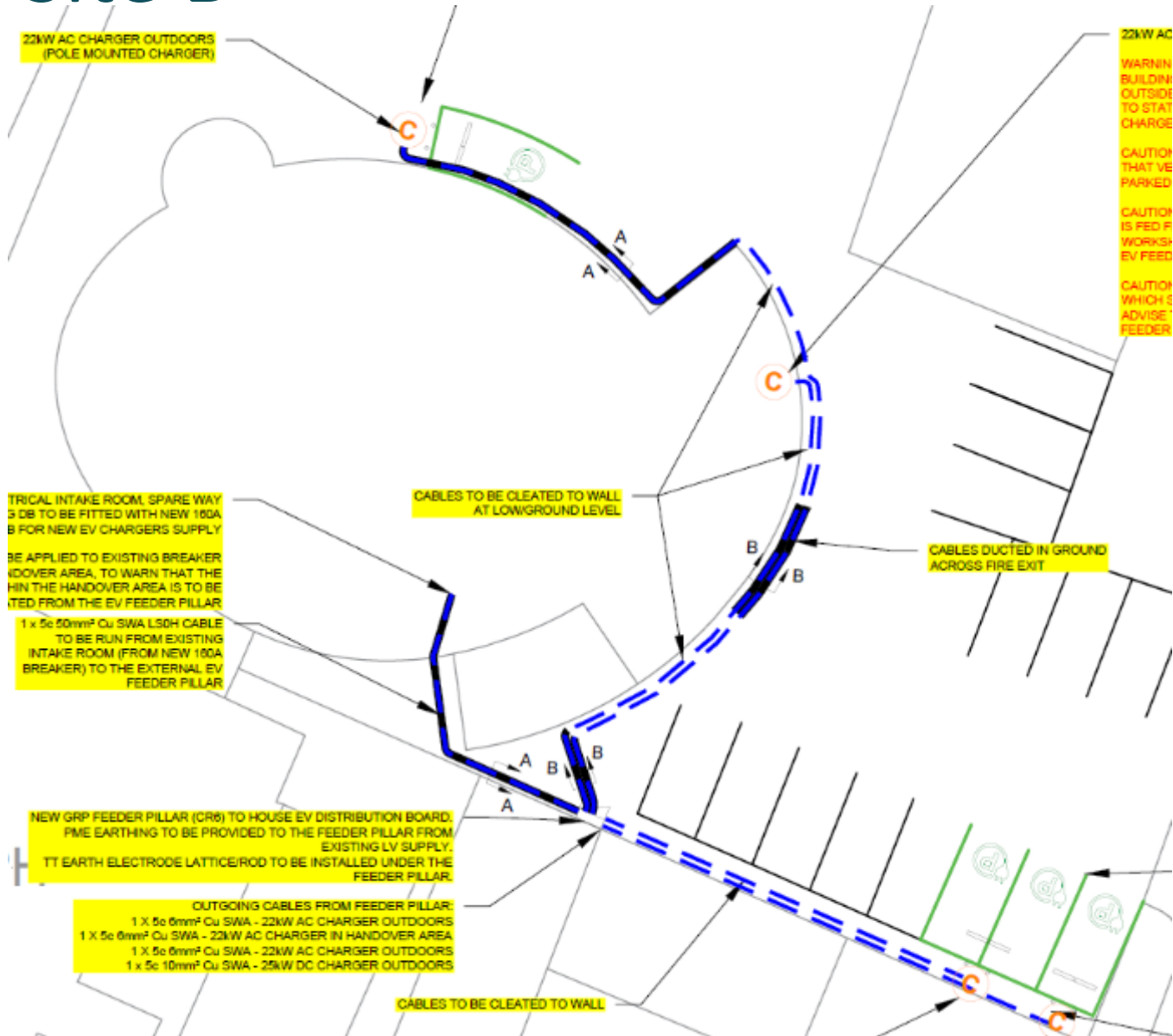
- New connection & Feeder Pillar installation
- 2 Dual 22 kW AC chargers to be fitted externally
- 25 kW DC charger to be located internally in the workshop at the opposite end of the building
- Trenching and installation of ducting & cabling

Site Constraints:

