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Office of Rail and Road
How new regulator is keeping watch over Highways England

University of Cambridge
Christine Leonard on converting 50% of her fleet to electric

Fleet200 insight
Car and van funding plus sector-specific analysis for 2016

Official fuel consumption figures for the Audi A4 range (excluding S and allroad) in mpg (l/100km) from: Urban 35.8 (7.9) – 62.8 (4.5), under standardised EU test conditions (Directive 93/116/EEC). This allows a direct comparison between different manufacturer models but may not represent the actual fuel consumption More information is available on the Audi website at www.audi.co.uk and at www.dft.gov.uk/vca Images for illustration purposes only. Model shown is the A4 Avant S line 2.0 TDI quattro S


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Mokka X
Vauxhall OnStar* with Vehicle Diagnostics and 4G Wi-Fi**.
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The New Mokka X. Go drive it.
COMPANY CAR DRIVER 3 DAY TEST DRIVE†
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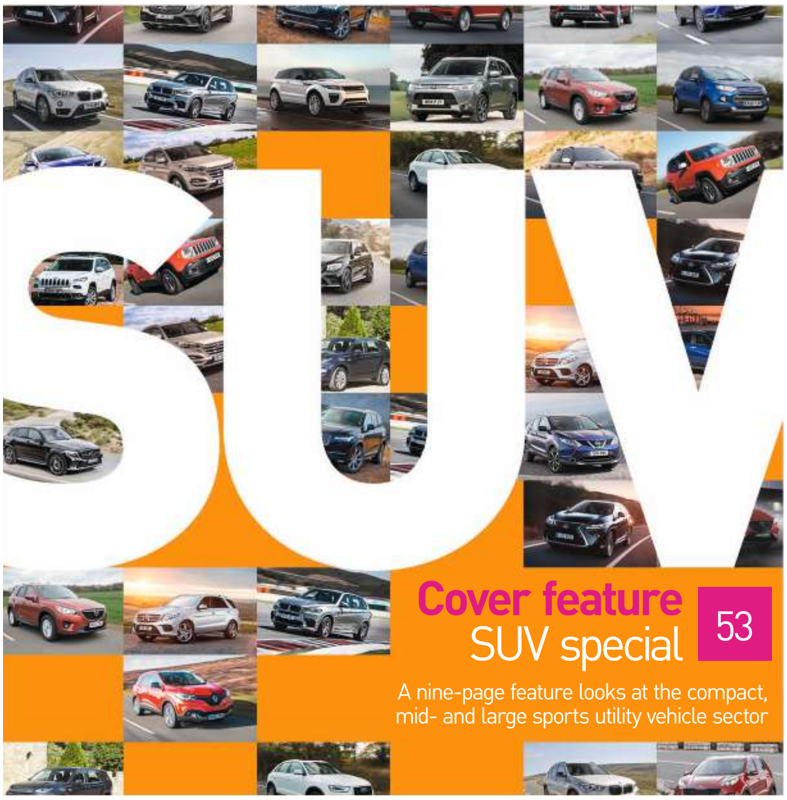

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As one of five UK universities to be awarded Go Ultra Low status, reducing CO_2 is a priority for Christine Leonard

Fleet sector urges Government to exempt cars from tax proposals

Industry roundtable delegates fear policy changes may result in return to buying older cars with higher CO_2 emissions

By Stephen Briers

The fleet sector has issued a unanimous riposte to Government proposals on the tax treatment of salary sacrifice and car/cash allowance schemes: exempt cars from any new arrangements.

The Government is consulting on new tax legislation to charge benefit-in-kind (BIK) provided through salary sacrifice to income tax and Class 1A National Insurance Contributions (NICs), if the taxable value is higher than the salary sacrificed (*Fleet News,* September 15).

Any company offering a choice of a cash allowance or a company car will also be impacted. The calculation of tax will move away from BIK based on list price/CO_2/fuel type to a comparison of BIK versus cash allowance value, with the greater of the two chargeable to income tax and NIC.

The proposals could affect up to 650,000 people who have taken a salary sacrifice car or receive a vehicle as part of a cash or car benefit scheme, according to the British Vehicle Rental and Leasing Association (BVRLA).

The tax proposals were discussed at an industry roundtable organised jointly by *Fleet News,* the Association of Car Fleet Operators (ACFO) and the BVRLA. It was attended by public and private sector fleets, leasing companies and tax experts from Ernst & Young. A number of concerns were raised, including the view that the proposals would effectively kill off car salary sacrifice and offering cash as an alternative to a car. Staff would buy their own cars which will typically be older and more polluting.

It would affect emissions and also result in fewer company car registrations and lower tax take for HM Revenue & Customs (see panel for more).

One fleet delegate said: "Given all the extra regulation, employers might choose to pull out of offering salary sacrifice, particularly where there's no recruitment and retention benefit."

And another fleet issued a stark warning to the Government: "Most of our [salary sacrifice] orders are very low CO_2 and we have got a very high uptake of electric and hybrid in particular. But if that salary sacrifice proposal goes ahead our scheme will close and staff will have to buy their own cars out of their pay packet – probably used vehicles and they won't be so interested in the CO_2 emissions."

Any changes to the tax treatment of car/cash schemes would also raise costs for employers, who would need to invest in new payroll and HR reporting systems.

According to one delegate, employers would probably look to remove the cash option, limiting the choice offered to staff. "If somebody's already in a car and they have a cash alternative then you just take that cash alternative away," he said.

Another added: "Under the proposals, if you impose a benefit in kind on your employee that's fine, but, if you give the employee a choice, it's not. That to my mind is fundamentally wrong."

Delegates firmly believed that salary sacrifice and car/cash schemes were already subject to a tax system which is effective, accurate and progressing in incentivising drivers towards the Government's own objectives on ULEVs and emissions.

The consultation period closed on October 19 and an announcement is expected in the autumn statement on November 23 at which point the Government will publish an updated fiscal summary outlining its revenue expectations and the policy detail. The planned date for introduction is April 2017.

Leasing companies are confident that their lobbying with local MPs and policymakers is starting to gain some traction. However, even if cars remain part of the proposals in the autumn statement, the industry can continue to push for their removal, according to experts from Ernst & Young.

Chris Sanger, global head of tax policy at Ernst & Young, said: "We do have another stage of consultation. Post November 23, we have legislation day on December 5 which

> *"The existing company car benefit-in-kind tax regime provides high levels of certainty"*
> *Caroline Sandall, ACFO*

650,000
people could be directly affected by change

82%
of those affected are basic rate tax payers

£160
monthly tax payable on a cheap car (Aygo)

To see what the consultation proposed visit fleetnews.co.uk/cct2016

EMPLOYER REASONS FOR INTRODUCING A SALARY SACRIFICE OR CASH SCHEME

- **Flexibility to offer all employees benefits, e.g. those with low business miles are not interested in taking a company car.**
- **To attract and retain staff.**
- **To support staff salaries during long period of low/no pay rises; e.g. some schemes are part of a pay deal with unions.**
- **As a work enabler – helps staff get to work in areas where public transport is poor.**
- **Facilitates access to a new car for people who would never be able to afford one otherwise.**
- **Fits the companies' green agendas: CSR reasons for encouraging uptake in new, low CO_2 car rather than older, high polluting cars, which is particularly important for employers in city centres that are coming under pressure to reduce emissions.**
- **Effective use of budget: one size doesn't fit all; employers can offer broad spectrum of reward packages.**
- **Could encourage older employees to remain in full employment for longer instead of retiring.**

HOW THE PROPOSALS COULD RAISE COSTS FOR EMPLOYERS

- Investment in new payroll/HR reporting systems is expensive, especially for large employers; complexity more so if there are 'grandfather rights' so existing scheme members keep benefits; means running two schemes. Particularly problematic at a time when there is already a lot of change impacting employers, e.g. national minimum wage and Apprentice Levy.
- Introducing proposals will effectively kill off car salary sacrifice and offering cash option as an alternative to a car. Staff will buy their own cars which will be older and more polluting.
- Reduction in new company car registrations means reduction in tax take for HMRC.

MAKING THE CASE: SUPPORTING UK PLC

- Company cars are the second most popular benefit-in-kind provided by UK firms, received by almost a million taxpayers.
- The proposed tax changes to the employer-provided car market will impact around 650,000 cars (70,000 salary sacrifice cars and 580,000 cash alternative cars).
- Salary sacrifice cars are a dominant source of ULEV registrations in the UK and recipients are already paying tax for their benefit which is going to increase well beyond the rate of inflation in coming years.
- In 2015, this market contributed £453m in tax receipts (income and corporation tax) to the Treasury and contributed £3.6 billion to GDP – these figures take into account the UK-made vehicles and engines, the activity of UK dealerships and its impact on the used car market.
- The market supports 37,000 jobs in the UK – directly, via the supply chain and consumer spending channels.
- 37% of cars in this market are made in the UK or contain an engine produced in the UK.

is when the draft legislation is published. That's then under consultation until January 31 next year so, at the moment, it's really important we keep the Government focused. That gives them a chance to respond and once we're past the 23rd if they haven't taken company cars out, that's a time when I think you can turn up the temperature, because they will have then made their decisions."

Sanger pointed out that there is often a disconnect within Government due to the different roles of key departments. HMRC deals with policy maintenance, which means policing the income tax code and generating sufficient revenue. Its view is that salary sacrifice is being used as a tool to reduce the amount of tax revenue coming in and therefore it needs to close this down.

However, the Treasury is looking at the use of the taxes in terms of social and economic policy and is trying to drive behaviour, such as the move towards low emissions cars.

"Those two teams, policy strategy on one side and policy maintenance on the other, will not naturally talk to each other," Sanger said. "It's understandable that we're in this environment. One of the key elements now must be to join those two items together.

"Fundamentally salary sacrifice has enabled employees to choose vehicles in a way that is completely and utterly consistent with Government policy. And also the BIK regime we have for company cars allows the Government to change that policy if it wants to without having to go and include it within something as wide as this salary sacrifice regime."

ACFO deputy chairman Caroline Sandall, who attended the roundtable debate, agreed, adding: "The existing company car benefit-in-kind tax regime provides high levels of certainty over the cost of future taxation for both employees and employers. Introducing changes of this scale and nature leads to uncertainty and will make both employees and employers question the viability of car schemes, leading to fewer schemes, fewer cars and, quite possibly, less tax revenue."

Sanger said there are a number of myths to bust around salary sacrifice, including HMRC's belief that such schemes are for higher earners and large employers. "Neither is true," he said. "The proposal will impact most heavily on basic rate tax payers (82% of users). And smaller employers can operate salary sacrifice schemes successfully."

One fleet delegate backed this view. He said: "One of the cheapest cars on our scheme is the Toyota Aygo, which is a very low emission car. Net cost to a basic rate employee is around about £160 a month. Under the proposal this goes up by nearly £40 a month which means the employee can't afford it any more."

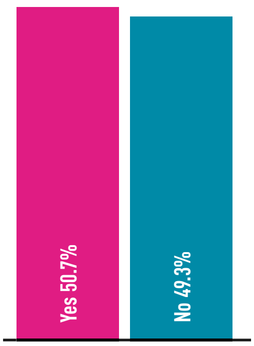
The BVRLA has appointed Oxford economics to provide some research into the benefits of salary sacrifice schemes (see panel).

Gerry Keaney, BVRLA chief executive, said: "Our analysis suggests that HMRC's proposals could have a negligible impact on tax revenues as some drivers give up their company cars and stop paying benefit-in-kind tax entirely. At the same time, the Government risks stifling the uptake of ultra-low emission cars and piling more misery on cash-strapped public sector employers."

FLEET FACTS AND FIGURES

OPINION POLL

Do you think the drink-drive limit should be lowered?



FleetNews view: Motoring groups have called on the Government to lower the drink-drive limit, while a recent survey suggested three-quarters of the public (77%) also backed the move. England and Wales have one of the highest drink-drive limits in the world, while Scotland lowered its limit in December 2014. *Fleet News* believes, if the evidence suggests a lower limit would be good for road safety, it should be considered.

This week's poll: Has your vehicle suffered damage as a result of hitting a pothole in the past year?

fleetnews.co.uk/polls

MOST COMMENTED ONLINE

DVLA accused of 'major failings' with fitness to drive rules

fleetnews.co.uk/news

UK AVERAGE FUEL PRICES

Diesel (ppl) 116.18 ↑

Unleaded (ppl) 114.55 ↑

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

REASONS TO CHOOSE A ŠKODA OCTAVIA SE TECHNOLOGY

ŠKODA

SAT NAV WITH WI-FI

FRONT AND REAR PARKING SENSORS

ADAPTIVE CRUISE CONTROL

BIK 19%

P11D £19,870

CO_2 FROM 99g/km

skoda.co.uk/fleet

Model shown is ŠKODA Octavia SE Technology Hatch 1.6 TDI 110PS, £19,925 OTR. Information correct at time of print (10/16)

Official fuel consumption for the ŠKODA Octavia SE Technology range excluding GreenLine III in mpg (litres/100km): Urban 67.3 (4.2) – 72.4 (3.9); Extra Urban 78.5 (3.6) – 83.1 (3.4); Combined 76.4 (3.7) – 80.7 (3.5). CO_2 emissions for the ŠKODA Octavia SE Technology range are 106 - 99 g/km. Standard EU Test figures for comparative purposes and may not reflect real driving results.

Fleet and travel roles predicted to merge within three years

Move to 'total cost of mobility' will drive journey-related savings, says LeasePlan

By Gareth Roberts

Corporate fleet and travel departments will merge in the next two to three years as employers adopt a 'total cost of mobility' approach, according to one of Britain's biggest leasing providers.

Driven by a desire to have a complete picture of all journey-related costs, including hotels, meals, car parking, taxi fares, flights and rail tickets, some companies have already made the change. But, many more look set to follow suit, persuaded by the appeal of getting a tighter grip on costs and the emergence of 'mobility' platforms, giving access to a complete package of travel-related services.

A survey, conducted by LeasePlan UK and fleet representative body ACFO, suggested that 86% of employers would like a multi-transport booking platform and two-thirds (68%) would welcome a 'mobility' card.

It also revealed that one in 10 companies are already using some sort of web-based mobility platform. "That might just be a mobility platform that has trains, planes and hotels, but they are already using the concept of a platform to consolidate mobility," said Hein du Plessis, head of product development at LeasePlan UK.

Its own studies have highlighted a growing interest in the concept of 'usage', with assets shared rather than owned, and a tendency towards subscription-based products and services.

They also showed, according to du Plessis, that separate fleet and travel departments could soon become a thing of the past. "In the next two to three years there won't be a travel manager and a fleet manager, there will be one," he told delegates at ACFO's autumn seminar – Drive for Mobility, held at Fleet Management Live at the Birmingham NEC.

A year ago Ricoh fleet manager Chris Haynes was promoted to the role of fleet and business travel manager. He said: "The synergies between fleet and business travel had become glaringly obvious."

The fleet and business travel teams were integrated into one operation, with the aim of reducing costs, boosting efficiency and improving employee experience.

Haynes told delegates the company has almost 2,000 'lines of travel' per month which can range from one car or train journey, or flight, to split journeys embracing multiple forms of transport and hotel bookings.

It has now introduced a dedicated online travel portal, with an interactive dashboard, so the cost of every journey can be viewed. Revisions have also been made to journey expense approval limits so 'best price' can be achieved prior to booking.

He said: "Employees have been re-educated. Using technology equals cost and time savings and an enhanced customer experience."

