

FleetNews

Special report



SEPTEMBER 2023

LEADERSHIP IN FLEET

The skills and knowledge you need to become an outstanding fleet leader

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WELCOME

As the role of the fleet decision-maker (FDM) grows ever more complex, leadership is becoming a crucial quality.

Today's successful FDMs need to lead their teams, their drivers and their key stakeholders through a multifarious range of topics, from energy management to electric vehicles (EVs), and supply chain management to automated technology.

They need to be at the forefront of industry developments to guide their company and ensure the fleet meets the business needs in the most efficient and effective way.

Professional fleet leaders have the ability to implement policies successfully, adapting to an ever-changing environment. They experiment and are first in line to trial new initiatives. They communicate clearly and often with those around them which helps to get buy-in to new ideas.

People leadership has risen up the priority list thanks to the greater focus on staff wellbeing, whether that's within fleet teams themselves or among the driving workforce.

The need to transition to EVs has opened the floodgates to a new vocabulary on workplace charging infrastructure (kW, resistors, cabling, capacity overload...), plus the creation of new relationships with the distribution network operators and charge point operators that would have been unheard of just three or four years ago. In each case, leadership is vital.

In this special Leadership in Fleet report, we look at some of the areas that are having the greatest effect on the way fleets operate, offering advice and insight to give FDMs the confidence to make the right decisions and form the best strategies.



Stephen Briers,
group editor,
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Allstar is helping fleets with 'biggest driver behavioural change for decades' as they transition to electric

Fleet operators are well-practised at transition. Over time they have shifted to different fuel types, different vehicles and adapted to different regulations. But the transition to electric vehicles (EVs) ahead of the 2030 cut-off for the sale of new petrol and diesel vehicles is fundamentally different.

That's the view of Paul Holland, Managing Director of UK Fleet at Fleetcor, including the Allstar brand.

"Fleets have had to evolve for perpetuity but, with EVs, the change for the driver is huge," he says.

"The constraints and different methodologies of recharging vehicles and what you're expected to do is just so different. It's definitely the biggest change the fleet market has seen for many, many years."

Allstar is well-placed to comment on the transition as for more than four decades it has kept drivers on the road, and at work, by helping to buy fuel, manage business payments and costs, as well as providing support, insight and strategy for corporate businesses throughout the UK, in every sector.

From fuelling vehicles in the 1980s to charging EVs today, it has worked with tens of thousands of businesses and moved



The whole point of our EV Insights hub is to expand people's knowledge and accelerate learnings across the entire industry

Paul Holland, MD of UK Fleet at Fleetcor, including the Allstar brand

with the times, adapting to changes in the way businesses drive, and offering solutions to help fleets be more efficient and more effective.

Allstar is entirely focused on B2B customers and, as a subsidiary of Fleetcor Technologies, a global payments business, it is also able to offer business payment solutions.

"Our Allstar One Electric card is unique in the marketplace because it gives access to 90% of fuel sites across the UK, including all major oil brands and supermarkets, and it gives access to over 12,000 EV charge points. So, if you're transitioning from fossil fuel to EV you can give your entire fleet of drivers one card product that works, whatever the fuel might be," says Holland.

Allstar One Electric also gives consolidated information across an entire fleet so businesses can see the whole operational landscape from a refuelling and recharging perspective.

"You get the benefit of the management information and the business intelligence that enables you to make informed decisions about how you might accelerate transitions to EV," says Holland.

Allstar launched an online EV Insights



Universal access to EV chargers

The utopia for fleets in the transition to electric is to have a payment card which can be used at every charging point in the UK.

"Our aspiration for Allstar One Electric is to have universal acceptance across every charge point in the UK," says Paul Holland, MD of UK Fleet at Fleetcor, including the Allstar brand.

Achieving that is dependent on all the charge point operators allowing

Allstar to have its product accepted but "there is a lot of interest" in the solution, Holland says.

"We've got a number of charge point operators in the pipeline going through a technical acceptance process and we will see our EV charge network growing on a continual basis, certainly for the next couple of years," he says.

"What we bring to charge point operators is a lot of mass. We're the largest operator in the market – more than three-quarters of the top 200 fleets in the UK use our products – and so there's a vested interest for all parties to work with Allstar and to provide the best solution to the business community."

1.2 million
number of cards Allstar
has in circulation in the UK

26 million
transactions per year

50,000
customers



hub last year to educate fleet managers whether they know nothing about EVs, a little about them or a lot.

It provides them with all the relevant EV news and insights to help make their transition to an electric fleet that bit easier. The hub is an extension to Allstar's News and Insights hub, which provides content to educate and inform about the fuel and

business payments areas of the business. "The whole point of our EV Insights hub is to expand people's knowledge and accelerate learnings across the entire industry," says Holland.

"When I first moved to driving an electric vehicle it wasn't what I expected. I had to think about range, the availability of places to charge, and build in time to charge so the hub helps educate drivers as they move to something different.

"For the fleet manager it's about sharing knowledge on legislation, regulation, costs, vehicle availability, charging infrastructure – anything they might find helpful in the transition to EV."

The cost differential between charging at home and charging on the road is one of the biggest challenges fleet managers must grapple with.

"You can pay 10 times the amount for your charging using a rapid charger versus charging at home," says Holland. "Imagine if you could pay between £1.40 and £14 for a litre of diesel. It would just be staggering."

To manage the cost of on-the-road charging, Holland advises fleets to understand where they are operating and where they might be able to charge



and to then "work closely with people like ourselves who can help to give you access to the widest possible amount of charge points so you can therefore use the lowest cost provider within your operational constraints".

He adds: "It's always a balance of time and money but maximum availability and accessibility to charge points give you the ability to slot in the lowest cost ones around your operational set-up."

Allstar can guide fleet operators about how they can transition and where, and which parts of their fleet they're able to transition if they've got a large, mixed fleet. For smaller company car fleets the transition is a lot easier, particularly if drivers have the ability to charge at home as they can simply plug their car

in overnight and have a full battery in the morning, Holland says.

Allstar can help fleet managers and their drivers with the payment process through its Homecharge solution.

Essentially, Allstar receives data every time the car is plugged into a home charger and pays the electricity provider directly for the electricity drawn by the employee to charge their vehicle, and the fleet manager then settles their bill with Allstar.

"The whole process is seamless and it reduces a massive amount of administration," says Holland.

Drivers can also record the split between business and private mileage using Allstar's Business Mileage Monitor. Allstar then provides mileage reports to companies to make payroll deductions for driver's private mileage.

"In every situation, whether it be at home or on the road, whether it be for electric vehicles or fossil fuels we have a market-leading solution for businesses of all sizes," says Holland.



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Future-proof your fleet management

The role of a fleet decision-maker is evolving at rapid pace. Here we look at the skills and actions needed to stay at the top of your game. *Andrew Ryan* reports

Predicting the future accurately is difficult. Just five years ago very few expected fleet electrification to dominate agendas the way it does now, while others thought many organisations would be replacing company cars in favour of Mobility-as-a-Service (MaaS) on a huge scale.

But, regardless of these big-ticket changes, the fleet decision-makers' role has changed in recent years and will continue to do so.

"Since I started in fleet 15 years ago, the role has definitely evolved," says Matt Hammond, head of fleet and plant at Altrad Services, who was named Fleet/Transport Manager of the Year at this year's Fleet News Awards.

"Back then the role was predominantly about car lists, car choices and maintenance issues.

"Over time, the role has evolved to be more financially focused, understanding total cost of ownership (TCO) and fleet efficiency together with great focus and strategies to manage risk and driver safety."

Hammond says compliance has always been a key element of the role and this has stayed constant throughout.

However, now "knowing everything about cars or trucks is no longer enough," he adds.

"It's a really varied role now," says Paul Hollick, chair at the Association of Fleet Professionals (AFP). "You have to be a negotiator – internally and externally, knowledgeable, a subject matter expert, deal with HR problems and lead transformation. Softer skills are definitely coming to the fore.

"We've also never been in more turbulent times in terms of the transition that we're seeing at the moment, not just to electrification, but to alternative fuels, while technology is also changing."

The evolving demands are also increasing diversity in the fleet decision-maker community: in 2018, for example, the ICFM provided more training to women than to men.

"I think there's a recognition that it's a very male-dominated industry; traditionally, cars and vans were something a young boy, rather than a young girl, tended to be focusing on," says Hollick.

"But there is definitely a sea change as we start to move to softer skill requirements and the recognition, not just within fleet, but also in the boardroom, that you don't need guys who understand how an engine works to run a fleet.

"In our industry, I don't see any agenda other than getting the right person in with the right skills."

Here, we look at four key aspects a modern fleet manager should consider to ensure future success.

1 Leadership

The profile and importance of a dedicated fleet decision-maker has increased in the eyes of a many boardroom members in recent years, as the need to control costs and decarbonise the fleet has risen up the agenda.

This means a modern fleet operator should develop leadership skills given that, in many cases, they will be heading the transition.

"Fleet should be represented at board level so at least somebody is speaking up for it, particularly when it tends to be the number one or number two contributor of CO₂ emissions to a business," says Paul Hollick.

"This should be not just from a financial and a sustainability perspective, but also operational as well, to ensure the fleet can navigate the challenges and get to where it needs to be.

"Therefore, we're trying to make sure that we elevate standards across the fleet industry; it's not just about technical standards now, it's also about leadership standards.

"Sometimes fleet managers can feel a little bit more hamstrung through confidence and being a voice within their organisation, so we're working on softer skills now as well, which will become equally as important."

Improved relations with the board will also help win buy-in for new initiatives, as well as set the right example for other staff to follow.

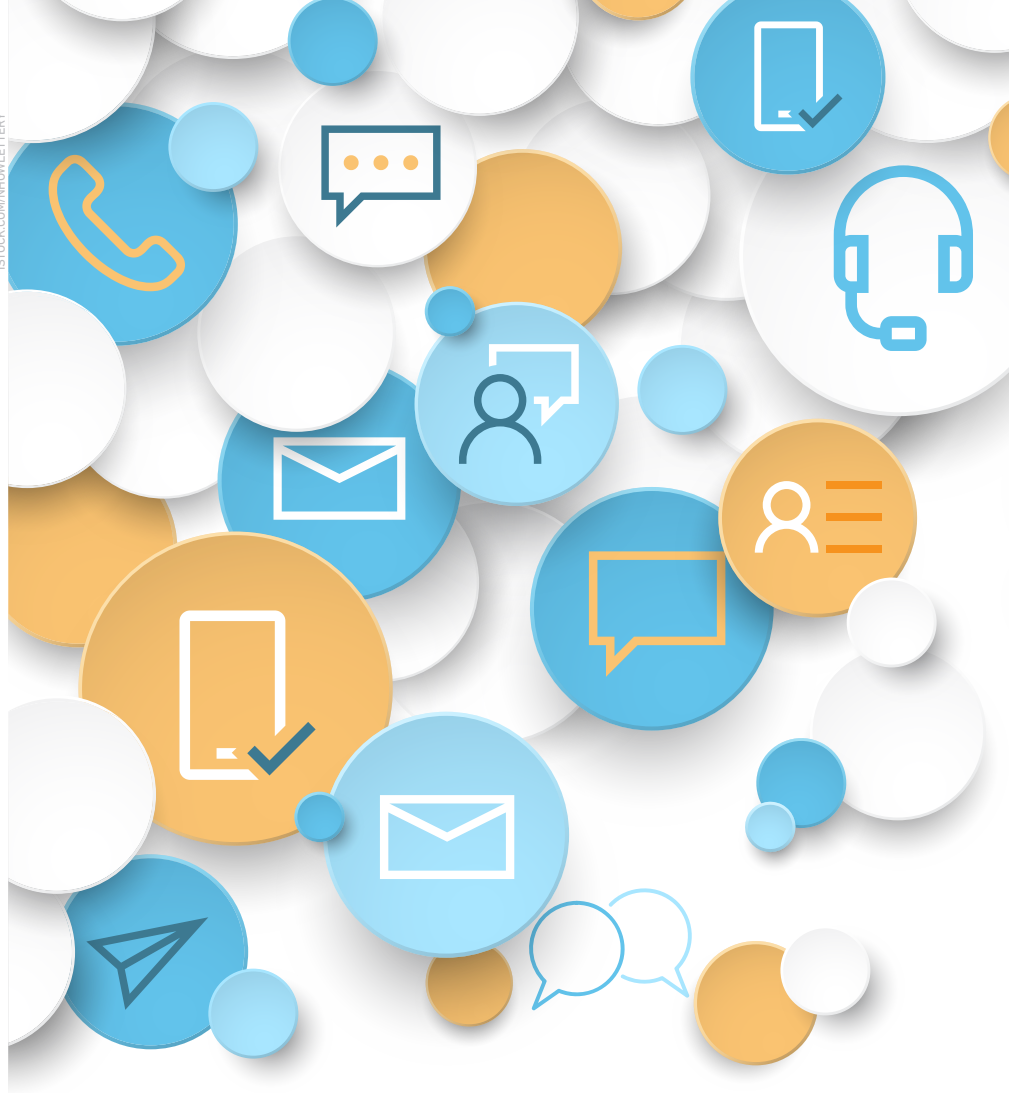
"If you get the support from the top down, people begin to follow," says Mandy Vanstone, who was fleet and procurement manager at Miele when it was named Most Improved Fleet at this year's Fleet News Awards.

"Our MD is hugely focused on driver safety and he's been very supportive and genuinely interested in what we're doing in fleet.

"We used to do driver training for our van drivers and now we do it for the car drivers as well, so, when new people join us, they get trained within the first month or two.

"Our MD went on the course and said to me 'I don't mind admitting, Mandy, I thought it was going to be a waste of money because I didn't think I'd learn anything, but I came away from it having learned an awful lot!'"





2 Communication

Fleet decision-makers need to be able to communicate effectively with all colleagues, regardless of their status or seniority in the organisation.

"Throughout all of our training courses, we coach delegates about what it's like to walk in other people's shoes, so they know what it's like to be a finance person, what it's like to be an ops person, what it's like to be a CEO," says Paul Hollick.

"With drivers, the old school 'carrot and stick' approach to change has evolved more into 'how do I transform my behaviours to be able to get them to what we need them to do?'

"A lot of this is around explanation; people are more intelligent and used to dealing with data now."

Many people, for example, use fitness trackers and their associated apps so are used to interpreting information they did not previously have access to.

M Group Services uses telematics to monitor driver behaviour, with its artificial intelligence (AI)-enabled camera system combining to monitor data events such as distracted driving, handheld mobile phone usage, no seatbelt being worn, distance following behind another vehicle and smoking.

Its system generates a driver safety and eco-driving score, and is available for all relevant persons to view via a portal to establish trends and areas of focus.

Drivers are also given access via an app, allowing them to check their performance and see if any events are recorded against them. They are also able to add comments.

"Literally, the driver can get to a safe place, go on to his app and see exactly what he's done. He's got a learning point," says Tony Draper, head of safety, health, environment, quality (SHEQ) and road risk at M Group Services, which won the Excellence in Fleet Safety Compliance award at this year's Fleet News Awards.

As well as apps, the way fleet decision-makers communicate with drivers has changed, partly due to the emergence of new technologies, while the Covid-19 pandemic has led to many fleet managers working more at home than on site.

Miele, for example, has set up an MS Teams channel for fleet and this contains huge amounts of resources for drivers and their managers.

The fleet department also sends out regular information from the National Highways Driving for Better Business (DfBB) van driver toolkit, focusing on topics such as mental well-being. Miele also has its own landing page on the DfBB website.

"Our Teams channel is really invaluable. It's a good reference point for our regional service managers to go to," says Miele's Mandy Vanstone.

"We also like to share information with colleagues. The line managers, our MD and finance director know the cost savings we're achieving through the work we're doing on reducing accidents, but the drivers on the ground don't necessarily know that.

"Explaining this to them helps them buy into what we're doing."



3 Strategic planning

"If you're a fleet manager and you're in the trenches with your particular topics it's difficult to start thinking about what's likely to be needed in four or five years' time," says Paul Hollick. "But you still need strategic and long-term thinking; fleet is a seven- or eight-year plan. The best fleet managers I've seen look at their fleet over a long period, not just worrying about cost today.

"When I joined the industry, a fleet manager would get their budget, which would be a percentage of what it was the previous year.

"Now it needs to be far more progressive and, working with the finance community within the organisation and the business as a whole, thinking about four-, five- or even seven-year cycles.

"The 2030 ban (on the sale of new petrol and diesel cars and vans) has forced a lot of fleet managers to think like that anyway which, in some respects, is quite healthy."

Planning ahead means fleet decision-makers need to be aware of industry trends, upcoming legislation and new products as well as network with their peers.

This can be done through attending events such as Fleet & Mobility Live or Fleet 200, reading fleetnews.co.uk, signing up for the *Fleet News* newsletters, as well as becoming involved in industry bodies such as AFP and Logistics UK, and talking to suppliers.

4 Upskilling

Undergoing training is an obvious way to improve fleet management skills, with providers including industry bodies such as FORS (Fleet Operator Recognition Scheme) and AFP (Association of Fleet Professionals).

The latter has seen a dramatic rise in the amount of training delivered so far this year, with the number of training days sold to the beginning of August surpassing 2022's total.

Paul Hollick says the increase reflects several trends including higher interest in formal training among fleet industry professionals and a general post-pandemic move across the workforce to enhance levels of qualification.

