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Official fuel consumption figures for the new Audi A3 Sportback range in mpg (l/100km) from: Urban 30.7 (9.2) – 65.7

and CO_2 figures are obtained under standardised EU test conditions (Directive 93/116/EEC). This allows a direct comparison between different manufacturer models More information is available on the Audi website at audi.co.uk and at dft.gov.uk/vca. *Where the law permits. †Virtual cockpit (available as part of Technology purpose only and includes optional extras. A3 Sportback shown in Ara blue available to order late 2016.

Search Audi A3

(4.3), Extra Urban 47.9 (5.9) – 80.7 (3.5), Combined 39.8 (7.1) – 74.3 (3.8). CO_2 emissions: 163 – 99g/km. Fuel consumption but may not represent the actual fuel consumption achieved in 'real world' driving conditions. Optional wheels may affect emissions and fuel consumption figures. Pack Advanced) is an optional extra. Statistics stated are relevant to model shown: A3 Sportback 2.0 TDI 184PS quattro S line S tronic. Image shown for illustrative

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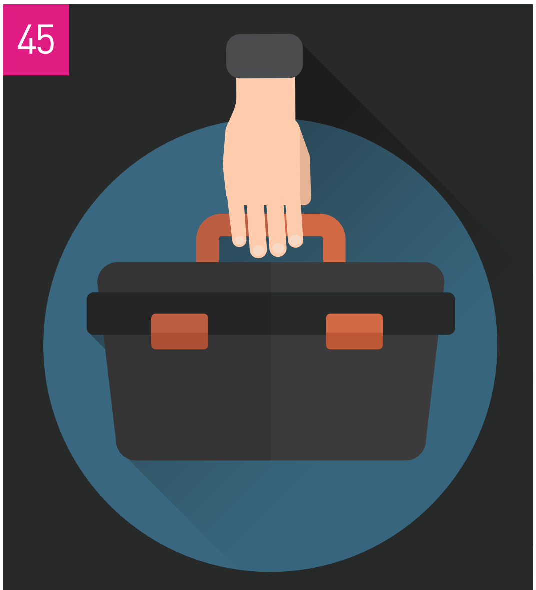


HMRC takes aim at thousands more company car drivers

Cash allowance employees could now be in Government firing line too

By Gareth Roberts

Cash for car schemes will be considered as part of the consultation on the future of salary sacrifice arrangements, HM Revenue and Customs (HMRC) has confirmed to *Fleet News*.

The UK tax authority had already come under fire for including cars obtained through salary sacrifice schemes in the consultation on potential tax changes (Fleet-news.co.uk, August 23).

However, it now appears that thousands more company car drivers could see their tax arrangements overhauled as HMRC casts its net much wider than first thought.

An HMRC spokesman told *Fleet News*: "We are not looking just at traditional salary sacrifice, we are looking at when an employee can get a cash sum.

"The most common is a car allowance where they can either get a car or a cash sum, which they can use on their own personal car or anything else. In this case, there will still be a direct convertibility to cash, and so the amount we will tax on the person who takes the car is the higher of the taxable values. This is based on CO_2 emissions or the car allowance that the employer considers to be the same value – the car allowance amount."

Fleet representative body ACFO believes the impact on the company car market would be significant. "This has the potential to fundamentally change the landscape of fleet provision," said Caroline Sandall, deputy chairman of ACFO. "It is vital fleets assess the impact for their organisation."

Both ACFO and the British Vehicle Rental and Leasing Association (BVRLA) have met with HMRC to discuss the fleet industry's concerns.

500,000
Number of drivers who could be hit by the changes

£1,159
Potential yearly tax increase for some cash allowance ULEV drivers

For more on funding your vehicles, visit fleetnews.co.uk/funding

"This has the potential to fundamentally change the landscape of fleet provision"
Caroline Sandall, ACFO

Gerry Keany, chief executive of the BVRLA, said: "We are talking to HMRC to ensure they are aware of the potentially harmful consequences. These flexible benefit schemes provide a valuable way of extending the advantages of a traditional company car scheme to reward and retain staff."

Deloitte claims as many as 500,000 company car drivers could be hit with the changes – around 50% of the 970,000 employees identified by HMRC as paying benefit-in-kind (BIK) tax on a car. But exact numbers are hard to establish – the BVRLA estimates between 80,000 to 100,000 company cars are sourced through traditional salary sacrifice schemes, while FN50 figures from the UK's top 50 leasing companies suggest a salary sacrifice fleet closer to 60,000 units.

Deloitte in turn estimates that up to half of the remaining company car drivers – some 360,000-450,000 employees – have a cash allowance option.

Alastair Kendrick, tax director at MacIntyre Hudson, said: "It's hard to put a size on the driver population, but there will be a significant number of employees who are not essential car users who are offered a cash or car alternative."

The impact will be felt most by those cash allowance drivers who opted for an ultra-low emission vehicle (ULEV) to keep their BIK tax bill down. HMRC says it will tax whichever is the greater amount; the benefit-in-kind value of the car or the cash allowance sum offered.

It means if the cash sum offered is greater than the taxable value of the benefit, the employee would have their company car taxed as earnings rather than a benefit in kind.

For example, a driver who was offered a cash sum of £5,400 (£450 per month), but decided to opt instead for a Volkswagen Golf, with emissions of 109g/km, would have to stump up an addition £86 if a 20% taxpayer, or £173 if in the 40% bracket (see panel). The employer would also pay Class 1A National Insurance (NI) on the higher amount, equating to an additional £59 in tax.

But if they had opted for a plug-in hybrid Golf, with emissions of 39g/km, the employee's tax bill would rise by £579 for a 20% taxpayer or £1,159 if they are in the 40% bracket. The employer would also have to pay an additional £400.

The changes would add a high degree of complexity to a company car tax system which is fairly well understood.

PROTECTION URGED FOR EXISTING SCHEMES – BUT WOULD IT BREACH HUMAN RIGHTS ACT?

HM Revenue and Customs (HMRC) is being urged to protect existing salary sacrifice arrangements if the current rules are altered.

The prices payable at the start of a contract take account of the tax regime applicable at the time, with the benefit of pre-announced tax rates that will be known over the life of the lease.

But a step change in April 2017 would be unbudgeted and leave many employees out of pocket, and employers with additional national insurance to pay.

"We have real concerns about introducing a change of this magnitude without mentioning any 'grandfathering' in relation to existing salary sacrifice schemes," said ACFO chairman John Pryor. "It would be unfair on drivers to force cost increases part way through a contract period.

"Many companies will struggle to make changes for salary sacrifice car schemes by next April. There are a lot of issues and companies must assess the potential impact."

'Grandfathering' would essentially protect those employees who had already entered into a contract prior to changes being announced.

However, Alastair Kendrick, tax director at MacIntyre Hudson, said: "I fear that from the date proposed at April 2017, employees will simply lose the tax benefits on salary sacrifice. This is what happens in other countries.

"It would be unfair – and I feel a breach of HMRC's obligations under the Human Rights Act – to allow employees who currently belong to a salary sacrifice to be able to gain tax relief while new employees are barred."

HOW THE NUMBERS STACK UP

The two examples include two high cash allowance company car drivers and two medium range cash allowance company car drivers. There is a diesel option and a plug-in hybrid option for each, which show how the driver of the lower emitting car – the plug-in hybrid – faces the greatest change to their tax bill

EXAMPLE 1: HIGH CASH ALLOWANCE DRIVERS

Diesel

Current regime
Annual cash allowance £7,800
Car chosen Mercedes-Benz E-Class E220d 2.0 SE Premium
Benefit-in-kind value £7,735
CO_2 emissions 102g/km
Company car tax payable at 40% £3,094
Employer's Class 1A NIC £1,067

After proposed tax changes
Tax payable at 40% (on £7,800) £3,120
Employer's Class 1A NIC £1,076

The employer would be **£9** worse off a year and the employee would be **£26** worse off

Plug-in hybrid

Current regime
Annual cash allowance £7,800
Car chosen Mercedes-Benz E-Class E350e 2.0 SE PHEV
Benefit-in-kind value £3,141
CO_2 emissions 49g/km
Company car tax payable at 40% £1,257
Employer's Class 1A NIC £433

After proposed tax changes
Tax payable at 40% (on £7,800) £3,120
Employer's Class 1A NIC £1,076

The employer would be **£643** worse off a year and the employee would be **£1,863** worse off

EXAMPLE 2: MEDIUM CASH ALLOWANCE DRIVERS

Diesel

Current regime
Annual cash allowance £5,400
Car chosen Golf 2.0 TDi Match Edition
Benefit-in-kind value £4,969
CO_2 emissions 109g/km
Company car tax payable at 20% £994
Company car tax payable at 40% £1,987
Employer's Class 1A NIC £686

After proposed tax changes
Tax payable at 20% (on £5,400) £1,080
Tax payable at 40% (on £5,400) £2,160
Employer's Class 1A NIC £745

The employer would be **£59** worse off a year and the employee would be **£86** worse off if a 20% taxpayer, and **£173** worse off in the 40% bracket

Plug-in hybrid

Current regime
Annual cash allowance £5,400
Car chosen Golf GTE 1.4TSI PHEV
Benefit-in-kind value £2,504
CO_2 emissions 39g/km
Company car tax payable at 20% £501
Company car tax payable at 40% £1,001
Employer's Class 1A NIC £345

After proposed tax changes
Tax payable at 20% (on £5,400) £1,080
Tax payable at 40% (on £5,400) £2,160
Employer's Class 1A NIC £745

The employer would be **£400** worse off a year and the employee would be **£579** worse off if a 20% taxpayer, and **£1,159** worse off in the 40% bracket

Coupled with the proposed removal of tax breaks for traditional car salary sacrifice schemes, it would also contradict the Government's desire to drive the uptake of ULEVs. It wants 5% of all new car sales to be ULEVs by 2020, rising to 100% by 2040.

Last year, salary sacrifice for cars had more than doubled the growth in the uptake of ULEVs, according to the BVRLA, with 5.6% share of new business for salary sacrifice cars versus 2.78% for the overall market.

John Pryor, ACFO chairman, said: "We know that salary sacrifice schemes have been very successful in introducing low CO_2 cars to employees – whether they previously had entitlement to a car or cash allowance – and that when no scheme is available, the private car typically has higher emissions of CO_2."

Salary sacrifice provider Tusker, which is due to meet HMRC in the next few days, is in no doubt that HMRC's plans would harm the uptake of ULEVs. It also argues that unlike other salary sacrifice schemes which offer goods and services, such as mobile phones cars generate further revenues for HMRC throughout their lifecycle.

David Hosking, Tusker's chief executive, said: "We welcome the Government's consultation to dispel the myth that our car benefit schemes are the same as these other salary sacrifice options."

Tusker is making its customers and prospective customers aware of the consultation, while fleet managers are being urged to approach driver communications with caution.

Sandall said: "While it is always important to keep drivers updated, this is a consultation document only and it remains possible for a number of changes to be made to the proposal.

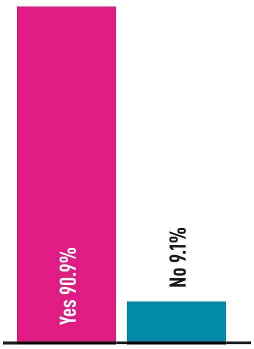
"Added to that, we will not know the detail of the changes to fully scope the impact until this is formally announced, so fleets should carefully consider any impact and corresponding actions that are taken now to manage their driver population."

The fleet industry has until October 19 to respond to consultation, with new rules expected to be announced in the Autumn Statement in November and adopted from April 2017.

FLEET FACTS AND FIGURES

OPINION POLL

Do you think employers should teach company car drivers the importance of proper vehicle maintenance?



FleetNews view:
Our poll shows the majority of fleets understand the importance of vehicle maintenance. *Fleet News* believes it is vital fleets ensure drivers understand the basics of vehicle maintenance from the perspective of both cost and safety. Vehicle defects contributed to 2,000 crashes in 2013, 42 of them causing deaths.

This week's poll: Is the popularity of SUVs pushing up your fleet's average CO_2 emissions?
fleetnews.co.uk/polls

MOST COMMENTED ONLINE

First look at new Land Rover Discovery

fleetnews.co.uk/news

UK AVERAGE FUEL PRICES

Diesel (ppl) 112.41 ↑
Unleaded (ppl) 111.32 ↑

fleetnews.co.uk/costs/fuel-cost-calculator

Real-world fuel testing set to shake up cost of ownership

Poll suggests just one in 20 currently get within 5% of official mpg figures

By Gareth Roberts

Fleet decision-makers are being urged to use newly-released real world fuel economy figures for total cost of ownership calculations.

The new EQUA Mpg Index, launched by Emissions Analytics, provides fuel economy data for more than 60,000 model variants, based on actual on-road testing.

It has found that the average shortfall between official and real-world fuel economy results has reached 29%, with some vehicles more than 40% adrift.

Nick Molden, Emissions Analytics founder and chief executive, told *Fleet News*: "Total cost of ownership is crucial for fleet operators, and for the first time Emissions Analytics has been able to launch real-world fuel economy figures for close to the entire car market, all based on testing on the road rather than in the laboratory. Putting this EQUA Mpg together with the EQUA Air Quality Index, buyers can make sure they are not inadvertently picking a high polluting car that will add to urban air quality problems."

More than half (51.1%) of respondents to a *Fleet News* poll said they were suffering an average shortfall on official fuel economy figures of more than 20%, with one in 10 not even managing to achieve half the advertised mpg.

Just one in 20 (5.1%) said that they were managing to get within 5% of official fuel economy figures, with a third (32.3%) of respondents falling short by between 11-20%.

Fleets can look forward to more accurate fuel economy figures from September 2017, when the World Harmonised Light Duty Test Protocol (WLTP) will replace the much-maligned New European Driving Cycle (NEDC) as the type approval test for cars in Europe. It will contain higher speeds and accelerations than the NEDC, better reflecting real driving.

However, the fuel economy test remains entirely in the laboratory, and does not expose the car to normal traffic flows and on road gradients. As a fixed cycle, it will also be susceptible to manufacturers optimising their vehicles to this test, says Emissions Analytics.

While an improvement, the WLTP will only partially close the current gap between official data and reality.

Emissions Analytics expects the new testing regime will reduce it by about half, meaning a 10-15% gap will still exist.

However, ahead of the new testing regime being introduced, the PSA Group has issued real-world consumption figures for a range of models.

The real-world test procedure was conducted with Transport and Environment, France Nature Environment and Bureau Veritas, and based on the new WLTP test.

It showed discrepancies of between 30% and 40% against the official combined figures on the Peugeot 308 and 2008, Citroën C4 Grand Picasso and DS3 powered by an 118hp 1.6-litre Blue HDi diesel.

But, when its 'real world' lab results were compared to data from Emissions Analytics on-the-road testing regime, the shortfall was actually very similar, suggesting the WLTP will be fairly accurate.

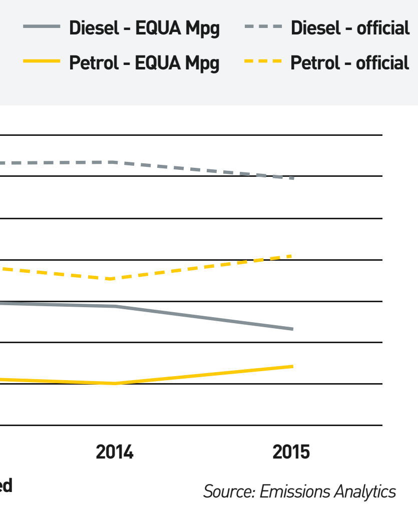
To enable a fair comparison between different models, Emissions Analytics uses a standard, proprietary test route. The route covers a mix of urban, rural and motorway driving, designed to reflect typical – rather than extreme – driving styles. Each car is tested in the same way, by the same team of drivers within a consistent range of climatic conditions, and Emissions Analytics says all tests are checked for data quality and consistency, to ensure the EQUA Index is a fair reflection of performance. It uses a Portable Emissions Measurement System – a high-grade on-board gas analyser that measures to a high degree of precision, second-by-second, what comes out of the exhaust.

Not all 60,000-plus cars have been tested by the company however. Around 1,200 cars have been put through their paces across a range of makes, models, fuels, engine sizes and model years. This enables it to understand the typical effect on mpg of each individual element and forecast what the fuel economy will be for a model it has not yet tested.

In the published results, actual tests (with the higher degree of accuracy) are clearly distinct from these forecasts.

TRENDS IN REAL-WORLD MPG OVER TIME

Average mpg by year, comparing EQUA Mpg to official combined mpg.



Source: Emissions Analytics

"Total cost of ownership is crucial for fleet operators"

Nick Molden, Emissions Analytics

60,000

model variants on the EQUA Index

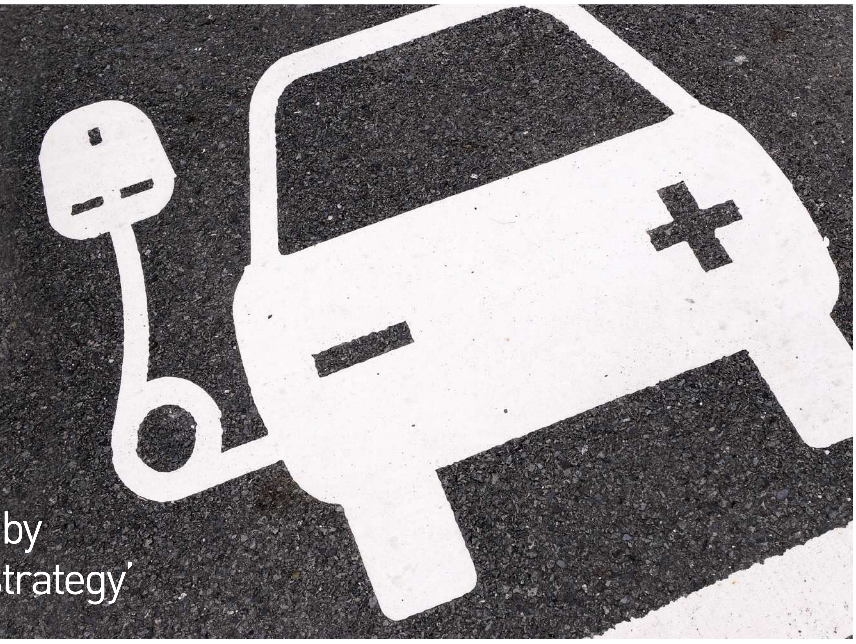
51.1%

suffer a shortfall of more than 20%

For the real world fuel economy of your car, visit fleetnews.co.uk/ equa-index

Call for urgent action over ULEVs

DfT set to miss 2020 target by half amid claims it has 'no strategy'



By Gareth Roberts

The Department for Transport (DfT) should support the adoption of ultra-low emission vehicles (ULEVs) through a guaranteed buy-back scheme or by underwriting risk, say MPs on the Environmental Audit Committee, which has published a report into sustainability at the DfT.