"The synergies between fleet and business travel had become glaringly obvious"

Chris Haynes, Ricoh

ACFO chairman John Pryor (left) with Drive for Mobility seminar speakers (left to right) Hein du Plessis, Justin Whitston and Chris Haynes

86%

of employers would like a multi-transport booking platform

11%

of companies are already using a web-based mobility platform

For more from ACFO's seminar on mobility, visit www.fleetnews.co.uk/acfo-mobility

Graeme Banister, consulting director at Frost and Sullivan, believes the re-education of employees could be hastened however, by incentivising them to make the right choices. He explained: "Employees must be empowered to make choices and that can be encouraged by enabling them to share in the savings.

"If you've got something which says 'you can take the hire car for £45, or if you take the car club for £10, we've saved £35, so we'll give you £5', that starts to get really interesting."

The message to employees, says Banister, becomes instead "start making money out of your travel".

He told delegates transport has been treated with a "silo mentality", but "there is now a move to a total cost of mobility concept and the importance of understanding the full cost of travelling from A to B".

That view was supported by Justin Whitston, chief executive of mobility as a service (MaaS) platform provider Fleetondemand, which supported the seminar alongside LeasePlan UK.

Describing how a single online platform could be used by organisations and their employees to "find, book and pay" for all travel and related costs, Whitston concluded: "Technology must be able to normalise multi-data sources. The platform must embrace business objectives and employees' personal objectives, and deliver the best mode of transport for each particular journey."

Watchdog rules out action against VW over emissions tests scandal

Case likely to be heard in Germany where most of alleged offences occurred

By Gareth Roberts

The UK regulator – the Competition and Markets Authority (CMA) – has ruled out launching a formal investigation into the Volkswagen Group over the emissions scandal.

The Department for Transport (DfT) revealed earlier this year that it had submitted technical information to the CMA as it considered legal action (*Fleet News,* May 12).

However, the DfT has now revealed the CMA has decided against pursuing the matter. Key to its decision was the fact that new powers enabling the CMA to secure compensation for consumers only came into effect on October 1, 2015, which was after the affected vehicles were sold in the UK.

In addition, the DfT said: "We have been advised that an important consideration was that the alleged misconduct at the root of this issue appears to have taken place outside the UK, notably in Germany, and is the subject of a criminal investigation by the German authorities.

"In view of this, the CMA has had regard to the general presumption that a prosecution should take place in the jurisdiction where the majority of the more (alleged) serious criminality occurred.

"The CMA has told us that it will continue to monitor developments. Should new information be brought to its attention, or if Volkswagen Group's future conduct leads to consumer detriment, it will re-assess the options available."

The DfT and Vehicle Certification Agency's (VCA) failure to push for legal proceedings against Volkswagen Group following the emissions scandal has been labelled "frighteningly complacent" by MPs on the Transport Committee (*Fleet News,* May 12).

However, in its official response to the committee's report *Volkswagen emissions scandal and vehicle type approval* the DfT said: "We have not ruled out opening our own investigation."

Prosecuting authorities from across Europe have met to discuss and coordinate their investigations and the DfT said its officials have been part of coordinating efforts.

"This is a complex area as the (alleged) wrongdoing by the multinational Volkswagen Group is likely to have taken place in various jurisdictions," it said. "We understand that investigations in Germany (where the Volkswagen Group is based and the relevant engines were developed) require the review and assessment of vast amounts of material.

"The Government wants to ensure that the Volkswagen Group faces appropriate legal consequences for its manipulation of emissions tests and is continuing to consider how best to do this."

The emissions scandal has resulted in 508,276 Volkswagens, 393,450 Audis, 131,569 Škodas and 76,773 Seats being recalled in the UK.

The cars contained software to meet the emissions levels of harmful nitrogen oxides while being tested in a laboratory.

Some customers are seeking independent legal advice with a view to pursuing the manufacturer for compensation. The Transport Committee had suggested this might be possible under the Sale of Goods Act.

The DfT agrees that owners may have recourse under the Act and said it "stands ready to provide any reasonable assistance" to those seeking financial compensation directly from the Volkswagen Group.

The manufacturer has pledged to fix the vehicles by the middle of next year, but has ruled out offering compensation to UK drivers. That's in contrast to the US, where it has put aside $15 billion to cover driver compensation and fixes.

The DfT said: "The treatment of UK consumers has not been acceptable and vehicle owners should be compensated for the inconvenience, uncertainty and worry caused by Volkswagen's cheating as well as for any loss in the value of affected vehicles which may become apparent."

A Volkswagen spokesman previously told *Fleet News* that customers will not incur costs for the remedial work required (Fleetnews.co.uk, July 20).

"We emphasised this right from the start and it continues to apply," he said. "There is no buy-back deal or compensation for drivers outside the US. That is because the relevant facts and complex legal issues that have played a role in coming to these agreements are materially different from those in Europe and other parts of the world."

Transport Committee chairman Louise Ellman concluded: "We will be keeping a close eye on this matter to ensure that the Government is held to account on its promises to support customers."

"We have not ruled out opening our own investigation"

Department for Transport

1.2m

UK vehicles affected by the emissions scandal

$15bn

has been set aside in the US to cover driver compensation and fixes

Engines passed emissions tests with the help of special software

Read Volkswagen's response to the committee's findings, visit www.fleetnews.co.uk/VW-response

Financial incentives to get more workplace charge points set up

£35m package to encourage ULEVs includes £2m hydrogen fuel cell fleet trial

By Gareth Roberts

A £7.5 million workplace charging scheme, due to be launched this autumn, has been welcomed by the fleet industry. The cash, part of a £35m package to boost the uptake of ultra-low emission cars and scooters, was recently announced by transport minister John Hayes.

It will be open to eligible private and public sector workplaces in the UK to support the installation of charging infrastructure for their staff and fleet to use.

Caroline Sandall, deputy chairman of fleet operators' association ACFO, told *Fleet News:* "ACFO welcomes this further investment to support the uptake of low emission vehicles which will bring a much needed boost for charge points.

"The issue of 'range anxiety' has considerably lessened as electric and hybrid ranges continue to increase but accessing convenient charge points is still a challenge for many – especially for those where a charge point at home is not an option – so any increase in workplace or on-street charge points can only serve to increase the take up of this type of vehicle."

A further £2.5m is being made available to councils who commit to installing charge points on streets near homes without private off-street parking.

Fleet buyers and company car drivers are leading the uptake of plug-in electric vehicles, with businesses responsible for 72% of electric vehicle registrations in the first half of this year.

However, Gerry Keaney, chief executive of the British Vehicle Rental and Leasing Association (BVRLA), believes businesses will only be able to continue this growth with fiscal support from the Government.

"Workplace charging is a very positive step, but there is a lot more that policymakers can do," he said.

"We need them to 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.

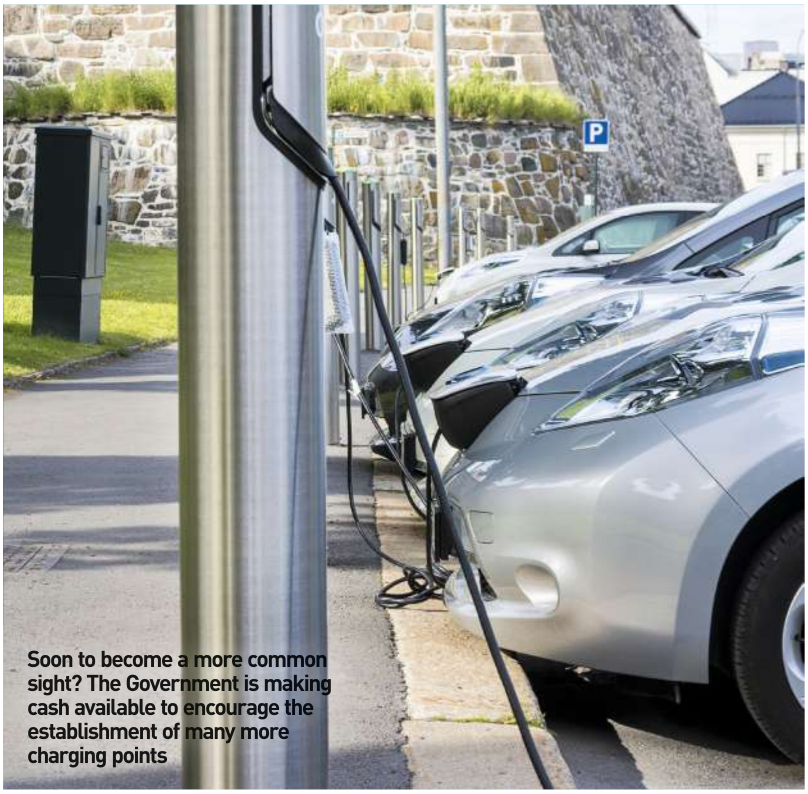
"Employers also need more clarity on how they should treat business travel reimbursements for electric mileage."

In addition to the charge-point cash, an initial £3.75m is being made available for electric two-wheelers, with up to 20% off the cost of an electric motorcycle or scooter. Buyers will be able to claim a maximum discount of £1,500.

A £20m competition to help councils roll out charge points for ultra-low emission taxis will also be launched and a further £2m has been awarded to public and private sector organisations to deploy hydrogen fuel cell vehicles.

"Accessing convenient charge points is still a challenge for many"

Caroline Sandall, ACFO



Soon to become a more common sight? The Government is making cash available to encourage the establishment of many more charging points

£7.5m
funding for workplace charge points

£2.5m
for councils to install charge points on streets near homes without private off-street parking

Read how funding is expanding the Toyota Mirai hydrogen fleet, visit www.fleetnews.co.uk/toyota-hydrogen

Fourteen public and private sector fleets from around the country, including Amey, Aberdeen City Council, Europcar and Arval, will receive a share of the cash to fund 50 hydrogen-fuelled cars and vans, more than doubling the number of these types of vehicles on UK roads.

Arval is taking part in the UK's largest hydrogen fleet car trials to date, the Hydrogen Hub initiative, which will see fuel cell technology tested in a wide range of domestic, commercial and transport applications in Swindon, where Arval's UK head office is based.

Initially, two vehicles will be leased to local companies by the leasing firm, subsidised by the Office for Low Emission Vehicles (OLEV); the National Trust will be operating a Hyundai ix35h and Nationwide Building Society will take delivery of a Toyota Mirai.

A Mirai will also be joining Arval's own company fleet. Other vehicles will also be delivered to local companies as part of a linked bid structure to which Arval will provide management support.

Paul Marchment, SME development manager at Arval UK, said: "The first cars should be with their users by the end of this year and have been subsidised to a level that makes them cost-comparable with a normal company model."

They will cover a minimum annual mileage of 10,000-15,000 miles over their three-year lease, with data gathered via telematics to help the leasing company offer customers' better insight into their use in the future.

The Hydrogen Hub initiative aims to have a total of 11 company-run fuel cell cars operational in Swindon by the end of this year and 50 by the end of 2017.

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Don't let new lease accounting standards 'fall off the radar'

January 2019 seems like a long time away but it will come around quickly

By Sarah Tooze

Fleet managers must not let the new lease accounting standards "fall off the radar", according to Zenith's head of consultancy Claire Evans.

The changes, which take effect from January 1, 2019, will mean leased assets (including vehicles on operating leases) are brought on to companies' balance sheets. They are being introduced by the International Accounting Standards Board (IASB) with the aim of giving a more complete picture of a company's financial position.

"They [the ISAB] wanted to create consistency so that when investors are looking at accountants everything is declared and it's not a case of looking down through notes," Evans told members of fleet representative body ACFO at a recent East Anglian and Midlands regional meeting.

"They [operating leases] were already reported, they were just reported somewhere else so there shouldn't be any major impact," she said. "Just make sure your investors understand the changes when they come in and understand what will be changing in your accounts."

Companies that report under UK GAAP (generally accepted accounting principles) are not included in the changes but Evans predicts that, by the time the changes come in, they will be.

Under the new reporting requirements, fleet managers will need to know the monthly rental of their vehicles, as well as the depreciation and interest elements of the rental which may vary month to month, particularly towards the latter part of the contract when companies will pay less interest and more capital.

Companies will also need to report any changes made during the contract such as mileage and term amendments.

Some companies may choose to 'early adopt' and leasing companies are already considering how to change the management information and reports they provide to customers.

"Reporting is a key element of this change," Evans said. "Make sure your finance teams are aware of what it means for cars and that you are working with your leasing providers so they are geared up to provide you with the information your finance department is going to need to report these properly."

Fleet managers that use multiple leasing companies also need to consider how they will manage different reports from different providers.

Evans said: "January 2019 seems like a long time away but it's going to come round quickly and there are different types of transitional arrangements so it may be the case that you have to rework the previous year's accounts to do that comparison. So I would say the sooner we start to engage the better. Don't leave it, start having these conversations now."

2019
new lease accounting standards take effect

"Make sure your finance teams are aware of what it means for cars"

Claire Evans, Zenith

Research shows fleets troubled by changes, visit fleetnews.co.uk/lease-accounting-changes

WILL COMPANIES SWITCH FUNDING METHOD?

Employee car ownership (ECO) schemes and short-term rental (under 12 months) will be the only off-balance sheet funding options under the new rules but Zenith's Claire Evans does not foresee a significant increase in companies choosing those methods.

"There are still so many benefits from leasing, you still get your VAT benefits and the benefit of fixed costs, and that is outweighing the financial implication for companies," she said.

"ECO is only going to suit certain companies so we won't see a mass shift to a different funding method.

"It's possible there will be more long-term daily rental but we've not had that feedback from customers. But if being on-balance sheet is something people really don't want they could say 'we're not providing company cars anymore, we're just providing cash and long-term rental'.

"But the feedback we have had is that people still see the benefits of contract hiring and you wouldn't necessarily shift a whole fleet for the impact having the vehicles on-balance sheet would have."

Companies that take out a six-month lease and then choose to extend should not be affected by the changes in Evans's view.

"It's about the original intention," she said. "If the original intention was six months and you extend it and it tips over that 12 months you shouldn't really be caught up in this."

However, she said companies cannot simply start taking out 11-month leases and extending as "that would be picked up".

10 NOV
HEADS UP FOR HAT DAY.
CELEBRITY SUPPORT
"Raise your hat and raise some money for Ben on 10th November. By taking part in Ben's 'Hats on 4 Mental Health Day' you'll help raise money to support colleagues facing mental health challenges."
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ben
Support for life

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Toyota & Lexus Fleet
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Make your choice count. Put a cross X in the box next to your vote.
No, I'm happy doing what I've always done. I'm not concerned right now about emissions or paying over the odds.
Yes, I want to save thousands on whole-life costs, reduce our fleet emissions and keep my drivers happy.
The choice is yours from city cars, to SUVs, executive coupés and more.
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Feel the drive

All-New Renault Mégane Dynamique Nav dCi 110

19% BIK Tax | 76.4mpg | 96g/km

The official fuel consumption figures in mpg (l/100km) for the All-New Renault Mégane Dynamique Nav dCi 110 are: Urban 68.9 (4.1); Extra Urban 80.7 (3.5); Combined 76.4 (3.7). The official CO_2 emissions are 96g/km. EU Directive and Regulation 692/2008 test environment figures. Fuel consumption and CO_2 may vary according to driving styles, road conditions and other factors.