"During 2021 and 2022, we saw a definite increase in fleet managers looking to upskill to meet current and future fleet challenges such as electrification, so we increased our potential capacity for places this year by 85% – a decision which has been vindicated by a dramatic increase in training days and also delegates, which is very pleasing to see," he adds.

AFP courses include Fleet Vehicle Management Introductory, Fleet Vehicle Management Strategic, Fleet Vehicle Management Advanced, Accelerate – Women's Voices in Fleet, and two EV courses: Making the Switch to EVs and Transition to eLCV.





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Q&A

Matt Hammond

Head of fleet and plant at Altrad Services who was named Fleet/Transport Manager of the Year at this year's Fleet News Awards.

Q Fleet News: How do you expect the fleet decision-maker's role to evolve?

A Matt Hammond: The biggest change I have seen, and continue to see, is the focus on carbon. Fleets were always conscious of reducing the CO₂ caps of company car lists, but the drive to zero has definitely changed the landscape and how the entire fleet is evaluated, assessed and procured.

This drive to zero will only continue as the Government deadlines get closer. The interesting thing is how fleets will achieve this.

With differing opinions and technologies across the industry, it is still very much a moving target that all fleet managers are having to deal with.

Q Fleet News: What do you consider the most important skills to be for a modern fleet manager?

A Matt Hammond: Versatility. Knowing everything about cars or trucks is no longer enough. Today's fleet manager needs to understand the impact on the wider business of decisions they make today.

Carbon costs, Scope 1 and 2 emissions, wholelife costing models, future decarbonisation strategies, electrification cost recoveries – all these areas are now front and centre for every fleet manager and business across the UK.

Understanding the supply market and where manufacturers are in their transition strategy and how this fits with your own.

Of course, managers need to also remember the core principles of fleet, ensuring governance and compliance is maintained, safe vehicles and driver safety and well-being continues to dominate the role.

Q Fleet News: What are the most important things a fleet decision-maker should do to ensure they are fit for the future?

A Matt Hammond: At this time in fleet, the most important thing a fleet manager can



do is talk and listen. Nobody has all the answers to the new world of net zero fleets despite what the press might portray.

Talk to your peers, talk to the industry bodies, get involved in roundtable discussions. Everybody is at a different stage in this journey and your experience could help others and vice versa.

Also, don't feel pressured to act if it is not right for your business. 2030 might feel close, but it's not a cliff edge, so operate within a timeline that works for your business.

That said, the most important thing a fleet manager should do is enjoy this period of time. We have not seen such a change in the automotive industry for 100 years and what fleets and the industry do over the next 10 years will shape the landscape for generations to come. So embrace, enjoy and be open to suggestions.



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Three factors shaping the pace of decarbonisation

The need for fleets to adopt lower emitting vehicles is being driven by Government legislation and local authority policies. Here, *Andrew Ryan* looks at the major influences

ICE vehicle ban

Under the Government's current plan, the sale of new petrol and diesel cars and vans will be banned from 2030.

From this point, only new vehicles that have the capability to drive a significant distance with zero emissions (including plug-in hybrids and full hybrids) will be available.

The Government has not yet announced what it defines as "significant distance" despite announcing the internal combustion engine (ICE) ban policy three years ago.

From 2035, all new cars and vans will be fully zero emission at the tailpipe.

The Government has also announced no new non-zero emission heavy goods vehicles weighing 26 tonnes or less will be sold by 2035, with all new HGVs zero emission by 2040.

All new motorcycle and scooters will also be fully zero emission at the tailpipe from 2035.

The need for organisations to decarbonise their fleets is also being driven by the pace of change from manufacturers.

Many have already committed to offering pure-electric ranges by certain dates, while the Government plans to put proposals for a Zero Emission Vehicles (ZEVs) mandate to a vote in Parliament.

The mandate will require vehicle makers to ensure at least 22% of their new car sales and 10% of new vans are zero emission in 2024.

This will then rise incrementally each year to 80% for cars and 70% for vans in 2030, and 100% for both by 2035.

Under the proposals, manufacturers would earn credits for selling ZEVs and could either meet their targets through amassing enough credits by selling the right number of ZEVs, or by buying excess credits from manufacturers that have over-performed against their own targets.



Clean Air Zones

To date, 13 cities and towns across the UK have introduced low emission zones (LEZs), clean air zones (CAZs) or zero emission zones (ZEVs) to improve local air quality.

These work by charging or banning higher emitting vehicles from using certain areas, with vehicle operators having to pay either a charge or fine if they enter them in non-compliant vehicles: a factor fleets operating in these areas need to consider in total cost of ownership (TCO) calculations.

England currently has nine LEZs, CAZs or ZEVs in Bath, Birmingham, Bradford, Bristol, London, Oxford, Portsmouth, Sheffield, Newcastle and Gateshead (combined).

Scotland has four: Aberdeen, Dundee, Edinburgh and Glasgow. Only Glasgow's is being enforced so far. Enforcement is due to begin in the other cities in May or June 2024.

Most zones have slightly different requirements, but as a general rule, the following vehicles are compliant:

- Euro 4 for petrol cars and vans (generally vehicles registered from 2006).
- Euro 6 for diesel cars and vans (generally vehicles registered from September 2015).
- Euro VI for buses, coaches and HGVs (generally vehicles registered from January 2013).

A key difference between the LEZ schemes in Scotland and CAZ and ultra-low emission zone (ULEZ) schemes in England is that the Scottish schemes do not allow non-compliant vehicles to enter at any time: there is no option to pay a charge.

Drivers who enter the LEZ in non-compliant vehicles must pay a penalty of £60 a day.

Bath was the first city outside London to introduce a CAZ when it launched its scheme in March 2021 and earlier in the summer a report showed the positive impact it has had on air quality.

Bath and North East Somerset Council says since its introduction, the zone has seen a 26% reduction in nitrogen dioxide, a pollutant from vehicle exhausts.

Air tested at all 65 of the council's Bath monitoring stations now meets legal standards. Pre-CAZ, illegal levels of pollution were recorded at 11 places across the city.

Oxfordshire County Council and Oxford City Council have introduced a zero emission zone (ZEV) in Oxford, where only vehicles with no tailpipe emissions can be used without incurring a charge.

The first phase of the zone – a small pilot area – became operational in February last year to allow the councils to test how the scheme works before developing proposals for expanding the ZEV to a wider area.

ZEVs may become more commonplace in the future. For example, by 2030 the entire city of Amsterdam will be a zero emission area, with Paris planning a similar zone.





Greenhouse gas reporting rules

The terminology Scope 1, 2 and 3 emissions has entered the fleet lexicon in recent years as the Government has introduced formal greenhouse gas (GHG) reporting rules for some organisations.

Since April 2019, all UK-quoted companies, as well as large (turnover in excess of £36 million or more than 250 employees) unquoted companies and limited liability partnerships have been required to report their Scope 1 and 2 GHG emissions in their annual directors' reports, and the Government is urging others to report similarly.

Also, under the Government's Streamlined Energy and Carbon Reporting (SECR) framework, reporting of Scope 3 emissions is strongly encouraged, but not mandatory.

"Organisations of all sizes are increasingly expected to measure and report on their environmental performance or risk losing out to competitors who do record their performance," says the Government's environmental reporting guidelines.

The Scope terminology comes from the Greenhouse Gas Protocol, which is the world's most widely-used GHG accounting standard, and is a way of categorising the different kinds of emissions a company creates in its own operations and in its wider 'value chain' of suppliers and customers.

Essentially, the different scopes can be defined as:

Scope 1: emissions from sources that an organisation owns or controls directly, such as burning fuel in a fleet of petrol or diesel vehicles.

Scope 2: emissions that a company causes indirectly and come from where the energy it purchases and uses is produced.

Scope 3: emissions that are not produced by the organisation itself and are not the result of activities from assets owned or controlled by them, but by those that it is indirectly responsible for up and down its value chain. This includes employee commutes.

In some cases, obvious solutions exist for organisations to deliver net zero for Scope 1 and 2 emissions.

For example, from a fleet perspective, an organisation can transition to electric vehicles to meet Scope 1 requirements, while it can advise procurement to source renewable electricity, renewable gas or electrify its heat demand to deliver Scope 2 progress.

However, Scope 3 is much more complicated and will involve a great deal of collaboration with suppliers and other stakeholders.

As stated above, Scope 3 reporting is not yet mandatory, although it is expected to be in the future as the Government's 2050 date for Net Zero nears.



Rapid expansion of the bp pulse network will help keep EV fleets on the road

Public electric vehicle (EV) charging infrastructure in the UK is about to receive a shot in the arm.

Quietly, in the background, work has been taking place to secure land to expand bp pulse's network of rapid and ultra-fast EV charging hubs, with chargers capable of adding up to 100 miles of range in around 15 minutes.

This type of facility is a game-changer for businesses whose drivers rarely return to base or who are unable to charge at home.

"Downtime is one of the biggest focus areas of any fleet because, invariably, it is costing money one way or the other so availability of the charger and speed of charger are critical," says Adrian Brabazon, head of UK fleet solutions at bp.

Private hire, courier, taxi, ride-hailing and utility fleets doing high, regional mileage are typically the ones that do the most on-the-road charging and bp pulse is helping major fleet operators like Uber and Addison Lee to keep their charging downtime to a minimum.

Since opening its first EV charging hub



"We're putting down charging infrastructure where the demand is"

Adrian Brabazon,
head of UK fleet solutions

on Park Lane in London in 2021, bp pulse has opened a hub at Gatwick in 2022, and partnered with the EVNetwork to open hubs in Macclesfield, Tamworth, Mansfield, Hull and Kettering. The latter features 10 300kW DC chargers, with the ability to charge up to 20 cars simultaneously.

A new charging hub at the NEC Birmingham, which is expected to be one of the largest EV charging hubs in Europe, opened on 7 September.

The hub features more than 180 charge points (30 ultra-fast charge points and 150 AC points), as well as a large drive-thru coffee shop, operated by a national chain, to cater for visitors while they wait for their vehicles to charge.

This is just the start as bp pulse intends to





open hundreds of charging hubs in other locations around the UK by the end of 2030 as part of a £1 billion investment in its public network.

"We have a clear roadmap over the next two to three years to introduce these hubs along the strategic road network, and to bring charging hubs into specific cities," says Brabazon.

Site location is determined by EV ownership, traffic and demand.

"Fleets are key to the development because we're not going to lay down infrastructure that's not going to be utilised," says Brabazon. "Fleets are out on the road every single day so they are at the forefront of the transition."

bp pulse already has one of the largest charging networks in the UK with more than 8,000 charge points, and, importantly, one of the highest proportions

of rapid and ultra-rapid devices.

"70% of the UK population lives within five miles radius of a bp pulse rapid or ultra-fast charger so we're putting down charging infrastructure where the demand is," says Brabazon.

Being one of the first to market meant reliability was a challenge a few years ago due to outdated technology but bp has since invested a lot of time and money upgrading infrastructure.

"Our reliability is now up to 97%, a big improvement from where we were two-to-three years ago," says Brabazon.

Broader network coverage is available through the bp Fuel & Charge card, which was recently expanded to include Ionity, Osprey, Fastned, Chargepoint EV, EV Box and Allego, giving fleets access to more than 12,000 charge points at competitive rates.

Future-proofing depot EV charging infrastructure

The type of fleet operation is fundamental to determine the right EV charging solution.

"If a business has a significant back-to-base operation it would make sense to put charging infrastructure into a depot," says Adrian Brabazon, head of UK fleet solutions at bp.

"We can work with fleets to take them through an 11-step process from feasibility through to implementation of the charging infrastructure."

Correctly assessing the current and future charging needs of fleet operator from the outset is crucial. "Future-proof planning is key," says Brabazon.

"There is a risk for fleets if they only think short-term and plan for the transition of 10-20 vehicles when, over time, they will be transitioning 100-200 vehicles.

"We make sure that if they have charge points in specific areas they can extend that over time so they are only digging up a site once."

It's an approach bp pulse has taken with the UK's biggest fleet, Royal Mail.

"We worked very closely with them over a long period to understand their operation and the movements of their fleet," says Brabazon.

"We undertook surveys at 100-plus depots to look at the right solution. And for them, a depot solution made absolute sense."

The Fuel & Charge card can be integrated with the bp app, giving drivers the ability to locate bp pulse chargers and the charge point operators bp is roaming with.

Fleet managers benefit from access to reporting and can order additional cards for vehicles transitioning to electric.

"Not many fleets are going to transition their fleet overnight, it's going to be a period of time, so the Fuel & Charge card can be used for both traditional fuelling purposes and charging, and all the information, the data, the invoicing is captured together," says Brabazon.

Visit: www.bppulse.co.uk or email: salesdesk@bp.com



Planning for an electric future

Developing an electrification roadmap can help organisations create a smooth transition to a zero-emission fleet. *Andrew Ryan* reports

Taking on electric vehicles (EVs) is no longer an option chosen only by the more environmentally-conscious organisations or those looking for good publicity: it is now non-negotiable.

Under a Government mandate, all new cars and vans sold in the UK from 2030 must have significant zero emission capability, which means no new purely petrol or diesel models will be registered.

From 2035, all new cars and vans registered must be zero emission.

Although these dates are several years ahead, for many organisations they may be just one, two or three replacement cycles away, meaning fleets which have not yet started the transition should start planning now.

There are also business and productivity reasons to make the switch sooner.

For example, battery electric vehicles (BEVs) can also contribute to a better working environment for drivers.

They are quieter than internal combustion engine (ICE) vehicles and, as they have only one gear, are smoother and easier to drive, particularly in stop-start traffic. This can lead to reduced fatigue and happier drivers.

With fewer moving parts than ICE vehicles, BEVs also require less maintenance and, potentially, have longer lifespans, allowing them to spend

more time on the road and less in the workshop.

However, despite these benefits, it is important to understand that petrol and diesel vehicles are still likely to have their place on a modern fleet for some time yet, as current BEV technology and the charging infrastructure means they are less well suited to some tasks, such as long-distance deliveries.

This highlights an important point for organisations which have not yet started their electrification journeys: stay calm, do not be improperly influenced by organisations which have already acquired hundreds of BEVs, but plan thoroughly and take on the vehicles at a pace and in a way which suits your operations.

While bulk ordering BEVs may sound like an excellent idea, if they are not supported by the right charging infrastructure or not suited to their intended job purpose, then the organisation will encounter a multitude of issues.

The companies that flourish by going electric are those that understand their needs, make the necessary preparations ahead of time, and who make the transition gradually, as this allows them to address any teething problems along the way.

The process also differs for perk cars and job-need cars/commercial vehicles.

PERK CARS

Perk cars are the most straightforward part of a fleet to electrify.

Company car drivers benefit from favourable benefit-in-kind (BIK) tax rates for ultra-low emission vehicles, which means they can save hundreds of pounds each month if they choose an EV over a petrol or diesel model.

In recent years the limited choice and high purchase cost of a BEV has meant they were available through company car choice lists only to the more senior employees in an organisation, the launch of lower cost models such as the MG ZS and Vauxhall Corsa Electric, means they can now be offered in all bands.

Organisations can also use the company car choice list to further drive the uptake of EVs.

This could be met with resistance from some employees, but this can be overcome through education to encourage them to make the switch.

Another way to get company car drivers behind the wheel of an EV is for the organisation to capitalise on the tax benefits offered.

For example, the low BIK also mean employers make significant National Insurance Contribution (NIC) savings if an employee takes an EV ahead of an ICE model.

These savings could be used to increase the rental limit on BEVs eligible for different company car bands to give drivers access to a vehicle which would otherwise be unavailable to them.

An increasing number of organisations are also launching salary sacrifice schemes as a cost-effective way of getting drivers – both employees who are eligible for company cars as well as those who are not – to select EVs.

These work by taking a payment from an employee's salary before tax to cover the cost of the car, maintenance and insurance.

Employees have to pay BIK on the vehicle, but the total sum works out much cheaper than if the employee purchases the same car through a personal lease or deal.

JOB-NEED CARS AND VANS

Job-need cars and light commercial vehicles present a different challenge as the key requirement for them is to be able to meet operational requirements so their drivers can perform their jobs effectively.

With these vehicles, the first step is for an organisation to understand the make-up of its fleet and how the vehicles are used, including factors such as payload and carrying capacity, as well as maximum distance travelled on a daily basis.

Many fleet decision-makers find telematics is a very useful tool when analysing vehicle usage data.

All of this information should be compared with the capabilities of current BEVs on the market to identify which vehicles are the easiest to replace with zero-emission ones.

This data should also be compared with the replacement schedules of existing vehicles, as it may be that a vehicle which is due to be replaced soon, but its role is currently not suited for electrification could be switched with another where a BEV would be suitable.

In taking these steps, fleet decision-makers can develop an accurate electrification roadmap that encompasses business need, vehicle availability and renewal timings.


OPERATIONAL DIFFERENCES

Once an electric vehicle is on the fleet, there are a number of differences in the way they need to be managed compared with a petrol or diesel one.

The most important one is arguably ensuring the vehicles have sufficient charge when they are needed.

This could be the charge points installed at the workplace, at an employee's home, on the public charging network of a mixture of these.

The overall aim is to ensure that charging, which takes longer than refuelling a petrol or diesel vehicle, has a minimal impact on a working day, given that the time an EV is plugged in is time the vehicle could be earning its owner money.



A Free FleetNews GUIDE TO RUNNING A SUCCESSFUL ELECTRIC FLEET

This article is an abridged version of a feature which originally appeared in the *Fleet News Guide to Running a Successful Electric Fleet*.

