

## CHOOSE YOUR SUPPLIER SPOTLIGHT

# Enhance employee rewards, save money and keep your best people

As automotive retailers seek new ways to attract talented employees, Car Benefit Solutions is seeing an acceleration in its provision of fully-managed employee car schemes to deliver an added layer of allure.

Through a wide range of programmes which can be tailored to create a guaranteed source of future used car stock, deliver an innovative way of funding demonstrator vehicles or allow employees' family and friends to become brand advocates at an affordable price, CBS appeals on many levels, according to its head of network development James Edwards.

"The needs of the average car retailer are very different to what they were two or three years ago," said Edwards. "Where top priorities were very much hitting new car sales targets, there is a now the added drive to source a diverse and desirable stock of used cars, while at the same time attracting the right staff to help make your business tick."

"Car Benefit Solutions' car schemes can be tailored in various ways to fulfil a number of briefs but we can have a big impact on meeting these two challenges head-on, while also removing the BIK cost and reporting burden that can prove a real burden to employers and employees."

Established in 2002, CBS provides what it refers to as "turn-key solutions" that span scheme design through to implementation and fleet management.

It currently provides schemes for more than 25 manufacturer brands and more than 2,000 franchised dealerships across the UK – delivering 30,000 new vehicle registrations annually.

Central to its proposition today are the ECOS (Employee Car Ownership Scheme) and AES (All Employee Scheme) offerings.

Recognised by HMRC, ECOS does not constitute a company car scheme and can remove the restrictions of traditional car benefit.

The removal of BIK tax and Class 1A National Insurance contributions by the employer – the arrangement is taxed on a cost basis to the employee – removes the restriction of choice to vehicles with low CO<sub>2</sub> ratings, delivering more choice to employees and a greater ability to tailor the range of cars that can be fed back into the retailer's used car stock from the scheme.

The employer can determine the level of benefit delivered to employees, with schemes utilised to boost staff retention in key skill sets while delivering a recruitment tool.

### KEY CONTACTS



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Vehicle selection is not driven by CO<sub>2</sub> emissions and can be managed to secure a supply of popular used car stock or to showcase premium models and meet demonstrator requirements.

"The upside to the retailer is clear. Not only are they rewarding staff and offering a perk that can drive recruitment and retention, they are also removing the burden of Class 1A contributions," said Edwards. "ECOS also broadens the options when it comes to the vehicles that employees are likely to choose, because of the removal of the need to be dictated by CO<sub>2</sub> outputs, making a really attractive incentive for employees."

The AES solution served up by CBS targets non-company car drivers and their spouses, with vehicles provided with no deposit and no credit reference agency check ahead of an agreement that leads to a cut-price car deal with monthly payments over a six- to 12-month term as part of a credit sale agreement administered by CBS.

CBS possesses all the necessary FCA permissions to execute and enter into regulated agreements – meaning the retailer doesn't have to.

Retailers are able to manage the level of savings retained or passed on to employees and determine which members of staff it might be



open to. Edwards said: "AES is an incremental sale for the retailer at the front end and a profit opportunity at the back end."

"It's something that's a real benefit for businesses who would like to offer their wider staff base the opportunity to drive vehicles from their partner brands and to really become brand advocates in a way that might not have been open to them otherwise."

"It's also something that can have a wider benefit to employees' family members, who are eligible to take advantage if the retailer wants to offer that."

CBS believes its schemes benefit both employer and employee, with flexibility, profitability and the ability to navigate the complex world of company car tax for employees the retailer wishes to reward or entice.

Edwards said huge emphasis is placed on the schemes being "light

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**JAMES EDWARDS**

touch" for the retailer, with admin and compliance work being undertaken by Bury-based CBS, which constantly seeks legal guidance to ensure the compliance of its solutions as it evolves.

"I used to work in a car retail environment and know about the various pressures retailers find themselves under," said Edwards.

## Advertising feature

"We don't want to add to that. That's why CBS offers a simple turn-key solution which can solve so many issues and we'll work with retailers to ensure our solutions are absolutely tailored to their needs."

Retailers can decide whether to give certain staff flexibility of choice on the car they access via their scheme, or can set certain criteria to manage grades for certain positions and the specification of vehicles that they want to return to stock at the end of the agreement's term.

Vehicles can be funded by CBS and, as such, remain off balance sheet, or retailers can choose to utilise their own credit lines.

Edwards said the team at CBS has more than doubled to 150 over the last couple of years as the business sees itself as perfectly placed to deliver a solution to businesses moving away from traditional company car schemes, with 35 field-based staff directly supporting customers.

He added that the business had "grown exponentially" during the past seven years and had maintained support and development functions accordingly.

Edwards believes CBS currently has a target audience of 200,000 employees in the motor retail sector which could be eligible for its schemes, with around 500,000 potential customers accessible through the wider appeal of AES.

CBS' growth is only set to continue as it offers businesses a service which removes the growing tax complexity experienced by other, more traditional types of scheme, said Edwards.

He said: "Company car tax has gone up by around a third on something like a Mercedes-Benz E-Class, for example, over the past three to four years, so the cost to the business and staff member has gone up by a third."

"While the Government continue down the path of ever-increasing company car tax and compare that to inflation of 2% to 2.5%, wherever that disparity exists the opportunity to provide compliant car ownership schemes just becomes greater."



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