It says that the Government projections into ULEV adoption show it will miss the target for them to make up 9% of all new car and van sales by 2020.

The Committee is also concerned that the Department has no medium-term strategy to promote these vehicles after 2020.

Mary Creagh, chair of the committee, said: "We need 9% of all new cars to be ultra-low emission vehicles by 2020 if we're going to meet our climate change targets at the lowest cost to the public. But the Department's forecasts show it will get only around halfway to this target.

"The Department should also aim for almost two thirds of new cars and vans to be ultra-low emission vehicles by 2030. With no strategy, we have no confidence that the DfT will meet this target."

The report also calls on the Government to help employers invest in charging points at the workplace.

Creagh continued: "Local authorities have a range of innovative ideas to drive take-up, such as supporting electric and low emission fleet procurement by underwriting risk or guaranteeing buy-back, helping workplaces invest in charging points, and introducing a national grant scheme for electric and low emission taxis.

"Ministers should also think about changes to vehicle taxation, including company cars, to make electric vehicles more attractive."

HM Revenue and Customs (HMRC) recently launched a consultation on company car tax to look at how it could help drive ULEV adoption (*Fleet News*: August 18). It is expected to make an announcement in the Autumn Statement.

However, figures from the Society of Motor Manufacturers and Traders (SMMT) have already shown the fleet sector's willingness to embrace alternative powertrains (*Fleet News*: August 18). Almost three-quarters (72%) of plug-in registrations this year have been registered to business, with just one in four registered to private buyers.

"The leasing sector is leading the way with the adoption of ULEVs," said Gerry Keaney, chief executive of British Vehicle Rental and Leasing Association (BVRLA), which is backing the committee's call for further incentives for fleets to adopt plug-in vehicles.

"The Department's forecasts show it will get only around halfway to its target"

Mary Creagh, Environmental Audit Committee

9%

The proposed figure for new car and van sales to be ULEVs by 2020

Read how fleets are driving EV take-up: fleetnews.co.uk/plug-in-push

He told *Fleet News*: "Some 4.2% of our leasing members' vehicles are electric and 3.7% of their new registrations in Q2 2016 were pure electric or plug-in electric cars. This is well ahead of the market penetration achieved across all new registrations."

But he said businesses will only be able to continue this growth with fiscal support from the Government.

"We urge it to introduce a workplace charging point grant scheme, narrow the CO_2 gaps between tax bands at the lower end of the company car tax scale, and make a bigger commitment to in-life incentives for users of plug-in electric vehicles," he said.

The committee is also calling for van licensing conditions to be changed to take into account the additional weight of a battery or hydrogen tank.

Christopher Snelling, head of national and regional policy at the Freight Transport Association (FTA), said: "The suggestion of considering reforming weight limitations on alternatively-powered vans is welcome and should be explored further – subject to demonstrating it would not have a negative effect on safety."

However, he added: "The missing piece in the report is heavy duty vehicles. From an engineering and technological point of view it is harder to decarbonise larger road vehicles – electric is not an option.

"Trials of alternative power sources for lorries were made under the Government's Low Carbon Truck Trial and a further low emission freight and logistics trial has recently been announced, but more fiscal support will be needed if these new vehicles are to be taken up by purchasers any time soon. Currently, alternatively-powered vehicles make up only 0.2% of the UK's HGV fleet."

The DfT is expected to formally respond to the committee's report in the next few weeks.

Sharp pre-registration drive set to increase pressure on RVs

Success of retail sales in September will 'dictate' pre-registration activity

By Gareth Roberts

The pre-registering of cars in order to satisfy annual sales targets risks putting downward pressure on residual values (RVs), experts have warned.

New rules over bank capital adequacy, exposure to potential losses from any fallout from a banking crisis on mainland Europe and the softening of the UK automotive market all have the potential to drive down RVs, according to the latest European Automotive Report from Experteye.

It is predicting RVs will drop in the UK by a couple of percentage points over the next 12 months or so, with a potential of a short term dip of up to 7-8% for a three to six-month period over the next three years.

Pre-registrations will play their part, especially if new car retail activity during September – a plate change month – fails to live up to the volume expectations of manufacturers.

Dean Bowkett, the report's author and managing director of Bowkett Auto Consulting, explained: "Dealers register cars enjoying higher discounts to offset the initial depreciation on the vehicles they will use as demonstrators. These registrations often happen towards the end of the month because dealers also use this as a way to hit their volume targets, which unlock backend bonuses.

"The problem the industry has created across Europe is that dealers, supported by manufacturers, have been using this as a way to get ultra-low mileage, very young cars at a transaction price which is more competitive than a brand new vehicle."

Experteye analysed daily registration figures from the Society of Motor Manufacturers and Traders (SMMT) for the period from November to May for 2013-14, 2014-15 and 2015-16.

It showed that, while 57.8% of the share of total growth in new car sales were registered in the last five working days of the month in 2014-15, that figure has now fallen to 23.8% a year later.

Bowkett suggested: "It could be that self-registrations are still high but they are just being done earlier in the month."

Analysis of pre-registration activity from Glass's shows that pre-registration peaks in January, when cars registered the previous September are at their highest volume in the market, and in September following the March plate change.

Rupert Pontin, director of valuations at Glass's said: "Looking at the latest figures from data on the 16 plate change, pre-registration volume was 8.7% higher in July 2016 [compared to July 2015] and a worrying 22.5% year-to-date.

"With this level of increase there is little doubt that there will be downward pressure on all used values in the coming months and manufacturers will need to consider the impact of any tactical push, both now and for the future."

The latest SMMT data shows that fleet and business registrations are continuing to help drive demand in the new car market (fleetnews.co.uk: September 5).

Year-to-date performance remains positive, up 2.8% to 1.68 million units, with fleet and business registrations accounting for 54.8% of the market at 921,520 units. However, growth from the previous month was just 0.1% and in June new car registrations fell year-on-year.

James Dower, senior editor of Cap HPI Black Book, concluded: "The majority of manufacturers still have significant volume aspirations for the remainder of the year.

"The new car retail performance in September will dictate just how far-reaching the effect of pre-registration activity will be over the used car market in the final months of 2016."

TOP 10 RV PERFORMERS

	Median RV%	% Change last three months
Market Average	37.2%	+1.3%
Land Rover	54.2%	-12.3%
Jaguar	52.3%	+0.1%
BMW	47.4%	+0.1%
Lexus	46.8%	+0.1%
Mini	46.4%	+0.1%
Audi	46%	-2%
Volvo	43.4%	+0.1%
Jeep	43%	-0.1%
Kia	42.1%	+0.1%
Honda	40.3%	+0.2%

Although Land Rover shows a considerable reduction in RVs over the past three months, this is merely a market realignment and the brand remains at the top of the RV table, just ahead of Jaguar, its sister brand, and BMW. Lexus also enjoys a high ranking – this is due to a combination of its well-established hybrid technology and its limited sales volume. *Source: Experteye*

22.5%

increase in pre-registration activity year to date

"Manufacturers will need to consider the impact of any tactical push"

Rupert Pontin, Glass's

Find out how to maximise fleet vehicle values, visit fleetnews.co.uk/used-values

Land Rover maintains the highest RV on the market at 54.2%

EU urges action against VW over emissions rules breaches

But carmaker says there is 'no room or need for any additional compensation'

By Gareth Roberts

Volkswagen has been accused of breaking European Union (EU) consumer protection laws for marketing its cars as 'green'.

The European Union's justice commissioner, Věra Jourová, met with 31 consumer groups from across Europe to discuss the case last week.

She believes two pieces of EU legislation – regulating unfair commercial practices and the sale of consumer goods – were breached by Volkswagen. And, in an effort to galvanise action by member states, she is urging national authorities to take action where they believe a case can be proven.

Monique Goyens, director general of BEUC, the EU consumer group, said it was "reassuring" that the commission was "taking the side of consumers" by pushing for compensation for "Volkswagen's emission fraud".

"The commission has concluded that the German carmaker broke EU law, which cannot be left without consequences," she continued. "National authorities in Europe have faltered for too long while consumers in the US, South Korea and Australia have seen governments act in their interest."

However, Volkswagen has rejected suggestions it had flouted EU consumer rules. In a letter to Jourová seen by Reuters news agency, the manufacturer said it did not believe it had breached either of the two directives, adding a technical fix was already available for more than 50% of the affected vehicles across the 28 EU member states, carried out entirely at the carmaker's expense.

"We therefore believe there is no room or need for any additional compensation," Volkswagen said in the letter, signed by its head of public affairs, Thomas Steg.

A year after the German manufacturer admitted fitting software to millions of its vehicles to pass strict US emissions tests, the UK Government has still to decide what action to take against the company.

In the UK, nearly 1.2 million Volkswagen, Audi, Seat and Škoda models were affected by the emissions scandal – almost 10% of those affected worldwide.

MPs on the Environmental Audit Committee have labelled ministers complacent, while US authorities have secured billions of dollars in compensation for customers.

The UK Government's long-standing position is that Volkswagen should compensate affected customers, but so far this hasn't been followed up with any hard action.

The Serious Fraud Office and Competition and Markets Authority have still to determine whether they will take legal action.

"There's been a worrying inertia from ministers in tackling the VW scandal," said Environmental Audit Committee chairman Mary Creagh.

Volkswagen agreed to pay $15.3bn (£11.5bn) to customers and regulators in the US in July. It included up to $10bn (£7.5bn) to buy back or repair 475,000 Volkswagen and Audi vehicles, and pay owners $5,000 (£3,700) to $10,000 (£7,500) each.

Meanwhile, the first criminal charge in the US justice department's year-long investigation finally came on Friday (September 9) when Volkswagen engineer James Liang pleaded guilty to helping the German carmaker evade US emission standards.

1.2m

Volkswagen, Audi, Seat and Škoda models in the UK affected by the emissions scandal

£11.5bn

Amount Volkswagen has agreed to pay to customers and regulators in the US

DfT stands accused of complacency over VW scandal, visit fleetnews.co.uk/dft-complacency

"National authorities in Europe have faltered for too long"

Monique Goyens, BEUC

The 62-year-old faces a maximum penalty of five years in prison, but is likely to see his sentence reduced after agreeing to co-operate with the ongoing investigation.

A German citizen, he moved to the US in 2008 – two years after the authorities say the conspiracy began – and was a member of the team of engineers working on the diesel engine at the centre of the scandal.

A grand jury indicted Liang in June, but the indictment was made public only last week. His sentence is not expected to be announced until January.

In the past fortnight, Australia's consumer watchdog has also begun legal proceedings against Volkswagen, claiming the carmaker had engaged in misleading or deceptive conduct, made false or misleading representations and engaged in conduct liable to mislead the public in relation to diesel vehicle emission claims.

However, legal action in Europe has so far been relatively slow compared to other countries. The Italian Competition Authority handed the carmaker a €5m (£4.2m) fine – the maximum allowed – for misleading adverts but it remains to be seen if others follow suit.

Jourová said she would be talking to Volkswagen and the relative enforcement authorities in the coming weeks.


Hankook
BE ONE WITH IT
Be one with your tyres, and the road will be one with you.
UEFA EUROPA LEAGUE
OFFICIAL PARTNER

Santander targets fleet market with new funding solution

Launch will focus on new car and light commercial vehicle business

By John Charles

Fleets are being targeted by Santander Consumer Finance with a newly-launched contract hire vehicle funding solution.

Santander Consumer Finance, a wholly-owned subsidiary of Santander UK, is expanding into the fleet sector through its existing dealer and broker intermediaries, while also continuing to capitalise on the increasing popularity of vehicle leasing solutions.

Stewart Grant, commercial director, Santander Consumer Finance, exclusively told *Fleet News*: "The launch of a business contract hire and personal contract hire offering is an extension of our reach and a key component of our future strategy.

"We're also responding to changing consumer behaviour in the retail market – specifically the move toward usage and personal contract hire, rather than just ownership and personal contract purchase."

The launch of the new contract hire vehicle funding product follows a major trial involving businesses with which Santander Consumer Finance already maintains strong relationships.

The funder says its focus has always been to nurture its business-to-business and business-to-consumer approach to providing vehicle funding solutions to and through its sales intermediaries.

Nevertheless, following Spanish banking giant Santander's October 2008 acquisition of Alliance and Leicester, then one of the UK's largest vehicle funders, it said it would supply finance only to lease and contract hire companies that were its direct customers.

At the time, Santander said its policy demanded that it had business relationships with end-user customers rather than providing finance to intermediaries (*Fleet News*: March 19, 2009).

Contract hire has to date been launched through about 30 brokers under the Santander Consumer Finance banner, with the number to be extended in the fourth quarter of 2016 as its looks to reach out to the wider market. It said it would be initially targeting SMEs.

Santander Consumer Finance is also in discussion with its various manufacturer partners, which include Hyundai, Kia, Mazda and Volvo, to bring branded versions of the vehicle funding solution to the market in 2017.

Furthermore, Santander Consumer Finance also distributes its finance and related solutions through a network of more than 3,500 independent and franchise motor dealers.

While Santander Consumer Finance says its focus will be on offering contract hire through its current business-to-business partner channels, Grant admitted that it was looking at "further strategic partnerships", although he declined to elaborate.

Initially, Santander Consumer Finance says its contract hire offering will be targeted at fleets and private customers wanting to lease new cars and light commercial vehicles up to 3.5 tonnes, although the business says it will look at launching a used vehicle solution in 2017.

Grant declined to comment on its market share aspirations, except to say: "We aim to achieve a market share that's in line with our position as a leading independent provider."

While the initial focus is on contract hire following the launch of a new quote management system, Grant said Santander Consumer Finance was "constantly looking to evolve our product range" and declined to rule out the eventual development of further funding solutions such as finance lease and contract purchase, or a move into fleet management.

Grant said: "The product has been designed for both the retail market – personal contract hire – as well as the fleet market. With regards to fleet, given Santander Consumer Finance's business model, operating through dealer and broker intermediaries, the focus is very much on the SME market.

"By widening our product portfolio we can now reach new market segments as well as protecting existing business streams.

"It will give Santander Consumer Finance a competitive edge within independent automotive finance, building on our already market-leading proposition."

Gary Corkish, head of broker and leasing, added that the launch marked "an important step in Santander Consumer Finance's strategy to widen our product portfolio, and it gives us an important foothold in the contract hire market for the first time".

He concluded: "Our pricing is competitive and the new quotation management system has been very well received by users. I'm looking forward to the national rollout as it continues to dealers and brokers over the coming months."

Santander is now talking to manufacturer partners to release branded products

30

brokers initially offering Santander's new contract hire product

To tailor your funding, visit: fleetnews.co.uk/blended-funding

"The product has been designed for both the retail market as well as the fleet market"

Stewart Grant, Santander Consumer Finance

Ton-up: UK's biggest fleet event tops 100 exhibitors

Fleet Management Live close to sell-out as fleet registrations surge ahead

By Stephen Briers

Fleet Management Live (FML), the fleet exhibition and conference organised by *Fleet News*, has almost sold out of exhibition space with more than a month to go.

The two-day show, held at the Birmingham NEC on October 19-20, is again being sponsored by Barclaycard. It will feature 104 exhibitors, including 15 car manufacturers and six leasing companies, surpassing the 64 exhibitors at the inaugural show last year.

Among the exhibitors are Audi, BMW, Jaguar, Land Rover, Toyota, Vauxhall, Alphabet, Arnold Clark, Arval, LeasePlan, Lex Autolease and Zenith.

Chris Lester, *Fleet News* events director, said: "We're sworn to secrecy, but visitors can expect to see a number of new vehicles being shown for the first time in the UK."

In addition to the exhibition, fleets will be able to attend best practice sessions covering fundamental topics such as outsourcing, compliance, remarketing, new legislation and telematics.

40

More exhibitors set for FML this year than in 2015

"We recognise the importance of best practice in fleet management"

Paul Faulkner, GBCC

FML has been created with the needs of all those responsible for making fleet decisions in mind, from the most experienced to newcomers. And with its insight theatres, the show will also cater for the needs of HR and finance directors who are responsible for company cars as part of their wider duties. Topics will include funding, wholelife costs and duty of care.

So far, fleet registrations are tracking ahead of the 2015 event, which saw just over 1,000 fleet and industry visitors.

Fleet News has partnered with a number of organisations,

Snapshot from last year's Fleet Management Live, which had more than 1,000 visitors

including fleet association ACFO, which is running a seminar on business mobility, and – new for 2016 – Greater Birmingham Chambers of Commerce (GBCC), one of the UK's biggest and most influential chambers of commerce.

GBCC will host a company vehicle briefing session for its 2,500-plus members, looking at how smaller businesses can improve fleet efficiency and lower costs.

"The Midlands has long been a key region for the motor and transport sector, so we're delighted to work with Fleet Management Live," said Paul Faulkner, chief executive of the Greater Birmingham Chambers of Commerce.

"With member companies responsible for the region's small, medium and large fleets, we recognise the importance of best practice in fleet management and how it can really impact business efficiency and employee satisfaction."

Also new this year is a live appearance by the star of *Fleet News*'s Ask Nigel series, ACFO and ICFM board member Nigel Trotman. He will be putting his 25 years' experience of fleet to good use by solving your questions at the show.

Visitors can send in their questions before the event (fleetmanagementlive.co.uk/ask-nigel) or simply ask Trotman on site, where he will be hosting small group sessions for fleet managers with pressing dilemmas.

Stephen Briers, editor-in-chief of *Fleet News*, described Fleet Management Live as a "must attend" for everyone wanting to improve efficiency or reduce fleet costs.

He added: "It is an important event for us – it's where our brand comes to life – and is the best opportunity for us to meet with numerous readers and commercial partners over two days. It's also where we can get up-to-date with the latest thinking and the latest trends, just like our fleet readers."

Fleet Management Live takes place on October 19-20 at Birmingham NEC. For more details, go to www.fleetmanagementlive.co.uk

PACKED ITINERARY AT FML

Alongside the exhibition featuring manufacturers, leasing and national fleet suppliers, Fleet Management Live will be hosting:

- **Best practice workshops – for fleet operators to gain intelligence and insight**
- **Free-to-attend sessions for non-fleet managers such as HR, finance, procurement and facilities management professionals**
- **Beginners' Breakfasts – learning sessions for those new to fleet**
- **Networking – drinks receptions, lounge and networking events**
- **The Fleet News Debate – daily forum open to all**
- **Advice clinics**

THE BIG PICTURE

By Stephen Briers, editor, *Fleet News*

We were saddened last week to hear of the death of Bill Jackson, who, together with his brother Ross, founded *Fleet News* back in 1978. Bill was the first editor of the magazine and was also involved in the early days of fleet trade association ACFO in 1972.