As well as looking at how to develop an electrification strategy, the 44-page report also highlights how to create a robust charging strategy, including how to integrate workplace, public and home chargers into any plan and how to reimburse EV drivers fairly for business mileage.

Other articles examine how a fleet decision-maker can win buy-in from both drivers and the board to the new technology, as well as a look ahead at the important EVs which will be launched in the near future.

The digital report can be found by visiting fleetnews.co.uk/digital-issue/show/190



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How to control the total cost of claims

Identifying risks, tackling claims frequency, and tightly managing the entire claims process are far more important than simply targeting repair costs

The past three years have proved to be turbulent ones for the accident management sector. A perfect storm of challenges has seen Covid-19 undermine the financial viability of a number of bodyshops, as work dried up during lockdown, followed by supply chain shortages of replacement parts just as traffic volumes and accident instances returned to pre-pandemic levels.

Compounding these issues has been a post-Brexit exodus of skilled workers, reducing repair capacity, alongside the dramatic transition in vehicle powertrains as company car drivers have migrated in their tens of thousands to electric vehicles (EVs), which in many instances require new equipment and repair methodology.

Fleets attempting to navigate these choppy waters require both a specialist partner and a clear focus on the elements that will truly make a difference to their businesses.

In the same way that vehicle decisions are typically based on the total cost of ownership (TCO), rather than list or lease price, so accident management services should be assessed on the total cost of claims and the reduction of risks, rather than a single factor, such as the cost of a



Andrew Chandler
sales director, FMG

repair, advises Andrew Chandler, sales director, FMG.

"So many elements add to the total cost of the claim," he says. "There's the cost of the repair, naturally, but also the vehicle off-road time, replacement vehicle costs, and hidden incidental costs, such as the disruption to the business."

"If the accident management company can keep the driver fully informed, the driver can get on with their own work."

At the first notification of loss (FNOL), FMG asks the driver for their preferred channel and frequency of communication. Some prefer texts or emails, others want telephone calls, and a growing percentage are opting for FMG Connect, a web-based solution that positions FMG at the nexus of fleet, insurer, bodyshop and driver, allowing the driver to send direct messages, upload images, update claims information (like the details of a new witness), and book a hire vehicle.

"We want to give drivers options and not mandate how they communicate with us. No two accidents and no two drivers' experiences are ever going to be the same," says Chandler.

The same can be said for fleet requirements, with different businesses requiring different solutions.

FMG's customer base is split evenly between end-user fleets, leasing companies (including 17 of the top 20 in the Fleet News FN50) and insurers, giving it a unique vantage point to understand the dynamics of each market sector.

Variances exist, for example, in the provision of courtesy cars, which has become a more significant area of interest since the rapid switch to EVs. Drivers of battery-powered cars are often keen for a zero-emission replacement, whereas bodyshop fleets and corporate policies are still primarily able to supply replacement vehicles with internal combustion engines.

"Fleet managers, potentially, need to review their policies to make sure they are still fit for purpose in meeting drivers' expectations, while reflecting what the supply chain can actually support," says Chandler. "We can hire in replacement electric cars, but it's at an additional cost."

There is, however, far more common ground than differences among customer





objectives, with a shared primary goal to reduce the total cost of claims.

Here, the speed and efficiency of each step in the process is of critical importance, from supporting the driver at FNOL, intervening to assist a third-party in at-fault collisions, to supplying the repairer with as much information as possible to facilitate the swiftest estimate of the repair cost.

When the estimate arrives, digitally via an estimating platform, FMG's specialist engineers have just eight hours to review and approve it, investigating and analysing every element, including whether parts could be repaired rather than replaced to support customers' wider ESG agendas.

"One of the key criteria for fleets to consider is how much delegated authority does an accident management company have with insurers. At FMG, we've got full delegated authority with nine primary fleet insurers, which means we can act on these insurers' behalf to authorise repairs," says Chandler. "This can reduce VOR (vehicle off-road) times by four-to-seven days."

The shorter time frame massively reduces replacement vehicle costs and minimises business disruption where specialist vehicles are involved.

FMG has also added 100 bodyshops to its network over the past 12 months, taking its total to more than 400, in order to boost its repair capacity. In each case it aims to

"One of the key criteria for fleets to consider is how much delegated authority does an accident management company have with insurers"

**Andrew Chandler,
sales director FMG**

be a significant customer to the repairer, accounting for about 20% of its business volumes.

Somewhat counter-intuitively, for a company whose core business is managing the entire claims process, FMG places huge emphasis on assisting its customers to reduce their road risk and claims frequency. Our dedicated risk platform, FMG Indicate, allows us to overlay previously siloed information, such as driver assessments, licence check, telemetry data and claims experience, FMG can help fleets understand why accidents are occurring and identify higher risk blind spots.

A driver with a clean licence, for example, may nonetheless be triggering a number of incidents within 30mph speed

limit zones. "The fact that they haven't been caught by a speed camera is irrelevant. We can see they're driving aggressively," says Chandler.

Likewise, closer analysis of a driver involved in two or three similar non-fault accidents within a year might reveal behaviours that could be improved through training and coaching.

For instance, telemetry could reveal a tendency to harsh braking for a driver repeatedly being hit from behind by third parties.

"Fleets should be focused on what they can do to reduce their claims frequency and to control the total cost of their claims, rather than limit their focus to the cost of repairs," says Chandler.

"Decision-makers should be completing thorough supplier visits to understand who will be interacting with their drivers to achieve best outcomes. The company's processes should meet the expectations of a driver in a technological advanced world – portals and applications – such as FMG Connect, should complement and add to existing methods.

"Look at what controls are in place to manage repair costs, its levels of delegated authority from insurers and its speed to authorise repairs. And check the communication channels it has to keep drivers informed. All of these elements bring benefits to minimise the cost of claims."

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FMG
THINKING AHEAD

The most obvious – and often the best – route to decarbonise a fleet is to replace internal combustion engine (ICE) vehicles with electric alternatives on a like-for-like basis.

However, while this tackles the tailpipe emissions, for organisations which operate in urban areas this will do nothing to reduce congestion, improve journey times and miss an opportunity to reduce operating costs.

“Micromobility and e-scooters are essential pieces of the puzzle in decarbonising transport; there is an opportunity for them to support public transport, private travel and fleets,” says Beth Morley, mobility and human insights manager at Cenex (the Centre of Excellence for Low Carbon and Fuel Cell Technologies).

E-cargo bikes are already being adopted in increasing numbers by organisations operating in urban areas and, while they are an obvious fit for delivery companies, fleets from other industry sectors are also embracing their benefits.

For example, construction companies Ringway and FM Conway are both using them in their operations.

In 2020, Ringway Infrastructure introduced a three-wheeled e-cargo bike in London which it used to transport materials, tools and equipment between sites.

It has also been using a four-wheeled EAV2Cubed e-cargo bike, supporting Transport

for London’s highway maintenance service since March last year.

This has been used to deal with a variety of tasks, such as graffiti removals, resetting bollards, signage works and cycleway and footway defects.

“It’s about identifying those jobs where they don’t need to carry a lot of tools and equipment that could be done by cargo bike travelling around, for example, the city centre in London,” says Neil Withers, fleet and plant technical manager at Ringway.

“It gives us one of our first responders on the ground who are more visible, able to respond to relatively small reactive and remedial jobs, doing a first fix or put some traffic management in place, for example.”

DELIVERY OPPORTUNITIES

FM Conway is using e-cargo bikes as part of its work on the Illuminated River Project in London, a major public art commission for the capital’s bridges that will light up 14 central London bridges, from London Bridge to Lambeth Bridge. Each bridge has thousands of components, consisting of nuts, bolts, connections, couplings and lots of cabling.

“We had a unique challenge in front of us with the Illuminated River Project,” says Adam Barnes, head of structures at FM Conway.

“Ultimately, they are bridges, they don’t have a

postcode, they normally sit in-between boroughs, and actually stopping and parking up on bridges is very difficult.

“We had a just-in-time delivery strategy for the project. There was limited space on site, so to be able to use e-cargo bikes from our touchpoints to the site was a fantastic opportunity.

“Typically, the bikes are averaging 15.5mph. London vans, according to Transport for London (TfL) statistics do 9.8mph. A six-mile trip in a van is about 36 minutes. For a bike it’s 24. We are making multiple trips a day, 12 minutes per trip. It’s very easy to see why they make sense.”

Courier CitySprint was an early adopter of e-cargo bikes, introducing them for same-day deliveries in London.

They are used to replace small vans as they can carry a similar load (up to 100kg) and are more nimble as they can travel in cycle lanes.

Fewer wheels, more benefits

Decarbonising by adopting two-wheel solutions could cut costs, reduce time stuck in traffic and increase productivity. *Andrew Ryan* reports



CitySprint says the bikes can deliver up to 50% faster than a small van in urban areas.

Another advantage of using e-cargo bikes is lower running costs and overheads than for a van.

"There is obviously no congestion charge, no parking, no ultra-low emission zone (ULEZ) fee and no road tax, which is a huge benefit to the company," says Barnes.

"You've also got the cost of fuel. Utilising e-cargo bikes has made our carbon footprint even smaller.

"We've done around 7,000 miles on the bikes since we've had them, that means we've saved around 6.2 tonnes of CO₂ versus a traditional small van."

E-SCOOTER OPPORTUNITIES

E-scooters share similar time and cost benefits over cars or vans, says Oscar Morgan, CEO and co-founder of e-scooter manufacturer Bo.

"One of the great advantages of e-scooters and e-bikes is that they are the most efficient mode of powered transport," he adds.

"We use 10-14Wh per kilometre, and the most

efficient electric car you can buy is around 150Wh per kilometre, so your energy consumption is reduced by a factor of 10 with one move. It's a massive efficiency win straight out of the box."

Morgan says potential fleet applications for e-scooters could be for employees making short trips in urban areas for appointments, such as for estate agents.

"An e-scooter is a really great option if you need huge reliability in your timing and not having to worry about parking when you get there," he adds.

E-scooters could also be used to supplement or replace pool cars for employees to use for business trips, if the circumstances are right.

"I'm not a reductionist, I'm not someone who is promoting using less energy gratuitously, or even scaling back, but if we can do the same thing for less energy, that seems like a really positive move," adds Morgan.

The major issue with e-scooters at the moment is they are not generally legal to use on public roads in the UK.

In the Queen's Speech in May 2022, the Government committed to the legislation of e-scooters in a new Transport Bill, which it said is intended to "improve transport across the United Kingdom, delivering safer, cleaner services and enabling more innovations". The bill is also due to feature legislation to allow self-driving and remotely-operated vehicles and vessels.

TRANSPORT BILL DELAYED

However, the bill has been delayed until further notice with no estimated date when it might be announced.

In July, more than 50 organisations, including local authorities, environmental charities and micromobility operators sent a letter to the Prime Minister calling on the Government to legalise e-scooters.

One of the signatories was Cenex, and Morley adds: "The need for legislation and regulation currently limits the potential of micromobility in the UK.

"Government should take action soon in order to keep riders and other road users safe by addressing issues like battery standards, training and safe road usage."

The lack of legislation means they are permitted to be used only if they are hired through the shared scooter trials, which have been running in England since July 2020, with active schemes in 31 locations as of October 2022.

Under the trial, more than 34 million rides – 32.6m of them outside London – have so far taken place during the trial, which will run until May 2024, says shared mobility charity CoMoUK.

Up to 49% of users have reported hiring the e-scooters for travel to work or study, with 44% of regular users using them for going to or from work.

The Department for Transport estimates that in the five trial areas it assessed in depth in 2021, the mode shift away from private cars and taxis replaced between 1.2 and 1.6 million kilometres (approximately 750,000-to-one-million miles) from the beginning of the respective trials to the end of 2021. This equates to an estimated reduction of 269-348 tonnes of CO₂.



The resurgence of the company car

The benefit-in-kind tax advantages of zero emission vehicles are bringing employees back into fleet schemes and allowing employers to extend the offer to entire workforces

The company car once more has the wind in its sails after years of facing wrecking ball headwinds. The combination of the cost-of-living crisis, recruitment and retention pressures, corporate sustainability objectives and the highly advantageous benefit-in-kind (BIK) tax rates for zero- and ultra-low emission cars has rekindled employer and employee interest in the company car.

This time, however, the benefit is not restricted to higher grade staff, but can be extended to an entire workforce via salary sacrifice schemes.

While the relentless ratcheting up of CO₂-based BIK tax rates for petrol and diesel models pushed drivers away from company cars and towards cash allowances, the arrival of attractive and desirable electric cars is swinging the pendulum back towards traditional company cars, says Martin Phillips, Chief Operations Officer, Athlon UK, the multi-marque leasing company is part of the Mercedes-Benz Mobility group.

Even allowing for accounting changes, official HMRC figures show a decline from 940,000 to 720,000 company car drivers in the UK over the past decade as a consequence of the increasingly punitive BIK tax regime.

However, employees who opted out and used their cash allowances to fund personal contract hire or purchase schemes are now being confronted with steep rises in monthly rentals when they come to replace their vehicles.

Higher new car prices, the big reductions of discounts and soaring interest rates have conspired to inflate the cost of personal motoring schemes to eye-watering levels, and brought an entire cohort of drivers back to knock on the door of fleet managers, says Phillips.

"The benefit-in-kind tax change for electric vehicles (EVs) is compelling, and as we see premium brands launch some beautiful cars, drivers are realising they can have great technology and all of the prestige of a new car, for less than expected in terms of personal taxation," he says.

Moreover, the guarantee of the 2% BIK tax rate until 2025, followed by extremely modest one percentage point rises until 2028, gives drivers complete confidence

that there is no sting in the tail from rejoining a fleet scheme.

This is good news for employers, helping them to meet their economic, moral and legal responsibilities, explains Phillips.

Firstly, for businesses facing wage demands and recruitment and retention challenges, a company car can be an attractive benefit to offer.

Secondly, ultra-low emission cars can play a major role in shrinking corporate carbon footprints and achieving sustainability objectives.

And thirdly, the shelter of a corporate car scheme umbrella enables employers to regain control of their duty of care for all staff who drive for business, which is

immeasurably more difficult when workers use their own private cars.

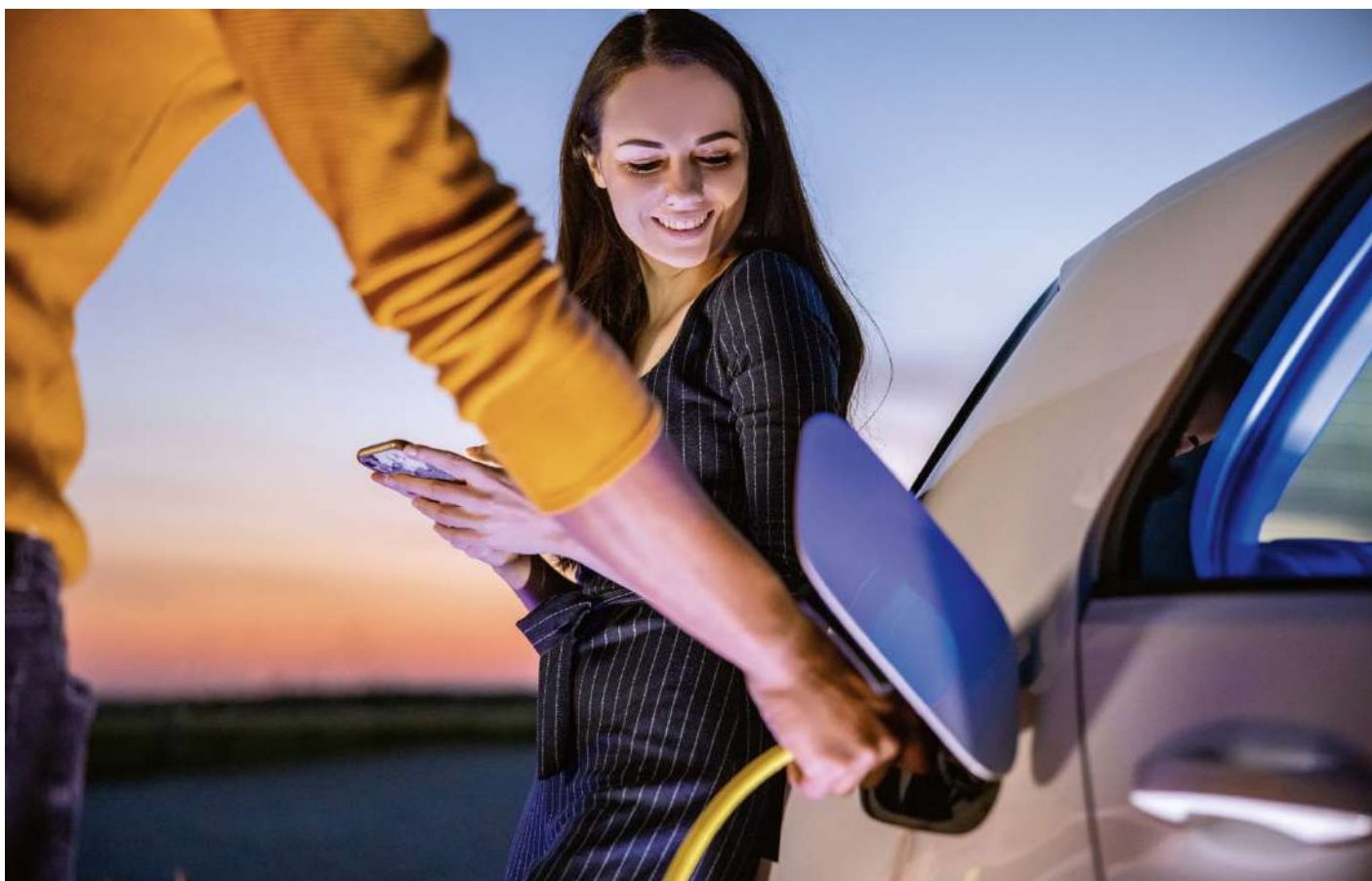
"What's more, when companies do the maths and compare the full total cost of ownership (TCO) of EVs, including the NIC (National Insurance Contribution) savings and avoiding ULEZ (ultra-low-emission zone) charges, against the cost of providing cash allowances and reimbursing drivers in private cars for business miles via AMAPs (approved mileage allowance payments), there is a compelling financial case for welcoming drivers back into a company car scheme," says Phillips.

