FleetNews

FN 50 2018

Analysis and insight into the UK's contract hire and leasing industry

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Contact us

Fleet News, Media House, Lynch Wood, Peterborough, PE2 6EA.
Email – fleetnews@bauermedia.co.uk

Editorial
Editor-in-chief
Stephen Briers 01733 468024
stephen.briers@bauermedia.co.uk
Deputy editor
Sarah Tooze 01733 468901
sarah.tooze@bauermedia.co.uk
News editor
Gareth Roberts 01733 468314
gareth.roberts@bauermedia.co.uk
Features editor
Andrew Ryan 01733 468308
andrew.ryan@bauermedia.co.uk
Head of digital
Jeremy Bennett 01733 468261
jeremy.bennett@bauermedia.co.uk
Web producer
Elizabeth Howlett 01733 468655
elizabeth.howlett@bauermedia.co.uk
Staff writer
Matt de Prez 01733 468277
matt.deprez@bauermedia.co.uk

Production
Head of publishing
Luke Neal 01733 468262
Production editor
David Buckley 01733 468310

Advertising
Commercial director
Sarah Crown 01733 366466
B2B commercial manager
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Introduction of many new models makes for an exciting year ahead

Neil Broad, general manager, Toyota & Lexus Fleet

Air quality and WLTP dominate the headlines: businesses are realising that local and government taxation will penalise those failing to reduce emissions. The move toward cleaner, more sustainable business motoring is inevitable.

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Vans grab attention of FN50 as WLTP backlog on cars clears

Stephen Briers, editor-in-chief, *Fleet News*

The FN50 continues to grow despite all the uncertainty over the higher CO_2 emissions caused by the new World-wide harmonised Light vehicle Test Procedure (WLTP) fuel test and the subsequent impact on taxation levels.

While leasing companies accommodate informal contract extensions as the backlog of cars – many of which are Volkswagen Group models – yet to go through testing gradually clears (many models were still outstanding at the time of publication), the FN50's attention has turned to the van market, where home delivery demand, civil engineering projects and house building contracts continue to inflate demand for light commercial vehicles.

Consequently, the number of vans being funded by the FN50 has increased at a quicker rate than cars – although interesting to note that the number of cars being funded has actually risen on 2017, despite the substantial drop in the total of new car registrations this year.

Vans will also face the WLTP test next year and hopefully manufacturers will have learned from the mistakes made with cars, ensuring a smoother process with full model availability.

We say hello to two leasing companies this year: Santander Consumer (a misnomer, its business is both retail and fleet) at number 15 and Multifleet Vehicle Management at number 47.

Next year, expect to see another in Vauxhall Finance as it starts to build its portfolio after launch this April.

My thanks to Toyota & Lexus Fleet for its continued headline sponsorship of the FN50. Thanks also to our six associate sponsors listed at the top of this page for their support.

Leasing companies view PCH as route to hit growth targets

Uncertainty surrounding company cars means other avenues are being examined

By Stephen Briers

FN50 leasing companies are lining up to exploit an emerging market sector which will change the shape of the leasing industry – personal contract hire (PCH).

As the company car sector faces continued uncertainty due to a combination of macro and micro economic and political influences, contract hire companies are turning to alternative opportunities to sustain their growth aspirations. The private customer is seen as a major target. These can be an employee within a fleet customer who does not have access to the company scheme, an employee who has taken cash, or simply any member of the public considering leasing a car.

Over the past year, Arval, Inchcape, LeasePlan and Pendragon have all announced plans to target private car owners with PCH products; other leasing companies are readying or trialling their own schemes. Zenith has gone a step further with the launch of a new business branded ZenAuto.

Zenith CEO Tim Buchan says: "There are 900,000 potential retail customers – it's so significant we have to focus on it."

PCH business has yet to alter the balance of the FN50; fleet accounts for 87% of funded cars, up slightly on 2017's 85% but the same as 2016. However, expect the proportion of retail cars to grow in the coming years.

Arval chairman and CEO Philippe Bismut told *Fleet News* earlier this year: "Corporates have more employees than company car drivers that have a need for a car. So, our new ambition will be to address the wider population. We are pioneering full service, long-term rental, medium-term rental and new propositions for flexible, sustainable, efficient renting solutions for individuals and corporate companies of all sizes."

The overall size of the FN50 has risen by 3.1% year-on-year to 1,740,877 vehicles. The UK's 50 largest leasing providers are responsible for funding 1,307,454 cars and 433,423 vans.

Vans have increased the most year-on-year, up 6.7% compared to cars, up 2.1%. This reflects the broader macro-economic influences, such as the widespread uncertainty in the company car market caused by a combination of the new fuel testing regime, with its impact on CO_2 emissions, and rising benefit-in-kind tax thresholds.

It is persuading some employees, particularly higher rate taxpayers to switch to cash, where leasing companies await with their PCH offerings.

This trend is reported by several leasing companies, while research from Sewells suggests the proportion of perk car drivers switching to cash is set to increase from 29% to 39%.

"We are seeing increasing evidence of employers switching from company car provision to employee allowances," said Alphabet chief executive officer Nick Brownrigg.

"Employer duty of care responsibilities require greater oversight and transparency in this area than we've seen from these employee allowance schemes in the past. The increased interest and demand for these types of arrangement is evident to us."

The FN50 picture is generally upbeat, with 29 companies reporting increases in their funded fleet sizes. However, 17 are funding fewer vehicles than a year ago (plus three new entries and one unchanged).

For the first time in a decade, there has been a change in the top two. Lex Autolease remains the biggest, but LeasePlan has been leapfrogged by a rapidly growing Volkswagen Financial Services (VWFS).

In 2014, VWFS had a fleet size of 92,601 vehicles; a year later, with a move into a new corporate head office in Milton Keynes, the company was talking about aspirations to hit 150,000 vehicles by 2018. It achieved those ambitious growth plans a year early and has continued to accelerate, bringing larger fleets into its traditional customer base of SMEs. Growth has been entirely with cars; VWFS actually funds fewer vans today (22,971) than in 2014 (33,243).

Its 2018 funded fleet size of 194,599 vehicles is up 16.9% on last year, outpacing LeasePlan on 169,695.

As well as structuring the business to appeal to corporates, VWFS also benefits from considerable local business and retail funding via the Volkswagen, Audi, Škoda and Seat franchised networks. Consequently, it has one of the higher retail-to-fleet ratios of any FN50 company – 46% of its car business is with private customers.

That proportion is matched only by ALD, which has a number of white-label contracts with manufacturers that do not have captive funding houses, as well as Leasys, Fiat's leasing operation, RCI, the Renault-Nissan division, and Wheels4Sure whose business model is to target only local business and private customers.

VWFS is one of 13 companies reporting double-digit growth. The others range from large to small, specialist to mass market funders; there is no clear blueprint for success.

Notable are Leasys, which continues to be one of the fastest growing FN50 companies, this time rising by almost 30% to 13,150, and Marshall Leasing, free of the shackles of its franchised dealer parent and now able to concentrate fully on its core market, up 13.3% to 7,332.

VWFS and Leasys underline the importance of the funding sector to manufacturers – or most accurately, the importance of direct relationships with end users.

The changing market place, with consumers and companies being seduced by subscriptions services, the promise of cheaper, cleaner, safety mobility alternatives, and user-ship instead of ownership models, means they are keen to get closer to the end user and funding offers the perfect opportunity.

It explains Vauxhall's re-emergence in the market, and the strategies from the likes of Free2Move, the Peugeot-Citroën business, which is evolving into a provider of mobility services, not just corporate funding (all its business is with fleets).

Mobility and flexible funding to meet customers' changing expectations are top of many leasing companies' agendas, even if the market is yet to embrace technology-led solutions.

Arval UK managing director Miguel Cabaça says: "While we know from our research that very few businesses are replacing company vehicles with mobility solutions, a growing number of our customers are looking for flexible options to meet their fleet needs.

"Whether they need a vehicle for a few hours, days, months or years they want us to provide cost-effective vehicle choices which means seamlessly combining products like car sharing, short- and mid-term rental alongside more traditional contract hire."

He added: "We are also being asked more often to provide solutions for the customer's entire employee-base, including those who are not entitled to a company car. This is where we provide products like salary exchange, personal contract hire, pool cars and car sharing."

Despite growth from eight of the top 10 leasing companies, their dominance of the FN50 is largely unchanged year-on-year. They account for 81% of the total, compared to 82% last year and 81% in 2016.

Likewise, the top five accounts for the same proportion, 61%, as last year and is just one percentage point higher than two years ago.

One explanation – in contrast to industry forecasts of consolidation, with the big getting bigger – is a pause on acquisition activity by the largest funders. No one is making noises, publicly or privately about seeking to buy (or, for that matter, sell), although this could be the quiet before the storm.

Certainly, there appears to be no sector gaining strength or facing weakness, with most content to focus on organic strategies.

Of the nine manufacturer-owned leasing companies, four have grown, five have contracted. Likewise, five of the 13 dealer-owned providers have grown, seven are smaller (one, Agnew, is unchanged). Both sectors are advantaged by their closeness to the end users via their franchised dealer networks.

The nine bank/financial-owned leasing companies are possibly in the strongest position, typically able to access cheaper funds, with seven growing, although some by just a few vehicles.

FN50 BY NUMBERS

1,740,877 Total funded vehicles

1,307,454 Funded cars

433,423 Funded vans

49,683 Salary sacrifice cars

28 companies increased fleet size (30 in 2017)

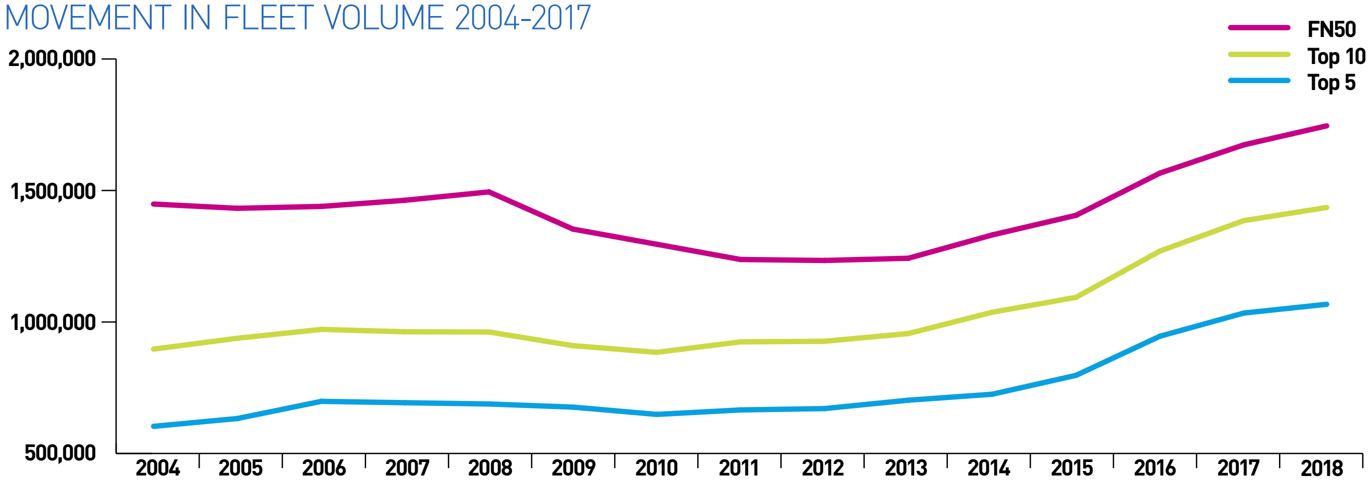
17 companies decreased fleet size (14 in 2017)

2 new entries

FN50 NUMBER OF RISK VEHICLES

Position	2016	2017	2018	Volume change 2017/2018	% Change 2017/2018
1 to 5	941,821	1,028,318	1,055,268	26,950	3%
6 to 10	325,209	352,502	361,929	9,427	3%
11 to 20	181,137	199,423	189,020	-10,403	-5%
21 to 30	66,807	67,490	82,946	15,456	23%
31 to 40	35,332	30,064	36,685	6,621	22%
41 to 50	14,195	9,089	15,029	5,940	65%
Total	1,564,501	1,686,886	1,740,877	53,991	3.1%

MOVEMENT IN FLEET VOLUME 2004-2017



NOTES

Thanks to all the FN50 companies who supplied figures this year, enabling us to compile this report into the latest trends. The survey data was collated by Sewells and analysed by the *Fleet News* editorial team.

> *"While we know from our research that very few businesses are replacing company vehicles with mobility solutions, a growing number of customers are looking for flexible options to meet fleet needs"*
> *Miguel Cabaça, Arval UK*

Mixed picture on profits despite record-breaking year

Some companies blame a downturn in profits on a challenging used car market

By Gareth Roberts

The country's top 50 vehicle leasing companies collectively reported a record-breaking year, according to the latest available figures.

However, while some saw year-on-year profits rise, others recorded a reduction, blaming a challenging used car market.

The country's biggest leasing company – Lex Autolease – saw revenues rise 7.3%, while profits fell by 13%. Due to its size, its figures dwarf those achieved by most FN50 leasing companies.

It reported revenues of £2.17 billion, up from £2.02bn in 2016, but pre-tax profits for the leasing giant fell £28 million, from £204m to £176m, in 2017.

In its annual report, Lex Autolease said the fall was "primarily due to increased underlying depreciation charges of the growing funded fleet and lower profit on the disposal of motor vehicles due to market conditions in the secondhand car market."

Nevertheless, looking at the FN50 as a whole, combined turnover for the country's top 50 leasing companies reached a record-breaking £11.3bn* – breaking the £10bn barrier for the first time, last year. Turnover for the FN50 in 2016 stood at £9.1bn.

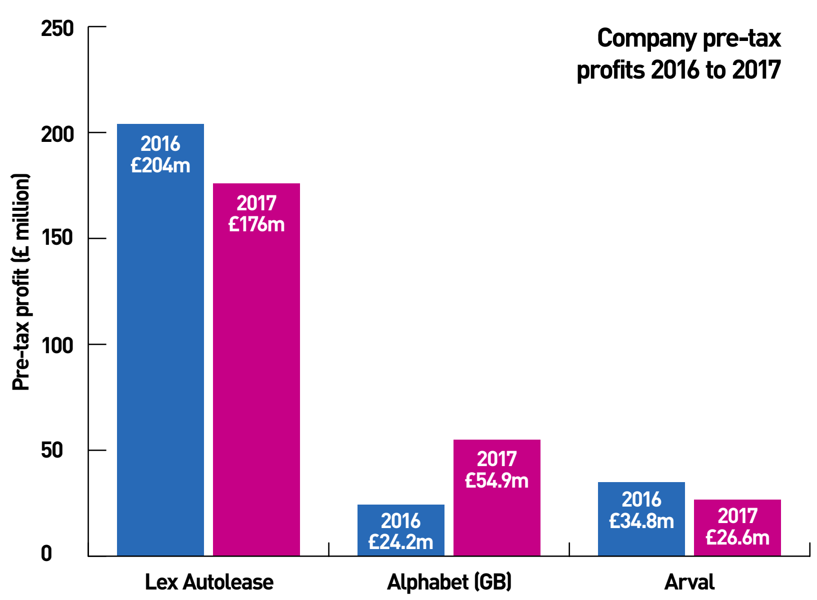
Combined pre-tax profits were also up, hitting a new high of £708m*, a £40m increase on the 2016 figure.

Responsible for 22% of the FN50's risk fleet, it is perhaps no surprise that Lex Autolease is responsible for some 19% of the FN50's turnover and 24% of pre-tax profits.

In fact, the top five companies – Lex Autolease, Volkswagen Financial Services, LeasePlan, Arval and Alphabet (GB) – are responsible for the lion's share of both turnover and profits.

Funding 61% of the FN50's risk fleet, they are collectively responsible for 60% of turnover – some £6.86bn – and more than half (54%) of pre-tax profits, a staggering £383m.

The leasing industry's importance to UK coffers should not be underestimated. With 5.7 million vehicles, the leasing and rental industry accounted for 15% of all vehicles on the UK's roads in 2017. Some 27 vehicles in every 200 were leased.



-£28m
fall in pre-tax profits for Lex Autolease

A report commissioned by the British Vehicle Rental and Leasing Association (BVRLA) puts total turnover for businesses operating in the sector at £37.3bn in 2017.

It is estimated that businesses operating in the industry, and its employees, paid a total of £1.1bn in taxes to the Exchequer, comprising £500m in corporation tax, £200m in employers' national insurance contributions, £300m in employees' income tax, and £100m in employees' national insurance contributions.

An Oxford Economics report, commissioned by the BVRLA, says the industry, its supply chains, and the wage-financed spending of their employees, generated a gross value added contribution to UK GDP of £40.3bn in 2017. This supported the jobs of some 334,200 people and raised £5.3bn in tax receipts for the Exchequer.

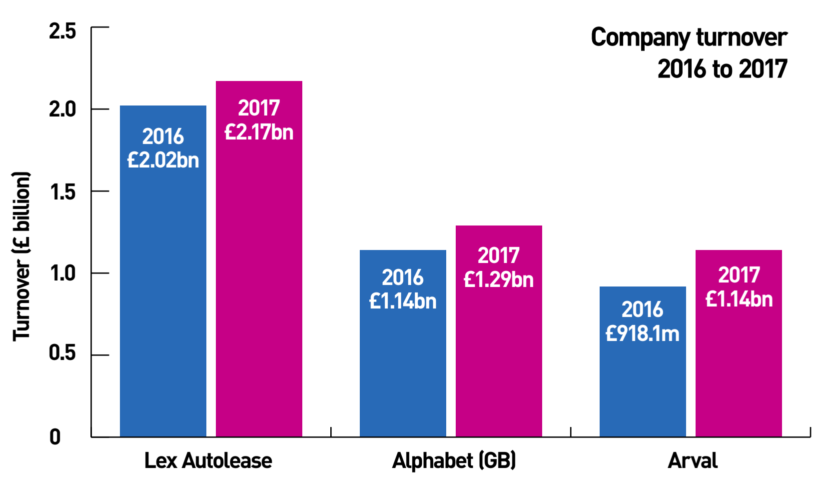
Furthermore, it says that when the industry's purchases and disposals of vehicles are also considered, its impact grows further still. Including these channels, in total the industry contributed an estimated £49bn to UK GDP in 2017.

Mixed fortunes

Record-breaking figures also suggest an industry in rude health, but in what is a highly competitive sector some firms are faring better than others.

In terms of profitability, Alphabet (GB) stood head and shoulders above other FN50 leasing companies.

It saw revenues rise by £150m (13%), from



£1.14bn to £1.29bn, while pre-tax profits increased by a massive 125%, from £24.2m in 2016 to £54.9m, last year.

That will have been helped, in part, by termination revenues increasing by 23% from £596m in 2016 to £735m, in 2017.

Meanwhile, rising revenues for Arval UK could not be matched by increased profits. Its turnover increased by £229.3m from £918.1m in 2016 to £1.14bn last year. The number four FN50 company said that was "primarily due to the impact of a full year's contribution from the previously acquired GE Leasing... and Leasecontracts sales in October 2016".

However, operating profit margins fell from 6.9% in 2016 to 5.8% in 2017, while pre-tax profit fell 23% from £34.8m to £26.6m.

Like Lex Autolease, Arval highlighted pressure on residual values (RVs). "The UK used car market has continued to remain challenging, with continued uncertainty surrounding diesel emissions and the general economic outlook," it said in its latest financial report.

The used car market expanded at a quicker rate than new car registrations in 2017, with used car demand proving comparatively resilient, falling by 1.1% compared to the 5.7% contraction in new car demand.

However, data analyst Autovista explains that sustained increases in registrations of new cars in recent years have caused sizeable overcapacity in the used car market.

Coupled with large volumes of used car returns, major discounting and attractive financing packages on new cars have been major factors in pushing down RVs, it says.

Residual values of 36-month-old cars are forecast to fall by 1% in both 2018 and 2019, although it predicts stability in values of 12-month-old cars as the deterioration in new car demand limits supply (for more on RVs see page 32).

It says that both petrol and diesel values are forecast to perform in this way, and although the sharp decline in new diesel sales will reduce supply, demand in the used car market remains robust, despite the negative publicity.

In fact, used diesel transactions increased 3.3% in 2017 compared to a 14.7% decline in registrations of new ones.

Brexit impact

In terms of the wider economy, Brexit negotiations are finely poised, while any deal struck between the EU and the UK Government may be impossible to get through the House of Commons.

LeasePlan, which reported a 4% rise in turnover last year, from £939m to £977m, and a massive 39% in pre-tax profit, from £33.4m to £46.3m, partly helped by a strong management focus on cost control, said used car values had "largely been unaffected".

However, on Brexit, the company warned: "As the details of Brexit unfold it becomes increasingly likely that the weaker pound will continue to mean that new car prices are adjusted upwards and discounts reduced.

At the same time, inflation will drive up high street prices, reducing consumer wealth.

"Weighting the supply and demands impacts together, it is likely that we will see used values come under more pressure in 2018."

Forecasting body EY Item Club says the economy faces three years of weak economic growth which could be dented even further in the event of a no-deal Brexit.

It has downgraded its outlook for 2018 to 1.3% – which would make it the slowest expansion since the height of the recession in 2009 – and expects growth of just 1.5% in 2019.

The forecast is based on the assumption that the UK and EU will ultimately reach a transition agreement on Brexit, which Howard Archer, chief economic advisor to the EY Item Club, says "will help limit the shock to businesses and the economy".

However, he added: "Heightened uncertainties in the run-up to and the aftermath of the UK's exit could fuel business and consumer caution."

A no-deal scenario could see trade hit by tariff and other barriers and a slump in the pound – while boosting exports – would push up inflation.

The UK's Office for Budget Responsibility has compared the possible impact of a no-deal Brexit to that of the three-day week in 1974.

"The UK used car market has continued to remain challenging, with continued uncertainty surrounding diesel emissions and the general economic outlook"

Arval financial report

Sustained increases in registrations of new cars have cause overcapacity in the used car market, says Autovista

£11.4bn*
combined turnover for the FN50

£708m*
combined pre-tax profits for the FN50

The combined pre-tax profit and total turnover figures are an estimate based on reported figures for 76% of the risk fleet.

POWERED BY Sewells actionable insight

To outsource or not to outsource? That is the question

More fleet decision-makers are seeking help from outside their organisation

By Stephen Briers

What is the role of the fleet manager? Is it to micro-manage every detail of the fleet policy, placing orders, taking calls, doing the admin? Or is it to set strategy, appoint suppliers and manage relationships?

Today's fleet manager, or more accurately fleet decision-maker (the role can have many job titles, from fleet and travel to procurement and finance, and, more contemporarily, mobility manager), needs to add value to their business.

Value may come from managing an entire travel operation (vehicles, public transport, hotels), understanding company priorities and matching the fleet to those priorities, setting strategies to reduce cost, improve safety, tackle environmental concerns, reduce/eliminate grey fleet, or create funding offers, such as salary sacrifice, employee car ownership or personal contract hire (PCH) for employees unable to access the company car scheme.

Limited value can be achieved by giving drivers a hotline to fleet, even though there are plenty of decision-makers who believe this is a way to engage drivers and show they – and, importantly, the business – care. And that's fine, if driver satisfaction is the core fleet/company pillar.

However, companies increasingly require their fleets to show value and worth to the business, and this is where supplier partnerships and collaboration comes into play.

Outsourcing can be viewed as a dirty word; a way to rid a company of a fleet manager/team or an attempt to offload fleet responsibilities to a third party. In reality, that is the last thing it should mean.

Fleet is unique. Procurement, cost management, safety, taxation, compliance, etc. all require expert knowledge to maximise efficiencies and effectiveness. Outsourcing the lower value elements to a leasing or fleet management company can free up a fleet decision-maker to focus on the strategic side, but it is crucial the business retains someone with knowledge to manage the supply chain.

Checks for maximum value

While some leasing companies may argue the contrary, service level agreements (SLAs) and key performance indicators (KPIs) need monthly, weekly, sometimes daily checks to ensure the business is getting maximum value from its partners. There are plenty of examples of price creep and service deterioration when this does not happen.

A fleet decision-maker can also ensure that partners work in collaboration with the business; they should be required to constantly improve service and offer cost-saving ideas.

All FN50 companies report a growing level of outsourcing. No surprise, perhaps, as it is something they all encourage as part of a mutual remit to tie customers more tightly to their businesses.