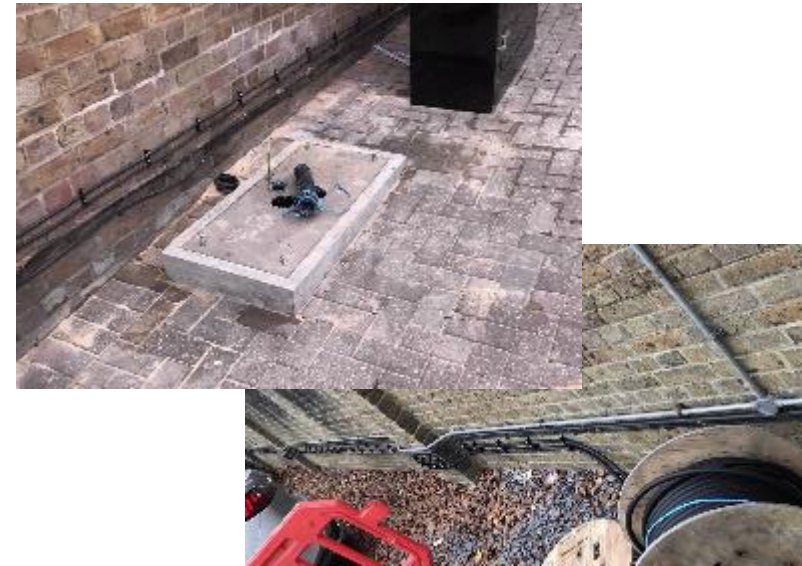
- Space
- Disruption

Solution

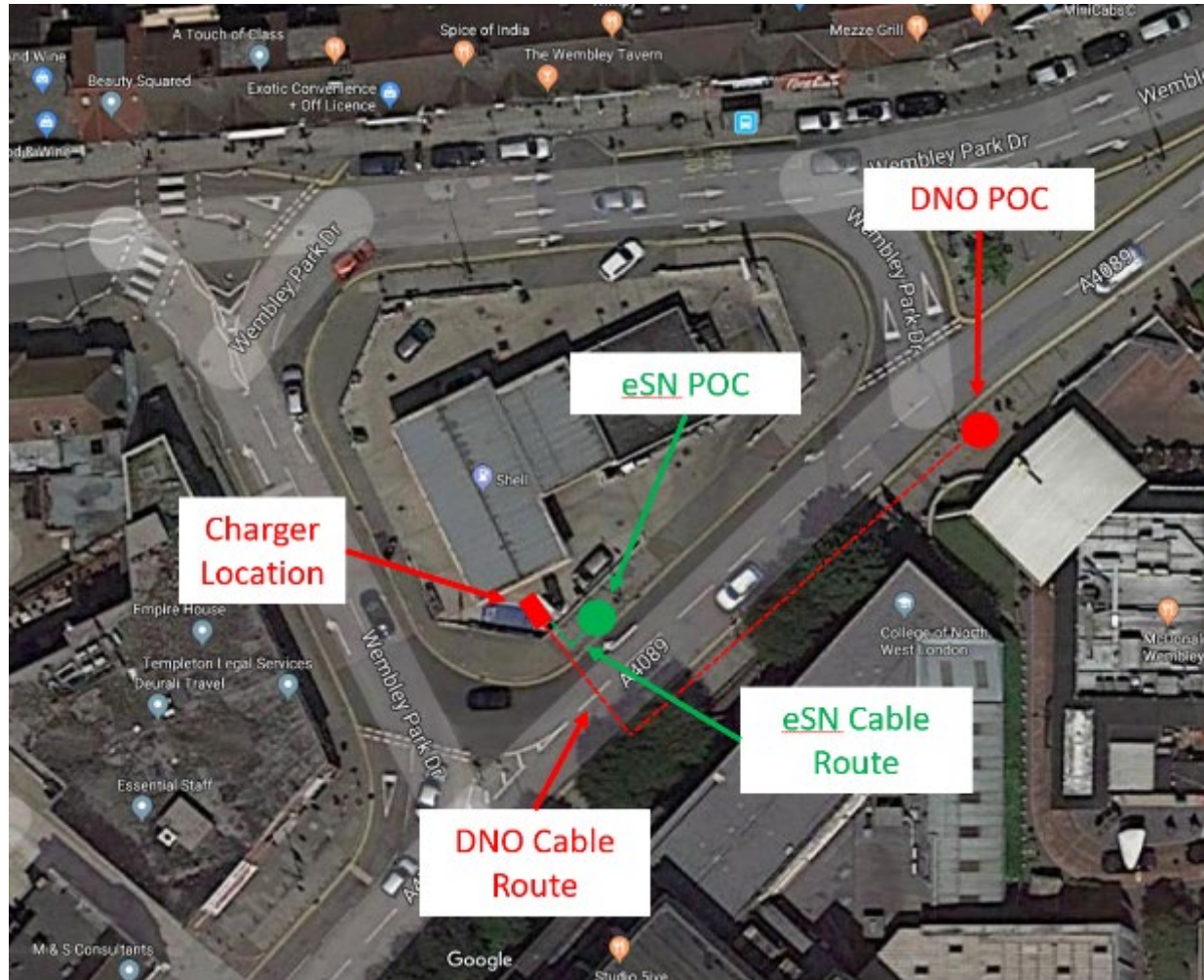
Site B



- Future requirements – Switchboard upgrade
- Site required a mixture of cleating and ducting during installation due to route of cable run.



Site C – Saving £30k & 6 Weeks



- Self determination of POC & DNO challenge
- Avoidance of road crossings
- Faster delivery – 3 weeks
- Optimum off site routes - avoidance of 3rd party landowners

Upgrade vs New Connection

DNO £40k upgrade to existing supply to gain an additional 69kVA

Our offer

Offsite connection = £12k

Onsite + installation of 2 chargers = £18k

Internal works & charger installation = £5k

Total cost £35k is £5k cheaper than the DNO upgrade only cost

Additional advantage is the external charger works run off a separate supply so any works does not cause disruption to the dealership