But the transition to electric power trains is not as simple as a key-for-key swap, and Athlon UK has invested heavily in staff

Drivers are realising they can have great technology and all of the prestige of a new car, for less than expected in terms of personal taxation

Martin Phillips, Chief Operations Officer, Athlon UK





training and new technology to guide its customers through the process.

"We only do fleet, so we are specialists in company cars and vans, and we have developed a new, intuitive tool, in partnership with Diode, to help fleets and their drivers assess whether an electric vehicle could fulfil their driving requirements," said Phillips.

Our EVReadyTool is an online application that leads drivers through a handful of questions, including the type of property where they live (and whether it's possible to install a home charger), the journeys they make (predictable, point-to-point or irregular, multi-stop) and the distances they drive, and calculates whether an EV could work, and if so, which vehicles would meet their requirements.

"It's too binary to say, for example, that a big battery EV is good and a small battery one is bad. There is a use case for most people and we need to identify the right vehicle, size and battery to suit them," says Phillips.

"The EVReadyTool also informs drivers

how frequently they will need to charge when they are out and about, and even shows where those chargers are."

The tool is, arguably, even more useful for fleet decision-makers, collating all of the driver data to provide the foundation for creating a business plan and roadmap towards electrification, taking into account vehicle replacement cycles.

Athlon UK can then apply its own total cost of ownership (TCO) analysis to forecast costs, and identify the optimum funding solution for customers. Given the volatility and uncertainty surrounding the residual values (RVs) of EVs, some form of RV protection seems wise.

"The EVReadyTool's assessment will also show what demand for charging might look like at offices and depots, so companies can build a coherent plan, with real business data behind it, for charging infrastructure," says Phillips.

Demand for workplace charging is likely to soar as a growing number of employees outside the company car population seize the opportunity to source an

electric vehicle through salary sacrifice.

Athlon UK's SalaryExchange, a fully HMRC-compliant salary sacrifice scheme, broadens access to EVs, making them accessible to workers who may not otherwise be able to afford a new car or be entitled to a traditional company car. Importantly, employees joining the scheme could also benefit from the same level of support and enjoy the same levels of support as Athlon UK's company car customers, with the opportunity to use both the EVReadyTool and Athlon UK 365, the company's 24/7 facility that allows drivers to arrange a service, maintenance, repair, or breakdown service via an app or dedicated 24-hours-a-day helpline.

"We are a fleet management and mobility services company, so we make sure our solutions are structured in a way that helps drivers to make good choices and helps them when they do take delivery. Electric cars are faster, heavier and accelerate more quickly, so we want to help drivers get the most out of their new cars safely," says Phillips.

To find out more
Call: 0333 222 3000
Email: hello@Athlon UK.com

Why fleet flexibility is vital

As the UK economy teeters on the brink of a recession, fleets need to stay agile and meet operational requirements without binding themselves to long-term commitments

For fleet decision-makers, the only constant seems to be change. The post-Covid world looks entirely different, with vehicle supply constraints, interest rates 21 times higher than at the end of the pandemic and the double whammy of parts shortages for ageing vehicles that need more maintenance.

Stir into the mix the uncertain economic outlook and the pressing need to start electrifying light commercial vehicles (LCVs) before the 2030 ban on the sale of diesel vans, and any hope of a return to "business as usual" appears forlorn.

"Vehicle list prices have moved up very significantly, there are challenges around interest rates, and service, maintenance and repair costs have outstripped inflation," said Neil McCrossan, sales and marketing director UK, Northgate Vehicle Hire.

"So it can be a shock for fleet users looking to replace vehicles when they find out how much they are going to cost in comparison to what they have been paying for the past 10-to-15 years."

In the teeth of this perfect storm, where higher costs are hitting with the force of a sledgehammer, he advised fleets to discuss their objectives, opportunities and threats with supply partners.

The dynamic nature of clients' own businesses means contracts are won and lost and with them their requirement for vehicles rises and falls, so there is no



Neil McCrossan
sales and marketing
director UK, Northgate
Vehicle Hire

one-size-fits-all answer to the challenges landing with a thump in the in-tray of decision-makers.

But with so many companies struggling to formulate business forecasts, McCrossan recommended building flexibility into fleet solutions.

"All of our rental products have some degree of flexibility built into them. So, if the world changes and you need more

or fewer vehicles or different vehicles, the Northgate model allows you to react. The same is not true of contract hire or outright ownership, where the costs of making those changes are far higher," he said.

"If you want long-term vehicles that are specifically built for you, delivered in your livery and fully maintained, we can provide them.

"And if you want a solution that is far more flexible and which allows you to give those vehicles back to us tomorrow without penalty, we can do that as well. If one thing has been clear over the past few years, it's the great difficulty for any of us to know what lies ahead. So don't get locked in – source the fleet you need in a flexible manner, so don't find yourself backed into a corner with too many or too few or not the right vehicles."

This might still mean owning or leasing certain core vehicles, and supplementing them with more flexible arrangements for the rest. Northgate offers short-term rental for existing customers, flexible hire for more than three months, and 12months+, a product designed to be a flexible alternative to contract hire.

Vehicles come with service, maintenance and breakdown cover as standard, and the longer the intended hire period, the more attractive the rate. Plus, fleets can return vehicles early and change the vehicle once during the hire period.

"About 35-40% of our business is on a 12months+ agreement, and the vast majority run their course and often longer, but customers still want the comfort that they could hand all the vehicles back tomorrow without penalty," said McCrossan.

There is no flexibility, however, in the 2030 deadline for the end of the sale of new vehicles with internal combustion engines, despite LCV fleets struggling with the operational impact of electrifying their vehicles. Payload, range and charging remain obstacles, although surveys of most fleets reveal some LCVs that could go electric today, said McCrossan.

Two years ago, Northgate bought ChargedEV, a specialist provider of charging infrastructure with in-depth knowledge and expertise in the EV ecosystem.

The acquisition has allowed Northgate to provide a turnkey solution for fleets on the electrification journey, delivering not only the vehicles but full charging support to keep them mobile.



"It's really important before a fleet decides to take EVs that it works out its charging solution – at home with drivers, in depots or at public charging stations," said McCrossan. "ChargedEV can support all of these; we do installations at commercial and domestic premises and we also provide charge cards that can access all of the public charging networks."

Moreover, Northgate will also consolidate all the charging information into a system that allows for the straightforward reimbursement of expenses, measures how much a fleet pays for its energy and optimises the rate at which it draws power.

Further recent acquisitions, alongside ChargedEV, include FridgeXpress, which supplies refrigerated and freezer vans for hire, and Blakedale, which provides motorway maintenance vehicles, both showcasing the high degree of customisation available in vehicles for flexible hire.

Importantly, whether fleets rent a standard panel van or an 18-tonne traffic management vehicle with a crash cushion to protect workforce and drivers, with live streaming cameras, all management information is consolidated into meaningful, actionable reports, alongside insights from the wide range of ancillary services offered by Northgate.

"This is one of the key advantages of working with a partner that can provide you not just with vehicles, but with fleet management, accident management, telematics, fuel card and electrification solutions, compliance tools and training and support for drivers," said McCrossan.

"Plus, we are delivering all of these services with in-house resources. We own our own workshops, we have the biggest independent bodyshop network in the UK, it's our accident management team, our fleet management team, not an outsourced third party. It's us, in-house – the buck stops with us all of the time," said McCrossan.

What's more, these services can be extended fleet-wide, across vehicles that are not supplied by Northgate, paving the way for harmonised management information, and consolidated reports and invoices, which delivers enormous savings in back-office time and efficiency.

"Fleets need to consider the partners they are going to work with, the services they can provide, the long-term relationship they can build with those partners and how that can be structured, and then build flexibility into their fleet solutions, because the world will change," said McCrossan.



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NORTHGATE

How ChatGPT and AI will change your fleet

Leading experts explain what impact the cutting-edge technology will have on how a fleet is managed. *Andrew Ryan* reports

When ChatGPT was launched in November last year it became an instant sensation with more than 100 million people using it within the first 30 days.

The free chatbot provides a simple way to access generative artificial intelligence (AI) to get an answer to almost any question it is asked.

"Until that point, no one had thought that people without a PhD in data science would be able to access the type of capability offered by AI," says Stuart Robertson, partner and disruptive analytics lead at LEK Consulting.

"ChatGPT put that capability in the hands of everybody, but also allows people to interface with machines in a way that is unique."

The GPT stands for Generative Pre-trained Transformer, which refers to how ChatGPT processes requests and formulates responses – it uses specialised algorithms to find patterns within data sequences.

The language model can respond to questions and compose various written content, including articles, social media posts, essays, code and emails.

It is clear that generative AI tools like ChatGPT have the potential to change how a range of jobs are performed, including fleet management. The full scope of that impact, though, is still unknown – as are the risks.

Here, three experts address key questions around the technology:

WHAT IMPACT COULD CHATGPT AND GENERATIVE AI HAVE ON FLEET MANAGEMENT?

LEK Consulting's Stuart Robertson: The understanding of how to use it varies. For some businesses, this impact was really obvious immediately.

For example, if you're in journalism, it is immediately clear that you can now get a computer to write basic copy for you.

The response we were getting from fleet managers and OEMs was 'this is terrifying and everyone is telling me this is going to change the world, but I just don't yet see how it's about to impact my business'.

Currently I see most interest among fleet managers in two places. One is automating claims, enabling people to interface with a chatbot, put in the details immediately and making sure the right information is being provided in the correct way.

The other is more around gathering information: how they are using the vehicle and what that means for efficiency, the residual value (RV), the total cost of ownership (TCO), etc.

Edwin Kemp, director at EY Parthenon: There are also opportunities around defleeting, for example.

I work with lots of clients where the fleet management is based, essentially, on a sale model and, traditionally, any decisions made have been based on individual's experience.

We can quite easily see how AI could help to take in some of the external market signals to capture all that data and help identify when specific vehicles should be defleeted based on the price on the market, whatever it might be.

Lukas Neckermann, managing director of Neckermann Strategic Advisors: With ChatGPT, if you ask the wrong question, you get the wrong answer; garbage in, garbage out.

So the first questions fleet managers need to ask themselves are what do they want to find out, what are they optimising for?

If they are optimising for TCO, that's great. Some may be optimising for sustainability or vehicle cost; whatever the optimisation is, you have to put that in. The other part is where is that data coming from to provide the answers because you need to get lots and lots of information.

Let's say you are inclined to optimise for TCO. You can get leasing data, insurance data, RVs, fuel costs etc. and that's great.

But you can go further. You can get in-cab cameras that face the driver to show what they are doing.

Is the driver paying attention to the road? That actually becomes a factor, ultimately, for TCO as that driver may not be optimising fuel use, or may be more prone to crashes and that sort of thing.

Are these data points being fed into the model so the fleet manager has the output that he or she is looking for?

WHAT ARE THE OBSTACLES TO WIDESPREAD FLEET ADOPTION OF GENERATIVE AI?

Edwin Kemp: Broadly, organisations are grappling with lots of issues, whether they are geopolitical, supply chain or cost of living, and they are perhaps – and should be – higher on the agenda than the application of AI and ChatGPT.

I'd probably counsel that you don't take your eye off the ball for the other things, but, equally, don't assume you can just sit and wait to see how AI

and ChatGPT develop in the industry. Taking a sort of 'fast follower' route is perfectly fine if that's right for the business.

The other thing is not applying AI just for the sake of it. There have to be clear use cases where it improves the output for the customer, improves margins for the business or just facilitates a more effective operating model.

Using AI shouldn't just be about doing things quicker and cheaper than a human can do. There has got to be things that technologically and physically aren't feasible right now where we can deploy this. Don't just do it for the sake of it.

Stuart Robertson: I'll make a general observation about how industries adopt AI and what that means for fleet management.

Broadly speaking, industries that have a huge number of customer interactions and a low cost of failure – retail is a perfect example – can adopt

AI technologies fast because they can experiment quickly and tons of data already exists.

If you go to the opposite extreme and think of something like oil and gas exploration, there is going to be an enormous cost of failure.

The amount of data available to use is quite small, there aren't that many new fields or wells developed each year – if you screw up, that's billions of CapEx wasted.

I think fleet management is in the middle. But it's also on the cusp of a change where the data availability is going to make the promise of the technology bigger.

However, the cost of failure remains high. If we take preventative maintenance as an example,

people keep talking about how it will revolutionise things, improve vehicle uptime and reduce TCO.

One of the reasons I think it hasn't been as widely adopted as its promise suggests is because if something goes wrong – and it's quite hard to prove that it won't before you test the technology – and the vehicle fails or, heaven forbid, there's an accident, that cost of failure is very high.

There's an inherent caution which I think needs to be borne in mind as we evolve this.

Lukas Neckermann: We still need to figure out what can and can't be automated, and there are certain things we still need human interaction for.

Ideally we get an application layer that will separate out those things that can be automated, whether it's claims management, key swaps or up to and including ordering new vehicles, defleeting or in-fleeting new vehicles, sending vehicles to be fitted for whatever they need to be fitted for.

A lot of that can be automated, but the physical aspect probably still yet can't be. And that's where it changes the role of the of the fleet manager.

Stuart Robertson: To take advantage of everything you're just describing, fleet managers have to change how they're making decisions and how they're going to behave.



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Maintaining the 'personal touch' amid rapid industry change

The fleet industry, and the wider transport sector, is in a state of flux. How people move from A to B is set to change dramatically over the next five-to-10 years with the Government's ban on the sale of new petrol and diesel cars and vans by 2030, and the legal requirement to reach net zero CO₂ emissions by 2050.

Already, the switch to electric vehicles (EVs) is gathering momentum, spurred on by the very low benefit in kind tax (BIK), the reduction in mileage and shift to hybrid working post-Covid.

But the changes taking place are much wider than the move to electric.

The growing focus on safety and compliance, the importance of well-being and flexible work/life balance, and the use of apps and the digitising of processes are all impacting companies with fleets.

Over and above this, the number of young adults with driving licences is falling – the latest data from the Department for Transport shows that about a fifth (21%) of those aged 17-to-20 hold a driving licence, down from nearly half in the early 1990s.*

That's important because young people

We recognise that there are people who want to communicate through an app or through social media, but there's still a larger proportion of people that would rather pick up the phone and talk to us, and we want to maintain that personal touch

Lee Brown, MD, Grosvenor Leasing



in junior positions and graduating from universities today will be driving decisions about employee mobility in five-to-10 years from now.

They "expect" apps to do everything they need, have never lived in an age where technology does not support their lifestyles and are less focused on a particular vehicle or mode of transport to travel.

Their commitment to green issues is on a different level to what we have seen so far – they will not accept companies who are not sustainable.

They also expect a new level of flexibility in their work/life balance and we are set to see very new ways of doing business, travelling for business and how meetings are conducted.

The Grosvenor Group, the UK's largest privately-owned contract hire and fleet management specialist, is keeping an eye on these long-term changes, while helping businesses with the immediate focus of switching to electric.

Reduced need for company cars

"I suspect that within the next 10 years the need for traditional company cars will have subsided as more people, certainly younger people, don't always feel the need to have a car sat on the drive and would prefer to get from A to B using public transport, car-sharing or other mobility solutions in the most cost-effective and 'greenest' way possible," says Lee Brown, managing director of the Grosvenor Group.

"I can see the traditional business model shifting to a more technology-based solution at some point, however our focus will be to use technology to simplify processes so that we can free up staff time to maintain that all important personal contact with our customers and their drivers – not replace it."

With an in-house software team, the Grosvenor Group is geared up for the shift. The team has already built a market-leading, award-winning fleet management system (OSCAR 365) and integrated driver app (OSCAR Go), and





continually develops its technology to meet customers' needs.

At the same time, it is focusing on developing systems to streamline processes internally.

"That will enable our account managers and service teams to be more proactive and more consultative with our clients," says Brown.

"We recognise that there are people who want to communicate through an app or through social media, but there's still a larger proportion of people that would rather pick up the phone and talk to us, and we want to maintain that personal touch."

Bucking the market trend for call centres and instead offering customers a direct line to staff has contributed to high customer satisfaction and retention figures.

For the past 10 years, between 98% and 100% of Grosvenor Leasing's customers have rated it satisfactory or better, and last year 99% rated it good or excellent.

"We have some long-standing large fleet customers that have been with us for 10 or more years," says Brown.

Equally, staff retention is high – the average length of service is 12 years.

"That supports the personal touch because customers get continuity," says Brown.

"We're a family business with a family culture. We take mental health and employee well-being very seriously. We've

got mental health first aiders and we have a number of activities to raise awareness internally about mental health.

"The more we can make Grosvenor a nice place to work where employees feel supported and valued, the better our staff retention rate is and the better the customer service is."