Former Lex Autolease managing director Tim Porter, who retired at the end of October, says outsourcing enables organisations to concentrate on core business activities by relying on the supply chain to provide efficient, cost-effective systems and fleet management expertise.

"It is vital that running a fleet is resourced correctly with the right levels of experience, insight and expertise"

Simon Carr, Alphabet

"This is also being driven by procurement who are increasingly trying to reduce overheads to increase profits and reduce risk," he added.

Arval UK managing director Miguel Cabaca believes the market remains split over outsourcing and in-house management of key fleet functions, although he has seen some shift towards outsourcing as the business of managing a fleet becomes more complex with ever changing legislation and a broad range of stakeholders to satisfy. But, when it comes to policy, there is no one-size-fits-all.

"Even within an outsourcing solution there are different approaches as some companies retain a fleet manager, or small fleet team, to work with us on fleet policy and strategy, while others outsource the whole operation," he says. "From our perspective, both can work well as long as the business objectives of outsourcing are clearly agreed from the outset.

Mobility providers

Leasing companies increasingly try to position themselves as mobility providers, as they begin to offer a range of solutions to satisfy fleet needs. Often these solutions remain wedded to a car; it's just the contract term that becomes flexible, with rental from an hour to a five-year lease.

In the near future, though, mobility solutions will facilitate the best way to move goods, people and services around – or not at all in the case of video conferencing – whether by company vehicle, public transport, bike or some other form of transport, with technology providing seamless organisation, booking and payment.

Alphabet says more customers seek a combined funding, fleet management and mobility solution, as the demands placed on the business by the growing complexity and range of travel options outstrips in-house resource or competency.

"Running a fleet is an area of complexity that requires expert know-how, 24/7 customer service and robust, auditable processes," says Simon Carr, Alphabet chief commercial officer.

"Drivers have increasing service expectations on availability and turnaround times that small fleet teams – who often fulfil a number of key functions within a business and with competing priorities – simply struggle to keep pace."

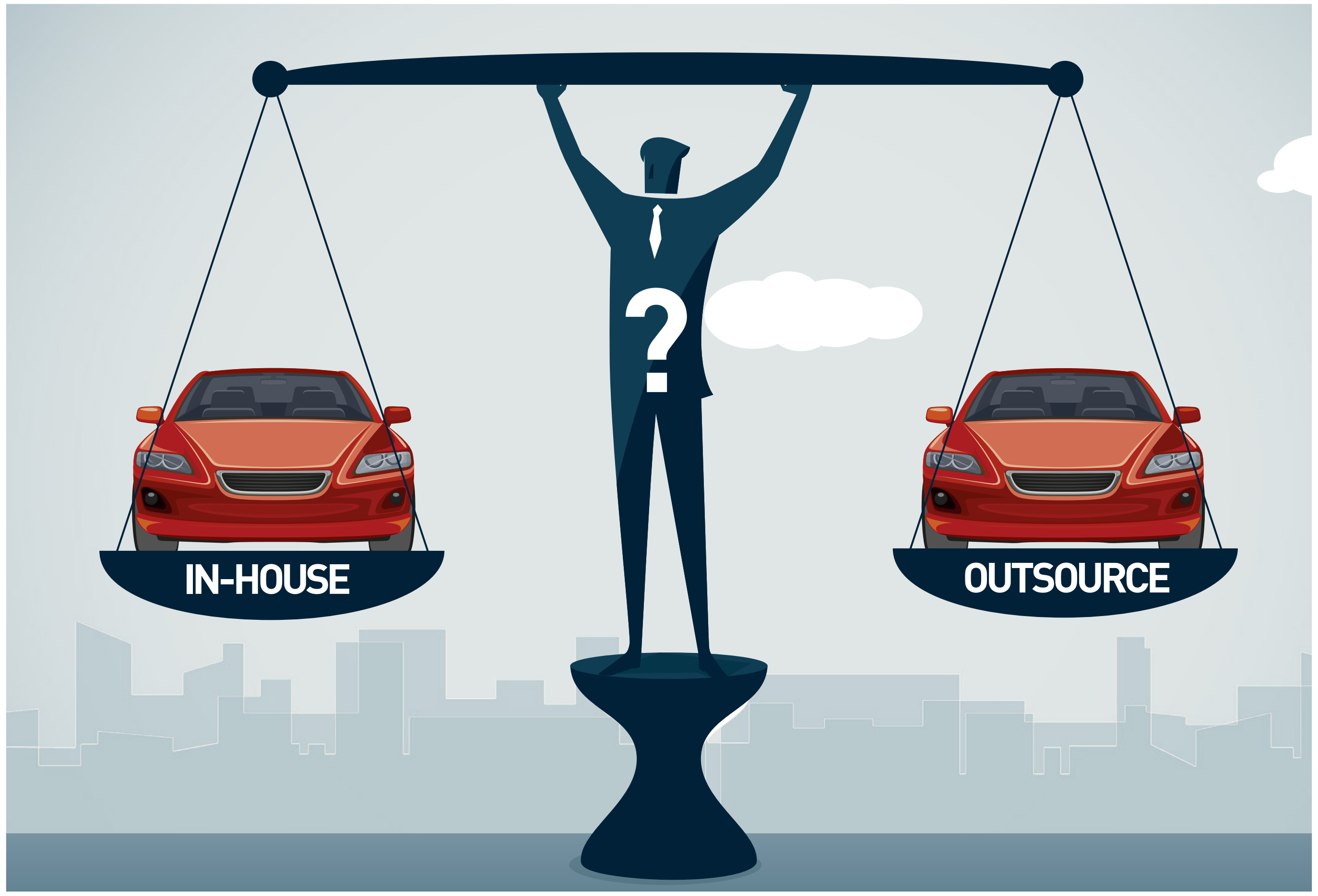
Carr also points to the greater scrutiny and regulation faced by companies operating vehicles, including duty of care.

"It's vital that running a fleet is resourced correctly with the right levels of experience, insight and expertise," he adds.

Matt Dale, ALD head of consultancy, outlined some of the issues which are prompting businesses to outsource some or all of their fleet management requirements.

Brexit, he says, is creating uncertainty resulting in "an inevitable slowing down in decision making" but would require major reviews of fleet policy, total cost of ownership, employee remuneration and wider business mobility solutions.

As cars and infrastructure become increasingly connected, this will result in greater levels of data which will empower businesses to make more informed and timely decisions, ultimately enabling them to control their costs, manage their risk, improve their carbon footprint and manage their fleet more efficiently.



"Whether that's information relating to vehicle health that can help fleets take early steps to prevent breakdowns, or more accurate information relating to driver behaviour so preventative action such as training can be administered, fleets will have more data at their disposal to use and interpret as they see fit," Dale says.

"With this comes a responsibility to handle data in a way that respects the privacy of the driver and adheres to the legislation. Businesses will need to be clued up on the rules and regulation surrounding data protection more than ever before."

However, while outsourcing is a key part of the fleet management mix, Dale believes in-house fleet knowledge will remain crucial.

"Over time, companies will need to possess the skills to manage new services and systems that go beyond the traditional company car, whether that's getting to grips with automation technology or administering an electric car-sharing scheme," he says.

"These solutions will continually evolve and develop but, where there is a need for business mobility, fleet managers will continue to play a vital role."

Consultancy relationships

In addition to outsourcing, leasing providers are also seeing greater demand for consultancy relationships, according to Inchcape Fleet Solutions.

"We are expected to provide much additional consultancy that would otherwise have been the domain of the fleet manager," says Lee Hamlett, Inchcape commercial director. "The rationale seems to be that the client wishes to reduce cost and expects us to continually add value to their business."

However, the growing complexity of running fleets might result in more control returning in-house, Hamlett adds.

"Fleets will have more data at their disposal to use and interpret as they see fit"

Matt Dale, ALD

"With an increasing burden from legislation, taxation, accounting, compliance, General Data Protection Regulation, corporate and social responsibility and environmental factors, along with the constant challenge to review and re-engineer fleet policies to deliver financial enhancements while retaining integrity of the operational performance, the specific fleet focus that a professional fleet manager has may once again return to favour," he says.

Mixed picture

Others report a mixed picture, with some companies outsourcing fleet management as others in-source.

Simon Hill, chief executive officer at Total Motion Vehicle Management, says: "We are seeing a real mix and our guidance to clients is to find a hybrid of both that works as, for many, neither is really effective."

Likewise, Keith Townsend, managing director at Agility Fleet is seeing "a mix of both", although there has been a slight bias towards outsourcing as "operations want to reduce internal head count and improve efficiency".

Steve Whitmarsh, Multifleet Vehicle Management managing director, stressed the importance of choice, especially for smaller fleets. "Small fleets still want to retain a degree of independence and high level of choice. As such, they are actively seeking flexible partners and platforms as a stepping stone to fully outsourcing their fleets," he says.

Meanwhile, Paul Walters, managing director at JCT600, identified a trend away from the company car, particularly in the non-essential perk car category due to the increased taxation burden.

"PCH will continue to play a larger role but with the look and feel of a corporate contract hire arrangement, with maintenance, accident management etc.," he says.

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ACFO VIEW

Industry is still waiting for Whitehall decisions that will shape our future

Twelve months ago in this column I highlighted the unprecedented pace of change the fleet industry was witnessing. The problem, at the time, was that there were no answers in sight to the myriad of questions being posed.

In many cases, nothing has changed, but over the next few weeks and months the fleet industry should, at least, be getting some answers; notably to the shape of vehicle taxation and particularly company car benefit-in-kind tax from April 2020, taking account of the impact of the recently introduced Worldwide harmonised Light vehicles Test Procedure (WLTP); and the impact of Brexit, which is undoubtedly the elephant in the room.

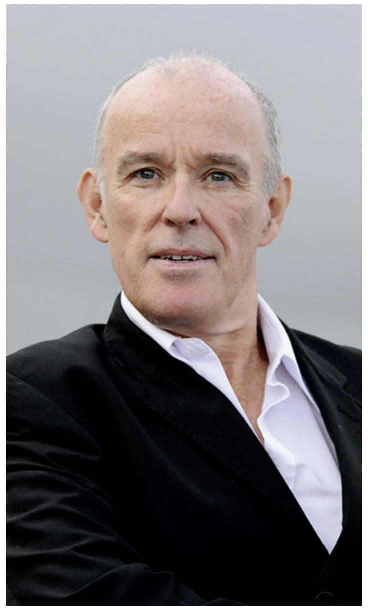
For more than 40 years ACFO has always highlighted to government and civil servants the importance of fleet decision-makers being able to base solutions around a long-term strategy.

Such strategic decision-making has been on hold, but ACFO hopes that imminent decisions from Whitehall and Brussels will enable fleet chiefs to advance their operations in what will undoubtedly be a new world, the shape of which we do not yet know.

Fleet decision-makers will adapt to whatever is thrown at them because history reveals that they always have: whether that was by operating the UK's most CO_2-friendly vehicles in response to the 2002 company car tax changes and the introduction of an emissions-based regime or, more recently, the implementation of Optional Remuneration Arrangements and the General Data Protection Regulation.

Fleet resilience has undoubtedly been tested over the past 12 months, notably in respect of uncertainty over benefit-in-kind taxation. ACFO is certain that has led to some employees giving up company cars and taking cash-based alternatives, fearful of possible further significant tax hikes when the government decides what its policy will be.

That should serve as a warning to Whitehall: if it wants to achieve its environmental objectives, it must ensure that company cars have a sustainable future from a tax planning perspective. Fleet decision-makers should also be aware that any employee move to cash does not usurp their vehicle and journey management responsibilities.


John Pryor, ACFO chairman

> "In a world of change we need some certainty, help and consistency to achieve our objective"

Government can further help by answering ACFO's call for an Advisory Electricity Rate for all plug-in cars. ACFO was delighted that its plea for an e-rate for 100% electric cars was answered this year by HM Revenue and Customs (HMRC), but disappointed there was no equivalent figure for plug-in hybrid petrol and diesel cars and range-extended electric vehicles.

To achieve that goal, ACFO is continuing its campaign because it believes the failure by HMRC to bow to industry pressure continues to hold back plug-in demand among fleets and company car drivers.

ACFO has actively participated, alongside the British Vehicle Rental and Leasing Association and *Fleet News*, in roundtable discussions hosted by a number of local authorities planning to introduce Clean Air Zones (CAZs). Some towns and cities, although not all, are planning to make CAZ entry chargeable. Unfortunately, ACFO fears inconsistency across urban areas, notably in terms of the vehicles that will be charged to enter.

Added to the fact that vehicles are already subjected to charges when entering the London Congestion Charge Zone, crossing the River Thames at Dartford, using the M6 Toll – and some will be subject to the new Ultra-Low Emission Zone charge being introduced in the capital in April – it is surely not beyond the scope of today's technology for a single centralised database to be created to hold vehicle data for all charging schemes.

Applicable to fleets and private consumers, a centralised database, perhaps operated by the Driver and Vehicle Licensing Agency, would need to be kept up-to-date with vehicle data and in credit with an account debited by the operator of each charging scheme. Fleets would, of course, need to have a solution in place to recharge drivers for private use. However, it would overcome many of the problems associated with individual journey registration and payment and fine management.

Ultimately the role of the fleet decision-maker is to do what is best for their employer, but in a world of change we need some certainty, help and consistency to achieve that objective.

Leasing or mobility – where does one stop and the other kick in?

Many leasing companies see MaaS as a natural extension of what they do

By Sarah Tooze

Many leasing companies believe they already operate in the mobility market – after all, they provide a means of employees getting from A to B through company cars, daily rental vehicles and, in some cases, car clubs/corporate car sharing.

The next stage is to offer mobility as a service (MaaS), which integrates all forms of travel (including public transport, taxis, car- and bike-sharing), journey planning, ticketing and travel information into one mobility app or software platform with a single payment system.

Free2Move Lease, which sits at number seven in this year's FN50, is arguably the furthest down this path. Its parent company, PSA Group, launched the Free2Move app in February last year, which gives users access to a shared car, scooter or bike from a range of partners.

The app has been downloaded by more than a million customers in 14 countries (including the United States, France, Belgium, Portugal, Germany, Spain, Italy, the UK, Sweden and Austria).

Users are able to compare features, price and location and access the vehicle of their choice immediately or reserve it for future use.

However, Duncan Chumley, managing director at Free2Move Lease, acknowledges that the app is "in its infancy" in the UK.

"At the moment it's focused on London but you can use it within Europe as well," he says.

"We've still got to develop it, particularly around our electric vehicle strategy.".

MaaS interests many others

Other major leasing companies are also exploring MaaS. ALD Automotive, for example, is providing a dedicated pool of car-sharing vehicles to users of MaaS Global's Whim app in Helsinki, Finland.

John Saffrett, chief operating officer at ALD, says: "Our ambition is to be at the forefront of changes in mobility and partnering up with MaaS Global will enable us to benefit from the company's experience and expertise in the field of mobility as a service while broadening our presence in the consumer market."

In the UK, ALD is in discussions with Whim (which currently operates in the West Midlands) and other MaaS providers.

Technology providers are also entering this space. Fleetondemand has launched a MaaS app for businesses, called Mobilleo, which allows users to find, book and pay for their entire business journey (including parking, car hire, flights, trains, accommodation, restaurants, airport lounges, car clubs, buses and taxis), in one transaction.

The desktop version allows fleet managers to adopt mobility policies and drill down into the data at an employee level to identify total cost, behaviour and if there have been any breaches of the travel policy.

John Pryor, chairman of fleet operator association ACFO, believes businesses are becoming more interested in measuring the 'total cost of mobility', and are looking at pulling together fleet, travel and expenses, which currently often sit in 'different silos' within a company.

He believes the introduction of clean air zones/low emission zones, the ever-increasing congestion on UK roads and demand from employees for alternatives to the company car will drive businesses to "view travel in a different way".

However, much depends on whether a business and the journeys its employees make are rural or urban, and on infrastructure in the UK.

Tim Porter, recently retired managing director of Lex Autolease, says: "Fleets are increasingly becoming more aware of MaaS, but most view it as unsuitable for current operational and business needs, especially outside of London and major cities where transport infrastructures are less well developed. While the use of apps for travel planning and expenses are more commonplace, this is far from the fully connected, autonomous mobility solution that many envisage."

ALD head of consultancy Matt Dale believes that MaaS isn't fully developed in the UK yet in terms of all forms of travel being integrated and a single payment for the total journey.

"MaaS will not truly exist until there is an open service that allows all forms of transport, be they public, private, consumer, ride sharing etc., to be connected and accessible," he says. "Fleets are starting to look at the options for more integrated transport solutions and how they can service and support the employee who lives and works within a major conurbation or beyond."

"Fleets are increasingly becoming more aware of MaaS, but most view it as unsuitable for current operational and business needs"

Tim Porter, who retired last month from Lex Autolease

"We're working with a range of companies who are focussed on a last mile distribution model"

Jon Lawes, Hitachi Capital Vehicle Solutions

Saffrett believes there will be two mobility models: an urban mobility model, which is very integrated and combines with the public transport, and a non-urban model, which will primarily be about a "one-to-one use of the asset".

He suggests that in the latter case, the driver will use their personal car to reach a city and then access the mobility offer.

"I think increasingly cities will begin to shut the doors to people in the non-urban area accessing the city in diesel cars, for example, in the future and, therefore, there will have to be a stop-off point where people switch mode of transport or switch vehicles, switch to a shared electric vehicle to go into the city and come back out, almost like a park and ride," he says. "I think it will evolve in that way, there isn't a one-size-fits-all."

He adds: "You ask 10 mobility consultants to define mobility and you get 10 different answers today. That is okay because there isn't one model that is going to work for everyone and this is about bundling the right set of services for the client going forward."

Chumley believes it is much easier for leasing companies to "generate a business model that works" in urban areas.

He also suggests there is an opportunity for leasing companies and fleet operators to encourage company car drivers to rent out their cars when they are not being used in the same way that people now rent out their houses through Airbnb. However, this is dependent on having the right permissions and technology platforms in place, and may require incentives to be offered to drivers, such as reduced lease costs.

Little change for job-need vehicles

Leasing companies and fleet operators agree that job-need vehicles which already have high utilisation rates and require drivers to carry tools and equipment will remain largely unchanged by 'mobility'.

Pryor says: "In terms of job-need car drivers – such as service engineers required to carry tools and other equipment to jobs – and light commercial vehicles, it is difficult to envisage anything much different from the current model."

Take British Gas, which operates a fleet of 12,000 vans, for example.

Its head of fleet Steve Winter says that due to the size of fleet, he and his team simply don't have time to get involved in travel.

However, there is a requirement for job-need fleets to consider last-mile distribution – either by electric van, scooter, cycle or even using drones.

Jon Lawes, managing director of Hitachi Capital Vehicle Solutions, says: "We're working with a range companies who are focused on a last mile distribution model, and are providing smaller EVs (electric vehicles) to deliver to urban areas and hubs on the outskirts of city centres. Whether its cars or vans, this is key for us to provide to customers."

BVRLA VIEW

Responsiveness and resilience will continue to drive the sector

BVRLA membership has continued to grow throughout 2018 with an increasing number of small and medium-sized businesses joining the association from across all core business areas, including vehicle rental, leasing and those who supply to, or have an interest in, the industry.

With just over 950 organisations in membership, BVRLA members are collectively responsible for almost five million vehicles on UK roads, buying almost half of all new vehicles sold in the UK each year and purchasing 83% of all UK-manufactured vehicles sold to a domestic market.

What is becoming apparent is that BVRLA members are expanding their business activities, shifting towards delivering mobility solutions rather than a single core business offering. We are seeing rental operators also providing leasing deals, leasing companies also operating in the second-hand car sales market, and so on. The lines are blurring as our members are increasingly adapting their business models within the confines of technological developments and regulatory requirements to best meet customer needs.

The influence of BVRLA members should not be underestimated, as collectively they can drive behaviour change quickly when it comes to encouraging individuals and businesses to think differently about using alternative cleaner transport solutions.

This collective strength is what gives the BVRLA and its members a louder voice when it comes to lobbying and influencing policymakers, and the association is further strengthening its representation by expanding its membership criteria to include fleet operators as of January 2019.

The ABC of change in 2019

There are several key drivers of change that will have a significant impact upon the fleet sector in the year ahead:

Air quality: Regulatory restrictions around air quality will provide an opportunity for BVRLA members to market their sustainability credentials to individuals and businesses looking for cleaner transport solutions to help minimise costs when entering towns and cities where Clean Air Zones are implemented.

The BVRLA and its members will work closely with national and regional policymakers as well other industry bodies to mitigate the risk of future air quality plans compromising business growth. There will be a particular focus on the needs of commercial vehicle operators, who are relied upon to deliver goods to UK towns and cities, and face the greatest challenge in upgrading to the latest diesel or ultra-low emission vehicles.

"The influence of BVRLA members should not be underestimated, as collectively they can drive behaviour change quickly"

Gerry Keaney, chief executive, BVRLA

Brexit: The uncertainty surrounding our exit from the EU continues, despite government issuing a series of official 'Technical Notices' to advise businesses on what they need to know in the event of a no-deal Brexit.

The prospect of being impacted by import tariffs on new vehicles and restrictions around employing EU staff will be of concern to members; indeed, these are issues affecting every UK organisation. The myriad of other regulatory issues around type-approval, emissions standards, data protection and driving overseas will all have an impact upon our industry but regardless of EU-negotiation outcome, the fleet industry will lead the way in responding with strength and resilience.

Changing business models: The fleet sector has always been responsive to change and customer-focused. This combination of being motivated to meet customer needs and being nimble enough to react to technological and environmental change is driving BVRLA members to explore new business models. We are seeing a shift towards providing a broader range of integrated mobility services, rather than delivering just one rental, leasing or fleet management product.

The BVRLA will continue to support members through what could possibly become an A-to-Z of change during 2019. By expanding our membership categories and being a louder voice of influence in the corridors of power, the BVRLA and its members remain committed to delivering future mobility solutions, driving industry growth and promoting the reputation of the industry.

Salary sacrifice on wane as contract hire/operating lease dominate

Replacement cycles extended as fleet decision-makers hope for tax clarity in next Budget

By Gareth Roberts

A new emissions testing regime, economic uncertainty and a demand for greater flexibility have all impacted fleet funding and replacement cycles over the past year.

Leasing firms have faced major tax changes and doubt over how those new rules should be applied, while company car contracts have been signed without future knowledge of benefit-in-kind (BIK) rates.

New salary sacrifice rules introduced before last year's FN50, were welcomed for their clarity and the funding method was declared 'alive and kicking'.

Twelve months later, and reassurances received from HMRC that the finance rental of cars should be separated from other costs have gone.

Insurance, maintenance, tyres and breakdown cover, the fleet industry was told, would not be taxed when a new tax regime for so-called Optional Remuneration Arrangements (OpRA) was introduced.

However, HMRC now says their omission was an "oversight" and they should have been included in the original legislation.

Correcting a 'mistake'

Tax officials recently told *Fleet News* that the error had not been identified during the initial consultation on the OpRA policy proposals (despite leasing companies lobbying on this exact point). It is now looking to correct what it described as a "mistake", from April 2019.

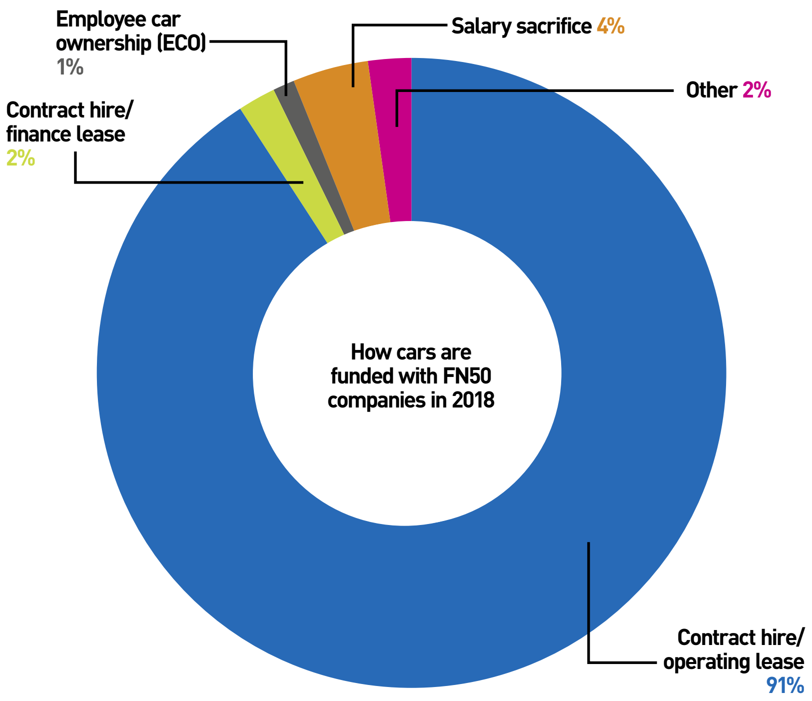
Industry estimates suggest that, for those drivers affected, it could cost them an additional £100-£240 in tax per year. Employers will also end up paying more Class 1A National Insurance (NI).