the EVnetwork | Zood

National Franchised Dealers Association Workshop

Phil Hack – Managing Director
Commercial Partnership Opportunities

22 July 2021



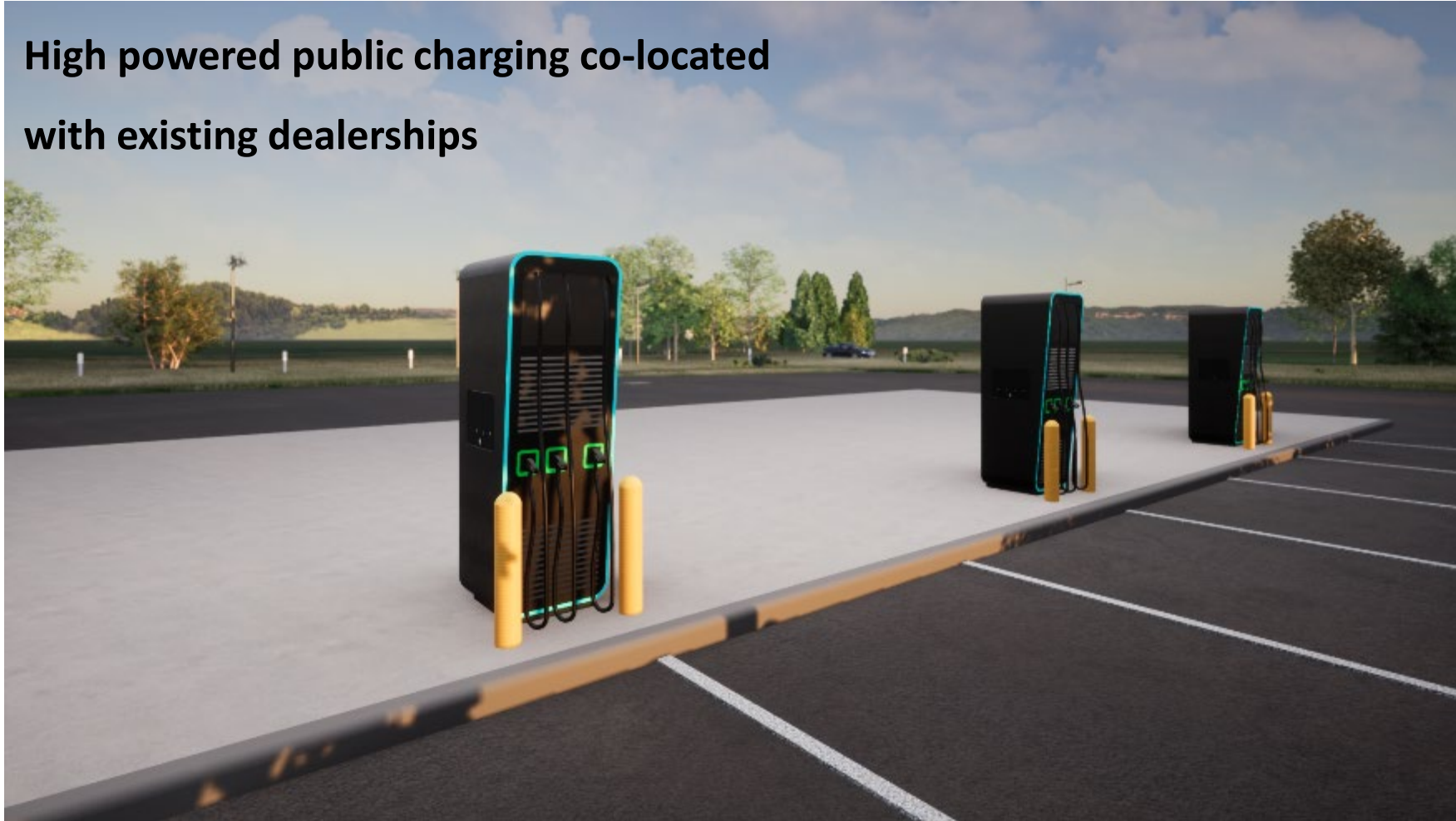
- Founded in 2017, The EV Network (EVN) is a leading independent EV charging infrastructure development company
- Our mission is to address the challenges faced by both Charge Point Operators (CPOs) and landlords in rolling out an EV charging network
- In addition, EVN offers a complete solution to those landlords/site operators that wish to become a CPO's including car dealership owners
- We have recently secured £200m of investment, to fund new EV charging infrastructure

- We secure sites via lease or freehold – typically 20 years
- We fund new grid connections – so don't impact existing connections
- We fund the whole solution - civil, electrical, chargers and buildings
- We enter in to a 20-year service agreement with CPO/dealership
- We replace all charger assets at year 10 ensuring compatibility/compliance
- We take construction, technology and obsolesce risk
- We bring retail partners including Quick Service Restaurants, coffee and convenience

- Analyse site portfolios for the feasibility for high powered charging
 - Grid assessments
 - Traffic & location assessments
 - Space planning
 - Electrical design
- Acquire individual sites or whole portfolios via lease or purchase
- Fund new independent grid connections that secures future site value
- We drive an increase footfall to site increasing sales opportunities
- We offer CPI inflated rents
- We are a strong counterparty

- How do dealerships respond to a changing environment?
 - Increase competition with online car sales e.g. cazoo, cinch, heycar
 - Reducing new car sales
 - Reduction of private car ownership
 - Reduction in EV's servicing requirements
 - High cost of large dealership showroom format
 - Squeezed margins on new sales
 - Limited electrical capacity for meaningful EV charging

High powered public charging co-located
with existing dealerships



High powered public charging co-located
with micro dealership



High powered public charging co-located
with micro dealership and coffee drive thru



- Zero capex
- New revenue line as either a CPO or landlord or both
- Ability to demonstrate the benefits of ultrafast charging onsite
- Captive audience who are already early adopters of EV's
- Additional micro dealership
- Ability to exceed customer expectations to both valet and charge vehicles during servicing
- Drive thru with one of our coffee partners or other Quick Service Restaurant operators with or without additional micro dealership

Dealership opportunities



Phil Hack

Managing Director

The EV Network

07786 062 681

phil@theevnetwork.com





Recap on the morning and Plan for the afternoon

Paddy O'Connell - NFDA





Lunch Break

Future Readiness

Darrell Grimshaw

Cloud Global Consulting LTD

darrellgrimshawcgc@outlook.com

Darrell Grimshaw

- 37+ years automotive experience
- Technician to Dealer principal & Market Area experience
- Data driven industry generalist
- Prestige and volume experience
- Eight years global consulting experience with many different manufacturers
- System and process driven
- Proven “turnaround” specialist
- Worked for large PLC groups as well as family business’s
- Working with a specialist brand on “Future Readiness Programme” in 4 countries for the last 3 years



ICE – Core Business

- Still need focus on ICE – core business
- What is the opportunity, where are we?
- Need to keep these customers longer than before - certainly on After Sales – Service plans
- Add on sales
- Accessories and merchandise
- Customer contact plans



Change of Process



- What changes are needed to the sales process?
- What changes are needed to the After sales process?
- New roles-Responsibilities



Charging Challenges/Opportunities

- Where do the charging points need to go in both sales and after sales areas?
- What do we need to discuss with customers when dropping off a BEV?
- What level of charge do we need to ensure the BEV has before returning it to a customer?
- Should we offer a charging service?
- Are we prepared for the future?
- How can we ensure that we best utilise all our charging options?