The Grosvenor Group takes a "consultative and collaborative" approach with its customers.

"If a customer asks us a question we'll not only give them an answer, but also give them further advice on how they can operate their fleet more effectively," says Brown.

Dedicated OZone service

Customers can receive support with the transition to ultra-low emission and EVs through a dedicated service called OZone.

Since its 2017 launch the service has expanded to include EV charging infrastructure support, operational reviews and advice on company car policy.

"Electric vehicle mileage reimbursement is a big area of complexity and team members spend a lot of time talking with customers about that," says Brown.

The Grosvenor Group is in the process of setting up dedicated support and consultancy for light commercial vehicles (LCVs) to help them transition to electric.

"LCVs make up 40% of our fleet, but only a small proportion is electric. That will change as the choice of products and technology improves," says Brown.

To hear first-hand about the challenges LCV fleets face switching to electric the Grosvenor Group recently held a roundtable discussion with a variety of customers.

"The transition is more complex for commercial vehicles," says Brown. "It requires a change to business strategies. It's not a case of making electric commercial vehicles fit the existing business model, it's more a case of changing the business model to meet the operational constraints."

The majority of the Grosvenor Group's customers have received support through OZone and 100% of the customers who have outsourced fleet management through Interactive Fleet Management (IFM) have done so.

"We launched IFM in 2009 as a standalone business to give us the ability to manage outright purchase fleets or fleets that use other leasing companies so we could still support them," Brown says. "Since then we've launched salary sacrifice and personal contract hire, which have given us that holistic solution – we can provide everything that fleet operators need."

*<https://www.gov.uk/government/statistical-data-sets/nts02-driving-licence-holders>

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Should you believe the hype?

Mobility technology is advancing rapidly, with many new technologies featured in the Gartner Hype Cycle likely to have major impacts on fleets.

Andrew Ryan reports

In recent years the transport and mobility industry has gone through a 'blink and you'll almost miss it' phase, where new technologies are announced in a blaze of publicity, only for some to disappear quickly without a trace.

Many, of course, will have a long-lasting impact and improve how people move around, but may take several years to enter the mainstream.

Identifying which technologies will make the breakthrough and which will fall by the wayside is the purpose of the annual Hype Cycle for Transportation and Smart Mobility report, produced by global technology consultancy Gartner.

In its recently released 2023 report, generally, the newer, more cutting-edge technologies are on the left of the graph in the Innovation Trigger zone (see red panel for full definitions).

New entries this year include commercial space travel, electric ships and aircraft and ion-propelled unmanned aerial vehicles (UAVs).

Gartner estimates all of these are more than 10 years from entering the mainstream, which is the same timescale it offers for hypersonic aircraft and Hyperloop.

But the technologies to the right – mainly in the trough of disillusionment – are likely to be of more relevance to fleet decision-makers and include hydrogen transportation, Mobility-as-a-Service (MaaS), micromobility and autonomous vehicles.

In this feature we look at how Gartner assesses the development of relevant mobility technologies, and when it thinks they may enter the mainstream.

AUTONOMOUS VEHICLES

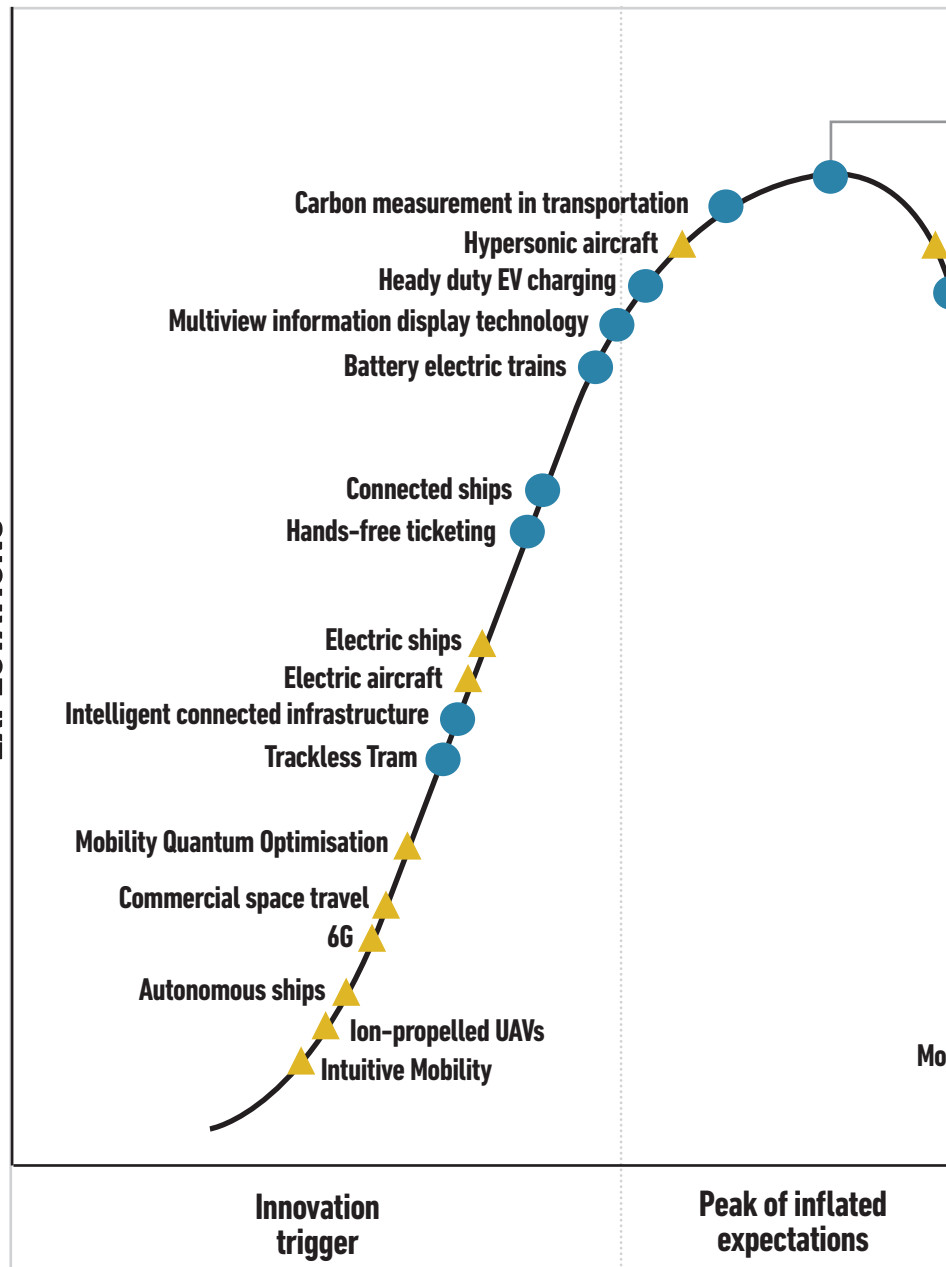
Autonomous vehicle technology is between five and 10 years away from entering the mainstream, says Gartner.

It has the potential to bring many benefits, including cutting operational costs, increasing vehicle utilisation and improving road safety.

"Self-driving technology will continue to advance, leading to increased adoption across various areas, including ride-hailing and micromobility," says Gartner senior director, analyst, Jonathan Davenport.

HYPE CYCLE FOR CONNECTED, ELECTRIC AND

EXPECTATIONS



Plateau will be reached ○ <2 years ● 2-5 years ● 5-10 years

Hype cycle phases

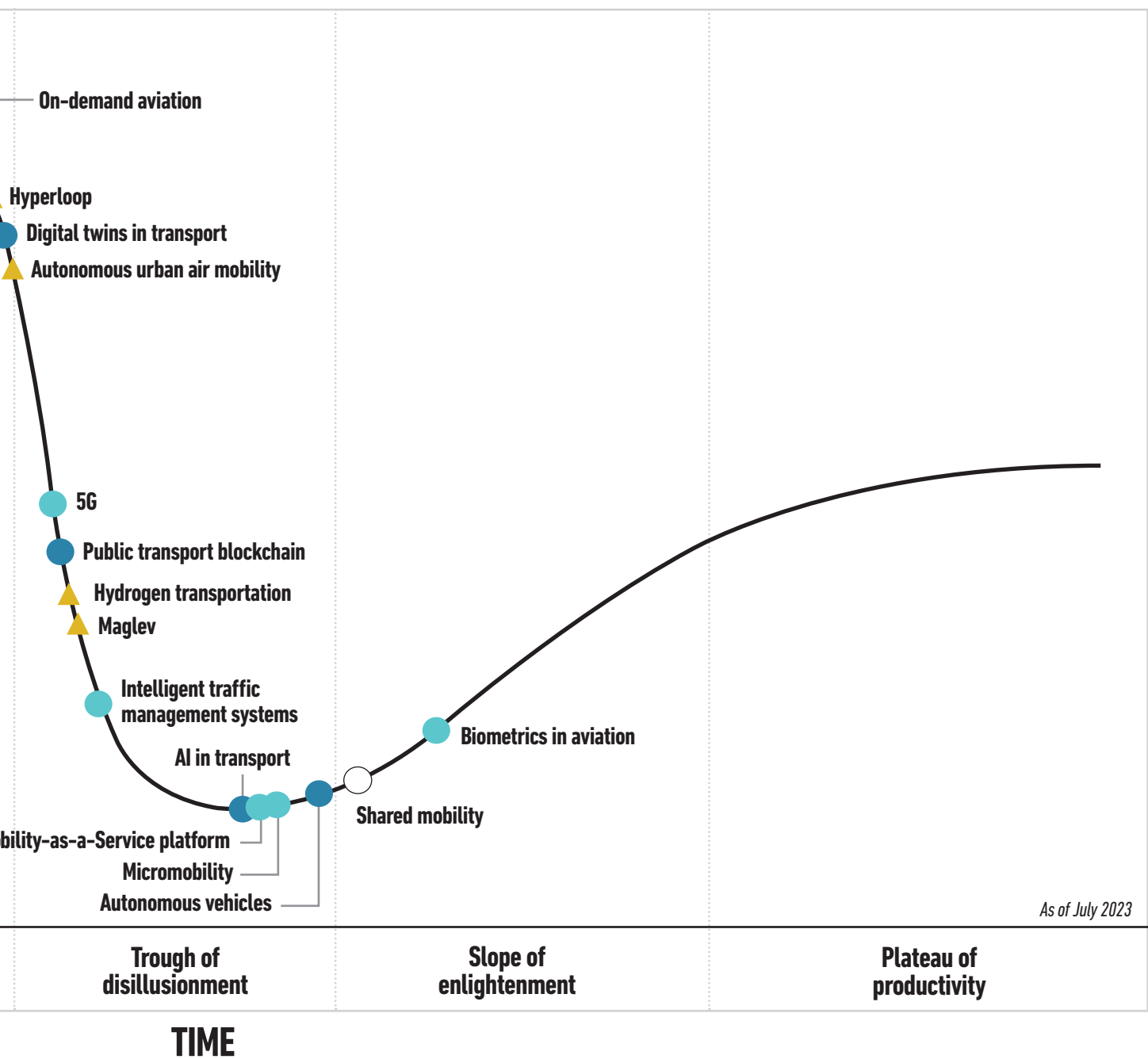
Gartner places technologies into one of five zones on its hype cycle, each defining where a product is in terms of development and commercialisation. These are:

■ **Innovation trigger:** A breakthrough public demonstration, product launch or other event that generates significant media and industry interest.

"The trend is motivated by the difficulty in hiring and retaining drivers, as well as the need to reduce cost and improve safety; their artificial intelligence (AI) systems will never be distracted, drive drunk or speed.

"In urban areas, inexpensive fares and high-quality service may reduce the need for private car ownership, while autonomous features on privately-owned cars will enable productivity and recreational activities to be undertaken while the vehicle handles the driving operations." ➔

AUTONOMOUS VEHICLES, 2023



▲ >10 years

■ **Peak of inflated expectations:** During this phase of overenthusiasm and unrealistic projections, a flurry of well-publicised activity by technology leaders results in some successes, but more failures, as the innovation is pushed to its limits. The only enterprises making money are conference organisers and content publishers.

■ **Trough of disillusionment:** Because the innovation does not live up to its overinflated expectations, it rapidly becomes unfashionable. Media interest wanes, except for a few cautionary tales.

■ **Slope of enlightenment:** Focused experimentation and solid hard work by an increasingly diverse range of organisations lead to a true understanding of the innovation's applicability, risks and benefits. Commercial off-the-shelf methodologies and tools ease the development process.

■ **Plateau of productivity:** The real-world benefits of the innovation are demonstrated and accepted. Tools and methodologies are increasingly stable as they enter their second and third generation. Growing numbers of organisations feel comfortable with the reduced level of risk; the rapid growth phase of adoption begins. Approximately 20% of the technology's target audience has adopted, or is adopting, the technology as it enters this phase.

However, he believes the autonomous vehicle market is most likely to evolve gradually from ADAS (advanced driver-assistance systems) to higher levels of autonomy on passenger vehicles, rather than seeing a robotaxi-based revolution.

The first regulatory steps to make autonomous technology a reality on public roads outside of trials have already been taken.

Under the widely-adopted categorisation scheme by the Society of Automotive Engineers (SAE), there are six autonomous driving levels, graded 0 to 5.

Level 0 involves no automation, while Level 5 is fully autonomous, where the vehicle occupant is not involved in the driving at all.

Level 1 and 2 technologies are already common on new cars and include features such as adaptive cruise control.

Level 3 autonomy is a significant technological leap above Level 2 as those vehicles run mainly on their own and require human intervention only in cases of extreme environments and failures.

The first binding international regulation for SAE Level 3 vehicle automation was approved by the United Nations Economic Commission for Europe (UNECE) earlier this year which allows automated lane-keeping systems (ALKS).

To take advantage of the new regulatory landscape, vehicle manufacturers are beginning to announce Level 3 solutions.

Mercedes-Benz is the first manufacturer worldwide to secure internationally valid system approval, and has made an application to enable cars to drive autonomously in California.

In China, Changan, Great Wall Motor and Xpeng have announced Level 3 systems, while the new Genesis G90 and Kia EV9 will come equipped with a Level 3 highway driving pilot function.

Volvo's EX90 vehicles will be hardware-ready for unsupervised autonomous driving, including a lidar

sensor, despite the self-driving software not being ready for deployment.

The manufacturer plans to deploy an over-the-air software update to move capability from Level 2 ADAS to Level 3 in the future.

Davenport says to further enable and accelerate its uptake, governments need to craft legislation to ensure autonomous vehicles can safely co-exist with a traditional vehicle fleet, as well as a framework for their approval and registration.

MOBILITY-AS-A-SERVICE

MaaS may not yet have had the transformational effect as was predicted by many industry figures a relatively short while ago, but it is just two-to-five

years away from becoming mainstream, according to Gartner.

The technology, which provides users with access to multiple modes of transportation through a single interface, allowing them to plan, book and pay for their entire journey, aims to provide users with a convenient, door-to-door, cost-effective and sustainable alternative to private vehicles.

It has the potential to reduce congestion and emissions as it promotes the use of shared mobility, such as e-scooters and ride-hailing.

In the fleet sector, it was felt MaaS could replace company cars in some circumstances.

However, while it uses proven technology and the number of vendors offering MaaS is evolving, it still



has several obstacles to overcome, says Pedro Pacheco, vice-president research at Gartner.

Transit authorities have been sluggish in defining rules and governance for MaaS, he adds. "Some mass transit players have an old integration infrastructure, which makes it hard for MaaS to operate due to limitations in data collection and exchange.

"Some shared mobility providers are not embracing a spirit of cooperation, trying to protect their 'territory' and not sharing any data with other transportation players in the ecosystem."

In the UK, a number of trials are currently taking place, such as the Go-Hi MaaS Project in the Highlands and Islands of Scotland.

This is the largest MaaS deployment to date in the UK, offering access to buses, trains, ferries, e-bikes, taxis, car clubs, car rental, folding bikes, flights and hotels.

Project partners include Enterprise Car Club and Car Hire, Brompton Bike Hire, Stagecoach Bus, ScotRail, Loganair, Northlink Ferries, Liftango Move Flexi, Inverness Taxis, Leeds University, Arcadis and Skedgo.

So far, there have been more than 3,000 unique downloads and registrations of the app, with plans to launch a mobility credits scheme in conjunction with mobility charity Motability.

The Go-Hi platform is also to be used by The Highland Council to offer alternative mobility options to their employees for commuting and business-related travel.

Elsewhere in the UK, Nottingham City Council has this summer been recruiting for someone to lead on its MaaS app.

This will provide a single platform for booking transport in Nottingham and Derby, covering scooters, bikes, taxis, car parking, car club, buses, trams and trains.

However, there is a potential downside to a high uptake of MaaS, warns Pacheco. "It can also trigger a move of users from mass transit to personal shared mobility or ride-hailing," he says. "If the move reaches a certain proportion, this could generate higher emissions and more congestion."



SHARED MOBILITY

Shared mobility refers to a transportation service or on-demand transit that are shared among users, either simultaneously, as a group or over time as a personal rental.

It includes the use of car-sharing, ride-hailing and bike-sharing and aims to reduce the dependency on private vehicles; it has fuelled the development of MaaS, which offers a common platform of booking, routing and payment for low-cost alternatives.

"Shared mobility allows for a more sustainable and accessible way to move around and addresses the challenge of first- and last-mile mobility, which is a major bottleneck for transportation agencies," says Mike Ramsey, vice-president, analyst, at Gartner.