Talking to Fleet News when the changes were announced in August, SG Fleet estimated that the new rules would impact 43% of salary sacrifice vehicles. More than a third of those (36%) will see their monthly company car tax bill go up by less than £120 a year, it says.

Looking at the cars it has ordered in the previous six months, Zenith says fewer than half will be impacted by the latest legislation change. "The average impact, where there is one, will be around a £10 per month increase," says Claire Evans, head of fleet consultancy at Zenith.

It remains to be seen how these latest changes may impact future take-up of cars funded via salary sacrifice, but numbers have fallen in the past year.

There were approximately 52,000 cars funded via salary sacrifice, according to this year's FN50 survey. That's almost 14% fewer than the 60,200 salary sacrifice cars being funded in 2017. In terms of market share, salary sacrifice's influence has also waned, holding 4% this year, compared with the 4.7% it held in 2017 and its 4.2% share in 2016. It stood at 5% in 2015 and 2014.



38.9% of cars returned late

51.6% of cars returned on time

"We've also seen the tax environment become more complex for company car drivers and salary sacrifice takers, with rising BIK and the new OpRA provisions," says Ashley Barnett, head of consultancy at Lex Autolease.

"As a result of this ever-changing environment, combined with more flexible working arrangements and people undertaking fewer miles, we've seen a number of people review the value a company car provides. This, coupled with the number of offers available in the personal contract hire (PCH) market, has seen a rapid increase in this area."

Looking at all of the funding methods offered by the top 50 leasing companies, contract hire/operating lease retains its dominant position. Out of the 1.3 million cars funded by the FN50, 91% are funded by this method. That's a four percentage point increase on last year's 87% market share, and a return to a level last seen in 2015.

Meanwhile, the split between business/fleet funding and private/retail stands at 87.2% versus 12.8% – reflecting the increasing focus of a number of providers in PCH products.

"Fleets and drivers value manageable and flexible funding options in times of economic uncertainty, regulatory change and fast-paced technological development," says Barnett.

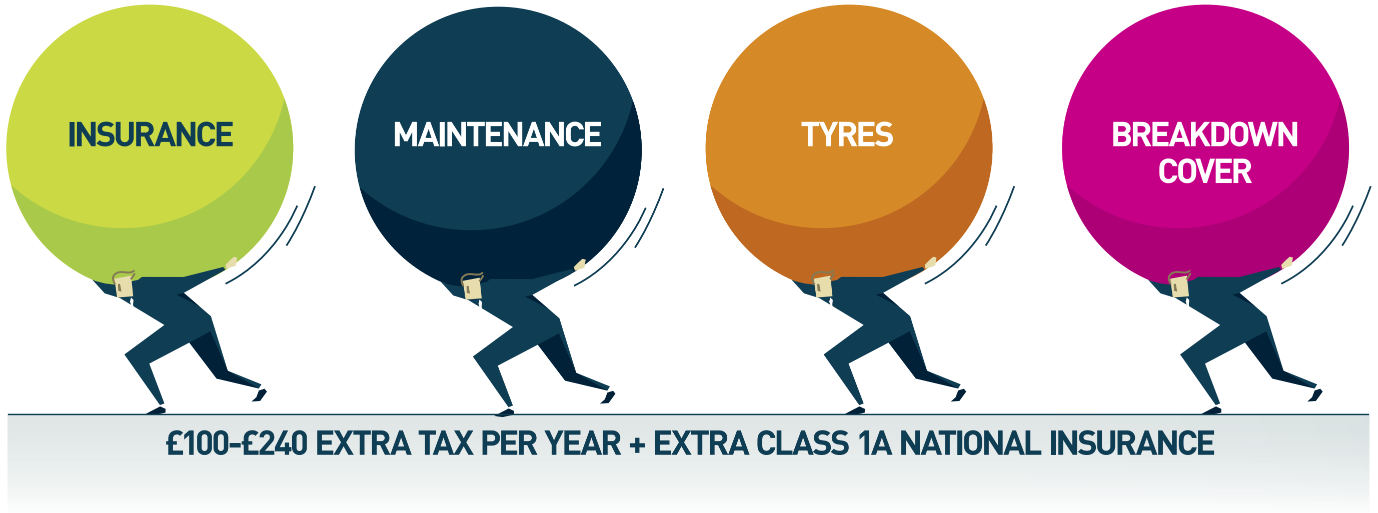
Lex Autolease reports that 94% of its risk fleet of almost 280,000 cars is funded via contract hire/operating lease, up from 90% in 2017. Salary sacrifice holds just a 1% market share for the leasing giant, while 27% of Lex Autolease's car fleet is conducted via private/retail lines compared to 73% business/fleet.

Barnett explains: "Alongside standard PCH, we also have a personal car leasing (PCL) product, currently being piloted with a number of our corporate customers who already have a company car scheme in place.

"PCL is available to all employees but may be of particular interest to those considering opting out of their company car scheme and taking the cash alternative, with a view to leasing their own vehicle.

"It is structured to maximise discounts via affinity terms with selected manufacturers and special offers, opening up access to our buying power, but without the bespoke customer discounts which could give rise to BIK taxes."

> "We've seen a number of people review the value a company car provides"
>
> Ashley Barnett, Lex Autolease



Alphabet (GB), with an even larger share of cars funded via private/retail lines than Lex Autolease, some 39%, says that over the past few years it has seen growth in contract hire, while finance lease has slipped a little in popularity.

"One of the key drivers behind this increase has been the growth in PCH and, although the pace of growth for PCH has slowed this year, it is still on an upward trajectory," says Clive Buhagiar, head of commercial performance at Alphabet (GB).

"Traditionally, as a product, PCH has seen a very low rate of maintenance penetration, but within our fleet a large proportion of PCH contracts are now maintained. So clearly there is a customer appetite for an 'all inclusive' vehicle mobility package – perhaps as a result of this product appealing to employees who are seeking to opt out of conventional company car programmes."

New fuel test regime

Complexity and uncertainty have become bywords for the Worldwide harmonised Light vehicle Test Procedure (WLTP). It has replaced the New European Driving Cycle (NEDC) in a bid to show a real-world impact of emissions.

The new WLTP CO_2 value is being converted to correlated NEDC figures using the EU-wide CO2MPAS equation. However, on average, leasing firms and end-user fleets are facing CO_2 increases of between 10% and 20%, moving many cars up a couple of tax bands.

Barnett says: "With the uncertainty around how WLTP will affect company car tax and the lack of clarity around longer-term tax implications of company car choices, we are seeing buying decisions delayed and contract periods extended."

He believes clarity in the Budget (article written before the October 29 announcements) for decision-makers around these two concerns could see a sudden hike in replacements.

> "Some fleets opt for longer contracts simply in recognition of the ability of modern cars to take higher miles"
>
> Shaun Sadlier, Arval

51,727 miles average replacement cycle

35.8 months average replacement cycle

The full impact of fleets extending contracts, while awaiting clarity over the future of company car tax, will be felt in next year's survey.

This year's average replacement cycle, however, stands at 35.8 months and 51,727 miles. The lowest reported risk fleet average was 12 months/8,000 miles, while the highest out of the FN50 was 48 months/98,000 miles.

It is not all about contract extensions, however. "With newer technology coming onto the market, we are seeing customers enquiring about the opportunity for drivers to elect for shorter contract durations so they are able to access cleaner, lower emission technology sooner," says Barnett.

WLTP may have also had an impact on returns. Just more than a half of cars (51.6%) were returned on time, while 38.9% were returned late and 9.6% early.

Buhagiar says: "This year we're seeing more cars returned 'late' and contracts extended, as some fleet decision-makers play for time to analyse the changing market conditions and formulate their own fleet policy responses to changes resulting from WLTP and taxation."

Meanwhile, Arval says that over the past year, it has seen a lengthening in replacement cycles by about three months to an average of almost 43 months and of mileage by roughly 2,500 to around 63,500 miles.

Shaun Sadlier, head of consultancy at Arval, says: "There are numerous factors behind this. Fleets hanging onto cars for longer while the WLTP situation plays out is certainly one of them, as is a general tendency towards contract extensions in times of economic uncertainty.

"However, it has to be said that we do also see some fleets opting for longer contracts simply in recognition of the ability of modern cars to take higher miles without the kind of apparent wear and tear we would have seen in the past."

Growing need for flexibility on van leasing

Leasing companies recognise that fleets are reluctant to be tied in for long periods

By Gareth Roberts

Economic uncertainty and potential air quality restrictions have created a challenging funding environment for vans over the past year.

Contract hire retains its dominant funding position, responsible for 90% of the FN50's 430,000-plus funded vans. After losing some its lustre 12 months ago, when it dipped to 88%, the financing method has returned to the same level as 2016.

Finance lease levels meanwhile, have remained fairly stagnant, with 9% of the van fleet funded this way in 2018, down on the 9.6% reported last year, but up on its 8.6% market share in 2016.

Seventeen leasing companies reported a van risk fleet financed solely via contract hire, while there were just three where finance lease was the dominant funding method.

Lex Autolease says contract hire is offering fleet operators flexibility and access to the latest low emission technology, while they weigh-up the potential impact of air quality restrictions.

Lex is responsible for 25% of the FN50's risk funded van fleet, some 108,000 vans, with four out of five (80%) funded via contract hire, 18% finance lease and 2% contract purchase.

Russell Adams, commercial vehicle manager at Lex Autolease, says: "Contract hire is becoming more and more popular for businesses operating a van fleet.

"Amid fast-paced technological and regulatory change, decision-makers want to retain flexibility and make sure they get the right van for the right job."

Alphabet reported contract hire was also the dominant financing method for its van fleet, responsible for 75% of its 18,000-plus vans, but it also says finance lease as a funding choice has been playing a growing role.

Rebate when vehicle is sold

Here, the fleet makes payments that cover the cost of the vehicle, possibly including a final balloon payment, and gets a rebate on the rental when the vehicle is sold, either by them or the leasing company. The better the resale price, the higher the rebate.

"Finance lease is definitely a more popular option for vans than it is in the car market, with just under one quarter of our van contracts taking this option, compared to only around 13% for cars," says Clive Buhagiar, head of commercial performance at Alphabet (GB). "And, although we saw a reduction in finance lease contracts as a percentage of our commercial fleet between 2017 and 2018, taking a longer view we've seen a one-third increase over the past four years in the number of commercials being funded through finance lease."

Rapid changes in powertrain technology is affecting fleets' return date policies

"Decision-makers want to retain flexibility and make sure they get the right van for the right job"

Russell Adams, Lex Autolease

46.2
months average replacement cycle

80,371
miles average replacement cycle

Flexible terms are also becoming more popular, as customers flex their fleet according to demand. Simon Cook, light commercial vehicle (LCV) leader at Arval, explains: "We have seen fleets starting to make increased use of medium-term rental, often to scale up for specific contracts and seasonal peaks in demand.

"We see this as a future growth area, providing flexible fleet provision that is more cost-effective than traditional short term rental solutions."

Indeed, traditional daily rental firms have been offering an increasing number of vehicles via flexi-rent terms for a number of years, with some offering livery and wrapping services.

There may have been growth in short-term products among FN50 operators, but the average replacement cycle was almost four years, at 46.2 months. Average mileage was 80,371 miles.

Alphabet's van fleet, on average, is replaced every 48 months/71,000 miles. Buhagiar says: "Last year we saw a reduction in the van replacement cycle, but the data for 2018 for Alphabet is in line with 2016 and 2015, suggesting that the van market is well established and consistent."

Cook also reported "no fundamental change in cycles, with 48-60 month contracts becoming the norm" at Arval. However, he says: "There are more extensions beyond renewal dates as operators consider the many issues affecting LCV operation, such as clean air zones (CAZs).

"They are keen to understand the potential impact before making vehicle selections and taking some time to ensure that decisions are future-proofed can be a prudent investment."

It could go some way to explaining why 36% of vans were returned late, compared to 57% on time and 7% early.

Cook says: "Vans often fall into two distinct camps regarding return dates. Some fleets are keen to embrace latest changes in powertrain technology and emissions standards, while others are holding onto older vehicles while they assess the options available to them against a backdrop of rapid change."

It is unclear how many councils may decide to introduce a clean air zone that will charge drivers.

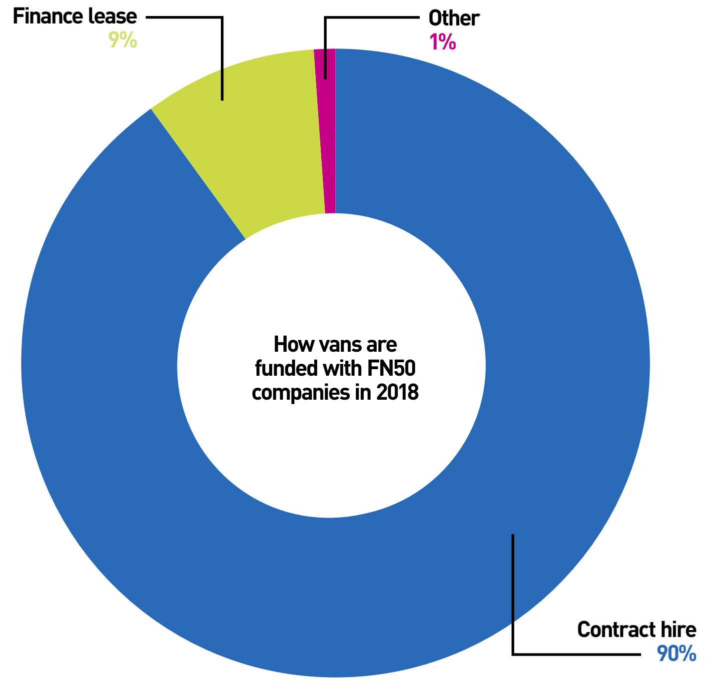
Birmingham City Council's ruling cabinet has approved plans to charge all but the cleanest cars and vans. Leeds favours a charging system for non-compliant buses, coaches, HGVs, taxis and private hire vehicles (pre-Euro 6 diesel and pre-Euro 4 petrol). If approved by Government, both schemes would come into force from January 2020.

Others, including Cambridge, Bristol and Bath could follow suit, while London's ultra-low emission zone (ULEZ), which will target cars, vans and trucks that don't meet the latest emission standards, will be introduced from April 2019.

Extension to ULEV

London mayor Sadiq Khan has also announced plans to extend the ULEZ to an area 18 times larger than the original zone by October 25, 2021.

How prepared fleets are for the changes has been called into question. A survey from the British Vehicle Rental and Leasing Association (BVRLA) suggested that four in 10 small- and medium-sized businesses are unaware CAZs will start in towns and cities across the UK as early as next year.



"There are more extensions beyond renewal dates as operators consider the many issues affecting LCV operation"

Simon Cook, Arval

36%
of vans returned late

7%
of vans returned early

57%
of vans returned on time

It also revealed that more than a third were unaware that air quality restrictions are likely to involve charges for all but the most modern and least polluting diesel vehicles.

In another survey, this time from BT Fleet Solutions and The AA, a third (34%) of fleets said they had no strategy in place to deal with councils introducing charges, while more than half (51%) say they have vehicles that are not compliant with the latest emissions standards.

Adams says: "The shift towards low emission vehicles, implementation of CAZs and the prospect of updated Euro emissions standards are all increasing the demand for expert consultancy. As a result, we're also seeing an increase in fully outsourced solutions, so decision-makers can always access specialist experience and knowledge."

In the coming months, further clarity on clean air zones may bring forward renewal dates for non-compliant vehicles, while business will be hoping for greater economic certainty in a post-Brexit Britain.

Van registrations, a barometer of the UK economy, decreased last year and were 3% down in the first nine months of 2018.

The new LCV market declined by 3.6% in 2017, according to the Society of Motor Manufacturers and Traders (SMMT).

The trade body reported it was the market's first decline since 2012, but with 362,149 LCVs driven off forecourts in the year, demand was still at its third highest in a decade.

Adams expects a potential boost to sales, with fleets eager to adopt the lowest-emitting models to operate in towns and cities.

Getting personal – PCH and PCL uptake expected to grow

Leasing companies turn attention to cash-takers and company car drivers

By Matt de Prez

Personal Contract Hire (PCH) is expected to grow next year as FN50 leasing companies launch new products designed to target cash-takers and company car drivers.

All of the top 10 FN50 companies now offer some type of PCH product and companies further down the list are also entering the space for the first time.

Personal leasing accounts for 12.8% of the total business carried out by the FN50, according to this year's survey.

It's an increase of just 0.1% on last year's figure, but the boom in new products has only just begun.

According to the British Vehicle Rental and Leasing Association (BVRLA), the trade body for the vehicle rental and leasing sector, personal leasing grew by 14% in the first quarter of 2018, contrasting with a 1% overall decline in the leasing sector.

Arval has offered PCH for 10 years and expects growth from it in the next three.

"Most new vehicles are purchased using some form of finance product and we would expect PCH to also share in this growth. Many first time lessees enter the market with low duration, non-maintained contracts to ensure the product is right for them; we anticipate that demand for a greater service-based proposition will increase as people become more familiar with the product," says Paul Marchment, SME development manager at Arval.

Lex Autolease, the UK's largest leasing company, has provided PCH since 2012 and, due to growing demand, it recently launched a dedicated area for personal leasing on its website. Currently, 27% of the company's business is in the private market.

"Personal leasing is an important part of our business, supported by our existing strong broker network and close ties to manufacturer partners," says Ashley Barnett, head of consultancy at Lex Autolease.

"Alongside standard PCH, we also have a Personal Car Leasing (PCL) product, currently being piloted with a number of our corporate customers who already have a company car scheme in place.

"A number of drivers are evaluating the cost of a company car compared with the cost of leasing privately"

Ashley Barnett, Lex Autolease

"PCL is available to all employees but may be of particular interest to those considering opting out of their company car scheme and taking the cash alternative, with a view to leasing their own vehicle."

The PCL product is structured to maximise discounts via affinity terms with selected manufacturers and special offers, opening up access to Lex Autolease's buying power.

"During a period of change and increasing levels of emissions-based benefit-in-kind (BIK) taxation, a number of drivers are evaluating the cost of a company car compared with the cost of leasing privately," he adds.

Lookers Leasing is one the companies embarking into PCH. Its new product Full Service Lease is designed to reflect most of the benefits a traditional company car driver would be used to, such as full maintenance, tyres, and breakdown assistance.

It has also launched Release for the more budget conscious – another PCH service offering a selection of contract hire vehicles that have either been early terminated or reached end of contract.

"One the things that perhaps also sets our offering apart from that of others is that we don't ask for rentals up-front. The driver pays the first month's rental 15 days after delivery and monthly rentals thereafter," says Andrew Pace, head of Lookers Fleet Services.

Figures from HMRC highlight how the Government is raising record revenues from the company car market by imposing higher taxes on drivers.

Company car tax revenue has increased more than 24% year-on-year (£360 million) yet the number of employees receiving the benefit fell 20,000 over the same period.

Fuelling the fire further is the September introduction of new emissions regulations. All new cars must now undergo the new Worldwide harmonised Light vehicle Test Procedure (WLTP), which provides more realistic – and often higher – CO_2 figures.

HOW LEASING DEALS COMPARE

Car	PCH deal	PCH total cost	Equivalent BIK 20%	Equivalent BIK 40%
Kia Sportage 1.6 GDI 2	£2,114 + £195 (48 months/32k)	£11,472 (£239)	£6,243 (£130)	£12,486 (£230)
Mercedes-Benz A180d AMG Line	£2,295 + £235 (36 months/24k)	£10,728 (£298)	£4,976 (£138)	£9,957 (£276)
VW T-Roc 1.6 TDI R Line	£1,980 + £220 (24 months/16k)	£7,248 (£302)	£3,156 (£131)	£6,312 (£262)
Nissan Leaf Visa	£2,931 + £285 (36 months/30k)	£13,176 (£366)	£1,687 (£46)	£3,374 (£92)
Škoda Karoq 1.6 TDI SE Tech	£3,153 + £320 (36 months/30k)	£14,652 (£407)	£4,312 (£119)	£8,624 (£238)
Audi A5 Sportback 2.0TFSI S Line	£1,297 + £372 (36 months/30k)	£14,689 (£408)	£6,320 (£175)	£12,640 (£350)
Mercedes-Benz E200 AMG Line	£3,143 + £309 (24 months/16k)	£10,536 (£439)	£5,829 (£242)	£11,658 (£484)
Land Rover Discovery SD4 S	£4,743 + £487 (48 months/32k)	£28,119 (£585)	£13,556 (£282)	£27,122 (£564)

Current taxation is based on a converted figure - known as NEDC-correlated – which is lower than the true WLTP figure but higher than the previous result, in most cases.

The result is higher like-for-like taxation for the majority of cars on sale.

Many fleets and drivers have been holding off on ordering cars while they waited for last month's Budget.

Some drivers are opting out of the car scheme altogether and taking a cash option to buy a vehicle privately.

"For a variety of reasons the traditional company car is going to change over the next couple of years," says Nick Hardy, sales and marketing director at Ogilvie Fleet.

Hardy believes the leasing industry has previously neglected drivers who take a cash option by not explaining the benefits of a company car and leaving them to find a vehicle in the retail market.

"Some drivers want to minimise cost, some want better cars, some want economical cars, others don't. The need to offer more choice and match transport needs to lifestyles, while still meeting the needs of employers, is the trick."

He believes leasing companies have to work more closely with drivers to ensure they make the right decision to suit them financially, offering a range of solutions.

Parkers.co.uk finance editor Christofer Lloyd says: "A main benefit of PCH compared with alternatives such as PCP is that, often, there's no need for a large initial payment and monthly payments are typically lower. It's also possible to bundle in maintenance costs with many personal leases, making them a good stepping stone for those leaving a company car scheme who might not have a lot of cash for a deposit."

We decided to look at some of the current leasing deals being offered in the PCH space, to see if they can offer better deals than a company car (see table).

Prices were taken from comparison site Leasing.co.uk and compared with the equivalent BIK a driver would pay over the same time period as the lease.

For a 20% taxpayer the BIK tax is significantly lower than the PCH cost in all examples. Most notably with the Nissan Leaf, which costs just £46 per month as a company car but more than £360 on PCH.

Similarly, a 40% taxpayer is still better off in all but one instance, with the Mercedes-Benz E200 AMG Line available at a lower monthly cost than it would be as a company car.

"The need to offer more choice and match transport needs to lifestyles, while still meeting the needs of employers, is the trick"

Nick Hardy, Ogilvie Fleet

It is important to consider the fact that these leasing prices do not include maintenance and do not take account of damage charges. We have also not included the cost of insurance, which would need to include business use for any drivers who use their car for business travel, or other associated costs with car ownership, such as vehicle excise duty (VED).

The reality may be different for individual circumstances, especially where used vehicles are available on cheaper rates or through affinity schemes where drivers can benefit from discounts associated with their company's leasing contract.

Marchment says: "While a PCH product is not really a substitute for a company car, there are a number of company car drivers who will be weighing up the cost of increased company car taxation versus opting for a cash allowance and funding their own car.

"This is a very personal decision and will depend on a number of factors including the company's fleet policy and if the employee is deemed to be a perk or business use driver.

"A traditional company car driver may also need to consider the implication to themselves if they leave the company and no longer receive a cash allowance while a fleet manager will need to ensure they have the appropriate checks in place to mitigate their grey fleet risk.

"An SME or business owner will potentially have a different set of considerations and dependent on their own business situation may see a benefit by opting for a PCH product rather than running a traditional company car."

Zenith launched ZenAuto in March, with a focus on offering PCH deals to the public. The company expects the consumer market to flip in favour of PCH within the next 10 years, as millennials – with no equity – drive a new subscription economy.