Businesses lack clarity when it comes to grey fleet policies

Larger employers, rather than SMEs, more likely to let staff use own vehicle

By Gareth Roberts

A quarter of businesses do not have policies in place to manage their grey fleet vehicles, putting themselves at risk of prosecution, new research suggests.

An even greater number, a third (33%) of organisations, believe they face 'no significant risk' from those employees who use their own vehicles for work.

The findings, from an annual independent study commissioned by Lex Autolease, show the scale of the grey fleet problem facing the industry.

Paul Coley, principal consultant at Lex Autolease, said: "Employers have a legal and a moral responsibility to ensure that their drivers and vehicles meet all legal requirements.

"There are straightforward vehicle and driver checks and health and safety policies that can be put in place to better manage a grey fleet, which will ensure a company meets its duty of care requirements and help to reduce the road safety risk."

Almost two thirds (62%) of the businesses surveyed allowed some employees to use private vehicles for work purposes.

Estimates suggest there are 14 million grey fleet vehicles in the UK today, compared to just one million company cars and although organisations across the business spectrum make use of grey fleet vehicles, the survey found that the use of private vehicles was significantly higher in larger fleets (see panel).

Around one in two SME businesses (51%) permitted the use of grey fleet compared to 84% of corporates, while 15% of SME employees were classed as grey fleet drivers compared to 26% of corporate employees.

Interestingly, the average ad-hoc grey fleet driver uses their vehicle for between 15-16 miles per week for work purposes – an indication of how much of their use is casual rather than regular.

John Webb, from Lex Autolease's consultancy team, said: "Even large corporate businesses and public bodies – those organisations that have the most experience and greatest use of grey fleet vehicles – can find it difficult to manage.

"Certainly, supervising employees' private cars for work purposes takes management time and effort. However, managing the risks associated with the grey fleet is vital, and organisations must understand their full responsibilities when private vehicles are being used on their behalf."

While an organisation will effectively monitor the policies, insurance, MOT and routine servicing of its own fleet, these same controls often do not apply to grey fleet vehicles.

The survey revealed that most organisations do make some checks on the grey fleet, with 56% 'always' checking a vehicle's MOT. However, just 28% 'always' do a physical check of a grey fleet vehicle's roadworthiness, with a further 27% doing so 'sometimes'.

Lex Autolease's Chris Chandler said: "There are a lot of myths surrounding data privacy with some organisations feeling that they can't ask employees about their personal vehicle because of the Data Protection Act."

Some survey respondents, 16%, believed that asking staff to supply details of their vehicles' insurance and MOT – even requesting to see their driving licences – was an invasion of privacy.

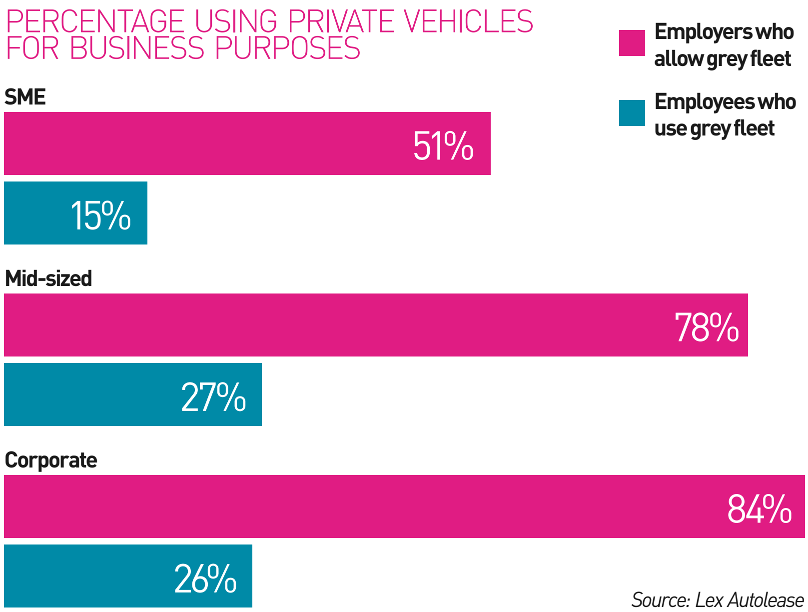
"It is just not true," continued Chandler. "An organisation has the right to know information about a vehicle, such as its servicing history or MOT status and if it is being used for work purposes. Similarly, the organisation can check information such as an employee's current driving licence eligibility."

Some businesses choose not to make mileage payments unless a driver meets all of the terms of a policy, which can help acquire this information. However, the lack of control associated with the grey fleet can be an issue for many organisations, even when driver and vehicle information has been supplied.

Chandler concluded: "Although most employees are upfront and honest when replying to questions about their vehicle's condition and documentation, the company must take reasonable action to check compliance.

"The law is very clear about vehicle condition and use under legislation such as The Construction and Use regulation and the Road Traffic Acts.

"An organisation could also be deemed to be 'causing or permitting an offence' by not taking adequate steps to ensure vehicle roadworthiness and legal compliance."



Source: Lex Autolease

33% of organisations believe they face 'no significant risk' from the grey fleet

14m grey fleet vehicles in the UK

"Managing the risks associated with the grey fleet is vital"

John Webb, Lex Autolease

Read the full report, visit www.fleetnews.co.uk/lex-grey-fleet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THE BIG PICTURE

By Stephen Briers, editor, *Fleet News*

Technology is becoming a real game changer for fleets. That was the message that came across loud and clear from our Future of Fleet debate at Fleet Management Live.

Our panel of experts discussed the key influences on fleet management and, from autonomous cars to connectivity and alternative fuels to mobility management, technology was identified as the defining factor.

Basically, the role of the fleet decision maker, whether dedicated or shared, is becoming more complex: more vehicle options to weave into policy, more decisions on when and how to travel, more opportunities to use data to control the operational cost of running cars and vans.

"We need more professional fleet managers, not fewer"

And that's before you start to weigh up all the safety technology advances, many of which are currently optional. Which do you select? It increases purchase or lease costs, but enables savings from reduced crashes. Where does corporate social responsibility fit into your company policy – is investing in technology a cost worth absorbing if it safeguards your employee's lives?

Complexity makes the role of an in-house fleet expert increasingly fundamental, yet many companies continue to outsource.

We've heard of more fleet managers being made redundant under the heading of cost cutting. It is sheer folly: fleet is one of the biggest cost centres in any business and one which can spiral out of control without a knowledgeable person holding the reins.

We need more professional fleet managers, not fewer: they drive the policies which reduce emissions and reduce crashes. They can provide as valuable a service to the environment and public safety as they can to their employer.

■ Do you fear redundancy as your fleet role is outsourced? Let us know and we'll help you make the case to prevent this.

YOUR LETTERS

CAR ALLOWANCES

Knee-jerk solution that punishes the green-minded

EDITOR'S PICK

Jon wrote:
Having read, Last chance to respond to HMRC consultation on car/cash and salary sacrifice, (fleetnews.co.uk, Sep 19), benefit-in-kind (BIK) has increased year on year so it's no shock that car allowance has become a better option for both business and driver. HMRC has panicked due to a self-created "loophole" and come up with a knee-jerk, confusing solution which punishes those who are environmentally conscious! The fix is simple – go back to the drawing board and find a simpler solution which narrows the gap but doesn't punish those that have chosen a fuel-efficient car.

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

Stu replied:
While I agree with Jon, there are a number of things that people do not always take into account when choosing to opt out – simplicity, no upfront lease cost, servicing, tyres, accident management and, of course, insurance. All of which is normally included on a company car scheme. The company I work for doesn't push either way, however. It makes it very clear that if you opt out, you must not only provide proof of business insurance, but you are entirely responsible for providing a car for business use at all times.

EV-ONLY LANES

Another airy fairy council policy?

Dan wrote:
Having read, 'Electric vehicles-only lane in Nottingham will be a UK first', (Fleet News, Oct 13), this works in the USA because it has enough conventional lanes in addition. Converting a regular one into this means more congestion and more pollution from stationary traffic. Another ill thought-out plan.

Bob the engineer replied:
No one seems to know if it's for pure EVs only or hybrids (at least plug-ins) as well. The routes into Nottingham are in a diabolical suspension-crunching state, yet it (Nottingham City Council) has money for this nonsense? It should be using its crazy workplace parking tax bounty on putting some near decent Tarmac on their existing roads, not more airy fairy policies.

CHARGING POINTS

Turned off by the time it takes to charge an EV

I Beck wrote:
Having read, 'Will more fuel stations set up EV charging points?', (Fleet News, Oct 13), as stated, to plug-in and charge an EV, the filling stations require land space where a car needs at least 30 minutes to charge. Most filling stations have barely enough space for the cars to fill up for the five minutes that they are there. Motorway services have more parking hence more space to allow for EV charging.

Gordy wrote:
It's a nice idea but not best use of forecourt space. Asda Hayes has been intelligent and added 12 charging points but the gold medal should go to Costco in the same town who installed 54 charging points at once. This is excellent, joined-up future-proof thinking.

Naos wrote:
I think a lot of issues will go away when the charging speed will go up from 50kw to 150kw (which will happen soon) and in the future to the 300-350kw speed that was already announced by Porsche and others.

AUTONOMOUS VEHICLES

Will AVs mean glut of bogus insurance claims?

Buckets wrote:
Having read, '55% of drivers would feel uncomfortable driving alongside autonomous vehicles', (fleetnews.co.uk, Oct 20), with fraudsters looking to find new ways to make bogus insurance claims, autonomous cars could become targets by these people to cause accidents with vehicles running in this mode. If they know which cars behave in a way to protect its own occupants, in-cab or surround cameras will be an absolute must to protect whoever is underwriting the technology.

Gord added:
If the respondents to this survey were aware of the rule set that the AVs were programmed to they would be more competent in working alongside the AVs. For example if the "human operated vehicle" can always (99%) of the time be relied upon to actually cause the crash due to improper analysis of all of the conditions around the vehicle then all you have to do is programme the AV to be defensive driving all of the time then voila. The driverless car is also free to insure because there is no driver to insure. The car manufacturer could pay into a premium for liability if the car (or computer programmer) is ever the cause of the crash but the future has to be driverless cars because we humans have proved 99% of the time we are bad drivers! The police could also stop driverless cars so there would be no more chases and deaths due to chases.

HAVE YOUR SAY Email: fleetnews@bauermedia.co.uk Comment online: fleetnews.co.uk
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Question:
If you won money on a TV gameshow for charity which one would it go to?

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COMMENT

FLEET OPINION

ELECTRIC VEHICLES

Are EVs about to come of age?

By David Nicholas

I have been reading the press coverage of the Paris motor show and there is one message coming through loud and clear – manufacturers believe the electric vehicle is about to take-off in a big way.

Several have been revealing their future EV plans over recent months but there were even more announcements at Paris from Peugeot, Vauxhall/Opel and Mercedes-Benz, which unveiled its Generation EQ concept and says that by 2025, it expects to have 10 different EVs in its model range accounting for 15-25% of sales.

However, two cars really stood out for me. The Volkswagen ID looks like a Golf reimagined as an uncompromised electric car. Promised in production form by 2020 – just four years away – it boasts a range of up to 373 miles and will be sold at what VW describes as "an attractive price". You don't need me to tell you such a car could be a game changer for EVs in the fleet sector.

Also announced, to much less fanfare but equally eye-catching, to my mind, was the facelifted version of the Renault Zoe. This is a car that many of you will be familiar with and which is available today at a reasonable price.

Now, however, it will have a substantial 250-mile range, which again marks it out as something really interesting. Perhaps for the first time, a small family EV with a relatively low purchase price and competitive running cost profile can be driven all day long, making it much more suitable for all kinds of use.

I have a suspicion that Paris 2016 might be the moment we identify when we look back and say, that was when we realised fleets would soon be using EVs in much larger numbers.

Certainly, you will soon be able to go out and order an enhanced Zoe while the VW ID is little more than an average fleet cycle away from the showrooms. If their pricing is competitive, there is no reason that cars like these should not become commonplace.

It could be the car you are driving now is the last you will have powered by an internal combustion engine. These are exciting times.

"Paris confirms manufacturers believe the electric vehicle is about to take off in a big way"

David Nicholas
fleet consultant, Arval UK

Jon Lawes
managing director, Hitachi Capital Vehicle Solutions

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

CONNECTED TECHNOLOGY

Time to 'turn on' connectivity is now

By Jon Lawes

More and more vehicles now come with connected technology as standard and it is predicted that by 2020 almost all vehicles in Europe will be built with an embedded SIM. The majority of customers (57%) see it as a 'must have' or 'big influence' on car selection.

The key to successfully embracing connectivity is to think like the customer and provide it to drivers and fleet managers who want it. The alternative is to risk losing business. Recent research from connected car consultancy SBD has found that 47% of drivers would change their brand of vehicle for better connected services.

There is real debate in the industry and across Europe on data ownership and consumer protection.

Manufacturers may argue that as they built the assets and own the technology then they should be able to use the data for customer relationship management (CRM), warranty cost reduction and aftersales SMR revenues. The driver may say they don't want anyone to know exactly where they are, how they're driving or selling their data to third parties for profit. A common framework is now needed.

Almost all vehicle manufacturers are responding to customer demand for connected services and are increasingly offering services on lower segment vehicles and standardising on higher segments, or even the entire range.

While the uptake of these services suggest that drivers are happy for car companies to use their data in return for these connected services, the lease industry has found itself in the middle of this 'data consent' situation.

On the one hand the industry could gain significantly, but their SMR use could conflict with those of the car companies. It is therefore important that the customer's need for connected features is balanced against the data use cases of the car and lease companies.

The time is definitely now for connected vehicles. Customers are increasingly looking to the vehicle leasing industry to embrace connectivity by 'turning it on' for those who want it and to work with manufacturers to implement it in a way that protects their data and gives them choice.