The return of workers to offices and urban areas post-pandemic and increased social travel have had a positive impact on the use of shared mobility.

However, its economics have always presented a problem.

"Many shared mobility platforms have been unprofitable, although they are inching towards better results," says Ramsey.

He warns another potential issue is user behaviour and safety. Addressing issues like wearing helmets, theft, vandalism or misuse of vehicles all post a major challenge to operators.

Gartner considers shared mobility to be early mainstream as focused experimentation and involvement of a diverse range of organisations have led to an understanding of the technology's applicability, risks and benefits.

Ramsey expects shared mobility to become fully mainstream in less than two years.

HYDROGEN TRANSPORTATION

Few issues are as divisive in the zero-emission transport sector as battery electric versus hydrogen vehicles.

Battery electric vehicles (BEVs) are currently the overwhelmingly dominant technology, with advocates arguing that as it is already so far ahead with charging infrastructure and uptake, that hydrogen transportation is already dead in the water before it has started.

But refuelling a hydrogen vehicle is considerably faster than charging a BEV, especially when it comes to large vehicles, and this factor has helped persuade some companies to see hydrogen as a serious alternative to BEV technology.

Some, like Toyota, are spending millions to commercialise fuel cell technology for a broad range of transportation solutions.

"Despite heavy investment in BEVs, battery propulsion is not expected to cover all transportation needs, at least in this decade, due to limitations in energy density, time to recharge and weight," says Pacheco.

This means that, despite hydrogen not yet being fully viable due mainly to a lack of refuelling infrastructure and cost-competitive production of the gas – "infrastructure is a key bottleneck to the adoption of hydrogen-powered vehicles," says Pacheco – there is still an opportunity for the technology to gain a foothold.

"Hydrogen still has a chance to develop quickly if incentives can enable a price-competitive green hydrogen distribution network before BEV technology can fulfil use cases for long-distance travel on land and sea," he adds.

"Batteries' very low energy-to-weight ratio means hydrogen still stands some chance of becoming the main green solution for aviation within 15 years."

Hydrogen's case is helped by both the EU and China putting together regulations and incentives promoting hydrogen vehicles, while the fuel is also considered to have a strong role to play in energy storage and heating.

The EU predicts hydrogen's part of the energy mix will grow from 2% in 2018 to 13%-to-14% by 2050.

Governments and companies investing in production of hydrogen for these reasons will help lower production costs and, hence, will benefit the transportation sector, says Pacheco.

"Jump-starting the use of hydrogen in transportation and its supply chain is only possible through major incentives and regulation," he adds. "Even so, there is the risk of a market collapse after ending those incentives."

Gartner expects it to be more than 10 years until hydrogen transportation enters the mainstream.



ONES TO WATCH: Chinese car brands that are set to take the UK market by storm

Company car choice lists could look markedly different in just a few years' time, as an influx of new electric vehicles from Asia looks to dominate the UK market. *Matt de Prez* reports

Driver already face a broad choice when deciding on a new car. The days of a fleet user simply picking a Ford or Vauxhall are long gone. Even the premium market is changing. Audi, BMW and Mercedes-Benz must now compete for customers with the likes of Hyundai and Kia, as both brands take a step upmarket.

The recent success of these Korean carmakers among British consumers shows how receptive the UK market can be to Asian brands.

As legacy European brands struggle to transition their model ranges from internal combustion engines (ICEs) to electric powertrains, brands from overseas have an opportunity to swoop in and make their mark.

China has become the world's largest producer of electric vehicles (EVs) in a short space of time and, while its footprint in Europe is only small at the moment, its vast pace of growth and ability to scale up quickly means Chinese EVs will become a much more familiar sight on our roads in future.

It's expected that 10 new Chinese brands will launch in the UK by the end of the decade, offering a wider choice of vehicles to fleet managers and company car drivers.

SAIC

China's largest carmaker is state-owned SAIC, headquartered in Shanghai. The group acquired MG in 2008 and moved production of all MG models to its Chinese plants in 2017.

The re-birth of MG took place in stages. It first established a fresh retail and aftersales network to sell a line-up of budget-friendly hatchbacks and SUVs. Electric models were then fed into the range, culminating in the recent launch of the MG 4.

The latest MG is built on a fresh SAIC platform that was developed specifically for EVs. It's modular, so expect a full suite of new models in key segments to launch using the underpinnings.

MG has also unveiled the Cyberster electric sports car, which will debut in 2024. It will be the brand's halo model and represents its departure from the budget segment.

SAIC also owns the Maxus commercial vehicle brand, which has a growing line-up of electric vans and currently offers the only electric pick-up truck to UK buyers.



Geely

Another Chinese automotive superpower, Geely is probably the group that British drivers will have the most exposure to. Geely took over Volvo Cars in 2010, paving the way for an extensive overhaul of its models based on two new platforms.

The popular XC90 SUV was the first car to emerge. It was joined by the S90, XC60 and S60. The XC40 was the first model to feature an electric powertrain and now Volvo is gearing up to launch a new range of EVs as it seeks to remove all ICE variants by 2030.

While Volvo has been Geely's biggest success story in the UK market, its decision to separate the Polestar tuning division and launch it as a separate brand has been significant and the majority of Polestar customers are fleets. Polestar offers just one core model at the moment, but will have a full line-up in just a few years. The Polestar 2 shares a platform with the Volvo XC40 and both brands will soon launch a large electric EV marketed as the Volvo EX90 and Polestar 3.

Geely's platform-sharing strategy also extends to its relationship with Mercedes-Benz and Smart. Geely bought 50% of Smart in 2019 and has just



launched the #1, a compact electric SUV. It uses a new Geely platform and electric powertrain, which also underpins the upcoming Volvo EX30. Smart will build a complete line-up of models over the coming years.

As well as acquiring Smart, Geely also controls Lotus – another brand familiar to UK drivers. Lotus is transforming from a low-volume specialist carmaker to a premium EV brand. The Eletre is its first model to

launch and will be followed by more SUVs and a saloon. New Lotus EVs will be built in China.

Two more Geely brands are poised to launch in the UK this decade. There's Lynk & Co, which produces a range of models based on Volvo platforms, and Zeekr, a more upmarket brand that will be aligned with Polestar. Both are expected to operate via a direct sales model and utilise the Volvo retail network for aftersales care.

BYD

BYD – or Build Your Dreams – is a Chinese brand forging ahead with its UK launch plans.

The Atto 3 compact SUV arrived in the spring, followed swiftly by the Dolphin hatchback. Before the end of the year BYD will also launch the Seal, an electric D-segment saloon. The latter two form part of its Ocean series and are built on bespoke EV platforms.

BYD has already appointed a UK fleet sales director, Eric van Munsteren, and is promising lead times of less than three months for its cars.

Unlike a lot of new brands, the company is establishing a retail network and expects to have 100 sites by 2025.



Chery Automobile

Chery is China's biggest exporter of cars, with established customer bases in Asia, Russian and South America. It also produces cars under the Br brand for the Italian market.

In the UK, Chery will introduce the Omoda – a new marque that was established last year. Sales of the first Omoda model are expected to begin in 2024. The Omoda 5 will spearhead the brand's arrival. It's a mid-size crossover that will sit in the same segment as the Nissan Qashqai.

The maker is targeting 15,000 registrations of the Omoda 5 in the first year, a mix of fleet and retail, with both petrol and full electric available from launch. A full line-up of Omoda models will follow.

Great Wall Motors

UK fleet buyers may be familiar with Great Wall as the producer of the Steed pick-up truck, which was the cheapest model in its segment at the time of launch. While the Steed has long been discontinued, Great Wall introduced ORA, a new EV brand to the UK, last year.

The ORA Funky Cat went on sale in Autumn 2022, as a high-specification, retro-styled city car.

In early 2024, ORA will expand its line-up with a new saloon car. The yet-to-be named model will have a range of around 300 miles and a power output of up to 400PS.

Distribution of ORA models is handled by IM Group, in the UK, which also imports Subaru and Isuzu.

As a result, there is already a growing network of sales and aftersales sites across the country.



Aiways

Aiways entered the Chinese market in 2017 as a start-up and has grown rapidly to the point where it is beginning its European expansion. The carmaker planned to start selling vehicles in Europe in 2020, but its plans were put on hold during the Coronavirus pandemic. It has already established itself in Germany, operating via a direct sales model, and has confirmed the UK will be the first right-hand drive market it will target.

The brand has two models: the U5 and U6. Both are SUVs and use electric powertrains. The U5 competes with the VW ID4, while the U6 is larger and targets a more premium market.



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Nio

Nio is the Chinese brand with the biggest USP. Unlike other EV manufacturers, Nio has developed a battery swap programme that enables drivers to swap their discharged battery for a new one in a matter of minutes.

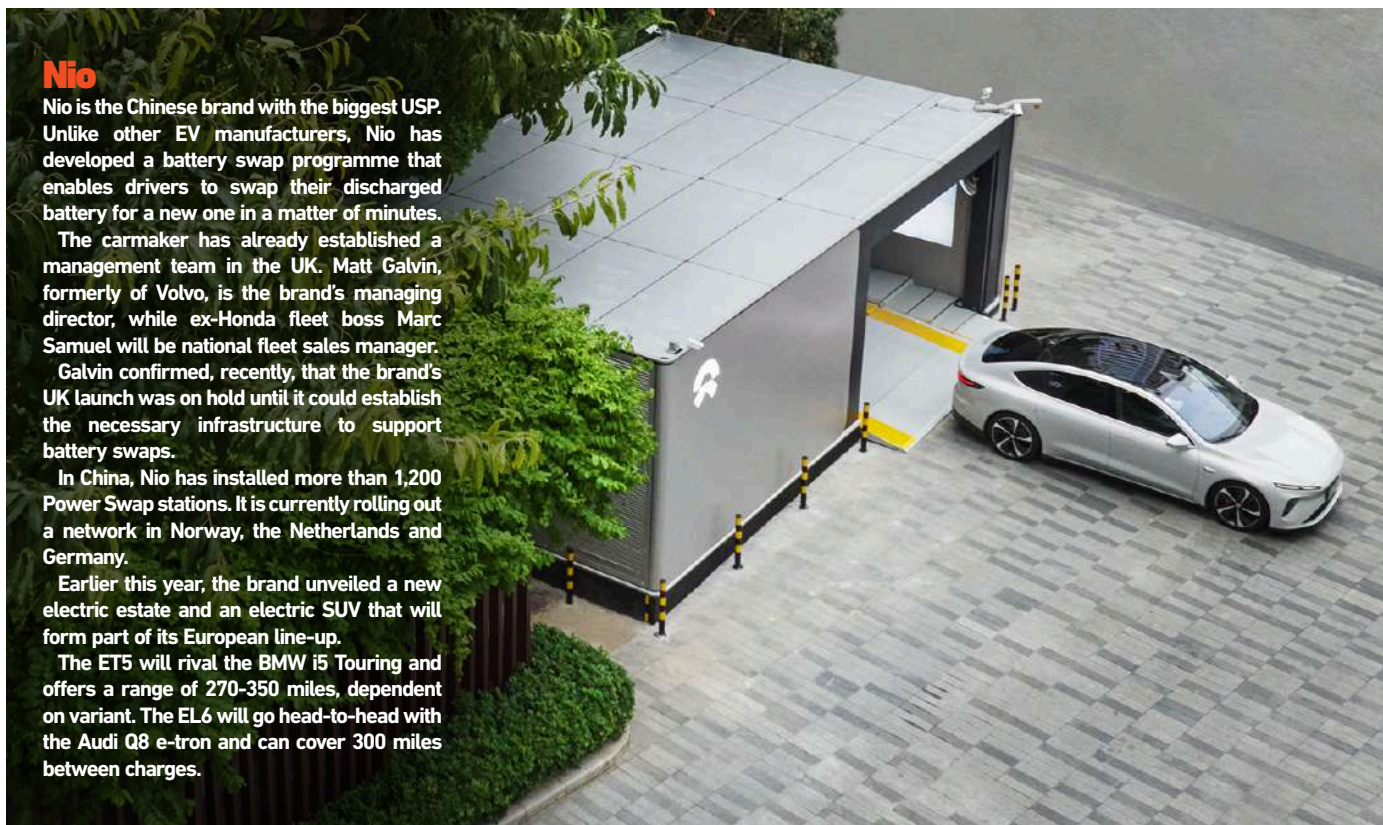
The carmaker has already established a management team in the UK. Matt Galvin, formerly of Volvo, is the brand's managing director, while ex-Honda fleet boss Marc Samuel will be national fleet sales manager.

Galvin confirmed, recently, that the brand's UK launch was on hold until it could establish the necessary infrastructure to support battery swaps.

In China, Nio has installed more than 1,200 Power Swap stations. It is currently rolling out a network in Norway, the Netherlands and Germany.

Earlier this year, the brand unveiled a new electric estate and an electric SUV that will form part of its European line-up.

The ET5 will rival the BMW i5 Touring and offers a range of 270-350 miles, dependent on variant. The EL6 will go head-to-head with the Audi Q8 e-tron and can cover 300 miles between charges.



Xpeng

Xpeng models will go on sale in the UK next year, as part of the brand's European expansion.

Outside of its home market, Xpeng already sells electric cars in Denmark, the Netherlands, Norway and Sweden. The company's president Brian Gu confirmed Germany, France and the UK are next.

The Xpeng G6 electric SUV will be the first car to arrive on British shores. Based on a new platform, the G6 features 800v electrical architecture and can charge at speeds of up to 480kW.

Two powertrain variants are offered, which, in tests, achieved ranges of 360 and 469 miles.

Other Xpeng models, not yet confirmed for UK sale, include the G3 mid-sized SUV, P7 and P5 saloons and flagship G9 SUV.

Xpeng has developed its own charging network in China, similar to the Tesla Supercharger network, and is investing heavily in the development of self-driving technology.



HiPhi

HiPhi's arrival in the UK is expected by 2026. The company produces high-tech premium cars with distinctive styling.

It will be selling its first two cars, HiPhi Z and HiPhi X, in Europe by the end of this year. The UK market will have to wait a little longer, however.

The HiPhi Z is a saloon car that sits alongside the Audi eTron GT and Porsche Taycan. The HiPhi X is a Tesla Model X rival, complete with gullwing-style rear doors.

A smaller crossover, HiPhi Y, is also on the cards for the brand's European expansion.



'Digital-first' approach set to transform tyre management

Reducing downtime has always been a critical part of tyre management for fleets, but, post-pandemic, there is an even greater need to digitise and speed up the tyre replacement process as fleet drivers increasingly want to make tyre appointments online and as seamlessly as possible.

In response, Kwik Fit, the market leader for outsourced tyre management solutions, with more than one million vehicles under management, has overhauled its Fleet Web Bookings platform.

The platform was launched in 2017, allowing tyre appointments to be booked within the Kwik Fit network and for some service, maintenance and repair (SMR) to also be scheduled.

Now, the enhanced version, which is being rolled out to customers shortly, expands the suite of products which drivers can book through the platform, allowing for MOTs, services and other SMR appointments to be made.

It enables drivers to see in real time which slots are available and receive confirmation of their appointment instantly.

"It offers a true, live environment," says Ben Boot, head of SMR development at Kwik Fit.

"The other key benefit – from a tyre perspective – is that we use a vehicle registration look-up to establish what is the most likely tyre that's required to be fitted to that vehicle.

"There's some verification from the driver but that also helps ensure that when they

arrive for the appointment or the mobile tyre fitting van arrives at their address to carry out the work the right tyre has been ordered."

The enhanced version of the Fleet Web Bookings platform complements a wider digital transformation project of Kwik Fit's back-office operation, which has brought real time demand planning, route planning and stock management to Kwik Fit's mobile tyre service, with drivers benefiting from real time updates about their appointment.

Kwik Fit's tyre management product has been continually developed for more than 25 years, supported by its 175-strong team of experts based in Glasgow, to meet the ever-evolving needs of the market.

"As our business has scaled and the demands of our customers have changed, the need to include a digital customer journey within our tyre management product has been evident," says Boot.

"Some people want an entirely digital transaction until our mobile van arrives on their drive or at their office. Others still want to drive into a centre and we've got more than 600 service centres throughout the UK so we're well-placed for that."

In addition to its service centres and nationwide fleet of mobile tyre fitting vehicles, Kwik Fit has 532 MOT centres. Fleet customers also have seamless access to Kwik Fit's sister network Tyre Pros, which specialises in tyres, brakes, exhausts, MOT and servicing.

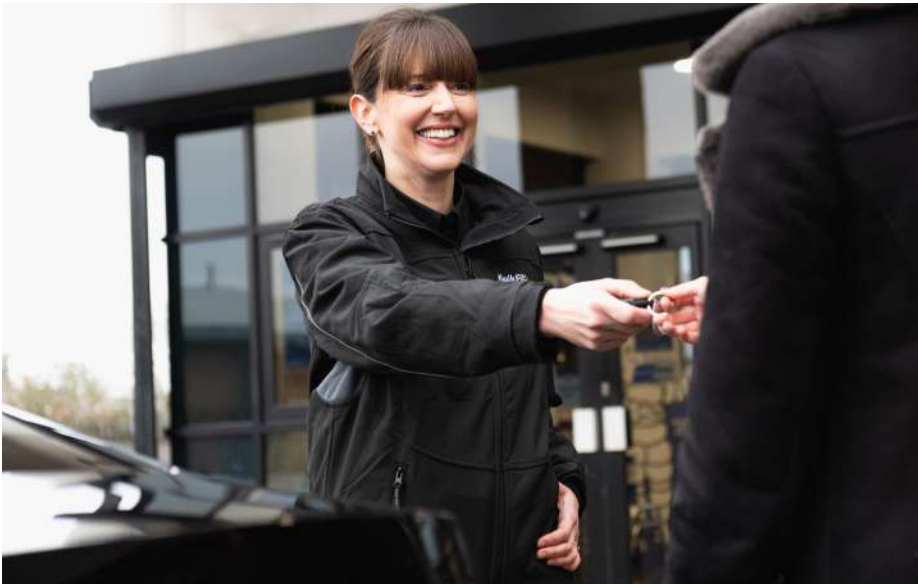
SMR has been a major growth area for Kwik Fit, especially in recent years as the fleet parc has aged.