But, Tim Buchan, chief executive of Zenith, believes that PCH is not a substitute for a company car.

"Business contract hire continues to offer companies a cost-effective and flexible way to operate a fleet and manage cashflow and CO_2," he adds.

Emissions increase, but not as much as expected under WLTP

Combination of factors means full impact of new test may not be felt until next year

By Sarah Tooze

Average CO_2 emissions for cars across the FN50 have risen by a little more than 1g/km to 116.9g/km (up from 115.6g/km last year) and are now on a par with 2016 levels (117g/km).

Average CO_2 emissions for cars delivered so far this year have risen further to 113.8g/km (up from 111.6g/km in 2017).

The trend is not surprising given the introduction of the World-wide harmonised Light vehicle Test Procedure (WLTP) has seen average CO_2 values (NEDC-correlated) rise across the board.

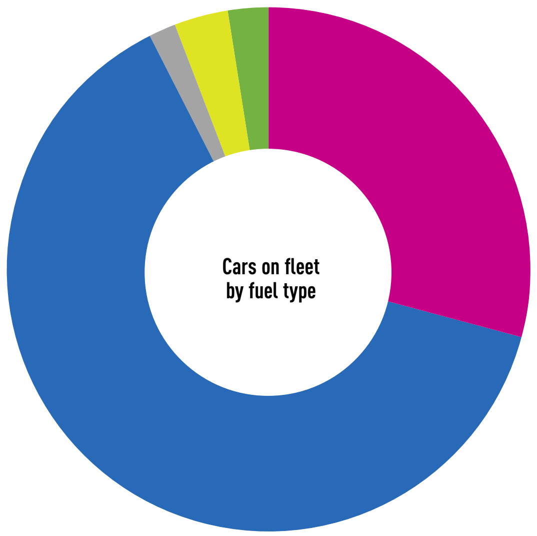
We might even have expected more than a 1g/km or 2g/km rise across the FN50 but, with vehicle availability problems and many fleet operators choosing to extend contracts this year, that increase may not be felt until next year.

Company car drivers have also been opting out of diesel vehicles and largely choosing petrol. Diesel's share of the FN50 is now at 63.4% (down from 71.4% last year) while petrol has risen to 29.4% (up from 22.4% last year).

This is further evidenced in the car orders placed this year with just over half (51.1%) being diesel and more than a third (36%) being petrol. For some fleet operators, this has undoubtedly had an impact on their average CO_2 emissions.

However, countering that has been a rise in the uptake of electric (EV) and hybrid vehicles.

Last year, they had a 6.1% share (made up of 5.2% hybrid, and 0.9% electric), this year they make up 7.3% (2.5% hybrid, 3.2% plug-in hybrid and 1.6% full electric).



Petrol 29.4% Full Electric 1.6% LPG 0.0%
Diesel 63.4% Plug-in hybrid 3.2% CNG 0.0%
E hybrid 2.5%

"The fleet driver has access to hundreds of models and derivatives if they want an ICE vehicle, but the choice of BEVs is very limited"
Matt Dale, ALD Automotive

Full electric accounts for 3.4% of cars on order, with plug-in hybrid taking a 5.8% share and hybrid 3.8%.

RCI Financial Services, which sits at number 16 in the FN50 and is the in-house finance company for both Renault and Nissan, has reported the highest number of full electric cars at 932, making up 6.8% of its risk car fleet of 13,692 vehicles.

Of the major leasing companies who responded to this year's survey, Lex Autolease and Alphabet (GB) are leading the way.

The UK's biggest leasing company has 795 full electric cars (representing 0.3% of its car risk fleet of 279,151 vehicles), 12,840 (4.6%) plug-in hybrids and 4,842 (1.7%) hybrids.

Its order bank this year has been 0.4% full electric, 7.3% plug-in hybrid and 2% hybrid.

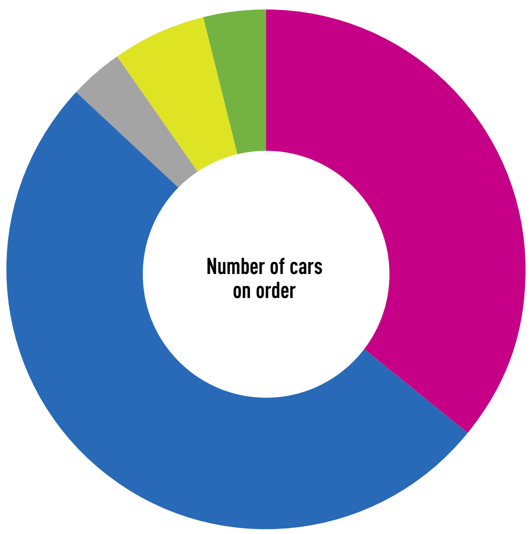
Alphabet (GB), meanwhile, has 890 full electric cars (0.7% of its car risk fleet of 119,870), 9,911 (8.3%) plug-in hybrids and 1,862 (1.5%) hybrids.

Its order bank has been 0.5% full electric, 10.5% plug-in hybrid and 1.4% hybrid.

Alphabet believes there has been significant progress since it launched AlphaElectric – its four-stage process to help organisations transition their fleets to electric and hybrid, looking at fleet analysis, vehicle selection, charging solutions and mobility services – in 2013.

It believes there is now more public acceptance of EVs, more choice of EV models and more standardisation in terms of charging (although there still needs to be greater investment in the installation and maintenance of the public charging network).

Last year, it launched a mobility consulting tool (essentially in-vehicle data loggers) to help businesses identify which vehicles and journeys could be electrified but also where charging solutions need to be located.



Petrol 36.0% Full electric 3.4% LPG 0.0%
Diesel 51.0% Plug-in hybrid 5.8% CNG 0.0%
E hybrid 3.8%

However, like many fleet industry professionals, Alphabet GB CEO Nick Brownrigg was hoping for clarity in the Budget over the benefit-in-kind (BIK) tax framework beyond April 2021 and for the Government to bring forward the BIK tax drop for EVs from April 2020 to April 2019 (FN50 went to press ahead of the Budget announcement).

The Government's decision last month to reduce the amount of financial support available through the plug-in car grant (from £4,500 to £3,500 for the cleanest EVs and no longer available for hybrid cars with a range of less than 70 zero emission miles) has been widely criticised.

BVRLA chief executive Gerry Keaney believes it is "short-sighted" and will only serve to "stifle the uptake of EVs".

Lex Autolease suggests that for the Government's Road to Zero pledge of half of all new cars being ultra-low emission (ULEV) by 2030 to be achievable, there needs to almost a 23-fold increase in ULEV uptake, and incentives like the plug-in car grant are key to making it possible.

The Government currently defines a ULEV as a vehicle which emits 75g/km of CO_2 or less, but this is expected to change to 50g/km or less from 2021.

Lex Autolease believes there is still a role for plug-in hybrids to play, particularly as there are still relatively few zero emission vehicles on the market.

It has launched a £1 million fund to drive EV adoption, with the first 1,000 customers to sign up for a pure EV from January 2019 benefiting from a £1,000 contribution. The leasing giant believes the move could increase the total number of pure EVs registered next year by around 8% and will help Lex Autolease to double the size of its pure electric vehicle fleet.

Arval, meanwhile, has launched an electric vehicle package which includes the leased vehicle, chargepoint installation and a charge card.

ALD Automotive's Matt Dale believes that fleet managers should not rely on vehicle manufacturers and dealers for their charging solution as "they may have different offerings, which will not give a fleet manager a consistent supply or service to meet the fleet as a whole".

However, he believes that a far greater challenge than charging infrastructure is the lack of product.

"The fleet driver has access to hundreds of models and derivatives if they want an ICE (internal combustion engine) vehicle, but the choice of battery electric vehicles (BEVs) is very limited," he says.

"This is unlikely to change before 2020 with only a handful of new products coming to market during 2019 and the majority of those being premium product. Volumes of more mainstream offerings, such as Hyundai Kona, are likely to be limited through 2019, so this is not an easy challenge to overcome.

"The introduction of PHEVs is a good interim solution and more will be coming to market during 2019, meaning fleets can reduce their CO_2 with some of these products."

"It will be much more viable for fleets and consumers to move to EVs as range will increase to 250-plus miles"
Jon Lawes, Hitachi Capital Vehicle Solutions

Jon Lawes, managing director of Hitachi Capital Vehicle Solutions, agrees: "With the current battery technology, EV range is only around 90 miles. However, with the increased kilowatt battery expected in vehicles in the next two-to-three years, it will be much more viable for fleets and consumers to move to EVs as range will increase to 250-plus miles."

In the meantime, diesel still has a place on fleets and for high mileage company car drivers, it remains the best option.

It is no coincidence that Total Motion, number 24 in this year's FN50, has the lowest average CO_2 emissions (86g/km) of the FN50 and one of the highest proportions of diesel vehicles on its risk fleet (81.8%). It has also had the most diesel orders this year (80%).

Total Motion managing director Simon Hill says this is due to two factors.

"First, we built a modelling tool which allows clients to look at the impact of the fuel options before making a decision," he says.

"Second, our clients tend to be higher mileage and still see diesel as being the right fuel for them."

Changes needed before pure electric vans become viable

Diesel still the dominant fuel choice though it has lost a little ground to petrol

By Sarah Tooze

Lack of product, price and infrastructure are holding van fleet operators back from adopting pure electric vans (EVs) in greater numbers.

Pure electric makes up just 0.8% of the fuel mix across the FN50 with plug-in hybrid vans accounting for 0.1% (up from 0.3% pure electric last year).

Lex Autolease operates the most pure electric vans (446) but this is only 0.4% of its van risk fleet of 108,489 vehicles.

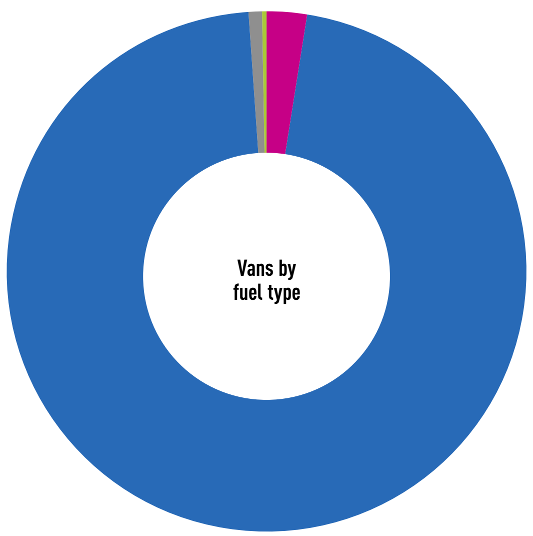
RCI Financial Services, the in-house finance company for Renault and Nissan, has the second highest number of EVs (322) and the highest proportion of its van risk fleet (9.5% of 3,403 vehicles).

Alphabet (GB) is the next largest operator of pure electric vans (160 or 0.9% of its van risk fleet of 18,146 vehicles) and has recently added the Renault Kangoo ZE to its corporate car sharing service, AlphaCity.

Alphabet (GB) CEO Nick Brownrigg says "ease of use for business" is one of the principal challenges in the uptake of electric vehicles.

"Until charging an EV is as easy as filling a fuel tank, charging will still be a significant practical barrier for many people to overcome," he says.

Charging a fleet of electric vans can be a challenge if the depot they are kept at doesn't have sufficient electricity supply and requires an expensive sub-station. Conversely, if a driver takes their van home, but doesn't have off-road parking, charging is also a problem.



Alphabet (GB) has recently added the Renault Kangoo ZE to its corporate car sharing service, AlphaCity

"Until charging an EV is as easy as filling a fuel tank, charging will still be a significant practical barrier"

Nick Brownrigg, Alphabet (GB)

Steve Winter, head of fleet at British Gas, which has 60 pure electric vans on its fleet of 12,000 vans, says: "Our problem is the engineers take the vans home, we have no depots, so every engineer that has electric or plug-in hybrid has to have a charge point fitted at home and some of them live in a block of flats so we'll never, at this moment, have a 100% electric fleet. It will change when the range improves and you are able charge once a week."

Natasha Bellwood, category manager at Southern Water, which has a fleet of 1,150 cars and commercial vehicles, is being challenged by her executive leadership team to look at EVs to demonstrate its environment credentials to customers but "our operating model at the moment isn't conducive to electric vehicles".

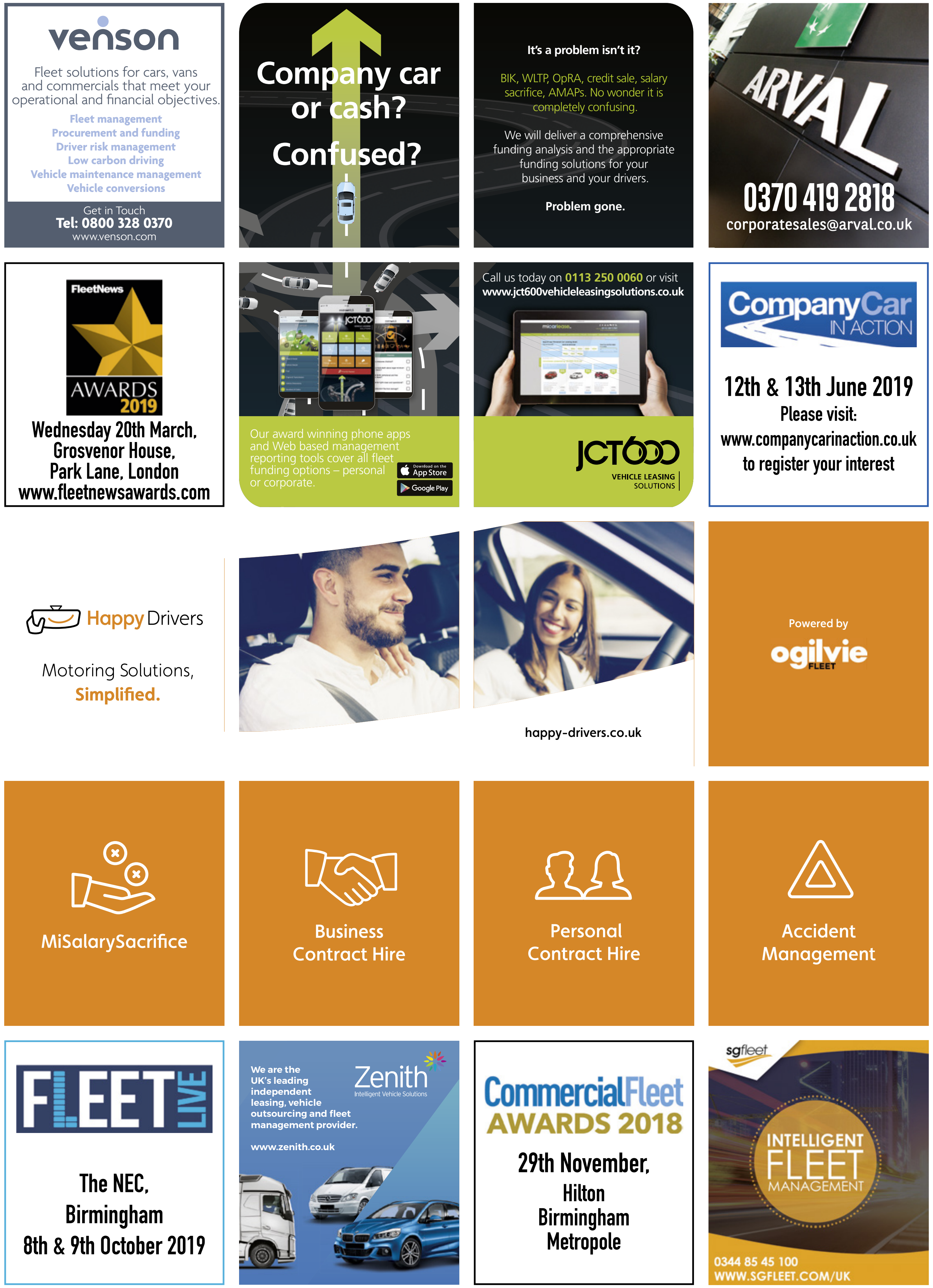
"You might identify a van that is doing 20-30 miles, great, that suits the range. But you're paying a premium just to have the electric title," she says. "We've got a lot of kit on the back of the vans as well so you put on weight and the range depletes."

Arval UK managing director Miguel Cabaça agrees: "Specifically for vans, there are practical challenges with EV adoption, particularly around payload limitations and the speed at which vans lose range when laden. This means the applications plug-in vans are suitable for are quite specific."

As a result of these factors, diesel is still the dominant fuel choice for van fleets, although its share has dropped from 99% last year to 96% this, with petrol making the greatest gain (accounting for 2.7% of the fuel mix, up from 0.4%).

This may be due to operators choosing to replace ageing diesel vans with Euro 4 petrol rather than stumping up for more expensive Euro 6 diesel vans to comply with forth-coming clean air zones in cities.

Average van CO_2 emissions across the FN50 have continued to fall (to a new low of 160.5g/km, down from 162.9g/km last year), with deliveries this year even lower (152.2g/km).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UK top 50 contract hire companies

FN 50 2018

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Rank (2017)	Company	Total RV risk fleet 2018 (2017)	Car RV risk fleet 2018	Van RV risk fleet 2018	Managing director/CEO	Parent company
1 (1)	Lex Autolease	387,640 (381,833)	279,151	108,489	Richard Jones	Lloyds Banking Group
2 (3)	Volkswagen Financial Services | Fleet	194,599 (166,480)	171,628	22,971	Ian Tilbrook	Volkswagen Financial Services (UK)
3 (2)	LeasePlan UK	169,695 (168,155)	105,165	64,530	Matthew Dyer	LeasePlan Corporation NV
4 (4)	Arval UK	165,318 (160,609)	123,883	41,435	Miguel Cabaça	BNP Paribas
5 (5)	Alphabet (GB)	138,016 (151,241)	119,870	18,146	Nick Brownrigg	BMW AG
6 (6)	ALD Automotive	131,889 (130,397)	98,667	33,222	Mel Dawson	Société Générale
7 (7)	Free2Move Lease	62,915 (62,706)	39,560	23,355	Duncan Chumley	PSA Group
8 (9)	Hitachi Capital Vehicle Solutions	59,074 (52,841)	34,987	24,087	Jon Lawes	Hitachi Capital (UK)
9 (8)	Zenith	58,020 (59,240)	45,495	12,525	Tim Buchan	Zenith Group Holdings
10 (10)	Arnold Clark Finance	50,031 (47,318)	40,077	9,954	David Cooper	Arnold Clark Automobiles
11 (11)	Mercedes-Benz Financial Services	37,779 (42,813)	27,714	10,065	Christian Peters	Daimler
12 (13)	Tusker	20,923 (20,593)	20,710	213	Paul Gilshan	ECI Partners
13 (14)	Inchcape Fleet Solutions	20,415 (20,345)	14,701	5,714	Matt Rumble	Inchcape
14 (15)	Pendragon Vehicle Management	17,600 (17,516)	12,672	4,928	Neal Francis	Pendragon
15 NEW	Santander Consumer (UK)	17,340 (n/a)	17,340	0	Vik Hill	Banco Santander
16 (12)	RCI Financial Services	17,095 (21,418)	13,692	3,403	Jean-Louis Labauge	RCI Banque
17 (17)	Daimler Fleet Management	15,821 (14,405)	14,879	942	Christian Peters	Daimler
18 (16)	Ogilvie Fleet	15,817 (14,837)	12,779	3,038	Gordon Stephen	Olgilvie Group
19 (21)	Leasys UK	13,150 (10,142)	11,500	1,650	Sebastiano Fedrigo	FCA Bank
20 (18)	SG Fleet UK	13,080 (12,923)	9,603	3,477	Graham Hale	SG Fleet Group
21 (19)	Toyota Financial Services	12,379 (12,680)	10,252	2,127	Doug Gillies	Total Financial Services Corporation
22 (20)	Venson Automotive Solutions	12,045 (11,751)	5,726	6,319	Samantha Roff	Premier Fleet Management and Contract Hire
23 (23)	Grosvenor Contracts Leasing	9,456 (8,324)	6,767	2,689	Shaun Barritt	Grosvenor Contracts Leasing
24 (24)	Total Motion Vehicle Management	8,897 (7,355)	4,782	4,115	Simon Hill	Privately owned
25 (22)	Days Fleet	7,987 (8,644)	6,265	1,722	Aled Williams	CEM Day

Rank (2017)	Company	Total RV risk fleet 2018 (2017)	Car RV risk fleet 2018	Van RV risk fleet 2018	Managing director	Parent company
26 (27)	Marshall Leasing	7,332 (6,470)	5,765	1,567	Peter Cakebread	Bank of Ireland
27 (25)	Toomey Leasing Group	6,649 (6,989)	5,164	1,485	Martin Wroe	MJT Securities
28 (26)	JCT600 Vehicle Leasing Solutions	6,281 (6,631)	4,774	1,507	Paul Walters	JCT600
29 (28)	TCH Leasing	6,279 (6,351)	4,965	1,314	Mark Hammond	TC Harrison Group
30 (29)	SHB Hire	5,641 (6,322)	519	5,122	Paul Street	Privately owned
31 (30)	Affinity Leasing	5,111 (6,078)	4,825	286	Simon Howles	Privately owned
32 (31)	Lookers Leasing	4,010 (4,326)	3,660	350	Andrew Collett	Lookers
33 (34)	Sinclair Finance & Leasing	3,941 (3,821)	2,745	1,196	Kerry Thomas	Sinclair Motor Group
34 (32)	Fleet Financial	3,894 (4,030)	2,710	1184	Damian Hughes	Lookers
35 (33)	Agnew Leasing	3,856 (3,856)	3,225	631	Yuile Magee	Sytner Group
36 (38)	Hilton Vehicle Leasing	3,856 (2,389)	3,225	631	Morgan Devereux	Hilton Vehicle Leasing
37 (35)	Sandicliffe Motor Contracts	3,697 (3,693)	3,284	413	Alastair Houston	Sandicliffe Motor Holdings
38 44)	Maxxia	3,041 (1,290)	2,899	142	Roger Skinner	Maxxia
39 (40)	Go Plant Fleet Services	2,852 (2,249)	189	2,663	Vaughan McLeod	Essential Fleet Services
40 (37)	GKL Leasing	2,427 (2,433)	1,969	458	Richard Kenning	VRA Ventures
41 (39)	Agility Fleet	2401 (2,376)	1,527	874	Keith Townsend	Privately owned
42 (41)	Close Brothers Vehicle Hire	2,372 (1,970)	14	2,358	Terry Ottey	Close Brothers Group
43 (42)	Liquid Fleet	1,788 (1,425)	1,461	327	Darren Driscoll	Liquid Fleet Services
44 (43)	Traction Finance	1,775 (1,424)	1,265	510	Paul McGuire	Privately owned
45 (36)	BMW Financial Services (GB)	1,665 (3,247)	1,541	124	Mike Dennett	BMW AG
46 (45)	Wheels4Sure.com	1,262 (1,183)	1,262	0	Reginald Larry-Cole	Raedex Consortium
47 NEW	Multifleet Vehicle Management	1,243 (n/a)	1,202	41	Steve Whitmarsh	Forward Group
48 (46)	Windsor Vehicle Leasing	1,022 (1,066)	809	213	Phillip Newton	Privately owned
49 (50)	Bridle Vehicle Leasing	786 (498)	565	221	Duncan Fitzgerald	Bridle Group
50 (48)	Specialist Fleet Services	715 (775)	25	690	Bob Sweetland	Paragon Bank

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1. Lex Autolease
Brands include: Black Horse Contract Hire, Jaguar Contract Hire and Land Rover Contract Hire
Financial data: Not disclosed

2. Volkswagen Financial Services | Fleet
Brands include: Audi Finance, Seat Finance, Škoda Finance, Volkswagen Finance, Volkswagen Commercial Vehicle Finance, Bentley Finance Porsche Finance and MAN Finance
Financial data: Not disclosed

3. LeasePlan UK
Brands: LeasePlan Direct
Managing director: Matthew Dyer (to be replaced by Alfonso Martinez on January 1, 2019)
Financial data: Not disclosed

4. Arval UK
Brands: Honda Contract Hire
Financial data: Not disclosed

5 Alphabet (GB)
Brands: N/A
Chief executive officer: Nick Brownrigg
Financial data: T: £471.7m

6. ALD Automotive
Brands include: Kia Contract Hire, Vauxhall Leasing, Ford Lease, Hyundai Contract Hire and Lombard Vehicle Solutions
Financial data: Not disclosed