"Lease industry has found itself in the middle of this 'data consent' situation"

AWARDS 2017 TIMELINE

NOVEMBER 11, 2016
Deadline for entries

DECEMBER 5, 2016
Initial shortlist drawn up for fleet category interviews and manufacturer judging

JANUARY 25, 2017
Judging day for manufacturer awards

FleetNews AWARDS 2017

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Chairman: Christopher Macgowan

Fleet Awards
- Stephen Briers, *Fleet News*
- Caroline Sandall, Barclays/ACFO
- Justin Wand, London Ambulance Service
- Sarah Millward, The AA

Supplier Awards
- Sarah Tooze, *Fleet News*
- Liz Hollands, FTA
- John Pryor, Arcadia/ACFO
- Debbie Floyde, Bauer Media
- Stewart Lightbody, Anglian Water
- Sue Blair, Serco
- Linda Blake, Diageo
- Graham Short, Zip Water (UK)

Manufacturer Awards
- Stephen Briers, *Fleet News*
- Simon Harris, freelance motoring journalist
- Martin Ward, CAP
- Andy Cutler, Glass's
- Mark Jowsey, KeeResources
- Steve Jones, LeasePlan
- Colin Marriott, Centrica
- Anita Sanderman, Deloitte

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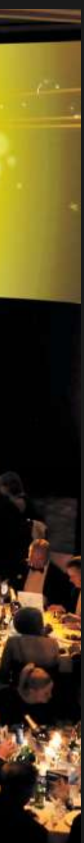
FEBRUARY 1-2, 2017
Fleet manager interviews take place

FEBRUARY 16, 2017
Shortlist received in *Fleet News*

MARCH 15, 2017
Winners revealed at *Fleet News* Awards black-tie ceremony, Grosvenor Hotel, London



FLEET AWARDS

Fleet of the Year – up to 250 vehicles
2016 winner: Portsmouth City Council

Fleet of the Year – 251-1,000 vehicles
2016 winner: South East Coast Ambulance Service NHS Foundation Trust

Fleet of the Year – 1001-plus vehicles
2016 winner: Kelly Group

Most Improved Fleet of the Year
2016 winner: Kent and Essex Police

Safe Fleet of the Year
2016 winner: Skanska
Sponsored by Appy Fleet

Green Fleet of the Year
2016 winner: South East Coast Ambulance Service NHS Foundation Trust
Sponsored by BMW (UK)

Cost Saving Initiative of the Year
2016 winner: Balfour Beatty Plant and Fleet Services for its Build to Last Programme
Sponsored by Zenith

MANUFACTURER AWARDS

All sponsored by Thrifty Car & Van Rental

Best Small Car
2016 winner: Peugeot 208

Best Lower-Medium Car
2016 winner: Vauxhall Astra

Best Upper-Medium Car
2016 winner: Škoda Superb

Best Compact SUV
2016 winner: Mazda CX-3

Best Mid-size SUV
2016 winner: Nissan Qashqai

Best Large SUV
2016 winner: Volvo XC90

Best Compact Premium Car
NEW CATEGORY

Best Premium Car
2016 winner: Audi A4

Best Executive Car
2016 winner: Jaguar XF

Best Plug-in Car (up to 50g/km)
NEW CATEGORY

Green Fleet Manufacturer of the Year
2016 winner: Toyota

Most Improved Fleet Manufacturer of the Year
2016 winner: Hyundai Motor UK

"It's such a huge accolade to win for all our branches and staff in the business who worked towards it. People often think of larger rental companies before us, so it is great to be recognised"

Caroline Gallagher, Thrifty Car and Van Rental sales director

SUPPLIER AWARDS

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2016 winner: Grosvenor Leasing
Sponsored by Jaguar Land Rover

Leasing Company of the Year – more than 20,000 vehicles
2016 winner: LeasePlan
Sponsored by Jaguar Land Rover

Best Rental Company of the Year
2016 winner: Thrifty Car and Van Rental
Sponsored by easi-Fleet Management by the Grosvenor Group

Customer Service Award
2016 winner: BT Fleet
Sponsored by Škoda UK

Most Innovative New Product or Service
2016 winner: Michelin Tyre

Fleet Dealer of the year
2016 winner: TrustFord

Fleet Specialist Services Solution of the Year
2016 winner: FMG

HEADLINE AWARDS

Fleet Manager of the Year
2016 winner: Justin Wand, South East Coast Ambulance Service (now London Ambulance Service)
Sponsored by Fiat Chrysler Automobiles

Fleet Supplier of the year
2016 winner: The AA
Sponsored by Toyota & Lexus Fleet Services

New Company Car of the Year
2016 winner: BMW 3 Series
Sponsored by LeasePlan UK

Fleet Manufacturer of the Year
2016 winner: BMW (UK)
Sponsored by KeeResources

Fleet News Hall of Fame Award
2016 winner: John Pryor
Sponsored by The Automobile Association

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'WE CAN'T IGNORE OUR OWN CARBON FOOTPRINT'

Cambridge is one of five universities in the UK to be awarded Go Ultra Low Company status but the drivers had to be won over first. *Sarah Tooze* reports

Four years ago when the University of Cambridge introduced its first electric vans – two Renault Kangoo ZEs to be used by its postal service – its estate maintenance staff didn't believe the day would come when they, too, would be sitting in electric vehicles.

Although most of their journeys are short distances within the city boundary, making them suitable for an electric vehicle's range, they have to carry tools and equipment to service the estate's grounds and 365 operational buildings, and the Kangoo ZE's payload could not match the equivalent diesel van.

However, with the launch of an EV with a bigger payload (the Nissan e-NV200) in 2014 the university had the chance to convert the drivers to electric.

"We had trial vehicles in and that just changed their minds completely; they absolutely love them," says Christine Leonard, senior technical support manager, who is responsible for the estate management department's 52 cars and commercial vehicles, the largest fleet of vehicles at the University of Cambridge.

Nearly 30 departments run vehicles and plant, although typically they each have just one or two vehicles. The engineering department has the second largest fleet with around 30 cars, vans and minibuses. The vehicles are looked after by maintenance managers and facilities managers.

The estate management department now operates eight Renault Kangoo ZEs (six joined the original two last year for use where payload is not an issue), five Nissan e-NV200s (with a further two under conversion to chiller vans for use by the catering section) and a Polaris Goupil pick-up truck, which is used by the grounds team as it fits the requirement for a small utility vehicle.

The university also has 15 electric bikes, which are popular for getting around the city, especially with supervisors and managers who need to travel for work and don't carry tools.

Cambridge was recently one of five universities in the UK to be awarded Go Ultra Low Company status in recognition of its use of EVs and its commitment to buy more.

It has pledged that by the end of the decade, 20% of its fleet of 100 vehicles will be electric, although Leonard has set the bar higher for estate management. She hopes 50% of her fleet will be electric by 2021.

All the EVs are purchased outright using Crown Commercial Service framework agreements, which can bring significant savings on the basic list price, dependent on which EV is chosen and which framework is used.

However, Leonard acknowledges that if the plug-in grant was removed "it would be very difficult" to continue acquiring EVs and she would have to slow down the replacement cycle, which has been set at four years for the new vehicles.

She also has concerns about what price the EVs will fetch at defleet.

"I am slightly anxious about the residual values of EVs because it's not that clear yet," she says.

"It's a bit 'suck it and see'. If it comes to the end of the four years and we're not going to get a decent amount then I might keep them going because they seem to be very low maintenance and the batteries are proving quite resilient."

The environmental benefits of running EVs outweigh residual value concerns.

"Value for money is important to the university but the carbon saving is more important," Leonard says. "We are investing a lot of money in research to help tackle some of these [air quality] problems so we can't ignore our own carbon footprint."

Estate management saved nearly 4,000 litres of fuel and 10 tonnes of carbon for the university's financial year ending July 31, 2016, compared to the previous financial year, thanks to a combination of running more EVs, driver training and fitting telematics to the vehicles.

Christine Leonard hopes to have 50% of her department's fleet electric by 2021

FACTFILE

Organisation University of Cambridge
Senior technical support manager Christine Leonard
Estate management fleet 52 – 47 vans, five cars
Replacement cycle 4 years
Funding method outright purchase

The cost of installing charging units and the environmental impact of charging the vehicles has been reduced by the university's electrical engineers installing them and linking them to the building management system so the use of electricity is metered.

The vans are typically charged at the university's Laundry Farm site on the edge of the city and are on trickle charge.

Timers have also been installed so the university can take advantage of the low cost tariff.

The university has a number of other charging points at sites across the city for use by staff and visitors.

Leonard would like to introduce solar power at Laundry Farm to further lower the university's carbon footprint.

"The building there would lend itself to solar power," she says. "It's one storey so we could put solar panels on the roof."

She is also planning to install a weighbridge at the site to reduce the risk of the electric vans being overloaded.

"Our nearest weighbridge is a little way down the road," she says. "I want one that is going to be linked to a system where I can have the data in front of me."

The EVs have proved reliable, according to Leonard, and also help overcome the issue of clogged diesel particulate filters, which can be a problem with low mileage vehicles.

The university's security vehicles, which operate on a 24/7 rota, are still diesel and the drivers are warned to watch out for the regeneration light coming on.

There are currently five pool cars – three at Greenwich House and two at Laundry Farm. "I am going to try to reduce that to two or three and have a couple of electric cars and one diesel or petrol car for longer journeys," Leonard says.

She is also introducing a driver training course specifically for the new Nissan e-NV200s.

All job-need drivers in the estate management department have already been through a standard half-day training course with Business Driver earlier this year.

"It's not always easy to get the maintenance drivers to sit down at a computer," Leonard says. "It's much nicer for them to get out and speak to the trainer and ask questions and then there is an assessment of their driving skills with a risk assessment."

"There have been about five separate occasions where the trackers have been used to protect people"

Christine Leonard, University of Cambridge

Telematics was introduced to the estate management vans to look at vehicle utilisation but it also measures driver behaviour. Over the past two years, the fleet's overall risk score has reduced by nine percentage points.

The drivers have bought into the use of telematics as the system has proven their innocence in several incidents.

"One of my drivers was accused of hitting a vehicle in a car park in Peterborough on a Saturday so I sent the tracker data to show it was parked at work," Leonard says. "He would have been under suspicion if we hadn't had the trackers. There have been about five separate occasions where the trackers have been used to protect people."

While most fleet managers favour telematics reports on driver behaviour which only highlight the worst offenders, Leonard would like a system that reports on all of the drivers. "If you've got 100 people that are regularly speeding and you're only going to see 10 of them and not the rest, to me, that isn't right," she says.

Her next step is to introduce FleetCheck's fleet management system, which can bring together telematics, fuel card and driver licence checking data.

She also wants to set up a fleet manager group with the other university departments so they can meet and share best practice.

"I've already had contact from two of the facilities managers who look after fleet asking about how to buy EVs, the cost and the grant, so it's been quite nice being able to tell people how to go about it," she says.

CAMBRIDGE GREEN CHALLENGE PURSUES DIFFERENT WAYS TO GET AROUND THE CITY

Reducing business and commuter travel is an important part of the university's carbon reduction plan, known as the Cambridge Green Challenge.

The university aims to cut its carbon emissions from energy use by 34% by 2020 (set against a 2005 baseline), with a longer-term goal of becoming carbon neutral from energy use by 2050.

A dedicated environment and energy team, which sits within the estate management department and includes a transport manager, is responsible for introducing measures to help meet the target. "I'm looking after the vehicle fleet but the transport manager looks at the whole strategy for transport," explains Christine Leonard.

"The head office moved out of the city centre to near Madingley park and ride, so near the West Cambridge site, and there was a massive drive to get people to think about public transport and cycling," Leonard added.

"We invested in a big pool of bikes and extended the amount of electric bikes and put together a cycling policy. I helped with that."

The university also has a car-sharing scheme and car club, subsidised bus travel for staff, and video conference facilities.

Christine Leonard wants to set up a fleet manager group with other university departments

STRATEGIC THINKING IS FORTE OF NON-DRIVER

Running the estate management fleet typically takes up 20% of Christine Leonard's time. The rest is spent on estate facilities, working on maintenance, and asset management of the university's 365 operational buildings (as opposed to the college buildings, which are run separately by each college).

The management of the Addenbrooke's Hospital site is split between the NHS and the university, and is a "highly complex building", according to Leonard.

"Quite a lot of my job is strategic," she says. "I'm helping develop asset management policy and strategy, and quality management systems."

She adds: "I've got a really good team so they take care of vehicle maintenance, getting the servicing done, and also help me with driver records and licence checking.

"For me, it's more the strategic part of deciding what vehicles go into the fleet, how much we can reduce it by and persuading the managers to think differently about what kind of vehicles we have."

Leonard had never done fleet management before joining the university in 2012 (her background was in procurement and contract management, including mobile phones and computers) and she got to grips with the industry by reading *Fleet News* and attending events.

She is not a petrol head and, in fact, doesn't hold a driving licence.

"I can stand back; I am not entranced by sports cars," she says. "I am just looking for things that will help our guys with their jobs, keep us safe, be within the legislation."

For more fleet profiles, visit fleetnews.co.uk/fleetprofiles

REGULATOR KEEPS HIGHWAYS ENGLAND ON THE RIGHT ROAD

If the people responsible for the UK's roads lose their way it is responsibility of ORR to steer them back on course, reports *Stephen Briers*

Are you happy with the state of the roads? Ever had drivers caught in a traffic jam? Complaints about the road infrastructure are perpetual but things could be about to change.

Highways England, formed from the ashes of the Highways Agency in late 2014, is the new government body tasked with improving the condition of the strategic road network (SRN) as part of a £15 billion investment plan. These 4,400 miles of motorways and main A-roads account for just 2% of the road length in England, but carry one-third of its traffic, including two-thirds of truck journeys.

Traffic on the SRN grew by 19% between 2000 and 2015 with the biggest growth from vans. The Department for Transport (DfT) predicts that, by 2040, traffic will increase again, by between 29% and 60%. An effective Highways England is vital to ensure the national infrastructure doesn't collapse.

On paper, one agency has been replaced by another – so what's new, you might ask. Well, the biggest difference is the fact that Highways England's policies and performance are now being held to account by the powerful Office of Rail Regulator, since renamed as the Office of Rail and Road (ORR) to recognise its broader remit.

In rail, the ORR is respected and feared in equal measure. It has almost limitless powers, which extend to the closure of lines or stations and forcing a company to stop operations should it be unsatisfied about safety and standards.

It doesn't have quite the same carte blanche for roads – irrespective of the performance of Highways England, no one is going to thank ORR for closing a major road – with a lot of responsibility for safety sitting with the Health and Safety Executive.

Ultimate sanctions include fines of up to £2.5 million. This is, though, a "last resort", according to ORR highways director Peter Antolik.

"Enforcement is a spectrum," he says. "Intervention is a form of enforcement; the first step is to write to them. At the other end are fines. In between we can request information from Highways England and they are under legal obligation to provide it. We can also demand that they implement specific remedies or improvements."

ABOVE: Peter Antolik, right, visited the site of the M1/M6 interchange earlier in the year

HIGHWAYS ENGLAND OBJECTIVES

■ Making the network safer: 40% reduction in killed and serious injured (KSI) by the end of 2020 against the 2005-09 average. Current performance: KSI down 3.5% in 2015, but is above the trajectory to meet the 2020 target.

■ Improving user satisfaction: target 90% by March 2017. Current score: 89.3%.

■ Traffic flow: 97% lane availability in any year and 85% of motorway incidents cleared within one hour. Currently 98.4% availability and 86% clearance rate.

■ Encouraging economic growth: reduce average delays (no target set). Current: 8.9 seconds – worsening trend.

■ Achieve real efficiency: Save at least £1.2bn on capital expenditure by 2019/20. Current: £33m of efficiencies identified and under review.

■ Network condition: 95% of pavement requiring no investigation for maintenance. Current: 95.4%

He provides an example: if Highways England isn't on track to hit a KPI (key performance indicator), ORR can insist that it obtains external advice and then creates a plan which will require ORR approval.

"We are transparent and a lot of that plays out in the public domain," Antolik says. "We publish details and stakeholders – for example, freight companies, representative bodies, engineering companies, DfT, Brake, Clean Highways – can give us their views."

Antolik was appointed in March 2015 after a career that crisscrossed roles in infrastructure investment and utilities regulation. He understands what it's like to be on the end of "helpful" regulation ("you can put that word in inverted commas," he quips).

"We have all the powers and duties of a regulator," he says. "But when we say something has to be done, we have to be mindful what that means regarding workloads and responses from the industry."

He's a firm believer of working with industry to solve industry problems, although there is undoubtedly an element of need: the rail division employs 300 people; Antolik has 15. "We are unlikely to have the same depth of expertise, so we engage with sector stakeholders," he says.

Those consultations, with the likes of DfT, RAC, RoSPA, Transport Focus and the Chartered Institution for Highways and Transportation, helped ORR to shape its own policies. Discussions ranged from the ORR's objectives and implementation of policy to its enforcement role and level of fines.

Not surprisingly for a regulator with its roots in rail, safety is a priority for ORR, for both users and maintenance workers. It is, therefore, also a priority for Highways England.