At the same time as carrying out SMR work on older vehicles, Kwik Fit is equipping its centres to deliver cutting edge services relevant to the modern vehicle parc such as advanced driver assistance systems (ADAS) calibrations and electric vehicle (EV) servicing.

"The whole network can do dynamic calibrations and we've got 30 centres with static calibration capability, and we're planning to significantly expand that over the next 12 months," says Boot.

Kwik Fit is also upskilling its technicians to carry out SMR work on EVs.

To date, more than 670 technicians in 400 centres have achieved the Institute of the Motor Industry (IMI) Level 2 award in electric/hybrid vehicle routine maintenance activities and will be working towards Level 3, which enables



Kwik Fit Club tyre subscription product extended

Kwik Fit has extended its Kwik Fit Club tyre subscription product, aimed at non-maintained fleet drivers and retail customers, to support affiliate and employee benefit schemes.

Each subscription is based on the vehicle and the anticipated mileage profile of the driver, and includes the option to add an annual MOT and service.

Ben Boot, head of SMR development at Kwik Fit, says: "In the current economic climate, being able to understand that tyres will cost X amount per month over a set period rather than having the shock of a sudden bill helps customers budget for their motoring."

He adds: "We're very excited about future developments to the club, including a provision for full maintenance for new and used vehicles."



It's our ambition that over the next couple of years every single one of our service centres will have a trained EV technician within it

Ben Boot, head of SMR development

them to carry out work on the high voltage components of EVs.

"Fleet has been at the forefront of the growth in EV registrations so it's been a high priority for our training department," says Boot. "It's our ambition that over the next couple of years every single one of our service centres will have a trained EV technician within it."

In the past 12 months Kwik Fit has completed more than 800 services on EVs across about 30 models from 19 brands.

"We've had a real depth and breadth of electric vehicles and we've been able to deliver the service on those vehicles, which puts us in a good position when we start to see that 800 services become 8,000 services and beyond," says Boot.

"It's a big thing to see the trust our customers are putting in us to do the right thing with their vehicle."

Doing the 'right thing' extends well beyond being equipped for EV SMR work.

"At Kwik Fit, we are conscious of our environmental responsibilities as the UK's largest tyre fitter and sustainability is a key focus for us," says Boot.



"Customers are becoming increasingly conscious about reducing the environmental impact of the vehicles they run and we're able to support that by giving them the option to buy a tyre marked Project Tree, which is a programme to develop the sustainability of natural rubber production for use in tyre manufacture.

"Through sister company, Murfitts, we ensure the end of life tyres we replace are reprocessed and recycled responsibly."

Kwik Fit is also reducing the environmental impact of its centre operations, where possible. For instance, through retrofitting them with low energy lighting, adding solar panels to centre roofs and using technology such as in-centre tablets to move to paperless

processes. The latter not only helps reduce waste, it also gives fleets transparent access to vehicle inspection reports.

Underpinning everything is Kwik Fit's desire to give customers "peace of mind motoring", Boot says.

He adds: "There is credibility that comes from the fact we've been doing this a long time. Kwik Fit is more than 50 years old and its fleet business is more than 35 years old. However we recognise that our ongoing success in keeping our customers safe on the road is a constantly evolving challenge and we take great pride that this year we were named Supplier of the Year at the Fleet News Awards; an indication that we're living up to our mission statement."

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How suppliers see the future of fleet

All sectors of the industry will see huge changes over the next five-to-10 years. Here we ask leading suppliers what the future holds for their areas of speciality. *Andrew Ryan* reports

FUNDING

By Jon Lawes, managing director of Novuna Vehicle Solutions

Across our fleet operation in the UK and Europe we're already seeing a shift in the financial landscape driven by the surge in electric vehicles (EVs) and the demand for more holistic end-to-end solutions.

As businesses strive to align with sustainability goals, adapt to market dynamics and optimise operational efficiency, we anticipate several key financial shifts that will shape the fleet industry over the next three-to-five years.

TOTAL END-TO-END FINANCE SOLUTIONS

With more than 100 charge point operators managing around 40,000 public chargers across the UK, having a reliable charging infrastructure creates a real challenge for fleet operators, especially when managing energy costs.

This is leading to a demand for a one supplier approach, providing the funding and management of everything from the charging infrastructure and renewable energy solutions to vehicles and data analytics, in a bid to optimise efficiencies.

We're already delivering increasingly innovative finance solutions to address this gap in the market and believe the potential is in delivering more comprehensive, streamlined solutions for fleets.

MARKET DYNAMICS DRIVING FLEXIBILITY

A key strategy we see emerging for businesses is around flexibility in leasing solutions. Fleet operators need to adapt swiftly to market shifts and operational demands without committing to substantial upfront financial outlay.

This will drive demand for flexible term contract hire products, accommodating evolving operational needs without long-term commitments.

HARNESSING THE POWER OF DATA

Data-driven decision-making is now imperative. Utilising data analytics from vehicles, telematics and charging infrastructure enhances fleet optimisation and maintenance scheduling.



Jon Lawes, Novuna Vehicle Solutions

This data-driven approach not only enhances efficiency, but also empowers businesses to reimburse drivers accurately.

Fleet decision-makers will need to either invest in data management tools and analytics to better understand usage patterns, optimise vehicle lifecycle etc. or work with a leasing company with dedicated data and account management teams, that are implementing combined data solutions now, ready for fleets to make future-proofed cost-effective financing choices.

SALARY SACRIFICE

Last but by no means least, the demand for sal/sac will increase as a tool to incentivise employees to switch to electric as HR and fleet managers feel the pressure to align their funding methods with their business' sustainability goals and reduce their carbon footprint.



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The best of both worlds

Combining the insight and expertise of a financial institution and a manufacturer, Leasys is ideally placed to guide fleets through the complexities of electrification

Even the most cursory glance at *Fleet News's* FN50 listing of the UK's largest vehicle leasing companies reveals a clear divide.

On one side are the businesses owned by banks and financial institutions, for whom cars and vans are simply a different class of asset to fund.

On the other are manufacturer-owned leasing companies, for whom vehicles are the very lifeblood of their businesses.

Bridging the gap between these two industries, and drawing skills and expertise from both, is a major new player, Leasys.

Jointly owned by the giant Stellantis manufacturing group and Crédit Agricole Consumer Finance (CACF), the leasing company has parents with long-term involvement in vehicle finance. The shareholders came together in April 2023 when Leasys consolidated its activities with sister leasing company Free2Move to create a new mobility company focused on multi-brand operational leasing.

It is useful to rewind a little further, however, to understand the origin of this

potent new competitor in the UK vehicle leasing landscape.

Leasys was the finance arm of FCA, parent of Fiat and Alfa Romeo and a competitor to PSA's (Peugeot and Citroën) Free2Move. When PSA bought FCA, as well as Vauxhall/Opel, it created Stellantis, a European powerhouse in both vehicle finance and manufacturing, with a range extending all the way from small city cars to large light commercial vehicles (LCVs).

We are confident we can achieve our strategic plans with the support of our retailer and broker partner network to grow the UK fleet size

Matthew Boswell,
managing director, Leasys UK

In the UK, the merged leasing operations had a combined fleet in excess of 50,000 vehicles and the company has strong growth ambitions for the next few years.

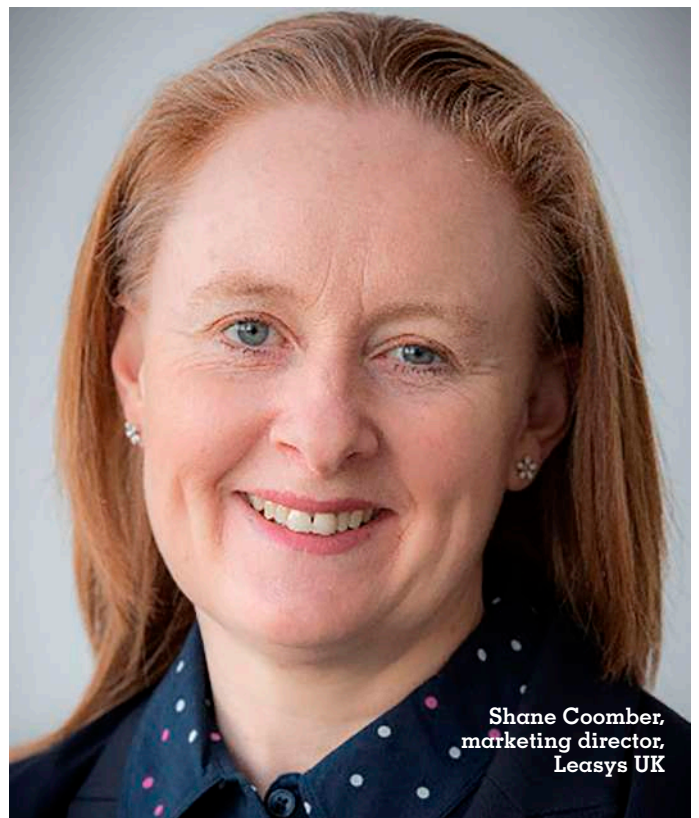
Matthew Boswell, managing director, Leasys UK, said: "By providing highly competitive terms and innovative products and services to our customers, we are confident we can achieve our strategic plans with the support of our retailer and broker partner network to grow the UK fleet size."

It is no exaggeration to say that, with 14 brands within the group, Stellantis has the makes and models to satisfy not only every fleet's company car choice list, including an impressive roster of electric and plug-in variants, but also its operational requirements, with a particularly formidable line-up of LCVs.

Moreover, thanks to its close links with the Stellantis retailer network, Leasys is in pole position to provide quick deliveries to keep businesses mobile and support their growth, an important consideration for fleets that have struggled to access new



Matthew Boswell,
managing director,
Leasys UK



Shane Coomber,
marketing director,
Leasys UK

vehicle supply over the past two years.

The company insists, however, that it will remain determinedly multi-marque, providing its finance and fleet consultancy as well as its management solutions to whatever vehicles its customers select.

Business contract hire and fleet management are currently the bedrock of these solutions, reflecting market demand. But Leasys is also a pioneer of new, innovative products and services to meet the fast-developing sustainability and flexibility requirements of 21st century employers.

Deeply mindful that leasing is a service industry, Leasys positions itself as a strategic partner, with a dedicated commercial team to help customers meet their business objectives, from cost savings to sustainability commitments.

Acting as a consultant, Leasys can guide customers through the complexities of selecting both the optimum financial solutions and the most cost-effective, fit-for-purpose vehicles, a pressing issue as fleets look to decarbonise their operations.

This partnership approach continues throughout the life of the vehicle, with a specialist Leasys customer relationship management (CRM) team on hand to respond instantly to customers' questions and queries.

Many end-user fleets also want to outsource the day-to-day administration of their vehicles, so Leasys has a dedicated fleet management service to look after all of the mundane aspects of fleet administration, such as service and maintenance, tyre replacement, windscreen repairs and road fund licence renewals, as well as time-consuming nuisances such as fines management.

Shane Coomber, marketing director, Leasys UK, said: "Leasys continues to provide the best-in-class customer experience and delivers new innovative digital solutions to enhance the customer journey. By offering a range of mobility solutions from rental solutions to fleet management our aim is to be the mobility of choice in the contract hire market."

Leasys continues to provide the best-in-class customer experience

Shane Coomber,
marketing director, Leasys UK



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DRIVER TRAINING

By Seb Goldin, CEO,
Red Corporate Driver Training

The Government has taken something of a maverick approach to driver licensing in recent years.

Spurred on by shortages of drivers and a lack of testing capacity from the Driver and Vehicle Licensing Agency (DVLA), it has seen fit to do away with some important training requirements in order to fast-track people into driving jobs.



Seb Goldin,
Red
Corporate
Driver
Training

While doing away with unnecessary red tape is something we all agree on, these moves pose a real threat to road safety.

We've seen it with the removal of the van-towing licence requirements and just recently the Government announced plans to simplify some licence categories, such as waiving the extra training requirement for B licence drivers to drive up to 7.5-tonne vehicles.

In other words, you can pass your driving test and immediately go and drive a lorry without any further instruction.

There is a danger lurking in this course of action – driving standards are there for a very important reason and they must be maintained.

Another area of concern for us in the coming years is the continuing shift to grey fleet as more central business cost-cutting means more people are left to their own devices when it comes to driving for work.

Companies must be on their guard – while running a grey fleet may be cheaper than supplying company vehicles, it brings with it an increased risk of litigation if things go wrong.

It is vital that grey fleet is treated in exactly the same way as company cars in terms of safety.

Finally, we'd like to see moves to alleviate the shortage of lorry drivers. By making this a well-paid and respected career, younger drivers will be more likely to take up such roles (which are only going to increase as we rely increasingly on home deliveries).



INSURANCE

By Jon Dye, director of motor underwriting, QBE



A massive change in the coming years will be the focus on low emissions road transport and the shift from internal combustion engine (ICE) to electric or hydrogen vehicles.

This brings in many changes and challenges for motor insurance.

As evidenced by Thatcham Research, electric vehicles (EVs) take about 14% longer to repair than their ICE equivalent, at an extra cost of approximately 25% on average.

What's more, an EV's battery can make up to two-thirds of its value and can lead to its total loss if it is damaged in a collision. All this will drive damage inflation.

Another trend that will contribute to increased claims costs is vehicle safety technology and the journey towards self-driving vehicles.

While this is expected to reduce accident frequency in the long-term, it increases claims costs in the short-term because when an accident does occur, expensive sensors and sophisticated technology get damaged.

In addition, the absence of unified standards blurs risk understanding: different models can have different capabilities and even be switched on or off on a subscription basis.

To establish liability and truly understand what caused an accident, it will be crucial for insurers to have access to vehicle data, even if auto manufacturers and software providers are reluctant to share that data.

Unfortunately, no agreement has been found yet on data access sharing.

With vehicle capabilities quickly progressing, fleet

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owners and managers need to look at how drivers interact with tech; indeed, employers need to provide adequate training as this is critical to safety.

Like many motor insurers, we've provided our fleet customers with proactive risk solutions to enhance safety and reduce claims.

For instance, driver profiling supports targeted e-learning, which can help upskill drivers and reduce collision risks.

We also encourage fleet managers to use dashcams that leverage artificial intelligence to flag distracted driving, tailgating or other risks.

We trust behavioural nudges and actionable coaching can have a positive impact on driving styles.



Jon Dye,
QBE

FLEET MANAGEMENT SOFTWARE

By Martin Evans, managing director of Jaama

The electrification of car and van fleets and the move away from diesel for heavy truck fleets to gas, electric and hydrogen will create the biggest challenge for operators and their drivers.

This move to achieving zero emissions will see fleets having to evolve in all aspects of their operation and that includes ensuring they have a dynamic fleet management system.

Fleets will need to collect comprehensive data that is easily accessible to help them make informed strategic decisions.

A modern system actively manages, monitors and analyses thousands of data streams in real-time that are then displayed as graphical personalised reports aim to help make the Net Zero transition pain-free for companies.

The move towards electric is also fuelling a resurgence in company cars as hybrid and EV company cars are an attractive proposition due to extremely low associated benefit-in-kind (BIK) tax rates.

Salary sacrifice continues to grow exponentially with the majority of employees opting for an EV ahead of a petrol or diesel car.

Many of these employees will be in the market for a new car for the first time so having the right systems in place to make this transition easy for drivers is important and this is where operating the right systems is vital.