Prior to *Fleet News*, those people involved in major operational and strategic decisions about the management of car and van fleets had no reference points, few opportunities to discuss issues with peers in an impartial environment and little way of learning about the latest trends in the industry. Bill created a focus and a voice for the fleet sector.

> *"We hope Bill would be proud of the way the Fleet News brand has developed"*

Since then, other media publications have come – and in some instances gone – but *Fleet News* has remained an ever-present, sticking to its original guiding principles of helping companies run more efficient and effective fleets by sharing best practice and new ideas, products and services.

We are driven by the need to be authoritative, useful and accessible, always acting with integrity.

Since the mid-1990s, we have extended those values online and we now account for more than 90% of all digital fleet traffic. Almost 175,000 people are visiting our website each month (another 25,000 go to our *Commercial Fleet* site) and, increasingly, they are heading for our fuel cost, company car tax and running cost calculators.

We also spotted the opportunity to engage with our audience at industry events, from our roundtables with 10-15 fleets sharing initiatives to our *Fleet News* Awards with 1,500-plus fleets and industry influencers sharing, um, a beer or two…

We hope Bill would be proud of the way the *Fleet News* brand has developed from the seeds he originally sowed.

YOUR LETTERS

SALARY SACRIFICE

Don't let Government spoil a good thing!

EDITOR'S PICK

Petrol Paul wrote:
Having read 'ACFO worried how salary sacrifice changes could impact existing schemes' (**fleetnews.co.uk, Sep 7**), this is a very important concession to secure in order to ensure those employees who made an informed decision are not unfairly penalised. Rather like company cars, employees must be able to select a car with certainty as to what future costs and liabilities are, for at least the next three years. I think it's also worth reminding the Government that, typically, salary sacrifice cars are low-emission vehicles (otherwise it's simply not tax efficient), replacing older, more polluting vehicles – and that the UK car manufacturing base (like the Mini brand which is popular with sal sac) creates UK jobs. The Government already gets BIK revenue from salary sacrifice cars – be careful not to spoil a good thing!

■ The editor's pick in each issue wins a £20 John Lewis voucher.

LAND ROVER

Not in the DNA of the Discovery…

IanM wrote:
Having read 'First look at new Land Rover Discovery' (**fleetnews.co.uk, September 6**): a premium SUV? That's not the DNA of a Discovery! The Range Rover was the premium SUV in the range whereas the Discovery was more the halfway house between a Range Rover and a Defender – a workhorse that could carry your family in comfort but could also have all sorts of junk thrown in the back when needed. My old Disco 2 TD5 is in perfect condition, does all of that and tows my race car trailer. I'm not so sure I'd want to do that with a new Disco!

Ste added:
The magic of aspirational words like 'premium' makes hard-working people who never leave tarmac go off road, and those who don't need the carrying capacity think they need one of these. So they part with their money, hundreds of pounds of it every month… because of course those hard-working people are 'epic' or 'worth it'… marketing words in action.

EMISSIONS

Differing views on air quality debate

Air breather wrote:
Having read 'Government policy "fails to deliver" air quality improvements' (**fleetnews.co.uk, Aug 30**), I have a number of concerns:

■ Why has Ecotricity been allowed to charge £6 for every half hour of charging electric vehicles when Government should permanently own the chargers (as the Office for Low Emission Vehicles paid for them)?

■ Why have diesel emissions scandal manufacturers not been made to pay for their over-poisoning?

■ Why is our public transport system possibly the worst AND most expensive in Europe, and possibly most of the world? We invented the train!

■ Why are employees sometimes not given the choice to take a bicycle under the cycle to work scheme even though there would be no cost to the business?

■ Why is it not possible to report the smelliest, worst-polluting vehicles we see every day (when did the police last have the resources to stop an unroadworthy vehicle because of excessive emissions)? Government seem too keen to milk the cash cow that is the private or company vehicle, instead of committing to a sustainable future integrated transport system fit for the 21st century. It's not good enough doing it in slow time if the workforce of the UK is dying at the wheel because they are all poisoning themselves behind one another, is it?

Ian countered:
Yet more of the same old, same old bleating from non-representative 'think tanks' – slower traffic, traffic 'calming measures' and everything else our socialist, non-competitive, anti-car, anti-van, anti-business numpties can come up with to stifle our economy. Free-flowing traffic at engine-optimum speeds of 50-56 mph, coupled with convenient parking for those who need it, will go a long way towards improving air quality. Static and slow moving vehicles are solely caused by Government and local council policies, which are ambivalent towards society's needs. Get a grip on the root cause of the problem and get traffic flowing smoothly at reasonable speeds – for example, why is the speed limit on many of our ring roads 30 or 40 mph? Why is there no sensible provision of affordable, convenient car parking? And why are we constantly herded on to public transport, which is overcrowded, inefficient and even more polluting?

SLEEP

Declaring second jobs can solve sleep issues

Jim Dougan wrote:
Having read 'Ask Nigel: Medical tests' (***Fleet News*, August 4**), getting drivers to declare second jobs helps reduce the impact of lack of sleep. These issues can be challenged at the time and driver awareness of possible impact to their role is impressed upon them, both from a company and legal perspective.

SKODA

Is there a hybrid for the Kodiaq?

Bob the engineer wrote:
Having read 'Skoda Kodiaq unveiled' (**fleetnews.co.uk, Sep 3**), I presume 131g/km is only two-wheel drive? No mention of a hybrid powertrain or if it was designed to take one. It's a brave company that launches a new SUV without a hybrid...

■ Kodiaq first look – pages 60-61

HAVE YOUR SAY Email: fleetnews@bauermedia.co.uk **Comment online:** fleetnews.co.uk
LinkedIn: UK fleet managers group **Twitter:** twitter.com/_FleetNews

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Question:
What is the best series you've seen on TV this year?

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FLEET OPINION

DATA

Fleets must learn to handle big data

By Ashley Sowerby

Big data. It's a phrase that you hear a lot lately and what it really means, of course, is 'lots of data'. It refers to the fact that more and more detailed and timely information is becoming available on an almost day-by-day basis.

Today, fleet managers might easily handle 10 times the data that was available to them at the turn of the century, including information from insurance systems, finance, workshops, fuel cards, telematics and more.

As a software house, we can clearly see how 'big data' can provide a range of exciting potential for improving costs and efficiency not just within the fleet, but across entire businesses. Companies that can harness and understand useful information relating to their operations are in a stronger position to make enhancements through benchmarking and improvement. This is one of the reasons we are surprised to still see some companies using spreadsheets to manage their fleet and assets. The fact is, spreadsheets are often simply not advanced enough to allow fleets to integrate, view and assess the vast amounts of useful data at their disposal. The adage "you can't manage what you don't measure" never seemed so appropriate.

We also see many companies still working from legacy systems not advanced enough to deal with this information. Big data provides many exciting possibilities – but the more time that fleet managers take to find and assess information on outdated systems, the less valuable this data becomes.

We expect the big data trend to increase – and when looking to the future, it's worth ensuring you don't get left behind.

For example, with the advent of the connected car comes even more potential for fleets to gather information about their vehicles. This information could hold great value if used to help with future purchasing and deployment decisions, and much more.

It's for reasons such as this that we believe that fleets need to get to grips with big data sooner rather than later. Making sense of it is not always easy but the potential results are too great to ignore.

"Fleet managers might handle 10 times the data available to them at the turn of the century"

Ashley Sowerby managing director, Chevin Fleet Solutions

John Chuhan chief risk officer, Alphabet

For more fleet opinion from the industry, visit fleetnews.co.uk/opinion

CYBER SECURITY

Is your car sharing your personal data?

By John Chuhan

The web-enabled world in which we live today means we are constantly connected whether we like it or not – even while travelling. This year the Government has invested £20 million in funding research into communications between connected vehicles and the world around them. Such technology could be planning a journey to a business meeting with in-built navigation, taking a call via Bluetooth, streaming music or accessing emails through infotainment systems. However, what is helping to save us time as we multi-task our way through the day could actually be a playground for cybercriminals or those who want to access our personal information.

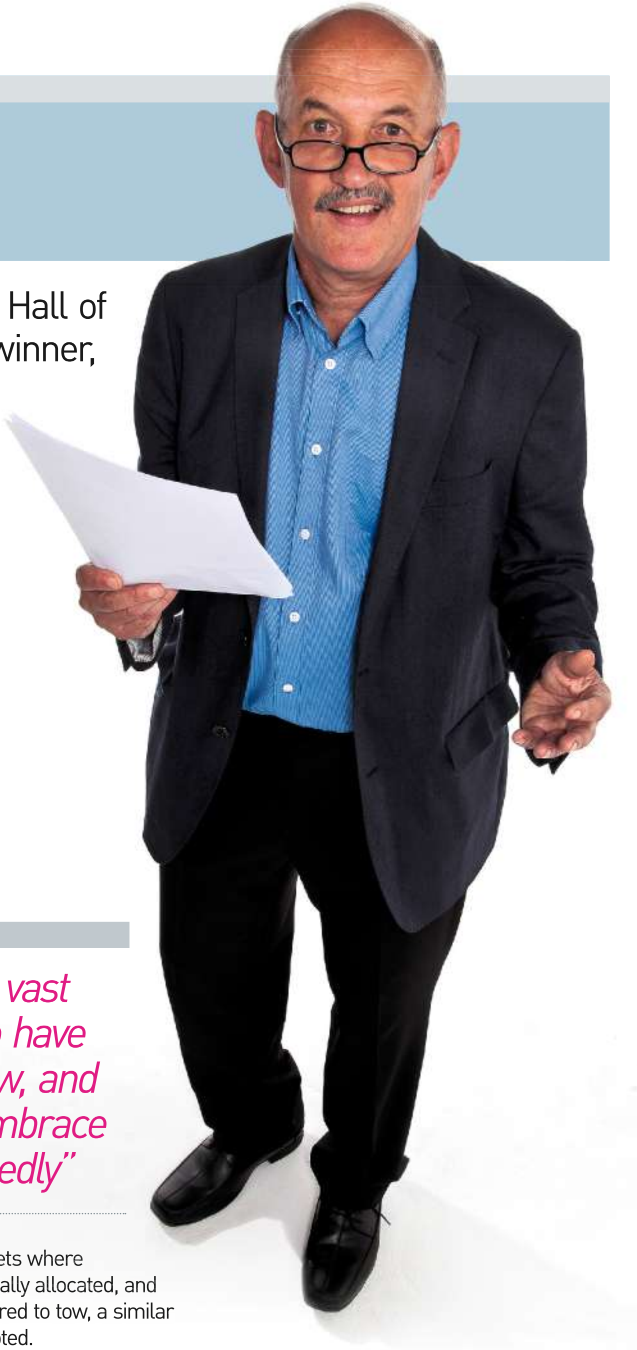
In an economy where car finance, leasing or even car sharing is often preferred to outright ownership, many of us are now familiar with handing our cars back at the end of their contract or lease, or even returning a rental car. But most people aren't aware that the data stored in our cars remains in the vehicle's memory long after it is handed back, or that it is still accessible even when the car is switched off.

Protecting your in-car data privacy is a simple matter of knowing how to clear personal data from a vehicle. Deleting call logs, phone books and addresses is a good place to start, as wireless connections store a lot of information generated by 'paired phones'. Clearing destinations and trip logs from an in-built satnav is key, as is removing sensitive stored locations such as home or business addresses. Uncoupling from the cloud will also shut down any links to social media networks and search engines previously accessed through the vehicle's wi-fi.

Protecting personal data is a vital concern for vehicle manufacturers who are constantly seeking ways to increase connectivity in line with consumer demand, while ensuring systems are robust enough to reduce hackability – both now and in the future. Investing a small amount of time considering and clearing your in-car data and connected systems will minimise the risk of them being accessed without your knowledge, and ensure the new driver of the vehicle starts with a clean slate.

"The data stored in our cars remains in the vehicle's memory long after it is handed back"

ASK NIGEL



In our regular feature, Nigel Trotman, *Fleet News* Hall of Fame member and two-time *Fleet News* Award winner, gives advice on your fleet challenges and queries

TOWING

Q How can I make sure that my company car drivers are aware of, and understand, the rules on towing? This is not something they do regularly, perhaps once or twice a year, so when they are required to tow there is a lot of confusion, particularly as the rules vary depending on when they first obtained their driving licence.

A In my experience, towing is one of those subjects that divides drivers of company vehicles. There is the vast majority who have never towed in their lives and have no particular wish to – it is pretty scary and difficult after all – and those who embrace it wholeheartedly as part of their lifestyle. The latter are often those who head off towing a caravan for regular breaks, or where horses, sailing, etc. form a large part of their leisure activity. As you have clearly identified, these groups are not really the problem – that comes when one of the former group needs to tow. However, in my view it is also not only about the rules – it is also about competence.

My starting point for this subject would be to know who currently drives a vehicle that has a towbar. One of the rules of my fleets was always that items such as towbars needed to be authorised as part of the original vehicle order. If one was to be retro-fitted this would have to be authorised separately and fitted by a competent provider arranged by my fleet management company. It should therefore not be too difficult to establish (probably via your fleet management provider) which drivers are potentially affected.

I appreciate that on fleets with large numbers of vans and SUVs which regularly change driver, this would be less relevant. More of this later.

Once the list of drivers is established, you can then direct them to www.gov.uk/towing-with-car, and require them to confirm to you (or your fleet management provider) that they have read and understood the content.

At the same time it is possible to address the competence aspect by advising them of the availability of local towing training courses. For example, the Caravan Club offers specific training, and for national companies there are a host of local providers. Bearing in mind that towing will typically be for pleasure purposes, the driver should have no issue with arranging and paying for this themselves as it is for their benefit.

"There is the vast majority, who have no wish to tow, and those who embrace it wholeheartedly"

Returning to those fleets where vehicles are not individually allocated, and any driver may be required to tow, a similar approach could be adopted.

The difference here may be that the towing is for business rather than pleasure purposes, and on that basis you have a duty of care to ensure that the driver is competent. If you do not already have something in place, I would suggest that you talk to any of the major driver training providers about their courses.

In terms of eligibility, your licence checking provider could be used to manage this, being tasked with alerting you of anyone where there may be potential issues, based on your company's trailers etc.

Other useful websites that you may wish to recommend to your drivers who need to tow are those from the AA and RAC, which offer a range of advice on towing including some of the key dos and don'ts.

■ The next Ask Nigel will be in the October 13 issue.
■ Ask Nigel to solve your fleet challenge at Fleet Management Live on October 19-20 at the NEC, Birmingham

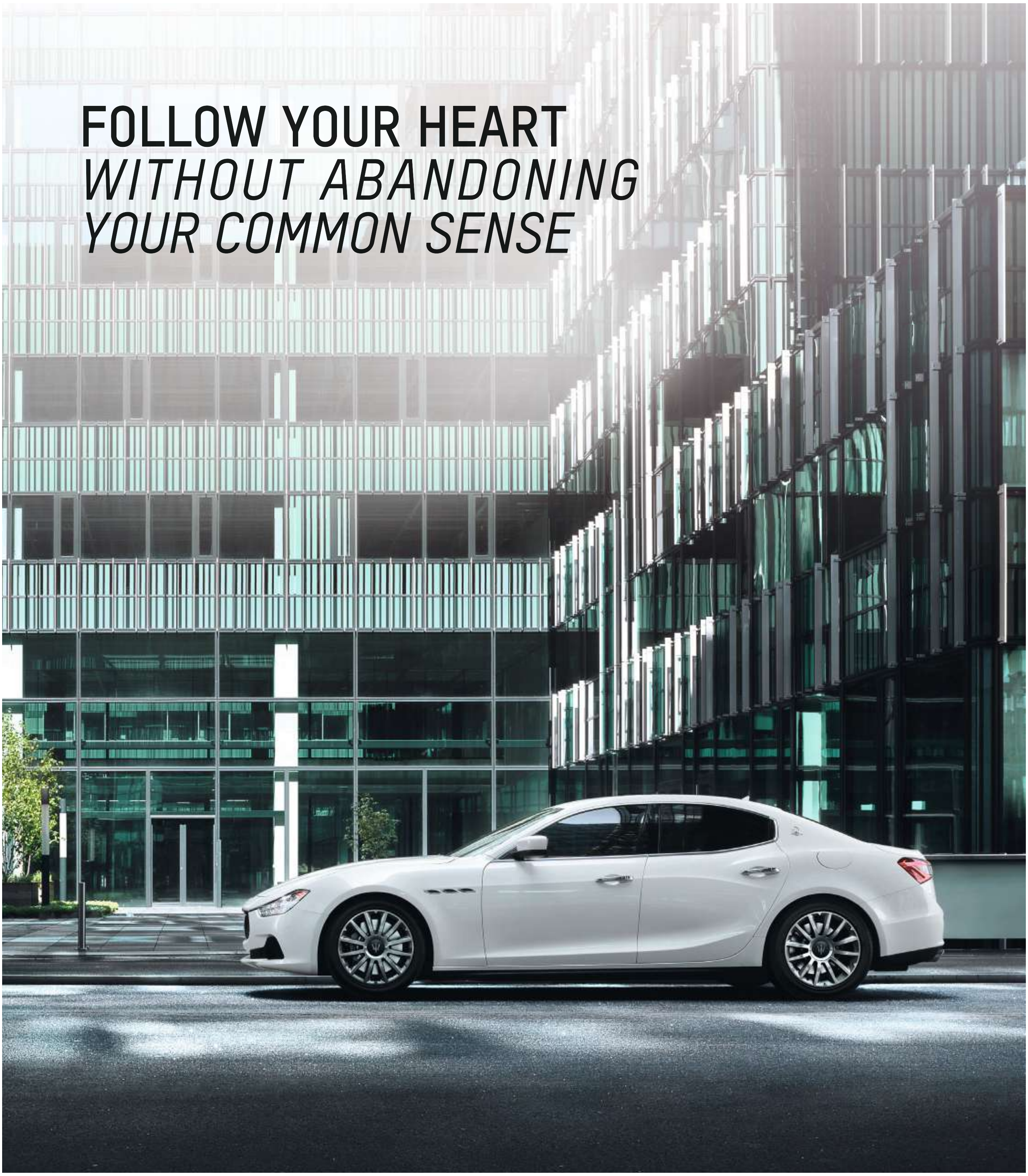
Nigel Trotman has more than 25 years' experience in the fleet industry.

As fleet manager at Whitbread, he scooped two *Fleet News* awards – fleet manager of the year (large fleets) and UK fleet of the year – before making the switch to consultancy at major leasing companies Lex Autolease and Alphabet.

He entered the *Fleet News* Hall of Fame in 2013.

He is secretary of ACFO Midlands and is an ICFM board member.

Do you have a fleet challenge you would like Nigel to answer?
Visit fleetnews.co.uk/asknigel or email fleetnews@bauermedia.co.uk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- Telematics - A true 'smart' mobility partner

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- **Duty of care**

Breakfast for Beginners

Aimed at new fleet managers (including HR/finance/procurement professionals) who suddenly find themselves responsible for company vehicles, the Breakfast for Beginners session will give visitors an introduction to fleet management.