Staff Surveys



Staff Awareness

- All customer facing staff need to be experts in the customers eyes!
- 50/50 customer mix on knowledge
- Staff survey?



Feedback/surveys from Markets

- Learnings from Norway



Charging
behaviour



78% Home



9% fast Charging

94%

are satisfied with
being an EV driver

45%

only have EVs
in their
household



Sales Process Support and training for your Colleagues

Georgia Harbison – Cognito Learning



A decorative graphic on the left side of the slide, consisting of a network of white and blue nodes connected by white lines, set against a dark blue background.

Cognito Learning

NFDA EV Forum

22nd July 2021

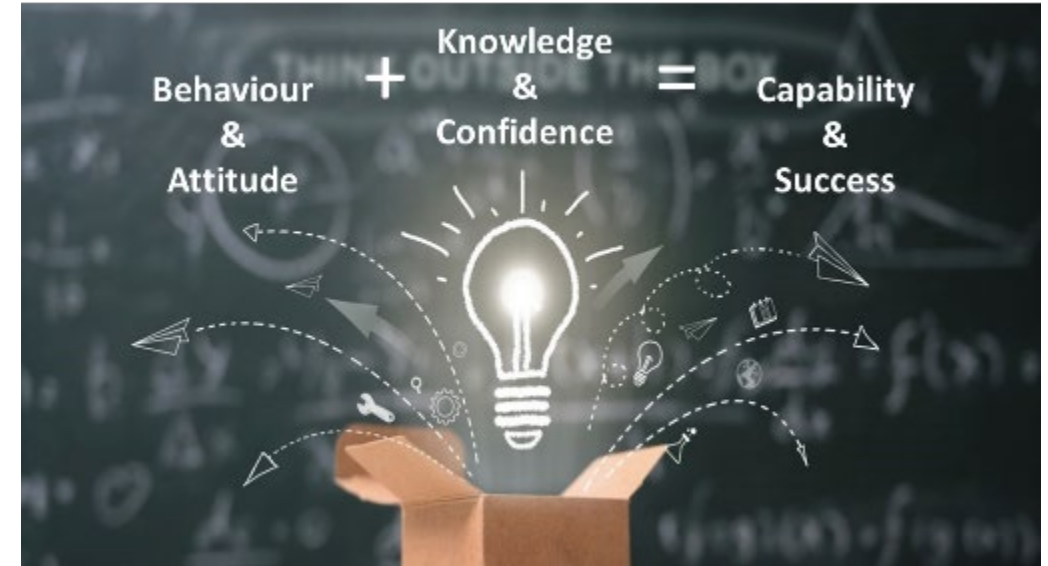
EV Readiness and Knowledge

Both the OEMs and the dealer groups will be delivering training to prepare them for questions from customers related to EV.

Common Questions will include:

- How do Electric Vehicles differ from Petrol and Diesel Vehicles?
- What's the government grant on this vehicle?
- How does the charging work?
- Will this vehicle qualify for the cleaner vehicle discount in the congestion charge?
- Combatting range anxiety – how do I find the nearest charge points and plan my journey?
- How will my home and energy bills be impacted?
- What Technology is available to support me with my EV?
- Model and Manufacturer-specific questions.

How can we support this learning, and ensure the employees remember the learning, in a quick and efficient way?

