

APPENDIX A: Proportion of full year savings to be achieved during financial year 2011/2012 from closing lease car schemes

Option	Scheme Closure date	Basis of savings in 2011/12	2011/12 Savings	Termination Payments	Overall Savings
1	30/06/11	9 Months worth of full year savings (£240,000) less termination fees	180,000	45,358	134,642
2	31/12/11	3 Months of full year savings (£240,000) plus prorata savings for leases ending between 30/06/11 and 31/12/11, less termination fees	140,632	35,669	104,962
3	31/03/12	0 months of full year savings (£240,000) - prorata savings throughout the year, less termination fees	132,632	27,162	105,469

Assumptions made:

- a) Most leases which have been extended will have an early termination charge to end the lease on 30th June 2011.
- b) Lease companies will accommodate any requested extension to a lease when a current lease expires.
- c) All staff want to continue to have a lease car for as long as possible.
- d) Rentals for extended leases will continue at the same level as their original term. Early termination fees have been modelled on this basis also.
- e) Savings are split equally across all leases.

- f) No account has been taken of the fact that some cars may be handed in early, either by choice, or due to the management review that is currently being undertaken