Ask Nigel

In Fleet News regular feature, **Nigel Trotman** gives advice on your fleet challenges and queries.

At this year's Fleet Management LIVE, Nigel will be appearing in person on both days to answer your fleet related queries during hosted group sessions.

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'WE WILL NOT ACCEPT THE STATUS QUO'

Ted Sakyi was parachuted into Wates Group with a brief to oversee a root and branch transformation of its fleet business. *John Charles* reports

Ted Sakyi is a man who likes a challenge. And he responded to one when he took a call from Wates Group to take-up the newly-created post of group fleet manager and transform the firm's transport operation into one of the country's best.

Starting with a blank sheet of paper in January this year, Sakyi has undertaken a root and branch review of the entire Wates operation and created a centralised fleet department. No stone has been left unturned by Sakyi's newly-assembled five-strong fleet team, which includes a fleet manager, two regional support fleet co-coordinators and two administrators responsible for all day-to-day fleet management.

The Surrey-based construction company, with seven divisions and 30 regional offices across the UK, had seen its fleet of 1,033 light commercial vehicles, 296 company cars and 1,300 cash allowance drivers develop piece-meal as the business expanded.

There was no national co-ordination so across different offices some vehicles were bought and others leased, there was a mix of providers and brands on the van fleet, and operatives were speccing their own vehicles.

The board of Wates Group, which saw turnover rise 21.2% in 2015 to £1.27 billion and pre-tax profits increase 25.9% to £30.3 million, decided change was required.

Armed with a brief to streamline the entire fleet operation and improve overall efficiency, Sakyi compiled an action plan to implement best practice and consistency in all areas.

He tells *Fleet News*: "We have made significant progress and cultures are changing. The biggest challenge is always the management of change from a people perspective, so I have been engaging with employees at all levels, from the board to operatives on the frontline. Having explained the need for change and the reasons behind the initiatives, they fully understand.

"It is for the operatives' benefit in terms of improvements in safety, comfort and drivability, and of benefit to the business in terms of cost management and reputation."

He adds: "By mid-2017 the Wates Group fleet will be where it should be in terms of systems, processes and operations – and then we will manage day-to-day challenges."

Confident the fleet will be a beacon of best practice – it has achieved Fleet Operator Recognition Scheme bronze standard but is targeting gold accreditation and membership of the Freight Transport Association's Van Excellence programme – Sakyi says: "We will have the safest possible fleet and one of the most environmentally-friendly fleets in the country. The company has a reputation for quality, safety and sustainability and this will be mirrored in our fleet.

"The directors have been very supportive in backing my initiatives and I engage with the board monthly. It has been, and continues to be, a massive challenge, but I thrive on pushing myself and my team. We will not accept the status quo."

Sakyi moved into the hotseat at Wates after more than eight years in charge of the near 1,600-strong Transport for London (TfL) fleet. In his final year at TfL, he picked up Fleet of the Year (more than 1,000 vehicles) at the 2015 *Fleet News* Awards and the Company Driver Safety Award (Large Fleets) at the Fleet Safety Awards.

FACTFILE

Organisation Wates Group
Group fleet manager Ted Sakyi
Fleet size 1,033 LCVs, 296 company cars, 1,300 cash allowance drivers
Funding method contract hire with maintenance. Operating cycle – five-years/100k
Key brands on fleet Renault Kangoo, Trafic and Master; Vauxhall Corsa, Vivaro and Movano; Fiat Doblo and Ducato.

He has worked in the automotive industry for almost 30 years, and has previously seen life from the supplier side at Arval, Lex Vehicle Leasing (now Lex Autolease) and Budget Rent A Car.

That experience helped him hit the ground running at Wates, particularly as his first task was to oversee a 10-week programme to source, equip and livery a new fleet of more than 200 vans to meet the demands of Wates Living Space Maintenance's recent appointment to deliver Europe's largest social housing maintenance contract.

Facing a deadline of April 1, the day the £50 million per annum contract with Birmingham City Council went live, time was of the essence (*Commercial Fleet*, May 2016).

Sakyi says: "It was an exceptional task that required all partners on the project to work together to source, equip and deliver the vehicles in less than three months. It was the most challenging fleet solution I've had to manage, working to both a tight budget and timeline to get the vans mobile and with a multitude of supplying partners."

> *"Fleet management is a challenging job and you must know the marketplace. Your suppliers should be seen as partners"*
>
> *Ted Sakyi, Wates*

Nevertheless, it showed what could be achieved and now all Wates Group vans are sourced on contract hire, with maintenance packages provided by a panel of three suppliers: Alphabet, Arval and Lex Autolease.

The core fleet consists of Renault Kangoo and Trafic and Vauxhall Corsa and Vivaro models as well as some larger Renault Master and Vauxhall Movano vans, supplemented by Fiat Doblo and Ducato models.

Tough service level agreements and key performance indicators are in place with the leasing providers, with the supplier for each order chosen according to criteria that includes speed of delivery and cost.

Lease agreements have been extended from four to five years, with each van averaging 100,000 miles during its fleet life.

While Sakyi acknowledges the arguments in favour of pay-as-you go maintenance, all vehicles are delivered with an inclusive maintenance package delivering known monthly expenditure. And, with vans being driven by carpenters, electricians, painters and plumbers, each vehicle is now ordered with a specific trade in mind and equipped accordingly.

Furthermore, a review of vehicle racking design has seen roof racks banished, boosting fuel economy. All vans are also fitted with telematics and tracking technology, with speed limited to 68mph.

THE RIGHT VANS USED IN THE RIGHT WAY

Vans are the offices of the skilled operatives employed by Wates Group which means, according to group fleet manager Ted Sakyi, they need to be comfortable and suitably-equipped with the right tools for the job.

He says:"We give our operatives the right vans to do their jobs; we don't cut corners."

Operatives are charged with looking after their vans and driving safely, which, says Sakyi, "forms the bedrock of delivering financial savings".

But only by ensuring vehicles are not abused will Sakyi deliver his 2016/17 priorities: operating a safe fleet and delivering cost savings in all areas including maintenance, accidents, fuel and tyres.

He says: "The fleet department engages with operatives and managers across the business. We work to provide them with top quality vehicles, but they know they must deliver what we require in return. By working together we will have one of the country's best fleets."

Delivering the massive Birmingham City Council contract was Sakyi's first task at Wates Group

Additionally, they are all equipped with reversing sensors and beepers, air conditioning, electrically-operated door mirrors and driver/passenger air bags. Forward-facing cameras are also being considered to provide video evidence in the event of a crash.

The standard equipping of vans with such features supports the Wates Group's zero harm culture. Drivers that are deemed 'high risk' undergo specific on-road coaching.

Telematics data means a safety scorecard is kept for each operative, who is kept informed at regular team talks. Since the scheme was launched four months ago, speeding violations reduced by 25%, rear damage reduced by 31% and overall accident numbers were down by 11%.

Highlighting examples of the now-standard fitting of electric door mirrors and twin front airbags, Sakyi says: "Lone drivers could not reach across to adjust the passenger side door mirror so their driving was often comprised as a result. Similarly, vans were only equipped with a driver's airbag but frequently a passenger was in the vehicle and they should be equally safe."

He adds: "The fleet department works with all of our project teams so we know exactly what contracts are coming up six months in advance. We can then order and specify vehicles accordingly. It is all about ensuring the right vehicle for the right job."

Additionally, 18 drivers are taking part in a trial that requires them to complete a daily defect check on their vehicle. The process means that until a check is carried out and the report received by the Wates Group fleet team, a driver's daily work schedule cannot be downloaded.

It is hoped the programme will be rolled out nationally by early 2017, with Sakyi explaining: "I am a strong believer in systems and processes, and utilising the right tools for the right job. Fleets can no longer work by spreadsheets and manual intervention."

To that end, Wates Group is currently implementing Jaama's vehicle and driver management online software solution Key2, which will become the information, compliance and admin hub of the entire operation.

Looking ahead to the introduction of the world's first ultra-low emission zone in London, with other towns and cities set to follow, Wates Group is assessing the introduction of electric Renault and Nissan vans. By March 2017, up to 20 electric vans could be in operation.

An employee survey is taking place to understand travel in more detail, including home to work use, to ensure the correct location of electric charging points.

Sakyi says: "The exercise will determine whether electric vans have a place on the fleet. We expect to use them where vans travel fewer than 9,000 miles a year, and they will help the company to reduce its environmental footprint."

Not only that: such a development would also help Sakyi reduce the group's annual fuel bill. His target is a 15% cut over the next 12 months.

"It's a challenging target, but procuring vehicles fitted with the latest fuel-efficient engines, ensuring operatives drive efficiently and don't speed, ensuring vans are not over-loaded and removing their roof racks all contribute to making savings," he says.

Looking ahead, Sakyi says: "I'm less than 12 months into the job and we have made huge progress, but there remains much to do. As we gather an increasing amount of robust information from the technology we are introducing, it will help form the basis for ongoing decisions and new initiatives."

He believes the fleet will increase in size as the business expands and forecasts a further 200 vans being added by the end of 2017.

But he adds: "We want to sweat our assets to get maximum use from them. We need information from our systems to decide what action to take. The wrong decision could cost money rather than saving it, so we need data. Fleet management is a challenging job and you must know the marketplace and suppliers. Never select services purely on price. Your suppliers are an extension of your business and should be seen as partners."

For more fleet profiles, visit: fleetnews.co.uk/industry-profiles

David Brennan: 'Our service depends on our supply chain every day'

BLENDED FUNDING IS KEY TO BUSINESS WINS FOR NEXUS

A rapidly-changing market has seen fleets look for as much flexibility as possible. That's music to the ears of Nexus boss David Brennan, as *Matt de Prez* reports

Blended funding has become as much a buzz phrase as business mobility over the past couple of years, with salary sacrifice sitting alongside contract hire and, sometimes, outright purchase.

More recently, rental has started to become a key part of the blended jigsaw, according to corporate vehicle rental services provider Nexus Vehicle Rental. As a direct result it has grown its customer base by more than 20% over the past year.

According to David Brennan, chief executive officer of Nexus, more operators are moving away from a single method of acquiring vehicles, such as outright purchase or contract hire, and bringing rental into the mix as it offers less risk and greater flexibility.

He says corporate rental is growing because businesses are looking at different ways to minimise downtime and reduce the number of vehicles on their fleets, while also dealing with changing demands from clients.

"This has come about as companies look to be as flexible as possible around business mobility," explains Brennan.

"A delivery company, for example, may have to cope with spikes in seasonal demand and be forced to take on temporary labour. Therefore it will need additional vehicles to cope with this – but purchasing or leasing would not be cost-effective as those vehicles would soon be sitting unused."

£1.8bn
Rental spend per year in the UK

500,000
Number of vehicles Nexus can access same-day

Rental spend in the UK is currently around £1.8 billion per year and at any one time there are around 500,000 vehicles on hire, making it a big market.

Nexus provides a digital platform which allows its customers to rent any vehicle for any time period, from a car to a van to an HGV, through a national network of rental suppliers. It also has a specialist division offering wheelchair accessible and adapted vehicles.

It was during the recession that corporate rental first piqued the interests of chief finance officers, fleet managers and directors who were looking for ways to reduce capital invest-

FACTFILE

Company Nexus Vehicle Rental
Managing director David Brennan
Founded in 1999
Headcount 108
Number of clients 870
Geographic coverage 99.5%
Service failure rate 0.8%

ment and find a vehicle supply that could be switched on or off when required.

"People rent when they don't want to spend any money up front," says Brennan.

He expects to see even more demand for rental following Britain's decision to leave the European Union and has a five-year plan to deliver annual double-digit growth.

"Many customers, post Brexit, are now looking at how they can have a flexible supply chain that enables them to keep their options open and keep in tune with the changing demands of their business," he explains.

By choosing to rent, a fleet can quickly acquire a quantity of vehicles suited to its needs with no strings attached, meaning if requirements change they can be sent back or extended at any time.

It isn't the most cost-effective method of acquiring vehicles, especially for longer periods of time, and historically fleets have mainly used rental for the emergency replacement of an asset that is off the road.

But what Brennan has seen, from larger clients in particular, is an increase in the number of more complex and business-specific rental requests.

He says: "Most companies have a clear focus on either cars or vans, but in some cases we are asked to provide very specific assets where the client has a unique requirement or project."

For one customer, 20 Land Rover Defenders complete with snow plough attachments were needed for six months. And another wanted a tractor, in Northern Ireland, within the hour.

The key to meeting these demands for Nexus is its network of trusted suppliers and the service level agreements it has in place with them.

Nexus doesn't hold any vehicles itself; it acts as an intermediary, providing administrative support on top of handling the booking process.

Nonetheless its 870 customers, which include LeasePlan and two other top 10 FN50 leasing companies, can get same-day access to more than half a million vehicles.

Brennan says: "We've had a lot of buy-in from all our service providers to look at areas where the service can be improved. We track that monthly and have quarterly reviews with suppliers where they can get feedback to take to their operations teams and make improvements where necessary.

"The quality is very important for us because if it's easier for a customer to go direct to a supplier then our proposition doesn't work. Our service has to be better, our price has to be similar and our capability to deliver what the customer wants has to be better.

"Our service depends on our supply chain every day and together we are trying to deliver an exceptional outcome for our customer while providing growth for our suppliers."

As rental demand has increased in the last two years, Nexus has grown its network of national and regional rental providers by 29% and can now access vehicles from 2,000 sites in the country. Suppliers include Northgate, Thrifty, Europcar, Lincs Van Hire and Stan Hire.

Keeping tabs on this number of assets in real time requires considerable computing power. This is the job of IRIS, the Nexus booking system.

"Many customers, post Brexit, are now looking at how they can have a flexible supply chain that enables them to keep their options open"

David Brennan, Nexus

It was launched in December 2014 and designed to achieve a booking in 30 seconds or a re-booking in 10 seconds.

What's more it can integrate with a customer's internal computer system or be accessed through a web portal, allowing them to self-book whatever they need at any time. It handles 85% of all transactions electronically.

All the processes from request to return are automated, so the customer can spend more time on their core business.

Brennan says: "We want to be seen as the best technology provider in the market; we think we are now but we want to stay ahead."

That's why the company is planning another system update in 2018 which will include further enhancements and incorporate the latest technology.

Over the past 12 months, Nexus has seen greater demand for its service from HGV customers. It is currently able to offer only a limited service for HGV rental, but a new, fully dedicated HGV proposition will go live early next year.

Brennan explains: "We run a regular survey with our customers and the one question we haven't been able to answer is for those asking about their HGV fleets. We are now responding to that demand and building a specific HGV system.

"We will utilise it with our existing clients first and we are working with a pilot client this year in preparation for a full launch in 2017.

"In this market I think there are lots of opportunities to help customers reduce vehicles' off-road time, make sure they have the right asset available, give them confidence and a technology-based solution to streamline the service.

"At the moment our journey is to increasingly build our supply chain in that market, fine-tune the technology and make sure it works in exactly the way that our clients want."

For more industry profiles, visit fleetnews.co.uk/industry-profiles

SHAREHOLDER BUYOUT PAVES WAY FOR GROWTH

Nexus underwent a shareholder buyout in December 2015 when Bowmark Capital took majority control of the company from private equity firm Livingbridge.

The deal was worth £51 million, and since the acquisition the focus within Nexus is firmly on future growth.

David Brennan says: "Bowmark have been very open to our new ideas about how we are going to grow the business in the next five years."

Bowmark have influenced a number of key appointments within Nexus including chairman, IT director, sales and marketing director and head of accounts.

"Basically we have put some more resource into the business so the resource level is at the optimum scale for our next five years of growth," explains Brennan.

FleetNews BUYING GROUP

BETTER DEALS, QUICKER.

A free service that combines the demand of hundreds of businesses to deliver competitive prices for cars and vans

The problem... and the solution

Companies like yours tell us that leasing or buying a car or van can be complicated, time-consuming and confusing. There are so many vehicle suppliers and funding options to consider, while the amount of time it takes to get a good deal can be a major distraction for smaller companies.

Instead of spending their time running their core business, companies feel that they waste time negotiating with vehicle suppliers with no guarantees that they are getting a good price or the best service.

What smaller companies really want when they are sourcing new cars and vans are value for money, swift answers and a hassle-free service.

Wouldn't it be great if you could get the right vehicle at the right price, quickly and simply, from a business you can trust. Well, now you can.

THE SOLUTION

Since 1978 Fleet News has been dedicated to helping you reduce costs and increase effectiveness. Fleet News Buying Group (FNBG) is the perfect extension of this approach. By combining the demand from hundreds of businesses like yours, we get bigger price discounts from our panel of top leasing companies and dealer groups who compete to win your business.

FNBG is free to use and enables companies to make the right buying decisions for their business each time they need a new car or van. We'll show you how much money you are saving and we'll even bring you special offers on relevant vehicles when they are available.

Who is FNBG for?

FNBG is for company owners and directors who are responsible for buying or leasing cars or light commercial vehicles. They want to get a good deal but they do not have the benefit of a dedicated fleet manager or fleet procurement support.

IS THIS YOU? THEN READ ON.

The benefits to you

FNBG is different to any other offer in the market. Our service is free to you because we take a fixed marketing fee from the leasing company or dealer group for every transaction.

The marketing fee is the same irrespective of the vehicle you choose or the company which supplies it, which means we have no bias about your choices.

We will provide you with a personal account manager and we guarantee you will receive your quotes within one hour.

How does FNBG work?

Fleet News Buying Group has partnered with leading leasing companies and dealer groups who will provide competitive pricing for your cars and vans.

When you register your company with FNBG you just need to provide information about your vehicles and when you are intending to procure. This is called the Customer Action Plan (CAP), which is a non-binding agreement between you and FNBG.

When the time comes to make the transaction, FNBG has created a simple five-step process:

1. We contact you as agreed in the Customer Action Plan.
2. We help you specify the vehicle and provide real quotations, simply and quickly from our vehicle suppliers.
3. We show you how much money you can save.
4. We confirm your order and you authorise it.
5. We check that you're happy with our service.

Once you have a vehicle shortlist (3 or 4 choices), you can start the buying process.

Once the order is placed, the supplier will let you know when you can expect to take delivery. Your personal FNBG account manager will always be on hand to help you with any queries.

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Giving you confidence…

1. We provide you with all the information, reviews and funding advice you need to decide which car or van is best for your business.
2. We offer a service that has your best interests at heart.
3. You have a choice of all brands – car and van – from an independent business that you can trust.

Saving you time...

1. Multiple quotes delivered to you within one hour.
2. A mutually agreed action plan based on your individual requirements and a timescale that suits your business needs.
3. A personal FNBG account manager that you can trust.