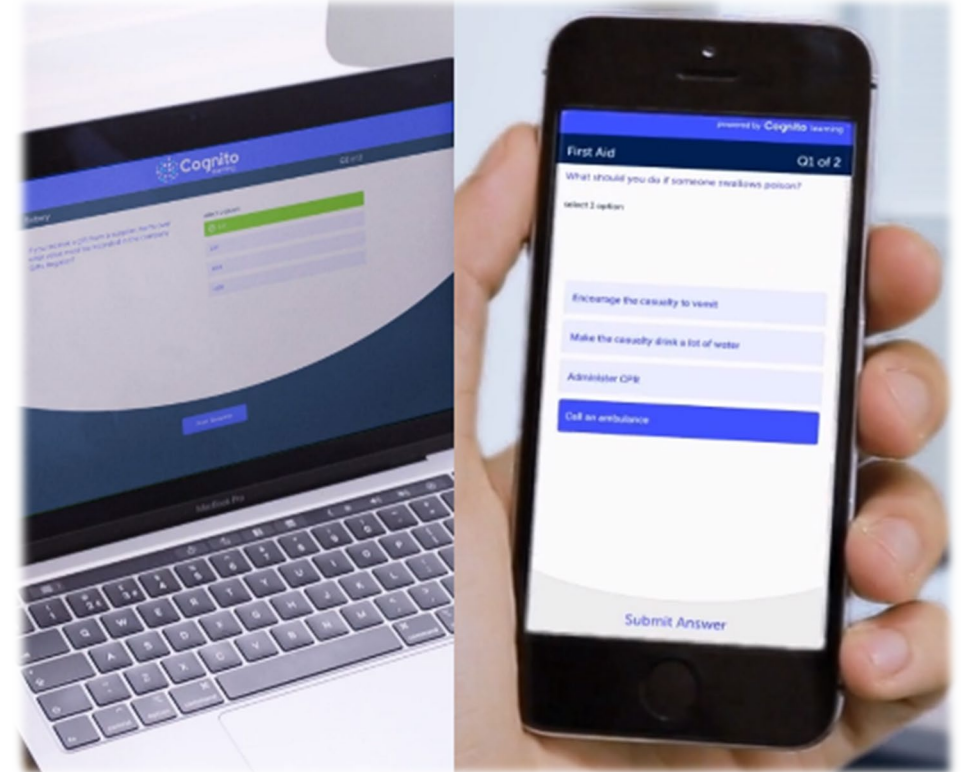


Introduction to Cognito Learning

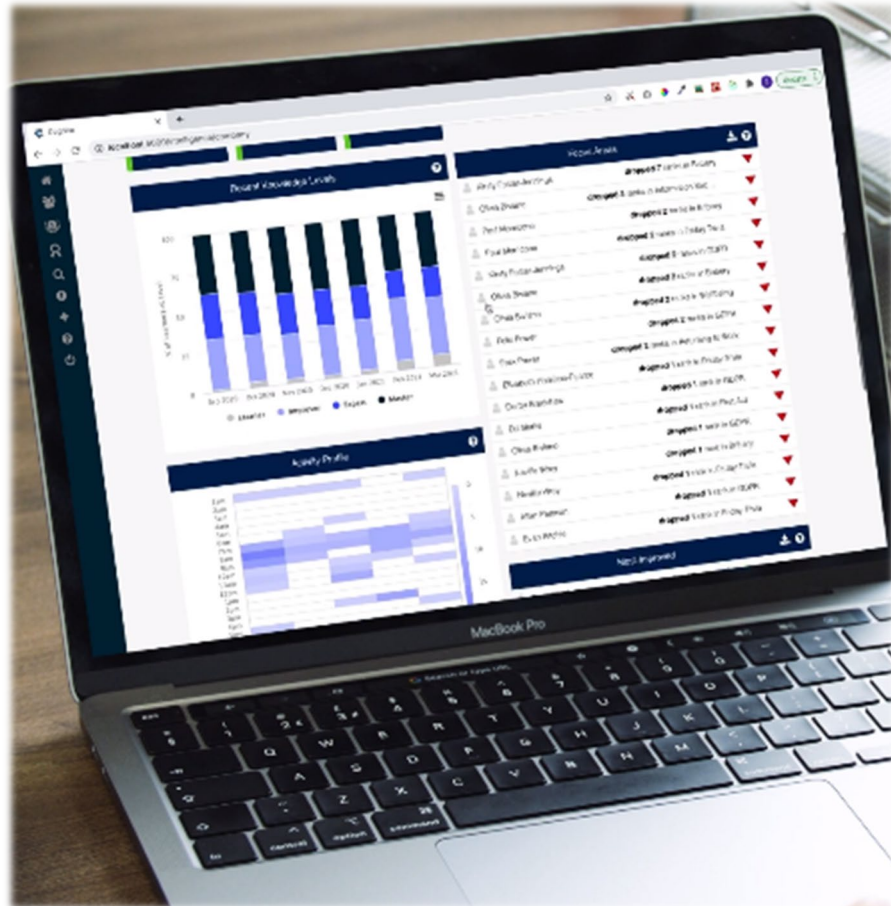
There is a huge amount of information to learn about the EV journey. But, without effective reinforcement or practice, 80% of what employees are taught will be forgotten within 30 days.

- Cognito reinforces and consolidates the learning that has been delivered, in less than 2 minutes a day of a learner's time.
- Cognito will tailor each individual's learning and send them appropriate questions based on their knowledge gaps.
- Cognito also has a survey and broadcast facility so you can quickly disseminate important information to your sites and staff.

Ensuring staff are confident and knowledgeable in all things EV is more important now than ever in the current climate. Cognito can even support staff still on Furlough ensuring they are ready and knowledgeable when they return to work.



Business Benefits



The Organisational Experience

The Cognito system is simple to implement but equipped with a powerful 'Intelligence dashboard' that provides real-time analytics. This assists managers with visibility of performance levels, KPI's, trends and gap analysis as well as evidence-based information for audit and decision making.

- Helps to instil a learning culture
- Enhanced speed to competency and accuracy for new starters
- Agile and simple to use.
- Embed knowledge on a daily basis and communicate new working practices and processes easily and at scale
- Reduce seat time for training

Automotive Clients...



“Cognito’s tool suited our need for daily reinforcement of knowledge for our EV 101 campaign to our colleagues. Right from the start I felt Cognito understood our requirements, grasped the business outcomes we were seeking and flexed the tool to meet those outcomes. We are excited for the next campaign later in 2021”

Katie Benson

Group Business Lead – Electric Vehicles

VOLKSWAGEN
GROUP



Thank you

Any Questions??

Georgia Harbison

Business Development Director

Georgia@cognitolearning.co.uk

07725041020



Tax considerations:

- EV BIK and Sal Sac
- Investment - CA's/Super Deduction

Nigel Morris
Anthony McFarlin - MHA

EVs

**BIK and Salary
Sacrifice**





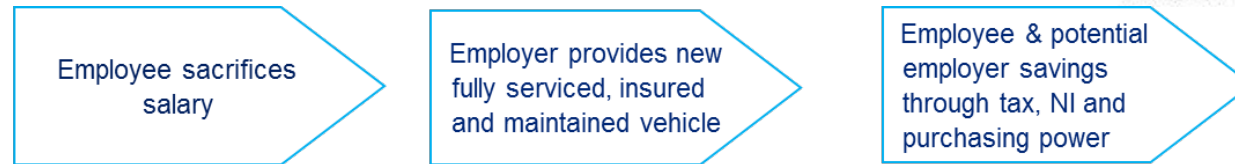
Sal Sac is back!