7. Free2Move Lease
Brands: N/A
Financial data: Not disclosed

8. Hitachi Capital Vehicle Solutions
Brands: N/A
Financial data: T: £370,443,000 FY 2017/18; PBT: £24,007,000; EBITDA: £182,874,000

9. Zenith
Brands: N/A
Chief executive officer: Tim Buchan
Financial data: T: £463m; PBT: £62.8m. Both to 31/3/2018

10. Arnold Clark Finance
Brands: Activa Contracts
Financial data: T: £544m; PBT: £9.7m

11. Mercedes-Benz Financial Services UK
Brands: N/A
Financial data: Not disclosed

12. Tusker
Brands: N/A
Chief executive officer: Paul Gilshan
Financial data: T: £167,502,627; PBT: £7,192,580; EBITDA £13,027,829. All figures to 31/12/17

13. Inchcape Fleet Solutions
Brands: N/A
Financial data: T: £59.9m; PBT: £9.04m; EBITDA: £17.16m. All figures to 31/12/17

14. Pendragon Vehicle Management
Brands: Evans Halshaw Leasing
Divisional managing director: Neal Francis
Financial data: T: £64.9m; PBT: £9.8m. Both 2017

15. Santander Consumer (UK)
Brands include: Volvo Car Financial Services and Mazda Financial Services
Chief executive officer: Vik Hill
Financial data: Not disclosed

16. RCI Financial Services
Brands: N/A
Financial data: Not disclosed

17. Daimler Fleet Management
Brands: N/A
Financial data: Not disclosed

18. Ogilvie Fleet
Brands: N/A
Financial data: T: £126m; PBT: £5m. Both at 30/6/2018

19. Leasys UK
Brands: N/A
Financial data: Not disclosed

20. SG Fleet UK
Brands: N/A
Financial data: Not disclosed

21. Toyota Financial Services
Brands: N/A
Financial data: Not disclosed

22. Venson Automotive Solutions
Brands: N/A
Financial data: T: £23m; PBT £870,000. Both 2016 figures

23. Grosvenor Contracts Leasing
Brands include: Interactive Fleet Management
Financial data: T: £126m; PBT: £4.6m. Both to 31/12/17

24. Total Motion Vehicle Management
Brands: N/A
Financial data: T: £17.9m; PBT: £780,000

25. Days Fleet
Brands: N/A
Financial data: Turnover £48.9m; PBT: £6m; EBITDA: £33.9m. All to 31/12/2017

26. Marshall Leasing
Brands: Marshall Minibus
Financial data: T: £39.3m; PBT: £4.9m; EBITDA: £5.7. All to 31/12/2016

27. Toomey Leasing Group
Brands: Easyleasedirect.co.uk
Financial data: T: £15.67m; PBT: £1.21m; EBITDA: £2.42m. All to 31/12/17

28. JCT600 Vehicle Leasing Solutions
Brands include: Micarlease and Drive Vehicle Leasing
Financial data: PBT: £3,779,598 31/12/17

29. TCH Leasing
Brands: TCH Salsa
Financial data: T: £26,118,000 31/12/17

30. SHB Hire
Brands: N/A
Financial data: T: £105,364,908; PBT: £9,143,938. Both to 31/12/17

31. Affinity Leasing
Brands: N/A
Chief executive officer: Simon Howles
Financial data: T: €10m (£8.8m); PBT: €320,000(£282k)

32. Lookers Leasing
Brands include: N/A
Financial data: T: £16,406,000; PBT: £1,498,000. Both to 31/12/17

33. Sinclair Finance & Leasing
Brands: N/A
Financial data: T: £20,057,000; PBT: £1,009,426; EBITDA £4,430,384. All to 31/12/2017

34. Fleet Financial
Brands: N/A
Financial data: T: £27m; PBT: £966,000

35. Agnew Leasing
Brands: N/A
Group managing director: Yuile Magee
Financial data: Not disclosed

36. Hilton Vehicle Leasing
Brands include: Hilton Rental and Hilton Coachworks
Financial data: T: £4.8m; PBT: £108,000. Both to 31.12.2016

37. Sandicliffe Motor Contracts t/a Sandicliffe Garage
Brands: N/A
Financial data: Not disclosed

38. Maxxia
Brands: N/A
Chief executive officer: Roger Skinner
Financial data: T: £4,214,071; LBT £1,563k; EBITDA £1,486,000 (loss). All to 30/6/18

39. Go Plant Fleet Services
Brands include: Go Plant
Chairman: Vaughan McLeod
Financial data: Not disclosed

40. GKL Leasing
Brands include: Westward Leasing, Car Leasing 365 and Van Leasing 365
Financial data: T: £12.058m; PBT: £1.958m. Both to 31/12/17

41. Agility Fleet
Brands: Windmill Leasing
Financial data: T: £9,128,000; PBT: £447,000

42. Close Brothers Vehicle Hire
Brands: N/A
Financial data: T: £41m

43. Liquid Fleet
Brands: N/A
Director: Darren Driscoll
Financial data: T: £7m; PBT: £720,645; EBITDA: £2,632,635. All to 31/12/17

44. Traction Finance
Brands: N/A
Financial data: T: £6.5m; PBT: £198,153. Both to 31/12/17

45. BMW Financial Services (GB)
Brands: Alphera Financial Services
Financial data: T: £19,464,000

46. Wheels4Sure.com
Brands include: Raedex Consortium, Buy2LetCars and Pay Go Cars
Financial data: Lease income for 2017 £2,429,724; EBITDA: £86,011

47. Multifleet Vehicle Management
Brands: Runyourfleet.com
Financial data: T: £10.9m; PBT: £113,000; EBITDA: £161,000. All to 31/03/2018

48. Windsor Vehicle Leasing
Brands: N/A
Chiairman: Philip Newton
Financial data: T: £5m; PBT: £750,000

49. Bridle Vehicle Leasing
Brands include: Fulton Leasing
Financial data: T: £10m+

50. Specialist Fleet Services
Brands include: SFS, CTS Hire and its dedicated Vehicle Finance arm
Financial data: T: £16.1m; PBT: £2.5m. Both to 30/9/2017

DEFINITIONS
T: Turnover
PBT: profit before tax
LBT: Loss before tax
EBITDA: earnings before interest, tax, depreciation and amortisation

POWERED BY Sewells actionable insight

RV confidence increases as WLTP impacts new car sales

For the first time there is complete parity between those expecting rises and falls

By Andrew Ryan

Asking leasing companies for car residual value (RV) expectations tends to elicit a mainly pessimistic outlook: in each of the four previous FN50 reports, at least three-quarters have predicted values to drop.

However, this year's research has found they are now are far more optimistic. Just 36% thought they would fall over the next 12 months – a massive 52 percentage point drop compared to 2017 – with exactly the same percentage expecting them to rise.

So why the change? One of the major reasons is the ongoing impact the new Worldwide harmonised Light vehicles Test Procedure (WLTP) is having on the new car market. In September, new car registrations were down 21% compared to the same month last year, and this is having a knock-on effect on the used car market.

"Without a doubt, the introduction of WLTP has meant many of the manufacturers have reviewed their model and engine ranges for 2018/19 and this has resulted in the reduced availability of new cars," says Paul Walters, managing director of JCT600 Vehicle Leasing Solutions.

"Indeed, some popular fleet models with completed WLTP testing and 2019 model specifications will not even start to be built until late quarter one of 2019.

"To compensate, the market has turned to look at the second-hand market which will keep the used vehicle sector buoyant in the coming months as available stocks reduce, meaning quality stock may well fetch premiums."

This sentiment was echoed by vehicle valuation experts and remarketing companies, which report a strong used market.

Over the past year, remarketing and auctions company BCA saw ex-fleet and lease cars achieve record values on numerous occasions: in September the average value was £11,871, 10.1% (£783) higher than in the same month last year.

Cox Automotive says values of cars it sold through Manheim remained relatively stable over the past 12 months as pressures in the new car market created additional focus and appetite in used.

"As supply of used vehicles show signs of tightening, the values are holding strong and wholelife conversion rates remain healthy," adds Philip Nothard, head of external relations at Cox Automotive.

He says that as the challenges for supply in the new car market look likely to continue into Q1 2019, Cox expects to see high levels of demand for quality 'ready to retail' used cars as dealers seek to bolster stock levels.

"It's likely this increased demand will sustain healthy values for newer, lower mileage in good condition," adds Nothard.

Rupert Pontin, director of valuations at Cazana, said: "RVs for fleet vehicles over the coming 12 months look set to be pretty good.

"Pressure will come from the fact that there are fewer new cars available in part due to the shortness of supply of new models as a result of the introduction of WLTP.

"Couple this with greater demand for used cars because of a lack of consumer confidence off the back of Brexit amid concerns of pressure on personal finances, and it is clear 2019 will be another good year for the used car market."

As well as the issues caused by WLTP, senior forecasting editor at Cap HPI Andrew Mee says the good health of the used car market is also due in part to the particular strength of petrol values and "in many sectors (especially the smaller car sectors), we have seen year-on-year inflation in values for the past 12 to 18 months".

He adds: "Influenced by anti-diesel press, used buyers have been prepared to pay more for petrol models when these have been available.

"On the other hand, used diesel values have held up well over the same period, despite the bad press and continuing high volumes of used diesels coming into the market.

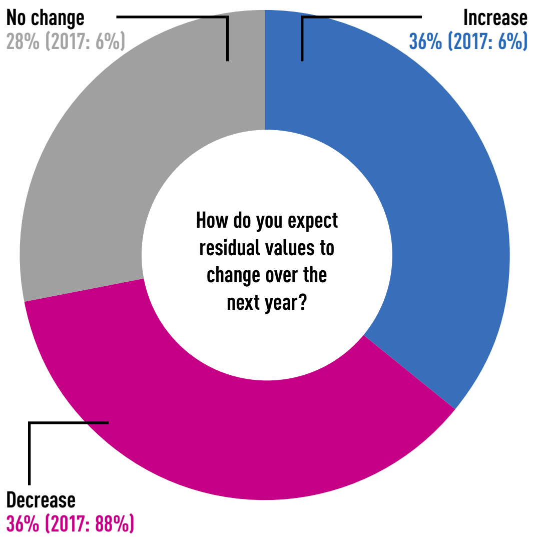
"Year-on-year deflation of used diesel values has been no worse than the historic long-term trend, and no worse than we forecast. It has, in fact, improved in recent months due to the WLTP impact."

"A number of manufacturers have been oversupplying the new car market for some years and that is coming home to roost"

Simon Hill, Total Motion

10.1%
September's average value increase for ex-fleet and lease car sales compared with 2017

3.6%
average increase in RVs expected by leasing companies



Leasing companies expect RVs to increase by an average 3.6%, with individual forecasts ranging from 1% to 6%.

The leasing companies which expect RVs to drop think the fall will be an average of 4.4%. However, their individual predictions were much wider, ranging from 1% to 15%.

Among those who expect values to drop is Simon Hill, managing director of Total Motion, who feels that the uncertainty over Brexit and a growing number of reports forecasting an economic slowdown will weaken the used car market.

He says: "People have been holding off major purchases this year as we get closer to Brexit and I think that will continue for the following two years until everyone knows what is going to be happening."

Hill adds: "A number of manufacturers have been oversupplying the new car market for some years and that is coming home to roost.

"Much of the rise in new car sales was artificially created by the manufacturers pumping into rental and other areas of the marketplace to get the volume out there, but so many cars came into the UK marketplace that it has created a problem.

"We are now seeing significant drops on RVs on a number of premium brands which is purely down to oversupply from companies flooding the UK market."

Hill says Total Motion has seen a year-on-year fall in average car RVs: its value achieved versus Cap Clean or equivalent fell from 124% last year to 118%. This is still the highest in the FN50 and compares to the average versus Cap Clean figure of 100%, up one percentage point on last year's figure, and the same as in 2016.

Thirty-five per cent of respondents report either matching or beating this year's average figure. The lowest average value achieved versus Cap Clean was 85%.

One of the factors affecting resale values is the way cars are remarketed. Both Total Motion and the next best performer in this area – which reports achieving 115% of Cap Clean – sell virtually all of their defleeted vehicles direct to the public.

Hill says: "We have a retail outlet. We don't send anything to auction, so every vehicle that comes back to us goes through our retail site which is why we get those sorts of numbers."

The company also re-leases low mileage cars which have been returned to it into the personal or sub-prime markets to minimise the hit it would otherwise have to take on residual values: a car suffers the steepest depreciation in the first few years of its life.

Other leasing companies are taking similar approaches to maximise RVs.

Arval last month launched a used car leasing product called Re-Lease. This offers vehicles taken from the leasing company's own fleet with fewer than 30,000 miles on the clock and less than 30 months old to businesses and consumers.

Elliott Woodhead, deputy general manager at

AVERAGE RESALE PRICE vs CAP CLEAN OR EQUIVALENT

100%

Arval, says: "With the quality of vehicle stock being returned to us, the age of the vehicles and often low mileage, we believe it's the right time for this product."

LeasePlan earlier this year launched its CarNext.com online used car supermarket in the UK.

This takes ex-lease cars between three to four years old and offers them to retail used car buyers to buy, lease or finance.

Customers are able to have their used car purchase dropped off at a location of their choice or pick it up or test drive it from a 'delivery store'. CarNext.com opened its first physical showroom in Milton Keynes in August.

LeasePlan, which also operates CarNext.com in 17 other countries across Europe, sells 250,000 used cars across the continent each year,. In the first quarter of this year, more than 10,500 of them were bought through CarNext.com.

Ewout van Jarwaarde, managing director of CarNext.com, says that, over time, the number of cars sold through this channel will "grow to be a very substantial number". At the time of writing, its UK website had 212 vehicles available.

However, direct remarketing hasn't always been a success for leasing companies. Lex Autolease abandoned its national remarketing operation, including two used car supermarkets, in 2006 and instead signed an exclusive deal with BCA to sell its ex-fleet vehicles.

Another major initiative launched this year which could disrupt the leasing industry's remarketing strategies is a joint venture from Cox Automotive and Auto Trader.

They have combined Cox's existing Dealer-Auction.com and Manheim Online businesses with Auto Trader's Smart Buying (formerly known as Autotrade-mail) retailer-to-retailer platform to create a single entity called Dealer Auction.

This aims to enable leasing companies and larger fleet operators to sell ex-company cars direct to car retailers before the vehicle is defleeted, bypassing the traditional auction houses.

This, according to Auto Trader, will speed up the time to sell, resulting in improved RVs, while it says the system will be fairer than the current auction set-up where the buyers pay for the services, not the seller.

Martin Forbes, chief executive of Cox Automotive in the UK, adds: "Our core strengths are extremely complementary and we believe that Auto Trader's digital and data expertise combined with Cox Automotive's wholesale channels and vehicle handling capabilities will deliver a market-changing platform. The next five years will see an unprecedented level of change in our in industry, driven by the ever-increasing influence of digital."

"With the quality of vehicle stock being returned to us, the age of the vehicles and often low mileage, we believe it's the right time for (Re-Lease) product"

Elliott Woodhead, Arval

48% of cars go through physical auctions

9% of cars are remarketed online

One visible sign of the growing influence of digital technologies is the increase in the proportion of vehicles being sold through online auctions.

This has risen from an average of 6% in 2017 to 9% this year. The proportion of leasing companies which use online auctions has also increased: this year's FN50 research found 42% of respondents use them, two percentage points higher than last year.

Of those that do use the channel, almost two-thirds (64%) use it to remarket 10% or less of their cars.

One of the leading leasing companies in this area is Venson Automotive Solutions, which was an early adopter of online auctions in 2000. "The younger generation prefer online bidding, and we see this method continuing to grow in the future," says a spokesman.

Despite the growth in online auctions, physical auctions have remained the most popular channel for leasing companies to dispose of defleeted cars.

They put an average 48% of cars through them, four percentage points higher than in 2017 and three percentage points more than in 2016.

Direct to dealer remained the second most popular route to market at 21% (2017: 23%, 2016: 22%), followed by direct to public at 13% (2017 and 2016: 15%), and then online auction.

Sale to driver accounted for 4% (2017: 4%, 2016: 5%), with 'other' accounting for the remainder.

According to the data provided, all leasing companies use multiple channels to sell vehicles – 27% used two, 35% used three, 27% used four and 11% used five.

Data supplied by FN50 companies also revealed the average number of days taken to sell a car after it was defleeted in the past 12 months was 19.

This is two days fewer than last year, and one day faster than in 2016. Individually, leasing companies saw the average time to sale range from three to 46 days.

% OF CAR DISPOSALS VIA...

More than half of the FN50 anticipate decline in van RVs

Just 11% expect increase in van values, though figure is up compared with 2017

By Andrew Ryan

While leasing companies are the most positive they have been for years over residual values (RVs) for cars (see page 32), they are more cautious when it comes to vans.

However, optimism is still a little higher that it was 12 months ago, when 9% thought values would increase and 66% decrease.

This year's research found that 11% of respondents feel they will rise, while 57% expect them to fall. This means that more than four in 10 (43%) expect no change or better.

The negative outlook has been influenced by the uncertainty caused by Brexit as well as global concerns over a forthcoming economic downturn, according to Simon Hill, managing director of Total Motion.

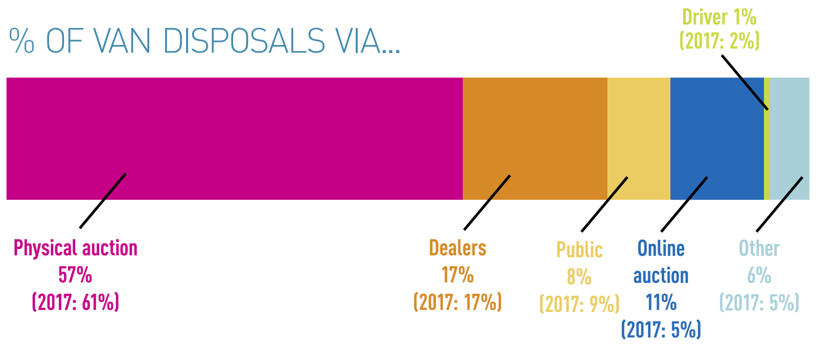
He also expects an increased number of vans to hit the used market, which will affect RVs. The new LCV market hit record levels in 2015 and 2016, and he says part of this was down to manufacturers oversupplying vehicles which means that an above average number of vans – particularly from rental companies – will hit the used market soon.

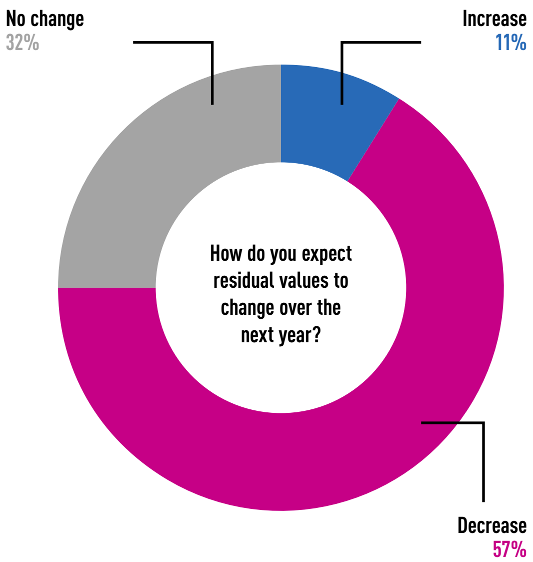
"Where the manufacturers haven't been oversupplying, the underlying message is still very positive," he adds.

Of the leasing companies which expect RVs to fall, the average drop predicted is 4%, with individual expectations ranging from 1% to 15%.

JCT600 Vehicle Leasing Solutions is one of those which expects stability. Managing director Paul Walters says: "With Brexit, and the introduction of WLTP for light commercials looming, it is difficult to tell what impact either a deal or no deal would have."

% OF VAN DISPOSALS VIA...





"With Brexit looming, it is difficult to tell what impact either a deal or no deal would have"

Paul Walters, JCT600 Vehicle Leasing Solutions

Overall, the average increase anticipated by those leasing companies who expect RVs to rise is 6%.

The more optimistic outlook comes on the back of a strong year for used values, with ex-fleet and lease LCVs sold through BCA in August reaching £8,135, 15% (£1,083) more than in the same month last year.

Cox Automotive saw average selling prices rise 12% (up £739) to a record high, despite age and mileage remaining steady.

James Davis, director of commercial vehicles at Manheim Remarketing, part of Cox Automotive, says: "Demand for used vans looks set to remain strong, pushing average prices to new heights, as a number of factors combine to affect the levels of supply in the market.

"As uncertainty around Brexit continues, it's likely that current lease-holders will opt to extend rather than replace vehicles at the end of their term, leading to a fall in supply within the wholesale market.

"In the new van market, manufacturers will be looking ahead to the WLTP/RDE regulations that come into force in September 2019.

"Testing the huge variety of derivatives and optional extras available will certainly pose challenges, and it's likely that OEMs will withdraw some models ahead of the deadline."

The average resale price achieved versus Cap Clean or equivalent was 101% in the past 12 months – one percentage point higher than last year. Individually, leasing companies reported average values of between 85% and 114%.

The average time taken to sell defleeted vans in the past 12 months was 18 days – two fewer than in 2017.

Meanwhile, the number of defleeted vans sold through online auctions more than doubled this year, with volumes growing six percentage points from 5% in 2017 to 11% in 2018. This growth has come mainly at the expense of physical auction, which saw a four percentage point drop to account for 57% of sales.

However, online auctions remain only the third most popular route to market for used vans, with selling to dealers the second most popular way (17% of volume), sitting behind physical auctions.

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Key reasons Jaama's software solutions are in high demand

Martin Evans, managing director, Jaama

Jaama is the provider of the UK's most sophisticated fleet, leasing and hire asset and driver management software system.

More than 1.2 million fleet vehicles are currently managed by Jaama's multi-award-winning Key2 system, including many supplied by companies listed in the 2018 FN50, which the company is delighted to sponsor.

Demand from contract hire and leasing companies for Key2 is due to many factors including compliance and legislative focus, achieved operating efficiencies and continuous investment in product development amounting to more than £2 million per year ensuring that solutions – Key2 and Jaama's 'MyVehicle App' – are at the cutting edge of fleet solutions.

In terms of Key2 functionality and ensuring that the system continues to be the market leader, Jaama has responded to new protocols and legislation, including the recent introduction of the Worldwide harmonised Light vehicles Test Procedure (WLTP) and the General Data Protection Regulation (GDPR).

In the case of WLTP new functionality has been introduced to its Key2 suite of applications to manage vehicle information feeds, while in respect of GDPR data can be obfuscated in several ways including through system rule builder and criteria selection.

Innovation, compliance and partnership are at the heart of Jaama and its Key2 development as are ongoing customer relationships, to ensure contract hire and leasing company users' benefit from added value, cost savings and forward-thinking – without continually having to update in-house developed systems.

jaama fleet, leasing and hire software innovators

Intelligent tyre prototype allows fleets to get the best out of tyres

David Morris, business account manager, Goodyear Dunlop Tyres UK

As shared mobility continues to grow in popularity, we are seeing applications where miles driven per vehicle will increase substantially in the years ahead. Shared mobility is continuing to grow based on desires for reduced cost and increased convenience.

As the face of mobility continues to evolve, so will the needs of fleet operators. Goodyear is anticipating the products, services and experiences that will deliver the mobility fleet operators need.

Earlier this year, Goodyear showcased the latest advances on its intelligent tyre prototype, a complete tyre information system that includes a tyre, sensors and cloud-based algorithms that work together to communicate in real-time with fleet operators via a mobile app.

For fleet operators, proactively managing tyre service issues is critical to both the customer experience and the business model.

The Goodyear intelligent tyre prototype allows for continuous connectivity and real-time data sharing, enabling optimal tyre usage for safer and more cost-efficient mobility and maximised uptime.

The sensors in Goodyear's intelligent tyre deliver crucial information including wear, temperature and pressure to the fleet operators, making fleet management easier.

This kind of proactive maintenance allows fleet operators to precisely identify and resolve tyre-related and potential service issues before they happen.

At Goodyear, we are focused on supporting fleet managers through this evolving mobility ecosystem and we are honoured to be an associate sponsor of FN50 once again.