"It's in our DNA. We have relentless focus [on safety]," says Antolik. "And while we don't have the same powers as rail, we have that as our backdrop."

The major change of focus initiated by creating Highways England can be summed up in one word: planning. Highways Agency was driven by short-term policy-making which resulted in an inefficient delivery of results and a failure to achieve targets.

"When we say something has to be done, we have to be mindful what that means regarding workloads and responses from the industry"

Peter Antolik, Office of Rail and Road

MONITOR FUNCTION

"That's undoubtedly true," agrees Antolik. "There's freedom for Highways England to do long-term planning with a five-year settlement. Within that we have created a monitor function to ensure they are achieving efficiency over that time."

He has relied heavily on the knowledge and experiences from the rail division: the tools, technology and thinking it already employed have been tweaked for roads, such as the annual data submissions or the monitoring framework which follows a similar philosophy of being proportionate and targeted.

Combining road and rail also enables the body to spot linkages between the two and where investment strategies do not stack up. It's the ORR's strategic intent to play a role in the development of both sectors.

Take freight, for example. When ORR assesses price control and charges for operators, it can sense-check a strategy of moving freight from road to rail or vice versa.

ORR published its first annual report into Highways England in July which gave the organisation a positive evaluation (see panel).

Antolik sums up by saying Highways England has "done pretty well for the first year; they have largely met their targets and hit their KPIs".

He adds: "We recognise that Highways England has just been created so they have gaps in capability in a number of areas, both today – e.g. stakeholder engagement and communications – and for the future – e.g. project management for all their projects over five years."

That will get increasingly challenging towards the end of the period as some 50-60 road schemes are due to start.

"Is that deliverable?" Antolik asks, rhetorically. He points to a number of concerns, such as employing the people, achieving planning consents and structuring the workloads – those concerns have been discussed with Highways England, which is now working on a plan of action.

"It's a perfect example of the benefits and challenges of road reform," Antolik says. "If they can plan efficiently, they should be able to deliver it more efficiently and help the supply chain to plan better to reduce cost. Understanding how will impact their KPIs, such as safety and keeping the network open, for the benefit of all users."

Highways England's objectives for its first five-year period were laid out in the investment strategy set by DfT. Next time they will be agreed with ORR.

Strategic studies are already underway, such as the Oxford-Cambridge link road and south-west M25, which will identify whether a highway is the best option or whether an alternative, such as rail, offers a better solution.

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

HIGHWAYS ENGLAND'S INVESTMENT PLAN

£7bn

investment in 112 major schemes – 20 open for traffic, 63 under construction and 20 feasibility schemes by 2020, plus £5bn of maintenance/renewals

£900m

of additional ring-fenced funds to 2020/21 for environment, cycling, safety, air quality and housing.

Contract hire retains grip while more choose to blend

Salary sacrifice dips as main form of fleet funding, although total number of companies offering it as an alternative rises year-on-year

NEED TO KNOW

- **Purchase of company cars is down to 22% (from 25%)**
- **Operating lease up slightly to 6% (from 4%)**
- **Employee car ownership is at 3%**

By John Charles

Contract hire has retained its stranglehold as the fleet funding mechanism of choice among Fleet200 organisations, according to this year's survey. However, as previously, there remains a sharp divide between the public and private sectors in their choice of funding.

The headline numbers indicate that of 181 Fleet200 organisations reporting their main funding channel, 57% chose contract hire and 22% outright purchase with other options being finance lease 9%, operating lease 6%, employee car ownership 3%, salary sacrifice 2% and others 1%.

Comparison with last year reveals that demand for contract hire has grown fractionally from 55% of companies, while the volume of Fleet200 companies opting to buy their company cars has reduced from 25%.

There has also been a small decline in the number of companies offering salary schemes as their main funding channel (2% versus 3% in 2015) despite providers reporting growing popularity across fleets of all sizes. This may be down to changes with the Fleet200 membership.

Just two categories have companies offering salary sacrifice as their main funding method, compared to four a year ago. Of these, insurance/banking/finance has the most, at 10% of companies.

In addition, many employers offer salary sacrifice to staff that may not otherwise qualify for a company car – the original purpose of this funding option. As a result, 14 Fleet200 companies say they operate a salary sacrifice scheme alongside their main funding method, which has grown from five companies a year ago.

How the Government decides to treat salary sacrifice car schemes will be critical as it reviews current rules for almost all salary sacrifice initiatives. Any changes are slated for implementation from April 2017.

MAIN FUNDING METHODS

	2016	2015	2014
Contract hire	57%	54.6%	63%
Outright purchase	22%	24.6%	24%
Finance lease	9%	10.9%	6.7%
Operating lease	6%	4.4%	2.8%
Employee car ownership	3%	2.2%	2.3%
Salary sacrifice	2%	2.7%	0.6%
Other	1%	0.6%	0.6%

"The accounting change could be a concern. We are monitoring the situation so we are in a position to react when deemed necessary"

Paul Tate, Siemens

57% of 181 Fleet200 organisations chose contract hire

2% go down the salary sacrifice route

The Fleet200 data shows a growing trend in blended funding, where companies utilise more than one option. Almost 50 respondents combine their main funding method with a second option – mainly contract hire with outright purchase or contract hire with finance lease – compared to 38 in 2015.

NEW LEASE ACCOUNTING STANDARD

A further trend, which may become clearer next year, is whether companies will review their funding routes in the light of the introduction of a new lease accounting standard by the International Accounting Standards Board (IASB).

The new standard becomes mandatory from January 1 2019, but as with any other change to accounting standards, companies will need to ensure that they produce a set of comparative accounts for 2018.

The measure is intended to bring all leased assets onto a company's balance sheet, giving a more complete picture of a business's financial commitments and thus greater transparency as to the financial health of any organisation.

Current rules do not require operating leases (contract hire) to be reported in company accounts. However, finance leases and corresponding obligations to make lease payments have to be recognised on a company's balance sheet.

Initially, the new standard will only apply to public sector organisations and firms that report to international financial reporting standards (IFRS). Publicly listed companies already have to make a note to the annual report, which reflects any operating lease rentals payable.

Most UK firms report to the generally accepted accounting principles (GAAP) and will be unaffected until they converge with the IFRS, although this is expected to happen around the same time.

The British Vehicle Rental and Leasing Association (BVRLA) has been consistent in its view that the new regulations do not change the key benefits of contract hire, which include delivering a fixed cost for easier monthly fleet budgeting and the removal of the residual value risk for fleets.

BVRLA chief executive Gerry Keaney says: "Vehicle leasing continues to grow in popularity and this has very little to do with any balance sheet advantages.

"Its main value comes elsewhere: sheltering companies from the risk of fluctuating vehicle values, providing them with extra flexibility and purchasing power and freeing-up

MAIN FUNDING METHODS BY SECTOR

Sector	CH	OP	FL	OL	ECO	SS	Other
Architecture/Construction/Building	80%	10%	0%	10%	0%	0%	0%
Bluelight/NHS Trusts	16.7%	77.8%	0%	5.6%	0%	0%	0%
Business Services	67%	0%	33%	0%	0%	0%	0%
Government/Public Sector/Education/Health	35%	47%	12%	6%	0%	0%	0%
Heavy Industries/Mining/Engineering/Other industries	94%	6%	0%	0%	0%	0%	0%
Insurance/Accountancy/Banking/Finance/Other	52.6%	15.8%	5.3%	0%	10.5%	10.5%	5.3%
IT/Software/Leisure/Media	68%	0%	11%	5%	11%	5%	0%
Transport/Communications/Distribution	58.8%	23.5%	5.9%	11.8%	0%	0%	0%
Utilities/Energy/Water/Forestry/Fishing	36.8%	31.6%	15.8%	10.5%	5.3%	0%	0%
Wholesale/Retail/Food/Medical	58.8%	11.8%	11.8%	11.8%	6.8%	0%	0%

CH: Contract hire, OP: Outright purchase, FL: Finance lease, OL: Operating Lease, ECO: Employee car ownership, SS: Salary sacrifice

precious working capital that would otherwise have been spent buying an asset."

Siemens, the world's largest engineering company, has contract hired for many years and has the accounting reforms in its sights.

Paul Tate, commodity manager delivering a central service to Siemens' business divisions in the UK and in charge of the fleet, says: "One of the benefits of contract hire is that it is off balance sheet. The accounting change could be a concern. We are monitoring the situation so we are in a position to react when deemed necessary."

Siemens has pulled out of offering employee car ownership and now contract hires all 3,300 company cars. The company recently ended its scheme, which had 3,000 cars on it at its height, with Tate saying "it was too difficult to administer, very time-consuming and costly".

PUBLIC SECTOR PURCHASING

To help public sector organisations obtain best value for vehicles the government's Crown Commercial Service (CCS) has special vehicle purchase agreements with a wide range of motor manufacturers for use by its departments and public sector organisations, including police forces.

It also has in place a separate vehicle leasing agreement with a wide range of contract hire and leasing providers, which includes the option of salary sacrifice.

Many public sector fleets use the CCS agreements and whether to pursue the outright purchase or leasing route typically depends on which is the most cost-effective solution.

Although direct comparisons with previous Fleet200 reports is impossible due to corporate mergers and acquisitions, not all organisations reporting their funding channels and some businesses entering and leaving the listing, funding trends can be identified.

For example, demand for contract hire among architecture/construction/building companies continues to increase and is used by 80% this year (2015: 65%) of the 20 companies in the sector reporting (10% outright purchase and 10% operating lease). Those figures contrast with 78% of the 18 bluelight/NHS Trust fleets reporting opting for outright purchase (2015: 75%) with 17% choosing contract hire and 6% operating lease (15% and 5% last year).

The Chiltern Transport Consortium (CTC) provides a cross-border, shared service relating to the fleet requirements of Bedfordshire Police, Civil Nuclear Constabulary, Hertfordshire Constabulary and Thames Valley Police. It comprises a fleet of 1,964 cars, 442 vans and 73 commercial vehicles above 3.5 tonnes with virtually every vehicle bought as they are by the 11 other police Fleet200 organisations.

"Vehicle leasing continues to grow in popularity and this has very little to do with any balance sheet advantages"

Gerry Keaney, BVRLA

Sam Sloan, head of CTC, says that with police forces being in the main funded through the government's Police Main Grant, split between revenue and capital funding with the latter proportion miniscule, outright purchase was "the most economically viable way" to fund vehicles.

He says: "Due to the nature of the business, especially when you consider the role of a marked response vehicle, owning vehicles provides forces with greater flexibility and removes elements of risk around end-of-life charges that would be levied if vehicles were contract hired."

Therefore, with revenue budgets under pressure at many forces, particularly as salaries comprise a significant proportion, Sloan explains that "it suited police forces" to use their capital allocation to fund vehicles.

Like many public sector fleets, the Welsh Ambulance Service NHS Trust runs a car leasing scheme and, while the arrangement is reviewed annually, it has been in place for more than two decades.

Angie Evans, fleet supervisor in charge of the 1,200-car scheme, says: "It is cost effective and because the individual employees contribute – the Trust pays for business use – it is easy for staff to understand."

In the other public sector category – government departments/public/sector/education/health – the balance this year between purchasing and contract hire remains little different year, 47% versus 35%, with 12% of 17 respondents saying they use finance lease and 6% operating lease.

The significant change in the sector year-on-year is the move away from finance lease (2015: 22%) and the emergence of operating lease.

Across most Fleet200 business sectors contract hire dominates: heavy industries/mining/engineering is 94% with only 6% of respondents citing outright purchase; business services is 67% contract hire and 33% outright purchase; insurance/accounting/banking/finance/other 53% contract hire; IT/software/leisure/media 68% contract hire; transport/communications/distribution and wholesale/retail/food/medical each 59%.

Outside of a handful of companies in typically white collar sectors, employee car ownership funding has made little or no impact. The insurance/accounting/banking/finance/other and IT/software/leisure/media sectors each reports 11% uptake of employee car ownership schemes.

There is only minor interest in employee car ownership in the wholesale/retail/food/medical and utilities/energy/water/forestry/fishing sectors at 6% and 5% respectively.

It is in the utilities/energy/water/forestry/fishing sector where the chosen funding channels are most fragmented. Although contract hire leads the way (37%), it is followed by outright purchase (32%), finance lease (16%) and operating lease (11%).

Flex-rental rises as outright purchase takes four-point dip

Nearly half of Fleet200 operators choose contract hire as preferred funding route althought the difference between public and private sectors is marked

NEED TO KNOW

- **Morgan Sindall has almost 60% of vans on flexible rental**
- **Mears Group exclusively contract hires all 5,000 vehicles**
- **Wates Group switched to all contract hire on 1,000+ vans**

By John Charles

Contract hire remains the most popular main funding method for light commercial vehicles among Fleet200 operators, while this year's data also flags up a decline in outright purchase and a slight rise in the use of flexible rental.

A total of 161 Fleet200 organisations operating light commercial vehicles reported on their main funding routes with 49% opting for contract hire (2015: 48%).

The number of organisations buying vans dipped to 36% (2015: 40%), while the number using finance lease as their main funding channel rose to 9% (2015: 8%), the use of flexible rental doubled to 4% year-on-year and those opting for 'other' methods remained unchanged on 2%.

As with funding for company cars, there is a sharp divide between the main acquisition methods chosen by organisations operating in the public and private sectors.

As with cars, public sector fleets typically prefer to outright buy vans. A total of 75% of government/public sector/education/health and 72% of bluelight/NHS Trusts opt to buy, according to responses, with only 25% and 28% respectively choosing contract hire.

Unlike last year, no public sector organisations among Fleet200 employers use finance lease although last year it was reported as the main funding mechanism by two fleets in the government/public sector/education/health segment.

However, across the private sector contract hire is far more prominent – although there remain segments where outright purchase is the number one funding stream.

For example, 93% of 15 companies in the heavy industries/mining/engineering/other industries choose to lease their vehicles with only 7% purchasing; and 81% of 16 organisations in the IT/software/leisure/media sector follow a similar road with 13% opting for finance lease as their main funding route and 6% flexible rental.

One of those engineering companies is Siemens, which has contract hired its fleet of 1,200 vans for years. The business also has 3,300 company cars on contract hire.

MAIN FUNDING METHODS

	2016	2015	2014
Contract hire	49%	48%	50%
Outright purchase	36%	40%	36.9%
Finance lease	9%	8%	7.5%
Flexible rental	4%	2%	1.9%
Other	2%	2%	3.7%

"We operate vans typically over a five-year replacement cycle and, if we want to extend or amend the operating strategy in any way, we can without fear of penalty"

Ian Miller, United Utilities

75% of government/public sector/education/health prefer to buy outright

93% of 15 companies in the heavy industries/mining/engineering/other prefer to lease their vehicles

Paul Tate, Siemens commodity manager and in charge of the fleet, highlighted that the benefits included "less risk", notably in respect of used market valuation fluctuations, and the solution also aided corporate cash flow.

The company is in a sole supply arrangement, but ensures the funding strategy delivers value for money by regularly challenging its leasing partner to demonstrate that the solution remains the most cost-effective for Siemens.

"Market indices, including interest rates relevant to our contract hire terms, must be comfortable and suitable for Siemens," says Tate.

Outside the public sector, buying vans is most popular in the utilities/energy/water/forestry/fishing segment where the option is favoured by 55% of 20 companies responding (35% contract hire and 10% finance lease).

Water and sewage services provider United Utilities is one of those companies that buys its fleet of 1,100 vans, although it contract hires its 215-strong company car fleet.