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If you're interested in better deals, quicker, go to **www.fnbg.deals** and complete the FNBG preregistration form to secure your membership.

See us on Stand B18 at Fleet Management Live 2016

BETTER DEALS, QUICKER.

8 THINGS TO KNOW ABOUT: MILEAGE CAPTURE

Maintaining accurate business mileage records is vital for fleets – and not doing so can have a serious impact. *Catherine Chetwynd* reports

Inefficient business mileage capture has many ramifications for fleets. Inaccurate records can become expensive errors, with companies potentially facing six-figure fines from HMRC, while employees could potentially be claiming more than they are entitled to.

To avoid these pitfalls, The Mileage Consultancy (TMC) advises businesses to record:

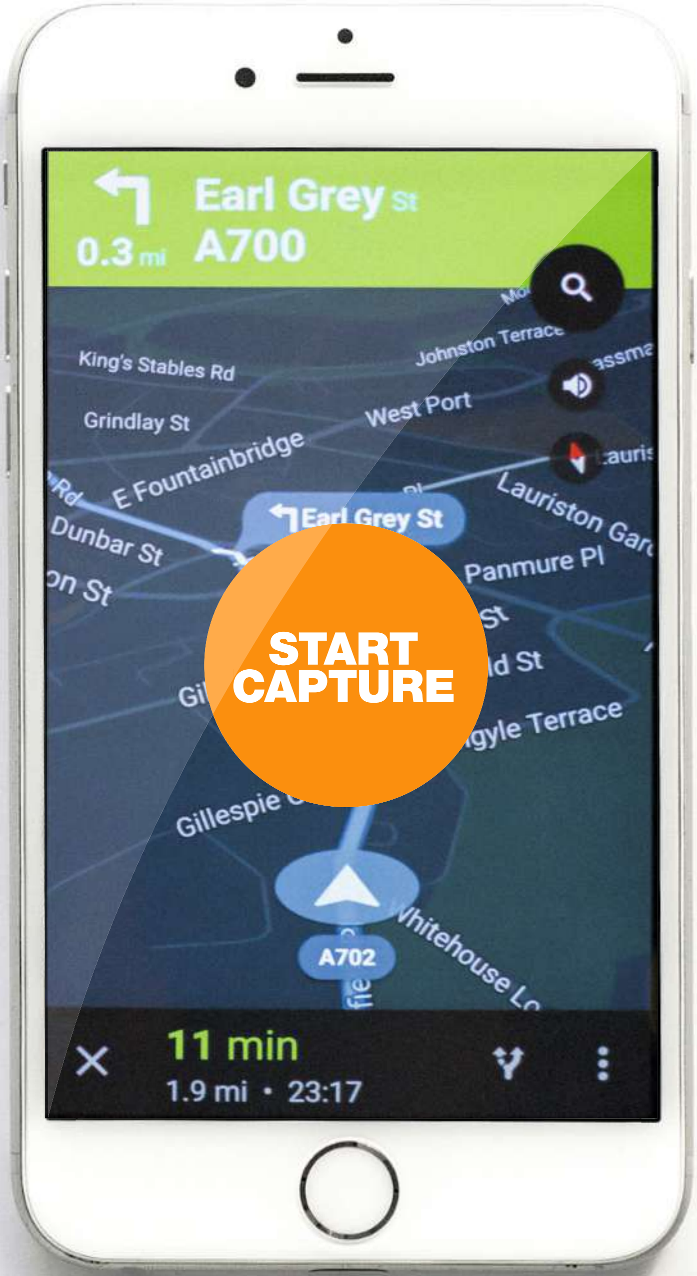
- Business mileage for each individual journey: the start and end points, distance driven, date and reason(s) for travel to ensure HMRC compliance, auditing mileage claimed and analysing fuel cost/mpg;
- Overall private mileage for each expense period for reimbursing fuel costs and evaluating benefit-in-kind fuel if provided;
- Fuel transaction data: vehicle registration, date, time, location, price, VAT detail, amount and type of fuel for analysis of fuel costs and vehicle/driver performance, plus monitoring for misuse.

However, capturing this data can be an onerous task. Traditionally it involved laborious manual completion of spreadsheets and expenses forms, and gathering of fiddly receipts, all adding to fleet managers' and accountants' administrative burden.

Now, however, the most reliable way to accrue the data is to invest in technology that does most of the work for drivers and therefore eliminates – or reduces to a minimum – the capacity for human error.

Most of these systems work via an app or dongle and, in some cases, this extends to automatic starting and stopping of mileage tracking, removing the risk that the driver will forget to hit the button before setting off.

Here we look at eight key facts every fleet should know about business mileage capture.



Earl Grey St

1

HMRC HAS SPECIFIC DESCRIPTIONS FOR BUSINESS MILEAGE

Two types of journey qualify as business mileage: (i) travel to and from places drivers have to attend to do their job and (ii) journeys which employees have to make.

"Employees are entitled to tax relief for the full costs they are obliged to incur when travelling in the performance of their duties or travelling to or from a place that they have to attend in the performance of their duties," says Martin Brown, managing director of Fleet Alliance.

Drivers should attribute HMRC codes to clearly define the purpose of the trip and separate work and personal mileage. Commuting between home and work is private mileage but less clear is when employees are working from home or are assigned a temporary workplace such as a construction site.

"In such circumstances, HMRC may treat trips from home to work and back as business mileage," says Paul Hollick, managing director of The Mileage Consultancy (TMC). "HMRC has widened its rules in response to changing working patterns and these are supported by a growing body of case law."

2

ACCURATE MILEAGE CAPTURE CAN RESULT IN SUBSTANTIAL SAVINGS

Fuel siphoning, cloned fuel cards, unusual refuelling patterns and excessively high consumption – the latter caused by bad driving, mechanical problems or using the wrong type of vehicle for the job – are just some of the potential areas for saving money through accurate mileage capture.

Trips should be recorded by postcode or street address from start to finish point ,and that information collected and collated alongside fuel purchases, attributable to each vehicle and driver. This removes unintentional inaccuracies through mistakes, rounding up of mileages and invented journeys to boost reimbursement, resulting in a drop in the number of business miles recorded and leading to savings in expenses and fuel costs.

Vertivia recently undertook a study of five clients, which together operate nearly 4,000 vehicles.

"By introducing our online mileage capture system, they saved the equivalent of £230 per driver per annum," says Paul Chater, sales director at Vertivia. "This amounted to an average of £157,000 a year across the five fleets – more than 10% of their total business mileage claimed."

3

ACCURATE MILEAGE RECORDS CAN HELP AVOID EXCESS CHARGES ON LEASED CARS

Excess mileage charges generally range from 10p to 30p per mile, which can stack up to an unexpected four-figure bill at the end of a vehicle's contract. But difficulty in keeping track of odometer readings is exacerbated by ever-larger servicing intervals, sometimes as infrequent as every 20,000 miles or 12 months.

By using electronic mileage management systems, however, "drivers can update their records through the latest apps, like our own e-Fleet mobile, which feeds directly into our e-fleet management system," says Martin Brown, of Fleet Alliance.

Once fleet managers are monitoring mileages, they can produce mileage reports to identify vehicles that are in danger of exceeding mileages. These can then either be allocated to drivers who drive fewer business miles or, if the lease contract allows, the mileages can be pooled.

4

'FREE' FUEL IS NOT THE ANSWER TO AVOIDING MILEAGE CLAIM ADMIN

HMRC figures show 200,000 UK employees still take private fuel benefit-in-kind, representing more than one-fifth of company car drivers. With so-called 'free' or fully expensed fuel, employers pay for the fuel, the driver pays high BIK tax on it and then the employer pays 13.2% Class 1A NIC on the driver's tax. Ending free fuel entitlement can save both driver and company money. By moving out of a fully expensed fuel with rising BIK percentages, Abax UK, for example, has seen the combined saving between employer and employee rise from £2,500 towards £3,000 per year in the past three years alone.

It is important to calculate the fuel bill and the tax for each recipient. If the tax is greater than the bill, the company should advise the driver to opt out. If the BIK fuel is viable for the driver but not the company, there are options. These include a one-off payment, a monthly allowance to put them in the same position they were in with fully expensed fuel, adjusting their salary or giving them a yearly bonus.

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TECHNOLOGY CAN ELIMINATE DRIVER ERROR

5

Accurate, timely mileage data can be captured automatically via an app or dongle, using GPS positioning or postcode mapping to ensure that business trips are accurately tracked and recorded from departure to arrival point.

With mileage reporting, it is possible to allocate journeys by day and time of day. The information is then downloaded on to a client portal to be analysed and arranged in an HMRC-compliant format.

"Drivers can attribute their journeys as business or private using a smartphone or PC, and add notes about individual trips," says John Wisdom, European managing director of CTrack.

"The key is to create a system that allows them to use it quickly and easily. For example, our smartphone app allows trips to be changed from business to private, and vice versa, with a swipe of the touchscreen, with supporting comments added in seconds."

He adds: "To overcome any privacy concerns, all references to location and address details in private journeys can be hidden and cars can now be fitted with a switch that the driver can use to define business and private mileage, so accurate data is only captured for work-related journeys."

Chris Miller, chief executive of Abax UK, says: "Some light-touch solutions allow a driver to start recording a business trip with an in-car button or a smartphone app. More robust telematics solutions gather all driving data and deliver it to the employee retrospectively and they simply highlight their business journeys and declare the reason for each trip."

Mileage that has been recorded by GPS ensures individuals cannot round it up or guess, and using telematics also makes it more difficult to claim for journeys they did not make or were not made for business reasons.

"The cost of most telematics systems will be recovered through shaving off two or three miles per day in rounded figures. The savings are substantially higher with grey fleet," says Miller.

TMC's Paul Hollick points out that in future, the technology for recording journeys and computing fuel costs will be built into every business vehicle along with the ability to transmit it to the manufacturer, fleet or other agencies.

SPONSOR'S COMMENT

Paul Hollick, managing director, The Miles Consultancy

Mileage is the essential benchmark for fleet management. Even with the technological revolution that is taking organisations down the road towards Business Mobility, mileage remains the core metric by which productivity is measured and understood.

We know that businesses see the costs of fuel and mileage expenses fall when they implement new mileage processes. The results can be startling. Depending on how good (or bad) their previous process was, costs may drop by 25%. The average improvement for new TMC clients last year was 17.2%.

Even so, many fleets miss out on these relatively easy-to-achieve windfalls from tightening up on mileage reporting and fuel management. Others struggle with manual processes that they've outgrown over the years.

This feature looks at the significant benefits accruing from implementing improvements to mileage capture. It also reviews the range of solutions on offer to fleets, with case studies showing how businesses have used them successfully.

It is also a reminder, if one was needed, that fleet management is as much a human as a mechanical discipline. In-car technology is gradually taking over chores such as capturing and transmitting data about distance, location and mpg, but it still needs the driver to tell it why they made the trip and whether it was for business or personal reasons.

Fortunately, fleets do not need to wait until a generation of even more intelligent vehicles hits the roads. All the capture, audit and control solutions you need to cure your mileage headaches are set out in this feature.

TMC

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Email: reply@themilesconsultancy.co.uk
Visit: www.themilesconsultancy.com

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FLEETS FACE CONSEQUENCES FOR FAILING TO KEEP ACCURATE RECORDS

6

Employers and drivers will be fined for failing to keep accurate records. Penalties are financially punishing and are backdated by a minimum of four years.

Typically, according to Abax, where HMRC can demonstrate that a degree of private mileage is being paid for with business fuel, a full fuel benefit-in-kind (FBIK) charge will be generated and that can be backdated by up to six years.

Using HMRC's example car, the Ford Mondeo, the FBIK in 2016-17 would be £5,520, resulting in a FBIK payment of £2,208 for a 40% taxpayer. The driver pays this as a penalty and would be charged for all previous years the logs were deemed inaccurate – in this scenario, the penalty is approximately £13,000.

The business would also owe NIC contributions against the backdated FBIK fee, again up to 100%, as a penalty, and £3,000 for each incorrect P11D. The total fine to the business for one Ford Mondeo would be around £27,000.

"However, it is not only the fines that concern companies," says Jez Strong, product manager for MileageCount. "There is also the vast disruption incurred while HMRC potentially audits every last record across the business."

MILEAGE EXPENSES CAN BE USED TO ENSURE FLEET POLICY COMPLIANCE

8

Compliance to fleet policy is not just a matter of financial and operational efficiencies, it is also about companies' legal obligation to duty of care, so maintaining a robust audit trail of risk management is essential.

"Companies need to show not only that they have adequate policies in place but also that their drivers have confirmed that they have read them," says Paul Hollick, of TMC.

The company's Visa to Drive option adds duty of care tools to the TMC mileage system so that when employees log on, it prompts them to provide mandates, declarations and copies of documents as needed.

"It stores these for the employer, giving a legally compliant audit trail and furnishing managers with real-time reports on each driver's status via an online control panel," says Hollick.

The system also contains the facility to sanction non-compliance by delaying expense payments, and can automatically flag up potential safety risks such as those who log worryingly high daily business mileage.

In Vertivia's system, employees can make declarations online regarding the status of their driving licence and condition of their vehicle, and this can be accessed by fleet managers directly from the driver profile screen.

Similarly, e-Fleet Mobile from Fleet Alliance allows drivers to confirm the condition of their vehicle (tyre tread depth, lights, etc.), which provides an audit trail in line with health and safety rulings.

TRADITIONAL METHODS OF RECORDING MILEAGE ARE FALLIBLE

7

Manual mileage forms, Excel spreadsheets and fuel receipts stapled to expense claims: traditional means of recording mileage are labour intensive and may be rife with errors.

Temptations are legion and instead of accurately recording the beginning and end of each journey, drivers often round up trips, leading to works of fiction. Other risks are driver and passenger claiming for shared journeys; making unnecessary journeys to exploit over-generous pence per mile fuel expense rates or, conversely, to compensate for parsimonious reimbursement.

"There is also a propensity to complete written mileage records at the end of each month, not 'as you go' and this can result in errors," says Chris Miller of Abax.

In addition, the employer also has to assimilate the information, put it into an auditable form, check it and, finally, pass it to payroll for manual processing. In time alone, this is expensive.

"Getting hold of the data and making it usable is often unworkable. Fuel card bills or till receipts may go to one department in a company, while mileage claims, submitted on paper or spread-sheets, end up scattered among cost centres' T&E budgets," says Paul Hollick, of TMC.

"The best deterrent against over-claiming is if drivers know their reports are liable to be vetted for anomalies at any time.

"The gold standard is for mileage reports to be automatically audited as they come in and backed up with proactive outbound phone and email contacts with drivers to resolve irregularities."

END CAPTURE

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Refresh your engines

STP's range of products will clean diesel and petrol components and filters

Recent air quality concerns in cities across the world have further heightened the pressure to reduce emissions, while constant constraints on bottom lines increase the burden on fleet managers to improve fuel economy and reduce fuel spend.

The technologies and developments that premium fuels bring can be found in STP's fuel additive range. Products for both petrol and diesel engines, are simply added to a full tank of normal fuel.

Over time, deposit build-up will occur in a vehicle's engine, whether that is carbon, gum, unburnt fuel or other contamination. These deposits will affect fuel delivery to the engine, reducing performance and efficiency while potentially increasing emissions.

STP offers a number of system cleaners that can be used both reactively – to deal with sluggishness or deposit build up – and preventatively, on an ongoing basis.

STP's Complete Fuel System Cleaner will help to remove those built-up deposits from injectors, valves and combustion chambers. The whole contents of a 400ml bottle of cleaner should be poured in to a full tank of fuel every 4,000 miles. The product offers a powerful clean because it is concentrated.

Tests on petrol engines by STP showed that Complete Fuel System Cleaner removed 70% more deposits around the intake valves than simply using standard fuel alone. For diesel engine vehicles, tests showed a restoration of fuel flow from 20% to 99%, due to the removal of built up deposits in fuel injectors.

The Ultra 5-in-1 Fuel System Cleaner range adds further benefits. STP's Wearguard technology coats the engine cylinder walls, helping to reduce friction and wear on the engine block. Like the Complete Fuel System Cleaner, carbon deposits throughout the engine are reduced, which could improve fuel economy by as much as 4.2% (Ultra 5-in-1 Petrol). STP performed a 60-hour operation test, with a petrol engine, which showed deposit build-up after treatment was six times less than using standard fuel alone.

Helping engines run better and longer for over 60 years

The Diesel System Cleaner also improves ignition, thanks to Cetane technology. Regular use of the additive should reduce ignition delays and improve cold starting. The Ultra 5-in-1 range should be used every 4,000 miles for best effect.

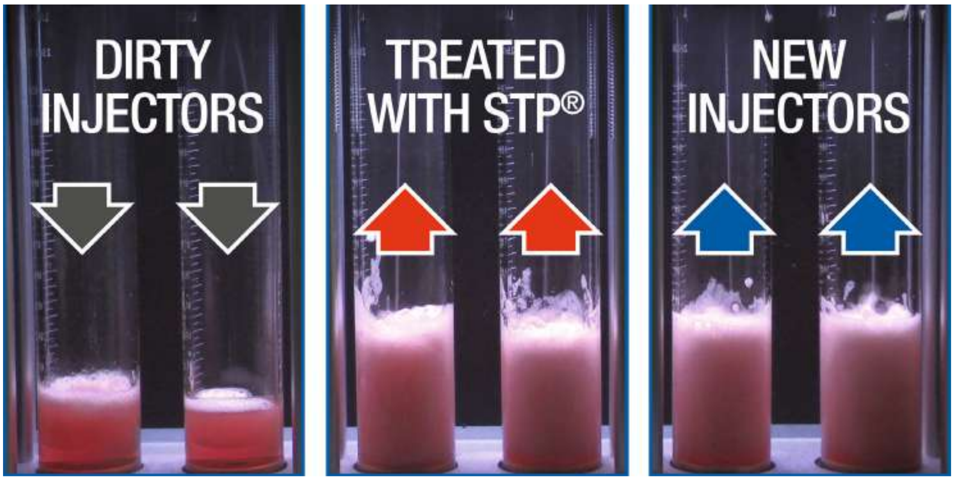
Euro 5 legislation introduced in 2009 meant many diesel vehicles were fitted with diesel particulate filters. Since their introduction, a number of vehicles have suffered filter blockages caused by a build-up of soot and particulate in the filter, which never reaches a sufficient temperature to be burnt off.

Filter blockage may be a particular problem for stop-start city type driving. If the filer does not successfully regenerate, this could lead to a clogged filter which may result in an expensive repair or replacement.

STP's Diesel Particulate Filter Cleaner contains extra metal oxide particles, which act as a catalyst to enable the soot to burn at a lower temperature, thus allowing regeneration of the filter at a lower exhaust temperature than without the treatment.