GOODYEAR

ICFM VIEW

Traditional attitudes to company cars are flying out of the window with the rise of Generation Y

It is becoming clear in the marketplace that a successful fleet decision-maker must become increasingly creative and resourceful, more transformational and less transactional in their approach to managing drivers and vehicles.

Also clear is that, sadly, the number of employees with the job title of fleet manager continues to diminish. However, the ICFM is working with an ever-increasing number of employees with a procurement, HR, financial and travel career background that require transformational learning to understand how to deal with fleets and drivers.

Moving forward, these people – and I also include employees with the title of fleet manager – need to know less about how vehicles work while also outsourcing in-life vehicle matters, whether that be accident management, fleet management, fuel management, risk management or anything else to supplier partners. Instead they should spend their time fully focused on strategy, long-term planning and engagement with their internal board.

There is widespread industry concern around the long-term future of the company car as the government continues to increase benefit-in-kind tax.

As a result, those with fleet responsibility within their organisation must get to grips with the transition away from company cars – both user-chooser and, I anticipate, job-need – to cash, employee car ownership and salary sacrifice schemes. Such a move will trigger an explosion in the 'grey fleet' community – employees that drive their own cars on business – and with it new skills that fleet decision-makers will have to learn, and problems they will have to get to grips with.

Latest data published by HM Revenue and Customs (HMRC) shows that in 2016-17 it expected the company car parc to reduce by 20,000 vehicles, compared with 2015-16, to 940,000 drivers. That figure is a long way short of the 1.6 million company cars HMRC counted at the turn of the millennium.

The tax burden facing company car drivers is extremely serious. Furthermore, with the government continuing to pontificate over the long-term outlook for vehicle taxation following the introduction of the Worldwide harmonised Light vehicles Test Procedure (WLTP) and company car benefit-in-kind tax beyond 2020/21 unknown, that lack of certainty is driving employees away from what was once a favourite 'benefit'.

Paul Hollick, ICFM chairman

"I cannot understand the Government continuing to tax fewer company car drivers more and more"

The entire fleet industry – indeed automotive industry – requires tax clarity from government and HMRC over a minimum five-year period. However, what I cannot understand – and I am not alone – is the government continuing to tax fewer and fewer company car drivers more and more. It is totally illogical.

What is clear is that employers will continue to require their employees to travel – whether by car, van or public transport. This is a business requirement.

Twelve months ago, I forecast the rapid rise of mobility as a service (MaaS) and the move to a total cost of mobility concept, with fleet decision-makers needing to understand the importance of the full cost of employees travelling from A to B – not just the vehicle cost.

My anticipated expansion of MaaS was further underpinned by the rise of Generation Y – those born in the 1980s and 1990s – in the working world and assuming management positions influencing business and corporate mobility. For these people, the traditional hierarchical company car does not necessarily have the same attraction to employees as it did in yesteryear.

The MaaS movement has been slower than I expected, but it will gain momentum and we will see those employees with fleet responsibility morph into mobility managers, thus further underlining the transformation highlighted earlier.

Finally, the government's tax strategy has hampered corporate demand for electric vehicles, although the vehicle leasing industry has done much to talk up how it can help fleets become adopters of plug-in vehicles.

However, the benefit-in-kind tax impact on plug-in vehicles at the moment is huge and, alongside company car taxation as a whole, is a clear indication that tax drives employees' behaviour.

Fleet decision-makers must change their modus operandi. But it is tough to encourage that shift when the future is clouded with such uncertainty because, principally, the government is treading water over the long-term shape of vehicle taxation.

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Accelerating fleet insights and driving sustainability

Mark Rose, head of business development, Vodafone Automotive

Vodafone Automotive is proud to support the 2018 FN50 as the telematics sector associate sponsor. We combine 40 years of heritage in vehicle security and telematics with Vodafone's IoT business and reputation as a global telecoms brand.

Our industry-leading capabilities are demonstrated by our ability to provide global connected car solutions to car manufacturers, vehicle fleets and insurers, including some of the most well-known brands such as Admiral and Porsche.

For fleet leasing and rental customers, by fitting a telematics device to every vehicle, we can tackle old challenges in new cost-efficient ways by reducing costs and risks, while delivering value-added services. Tailored to our customers, our solutions gather diagnostic and operating data to allow clients to:

- Uncover maintenance issues and schedule on-time proactive intervention;
- Monitor vehicle usage to maximise value over vehicle lifecycle;
- Reduce fraud and theft of assets and contents, plus potential damage – all supported by our 24/7 Europe-wide Secure Operating Centres;
- Deliver value-added services for the safety of drivers such as crash and breakdown assistance while reducing risks via driving behaviour analysis;
- Plus build valuable partnerships with original equipment manufacturers (OEMs) and insurance companies to develop enhanced services.

We are really looking forward to meeting you at the dinner – let's start a conversation and see how we can bring value to your business!

Vodafone Automotive

More cars and vans not up to scratch in eyes of lease firms

End of contract damage sums still annoy as percentage of those charged increases

By Sarah Tooze

End of contract damage charges continue to be a bone of contention between leasing companies and their customers.

This year's FN50 survey shows that the percentage of vehicles incurring damage recharges at end of contract has risen for both cars (up two percentage points from 37% to 39%) and vans (up four percentage points from 40% to 44%).

The average amount that van operators are being recharged has fallen from £414 last year to £376 but for cars it's an upward trajectory.

Last year, the average recharge for cars broke the £300 mark for this first time and it has risen a further £14 this year to £322.

Whether this is due to rising repair costs, leasing companies being less lenient or treating damage charges as a 'profit centre' (a long-held accusation) or drivers failing to keep their vehicles in good condition (or to understand the required condition) is open to debate.

But it is clear that some fleet managers remain disgruntled with the process and that leasing providers still do not take a consistent approach – even with the British Vehicle Rental and Leasing Association (BVRLA) fair wear and tear guides in place for cars, vans and HGVs.

One van fleet operator, who did not wish to be named, has had different experiences with two leasing companies despite having a number of controls in place to ensure vans are returned in good condition.

These controls include a company policy regarding the condition and damage of vehicles and what is allowed to be left and what should be repaired during the lease period; weekly vehicle condition audits completed by site supervisors; vehicle spot checks carried out during internal audits and by the transport compliance team and driver trainers when on site; and costs and images being checked by someone with a mechanical background at defleet.

With one lease provider "every bit of damage is noted and charged" while with the other, the fleet manager has managed to create "a reasonable relationship".

The fleet manager believes it's down to how the leasing companies remarket their vehicles.

The latter puts all its vehicles through auction without repairing them and offsets the recharges with the amount the vehicle was sold for at auction.

The former repairs all of its vehicles and puts them back into the retail market so it is, in the fleet manager's view, "more focused on making the vehicle 'showroom' condition".

As a result the fleet manager has decided that they will not be using the provider again once the final batch of vehicles has been returned.

Another fleet manager, who also preferred not to be named, believes that while some leasing companies "take a measured approach" that takes into consideration a vehicle's age/mileage and value, others don't appreciate that vans have to be "worked hard for a living".

He has "many thousands of off-lease invoices on hold", some going back more than two years, for what he describes as "unreasonable charges".

He has invited the leasing companies concerned to meet and resolve the invoices. One has done so and agreed that the charges appear to be around 25% higher than they should be, on average, while the other provider, despite being contacted multiple times, has not yet responded.

In this year's FN50, the average recharge for vans varies from as low as £75 for two leasing companies to as high as £738 for one provider. In fact, six of the respondents charge £500 or more, on average.

For cars, the average ranges from just £42 to £712, with seven respondents charging more than £400 on average.

In some cases, leasing companies are prepared to overlook a degree of damage and damage waivers for cars can range from £75 to £250. The average is £167.

Damage waivers for vans range from £75 to £250, with an average of £168.

Caroline Sandall, deputy chairman of fleet operator association ACFO, does not believe that the issue of end of contract damage charges is getting worse but does acknowledge that there has been a rise in complaints, particularly from 'non-traditional company car users' such as car salary sacrifice drivers due to "a lack of understanding and experience of having a lease vehicle".

She says that although salary sacrifice schemes can have a contingency fund this is usually to cover early terminations so drivers would still be hit with a recharge for damage.

The BVRLA regularly reviews its fair wear and tear guides and Sandall took part in its latest roundtables, working alongside other leasing companies and remarketing agents, to examine both the van and car guides to ensure they are fair and clear for drivers and clients.

The review led to an updated version of the van guide, which was launched at this year's Commercial Vehicle Show in April.

The review led to an updated version of the van guide, which was launched at this year's Commercial Vehicle Show in April.

Changes included an amendment to the definition of fair wear and tear (it now refers to 'conventional operation' rather than 'normal usage' of the vehicle), a change to the definition of 'light scratch' and the removal of unacceptable damage images (the working party felt there was a large spectrum of unacceptable damage and deterioration that would be almost impossible to capture in a small series of photos) along with the example vehicle appraisal form (as almost all de-fleet operators have hand-held technology that captures the image of the vehicle and a small A5-sized checklist was difficult to use effectively).

An updated guide for cars is due to be published in the first half of 2019, following further consultation.

The BVRLA also provides training to complement its guides and sets out the end of contract standards it expects from its members in its code of conduct.

If a customer believes a BVRLA member is not adhering to the code they can use the BVRLA's conciliation service (provided they have fully exhausted the member's own internal complaints procedure and received a final decision).

Fleet managers could also seek advice from consultants such as Damage Reclaim, which will help challenge end-of-contract vehicle charges on a no win, no fee basis (although it does take a 30% cut if successful).

Dean Miles founded the company after being charged more than £1,000 by a leasing company, which he felt was unjustified.

After seeking advice from somebody working in the leasing industry, he went back to the company and it admitted there was failure in process and some of the charges were unjustified.

Miles says: "The damage invoice was reduced and further negotiation ended with the bill to zero as a gesture of goodwill."

Sandall believes that fleet operators must continue to "be vigilant" about end of contract charges and "ensure scrutiny is maintained, drivers are educated, understand what is expected and how to ensure the right types of damage are repaired".

With a number of fleet operators extending contracts this year in the wake of WLTP and benefit-in-kind uncertainty, having the right processes in place and good communication with their leasing provider will become more important to avoid any nasty surprises when the vehicles are eventually returned.

Sandall warns that in these challenging times, leasing companies may be less able (or less willing) to offer goodwill gestures/write off costs.

£322
average recharge for cars returned – up £14

£380
average recharge for vans returned – a £34 drop

"Some leasing companies 'take a measured approach' that takes into consideration a vehicle's age/mileage and value"

Damage inspection – some leasing companies have keener eyes than others

WEAR AND TEAR AVERAGE COSTS

	Average % of vehicles charged	Average recharge value (£)	Average damage waiver (£)*
2006	38	215	
2007	35	246	
2008	39	246	
2009	43	278	
2010	43	249	
2011	42	281	
2012	43	263	
2013	41	278	
2014	35	274	
2015	38 (cars), 41 (vans) and 25 (trucks)	280 (cars) and 385 (vans)	160 (cars) and 152 (vans)
2016	34 (cars), 41 (vans) and 25 (trucks)	289 (cars), 380 (vans) and 372 (trucks)	170 (cars), 166 (vans) and 280 (trucks)
2017	37 (cars), 40 (vans) and 38 (trucks)	308 (cars), 414 (vans) and 587 (trucks)	166 (cars), 181 (vans) and 260 (trucks)
2018	39 (cars), 44 (vans) and 22 (trucks)	322 (cars), 376 (vans) and 614 (trucks)	167 (cars), 168 (vans) and 258 (trucks)

** Van and average damage waiver data provided for the first time in 2015. Truck data provided for the first time in 2016.*

Top technicians ready to help in 316 fully equipped Autocentres

Pete Marden, fleet director, Halfords Autocentres

Halfords Autocentres is proud to be an associate sponsor at the upcoming FN50 event. For many years Autocentres has provided a reliable, economical and market-leading SMR solution to the leasing and rental industry.

Through our network of 316 fully equipped garages, we are able to cater for the requirements of any fleet through expert technical capability. Our industry-accredited technicians are renowned for their quality and efficiency. We continue to move with the times and acknowledge vehicle technology and the pace of change within the marketplace. We are currently the only major independent SMR provider to have IMI level 2 accredited EV/hybrid-trained technicians in every one of our garages.

As well as the technical capability, we also house full LCV SMR capability in more than half of our network (182 locations) and have 72 locations with on-site class 7 MOT capability.

We are a growing network and, as such, will constantly prove to be a convenient and trusted network putting our customers at the forefront of everything we do.

halfords autocentre

Top customer service helps to deliver added value to brands

Jeremy Rochfort, national sales manager, Autoglass®

Autoglass®, the UK's leading vehicle glass repair and replacement specialist, is proud to be an associate sponsor of the FN50 Dinner once again.

At Autoglass® our offering is two-fold: We strive to give your fleet drivers the best service they have ever had from any service provider. Plus, our team of Fleet Business Managers work in partnership with you to deliver the highest standards of service by focusing on the complex needs of each business customer – delivering innovative solutions and other tangible benefits to add value.

With more than 1,200 mobile technicians, all using the latest tools and technology, and access to in excess of 130 glass stocking points, Autoglass® is committed to getting fleets back on the road quickly and safely, improving vehicle utilisation and reducing downtime.

We have long believed that providing consistently high standards of customer service is not only beneficial for your drivers, but that this positive experience can deliver added value to your brand.

AUTOGLASS®

Headline sponsor TOYOTA LEXUS Toyota & Lexus Fleet

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Average end of contract excess mileage figures hit record low

Leasing companies finding more ways to help companies manage their mileages

By Andrew Ryan

The average end-of-contract excess mileage charge for defleeted company cars has dropped to a record low of £324: the second consecutive year it has fallen by more than 11%.

The latest findings of the FN50 research means that the average charges have fallen five out of the past six years, from a high of £540 in 2012.

However, the overall figure masks a wide disparity in the average charges reported by individual leasing companies: these range from a massive £1,200 to just £37. Fewer than one in three (29%) reported charges above the overall average figure.

The proportion of cars which are subject to excess mileage charges has remained static compared to the previous year at 19%, which is a one percentage point drop on 2016.

This indicates that, as a whole, leasing companies and fleets are getting better at managing end-of-life mileage charges, although there are circumstances within individual companies which may see them buck the downwards trend.

Total Motion, for example, has experienced a slight increase in both the average charge and the proportion of cars subject to them. Simon Hill, managing director, says this was down to a slight change in its customer base over the past few years which has seen it take on more SME and consumer clients.

He adds: "We are now getting the first of those vehicles coming back to us and people, basically, haven't got their mileages quite right."

Leasing companies are able to employ a range of measures such as pooled mileage schemes or telematics technology to help fleets manage their mileages.

£540
the average excess mileage charge in 2012

£324
the average excess mileage charge this year

EXCESS MILEAGE CHARGES

	Average of % returned vehicles charged	Average recharge value (£)
2009	24	495
2010	21	349
2011	25	433
2012	22	540
2013	25	507
2014	21	439
2015	20 (cars) and 20 (vans)*	456 (cars) and 370 (vans)
2016	19 (cars), 19 (vans) and 10 (trucks)	413 (cars), 480 (vans) and 430 (trucks)
2017	19 (cars), 22 (vans) and 12 (trucks)**	367 (cars), 496 (vans) and 529 (trucks)
2018	19 (cars), 20 (vans) and 4 (trucks)	324 (cars), 345 (vans) and 411 (trucks)

** Van data provided for the first time in 2015*
*** Truck data provided for the first time in 2016*

> *"In recent years we've spent a considerable amount of time reviewing customers' policies to ensure they remain relevant"*
>
> Robert Lea, ALD Automotive

Robert Lea, strategic account development manager at ALD Automotive, says: "In recent years we've spent a considerable amount of time reviewing customers' policies to ensure they remain relevant and reflect the needs of their businesses. Part of this process we have reviewed historic benchmark profiles and adjusted these to reflect the reality of what is actually being travelled.

"This process has been hugely assisted by the increased uptake of ALD's Profleet telematics which gives us accurate and reliable data on which to base decisions.

"Additionally with the current uncertainty in the market due to taxation strategy and WLTP, ALD has been proactively extending contracts to provide breathing space for more informed decisions to be made by customers. As part of this process, reviewing mileages has also taken place – again helping to cut the risk of excess mileage charges."

The use of telematics is more common in company vans than in cars, and this is a major reason why the average excess mileage charges for light commercial vehicles has dropped more dramatically, falling £151 to £345.

This is the lowest figure since the data began to be collected in 2015 and, as with cars, there is an enormous variance between the highest and lowest penalties, which range from £24 to £1,224. A little more than a quarter (28%) reported charges above the overall average figure.

The average proportion of vans attracting excess mileage charges also fell, from 22% in 2017 to 20% this year. This matches the 20% reported in 2016.

The proportion of trucks which attracted excess mileage charges also fell, down eight percentage points to 4% compared with 2017. Half (50%) of respondents reported that none of the trucks they defleeted this year were subject to any excess charges, while the highest proportion was 12%.

The size of the average excess mileage charges also fell this year, declining £118 to £411. Of those leasing companies which reported excess mileage charges, the lowest figure was £241 and the highest £1,413.

Fines and charges accelerate to close to £56m, say the FN50

Driver education crucial to avoiding these sums, according to top leasing company

By Gareth Roberts

Fines and charges incurred by drivers of FN50 vehicles are reaching record levels. The suggestion is the total bill could be almost £56 million.

The FN50 survey asked leasing companies to report the number of charges and fines for speeding, parking, the congestion charge and other contraventions, including the amount.

The total number reported in 2018 is 645,387, while the value of the fines and charges handled by leasing firms was worth a combined £15,842,275.

It is difficult to compare like-with-like with previous years as not all the same companies reveal the information for each fine category.

Nevertheless, the previous year's 670,000 charges, with a combined value of almost £20m, came from data supplied by 26 companies. This year's data came from almost half that number, suggesting a substantial year-on-year increase.

Taking into account average figures and risk fleet weighting, analysis of the FN50 suggests the total number of fines and charges incurred could be as high as 1.8m, with a combined value of £55.9m.

Parking fines account for the lion's share, some £32m, from an estimated 654,100 fines. FN50 data shows 19 firms reported a combined 248,560 fines, compared to 26 leasing companies reporting a similar figure – 254,000 – in 2017, again suggesting a substantial increase.

The combined value of £9.6m reported by 15 leasing companies also suggests there is an upward trend when compared with the £11.4m recorded by 19 firms in 2017.

> *"There is a greater need for improved education and training to raise awareness of the rules of the road"*
>
> Guy Mason, Lex Autolease

Furthermore, the experience of individual companies appears to tally with the overall picture, with some firms reporting double-digit increases in the number of parking penalties they have received.

Analysing Lex Autolease's figures, operations director Guy Mason, says: "The percentage of company car drivers committing parking offences increased by 19.9% in the months from January to June, compared with the same period last year.

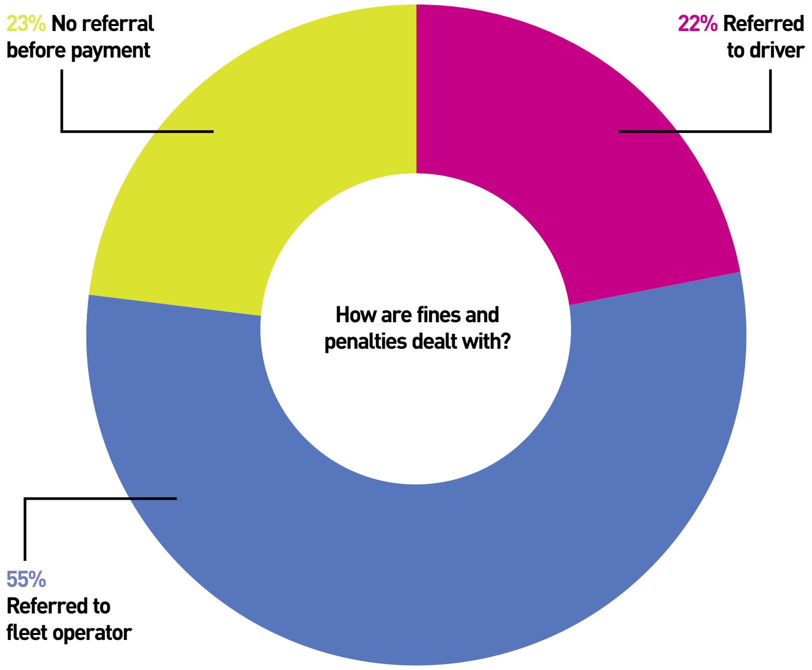
"Private car parks accounted for three-quarters of the value of all parking fines, which came to a total of £2.2m, compared with the £0.77m collected in charges from public parking."

Top five leasing firm Alphabet also reported a rise in parking penalties. Ashlee Lanchbery, its fleet administration manager, explained: "Between 2017 and 2018, we've seen an increase in the amount of fines being incurred on our fleet. This has been primarily from private parking charges being incurred by drivers.

"We believe this is because of a number of factors, such as the rise in enforced private parking spaces over the past few years as the cost of number plate recognition and camera technology comes down and as parking space in our towns and cities gets increasingly scarce."

Lanchbery added: "It's not helped by inconsistent signage for drivers and conflicting information out there in the public domain regarding the enforceability of private parking charges and whether drivers are liable to pay them or not."

Data from other sources also appears to support the FN50 analysis and the experience of individual leasing firms.



Private members' bill

The RAC Foundation reported in July that councils in England are on course to generate a combined 'profit' of £885m in 2018/19 from their parking operations – a 13% increase year-on-year.

Furthermore, from April to July, during the first quarter of the 2018-19 financial year (the latest figures available), private parking companies requested 1,479,152 sets of vehicle keeper records from the Driver and Vehicle Licensing Agency (DVLA).

That equates to a ticket issued, on average, every five seconds – the equivalent of more than 11 per minute or 16,254 per day. It is also a 14% rise on the 1,299,716 sets of records bought in the same quarter of 2017-18.

The data is used by firms to pursue motorists for charges and penalties they say are due for infringements in private car parks such as those at shopping centres, leisure centres and motorway service areas.

At the current rate, the DVLA is on course to share almost 6.5m sets of records with private parking firms by the end of 2018-19, up from 5.65m in 2017-18.

Steve Gooding, director of the RAC Foundation, said: "Numbers like these suggest that something, somewhere, is going wrong."

However, help could be at hand. East Yorkshire MP Sir Greg Knight has a private members' bill before Parliament, which aims to introduce a single, Government-sanctioned code of practice all parking firms will have to adhere to if they want to request DVLA information.

Clear signage is a must to ensure drivers fully understand the restrictions and their responsibilities

The bill passed its committee stage in the House of Commons in July. The next step is the House of Commons report stage, scheduled for November 23.

Ultimately, better education of drivers over where they can park their vehicles and for how long would remain the most effective weapon in bringing down costs.

Company car and van drivers are also falling foul of road traffic laws in other areas.

Lex Autolease reported that the percentage of drivers caught by bus lane cameras rose by 37.9% in the first half of the year compared with the same period in 2017, with the proportion fined for junction box, red routes and other similar infringements up by 17.9% over the same period.

ALD Automotive, which has handled 30,000-plus parking tickets in the past year, also highlighted an increasing number of drivers fined for using bus lanes.

Phil Turle, ALD Automotive operations manager for fleet services, said: "There has been a marked increase in the number of bus lane fines, up 28% in volume for bus lanes outside London, and a year-on-year increase of 15% in parking fines."

In terms of speeding contraventions, 18 firms said they dealt with a combined 114,117 tickets. The value of speeding fines incurred was reported by just eight leasing companies and was worth a combined £154,332.

At Lex Autolease, Mason said: "The percentage of drivers committing more serious endorsable offences has increased at a much slower rate.

"The proportion of penalties that were for speeding, using a mobile phone behind the wheel and dangerous driving rose by just 6.6% in the first half of 2018, accounting for just under a quarter – 23.5% – of the total number recorded."

£55.9m
estimated combined value of fines and charges dealt with by FN50 companies

£32m
estimated combined value of parking penalties dealt with by FN50 companies

1.8m
estimated number of charges handled by FN50 companies

Lex Autolease also saw a 32.5% year-on-year decrease in the percentage of drivers incurring a congestion charge, in the period between January and June 2018.

This downward trend is reflected in the FN50 figures, with 38,134 charges reported by 19 leasing companies, compared to 69,000 in 2017, reported by a similar number.