Fleet manager Ian Miller says: "Purchasing our vans is more cost-effective for the business. We operate vans typically over a five-year replacement cycle and, if we want to extend or amend the operating strategy in any way, we can without fear of penalty. We are better able to manage use of the vehicles to meet business need by purchasing."

In other sectors the funding split is less clear cut. For example, in the architecture/construction/building sector 45% of 20 companies contract hire, 25% purchase, 20% use flexible rental and 10% opt for finance lease; in the wholesale/retail/food/medical sector 53.2% of 15 companies use contract hire, 26.7% purchase with finance lease while flexible rental and 'other' each accounted for 6.7% of responses; and in the transport/communications/distribution sector 41% of 17 companies say they outright purchase (2015: 47%), 29% use contract hire (2015: 24%), 12% opt for finance lease (2015: 18%), 6% use flexible rental (2015: 0%) and 12% use another alternative, a figure unchanged from last year.

MIX OF FUNDING OPTIONS

Leading construction and regeneration group Morgan Sindall opts to contract hire its 1,200-strong company car fleet, but uses a mix of funding options led by flexible rental for its light commercial vehicle fleet. It now has some 900 units after 250 vans operated by the organisation's newly created property services division were recently added to the operation overseen by fleet manager Paul Taylor.

Of the now 900-strong van fleet, approximately 60% of vans are presently sourced via flexible rental, 30% through contract hire – predominantly those in the new property services division – and 10% owned.

Taylor explains: "We can be operating vans on flexible rental for two years or more. The work we are involved in can flex up and down during the contracted period, which enables vans to be returned on an 'as and when' basis according to the workload without fear of incurring penalties."

That contrasts with the 'fixed' company car replacement cycles which are catered for through contract hire and simi-

MAIN FUNDING METHODS BY SECTOR

Sector	CH	OP	FL	FR	Other
Architecture/construction/building	45%	25%	10%	20%	0%
Bluelight/NHS Trusts	28%	72%	0%	0%	0%
Business Services	61%	11%	28%	0%	0%
Government/public sector/education/health	25%	75%	0%	0%	0%
Heavy industries/mining/engineering/other industries	93%	7%	0%	0%	0%
Insurance/accountancy/banking/finance/other	50%	50%	0%	0%	0%
IT/software/leisure/media	81%	0%	13%	6%	0%
Transport/communications/distribution	29%	41%	12%	6%	12%
Utilities/energy/water/forestry/fishing	35%	55%	10%	0%	0%
Wholesale/retail/food/medical	53.2%	26.7%	6.7%	6.7%	6.7%

CH: Contract hire, OP: Outright purchase, FL: Finance lease, FR: Flexible rental

larly the vans operated by the property services division where lengthy fixed-term work contracts are typical. That enables vehicle contracts to be matched to work contracts.

Additionally, Morgan Sindall owns around 100 vans, usually those where a high-specification is required and the funding option "fits in with the business model," Taylor says.

Across the various business and industry segments analysed, finance lease is most popular among business service companies where it is favoured by 28% of the 18 Fleet200 companies that responded, but contract hire is the segment's most popular funding route (61%) with 11% of businesses buying.

Mears Group, which operates almost 5,000 company cars and light commercials, of which 4,200 are vans, exclusively contract hires all vehicles.

Group fleet manager Jo Hammonds says the decision was based around two main reasons: "To try to get fixed cost motoring and avoid taking any residual value risks on the business balance sheet and, secondly, to free up capital for other projects thus avoiding outright purchase."

Contract hire has been favoured by the group for the past 15 years, although Hammonds says: "We reconsider the option every time the main supply contract is reviewed, usually around five-year intervals."

In the insurance/accountancy/banking/finance/other sector the past 12 months has seen a shift in demand for contract hire with fleets in the sector split equally with outright purchase, which compares with last year's 40%-to-60% breakdown in favour of buying.

A similar development is revealed in the transport/communications/distribution sector where, notwithstanding the fragmentation of the funding routes in use, 41% of 17 companies outright purchase, which is down from last year's 47%, and 29% use contract hire (2015: 24%).

Among Fleet200 organisations that lease, a sole supply arrangement is the favoured option, although some say they use up to four suppliers. Additionally, as with company cars, some public sector fleets use a multitude of suppliers.

Wates Group is one of the few Fleet200 companies that has changed funding channels in the past 12 months. This year the construction company has turned exclusively to contract hire for all vehicle requirements – 1,033 vans and 296 cars – following the appointment of Ted Sakyi as group fleet manager.

Previously operating a mix of funding solutions, in the main outright purchase and contract hire at a local level, Sakyi was appointed to head a centralised fleet department and undertake a root and branch review of the entire operation. That culminated in the decision to contract hire all vehicles through a panel of three suppliers.

Sakyi says: "We made the decision in conjunction with the board having looked at the alternatives and studied the data."

Also involving advisors from professional services organisation Deloitte, Sakyi says: "We crunched the numbers and contract hire was the cheapest funding solution for the business. The company didn't want to invest in assets that depreciate and the other benefits were huge: budgetary control, known costs and the ability to plan in confidence. The decision to fund all vehicles through contract hire was easy."

However, that's not to say that Wates Group will remain loyal to contract hire. Sakyi says: "We will review our decision probably every two years because the market changes and we need to examine those changes and take into account what is right for the business.

"I will work closely with our providers and professional advisors so we always have a rounded view. If you don't look at funding from all sides and question previous decisions it can come back to haunt you."

SECONDARY ROUTE

Of the 161 Fleet200 organisations identifying their main van funding avenue, more than 60 use a secondary route with flexible rental easily the most popular. Other options include mixing contract hire and outright purchase and outright purchase with finance lease.

Peter Kowalczyk, fleet manager at Leeds-headquartered Gamestec Leisure, funds 90 vans typically via flexible rental and finds that route slightly more cost-effective than traditional contract hire even though he admits the company does not utilise the flexibility available.

He explains: "We regularly generate leasing company quotes to check the competitiveness of obtaining vans through a specific contract but find there is no advantage."

Vans are retained for three to four years and display the Gamestec livery, with Kowalczyk saying: "Our existing providers have been supplying the company for many years and provide a flexible service so there are no service benefits to be gained by going elsewhere."

HGV FUNDING

Exactly half (100) of Fleet200 organisations operate commercial vehicles above 3.5 tonnes with outright purchase remaining the dominant funding method.

Almost 50% of those organisation cite outright purchase as their main HGV funding route, while a total of 19 opt for contract hire, 13 organisations use finance lease and a handful of other Fleet200 operators use a mix of other avenues supported by flexible rental.

"We crunched the numbers and contract hire was the cheapest funding solution for the business"

Ted Sakyi, Wates Group


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Martin Coulton, Senior Procurement Manager at Fujitsu

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We care about cars.
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Fleets grow as construction companies enjoy the upturn

Government commitment to spending on major infrastructure projects helps boost vehicle numbers needed by the UK's leading builders

NEED TO KNOW

- **£2bn set aside by Government to accelerate building**
- **First phase of HS2 rail link presses ahead**
- **Current road investment strategy worth £15bn**

By Gareth Roberts

An increase in housebuilding and the Government's commitment to major infrastructure projects has given UK construction a welcome shot in the arm.

The latest data available from the IHS Markit/CIPS UK Construction Purchasing Managers Index has highlighted an upturn in business activity across the construction sector for the first time since May, primarily driven by a recovery in residential building. New orders also rebounded, which ended a four-month period of sustained decline.

Survey respondents cited improving confidence among clients and a reduced drag on demand from Brexit-related uncertainty.

Reflecting this, construction firms indicated a further recovery in their business expectations for the next 12 months, with optimism the strongest since May.

Just under half of the survey panel (45%) forecast a rise in output over the year ahead, while only 9% anticipate a reduction. However, the degree of confidence remained softer than that seen at the start of 2016.

Tim Moore, senior economist at IHS Markit, says: "Resilient housing market conditions and a renewed upturn in civil engineering activity helped to drive an overall improvement in construction output volumes for the first time since the EU referendum."

"Billions of pounds worth of contracts are available. Some of them [are] the largest value contracts in UK construction history"

John Hayes, transport minister

He continues: "Construction firms appear reasonably optimistic about the near-term outlook, with confidence linked to the fastest rise in new orders since March and a more upbeat economic news flow in general. However, the sector remains on a much weaker growth trajectory than seen at the start of 2016, which contrasts with the export-led surge in manufacturing production during September.

"Not only are UK construction companies feeling the impact of subdued investment spending relative to earlier this year, but the weak pound has contributed to a sharp acceleration in cost inflation."

The sector's relative health, however, is illustrated by a 5% uplift in the number of cars and vans being operated by its top 20 firms.

The combined fleet now equates to 64,566 vehicles, an increase of more than 3,000 on last year's total. The number of company cars increased by 823 to 37,608 units, while the van fleet grew by 2,242 to 26,958 vehicles.

The fleets of Amey and Kier Group showed the greatest year-on-year increase, with Kier toppling Balfour Beatty Fleet Services' long-standing dominance of the sector, and Amey moving from seventh to fourth, just behind Carillion.

Kier's combined fleet of cars and vans more than doubled to 9,500 from 4,500 units in 2015. Its car fleet grew by 1,900 units, up from 2,100 to 4,000 company cars, while its van fleet reached 5,500 units, more than doubling the 2,400 light commercial vehicles (LCVs) it operated in 2015.

Such significant growth has been helped by the company's acquisition of international infrastructure and business services group, Mouchel, last year.

It provides advisory, design, project delivery and managed services to a diverse number of markets, including highways, health and education in the UK, Middle East and Australia. It is also a leading provider of repair and maintenance services to the UK strategic road network.

It was Amey's acquisition of Enterprise – a fleet which was previously listed in the business services sector – which also saw its fleet more than double.

Amey operated 2,669 cars and vans last year, but this year that has risen to 5,600 units. It now has 2,300 company cars on its fleet, up from 1,200 in 2015, with its van fleet reporting similar growth, up from 1,469 to 3,300.

Balfour Beatty Fleet Services meanwhile, saw its combined fleet fall from 10,870 to 9,177 vehicles during the past 12 months, with its van fleet bearing the brunt of the decline.

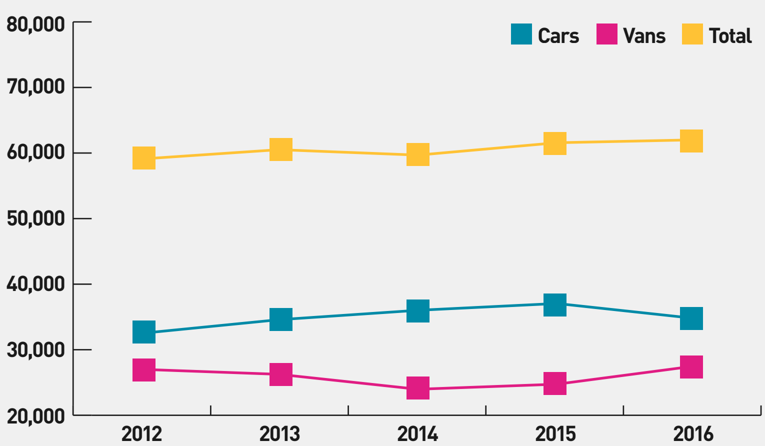
The van fleet now stands at 2,745 units, compared to 4,800 vehicles a year ago, and it is now operating 6,432 company cars, up from 6,070 in 2015.

The significant year-on-year decline in Balfour Beatty's van fleet was down to the ending of several legacy agreements. The company had continued to manage vehicles serving parts of the business that had previously been sold off.

It is still one of the biggest fleets in the country however, ranked seventh in the overall Fleet200 listing behind Kier.

Balfour Beatty decided to outsource the management of its car and van fleet more than two years ago. The company awarded Lex Autolease a five-year contract worth more than £100 million to manage its UK fleet in July, 2014.

TOP 20 FIVE-YEAR SECTOR TRACKER



Numbers have held comparatively steady over the past five years but the dip in car figures in recent months is almost a mirror image of the rise in vans

TOP 10 ARCHITECTURE/CONSTRUCTION/BUILDING

	Fleet200 Ranking	Organisation	Cars/LCV fleet total	Cars	Vans/LCV	Job-need car to perk user ratio	CO_2 avg (cars)	No of car brands on fleet	No of van brands on fleet
1	6	Kier Group Limited	9,500	4,000	5,500	50:50	n/a	12	6
2	7	Balfour Beatty Fleet Services	9,177	6,432	2,724	90:10	n/a	8	4
3	13	Carillion	6,460	3,800	2,660	70:30	n/a	6	4
4	15	Amey plc	5,600	2,300	3,300	75:25	109	8	7
5	=30	Vinci	4,000	3,000	1,000	80:20	n/a	6	3
6	35	Saint-Gobain Building Distribution	3,681	2,811	870	90:10	n/a	3	2
7	40	Travis Perkins	3,100	2,000	1,100	85:15	n/a	2	1
8	49	Morrison Utility Services	2,567	765	1,802	77:23	104	6	3
9	57	Laing O'Rourke	2,440	2,025	415	50:50	114	4	3
10	60	Skanska UK	2,380	1,888	492	5:95	104	30	5

Vehicles are supplied on a contract hire basis along with a range of fleet management services, including service and maintenance, accident management and core vehicle hire.

The transfer of services was accelerated by the sale and leaseback of the majority of the fleet, which included assets from Balfour Beatty's legacy lease providers.

Next year's Fleet200 survey may well start to reflect Lex Autolease's influence on Balfour Beatty's vehicle numbers, but, in the meantime, it will have been buoyed by the Government's pledge to build more houses and press ahead with HS2 (the High Speed Two rail link).

Under the latest plan to galvanise the housebuilding industry, ministers will set aside £2 billion to fund an 'accelerated construction scheme' to make public land with planning permission available to builders. A further £3bn fund using previously-announced cash will provide loans to stimulate new building projects where finances are tight.

Builders will be encouraged through these funding pots to use more modern building techniques in the hope of delivering homes twice as quickly. Also, new rules will be introduced to make it easier for developers to demolish offices and replace them with residential housing on a like-for-like basis. Local planning authorities will be able to grant permission in principle on sites identified in new brownfield registers, to take the risk out of developing a potential 140,000 homes a year.

Transport Secretary Chris Grayling has also confirmed the Government is committed to pressing ahead with HS2, with construction beginning in the first half of next year. A decision on the HS2 phase two split routes from the West Midlands to Manchester and Leeds will be taken in the autumn.

Meanwhile, the Government's road building programme continues at a pace. Transport minister John Hayes says: "We are rolling out the biggest road programme for a generation. The largest rail modernisation plan since the Victorian era. We are close to completing Thameslink and Crossrail. We are spending £13bn on northern transport this parliament. And overall, transport spending will rise by half."

Since May, supply chain roadshows have been taking place across the country for HS2. "Billions of pounds worth of contracts are available," says Hayes. "Some of them (are) the largest value contracts in UK construction history, with many major UK construction companies competing."

However, he adds: "The road investment strategy is no less important to our national interest, worth £15bn in the current period up to 2020.

"It's the biggest roads commitment for a generation, with a second road investment strategy to come from 2020, providing the construction industry with the certainty it needs to plan ahead."

Skanska UK is 10th among construction companies in the Fleet200 with a fleet total of 2,380

64,566

cars and vans operated by the top 20 fleets in the sector

37,608

cars operated by the sector's biggest firms

The sector has clearly benefited from the Government's focus on major construction projects and the current mood points towards further growth in the future. That will inevitably mean more vans and cars servicing the companies that make up the sector's top 20 in next year's Fleet200.