The cleaner is easy to use – add the contents to a full tank of diesel every 1,800 miles for preventative maintenance, or when the DPF light appears if it is being used as a reactive solution. If the filter is blocked, try STP DPF Cleaner before visiting the mechanic.

While an STP fuel product may be considered at first to solve a problem, with a broad range on offer, ongoing use reduces the chances of deposit build-up causing issues in the future.



Fuel injectors before and after STP Fuel Injector Cleaner

For further information please call: 08456021995 or visit: stp.eu

Available from Halfords and A1 Motor Stores

FLEETS AND UTILISATION

There is a science to ensuring fleets are the right size and consist of the right vehicles – and firms that exploit it are saving thousands

INSIDE

OPTIMISE UTILISATION TO DRIVE SAVINGS AND PRODUCTIVITY

Analysing vehicle requirements and usage are the first steps to right-sizing a fleet. *Andrew Ryan* reports

Improving vehicle utilisation has many benefits: it can reduce mileage and maintenance, cut emissions, reduce fuel usage, boost productivity and much more.

South Yorkshire Police, for example, has made capital savings of more than £1.3 million and revenue savings of £260,000 by removing under-utilised vehicles from its fleet.

"Primarily due to budget cuts, we looked at our vehicle utilisation and we wanted to know if we needed all of the vehicles we had," says Sarah Gilding, head of vehicle fleet management at South Yorkshire Police.

"We wanted to know if any were under-utilised and, if they were, we wanted to know if we could remove them."

Gilding identified vehicles that were covering fewer than 5,000 miles a year by looking at mileage records.

"Quite a number had been doing below that benchmark figure so we needed to analyse each of those vehicles," she says.

"Sometimes there are valid reasons why you should keep vehicles that have been doing low mileages: they may be critical to operations, or it could be down to how the vehicles are being used and in what areas.

"We had a lot of conversations within the force to identify which vehicles were being under-utilised and which we could remove."

The review led to the removal of 40 vehicles, around 5% of the fleet including 12 protected personnel carrier vehicles (saving £741,600 capital costs), a horse box (worth £150,000) and observation vehicles. The fleet now has 713 vehicles.

As part of the initiative, the fleet team created a pool of specialist vehicles that can be called on when needed to fulfil operational duties.

South Yorkshire Police's driver services division also has vehicles which are hired out across the force to further increase utilisation.

The review took place in 2013, with Gilding using mileage reports for the analysis. The force currently has a tender out for a telematics system and she says this will make future reviews simpler to carry out.

"While we can get a mileage report for each vehicle at the moment, it's a very manual process, whereas when we get telematics we will be able to see if a vehicle is being used only on a few days a week for a few miles," adds Gilding.

"Telematics will give us a clearer picture than we have now."

This technology can allow a fleet manager to easily capture the necessary data to establish exactly how a fleet is being utilised and where improvements can be made, says John Wisdom, European managing director of Ctrack.

"A mileage banding report can clearly present mileage and usage data to identify where assets are being under-used," he adds. "For example, a company may want to pinpoint how many vehicles are being driven for fewer than 100 miles per month to see if it can reduce its asset base or introduce some kind of car pool facility for low-use or occasional drivers.

"A tracking tool can also verify whether vehicles are being used for the right activity and operating in line with an organisation's company car policy.

"In addition to this, the data can be used to see where high and low usage vehicles could be swapped to protect residual values, reduce wear and tear, and keep maintenance to a minimum."

Using data from telematics helped West Yorkshire Police reduce its fleet size by more than 20% and cut its mileage by more than 10%.

"In 2011/2012 we did 19.67 million miles: in the past four years the use of telematics has contributed to us being able to reduce this annual mileage by more than 2.3m," says Steve Thompson, head of transport at West Yorkshire Police.

"During the same time, we have seen an improvement in our actual vehicle fuel economy, which is now averaging 35.7mpg from the 30mpg recorded in 2012. We originally started with a fleet of 1,200; now, for the first time, we've dipped under 1,000 vehicles, so we are getting better utilisation out of the existing fleet, which is saving us a lot of money."

However, while reducing the number of vehicles on a fleet can result in significant savings, any utilisation review should not be focused purely on this, says Ashley Sowerby, managing director of Chevin Fleet Solutions.

"When it comes to improving fleet utilisation, the aim is not simply to reduce the number of vehicles in use, but to reduce waste around their overall use; to ensure that all the vehicles are being used to their maximum efficiency and potential," he says. "Whether, for example, it's ensuring that one fully-loaded lorry is sent on a trip instead of two half-loaded lorries; putting processes in place to make sure individual drivers are assigned smaller company pool cars; or even taking steps to ensure that low-emission pool vehicles are always available for use in low-emission zones, ensuring better vehicle utilisation can have a great effect in helping managers bring down the costs of their operation."

Using telematics in a job dispatch capacity, or in conjunction with that kind of system, can also aid utilisation, says Wayne Millward, fleet consultant at Arval UK.

"Measurement of the length of time the vehicle is on the road, managing its uptime and working out whether strategies such as double-shifting can be used, all work very effectively," he adds.

One company which has seen its productivity increase significantly since implementing a web-based planning and tracking telematics system is Kings Security Systems.

When a job comes into the company, its Aeromark system, which went live at the beginning of the year, seeks out the nearest available driver who has the right skill set to carry out the work.

"Since the implementation of the system, our customer response time has improved enormously, from 75% to 95%, increasing the number of calls we can do by 1.5 per day per engineer," says Jacob Telemaque, the company's fleet manager.

FOUR PILLARS OF EFFICIENT FLEET UTILISATION

1 QUANTIFY KEY METRICS

Before measuring your fleet's utilisation, it's important to make sure you are evaluating the right metrics. Ideally, you're collecting data at vehicle level so you can spot vehicles or routes that are sending your averages up or down.

The best metrics to measure are:

- **Miles travelled**
- **After-hours utilisation**
- **Drive time versus on-site time versus idle time**

2 ANALYSE JOB HISTORY

The only way to assess your original plan and resulting performance is to review and analyse your job history. How does the planned compare to the actual? This kind of inquiry can be hard to do without capable software because the technology pulls data right out of the field in real-time and stores it in your system for later review across all your vehicles. With this knowledge, you can make incremental changes that have a significant impact on fleet utilisation.

3 ADDRESS LAST-MINUTE RE-ROUTING CHALLENGES

The inevitable but unpredictable last-minute change can throw off a company's fleet utilisation rate. If you have days where delivery plans change by the hour, or if your service delivery is dependent on customers whose demands change, you need to secure a system for handling these changes and rerouting drivers optimally. Real-time routing can make or break your fleet utilisation and productivity rate.

4 BE PREPARED FOR CHANGES IN WEATHER AND TRAFFIC

It's wise to have your fleet utilisation to include a plan for storm response. It should also include plans for navigating around traffic or road blockage issues, so you can continue to meet customers' needs. The key here is getting weather and traffic information up-front so your drivers do not get stuck in a jam or severe storm.

Source: Telogis

"In the past four years the use of telematics has helped us reduce our annual mileage by more than 2.3 million"

Steve Thompson, West Yorkshire Police

How BT Fleet reduced its fleet by 4,000 vehicles: fleetnews.co.uk/utilisation

'CUTTING DOWN THE FLEET TOO MUCH IS A FALSE ECONOMY'

Alistair Patterson, National Grid

Maximising vehicle utilisation can have many cost and operational benefits for companies. *Andrew Ryan* asks the operators of two major fleets how they do it

How have you identified under-utilised vehicles?
Alistair Patterson, fleet manager, National Grid: The most important thing for us is to get to the gas escape or make sure the lights are on, so you've got to get that balance. If you can't get the engineer there, cutting down the fleet too much is a false economy, so you need the right balance of core and spare vehicles.

Identifying vehicles that are under-utilised has always been a challenge for us. If you've got telematics, as we have now, this makes life a lot easier. If you haven't got telematics, you can look at the average amount of fuel used and focus on the 25% of vehicles which use the least. So, if the average fuel use was £100, this may mean you look at the vehicles which were using less than £50. Although those vehicles may be business-critical, you can consult with the manager to see if there are any options, such as sharing the vehicle.

On the flipside, if you identify someone who is using £300 of fuel, you can look at whether they are spending too much time in their van. This could also help you balance the workload of your under-utilised vehicles with your over-utilised ones, so you can reduce the miles and maintenance costs on the higher-use ones and improve residual values when you sell them. Telematics is the best way of doing that, but there is an expense to it and when you've got a big fleet it can get very expensive. So if you've got telematics, great, but if you haven't, then fuel usage is another way to do it.

Mike Langford, senior customer relationship manager, BT Fleet: Our light commercial vehicle drivers have to complete an e-logsheet, which is a record of who was driving, on what date, and the start and end mileages, while we also use vehicle trackers. We'll then look at any of those light commercials that, according to the data, have a utilisation rate of less than 50% over the past three months. We do the same for our larger commercials although, as they are very specialised vehicles, we look at whether they have a utilisation rate of less than 30% over the past three months. To make sure it's nice and tight, we also look at the usage of that vehicle's fuel card. We then compile a report and send it to the fleet manager for the relevant part of the business. They will look at the data and will contact the relevant operational manager and the driver if necessary. If that vehicle is going to continue to be under-utilised and there is no good reason for it, then it is returned to BT Fleet.

National Grid's priority is getting its engineers on-site as quickly as possible

> *"Rather than buying thousands of new vans, we have been able to recycle under-utilised ones. It's a successful programme"*
>
> *Mike Langford, BT Fleet*

1

Alistair Patterson, fleet manager, National Grid
Van fleet size **2,800**

2

Mike Langford, senior customer relationship manager, BT Fleet
Van fleet size: **36,000**

What happens to the vehicle then?

Mike Langford: If a vehicle is declared surplus we find a new home for it. Our process is simple and proven. Somewhere in the region of 3,500 vehicles have been redeployed, rather than us buying new ones. There is growth within BT Openreach; rather than buying thousands of new vans, we have been able to recycle under-utilised ones. It's a successful programme. There may be some reason for genuine under-utilisation, and it may be that it has been identified as under-utilised as its engineer is sick. We've introduced a policy whereby if someone is on long-term sick leave, their vehicle is made available to somebody else until that person returns.

National Grid has a pool of spare vans to use while other vehicles are off the road. How do these work?

Alistair Patterson: If a vehicle is off the road, we can hire a replacement. Our challenge is that, although we get them with beacons and roadworking signs on the back, there's no racking inside them so where do our engineers put their tools? This limits what they can do, so instead of selling a few vehicles that we've freed up because of improved utilisation elsewhere, we've put a few of them at our maintenance provider's key garages. This means that when a vehicle goes in for maintenance, our engineers can use a van that is already racked, more suited to the job and cheaper than a hire vehicle.

We're also using a collection and delivery service offered by our maintenance provider or a courtesy vehicle to get our engineer home. If someone drops their van off at night for extended hours servicing, which we are looking at as well, they can use that vehicle to get home and then again in the morning to pick up their van. If the van needs to go in on an engineer's rest day, they can drop it in the day before and pick it up the day after, using the courtesy vehicle. This just makes the movement of the employee a bit easier rather than tie up two people: one to pick up the employee from the garage and to take them back when the vehicle is ready.

Mike Langford: We operate a BT-owned daily hire fleet of 1,100 vehicles. They are in every BT garage, so if a van is in for maintenance and repairs, the engineers have another vehicle they can use.

Have you taken other action to increase vehicle availability?

Alistair Patterson: We've been trying to reduce the number of visits to the workshop. The amount of equipment we have on the vehicles means we do suffer from breakdowns, so we work with our maintenance provider to identify the causes and implement solutions to reduce the number. We also have components such as brake pads wearing between services, so you could have the vehicle serviced every 12 months, but then at 18-month intervals you might need a set of brake pads. Now we look to replace brake pads on the service, so although you might lose a bit of life on your brake pads, it prevents another visit. When you look at the cost, it is far better to replace the brake pads early than to have the vehicle off the road again. We

National Grid has fitted its vehicles with laptops to manage the fleet more efficiently

> "We do as many jobs in one visit as we can. An MOT costs much less than having a vehicle off the road"
>
> *Alistair Patterson, National Grid*

do a similar thing for tyres as well where we change those early to avoid that extra visit. We also try to do as many jobs on one visit as we can, so if the dates of services and MOT are different, we pull them back together because the cost of an MOT is much less than the cost of having a vehicle off the road.

Mike Langford: BT Fleet has a network of more than 60 garages and in order to improve vehicle availability we have employed – and are recruiting – more mechanics. This year we are taking on another 100 fully-trained mechanics and recruiting 40 apprentices, with a view to recruiting 40 more every year for the next three years. Also, where there is a business need and demand, from both internal and external customers, we will consider opening more garages: we have opened four in the past 12 months.

We've also invested heavily in the fleet over the past three years and by the end of March next year we will have put about 15,000 new commercial vehicles on the fleet to replace old ones. The service patterns and their reliability is improved over the vehicles they will replace, which will increase availability further. As the demands for superfast broadband just continue to increase, it is absolutely vital to the success of our business that we are able to respond as quickly as we can to customer need and get a man and a van to the customer premises in a very timely manner.

3,500

Vehicles redeployed by BT Fleet after being identified as under-utilised

Have you seen a move towards smaller vans?

Mike Langford: We saw the trend a couple of years ago for smaller vans because of their cheaper costs, but I am now starting to see a move away from those into vans that are more specifically aligned to meeting skills and operations. We've gone away from designing a van that can be used by a 'broadband' engineer into a van that can be used for two or three skills, so we are now seeing a move back into medium panel vans. We understand that an engineer may have more than one skill, so their van needs to be versatile to meet that need. If an engineer is multi-skilled he will be carrying more equipment, therefore there is a tendency to have fewer vans but each van does more things. It also makes reallocation easier as you can move the van to any other part of the business rather than to a limited number of engineers. In the past where we may have said 'let's have a small van for a broadband engineer', that broadband engineer may now be broadband and television, they might be both copper and fibre network, and they may work above and below ground – whereas that used to be two separate jobs. Getting the vehicles right for multi-skilled engineers is key for us.

'Removing under-utilised vehicles saved us £1.3m': fleetnews.co.uk/utilisation

How else are you using technology to increase productivity or vehicle availability?

Alistair Patterson: All of our vehicles have laptop computers, which are used to schedule work for our engineers, and they also provide maps of the gas mains network. If we attend a gas escape we can look on the system and see where the pipe will be in the ground, so it gives our engineers an idea where to dig instead of having to do a lot of tests. Our vans are also fitted with telematics so we know exactly where they are, and this helps us improve work allocation. This means we know we are sending the right engineer to the right job rather than having them cross each other on the road, which also helps us meet our standards of service.

Mike Langford: The onboard technology of vehicles, such as telematics, will certainly help us to monitor availability and utilisation much better in the years to come. The data will not only tell us where a van is, it will be able to tell us who is driving the vehicle, and look at driver and vehicle utilisation together. The merger of BT and EE has also brought together some opportunities to develop mobile technology for use in our fleet and we are now exploring all those opportunities.

SWEATING THE ASSETS

Getting the most out of vehicles over a longer period of time can help a company optimise its fleet utilisation. *Andrew Ryan* reports

Pressure on fleet budgets and a desire to optimise vehicle utilisation has led to an increasing focus on making vehicles work longer, harder and smarter.

This has seen replacement cycles lengthen, while many fleets have also looked to make savings through reducing the size of their vehicles without harming their operations.

Research this year by the Corporate Vehicle Observatory Barometer found the average replacement cycle had increased during the past 12 months, with 21% of UK fleets operating cars and 25% operating vans keeping those vehicles for longer.

The trends were consistent across fleets of different sizes, with 20% of surveyed fleets that operate fewer than 40 vehicles reporting an increase in replacement cycles for cars and 25% seeing an increase in lifecycles for vans.

For fleets with 40 or more vehicles, car lifecycles are increasing for 23% of companies and 25% for vans.

However, simply extending the mileage or length of time for which a vehicle operates is not necessarily the best way to run an efficient fleet.

"For company cars, you need to ask whether you are striking the right balance between the most cost-effective mileage and the term of the vehicle," says Wayne Millward, fleet consultant at Arval UK.

"Shorter lease durations are great from an employee perspective and help with recruitment and retention of staff, but are often more expensive.

"Also, are you making the most of breaking technology that will deliver lower CO_2 emissions and enhanced safety? What impact will these have on lease rates? Sometimes, vehicles containing new technology can be cheaper over a three-year cycle than over four."

Vans pose additional challenges. "Consider whether they need to carry the loads they have in the past," says Millward.

"Are there more suitable new vans coming to the market or enhanced, lighter racking systems? Are you rightsizing your LCV fleet? Can racking be recycled and second-lifed? All of these questions should be tackled."

Following the 2008 financial crisis, Stannah looked to sweat its assets after putting a hold on capital expenditure.

As part of this, Martin Carter, operations director at the lift and stairlift manufacturer, used a scatter graph to determine the optimum time to replace cars and vans.

On this he plotted every vehicle with the graph displaying cost data against the age/mileage data in order to find a correlation.

In Stannah's case, the graph revealed that five years/120,000 miles was the optimum time to

25%

Number of van-operating fleets increasing their vehicles' lifecycles

250,000

Miles in a van's lifetime at Bristow and Sutor

VEHICLE OPTIMISATION CASE STUDY

A review of its van fleet enabled Britvic to replace its Volkswagen Transporter vans with smaller, cheaper-to-operate Caddy Maxi models with no drop in service levels.

The company, which has 91 vehicles on its fleet, had operated 40 Transporters with the remainder being previous-generation Caddy Maxis.

"Part of the review was to look at what vehicle was right for the role," says Simon Mohun, regional technical service manager for Britvic.

"Together with Lex Autolease, we looked at the cost of the vehicle, its cubic capacity, reliability and network availability. We also did an analysis of what stock we needed to carry, as well as looking for the best racking provision which would allow us to operate effectively."

Britvic narrowed the choice down to three vans and three racking systems, and then trialled them.

"We've got 100 drivers across the country and we couldn't get them all to try the vehicles, but we had at least two people from each of our 10 teams trialling them," says Mohun.

"Their feedback was key: they looked at reliability, driver comfort and how the racking worked for us."

Following the trial, Britvic decided to replace its vans with new Caddy Maxi models in Highline trim level. Standard equipment includes alloy wheels, colour-coded bumpers, cruise control, sat-nav and stop-start technology. "They still cost less than going for the bigger Transporter," says Mohun.

The review also led Britvic to remove a collective 2.4 tonnes of weight from its vehicles by redefining its stocklist.

"We found that the amount of stock carried by drivers would grow over time and many had more in the vehicle than we recommended," says Mohun "We introduced more rigorous checks of vehicle stockholding, so we are replenishing them more frequently, but we are carrying less and are more disciplined about what we carry."