The combined value, reported by 17 firms, also shows a considerable fall at £1.8m compared to £4.4m in 2017.

Drivers face new charges

Company car and van drivers have also faced tough new emissions standards for vehicles entering central London from October 2017.

The £10 'Toxicity Charge', also known as the Emissions Surcharge or T-charge, operates on top of, and during the same operating times as, the congestion charge.

From April 2019, the world's first ultra-low emission zone (ULEZ) will replace the T-Charge and operate in the same area, alongside the congestion charge, with some leasing firms concerned that this and other clean air zones (CAZs) could result in further charges and fines (see panel overleaf).

Meanwhile, in terms of other charges, such as the Dart Charge, FN50 figures suggest more company car and van drivers are falling foul of the rules.

The survey shows that 244,396 charges were reported by 19 firms, up on the 217,454 reported by a similar number of companies in 2017.

The combined value of charges issued also showed a rise, from £3.8m in 2017 to £4.1m reported by 12 firms in the past 12 months.

Lanchbery said: "With the increasing number of toll-based services around the UK – whether it's the Dart Charge, Mersey Tunnels, M6 or London – we're also seeing increases in fines from these areas as drivers who don't know the area are unaware of the restrictions, or assume their vehicle is exempt or even think that the fleet has pre-paid them."

More than half of firms (55%) referred fines and charges to the fleet customer, while 22% were sent directly to the driver and 23% were not referred before being paid.

Mason said: "It is important that we process them promptly so that the necessary information can be shared with customers and each issue can be resolved appropriately.

"The key is to separate notifications into those that do and don't require an admission of liability, so that it's clear whether there is a simple fine to pay, or whether additional penalties such as points need to be applied."

Lex Autolease reported an 18.4% year-on-year increase in the number of company car and van drivers on its fleet who incurred penalties in the first-half of 2018.

The total bill for the UK's largest leasing company came to £7m from January to June – an increase of 24.8% on the same period last year.

Mason concluded: "There is a greater need for improved education and training to raise awareness of the rules of the road, so that drivers don't get caught out.

"There are straight-forward driver policies and procedures that businesses can put in place to help reduce the risk and bring down the bill."

"There has been a marked increase in the number of bus lane fines, up 28% in volume for bus lanes outside London, and a year-on-year increase of 15% in parking fines"

Phil Turle, ALD Automotive

Fines for endorsable offences such as speeding are advancing at a slower rate than non-endorsable ones

COMMUNICATION OF NEW CHARGES 'CRITICAL'

FN50 leasing companies are braced for a potential wave of fines and charges from new restrictions being placed on vehicles entering towns and cities across the country.

It is unclear how many councils may opt to introduce a clean air zone (CAZ) that charges drivers.

Birmingham City Council's ruling cabinet has approved plans to charge all but the cleanest cars and vans. Leeds favours a charging system for non-compliant buses, coaches, HGVs, taxis and private hire vehicles (pre-Euro 6 diesel and pre-Euro 4 petrol).

If approved by Government, both schemes would come into force from January 2020.

Others, including Cambridge, Bristol and Bath could follow suit, while London's ULEZ, which will target cars, vans and trucks that don't meet the latest emission standards, will be introduced from April 2019.

London's ULEZ will affect thousands more vehicles than the existing T-charge, up to 60,000 every day, compared with the current estimated 6,500.

Diesel vehicles that do not meet the Euro 6 standards and most petrol vehicles that do not meet the Euro 4 standard will have to take action or pay.

Alphabet's Ashlee Lanchbery said: "As with existing road tolls, communication with drivers is critical. Even now, many people still get caught out. That's why it's so important public and fleet awareness campaigns take place ahead of next April next with the implementation of the London ULEZ and before 2020 for the planned clean air zones.

"Consistency and clarity of signage in London and around the UK is also vital to help drivers understand their responsibilities.

"However, with any change, I'm sure some drivers will get caught out so we're working with fleet managers to help spread the message of the upcoming changes over the next 12-18 months."

Lex's Guy Mason concluded: "The introduction of the new charges will increase the number of fines we deal with, as we've seen in the past with Mersey Flow and the Dart Charge. But, as has been the case with the congestion charge, schemes on this scale do have the potential to positively change driver behaviour long-term."

We're always exploring new tech routes to enhance our offering

Neil Hodson, CEO, Aston Barclay

Since the last FN50 we have continually changed our business to meet the needs of our customers.

This change has primarily manifested itself in the increased used and scope of technology in service, platforms and routes to market.

There is a lot to say about our commitment to technology which we would be delighted to go through with you in greater detail. But, in summary:

We recently launched our Virtual Auctions, empowering vendors to sell vehicles from any location within a single dedicated sale. Stock can be split by profile and buyer audiences can be tailored to the stock on offer.

In a move to further develop upstream products, we are launching our first Appraisal App allowing fleet drivers and dealer group consumers to self-appraise vehicles either before contract end of prior to a retail deal.

The appraisal app couple with our investment in The Car Buying Group to unlock market leading valuations, complimenting residual values and market sentiment.

Of course physical auction will always play a big part and our new Northern Powerhouse in Wakefield is set change the face of UK remarketing forever as a destination of choice for vendors and buyers alike.

Have a fantastic evening and we hope to speak to you all very soon.

ASTON BARCLAY
Vehicle Remarketing

FTA VIEW

Time to tackle the hidden issue of mental health among our stressed drivers

From the announcement of new Ultra Low Emissions Zones to continued uncertainty around Brexit, it's been an eventful and challenging year for the van fleet sector. But while the industry was absorbed in these matters, there was another issue hiding in the shadows: the epidemic of poor mental and physical health among drivers.

FTA believes one of the biggest issues facing van drivers today is also the most hidden. One in five van drivers describe their current mental health as 'poor or very poor'*, and, worryingly, only one in three van drivers suffering with mental health issues have discussed their concerns with their manager*.

With suicide now the biggest killer of men under 45, it's time the industry tackled the stigma around mental health and fostered an environment of openness, support and honesty. To play its part, FTA is launching a campaign with mental health charity CALM to raise awareness of the support and resources available to those suffering.

Van drivers often operate in highly pressured environments. The combination of tight deadlines, unpredictable journey times and a high workload can lead to stress, exhaustion, poor nutrition and dehydration. In fact, a study by Mercedes-Benz Vans revealed one fifth of drivers surveyed intentionally avoided drinking so they would not need to stop for a relief break. And 70% of them claimed the pressure to reach targets and deadlines had severely impacted their ability to eat nutritiously and stay hydrated. Driving while dehydrated is now deemed as dangerous as drink driving, according to a study by Loughborough University.

Overcoming this challenge requires a two-pronged approach: improve motorway services so drivers have easy access to nutritious food and regular relief breaks; and create common standards and guidelines to prevent employers turning a blind eye to drivers sacrificing their health for work. FTA continues to campaign on behalf of its 17,000 members to see this come to fruition.

Mark Cartwright, head of vans and light commercial vehicles, Freight Transport Association (FTA)

"It's time the industry tackled the stigma around mental health and fostered an environment of openness, support and honesty"

These issues are only compounded when we consider the continued rise of the gig economy. A recent study by the University of London (UCL) found 63% of self-employed couriers are not provided with safety training on managing road risks and 8% had been injured in a collision.

For self-employed drivers to be road-safe and feel confident and capable, training and education must be improved.

FTA has long campaigned for the professionalisation of van driving. Administered by FTA, Van Excellence was created in 2010 to promote the safe operation of vans, represent the interests of the sector, and celebrate operators demonstrating excellent standards.

Central to the scheme is the Van Excellence Code, a set of minimum best practice standards all van operators should aspire to achieve, covering safety, efficiency and sustainability.

As the number of vans on our streets increases, all road users benefit from improved driving standards and maintenance – the Van Excellence scheme provides a useful toolkit for operators to do so.

While the year ahead poses many challenges, it also presents a golden opportunity to transform the image of van driving. With FTA and Van Excellence at the helm, I'm confident 2019 will be the start of a revolution in driver care, where mental and physical health is the new priority.

** according to a study by Mercedes-Benz*

Asian influence on rise as European makers lose ground

Civic is the top car; Asian brands form three of top four

By Matt de Prez

After an eight-year reign as the most reliable car on contract hire, the BMW 3 Series has lost its title to the Honda Civic.

This year's survey has seen a significant shake-up of the rankings, with the entire top 10 of the reliability index changing places.

The knock-on effect is that there is a similar level of movement in the manufacturer table.

Japanese and Korean brands have been far more successful this year, knocking the regular European manufacturers out of their top spots.

The performance reflects growing popularity of Asian brands, especially Kia and Hyundai, as they continue to develop more desirable and efficient models.

Honda's totally redesigned Civic placed first. With UK production, the Civic range is available as a hatchback or saloon with frugal petrol and diesel engines offering CO_2 emissions from just 91g/km.

Honda's success in this survey means it now occupies second place in the best performing manufacturers' table, leaping from sixth in 2017.

Last year's result saw German brands occupying the top four places, but now only BMW represents the country at the top of the table – holding on to first place for the fourth consecutive year.

> *"There are two new entrants in the (cars) top 10 this year, both of which have just been replaced by all-new versions (Ford Focus and Kia Ceed)"*

Toyota has crept up the table taking third, while Hyundai now places fourth.

Now occupying second place in the FN50 reliability index, the current BMW 3 Series has reached the end of its life cycle and an all-new model is due next March, following its official debut at the Paris Motor Show in October.

Based on a new platform, the 3 Series will be lighter, more efficient and expected to feature a range of plug-in hybrid engines plus a fully electric version.

At launch there will be a 320d with CO_2 emissions of 110g/km and a starting price of less than £34,000, putting it on track to be a strong fleet performer.

BMW's larger 5 Series jumps two places to third, following the launch of an all-new version at the start of last year. It's the only large executive car in the top 10.

Volkswagen has two cars in the top 10, although both have performed worse than last year with the Golf falling from second to fourth and the Passat now occupying seventh instead of sixth. Both are expected to be updated in 2019, re-introducing the plug-in hybrid engines that were discontinued earlier this year due to WLTP homologation issues.

A better performance from the Audi A4 helps the Volkswagen Group retain a second listing in the top five, following a disappointing drop to ninth last year, the mid-size saloon places fifth this time.

A new A4 is due for a 2019 debut. Overall, Audi has a strong year for product launches also introducing a new A8, A7 and A6, plus a new Q5.

However, the A4's rise up the table wasn't enough to stop the brand falling from second to seventh in the manufacturer listings. This was largely driven by a poor performance from the A3, down from third to 15th.

There are two new entrants in the top 10 this year, both of which have just been replaced by all-new versions. The Ford Focus appears in sixth place, while its rival the Kia Ceed takes eighth.

Such a performance puts the newer models in good stead for a stronger result next year, provided they offer improved reliability. Both are expected to enjoy a strong portion of fleet in 2019 with frugal petrol and diesel options.

Despite the Focus's good performance, Ford overall dropped from fifth to ninth. The blue oval still makes the UK's best-selling car – the Ford Fiesta – and released an all-new model last year. So far, it has failed to boost the model's ranking though, with a drop from 11th to 12th in 2018.

Kia's strong performance with the Ceed sees it enter the top 10 manufacturers for the first time, shooting straight to sixth place. Sister brand Hyundai managed an even greater achievement, ranking fourth overall despite not having any models in the top 10.

One of the hotly anticipated fleet models from the brand is the new Kona Electric. It promises a range of 250-300 miles on a single charge, joining the brand's existing range of alternative fuel cars.

Toyota, another brand renowned for its electrified powertrains, has performed strongly too. Last year, the brand, which usually occupies a top five position, placed ninth. This year, it is back at the top-end of the table, in third.

Much of the success is down to the Toyota Prius. Now available in both hybrid and plug-in hybrid form, the Japanese model takes ninth place in the reliability index, while the smaller Yaris, which is also available as a hybrid, doesn't quite make the top 10 but takes 14th.

Nissan occupies tenth place in the manufacturer table, falling from seventh, and the Qashqai ranks tenth in the reliability index, eighth – but pushing the Mercedes-Benz E-Class out of the top 10.

The crossover has been a sales phenomenon since its 2007 inception. For 2019, Nissan has refreshed the line-up, adding a new turbocharged petrol engine and a revised diesel.

BEST PERFORMING CARS (2017 IN BRACKETS)

1 (4)	Honda Civic
2 (1)	BMW 3 Series
3 (5)	BMW 5 Series
4 (2)	VW Golf
5 (9)	Audi A4
6 (-)	Ford Focus
7 (6)	VW Passat
8 (-)	Kia Ceed
9 (-)	Toyota Prius
10 (8)	Nissan Qashqai

BEST PERFORMING MANUFACTURERS (2017 IN BRACKETS)

1 (1)	BMW
2 (6)	Honda
3 (8)	Toyota
4 (-)	Hyundai
5 (3)	Mercedes-Benz
6 (-)	Kia
7 (2)	Audi
8 (4)	VW
9 (5)	Ford
10 (7)	Nissan

Mercedes-Benz retains its dominance in the van stakes

Sprinter keeps grip on top spot in reliability survey, holding off the VW Transporter

By Matt de Prez

Mercedes-Benz has yet again dominated the FN50 van reliability survey, continuing its reign as the leasing industry's most reliable van manufacturer.

Its Sprinter continues its stronghold as the most dependable van, too, ranking first.

Part of the driver for the brand's success is its focus on uptime. Mercedes Pro Connect provides real-time updates directly from the vehicle that can be used to plan maintenance and monitor key criteria.

If things do go wrong, operators also benefit from Mobilovan, a free breakdown and repair service operated by the brand, and 24-hour dealer support.

The closely-fought battle at the top of the table sees Volkswagen and Ford swap places, taking second and third respectively.

Mercedes-Benz launched an all-new version of the Sprinter this year, although these figures will relate to the previous model. Next year's survey should gauge whether the Sprinter has managed to retain its winning formula.

The new model has improved infotainment, better fuel economy and greater payloads.

Volkswagen's Transporter rises to second place in the most reliable van rankings. The Commercial Fleet Award-winning van maintains a top three position in the reliability index year after year.

Mercedes-Benz has a second model at the top of the table this year, with the Vito taking third place.

Another strong performance is the rise of the Vauxhall Vivaro to fourth. Now in its final production year, the British-built model will be replaced in 2019 with an all-new version build under the PSA Group alliance.

1

In fifth place – and the only French model to feature in the top five – is the Citroën Berlingo. As with the Sprinter, the Berlingo's result will be based on the outgoing model rather than the newly introduced version that is set to go on sale before the end of the year.

It shares a platform with the Peugeot Partner and Vauxhall Combo, both of which are also new and feature a range of driver assistance systems and technologies not usually found in this segment.

French manufacturers have had a better result this year overall, with PSA Group partners Peugeot and Citroën ranking fourth and fifth respectively in the manufacturer rankings.

Volkswagen achieves a top 10 hat-trick this year with its Crafter taking sixth place and the Caddy ranking tenth.

The Crafter was replaced in 2017 and it no longer shares Mercedes-Benz underpinnings. While those were never enough to earn it a chart-topping position in the FN50 reliability survey – it didn't make the top 10 last year – the new vehicle has certainly improved its score.

It now shares a platform with the MAN TGE, a vehicle that comes with a true truck-focused aftersales approach.

The Caddy clings to tenth place, having held second last year – a dramatic shift for the popular model.

Completing this year's top 10, Ford's Transit Connect enters in seventh while the Transit slips to ninth from fourth.

Japanese brands Toyota and Nissan both climb the manufacturer rankings, with Nissan placing seventh and Toyota pushing Mitsubishi out of the tenth spot.

By contrast, Renault and Fiat both descend the table, filling eighth and ninth respectively.

BEST PERFORMING LCV MODELS (2017 IN BRACKETS)

1 (1)	Mercedes-Benz Sprinter
2 (3)	VW Transporter
3 (6)	Mercedes-Benz Vito
4 (5)	Vauxhall Vivaro
5 (9)	Citroën Berlingo
6 (-)	VW Crafter
7 (-)	Ford Transit Connect
8 (8)	Peugeot Partner
9 (4)	Ford Transit
10 (2)	VW Caddy

BEST PERFORMING LCV MANUFACTURERS (2017 IN BRACKETS)

1 (1)	Mercedes-Benz
2 (3)	Volkswagen
3 (2)	Ford
4 (7)	Peugeot
5 (6)	Citroën
6 (4)	Vauxhall
7 (9)	Nissan
8 (5)	Renault
9 (8)	Fiat
10 (-)	Toyota

Pursuit of clean air is a key fleet concern

But those who lease have less to fear as newer vehicles are more likely to be compliant

By Stephen Briers

Most companies have vehicles that travel into urban environments at some time or other and all of these will be affected by the relentless pace of change in urban transport policies.

The UK's cities are under pressure. Each is tussling to attract inward investment by companies and that means creating an environment that is appealing to potential staff. Where the people go, the companies often follow.

Urban transport policy, the buzz phrase for metro mayors and combined authorities, is intended to tackle four key areas: air quality (the topic receiving most of the media attention due to the poor performance across the UK), congestion, safety and public health.

People want to reclaim the streets, although they also want to receive their deliveries promptly to the doorstep. The dichotomy of interests does not go unnoticed by those in positions of power, but the onus will be on companies to find solutions that comply with city objectives.

While a number of cities are required to introduce clean air zones over the next couple of years, all are looking at ways to reduce traffic levels. Hence their heavy investment in trams, extensions to train lines, the creation of cycle routes, promotion of walking and car share schemes and pilots for ride-hailing apps.

Examples include Manchester, which is investing in sensing trams, guided bus lanes and ride sharing, and Oxford, which has launched a PickMeUp app for on-demand ride-sharing minibus services, as well as considering innovative solutions such as 'micro-metro' narrow bore tunnels for deliveries and journey comparison apps.

Leasing companies predict urban policies will require a substantial overhaul to fleet policies over the next few years, although the imminent introduction of clean air zones (CAZs) is seen as one of the least significant factors.

Lex Autolease says fleets who lease vehicles "have little to fear" from CAZs, as typical replacement cycles ensure the cars on policy are usually the cleanest available for the role.

"Our advice for companies is to transition as soon as possible all Euro 5 vehicles to Euro 6 where financially feasible, and closely monitor the introduction of RDE2-compliant diesel cars," says Lex. "This is in addition to pursuing the transition to plug-in vehicles with more PHEVs where appropriate and assessing the viability for pure electric cars and vans."

Future proofing policies has never been more important, with leasing companies increasingly called on to offer advice to their customers, according to Arval.

UK managing director Miguel Cabaca says typical conversations with fleet customers cover a broad range of subjects, although "hot topics at the moment include WLTP, new vehicle technologies and the emergence of CAZs".

On the facing page leasing companies offer their advice on urban policies and how fleets should be preparing for imminent change.

Duncan Chumley, Free2Move

Vehicle choice, vehicle use, mobility in general will all be affected. Our advice is to choose a strategic pattern with intelligent mobility solutions. Furthermore, leasing could be an ideal solution as customers can utilise solutions without ownership commitments.

Lex Autolease

Fleets who lease cars and vans have little to fear from clean air zones and other air quality legislation as typical replacement cycles ensure that cars on fleet policy are often the cleanest vehicles on UK roads.

Our advice for companies is to transition as soon as possible all Euro 5-rated vehicles to Euro 6 where financially feasible, and closely monitor the introduction of RDE2-compliant diesel cars.

This is in addition to further pursuing the transition to plug-in vehicles with more PHEVs where appropriate and assessing the viability for pure electric cars and vans.

With the range increases for pure EVs, battery costs reducing and with more affordable vehicles coming to market, there will be greater opportunities to transition to zero emission technology.

Organisations will also need to reconsider routes and operating cycles to avoid CAZs and, therefore, the 'last mile' may need to be a greener one.

David Bushnell, consultant, Alphabet

The direction of travel towards ultra-low and zero emission mobility, particularly in urban areas, is clear from local and national government.

What isn't so clear is the time frame for this transition. 2030 is only three change cycles away for fleet decision-makers.

Fleets have led the way over the past decade in terms of reducing vehicle CO_2 output and with the adoption of electrified vehicles.

Most fleet decision-makers want to go down the route towards ultra-low and zero emission travel but it requires support from Government in terms of grants and BIK taxation to help fleets and their drivers to do the right thing.

Fleets also have to consider their care of duty obligations as well as ensuring their vehicle policies are equitable for employees and help to recruit or retain talent.

Matt Dale, head of consultancy, ALD

Currently, the main driver of urban transport policies is some form of CAZ and fleets need to be aware that these are coming.

This doesn't just affect where a business is based, but also where its customers are.

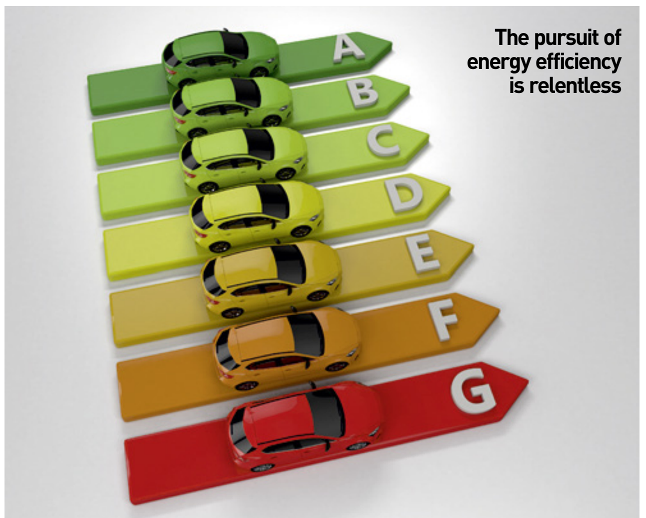
There are more than 40 towns and cities in the UK currently assessing their CAZ options and this is likely to lead to charging particular vehicles entering these zones.

Emissions are the standard measure being used by most cities, so fleets need to start planning now and not leave it until these zones are implemented. Euro 6 diesel and Euro 4 petrol appear to be the levels vehicles will need to be in order to enter these zones.

But, in time, it's possible that sub-50g/km or even pure EVs will be the only exempt vehicles.

Start looking at your fleet now and look at where you can run low CO_2 vehicles. Understand how many Euro 5 diesel cars and vans you may have and look at updating them sooner rather than later.

If charges are similar to London, £12.50 per day will quickly escalate.



The pursuit of energy efficiency is relentless

Miguel Cabaca, Arval UK managing director

Fleets are operating in changing times, and changing legislation and regulation will impact many businesses. Because of this, fleets need to be future-proofing their own policies and to do this effectively they will need expert advice. This is where our customers lean heavily on us to give them a clear and considered view of current government policy, what's coming, and how to deal with it. These conversations can cover a broad range of subjects but hot topics at the moment include WLTP, new vehicle technologies and the emergence of Clean Air Zones.

Steve Whitmarsh, MD Multifleet

These changes are going to have a huge impact on fleet policies, and will necessitate the uptake of alternative fuelled vehicles (AFVs). Our advice is to accept that change is inevitable and try emerging technologies – especially on an extended demonstrator programme where available.

Jon Lawes, MD Hitachi Capital Vehicle Solutions

We're advising our customers how to cope with the adoption of coming ULEZs, especially in London next April, and the requirement to adapt to Euro 6 or qualifying vehicles to avoid significant charges.

We are working closely with customers to review their current fleet's emissions and put in a replacement programme with AFVs to combat any charges associated with ULEZs.

One way of adapting is by renewing vehicles early to swap out 'dirty' vehicles for cleaner ones to reduce costs. We are also working to reallocate those vehicles to other parts of the country where they won't incur fines in the next two-to-three years. This is a key strategy that we're adopting around urban transport policies.

Lee Hamlett, commercial director, Inchcape

Multiple congestion charge zones and inconsistency with policy and costs across cities require consideration by national operators to ensure their fleet is compliant, or they budget for the additional costs.

Our recommendation is to replace old technology vehicles with new and to potentially shorten contract terms, so as not to be locked into older technology for too long and to be able to access/leverage the latest technology earlier.

Simon Hill, CEO, Total Motion

Many fleets want to try to use alternative mobility, but it's not yet joined up enough to be a real alternative to the car unless in large cities.

Our clients are considering hubs, electric bikes and public transport but so far they are mainly pilots. It will make life harder for everyone and increase costs significantly.

Paul Walters, MD, JCT600

Companies will have to look at low emission vehicles and alternative transport options.