This year's data however, gives us a fascinating look at the replacement cycles, funding methods and types of vehicles employed by its biggest fleets.

After the utilities/energy/water/forestry/fishing sector, it has one of the 'greenest' fleets in the Fleet200. Collectively, the top 20 firms operate 686 hybrid and pure electric vehicles (EVs), with Amey responsible for some 20 pure electric cars, 50 hybrid vans and 150 hybrid cars.

Overall, pure EVs are in the minority, with 25 and 35 plug-in vans and cars respectively, compared to 52 hybrid vans and 574 hybrid cars.

The cars and vans used by companies in the architecture, construction and building sector are typical workhorse vehicles, however. The average annual van mileage is 23,118, higher than the Fleet200 fleet average of 22,140 miles. The sector's car fleet, which is 64% job need and has average CO_2 emissions of 112g/km, also covers more miles than the Fleet200 average – 19,154 miles versus 18,449.

Vans are replaced on average every 48 months/105,000 miles, with cars operating on an average replacement cycle of 48 months/93,611 miles. That compares to a Fleet200 average of 48 months/90,334 miles and 60 months/103,110 miles for cars and vans respectively.

Vehicles are predominantly funded by contract hire (80%), with outright purchase (10%) and operating lease (10%) also occasionally used. That compares to a Fleet200 average that suggests more of a mixed bag, with 57% of fleets using contract hire and 22% using outright purchase.

Advertisement Feature

Take total control of your fleets costs, fuel spend and usage

Key considerations for large complex fleets

You're a fleet operator. Your job is to keep running costs as low as possible without compromising on service or security.

Routine vehicle checks and reporting, as well as scheduled maintenance and servicing, are crucial ingredients for running a cost-effective fleet. Poor vehicle maintenance often leads to costly repairs and unplanned vehicle downtime and you know fuel is one of the overall biggest cost elements in your budget.

You also know maintaining a safe and efficient road task force can be quite a juggling act – especially when you're under pressure to reduce costs. That's why BP takes a unique approach to helping customers manage the complexities of running a large, diverse fleet.

Our BP Fuel Card solutions help fleet leaders better manage their fuel costs and consumption through different pricing options, the use of our large-scale network, and access to our suite of real-time analytics and reporting tools.

Thanks to BP PLUS, smart fleet management has never been easier.

COST CONTROL

BP PLUS Fuel Cards offer different pricing options for all fleet sizes and don't charge transaction fees, or a joining fee. Our pricing options cater to all fleet types and a variety of business needs. BP also offers a Fixed Price Offer (FPO), a new pricing structure whereby customers can fix their diesel fuel price for a 12-month period. This helps to stabilise cash flows and protect customers against rising price costs.

THE BIG NETWORK

BP Fuel Card customers have access to the UK's largest branded network with over 1,260 sites, as well as, 2,500 partner sites with Texaco and Gulf and a further 1,000 Esso filling stations being added this year.

Andy Allen, Head of UK Cards is particularly proud of the unique benefits offered by BP's Fuel Cards.

By giving managers a powerful platform to help analyse and manage all aspects of their fuel consumption, they have a secure and efficient way to manage fuel costs that ultimately helps them make better decisions.

For drivers, it means that wherever they are in the UK, they're never far from a location that accepts their card.

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Business Services anxious about the impact of Brexit

Uncertainty in the aftermath of referendum on European Union membership is the biggest issue facing the sector in next 12 months our research reveals

NEED TO KNOW

- **Van numbers fall 4,633 to 28,749**
- **Car numbers down 716 to 25,527**
- **Business mileages slightly up for both cars and vans**

By Andrew Ryan

The potential economic implication of the vote to leave the European Union is casting a shadow of uncertainty over the Business Services sector.

After the referendum, analysts from PricewaterhouseCoopers (PWC) reported that the segment, together with the finance sector, saw a slowdown in early 2016 but said it should recover.

However, 21% of the Business Services sector fleets which responded to a question about future challenges said the effect of the Brexit vote was the biggest issue they face in the next 12 months: the largest proportion for any single concern.

Despite this uncertainty, the Brexit vote is not the reason behind a 9% fall in the number of vehicles operated by the largest 20 fleets in the sector this year.

The 2016 figure is 54,276, a drop of 5,349 compared to the previous year. It is the second successive fall as in 2015 the overall fleet dropped 3,546 to 59,625.

Vans took the brunt of 2016's reduction, falling 4,633 to 28,749, while the number of cars operated was down 716 to 25,527.

Much of this fall is due to the inclusion of Enterprise's 4,708 fleet into Amey's, following its £385 million acquisition by the architecture/construction/building sector business in 2013.

54,276

number of vehicles operated by the largest 20 fleets in Business Services sector

6,748

vehicles in the fleet of sector leader Mitie Group

"There has been a continued low uptake of electric vehicles by fleets in this sector. Between them they operate just three cars and 53 vans"

Enterprise had been the fifth largest fleet in the Business Services sector, leaving the order of the four largest fleets unaffected.

Mitie Group retains its position as the biggest vehicle operator, despite its fleet size falling by 218 vehicles to 6,748 It has the 11th largest fleet overall in the Fleet200.

The company's car fleet fell 266 to 2,466 over the past 12 months, although the number of vans it operates has risen by 48 to 4,282. Mitie has halved the number of car brands it offers its employees from six to three.

FEWER CHOICES FOR EMPLOYEES

Mitie isn't the only company to reduce the spread of car marques on its options list as it bids for greater control and – potentially – higher discounts by putting greater volumes through fewer partners.

Ninth place Serco now offers four brands instead of nine and 10th place PHS has halved from four to two marques.

Countrywide Estate Agents has also taken action to refocus its fleet policy. Last year it had 23 brands on fleet; this year it has just five.

Following Enterprise's acquisition by Amey, Countrywide now operates the fifth largest fleet in the sector: a rise of one place. Its fleet size has risen by 226 to 4,856, comprising comprises 4,800 cars (up 200) and 56 vans (up 26).

Not all companies have opted to slim their choice lists, however.

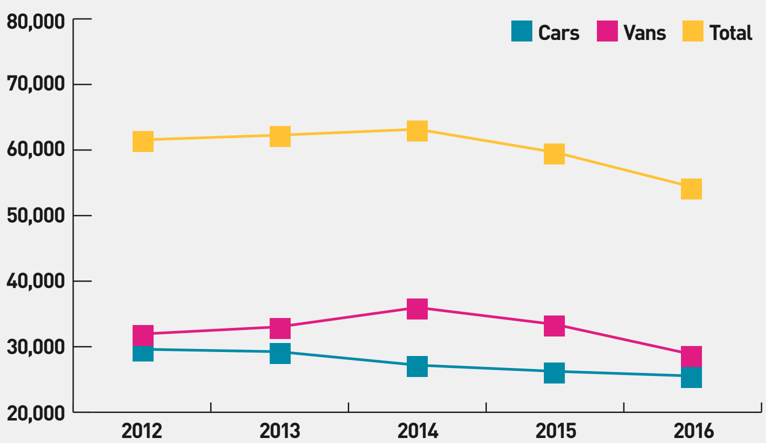
The AA, which remains in second place with a fleet of 6,040 (3,100 cars and 2,940 vans), has added seven brands, taking it to 30; fourth-placed Mears has gone from two to three; and No8 Rentokil now offers a choice of seven, up from four last year.

G4S, which offers 17, remains the third-largest vehicle operator in the sector with 5,217 cars and cans, also the same as last year, while Mears Group closed the gap slightly as it added 41 vehicles.

Mears now has 4,964 vehicles (4,216 vans and 748 cars) having taken on an additional 23 cars and 18 vans.

While one acquisition saw Enterprise leave the Business Services sector, another one saw facilities management company ISS UK grow significantly. The business bought GSH Group's UK and European operation last year to enhance its technical services capability.

TOP 20 FIVE-YEAR SECTOR TRACKER



The business sector shrank but much of the reduction is due to the acquisition of Enterprise by Amey which took the former's 4,708 vehicles out of the sector

TOP 10 BUSINESS SERVICES

	Fleet200 Ranking	Organisation	Cars/LCV fleet total	Cars	Vans/LCV	Job-need car to perk user ratio	CO_2 avg (cars)	No of car brands on fleet	No of van brands on fleet
1	11	Mitie Group	6,748	2,466	4,282	100:0	106	6	5
2	14	The AA	6,040	3,100	2,940	66:34	109	30	6
3	19	G4S	5,217	1,847	3,370	100:0	n/a	17	2
4	21	Mears Group	4,964	748	4,216	90:10	158	3	2
5	23	Countrywide Estate Agents	4,856	4,800	56	90:10	115	5	3
6	43	ADT Fire and Security	3,000	2,000	1,000	95:5	n/a	1	1
7	=50	ISS	2,500	1,000	1,500	70:30	102	9	5
8	=50	Rentokil Initial	2,500	600	1,900	80:20	106	7	2
9	=50	Serco	2,500	1,400	1,100	30:70	117	4	1
10	66	PHS Group	2,209	609	1,600	100:0	n/a	2	2

ISS said the acquisition of GSH, which provides energy and technical mechanical and engineering services and last year was 19th in the sector, was a strategic move to create a team of more than 1,800 technicians, giving greater breadth of coverage and service.

This has led to its fleet size growing by 566 to 2,500 (cars up 166 to 1,000, vans up 400 to 1,500). This increase saw it rise from 12th to joint seventh.

It is joined on 2,500 vehicles by Serco, which saw its fleet shrink by 1,000 (cars down 600, vans down 400). The company said this reduction is partly due to a move by some car users to a cash alternative.

As well as Enterprise and GSH, OCS has also exited the Business Sector top 20. These three businesses are replaced by Connell's Estate Agents, Pelican Rouge and Agrii.

Connell's Estate Agents has the largest fleet of the newcomers at 650 vehicles (350 vans and 300 cars) and is 17th in the sector.

Coffee machine supplier Pelican Rouge (1,000 vehicles) and agricultural services company Agrii (650 cars and vans) are joint 18th and 20th respectively.

Aside from the challenges posed by Brexit, indications are that the Business Services sector will remain stable over the next 12 months, with 69% of fleets saying they expect their fleet budget will not change, 19% expect it to increase, while 12% expect it to decrease.

VAN EXPENDITURE FORECAST TO RISE

Despite the Brexit uncertainty, fleet views over future growth suggest a more positive outlook.

Almost one-third (31%) expect to be investing more on vans – although a year earlier, 56% where planning to spend more – and 19% think they will take on more cars (compared to 44% a year ago).

In contrast, just 13% expected to invest less money on vans although 25% expect expenditure on cars to fall.

Interestingly, 31% of fleets in this category expect to spend less on fuel over the next year, an optimistic forecast given the likely impact on prices of the falling exchange rate. Half expect to spend the same.

It may be that the 27% of fleets anticipating investing more heavily into telematics are planning on using the data to reduce fuel consumption by tackling driver behaviour.

The vast majority of company cars are provided on a job-need basis.

From the data supplied, the average split was 88% job-need to 12% perk: identical to last year's figures.

The AA sits in second place in the listing with 3,100 cars and 2,940 vans

Two of the three largest fleets – Mitie and G4S – are 100% job-need.

The average annual business mileage of the 16 companies that provided data was 20,706 for cars and 28,781 for vans, both up slightly year-on-year.

Average CO_2 emissions from the sector's 20 companies fell 2g/km to 115g/km, following an identical 2% reduction in 2015. ISS reported the sector's lowest average CO_2 emissions of 102g/km. By the end of the year, it expects this to fall to 99g/km.

Three other companies also reported CO_2 emissions of below 110g/km: Rentokil Initial (106g/km), Mitie Group (106g/km) and Integral.

On average, companies in this sector are forecasting CO2 emissions of 113g/km by the end of the year.

The number of hybrid vehicles on Business Services sector fleets has fallen by nine to 164, with The AA operating 69. Integral accounts for 30. G4S, which last year reported that it operated 30 hybrids, did not provide any figures for this year's Fleet200 report.

However, there has been a continued low uptake of electric vehicles by fleets in this sector. Between them they operate just three cars and 53 vans, a total just nine higher than last year. More than half (30) are operated by Serco.

Average vehicle replacement cycles have grown slightly. Last year they were 42 months for cars and 52 months for vans. This year they are 43 and 53 months respectively.

Fiat Tipo Elite Edition: Amore for less

If you value value, then this is your new car

The FIAT Tipo Elite Edition has been designed specifically with the business user in mind. It takes the brilliant Tipo package – fuel-efficient, comfortable, exceptionally roomy and draped in stylish Italian bodywork – and refines the features that matter to those who use their vehicles for work as well as leisure.

The FIAT Tipo Elite Edition has a powerful 1.6-litre turbo-diesel engine, producing 120hp and 320Nm of torque as standard, and is available with a six-speed manual as well as an optional six-speed double-clutch transmission (DCT) for those drivers who spend more time in stop-go traffic than on the open road. Both offer near-identical performance, economy and CO_2 emissions figures so – as is common with the FIAT Tipo – there is no need to compromise performance or low running costs for comfort and convenience. For the Elite Edition, additional fuel-saving technologies improve its economy and emissions still further – with CO_2 emissions from just 89g/km, the BIK liability is just 18% (2016-2017) for both the manual hatchback and Station Wagon, while its official combined-cycle fuel economy figure is from 80.7mpg.

"It takes the Tipo package – fuel-efficient, comfortable, roomy and draped in stylish body-work – and refines the features that matter"

The interior is incredibly well-equipped

In terms of practicality, the new FIAT Tipo hatchback is deceptively roomy, being capable of accommodating five six-feet-plus adult occupants thanks to its class-leading rear legroom and outstanding headroom. And it can fit in their luggage too – its boot capacity is also best-in-class with an outstanding volume of 440 litres. And yet, at 4.37m long, 1.79m wide and 1.50m tall, it's still easy to find a parking spot in the company car park.

The Station Wagon

Just 20cm longer than the hatchback, the Station Wagon version adds an additional 110 litres of boot space – at a total of 550 litres, it is also class-leading. It's capable of carrying loads of up to 1.8m in length and its flip-and-fold 60/40 split rear seats provide a completely flat load floor. The Station Wagon body style has a height of 1.51m thanks to the standard-fit longitudinal roof bars. Loading the boot of the Station Wagon is aided by a low load sill with reconfigurable components, such as an adjustable load floor and removable side storage panels, to further increase the width of the luggage compartment. Everything has been designed and engineered with the busy business user in mind.

Above and beyond

In addition to being powerful, efficient and exceptionally roomy, the FIAT Tipo Elite Edition is also incredibly well-equipped.

As well as all the things you would expect in a modern hatchback and Station Wagon – air conditioning, electric windows front and rear, Bluetooth and DAB radio and a leather-trimmed steering wheel with audio controls – the FIAT Tipo Elite Edition goes above and beyond. You will find a five-inch touchscreen UConnect system with satellite navigation and Uconnect LIVE services, combining with a smartphone app (available via App Store

TIPO For more information, please call our Business

or Google Play) to offer music streaming with Deezer and TuneIn, news from Reuters and the ability to stay in touch with friends via Facebook Check-in and Twitter – not to mention the ability to monitor performance, efficiency and maintenance status with eco:Drive and my:Car. In addition, the Elite Edition is fitted with 16-inch alloy wheels to set it apart from other Tipo models.