- From April 2020 – sal sac = cheapest way for employees to drive an EV
- Helps Government to reduce carbon emissions
- Employee sacrifices taxable pay for a car with VERY low BIK tax
- Employer saves National Insurance Contributions (NIC)
- BIK 1% in 2021/22 and then 2% in 2022/23.....
- Significant interest and uptake already
- Business fleets and corporate customers of any size



The Concept



The benefits			
Remuneration	Recruitment	Corporate Social Responsibility	Corporate H&S
Increased benefits choice at potentially no extra cost	Recruit and retain the right people	Green credentials – measurable impact on employer carbon footprint	Management of vehicles used for business purposes to mitigate risk from grey fleet & corporate manslaughter
Overall enhancement to the remuneration package	Increasing demand from candidates for green employer incentives	Promote the use of low CO ₂ /electric vehicles	
Mitigate potential early termination issues			

Aimed at EVs because:

- Low BIK
- Not caught by HMRC OpRA BIK rules

Employer A offers a choice of £25,000 cash or £19,000 cash and a Nissan Leaf Accenta (P11d of £29,790).
2yr lease, 12,000 miles p/a with a rental of £310 (ex VAT) contract hire, £372 (Inc VAT) PCH (both incl. maintenance)

Example

(EV @ 1%, 2% BIK)

Employer A (with Leaf)	
Employee	
Salary	£ 19,000.00
Personal Tax	-£ 1,300.00
National Insurance	-£ 1,140.00
Benefit in Kind Tax (avg p/a for 2 yrs)	£ 89.37
Disposalbe Income	£ 16,649.37

Employer	
Salary	£ 19,000.00
Employers NIC	£ 1,409.00
Contract Hire	£ 4,032.00
Class 1A NIC (avg over 2 yrs)	£ 61.67
Insurance	£ 600.00
Total cost to Employer	£ 25,102.67

Employer B (cash only)	
Employee	
Salary	£ 25,000.00
Personal Tax	-£ 2,500.00
National Insurance	-£ 1,860.00
Personal Lease Cost (Inc VAT, PCH)	-£ 4,464.00
Insurance	-£ 800.00
Disposalbe Income	£ 15,376.00

Saving Per annum £ 1,273.37
Net cost per month £ 340.00

Employer	
Salary	£ 25,000.00
Employers NIC	£ 2,237.00
Total cost to Employer	£ 27,237.00

Saving Per annum £ 2,134.33



What's the catch?



Not much and timing is everything!

- Contract hire / Corporate lease
- Salary sacrifice between employee and employer
- HR focused
- Gap between salary and BIK is key
- EVs (and ULEVs?)
- BIKs will increase, so speed to market is important
- Needs proper design and implementation

CO ₂ emissions (g/km)	EV Range (miles)	2021/22	2022/23
0		1%	2%
1 - 50	Over 130	1%	2%
1 - 50	70 – 129	4%	5%
1 - 50	40 – 69	7%	8%
1 - 50	30 – 39	11%	12%
1 - 50	Under 30	13%	14%
51 - 54		14%	15%
55 - 59		15%	16%
60 - 64		16%	17%
65 - 69		17%	18%
70 - 74		18%	19%

**Investment
expenditure**

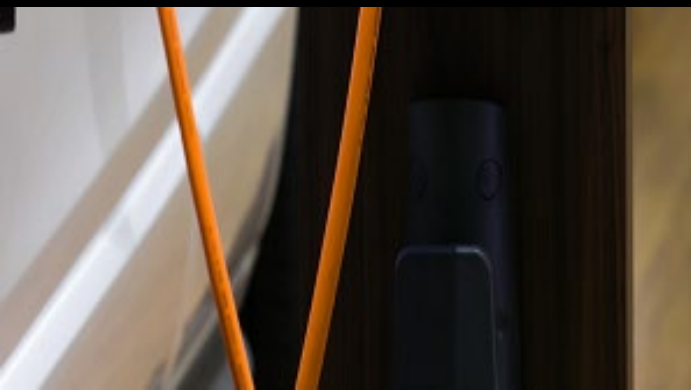
**Capital allowances
and the super-
deduction**





Capital allowances

Reminder and overview



- Depreciation is generally not an allowable deduction
- Capital allowances are a form of tax-approved depreciation



Capital allowances

Rates and types



NATIONAL FRANCHISED DEALERS ASSOCIATION

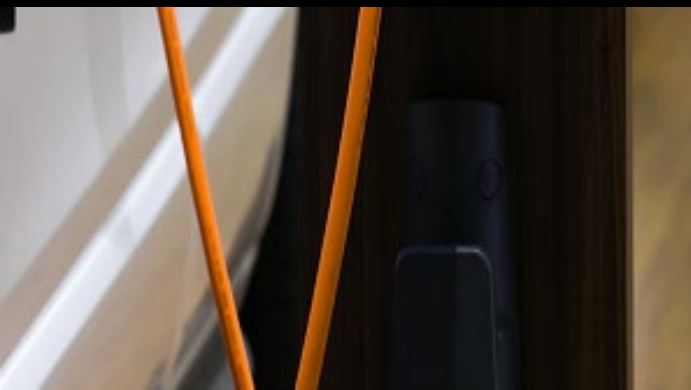


Allowance	Writing down allowance	Temporary rates (1 April 2021 – 31 March 2023)
Plant and machinery / main pool	18%	130% super-deduction
Integral features / special rate pool	6%	50% special rate first year allowance
First year allowances	100%	n/a
Structures and Building Allowances	3% (straight line)	n/a