"We have had customers that have saved 23% on overall running costs over three years by adopting a flexible vehicle replacement cycle policy"

Ashley Sowerby, Chevin

change both cars and vans; if it kept the vehicles any longer then it risked maintenance costs spiralling out of control.

"It's not something we continue to do as a routine," says Carter. "The economy just prior to then was in poor shape and we had placed a freeze on capital expenditure, extending the life of our vehicles. This was part of an exercise to decide how we proceeded.

"We now use wholelife cost to determine replacement cycles and the scatter graph is useful to understand how and when actual SMR cost can start to drift from the theoretical."

Stannah's car replacement cycle is now four years/100,000 miles, while the van cycle has remained the same.

Enforcement agents Bristow and Sutor purchases its cars and vans outright and keeps them for their entire life.

"We'll take cars from brand new to 160,000-plus miles and vans to 250,000-odd," says Andrew Wearing, fleet manager at Bristow and Sutor. "I don't get any more issues with those vehicles than with new ones. Because we tend to buy the same sort of vehicles, we know the potential problems so can forestall those before they arrive."

However, while many fleets run fixed replacement cycles without regularly reviewing them, fleet management software provider Chevin Fleet Solutions warns there is no "one-size-fits-all" approach based simply on pre-defined age and distance.

"Rather than implementing a fixed vehicle replacement cycle across the fleet, they should also look at a wide number of parameters such as operational measurements," says Ashley Sowerby, managing director of Chevin.

"In other words, by interrogating an individual vehicle's data, managers may find that some vehicles are best replaced after a different period.

"This type of enhanced vehicle replacement forecasting involves fleets assessing data about specific vehicles, in order to identify inefficient and costly vehicles for disposal or to retain vehicles that are performing more efficiently.

"We have had customers that have saved 23% on overall running costs over three years by adopting this kind of flexible vehicle replacement cycle policy."

While it is important to determine the optimum car or van lifecycle to help a fleet run as efficiently as possible, for van fleets, selecting the correct size of vehicles can also make a difference.

Typically, the smaller the van, the lower the costs, but acquiring a van that is not large enough for its intended job can be a false economy.

"In the not-too-distant past, vans only came in two or three basic sizes," says Millward. "Today, there is a huge choice of shapes, styles and payloads.

"Running the right size for your particular needs can deliver much better utilisation, especially if you are currently using larger vans than required.

"Recent work for one customer has seen a wholelife cost saving of around £3,000 per vehicle and a 10% CO_2 saving by following this strategy."

Mark McKenna, director of fleet insurance broker Bluedrop, adds: "Don't over-specify on an 'every-so-often' basis, such as the odd need for a six-seater vehicle. Look to cater for your most common needs.

"If something extra is required on odd occasions then such transport could be outsourced and hired on a rental basis, rather than purchasing something bigger and less cost-efficient that will simply sit in the car pool."

CUT COSTS WITH A SUCCESSFUL VEHICLE REALLOCATION POLICY

Restricting vehicle colour choice or specification are among the options fleets can take to make future reallocation simpler. *Andrew Ryan* reports

Whether it is through right-sizing a fleet or staff leaving, companies can often be left with excess vehicles. So, what does a fleet manager do next?

"They'll need to decide what to do with these unused or unallocated vehicles in order to keep utilisation high," says Wayne Millward, fleet consultant at Arval UK.

"Options include early termination of leasing contracts, reallocating vehicles to new starters or other employees, and use as pool cars. The latter option is an attractive one, but it is worth bearing in mind that pool cars can be admin-heavy, with the managing of the diary, checking in and out, fine management and more."

While returning a vehicle to a leasing company before its contract runs out will prevent an excess of vehicles, the cost of doing this can be high.

GE Capital (see case study, below) had a policy where if an employee left, their car was automatically terminated early. Over a two-year period, this cost the company £1 million.

Fleets which outright purchase vehicles face a different scenario. Although there are no early-termination charges with leasing companies, they have to consider whether it is financially prudent to dispose of a vehicle partway through its replacement cycle, or whether to reallocate it.

£1.4m

Saving at GE Capital after it introduced a group-wide reallocation policy

Before defleeting a car or van, fleet managers should also consider how many drivers require a vehicle, whether any new employees are starting in the near future and if it can be used to replace any short-term hire cars. Any of these mean a vehicle could be reallocated to another staff member instead of being returned or sold.

"This avoids having to place a new vehicle order for a new employee and avoids any daily rental costs incurred while waiting for the delivery of a new vehicle," says a spokesman for Pendragon Vehicle Management.

Reallocating vehicles has numerous other benefits. It can reduce costs and admin, while redistributing cars or vans between high-mileage and low-mileage drivers can also help prevent end-of-contract excess mileage charges.

However, there is the potential of upsetting a driver by either giving them a used vehicle when they would prefer a new model, or offering them a car they do not like.

"Some cars are easily reallocated but there is always the odd vehicle that proves a challenge because of issues such as make, model, extras, colour, CO_2 and list price," says Millward.

"One way of solving this is to offer an incentive for taking the car – whether financial or otherwise – but this has to be balanced against the cost of early termination."

CASE STUDY: GE CAPITAL

GE Capital has saved around £1.4 million following the introduction of a reallocation policy in September 2014.

Previously, if someone left the business, cars were automatically terminated early.

Now if someone leaves, vehicle management and logistics supplier SMH Fleet Solutions collects the car for inspection and cleaning, and repairs it to BVRLA fair wear and tear standards. Then it is delivered to a new employee.

"Since we went live with this, we have saved £1.4 million from early termination and rental costs," says fleet manager Damion Bennett (left).

"Now, no cars are early-terminated unless is it cheaper to send the car back."

He says he anticipated some resistance to the reallocation policy from parts of the business where the car is used to attract staff, but discovered that the initiative was actually well received.

"We have mitigated any problems by working with business leaders and car populations to understand their issues and what they need from me to make the running of the fleet easier," he adds.

"We pilot new ideas with a group of drivers for testing so they can flag any issues before they go live.

"We try to find the most difficult drivers to get their buy-in and they can take the positive message out to the business."

The reallocation policy required GE to impose a number of restrictions. It does not allow 'extreme colours', such as brown, lime green and yellow, or light interiors which show their age more quickly. Also prohibited are two- and three-door models at job-need level.

"We need cars that are easier to reallocate if an employee leaves – that's certainly an important consideration," Bennett adds.

"We try to find the most difficult drivers to get their buy-in"

Damion Bennett, GE Capital

Enserve Group had experienced problems reallocating some vehicles due to their specifications, and has introduced a policy to avoid this.

"We've limited the cars to what we define as 'business colours', which are black, white, silver and grey because we were constantly getting a car back that somebody had ordered, for example, in lime green with leather seats and bits and pieces," says Paul Brown, fleet manager at Enserve Group.

"Trying to move that car on to a manager was really difficult, so we just decided to keep it to business colours that don't offend anybody."

The change in policy followed a review of Enserve Group's company car scheme, which focused on brands, emissions and vehicle utilisation.

"There are always roles within the business where the vehicle will be a perk car and part of the terms and conditions of the job, but the majority of our cars are run by mobile and commissioning engineers," says Brown.

"We looked at what cars were needed and they needed an estate car, something mid-range and then we looked at the emissions of those vehicles, the fuel usage and the P11D prices. We went out to tender in early 2014 and decided that instead of having various choices, we would pick one brand."

Enserve Group opted for Volkswagen and Brown says that all the cars are standard specification with no optional extras, which also makes it easier to reallocate them if necessary.

"We take the top-spec car anyway, so they've already got everything in: there's not really anything else you can add on there," he adds.

Fleets can also minimise the amount of excess vehicles they have by adopting a mix of lease profiles, says Millward.

"Staff attrition is always a consideration when looking at lease profiles," he adds. "A blend of different terms or a small amount of mid-term rental will allow a level of flexibility to cope with reorganisation and restructuring without having to face high levels of termination."

This is an approach taken by GE Capital, which replaced its standard four-year cycle by offering staff the choice of keeping cars for two, three or four years. Staff have to pay more for the shorter cycles.

Most (70%) have continued to opt for four years since the harmonised policy was launched, 14% have opted for three-year leases and 16% for the two-year lease, demonstrating that some are willing to pay a bit extra to replace their car earlier.

GE's calculations show that there is not a huge difference between the different operating cycles; its fleet manager Damion Bennett changes his own company car at three years instead of four and says the monthly increase equates to around £40.

"We've limited the cars to 'business colours', which are black, white, silver and grey because we were constantly getting a car back that somebody had ordered, for example, in lime green"

Paul Brown, Enserve Group

The debate: Reallocation or early termination? fleetnews.co.uk/debate1

FleetNews AWARDS 2016

FMG

'We want to be at the forefront of safer driving'

Increased flexibility and an enthusiasm to adapt to an ever-evolving market has seen FMG build its business

By Andrew Ryan

Significant investment in IT and a focus on reducing vehicle off-road time has helped FMG enjoy a successful period of winning new business and retaining customers.

It was this proactive approach which helped the incident management and prevention company, which provides services to fleets, leasing companies and insurance companies and brokers, become the first winner of the new fleet specialist services supplier of the year award.

The investment, in particular, will have significant benefits for FMG customers, says Mark Chessman, the company's chief executive officer.

"We've got a very strong core processing system, but our investment in IT gives us, through the web, the ability to interface in smart and flexible ways with customers, insurers and suppliers," he says.

"The immediate benefit is better access to management information about their fleets in a way they can configure, and that can either be directly for the fleet and the fleet manager, or a leasing company."

Fleet News: How will the investment in IT help FMG in the future?

Mark Chessman: We are building flexibility that will enable us to adapt to what is going to be an increasingly changing environment. While you can't say exactly what all those changes will be, we do know that they will be associated either with changes in ownership models, mobility, technology such as advanced driver assistance systems (ADAS) or autonomous vehicles. That will change the dynamic between users of vehicles – whether they are fleets or individual users – insurers and repairers of vehicles. This is because there will probably be a lower frequency of incidents, as the technology will stop those from happening, but more data will be produced and captured by the vehicles. This will help to manage the repair process and the overall number of incidents. At the moment, this data is coming from telematics systems which fleets have decided to install in their vehicles, as they have recognised that this technology has value in reducing the cost of incidents, improving driver behaviour and reducing fuel use. In the future all the equipment will end up being in the car anyway. Manufacturer-fitted telematics will be standard in a vehicle in the same way that satellite navigation became a standard feature in a fleet vehicle four or five years ago. What's not completely clear is how that data will be used. Many fleets will want to multi-marque, so although the telematics units may come as standard they are going to be in different brands. The technology we've built will enable us to take data from different sources and aggregate it. We can then present it in a way that is easily digestible and engaging for drivers, but useful for a fleet manager.

FN: If ADAS reduces collisions, what impact will that have on your business?

MC: One of the things we talk to our customers about is that prevention is better than cure. Success for us is for all of our customers to have fewer accidents, but for us to do such a good job that we can grow our business and have more customers. As the propensity of accidents is going to reduce, that's a challenge we need to embrace. We want to be at the forefront of safer driving, reducing the costs of accidents and enabling a better use of vehicles for fleets and, ultimately, for everybody because you then

20%

Amount of FMG business related to recovery

Mark Chessman (left) celebrates with John Catling, FMG client service delivery director

"The technology we've built will enable us to take data from different sources"

Mark Chessman, FMG

Mark Chessman, FMG chief executive officer (left), is presented with the award by John Pryor, judge and chairman of ACFO

have a more efficient transport network. It is a big step to go to fully-autonomous vehicles, but it's nowhere near as big a step to just make cars as safe as possible and still have a person driving it.

FN: How else can a more efficient transport network be created?
MC: About 20% of our business is related to recovery, where we support people such as Highways England and the police, so we are interested in the increasing use of smart motorways and traffic management. At the moment there is debate about how smart we make the motorways and whether you should have four-lane running or keep hard shoulders. Smart motorways seem to be one of the most effective ways to increase capacity. The other issue is traffic flow, and the main thing that stops flow is accidents. The Government has used benefit-in-kind (BIK) tax to incentivise lower CO_2 cars, but I am wondering whether the diesel emissions issue will trigger a more holistic view of the types of vehicles it wants on the road. BIK is a really effective mechanism to influence vehicle choice, and if it balanced emissions with safety, I think it could have a big impact on the economy. If the Government incentivises vehicles to have ADAS that prevent you from having an accident, combined with the increased capacity of motorways, you should reduce congestion. We are keen to see what the Government approach to vehicles will be: what kind of vehicles do they want to see on the road?

FN: How can your system help reduce vehicle off-road (VOR) time?
MC: Our system gives us a clear view of what is happening in the repair process, so if there is a parts delay we can pick that up at the earliest opportunity and, if necessary, look for a different parts solution or repair methodology. For example, for certain repairs such as a wing mirror where the vehicle doesn't necessarily need to go into a bodyshop, we can put solutions in place where the vehicle can be taken to a repair venue and have a new mirror put on, which means there isn't the typical amount of VOR time that there would have been. VOR time is also a changing dynamic because as vehicle technology increases, the propensity of the vehicle to have an accident decreases, but the complexity of a repair if there has been an accident has increased. You can't just say that the VOR time for this repair will be this long because that's what it was five years ago. Previously, if a bumper was damaged it may just have been a repair or replacement, but now it may feature a load of sensors in it which need to be recalibrated. Part of the work we've done enables us to provide driver updates directly from repair workshops, so the driver will get an update on the stage of the process their vehicle is in and know when it is going to come back. It makes them feel in touch with the process.

Chessman also believes it is important for the incident management industry to support a sustainable repair network.

"After 2008/09, there was a lot of pressure on the network and a lot of repairers either consolidated or their business didn't survive," he says.

"There was also a long period where there was pressure on prices in the repair network but, at the same time, the network was expected to invest in the equipment needed to repair more complex vehicles.

"We are committed to work with the repair network to make sure the margins are sustainable and share with our customers the challenges that the network faces – certainly the investment they have to make and the recruitment challenges they face in terms of making sure they have skilled technicians."

FACTFILE

Organisation FMG
Chief executive officer Mark Chessman
Headquarters Huddersfield

Judges' comments

"FMG has a clear service offering, with excellent customer retention. Its streamlined repairer process, combined with a new parts strategy, has led to further reductions in vehicle off-road times for customers. The judges praised FMG's analytics and its proactive approach. FMG recognises that the "cheapest accident is the one you don't have", the judges said."

RANGE

SKODA KODIAQ

Czech firm confident that its latest model can take SUV market by storm

By Maurice Glover

A fresh slant on SUV motoring holds the promise of creating new opportunities for Skoda across all parts of the corporate sector next year.

Stand-out styling and seven-seat practicality are expected to generate interest in the Kodiaq, the Czech firm's first foray in the burgeoning market for high capacity, go-anywhere transport – but strong packaging and aggressive pricing are set to be the factors to win favour with cost-conscious business buyers, believes head of fleet Henry Williams.

Marketing details won't be released until October, but prices likely to start from £23,500 should help the new model boast unrivalled value, thanks to a pre-marketing process developed for the latest Superb range.

"We have spent the best part of two years working with Cap, Glass's and leasing companies to make sure we achieve the right balance of cost and specification to meet corporate requirements as well as attracting the best residuals and the lowest repair bills," Williams told *Fleet News* as the wraps came off the new flagship model in Berlin. "This process has resulted in double registration volumes and very robust residuals for the Superb, so now we're putting all the benefits of our work behind launching an emotional, lifestyle product into a sales area that has been booming for the last few years and is still accelerating. This car has a different appeal and our plan is to offer the best value in the segment with a high quality product that is bigger, better equipped and comes with lower pricing. We're confident it will be a big success."

Due in the showrooms by the end of quarter one, the Kodiaq uses a stretched version of the platform underpinning parent company Volkswagen's Tiguan compact SUV. It is only 40mm longer than the Skoda Octavia, but the difference is enough to create an unusually long load deck and the biggest boot capacity in its class.

Skoda UK is hoping to sell 10,000 units in the first 12 months of availability and will be opening order books in autumn.

ENGINES

Five engines – two diesel and three petrol – will supply power at launch and the entry-level 1.4 TSI produces 123bhp with 47mpg economy. Another version delivers 147bhp, and a 2.0 TSI with active cylinder technology delivers 190bhp. Diesel 2.0-litre motors offer 147bhp and 56mpg or 187bhp (mpg figure not available). Six-speed manual and six and seven-speed DSG transmissions are available with two or all-wheel drive.

INTERIOR

With a long wheelbase and short overhangs, this car has an interior that is particularly large for a compact-class model, stretching to 1,793mm to provide generous room for five adults and space for two children on the third row seat.

As a seven-seater, the car has a 680-litre boot. A five-seat version with 720-litres bootspace may also be made available as a no-cost option, but both offer a voluminous 2,065 litres with the seats folded. The 60-40 split middle rear seat can be moved 18cm lengthways and has adjustable backrests for extra versatility.

SAFETY

Driver assistance equipment available on the Kodiaq will include surround-view cameras, emergency braking, adaptive cruise control, lane assist, blind spot detect, rear traffic alert and traffic jam assist, which maintains speed and applies brakes in slow-moving traffic. New to the brand is a feature that takes control of steering when the vehicle is reversing with a trailer in tow.

EQUIPMENT

Comprehensive online packages are available in a choice of systems for navigation, information and entertainment on touchscreen displays. A 6.5-inch screen is standard and a high-definition 8-inch display is optional. The top-range infotainment system adds a 64GB flash memory and DVD drive, and inductive smartphone charging is available. Standard equipment includes Skoda's Care Connect feature, which alerts an emergency call centre when a restraint system is deployed and will also transmit data to garages prior to servicing.

Options include driving mode selection and adaptive chassis control. A driver's door-mounted umbrella and plastic strips to protect door edges from damage from walls or parked vehicles are among new 'simply clever' features.

"Prices likely to start from £23,500 should help this model boast unrivalled value"

EXTERIOR

With a clamshell bonnet tapering down to a wide grille, the Kodiaq uses narrow and raked headlamps to help create a distinctive appearance that reflects efforts to achieve a more upmarket stance for the brand. Featuring slightly angular wheelarches that accentuate the short overhangs, the design maintains the familiar C-shape rear lamp cluster treatment and is attractive from all angles.

THINKING CAP

By Martin Ward, manufacturer relationships manager

cap hpi

Monday So the summer holidays came and went. But car salespeople have still been at work seven days a week, moving used and pre-reg cars, and, more importantly for factories around the world, taking orders for September 1. Leasing and contract hire companies have been doing the deals to finance the vehicles – in the background, August continued as just a normal month.

Tuesday/Wednesday Down to Aylesbury to drive the SsangYong Tivoli XLV, which is like a Tivoli, but a bit bigger. The XLV is classed as an 'SUV-estate' by SsangYong, and that sums it up pretty well; it has loads of room for rear passengers, and a good-sized boot. The model line-up is really simple; just one 1.6-litre diesel engine, in either two or four wheel drive, manual or automatic and one standard level of equipment, albeit one which is as long as your arm.