With levels of compliance and duty of care for companies continuing to rise it follows that the storage and accessibility of key data such as driver licences, vehicle V5C registration records, P11D

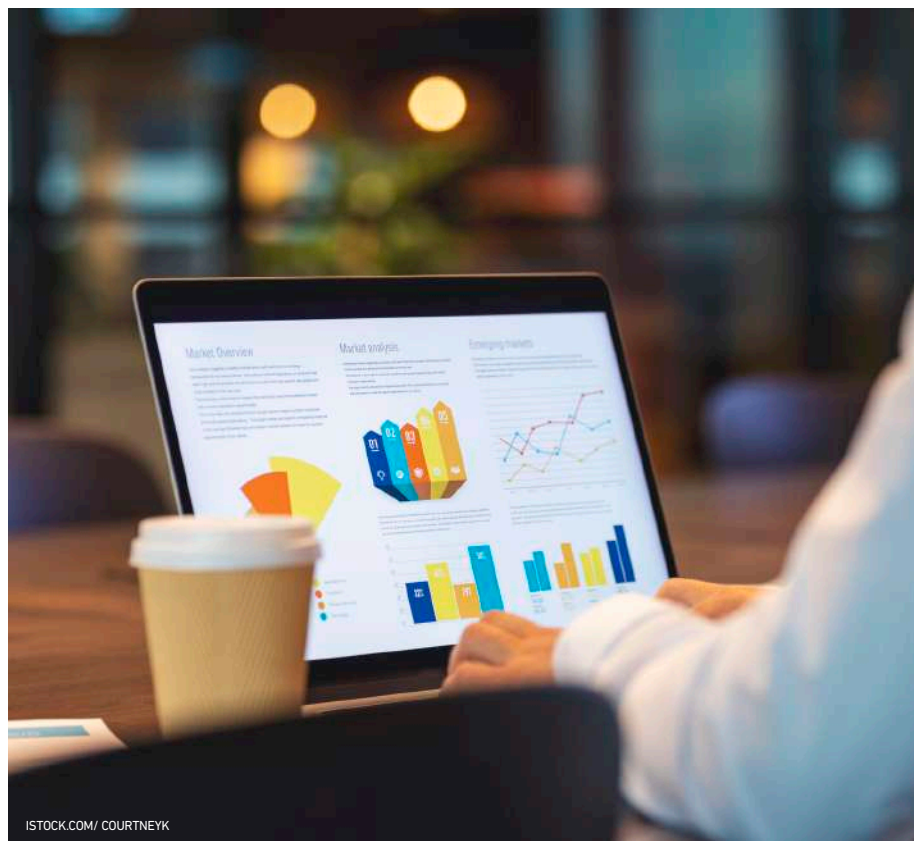


Martin Evans,
Jaama

reporting, 'grey fleet' insurance, MOTs, and vehicle servicing records will become more important.

We know from the growth of our electronic document storage and retrieval module that commercial vehicle operators continue to face ongoing compliance challenges.

Electronic document storage gives companies extra peace of mind that vehicles and drivers are compliant and with hybrid working likely to be a permanent fixture in the workplace they can run their fleets from anywhere courtesy of our systems while operating in a paperless environment.



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The key to running a successful

The mobility landscape is vast. For a company the size of Shell, which serves 32 million customers each day, breaking down this landscape into smaller categories or definitions is one way of providing customers with the specific products and services they need to overcome challenges.

Hence the use of the term 'business mobility', which relates to companies with either their own fleet business, leasing businesses or smaller businesses that operate their own vehicles.

"Our unique selling point in business mobility has two parts," explains Aysun Akik, General Manager of Shell Fleet Solutions in Europe and Africa. "Firstly, helping our customers to decarbonise, but also helping them to reduce their total cost of ownership (TCO)."

This requirement to balance operational efficiency with the need to lower emissions is something that all fleets face, no matter their size or sector. And it is a balance that the industry must get right if fleets are to continue playing the critical role they hold in society, while also contributing to a much-needed shift towards net zero.

This is why, at Shell Fleet Solutions, Aysun and her team are helping fleet customers meet their decarbonisation goals without jeopardising operational success.

HOW TO RUN A SUCCESSFUL FLEET

"Increasingly, a successful fleet will be one that has access to solutions that allow it to simplify the management of operations. Simplicity can be achieved by having full visibility of the fleet operation. Equally, this is what provides them with the clarity (as well as useful data and insights) to advance their sustainability goals," says Aysun. To help fleets achieve this balance, Shell approaches successful fleet management through three key pillars.

Simplicity and convenience

"We recognise that convenience is central to successful fleet operations," continues Aysun. "Streamlining processes and simplifying tasks help journeys to run smoother, making drivers' and fleet managers' lives easier."

Integrated fleet management solutions like the Shell Card are designed to make it easier for fleets to oversee their operations, by enabling them to manage their mobility needs in one place. With access to an extensive traditional fuel and recharging network (consisting of more than 20,000 charge points, in excess of 3,000 refuelling stations in the UK and 500,000-plus charge points across Europe), the Shell Card allows drivers to manage fuel and electric



**Aysun Akik, General
Manager, Shell Fleet
Solutions (Europe
and Africa)**

vehicle (EV) charging expenses using a single card and invoice – making it easier to support a mixed fleet. Its chip, PIN and e-PIN features allow for enhanced security, thus helping to reduce fuel fraud.



Simplicity for fleets also means having access to their operational data and management tools from anywhere. The Shell Card is managed via the Shell Fleet Hub online portal and app, which means tasks such as invoicing, monitoring transactions, ordering cards and route planning can all be completed remotely and instantly – helping to simplify administration.

Smart, data-driven insights

"Operating in a 'smart' way involves having data-led insights that highlight areas for improvement," says Aysun. "That way, fleets can streamline their operations for maximum efficiency and transparency."

This is brought to life by Shell's telematics solution, which combines Shell Card and real-time data to provide fleets with actionable insights.

It does this through customised reports on operational elements such as vehicle utilisation, maintenance and fuel efficiency.

These insights can then be used to help improve fuel economy and reduce CO₂ emissions.

The increased transparency they provide also plays a crucial role in delivering the third pillar of running a successful fleet: sustainability.

Successful fleet, now and in the future

"Ultimately, there is no universal solution that will help fleets to meet their sustainability goals," reminds Aysun. "Since each fleet's journey to net zero will be unique, based on their location, vehicle mix and strategic needs."

However, by leveraging telematics data on fuel consumption, engine performance and emissions, businesses can pinpoint inefficient vehicles and identify areas for improvement.

Sustainability

Each fleet's decarbonisation journey will be unique given it is based on their location, vehicle mix and the strategic needs of their business. Recognising this, last year, Shell Fleet Solutions launched its Accelerate to Zero programme. Combining data and insights, Shell's portfolio of end-to-end solutions and expertise, the programme helps fleets to create an informed decarbonisation plan. Following a series of incremental steps, the plan is tailored to the business's specific needs to help fleets overcome challenges they may face at each phase of the decarbonisation process.

"The idea behind Accelerate to Zero," explains Aysun, "was actually to help our customers become absolutely clear on the different steps required for their fleet to meet its decarbonisation goals. A key part of this is bringing fit-for-purpose solutions to the customer, since every business is different."

GOING ELECTRIC: ADDING EVs TO THE MOBILITY MIX

One area where Shell's approach is likely to become increasingly useful is when it comes to a fleet's transition to EVs, since most (95%) fleet owners surveyed by Shell and Deloitte see them as the long-term solution.¹

Offering a variety of eMobility solutions, from eDepot solutions to charging on-the-go, at home or at the office, Shell is helping businesses to create robust and scalable customised charging infrastructure. Based on real data modelling, eDepot solutions combine high-performing hardware and software (which support the easy and efficient management of infrastructure) with energy management solutions that help to improve reliability across a depot facility.²

Meanwhile, on-the-go charging gives access to Shell's own and third-party public EV charging network. Alternatively, Shell Fleet Solutions can help fleets to equip employees' homes with tailored solutions for reliable EV charging, from durable hardware to smart software to ongoing



support. Shell can also support businesses with converting their car parks and fleet hubs into EV charging destinations through hardware and energy management solutions. "The important thing," Aysun suggests, "is to have the right experts in place during the entire process. That way, customers can have the confidence that any technical issues will be resolved and that their bottom line will not be affected in the meantime."

LIKE-MINDED PROVIDERS

With the mobility space always evolving, there is a huge amount of complexity involved in running a successful fleet today, while also preparing it for the future. However, it is important for fleet managers to understand that they are not in this alone. Working with trusted providers who

have the right expertise can help fleets to shape their decarbonisation journey while ensuring performance.

"If you look at the decarbonisation of the UK fleet industry, this is not something we can do alone," concludes Aysun. "It needs like-minded partners at every part of the value chain."

¹) Shell and Deloitte, *Navigating Fleet Decarbonisation: A guide to driving a successful transition, 2022*

²) Shell, *powering fleet decarbonisation with eDepot solutions, 2023*

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TYRES

By Richard Bezzant, marketing director UK & Ireland, Michelin

Right now, one of the clearest trends is increasing tyre sizes, brought about by new generations of vehicles getting heavier.

Paradoxically, this has a direct effect on fuel consumption and CO₂ emissions, but we are responding with a technology-focused approach aimed at further reducing rolling resistance.

Strong EV sales are also putting tyre development centre stage because EVs place greater demands on their tyres than combustion engine vehicles.



Richard Bezzant,
Michelin

These requirements present a unique opportunity to develop generations of tyres which not only offer the higher load capacity required due to battery weight, but which offer the perfect blend of longevity, low rolling resistance and noise reduction, to make electric mobility even more efficient and enjoyable.

Climate change and unpredictable winter weather is also driving increased demand for all-season tyres – a sector previously shunned by many European drivers.

Fleets have seen that winter mobility can be assured without the additional cost and downtime of switching between summer and winter rubber.

We expect growth of more than 11% in the all-season tyre market over the next five years.

Road-approved car tyres containing up to 45% sustainable materials is already possible, and technologies from this breakthrough design are set to feature in standard tyres from 2025.

Plus, the future for motoring could look significantly different, with the revolutionary Michelin Uptis prototype now being operated by La Poste in France – marking the start of the first European customer trials.

With Uptis, the need for inflation has been replaced by a structure capable of supporting the vehicle, eliminating problems linked to tyre pressure and punctures.

It's a major innovation and will be a key step in the development of a fully sustainable Michelin tyre by 2050.



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TELEMATICS

By Nick Guise, group marketing manager, Trakm8

Telematics is set to have a big impact on transport in the near future, and will be key to the following developments...

Government road pricing policy: MPs on the Transport Committee are urging the Government to reform motoring taxation by introducing a 'pay-as-you-drive' scheme using telematics technology.

The committee's report on road pricing published in February 2023 says the Government should consider a road pricing mechanism that uses



Nick Guise,
Trakm8

telematics technology to charge drivers according to distance driven, factoring in vehicle type and time of day.

Advanced data analytics and artificial intelligence (AI) integration: Telematics systems are likely to become more sophisticated in terms of data collection and analysis. Fleet decision-makers will have access to advanced analytics and AI-driven insights, allowing them to optimise routes, reduce fuel consumption, improve driver behaviour and enhance overall operational efficiency.

Electric and autonomous vehicles integration: As the automotive industry shifts towards electric and autonomous vehicles, telematics systems will need to adapt.

Integration with EV-charging infrastructure and managing the unique data points of electric vehicles (e.g. battery health, range estimation) will become more important.

Telematics will also play a crucial role in the development and deployment of autonomous fleets, providing real-time monitoring and control.

Sustainability and environmental concerns: With growing emphasis on sustainability, telematics will play a vital role in helping fleets reduce their carbon footprint.

Decision-makers will use telematics data to track emissions, optimise routes to minimise environmental impact and ensure compliance with increasingly stringent environmental regulations.

Video telematics and driver safety: Video telematics, which involves the use of in-cab cameras and external sensors, will become more prevalent.

This will enable real-time monitoring of driver

behaviour, safety and incident management. Fleet managers can use video data to provide immediate feedback to drivers, enhance training programmes, and ensure safer driving practices.

Cybersecurity and data privacy: As telematics systems collect and transmit sensitive data, ensuring robust cybersecurity and data privacy measures will be paramount.

Fleet decision-makers will need to prioritise cybersecurity to protect their operations from potential breaches and ensure compliance with data protection regulations.

5G and improved connectivity: The rollout of 5G networks will significantly enhance connectivity, enabling faster and more reliable data transmission.

This will support real-time monitoring, remote diagnostics, and software updates for vehicles in the fleet. Fleet managers can expect more seamless and timely access to critical information.

Predictive maintenance: Telematics systems will evolve to provide more accurate predictive maintenance insights. Fleet managers can anticipate maintenance needs based on real-time data, minimising downtime and reducing operational costs.

In conclusion, the telematics industry is likely to undergo significant advancements over the next five-to-10 years, driven by technology, sustainability concerns, connectivity, safety and regulatory changes.

These developments will empower fleet decision-makers to make more informed choices, optimise operations, enhance sustainability efforts and ensure the overall success of their fleets.

AWARDS 2024 TIMELINE

AWARDS DEADLINE: November 24, 2023	JUDGING DAYS...	SUPPLIER: January 23	CARS/VANS: January 24	TRUCKS: January 25	FLEET INTERVIEWS: February 1-2	FINALISTS REVEALED: mid-February 2024 on www.fleetnews.co.uk	AWARDS NIGHT: March 13, 2024 Grosvenor House Hotel
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FleetNews



AWARDS 2024

BOOST YOUR BUSINESS PROFILE AND ELEVATE YOUR OWN REPUTATION

Enter the Fleet News Awards 2024 to promote all that's great about your fleet, vehicles or services

The Fleet News Awards is back with new categories and new opportunities for fleets, manufacturers and suppliers to enjoy the huge benefits that go with winning and being shortlisted.

Entries for the 2024 awards are now open. This is your chance to enjoy the "indescribable" moment of being named as a winner, according to Matt Hammond, fleet director at Altrad Services and the fleet & transport manager 2023.

"Winning fleet & transport manager of the year was by far the biggest and most prestigious achievement of my career," Hammond said.

"Receiving it in front of so many of my peers, friends and colleagues and enjoying the celebrations with the other award winners on the night is an experience I will remember and cherish for many years."

Like Hammond, you can boost your business and personal profile and credibility, as well improve team motivation. All it takes is half an hour of your time!

Among the new categories are converter of the year and EV breakthrough of the year for vans. In addition, the fleet categories now incorporate a section focusing on staff wellbeing which last year was a separate award.

There are also changes to the judging panel, with new faces including Aaron Powell, fleet director at Speedy, Denise Lane, global commodity manager – fleet at Yunex Traffic, and Nadim Mehar, UK & Ireland fleet manager at Alstom Transport UK.

Judges will be looking for examples of quality,

innovation and evidence of improvements in each of the fleet, manufacturer, supplier and headline categories.

Audited by Brian Cooper of EY and chaired by Christopher Macgowan OBE, the Fleet News Awards has the outstanding credentials and credibility to make entering worthwhile.

But don't just take our word for it, we've also included more testimonials from previous winners.

"The FN2023 win was a key talking point in our business. The competition is strong, the fleets involved are all high-class and highly thought of, so it feels really good to be a part of the elite."

Mark Woodworth, transportation director, Univar Solutions

7 BENEFITS OF ENTERING AWARDS

1. CREDIBILITY AND RECOGNITION OF BUSINESS EXCELLENCE
2. PERSONAL RECOGNITION; CAREER-ENHANCING
3. BENCHMARKING VERSUS COMPETITORS
4. EMPLOYEE ENGAGEMENT AND MOTIVATION
5. FREE MARKETING FROM POSITIVE PRESS COVERAGE
6. INCREASED CUSTOMER AWARENESS
7. ATTRACT TALENT TO THE BUSINESS





THE CATEGORIES

FLEET AWARDS

Excellence in Fleet Safety and Compliance
2023 winner: M Group Services Plant & Fleet Solutions

Environmental Fleet of the Year
2023 winner: Ovo Energy

Most Improved Fleet Operator
sponsored by Fleet Operations
2023 winner: Miele Company

Fleet of the Year – up to 250 vehicles
2023 winner: Univar Solutions UK

Fleet of the Year – 251-1,000 vehicles
sponsored by Northgate
2023 winner: Stannah Management Services

Fleet of the Year – more than 1,000 vehicles
sponsored by Kinto
2023 winner: Mitie

SUPPLIER AWARDS

Leasing Company of the Year – up to 20,000 vehicles
sponsored by Aston Barclay
2023 winner: SG Fleet UK

Leasing Company of the Year – more than 20,000 vehicles
sponsored by Jaama
2023 winner: Zenith Vehicles

Rental Company of the Year
sponsored by Grosvenor Group
2023 winner: Enterprise

Outstanding New Product of the Year
2023 winner: EV ChargeSafe Data subscription

Fleet Dealer of the Year
2023 winner: Johnsons Fleet Services

EV Charge Point Operator of the Year
2023 winner: Gridserve

Converter of the Year NEW

MANUFACTURER AWARDS

Vans
Best Small Van
2023 winner: Toyota Proace City

Best Medium Van
2023 winner: Toyota Proace

Best Large Van
2023 winner: Mercedes-Benz Sprinter

Best All-terrain Workhorse
2023 winner: Isuzu D-Max

Trucks
Best Rigid Truck – up to 12 tonnes
2023 winner: Daf LF

Best Rigid Truck – more than 12 tonnes
2023 winner: Daf XD

Cars sponsored by Ogilvie Fleet
Best Lower Medium Car
2023 winner: Kia Niro

Best Compact SUV
2023 winner: Peugeot 2008

Best Mid-size SUV
2023 winner: BMW X1/iX1

Best Premium Car
2023 winner: BMW i4

Best Executive Car
2023 winner: Genesis GV70

ALTERNATIVE FUELS

Electric Car Breakthrough of the Year NEW

Electric Van Breakthrough of the Year NEW

Ultra-low Emission Truck of the Year
2023 winner: Scania P Series CNG/LNG

Most Improved Fleet Manufacturer of the Year
2023 winner: Genesis Motor UK

HEADLINE AWARDS

Fleet Supplier of the Year
2023 winner: Kwik Fit (GB)

Fleet Manufacturer of the Year – Car
Reader Voted
2023 winner: BMW UK

Fleet Manufacturer of the Year – Van
Reader Voted
2023 winner: Ford Pro

Fleet Manufacturer of the Year – Truck
Reader Voted
2023 winner: Daf Trucks UK

Fleet/Transport Manager of the Year
sponsored by Reflex Vehicle Hire
2023 winner: Matt Hammond, Altrad Services

Fleet News Hall of Fame
2023 winner: Steve Winter

To enter the awards, head to the website now: fleetnewsawards.com

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