Sandicliffe Motor Contracts

Potential to affect retail trade with a knock-on effect to their associated suppliers. It (urban transport policy) may well create confusion and uncertainty around what new fleet policies will look like. It's in danger of creating significant costs incurred by fleets.

Keith Townsend, MD, Agility Fleet

Urban transport policies will take drivers out of company vehicles. They will chose vehicles based on BIK.

Alan Carreras, director, Bridle

The need for more flexible solutions will increase.

Fleet & Distribution Management

ULEZ is the sharpened edge of legislation against vehicles in London. Other urban centres and cities will follow – some using parking charges to lessen the appeal of entering cities. Vehicles are unwelcome in some areas yet the environment remains congested and full of carbon monoxide.

German brands continue their domination of car dealerships

And BMW-owned Mini features in top 10 rated dealer networks for the first time

By Tim Rose

The pressure is on UK car brands to deliver a better customer experience due to a continuing decline in new car volume for many of them.

This year, the total market is slipping down and fleet registrations had dropped by just more than 85,000 units (or 8%) by the end of September. The Society of Motor Manufacturers and Traders (SMMT) expects the new car market decline to continue through 2019, albeit at a slower pace. The market is likely to be 300,000 cars lower than the 2016 peak.

So, car manufacturers will continue to put franchised dealer networks and their own central fleet teams under increased pressure to retain the customers they have by being easy to work with and providing great service and incentives. This should be welcome news for fleets and other business customers.

The big news this year is Mini's first appearance in the top 10 rated dealer networks. The brand is no longer focused on small cars and is benefiting from its relationship with BMW, whose dealers have extensive corporate sales experience and who are ploughing thousands of pounds into showroom upgrades or multi-million pound relocations.

Its arrival in the top 10 comes less than two years after it created a new role of head of corporate and used cars, with Steve Roberts taking responsibility for broadening Mini's sales in the corporate and SME sectors.

Mini has strong residual values (RVs) which enhances its attraction for company fleets, and it has introduced models such as the Clubman City, the Countryman PHEV and the Business Countryman, offering key equipment for business users, such as sat-nav and parking sensors, with a low P11D value and WLTP CO_2 ratings below 131g/km.

The brand also provides a 'Corporate Launchpad', an online portal which gives users the ability to view product information, fleet-related news, corporate driver information and videos.

In showrooms, the Mini Geniuses are able to advise on taxation and running costs to ensure customers get the right cars for their fleet's needs, while an aftersales corporate charter guarantees specific levels of service such as collection and delivery within a 15 mile radius, a 20-minute response time to booking requests, and free parts and labour insurance in case a vehicle fails its first, second or third MOT test.

Yet, Mini will hope its moment of glory is not as short-lived as Land Rover's. It made it into the top 10 for the first time last year, after a raft of improvements to its products and distribution network. However, managing director Jeremy Hicks has moved on and the brand has dropped out of the FN50's highest rated after just 12 months.

That Land Rover disappears to be replaced by Mini is more evidence of the FN50's clear favour of premium and near-premium brands, German-owned ones in particular, which typically have stronger RVs and attractive running costs plus dealer networks which are raising the bar in service levels.

"The growth is coming from SME, retail, contract hire, brokers and personal contract hire"

Tom Brennan, Audi

AUDI GRABS TOP SPOT

As ever, German brands dominate the FN50's top 10. However, BMW's crown has slipped, allowing Audi to take the top position for the second time this decade.

Tom Brennan, Audi head of fleet, says the brand is in a strong position, but the market is changing: "Corporate is under pressure; you look at the leasing company volume and volume in corporate is declining. The growth is coming from SME, retail, contract hire, brokers and personal contract hire. In the past two or three years, it has really changed."

The A3 and A4 have performed strongly in fleet, and Audi has a new A6 now on the market. The brand's electrification offensive is about to begin too, with the launch of the £70,000+ E-tron electric car by the end of 2018, then more electric and hybrids will follow ready for when WLTP CO_2 measures replace NEDC values for company car tax. "When we get to 2020, when the changes really kick-in, we will be ready and will have the cars for our customers," says Brennan.

This year, following a 12-month consultation with its dealer network, leasing partners and corporate customers, Audi UK adopted an agency model for its fleet sales, bringing the brand in line with many other manufacturers, including other brands within the Volkswagen Group.

It gives head office control over fleet deals and routes to market, removes the pressure for Audi dealers to compete with each other, and rewards the dealers with a handling fee for managing the customer experience.

Audi still has business sales specialists in every dealership, and Brennan wants these focused on local business opportunities. He says: "By going to an agency model, it keeps them focused on the areas of fleet we really want them to focus on and, as importantly, it allows us to give better service to our leasing company partners and our end-user fleets."

Audi plans to launch an on-demand mobility service next year. This will enable customers to hire cars from participating franchised dealers from £70 per day. The programme is being piloted at Birmingham, Edinburgh, Glasgow, Newcastle and Oldham, and allows private customers to rent an Audi for between one hour and 28 days for a fixed fee. It plans to extend the scheme to business customers in 2019.

"The traditional model of ownership is consistently evolving and this innovative concept firmly puts Audi UK ahead when it comes to meeting consumer demand and transforming into a digital premium car company," says Audi UK director Andrew Doyle.

At BMW, Steve Oliver left his role as general manager of corporate sales in April after 18 months. He will shortly be replaced by former Mercedes-Benz head of fleet Rob East.

Prior to Oliver's exit, he led a review of the corporate sales strategy with the aim of simplifying the process for dealers and improving customers' experience.

BMW has added to dealers' training to enable them to better present the features and benefits of different powertrains – it has found that some customers are drawn to plug-in hybrid models due to the taxation benefits despite their 20,000+ annual mileage meaning they are best suited to diesel models.

Seat makes its first appearance in the top 10 since 2014, but at the expense of VW Group sister-brand Škoda, which dropped out, just as it also did in 2014. Seat has expanded its SUV range, offers four-day test drives for company car choosers, and a Driverline gives contract hire customers 24-hour assistance with easy service and repair booking through a central contact centre.

Since launching the Arona, Seat has simplified its model line-up in an 'Easy' initiative. Arona was launched with no options; buyers choose an engine, trim level and colour.

It makes it much easier for a customer to know exactly what they are getting and it makes it much easier for a leasing company to know exactly what they are quoting on.

Also, it will help keep things simple in 2020 when another level of complexity comes into the industry when the options will have to be taken into account under WLTP.

"The feedback we've received from customers and leasing companies has been positive, so our intention is to roll out Easy across all our models by the end of the year," said Seat head of fleet Peter McDonald.

TOP VAN DEALER NETWORKS: 2015-2018

	2015	2016	2017	2018
1	Volkswagen	Ford	Ford	Volkswagen
2	Ford	Vauxhall	Volkswagen	Ford
3	Mercedes-Benz	Volkswagen	Vauxhall	Mercedes-Benz
4	Vauxhall	Mercedes-Benz	Mercedes-Benz	Vauxhall
5	Renault	Renault	Renault	Renault
6	Peugeot	Peugeot	Peugeot	Citroën
7	Citroën	Citroën	Citroën	Peugeot
8	Iveco	Fiat	Toyota	Nissan
9	Fiat	Toyota	Iveco	Fiat
10	Nissan	Nissan	Nissan	Toyota

Audi dealerships top the performance league this year, ousting BMW

TOP CAR DEALER PERFORMANCE: 2011-2018

	2011	2012	2013	2014	2015	2016	2017	2018
1	BMW	BMW	BMW	BMW	Audi	BMW	BMW	Audi
2	Audi	Audi	Audi	Audi	BMW	Audi	Audi	BMW
3	Ford	Ford	Volkswagen	Volkswagen	Volkswagen	Volkswagen	Volkswagen	Volkswagen
4	Vauxhall	Volkswagen	Ford	Ford	Mercedes-Benz	Mercedes-Benz	Mercedes-Benz	Mercedes-Benz
5	Volkswagen	Vauxhall	Mercedes-Benz	Mercedes-Benz	Ford	Ford	Ford	Seat
6	Mercedes-Benz	Honda	Vauxhall	Toyota	Vauxhall	Toyota	Škoda	Volvo
7	Volvo	Mercedes-Benz	Volvo	Honda	Honda	Škoda	Vauxhall	Ford
8	Renault	Škoda	Toyota	Volvo	Škoda	Vauxhall	Land Rover	Honda
9	Citroën	Toyota	Škoda	Seat	Hyundai	Honda	Toyota	Vauxhall
10	Honda	Volvo	Honda	Nissan	Nissan	Nissan	Peugeot	Mini

FN50: the rolls of honour

2010

1. Lex Autolease	307,133
2. LeasePlan	123,882
3. Lombard Vehicle Management	81,800
4. Arval UK	80,753
5. ALD Automotive	56,502
6. Daimler Fleet Management	50,283
7. Volkswagen Group Leasing	47,700
8. ING Car Lease	47,615
9. Alphabet (GB)	47,176
10. GE Capital Fleet Services	45,704
11. Arnold Clark Finance	41,987
12. Masterlease	33,532
13. BT Fleet	31,692
14. Hitachi Capital Vehicle Solutions	30,734
15. Inchcape Fleet Solutions	23,135
16. Citroën Contract Motoring	22,162
17. Peugeot Contract Hire	20,067
18. Zenith Provecta	19,990
19. Leasedrive Velo Group	15,200
20. Toomey Leasing Group	14,561
21. Leaseway Vehicle Rental	13,847
22. Pendragon Contracts	12,024
23. RCI Financial Services	10,660
24. Ogilvie Fleet	9,515
25. Venson Automotive Solutions	8,977
26. Days Contract Hire	8,627
27. Grosvenor Contracts Leasing	8,514
28. BMW Financial Services	7,042
29. Tusker	6,361
30. JCT600 Contracts	5,576
31. Carillion Fleet Management	5,500
32. TCH Leasing	5,420
33. Marshall Leasing	5,325
34. Fleet Hire	5,300
35. Toyota Contract Hire	4,730
36. Motiva Vehicle Contracts	4,720
37. Apex Easy Fleet	3,550
38. Duncton	3,541
39. MNH Platinum	3,500
40. FGA Contracts	3,430
41. Fleet Financial (NI)	3,064
42. Sandicliffe Motor Contracts	2,977
43. TransLinc	2,612
44. NVR Fleet	2,520
45. Sinclair Finance & Leasing Co	2,350
46. Lookers Leasing	1,872
47. SG Fleet	1,840
48. Windsor Vehicle Leasing	1,438
49. Hilton Vehicle Leasing	1,437
50. Fulton Leasing	1,418

2011

1. Lex Autolease	280,218
2. Leaseplan UK	130,200
3. Alphabet (GB)	99,154
4. Arval UK	86,591
5. Lombard Vehicle Management	70,621
6. ALD Automotive	63,561
7. Daimler Financial Services	55,084
8. Volkswagen Group Leasing	49,437
9. Arnold Clark Finance	49,339
10. GE Capital Fleet Services	43,495
11. Leasedrive Group	35,659
12. Hitachi Capital Vehicle Solutions	33,375
13. Inchcape Fleet Solutions	22,455
14. Zenith	22,136
15. Citroën Contract Motoring	21,758
16. Peugeot Contract Hire	20,942
17. Pendragon Contracts	13,167
18. Toomey Leasing Group	12,992
19. Ogilvie Fleet	10,130
20. Days Contract Hire	9,487
2.1 Venson Automotive Solutions	9,442
22. Grosvenor Contracts Leasing	8,992
23. Tusker	6,706
24. Toyota Financial Services	6,191
25. JCT600 contracts	5,892
26. Fleet Hire	5,800
27. BMW Financial Services	5,621
28. Marshall Leasing	5,570
29. Carillion Fleet Management	5,500
30. TCH Leasing	5,431
31. Motiva Vehicle Contracts	4,313
32. Apex Easy Fleet	4,165
33. Agnew Corporate	3,500
34. Sandicliffe Motor Contracts	3,110
35. Fleet Financial	3,101
36. MNH Platinum	3,050
37. FGA Contracts	2,857
38. OVL Group	2,800
39. DFC	2,773
40. Sinclair Finance and Leasing	2,730
41. Lookers Leasing	2,074
42. SG Fleet	2,023
43. Hilton Vehicle Leasing	1,673
44. Windsor Vehicle Leasing	1,629
45. TransLinc	1,570
46. Fraikin	1,410
47. Agility fleet	1,339
48. Prohire	1,257
49. Fulton Leasing	1,216
50. Burnt Tree	967

2012

1. Lex Autolease	268,240
2. LeasePlan UK	134,115
3. Alphabet (GB)	109,236
4. Arval UK	85,612
5. ALD Automotive	74,614
6. Volkswagen Group Leasing	59,936
7. Mercedes-Benz Financial Services	55,000
8. Lombard Vehicle Management	49,884
9. Arnold Clark Finance	49,483
10. GE Capital Fleet Services	43,685
11. Hitachi Capital Vehicle Solutions	34,792
12. Zenith	24,400
13. Inchcape Fleet Solutions	24,249
14. Citroën Contract Motoring	23,448
15. Leasedrive Group	22,806
16. Peugeot Contract Hire	19,160
17. Pendragon Contracts	12,405
18. Toomey Leasing Group	10,681
19. Ogilvie Fleet	10,350
20. Venson Automotive Solutions	9,914
21. Days Contract Hire	9,624
22. Grosvenor Contracts Leasing	8,556
23. Tusker	8,036
24. BMW Financial Services	6,444
25. Toyota Financial Services	6,316
26. JCT600 Contracts	6,180
27. Fleet Hire	6,065
28. Marshall Leasing	5,716
29. TCH Leasing	5,383
30. Apex Easy Fleet	5,345
31. Motiva Vehicle Contracts	3,865
32. Agnew Corporate	3,500
33. Fleet Financial	3,353
34. Sandicliffe Motor Contracts	3,332
35. Total Motion Vehicle Management	3,197
36. MNH Platinum	3,150
37. Sinclair Finance & Leasing	2,910
38. DFC	2,773
39. Lookers Leasing	2,605
40. GKL Leasing	2,500
41. SHB Hire	2,430
42. FGA Contracts	2,422
43. Fulton Leasing	2,283
44. SG Fleet	2,065
45. Windsor Vehicle Leasing	1,595
46. Hilton Vehicle Leasing	1,552
47. May Gurney Fleet Services	1,550
48. Fraikin	1,410
49. Agility Fleet	1,363
50. Burnt Tree	1,318

2013

1. Lex Autolease	273,203
2. LeasePlan UK	136,126
3. Alphabet (GB)	121,946
4. ALD Automotive	86,262
5. Arval UK	85,587
6. Volkswagen Group Leasing	70,345
7. Arnold Clark Finance	49,616
8. Hitachi Capital Vehicle Solutions	47,745
9. GE Capital Fleet Services	47,420
10. Mercedes-Benz Financial Services	40,450
11. Citroën Contract Motoring	30,416
12. Zenith	27,310
13. Inchcape Fleet Solutions	23,719
14. Leasedrive Group	20,872
15. Peugeot Contract Hire	17,423
16. Pendragon Contracts	12,857
17. Ogilvie Fleet	10,685
18. Venson Automotive Solutions	10,408
19. Tusker	10,202
20. Toomey Leasing Group	10,020
21. Days Contract Hire	9,839
22. Grosvenor Contract Leasing	8,214
23. Toyota Financial Services	7,930
24. Fleet Hire	6,814
25. JCT600 Vehicle Leasing Solutions	6,380
26. Marshall Leasing	5,892
27. BMW Financial Services	5,474
28. Apex Easy Fleet	5,345
29. TCH Leasing	5,254
30. Motiva Vehicle Contracts	4,272
31. Agnew Corporate	3,537
32. Total Motion Vehicle Management	3,452
33. Fleet Financial	3,445
34. Sandicliffe Motor Contracts	3,432
35. MNH Platinum	3,200
36. Lookers Leasing	3,154
37. SHB Hire	3,148
38. Sinclair Finance & Leasing	3,017
39. DFC	2,869
40. FGA Contracts	2,596
41. GKL Leasing	2,260
42. SG Fleet	2,120
43. Kier FPS (previously May Gurney)	2,050
44. Agility Fleet	1,668
45. Hilton Vehicle Leasing	1,647
45. Commercial Vehicle Solutions	1,647
47. Windsor Vehicle Leasing	1,599
48. Kendall Cars	1,500
49. Burnt Tree	1,486
50. Fulton Leasing	1,273

2014

1. Lex Autolease	289,317
2. LeasePlan UK	139,698
3. Alphabet (GB)	130,162
4. ALD Automotive	96,618
5. Arval UK	96,576
6. Volkswagen Group Leasing	92,601
7. Arnold Clark Finance	50,116
8. Zenith	49,325
9. GE Capital Fleet Services	47,315
10. Hitachi Capital Vehicle Solutions	46,639
11. Mercedes-Benz Financial Services	43,031
12. Citroën Contract Motoring	32,576
13. Inchcape Fleet Solutions	25,407
14. Peugeot Contract Hire	17,143
15. Pendragon Vehicle Management	13,863
16. Tusker	12,201
17. Ogilvie Fleet	11,200
18. Venson Automotive Solutions	10,928
19. Days Contract Hire	9,828
20. Toomey Leasing Group	9,241
21. Toyota Financial Services	8,553
22. Grosvenor Contract Leasing	8,111
23. Fleet Hire	6,751
24. JCT600 Vehicle Leasing Solutions	6,530
25. Marshall Leasing	6,036
26. Apex Easy Fleet	5,345
27. TCH Leasing	5,299
28. BMW Financial Services	5,086
29. Motiva Vehicle Contracts	4,826
30. SHB Hire	4,598
31. Total Motion	4,125
32. Lookers Leasing	3,801
33. Fleet Financial	3,780
34. Agnew Corporate	3,707
35. Sandicliffe Motor Contracts	3,610
36. MNH Platinum	3,275
37. Sinclair Finance & Leasing	3,180
38. FGA Fleet Services UK	3,068
39. DFC	2,742
40. GKL Leasing	2,424
41. SG Fleet	2,204
42. Agility Fleet	2,051
43. Burnt Tree Group	2,000
44. Hilton Vehicle Leasing	1,871
45. Commercial Vehicle Solutions	1,566
46. Windsor Vehicle Leasing	1,551
47. Kendall Cars	1,350
48. Traction Finance	952
49. Fulton Leasing	945
50. Specialist Fleet Services	832

2015

1. Lex Autolease	291,111
2. LeasePlan UK	147,276
3. Alphabet (GB)	140,460
4. Arval UK	110,324
5. ALD Automotive	106,689
6. Volkswagen Group Leasing	101,037
7. Zenith	54,248
8. Arnold Clark Finance	52,606
9. Hitachi Capital Vehicle Solutions	48,257
10. GE Capital Fleet Services	42,047
11. Mercedes-Benz Financial Services	39,287
12. Citroën Contract Motoring	36,017
13. Inchcape Fleet Solutions	26,030
14. Peugeot Contract Hire	16,478
15. Tusker	15,627
16. Pendragon Vehicle Management	14,416
17. Ogilvie Fleet	12,195
18. Venson Automotive Solutions	10,933
19. Toyota Financial Services	10,379
20. Daimler Fleet Management	10,022
21. Days Contract Hire	9,201
22. Grosvenor Contract Leasing	8,065
23. Toomey Leasing Group	7,760
24. JCT600 Vehicle Leasing Solutions	6,591
25. Fleet Hire	6,205
26. Marshall Leasing	6,150
27. SHB Hire	6,102
28. TCH Leasing	5,472
29. Apex Easy Fleet	5,345
30. BMW Financial Services	4,985
31. FGA Fleet Services UK	4,812
32. Motiva Vehicle Contracts	4,700
33. Lookers Leasing	4,292
34. Fleet Financial	4,066
35. Total Motion	4,050
36. Sandicliffe Motor Contracts	3,863
37. Agnew Corporate	3,854
38. MNH Platinum	3,370
39. Sinclair Finance & Leasing	2,911
40. DFC NI	2,820
41. Agility Fleet	2,596
42. GKL Leasing	24,70
43. SG Fleet UK	2,250
44. Hilton Vehicle Leasing	1,970
45. Commercial Vehicle Solutions	1,635
46. Essential Fleet Services	1,540
47. Windsor Vehicle Leasing	1,469
48. Kendall Cars	1,342
49. Traction Finance	1,032
50. Fulton Leasing	831

2016

1. Lex Autolease	333,038
2. LeasePlan UK	165,839
3. Arval UK	157,161
4. Alphabet (GB)	147,823
5. Volkswagen Financial Services Fleet	137,960
6. ALD Automotive	118,903
7. Zenith	58,392
8. Arnold Clark Finance	51,717
9. Hitachi Capital Vehicle Solutions	51,420
10. Citroën Contract Motoring	44,777
11. Mercedes-Benz Financial Services	44,203
12. Inchcape Fleet Solutions	25,266
13. Peugeot Contract Hire	19,286
14. Tusker	19,005
15. Pendragon Vehicle Management	15,314
16. Ogilvie Fleet	13,523
17. Toyota Financial Services	12,256
18. Daimler Fleet Management	12,105
19. Venson Automotive Solutions	11,159
20. Days Fleet Contract Hire	9,020
21. SG Fleet UK and Fleet Hire	8,570
22. Grosvenor Contract Leasing	8,282
23. Toomey Leasing Group	7,476
24. FCA Fleet Services UK	7,381
25. JCT600 Vehicle Leasing Solutions	6,605
26. Marshall Leasing	6,230
27. Total Motion Vehicle Management	5,854
28. SHB Hire	5,816
29. TCH Leasing	5,789
30. Motiva Vehicle Contracts	4,804
31. Lookers Leasing	4,415
32. Fleet Financial	4,171
33. Sandicliffe Motor Contracts	3,872
34. Agnew Corporate	3,856
35. Sinclair Finance & Leasing	3,632
36. Apex Easy Fleet	3,500
37. BMW Financial Services	3,339
38. MNH Platinum	3,250
39. DFC	2,820
40. GKL Leasing	2,477
41. Agility Fleet	2,317
42. Hilton Vehicle Leasing	2,313
43. Essential Fleet Services	2,085
44. Close Brothers Vehicle Hire	1,635
45. Windsor Vehicle Leasing	1,499
46. Traction Finance	1,221
47. Fraikin	1,200
48. Wheels4Sure.com	946
49. Fulton Leasing	529
50. Fleet & Distribution Management	450

2017

1. Lex Autolease	381,833
2. Leaseplan UK	168,155
3. Volkswagen Financial Services / Fleet	166,480
4. Arval UK	160,609
5. Alphabet (GB)	151,241
6. ALD Automotive	130,397
7. Free2Move Lease	62,706
8. Zenith	59,240
9. Hitachi Capital Vehicle Solutions	52,841
10. Arnold Clark Finance	47,318
11. Mercedes-Benz Financial Services	42,813
12. RCI Financial	21,418
13. Tusker	20,593
14. Inchcape Fleet Solutions	20,345
15. Pendragon Vehicle Management	17,516
16. Ogilvie Fleet	14,837
17. Daimler Fleet Management	14,405
18. SG Fleet UK	12,923
19. Toyota Financial Services	12,680
20. Venson Automotive Solutions	11,751
21. Leasys UK	10,142
22. Days Fleet	8,644
23. Grosvenor Contracts Leasing	8,324
24. Total Motion	7,355
25. Toomey Leasing Group	6,989
26. JCT600 Vehicle Leasing Solutions	6,631
27. Marshall Leasing	6,470
28. TCH Leasing	6,351
29. SHB Hire	6,322
30. Affinity Leasing	6,078
31. Lookers Leasing	4,326
32. Fleet Financial	4,030
33. Agnew Corporate	3,856
34. Sinclair Finance & Leasing	3,821
35. Sandicliffe Motor Contracts	3,693
36. BMW Financial Services (GB)	3,247
37. GKL Leasing	2,433
38. Hilton Vehicle Leasing	2,389
39. Agility Fleet	2,376
40. Essential Fleet Services	2,249
41. Close Brother Vehicle Hire	1,970
42. Liquid Fleet	1,425
43. Traction Finance	1,424
44. Maxxia	1,290
45. Wheels4Sure.com	1,183
46. Windsor Vehicle Leasing	1,066
47. Fraikin	878
48. Specialist Fleet Services	775
49. Fleet and Distribution Management	550
50. Fulton Leasing	498