Capital allowances

Examples



Allowance	Examples	Rate
Plant and machinery / main pool / "with which"	Advertising / signs / displays, Art works, Automatic exit doors and gates, Carpets and floor coverings, CCTV, Flooring – strengthened, Furniture and office equipment, LCVs and HGVs, Security and fire alarm systems	18% 130% (1 April 2021 - 31 March 2023)
Integral features / special rate pool / "within"	Air conditioning, Car park illumination, electrical systems, plumbing systems, solar panels	6% 50% (1 April 2021 - 31 March 2023)
First year allowances	EV charging points	100%
Structures and Building	Buildings and structures, Car parks, Car wash site / wash hall, Doors, Fences,	3%



Super deduction

New capital allowance reliefs

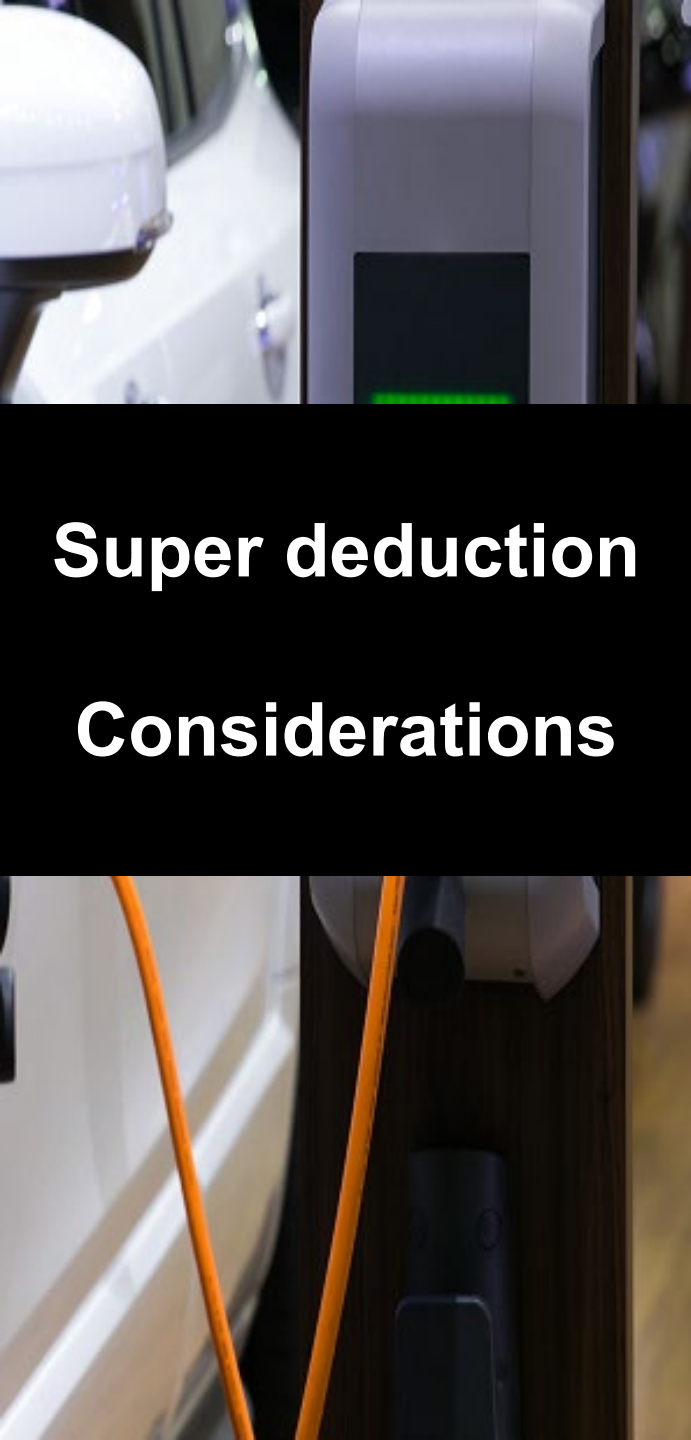


The super-deduction

- 130% first year allowances from 1 April 2021 to 31 March 2023
- effective tax saving of 24.7p per £1

New special rate first year allowance

- 50% rate from 1 April 2021 to 31 March 2023
- effective tax saving of 9.5p per £1



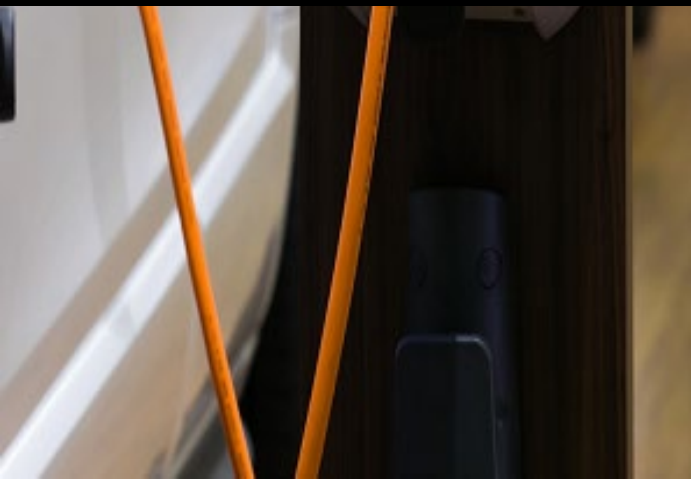
Super deduction Considerations

- Qualifying spend
 - New assets
 - “with which” to carry on a trade
 - “with in” the trade
- EV chargers and infrastructure
- Timing of spend and bringing the asset into use
- Balancing charges
- Annual Investment Allowance – £1m temporary limit has been further extended until 1 January 2022
- Deferred tax
- Correct capital allowance allocations




Super deduction

Checklist to maximising relief



- On purchase - ensure it qualifies:
 - Timing
 - Plant and machinery rate / “with which”
 - New
- On disposal:
 - Timing (balancing charge rate)
 - Residual values
 - Cash flow
- For significant spend - model the impact
- Make the claim correctly on the tax return
- For further details see:
<https://www.macintyreHUDSON.co.uk/publications/article/capital-allowance-super-deduction-what-does-it-mean-for-motor-dealers>



Factoring EV Readiness into your overall environmental, sustainability & governance (ESG) strategy.