"In the background, August continued as just a normal working month"

It is quiet, drives well, though at low speeds is a bit 'choppy'. Quality throughout is high, and it represents really good value for money. Prices range from £18,250 to £20,500 with a five-year limitless mileage warranty.

Thursday/Friday Over to a very hot Munich to drive the new Kia Optima SportsWagon, and a handsome estate it is too. The saloon has not been a huge success in the UK, but the SportsWagon should do better as it is more practical and flexible. It's powered by a nice, quiet 1.7CRDI diesel engine producing 139bhp with either a six-speed manual or seven-speed DCT automatic. CO_2 ranges from 113g/km to 120g/km and prices attract a premium of an average of £1,000 over the saloon, and range from £22,295 to £30,595. It drives well, looks good, is full of extras and is a better proposition than the saloon – you just wonder why Kia hasn't done it sooner.

'We've waited a long time for this model,' says Kia

SPORTSWAGON + PLUG-IN HYBRID SALOON

KIA OPTIMA

The model that Kia hopes will drive into the heartland of Ford and Vauxhall

NEED TO KNOW

- Estate to become the most popular Optima model
- Fleet could account for 75% of SW registrations
- Hybrid model with CO_2 emissions of 37g/km

By Maurice Glover

Kia is beefing up the stance it takes against fleet sector front-runners with the launch of an estate version of its flagship saloon model.

Pitched to go head-on with Vauxhall and Ford on pricing, the Optima Sportswagon is also being positioned to help the Korean firm boost its growing UK business operations with a combination of attractive styling and generous standard equipment levels.

Kia Motors fleet and remarketing general manager John Hargreaves said: "While our sister company has being doing very well with the Hyundai i40 Tourer, we have been hampered by the fact we have not been able to offer our own take on the kind of vehicle that plays such an important role in D-segment corporate motoring. We've waited a long time for this new model and at last we can drive into the heartland of such an important sector with an alternative to the Insignia and Mondeo, that might well tempt some user choosers away from fairly modest premium brand products. Our hope is that we can reach the point where we're able to take drivers out of cars that are historically more premium than us."

Now on sale, the SW is expected to establish itself as the most popular Optima and account for around 3,500 of next year's anticipated total of 5,000 sales, which include a relaunched saloon and a new hybrid saloon version.

"With our sales growth looking like it will approach the 90,000 mark this year, we are well on the way to setting another registration record, and Optima will play its part in helping us make further inroads," said a spokesman when the car was launched in Germany. "Fleet looks set to account for 75% of SW registrations, so this really is a major opportunity for us in the corporate sector."

With the familiar 1.7-litre diesel engine under its bonnet, Kia's D-segment challenger is practical, roomy, refined and efficient transport with luggage space of 552 litres stretching to 1,686 litres of load capacity with its split rear seat folded.

Confident handling makes it comfortable to drive and the good-looking mid-range 3 grade car is well-equipped for business users. It has an eight-inch sat-nav screen, lane keep assist, speed limit warning, 18-inch alloy wheels, LED fog lights and a premium sound system fitted as standard, along with a reversing camera, steering wheel controls, an electronic parking brake and heated front seats.

The interior is well-equipped for business users

COSTS

P11D price	£24,440
BIK tax band (2016/17)	22%
Annual BIK tax (20%)	£1,075.32
Class 1A NIC	£742
Annual VED	£0, £30
RV (4yr/80K)	£6,150
Fuel cost (ppm)	7.92
AFR (ppm)	11
Running cost (4yr/80K)	35.26

SPEC

Power (hp)/torque (lb-ft)	139/250
CO_2 emissions (g/km)	113
Top speed (mph)	124
0-62mph (sec)	9.8
Fuel efficiency (mpg)	64.2

KEY RIVAL

Mondeo Estate 2.0 TDCi 150 Titanium	
P11D price:	£26,540
BIK tax band (2016/17)	23%
Annual BIK tax (20%)	£1,221
Class 1A NIC	£842
Annual VED	£0, £30
RV (4yr/80k)	£6,100
Fuel cost (ppm)	7.92
AFR (ppm)	11
Running cost (4yr/80k)	37.8

Running cost data supplied by KeeResources (4yr/80k)

Plug-in hybrid

Kia's first plug-in hybrid promises to tick all the boxes for fleet operators , claims John Hargreaves.

"With emissions of 37g/km, the Optima PHEV saloon is good news when it comes to writing down allowances and tax efficiency, and with a pure electric range of up to 33 miles, it's ideal for use in cities and urban areas," he said.

Restricted supply means only 400 examples of the 200bhp model car will be in showrooms this year but 1,000 examples will be available next year. P11D price is £33,940 and 20% taxpayer BIK is £475.20.

Renault Kadjar 1.5 DCI 110 S Nav

'Left-foot braking' is not a phrase you usually find in *Fleet News* – it is a practice usually reserved for race and rally drivers to maximise cornering speed while maintaining optimal weight balance; technical stuff. But since taking custody of our Renault Kadjar long-term test car I have found new use for the technique.

In this mid-size diesel crossover I have found a more humdrum use for my left foot: to stop the car from rolling back on hills.

The Kadjar is equipped with Renault's Efficient Dual Clutch (EDC) automatic transmission, which is essentially its version of Volkswagen's Direct Shift (DSG) gearbox.

The similarities are few and far between on the road though. Where a DSG executes lightning quick changes both up and down the ratios, the EDC hangs on to gears and drags out shifts in a rather lackadaisical manner.

"Unlike a conventional auto, it doesn't creep when you are ready to go"

Unlike any automatic gearbox I have experienced before – and there have been a few – the EDC disengages drive when you stop, so unlike a conventional auto it doesn't immediately creep when you are ready to go.

To combat the issue, Renault fitted hill-start assist, a feature to hold the brakes until sufficient power is applied to set off. Great! Except this feature only engages when the stop-start system activates.

So if you find yourself stuck in traffic on a hill, which I do every morning, it's unlikely you will be stopped long enough to use stop-start.

What's more, there is no conventional handbrake to grab. Instead, an electronic unit is fitted, which is impractical to use in slow moving traffic – meaning one must employ the left foot in order to carry out the perfect hill start.

Despite its shortcomings, the EDC does deliver efficiency. There is no CO_2 penalty for choosing the self-shifter and regular long trips are netting impressive fuel economy for a car of this size. I have been getting a minimum of 54mpg between fill-ups, with a peak of 61mpg. The Kadjar is proving to be a reasonable performer on our fleet with space, comfort and style to spare.

Matt de Prez

See extended long-term tests at fleetnews.co.uk/cars/car-reviews/

D2 GEARTRONIC SE NAV

VOLVO V60

A terrific combination of style and safety

The V60: 'one of the most comfortable workhorses available'

COSTS*

P11D price	£30,375
BIK tax band	20%
Annual BIK tax (40%)	£2,430
Class 1A NIC	£838.35
Annual VED	£0 then £30
RV (4yr/80k)	£6,900/23%
Fuel cost (ppm)	6.82
AFR (ppm)	11
Running cost (4yr/80k)	41.18ppm

SPEC

Engine (cc)	1,969
Power (hp)	120
Torque (lb-ft)	206
CO_2 emissions (g/km)	111
Fuel efficiency (mpg)	67.3
Max speed (mph)	121
0-62mph (sec)	11.7
Test mpg	54.8
Current mileage	8,200

****Running cost data supplied by KeeResources (4yr/80k)***

By Maurice Glover

Safety has always been a high priority at Volvo. Each of its models reflects the progress engineers are making toward delivering the aim of keeping occupants free from the risk of death or serious injury in any of its cars after 2020.

Four years ahead of the deadline, the V60 range is already boasting an array of advanced primary safety features. The D2 version we've been using has standard equipment that includes speed limiter, full side impact protection, anti-whiplash head restraints and City Safety, clever gadgetry that anticipates the likelihood of collisions happening at speeds of up to 31mph and initiates automatic emergency braking if the driver fails to react in time.

For a vehicle pitched at a price to take a competitive stance in the fleet sector, the entry-level model is an appealing package that is reassuring for company drivers who need to spend lots of time on the road. Our car has demonstrated the convenience benefits of features such as hill start assist, an electric parking brake and heated door mirrors.

Another plus point is rear parking sensors to provide help with reversing when the driver's view is obscured, but it is a pity the system doesn't include a rear-mounted camera linked with the satnav screen.

The V60 has shone as a trusty workhorse that ticks all the boxes for blending practicality with the most stylish load-carrier lines yet seen from a Swedish brand that can no longer be accused of building boring, boxy vehicles. Powered by a low-stressed diesel motor, it's also proved to be exceptionally frugal for a fairly heavy car of generous proportions that makes life behind the wheel even easier by having a smooth-shifting, six-speed automatic transmission.

With returns ranging from 44mpg to 63mpg, an overall test average of 54.8mpg shows a superb return for an upscale model that's quiet, refined and boasts very supportive seats to make it one of the most comfortable workhorses available.

"The V60 has shone as a trusty workhorse that ticks all the boxes for blending practicality with the most stylish load-carrier lines yet from Volvo"

2.0TDI SE ECOMOTIVE

SEAT ALHAMBRA

Disappointing in the economy stakes

Size isn't everything where the Alhambra is concerned

COSTS*

P11D price	£31,820
BIK tax band	26%
Annual BIK tax (20%)	£1,497
Class 1A NIC	£1,033
Annual VED	£130
RV (4yr/80k)	£7,900
Fuel cost (ppm)	9.24
AFR (ppm)	13
Running cost (4yr/80k)	38.84ppm

SPEC

Engine (cc)	1,968
Power (hp)	148
Torque (lb-ft)	251
CO_2 emissions (g/km)	132
Fuel efficiency (mpg)	55.4
Max speed (mph)	126
0-62mph (sec)	10.2
Test mpg	42
Current mileage	1,286

**Running cost data supplied by KeeResources (4yr/80k)*

By Luke Neal

The Seat Alhambra is new from the wheels up. It's a full-size, seven-seat people carrier and is designed to 'fit elegantly into the Seat line-up, fulfilling the expectations of family life as well as the demands of high-mileage business drivers', according to Seat.

It is offered with a choice of three engines – 1.4 petrol and the choice of either 2.0 150ps or 184ps diesels. The 2.0 TDI SE Ecomotive 150ps on test here is the most popular choice for fleet drivers, offering stop-start and brake energy recovery systems. Our vehicle also has the navigation system, powered sliding rear doors and tailgate fitted from the options list (£1,255 and £1,020) although it is worth pointing out that these are included on the next model up, the SE Lux.

The official fleet-crucial figures for our model are 55.4mpg and 132g/km, making the Alhambra a close match to the Ford Galaxy (56.5mpg/129g/km), at least on paper. The Alhambra is mechanically identical to the Volkswagen Sharan and bears more that just a passing resemblance in looks, too. Both could have benefited from a little more time in the style department.

For a near two-tonne vehicle, the Alhambra feels relatively light on the road, is tight in the corners and the 2.0-litre diesel offers a pleasing amount of power and, overall, an enjoyable drive for such a large vehicle. It is also very smooth and quiet at motorway speeds.

As far as meeting the demands of 'family life and the high mileage business driver', my experiences are mixed so far. Its size and spec are huge plus points, the electric doors are a must-have and provide plenty of amusement for children, but the fuel economy so far is very disappointing. I have managed an indicated 42mpg on a good run but, more often that not, the display is hovering around the high 30s, which just won't cut it in today's market.

"More often that not, the display is hovering around the high 30s (mpg), which just won't cut it in today's market"

Škoda Superb 2.0 TDI SE Business

We say farewell to the Skoda Superb, having had one last stab at exceeding the official combined fuel consumption figure.

I had laid down the gauntlet (to myself) in the last review (*Fleet News*, September 1) and I'm delighted to report that the figure has been smashed! Unfortunately, it wasn't by me – soft-footed staff writer Matt de Prez took the car for its final week and thoroughly embarrassed me by attaining a fuel consumption figure of 71.2mpg over a 122-mile journey.

However, given our actual consumption test last time round, which showed a 5% differential with the trip computer, this probably equates to a real figure of 67.6mpg, a smidge under the official 68.9mpg, so put the champers on ice.

"It is effortless to drive, comfortable, functional and user-friendly"

Nevertheless, almost 68mpg in a 1.4 tonne 2.0-litre 150hp diesel car, capable of a 0-62mph sprint of 8.8secs (mutually exclusive of the efficiency figure, of course), is outstanding.

All our testers' experiences with the Superb have been excellent. The car has been effortless to drive, comfortable on long journeys, functional and user-friendly in the right doses, and capable of putting on a sprint when necessary.

It easily accommodated adults, children and luggage, almost always with room to spare. There were great touches, such as umbrellas snugly hidden in the front doors, and a long list of standard equipment on the Business trim, from Bluetooth and sat-nav to stability control and automatic braking. Our only issues were minor trim buzz around the centre multimedia console, which seemed to settle down after time, and the metal strip around the top of the rear passenger door, which started to come away and needed replacing.

In short, having spent six months with the Superb, we can confirm that it thoroughly deserved the upper-medium car of the year trophy at this year's *Fleet News* Awards.

Stephen Briers

See extended long-term tests at fleetnews.co.uk/cars/car-reviews/

RICHARD BAIRD

ACFO DIRECTOR AND NEW BUSINESS DEVELOPMENT DIRECTOR, MARSHALL LEASING

Once upon a time he liked to 'pull a Ferris' with college friends, and a burgeoning City career was cut short. But after starting in fleet armed with a *Yellow Pages*, Richard Baird made his mark

My pet hates are poor fleet management practices. That's why I joined ACFO 25 years ago. No other organisation has done more for fleet in the UK, and being a member provides access to expert knowledge, advice and best practice as well as lobbying government when necessary. I would urge others to the same.

The book I'd recommend is *Men Are From Mars, Women Are From Venus*, explaining the impact of what women say and what they mean. It helped me know when to shut up and listen, instead of trying to solve something that didn't need solving.

I would tell my 18-year-old self to take risks, own your own business and work flat out while young. A friend told me he wished he'd worked extremely hard for 10 years rather than very hard for 40!

My favourite film is *Ferris Bueller's Day Off*. Taking a "Ferris" was having a fun-packed sickie with college friends on the beach! My children know the quotes too!

Away from the office my weekends are for family time. I'm also a keen swimmer, covering two miles a week. My other interests are around motor sport – I've been to Le Mans more than 25 times.

I'd like to be remembered as a loving husband and father. I hope my children look back at their childhood and realise it was a special time. 'A fun-loving guy with many faults but never took himself too seriously...'

If I were Prime Minister for the day I would insist revenues gained from business travel are used on our road network and travel infrastructure.

The most pivotal moment in my life was getting married to Ali; the best decision I've ever made, bar none.

One of my earliest memories associated with cars is my red mini pedal car from 1970. I loved that car!

The three cars I'd like most are a Lamborghini Aventador, Range Rover Vogue and a T1 VW Campervan. Is it cheeky to ask for a 2CV too?

First fleet role I was a "fleet sales executive" for Lex Rover in Bexleyheath. On my first day I was given a Metro GTA, a phone (with a wire attached!) and a *Yellow Pages*, and told to find some local fleet business!

Career goals at Marshall Leasing It's an exciting time to be a director within Marshall Leasing; I'm playing my part in securing our future and achieving our goal to be the UK's premier automotive retail and leasing group.

Biggest achievement in business Being made new business development director at Marshall Leasing, having played my part in doubling our business since joining nearly 10 years ago.

Biggest career influence My parents for instilling a strong work ethic in me as well as a healthy fear of failure! They also gave me two other gems of wisdom that have helped me brush off many a worry: "Nothing is for ever" and "Worry only about the things you can affect".

Biggest mistake in business Two, really. From a financial point of view, not remaining in the City, where I was a registered trader on the Stock Exchange. I left when floor trading ceased as I hated being stuck behind a screen in an office all day. My second "what if" was not buying into a dealership franchise when I had the chance to do so, and wondering where that opportunity might have taken me. Recognise and seize a good opportunity when faced with it – take a risk!

Leadership style Relaxed and inclusive. I will always try to lead by example: do as I do, not do as I say.

If I wasn't in fleet I'd be a celebrity archaeologist – combining detective work with history.

Childhood ambition To be a lawyer, – a well-paid theatrical role!

Next issue: Kevin Inns, Transport Manager, Barchester Healthcare

SYNC 3 is now fitted as standard in most Focus and C-MAX models

SYNC 3 – the next generation of in-car communication

Most Ford Focus and Ford C-MAX models now feature as standard the SYNC 3 communication and entertainment system, which is more intuitive, easier to use and has a faster response time than the previous SYNC 2 system.

It has a redesigned 8-inch touchscreen that enables pinch and swipe gestures for the first time – drivers can now operate the touchscreen in the same way that they use their smartphones. A new interface features larger, easier to operate buttons.

iPhone users can activate Apple CarPlay, allowing drivers to make phone calls, access music, send and receive messages, get directions optimised for traffic conditions and more, all the time allowing them to stay focused on the road ahead.

By pushing a button and saying “I need a coffee”, “I need petrol” or “I need to park”, drivers can find nearby cafés, petrol stations or car parks. The system then guides the driver to the selected destination.

Android™ users can activate Android Auto™. Android Auto makes apps and services that drivers already know – including Google Search, Google Maps and Google Play – accessible in safer and seamless ways. Software can be updated over the air via Wi-Fi.

SYNC 3 also delivers SYNC AppLink, enabling voice-activation of a range of smartphone apps.

SYNC 3 will allow drivers to control audio, navigation, and climate functions plus connected smartphones, using simple voice commands. Using the Push to Talk button at the bottom of the screen will start Siri/Google Voice independently of the current screen.

ST-LINE MODELS DELIVER LOOKS AND PERFORMANCE

Delivering bold exterior and interior designs inspired by Ford’s acclaimed Fiesta ST and Focus ST performance models, the new Focus ST-Line and Fiesta ST-Line are designed for customers who aspire to the sporty image of Ford’s ST models – but do not require the full performance delivered by optimised ST engines and chassis with sports technologies.

Both Focus ST-Line and Fiesta ST-Line are offered with a range of powerful engines, including Ford’s multi-award-winning 1.0-litre EcoBoost petrol engine; sport suspension and body styling; unique alloy wheel designs; and sport seats, sport steering wheel and alloy pedals for the interior.

This year Ford expects to sell 40,000 performance cars across Europe, a 50% increase from 2015, which in turn saw performance car sales rise by 61% compared with the previous year.

For further information on any Ford Fleet products or services call the Ford Business Centre on 03457 23 23 23, email flinform@ford.com, or visit ford.co.uk/fordfleet

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