Rich Hall - MHA



Backdrop

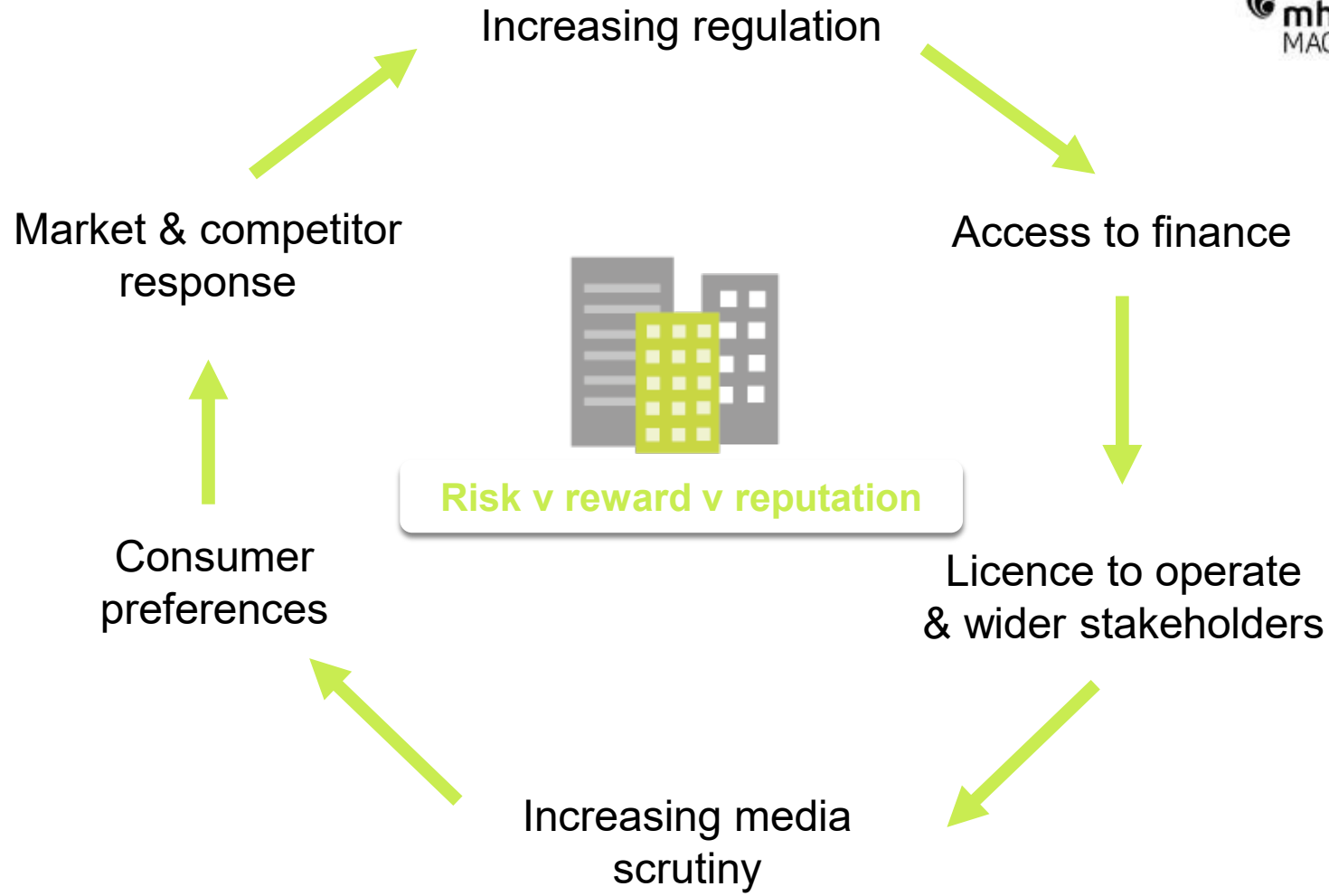
Sustainability/ESG Drivers



Environmental	Social	Governance
Biodiversity	Customer responsibility	Anti – bribery & corruption
Climate change	Health & safety	Corporate Governance
Pollution	Human rights	Risk Management
Population growth & demographic change	Labour standards	Reporting & disclosures
Resource scarcity	Licence to operate	Tax transparency

Supply Chain

INFLUENCE ON BUSINESS



THE DEALERS CHALLENGE

What is the business model of the future

- How will consumers interact?
- What will the income streams look like? Sales, lease, servicing, short term rental, energy?

What is the impact of the business model on the asset base, not just for sales but servicing

- What does the dealership of the future look like?
- Where will it be located?
- What are power requirements (Sales & Servicing)?

Which technologies will evolve and over what timescales

Which skills will we need and how do we attract talent



KEY ACTIONS

Review ROI assumptions

Keep abreast of the emerging financial products and associated terms and requirements

Review current and planned location bases

Review R&D activity and plans and ensure tax incentives and grants are maximised

Review and lengthen risk and strategy horizon timelines

For those who have not developed a strategy for responding to Sustainability and Climate change, it should be at the top of your agenda.



CONTACT

Rich Hall

Ex -MBA, FRSA, FCMI, BA (Hons)

Head of Sustainability & Stakeholder Assurance



m: +44(0)7951 513134

e: rich.hall@mhlp.co.uk



Recap and closing remarks




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Now, for tomorrow

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bakertilly
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