Keeping you safe

The FIAT Tipo Elite Edition is also equipped with a comprehensive suite of safety features, including advanced ESP, six airbags, rear parking sensors, AEB (Autonomous Emergency Braking), speed limiter and adaptive cruise control – which uses radar technology to maintain a safe distance to the vehicle in front – all as standard.

And then there are the details, the small things that can make such a huge difference. The standard front central armrest and electrically-adjustable driver's side lumbar support and height adjustment, for example, not to mention the numerous cabin compartments with a variety of shapes and capacities totalling no less than 12 litres, as well as the conveniently located USB port for charging and connecting devices. And if you go for the Station Wagon, you'll find the roller cover can be removed conveniently with one hand and stored under the floor panel, while two lights, two bag hooks and four load-retaining hooks positioned on the floor provide added convenience.

Perhaps the most impressive aspect of the FIAT Tipo Elite Edition is not that FIAT has managed to pack all that practicality and technology into a family hatchback and Station Wagon, it's that it has done so while keeping its P11D price at an incredible £16,940, with the Station Wagon priced just £1,000 more at £17,940. The DCT transmission can be added to either body style for an additional £1,000.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PREMIUM, MID-RANGE OR BUDGET: WHICH IS BEST?

Tyres are estimated to make up around one-third of a fleet manager's maintenance budget. *Andrew Don* speaks to theexperts about the benefits and drawbacks of different cost options

Fleet managers face an almost bewildering amount of choice when deciding which tyres to use. The Tyre Industry Federation says that more than 300 brands sourced from more than 45 countries are on sale in the UK.

These can generally be split into three categories: premium, mid-range and budget.

Tyres in each category have their own strengths and weaknesses, meaning that when fleet managers have to choose a brand they must – pun acknowledged – tread carefully.

It is estimated that around a third of a fleet's maintenance budget is taken up by tyres, meaning that whatever choice is made can have a significant impact on costs, from price to wear and fuel economy. More importantly, they can also have a significant impact on safety.

Company car replacement tyre authorisation is almost exclusively on a like-for-like basis and that means up to 90% of models are fitted with premium brand tyres – Michelin, Goodyear, Pirelli, Continental and Bridgestone, according to Peter Lambert, fleet director at Kwik Fit.

300+

brands of tyres from more than 45 countries

80%

of company car tyres are replaced due to wear

"The majority of van tyres are replaced due to damage rather than wear"

Peter Lambert, Kwik Fit

Kwik Fit has seen a growing trend for van operators moving from premium towards mid-range tyre policies.

“‘However,” says Lambert, “currently half of replacement van tyres are mid-range.The majority of van tyres are replaced due to damage rather than wear. That is unlike the vast majority of company cars where 80% of tyres replaced are due to wear. The average tyre consumption across Kwik Fit's fleet customers is about 1.65 tyres per vehicle per year.

“In reality, replacement varies enormously with some light commercial vehicle fleets fitted with as many as five new tyres per year.”

The damage means fleets are not always getting the maximum benefit from their investment in premium tyres, says Lambert, so managers are choosing to limit their cost exposure and opting to fit a higher percentage of mid-range tyres to vans.

However, there is no one-size-fits-all answer to tyre choice, says Andy Fern, head of fleet at Michelin, and decisions should be taken fleet-by-fleet and with the direct help of the manufacturers.

Many facets must be considered including price, fuel saving, safety, longevity, supplier support, and the occurrence of tyre damage.

Out of these, safety should always be the main factor, says Matthew Smith, director of Falken Tyres UK. He says: “This means buying rubber from a reputable brand. It is also important the correct tyre size, speed and load ratings are specified for a vehicle.”

Smith says when looking at cost, it is “really important” to take into account wholelife cost and not simply select the cheapest tyre. He adds mid-range tyres can be very close in quality to premium ones.

“It's important to look at the whole picture of performance, review tyre ratings and what your dealer tells you,” says Smith.

PREMIUM TYRES

PROS

- Access to latest technology
- Greater durability
- Best performance

CONS

- Highest initial price

TYPICAL PRICE

Tyre: Michelin Energy Saver+
Size: 205/55-R16 as fitted to a Ford Focus 1.5 TDCi Zetec
Tyre label rating: Fuel efficiency B, wet grip A, external rolling noise 70db
Fitted price: £73.75
Source: ATS Euromaster

Premium tyre manufacturers say their products give fleets access to the latest technology, greatest performance and durability.

"The tyres will cost more money than a mid-range or economy tyre, but they will last longer," says Andy Mathias, commercial marketing and product manager at Bridgestone.

Premium casings enable multiple retreading and the tyres incorporate the latest and most advanced technologies due to the investment made in research and development.

"The technology of premium tyre brands is constantly evolving. Bridgestone's Ecopia products, for example, have been developed to provide up to 7.2% fuel saving compared with standard tyres," says Mathias.

Millbrook has independently verified this saving and it is also backed by realworld trials, he adds.

This, his says, gives outstanding structural durability that pays off, because after its first life, the casing serves as valuable raw material for retreading.

"By reusing the casing, fleets can minimise their environmental impact as well as maximise the value of their tyres," he says.

Apollo Vredestein's Ricky Mitchell cites a two-year tyre damage warranty to give peace of mind and confidence in the product – "an insurance for a fleet manager", as he calls it.

He says while premium tyres cost more, they are better quality in every way from materials through to processes to give more guarantee of quality and better service.

The tyres are often designed in co-operation with vehicle manufacturers so they are the best fit, says Mitchell.

"The purchase price for a premium tyre would be higher, relatively speaking, but the tyre offers the best combination of safety, durability, fuel economy (rolling resistance) a low noise level, and all-round good driving performance.

Continental's Steve Howat adds that manufacturing and design technology continues to evolve and the premium manufactures have the ability to now consistently produce tyres without any inherent quality issues.

"By reusing the casing, fleets can minimise their environmental impact as well as maximise the value of their tyres"

Andy Mathias, Bridgestone

MID-RANGE

PROS

- Often made by premium tyre manufacturers
- Greater durability than budget brands
- Lower cost than premium brands

CONS

- Higher initial price than budget brands

TYPICAL PRICE

Tyre: Avon ZV7
Size: 205/55-R16 as fitted to a Ford Focus 1.5 TDCi Zetec
Tyre label rating: Fuel efficiency C, wet grip A, external rolling noise 69db
Fitted price: £55.40
Source: ATS Euromaster

Mid-range tyre brands such as Uniroyal, Kumho and Cooper might not be as well-known as the premium brands, but they still invest heavily in design and testing.

For example, Falken has developed what it says is a pioneering manufacturing process to combat undesirable droning, which is a persistent hum from the road.

The company has named this innovation Silent Core. Such tyres have an ether-polyurethane foam applied to the inside of the tyre carcass. The foam layer absorbs sound and decreases noise.

Apollo Vredestein's Ricky Mitchell says the quality of mid-range tyres is "good but performance could be a little compromised".

The materials are the same but the product does not use the latest technology available, he says.

"This allows manufacturers to reduce costs to serve a bigger range of customers, including fleets, and dealers who want to offer end-users a choice of a cheaper tyre."

Mid-range brands may appeal to fleets which have to replace tyres due to sidewall damage before the tread depth wears, but want better quality than budget brands.

Often choosing a mid-range tyre can mean getting a branded tyre from the same people that manufacture the premium brands, but at a cheaper price.

Bridgestone's Andy Mathias points to Firestone in its mid-range stable, citing low operating cost per mile, multiple retreading thanks to premium castings, wide range of tyre sizes suiting most applications, support and advice of local sales, audit and technical teams and low fuel consumption.

ECONOMY/BUDGET

PROS
- Lowest upfront cost

CONS
- Performance tends to be worse
- Least durability
- Less investment in new technology

TYPICAL PRICE
Tyre: Tigar Syneris
Size: 205/55-R16 as fitted to a Ford Focus 1.5TDCi Zetec
Tyre label rating: Fuel efficiency E, wet grip C, external rolling noise 72db
Fitted price: £45.50
Source: ATS Euromaster

You usually get what you pay for when it comes to budget tyres.

James McWhir, Michelin's customer engineering support manager, says budget tyres offer a lower upfront cost, but frequently require replacement long before premium tyres would need to be removed.

Andy Fern, of Michelin, adds that savvy fleet managers will look at the total cost of ownership.

He says budget tyres lack the investment in time and research that goes into premium tyres.

Apollo Vredestein's Ricky Mitchell agrees that "budget tyres are the easiest choice to save money in the immediate, short-term, but they are never the best choice".

He says they give lower performance, have a shorter life, and are sometimes even unsafe after a few miles.

Bridgestone, which includes Dayton economy tyres in its range, says its own budget tyre has many advantages.

These include a low initial purchase price and the support of a partner network for breakdowns, which, it says, would not be true of most economy brands.

They also come with the support and advice of local Bridgestone sales, audit and technical teams, which also would not be true of most economy brands.

And the tyres are retreadable, the company says, which extends overall life.

Some budget products, however, can prove a false economy as Shirley's Transport in Stoke, testifies.

Director Arthur Shirley recalls that his company recently bought a new truck which was not fitted with Bridgestone-brand tyres, its preferred product.

"It did 17,000 miles less that we would expect and while other factors can come into play such as driving style and weather conditions, you can't ignore the statistic.

"If this was carried over our entire fleet, then that is a lot of money," Shirley says.

"Budget tyres are the easiest choice to save money in the immediate short-term, but they are never the best choice"

Ricky Mitchell, Apollo Vredestein

SPONSOR'S COMMENT

By Andy Fern, head of fleet, Michelin

With winter only weeks away – bringing with it Britain's famously unpredictable weather, and all the unexpected snowstorms, black ice and oddly pleasant sunny days that it can entail – now is the time for fleet managers to be thinking seriously about tyres.

Selecting the correct fitments for a fleet can be a challenge, thanks in no small part to the proliferation of tyre brands and price points in today's marketplace – but more often than not, that choice boils down to one question: premium or budget?

While budget tyres can initially seem like the wise option, thanks to their up-front cost saving, such tyres tend to lack the investment of resources that goes into developing premium tyres – fitments that offer a longer tyre life and better on-road safety as a result. As such, over the whole life of the fleet vehicle, cheaper tyres may not actually work out to be cost-effective.

Also, premium tyre manufacturers' ranges offer a far wider selection of fitments, allowing fleet managers to tailor their tyre policy to each vehicle's specific requirements.

At Michelin, the breadth of our tyre range gives us the ability to meet any customer's tyre needs – even if it's countering the aforementioned unpredictable UK weather, thanks to our unique CrossClimate tyres.

The multi-award-winning CrossClimate – which was named *Fleet News'* Best New Product 2016 – was designed for fleets looking for the on-road control of a summer tyre, but with winter performance built-in – and all achieved without the compromises imposed by so-called 'all-season' tyres, and the need to change tyres twice a year, or to drive on winter tyres in summer.

Tyres are arguably the most important aspect of a car when it comes to safety – those vital few inches of rubber form the only point of contact between vehicle and tarmac, and as such, fleet managers should weigh up their options carefully before deciding to answer that all-important question.

Email: michelin-contact@uk.michelin.com
Telephone: 0845 3661590
Visit: www.michelin.co.uk

CASE STUDY: PREMIUM TYRES

Choosing Michelin has given Addison Lee access to the latest technology which is key to keeping customers safe, says Rob Daniels, head of fleet at the private hire company.

The business has fitted Michelin Cross-Climate tyres across most of its 5,000-strong fleet and describes the summer tyres with winter certification as a "fantastic" innovation.

The company operates the largest passenger car fleet to adopt the tyres in Britain so far.

"Introducing CrossClimate fitments makes perfect sense for us after the international launch showed fantastic results in testing," says Daniels.

"Achieving this level of traction and on-road performance in all weather conditions is a key consideration with a passenger and courier fleet like ours.

"Braking performance is paramount in an inner-city environment for the safety of our drivers and passengers, as much as for pedestrians and other road users."

The CrossClimate tyres are fitted on its Ford Galaxy, Toyota Prius and Mercedes-Benz E-Class vehicles.

"CrossClimate tyres significantly increase vehicle safety and mobility in adverse conditions," says Daniels.

"This is matched with the longevity we're accustomed to from Michelin."

"CrossClimate tyres significantly increase vehicle safety"

Rob Daniels, Addison Lee

CASE STUDY: MID-RANGE TYRES

Driver concerns over safety led Bristow & Sutor to upgrade from budget to mid-range tyres.

The enforcement agency had fitted budget tyres to its vehicles to keep costs low, but soon after joining the company, fleet manager Andrew Wearing changed the policy.

"I had guys coming up to me and saying that on a damp and greasy road their cars were handling really badly on the budget tyres," he says.

"It could have been caused by an issue with the cars, but you can get budget tyres which will handle ok but the tyre wear is quite phenomenal, and you get budget tyres that last forever and a day but the roadholding is awful."

Wearing opted for Firestone and Avon tyres as they can be supplied by the two garages it uses for servicing, as well as by supplier ATS Euromaster.

"In reality, the cost wasn't much more than the budget tyres, but the handling of the vehicles improved dramatically," he adds.

"They have more than paid for themselves in terms of better handling and tyre life."

The company's vehicles each travel around 30,000 miles a year, and front tyres are typically replaced after 15,000 miles.

"The handling of the vehicles improved dramatically"

Andrew Wearing, Bristow & Sutor

CASE STUDY: BUDGET TYRES

Tyres are one of Gateshead Council's leading cost considerations, after fuel. The local authority operates 150 light car-derived vehicles, 150 vehicles up to 7.5 tonnes and 200 heavy goods vehicles. It also operates 1,000 plant and horticultural vehicles.

Graham Telfer, fleet manager at the council, says: "Following austerity budget controls we have had to be more astute when purchasing."

Telfer opts for Sava tyres – what he describes as a budget first-line product from Goodyear which adheres to the manufacturer's quality control.

He says they compare with the mid-range tyres for roadholding and noise under the labelling scheme, for example. He uses these on all car-derived vans, tippers and a fleet of 40 minibus vehicles "which return an acceptable operation on these tyres".

Telfer operates all large commercial vehicles on remoulds on Maragoni retreads from 7.5-tonne to 26-tonne refuse collection vehicles which he says give excellent performance in adverse conditions.

Kerbing bands are fitted on all truck tyres to avoid sidewall damage.

"Gone are the days when you could buy a 175* 13-inch tyre and it would last 40,000 miles," he says.

"We have had to be more astute when purchasing"

Graham Telfer, Gateshead council

TYRE LABELLING

The tyre labelling scheme can be a useful tool for fleet managers comparing tyres for wet grip, fuel efficiency and noise performance.

It was introduced under the European Tyre Labelling regulation, with tyres rated from A to G.

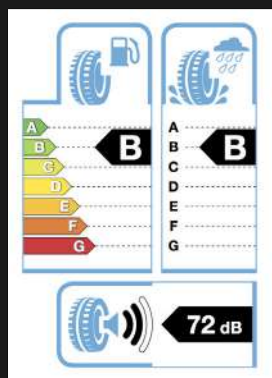
Steve Howat, general manager – technical services at Continental, says a vehicle fitted with a set of A-graded tyres could potentially provide a fuel saving of about 7.5mpg compared with one fitted with G-rated tyres.

A-grade tyres also deliver a 30% improvement in braking distance compared with G-rated ones, he adds.

However, Jamie McWhir, customer engineering support manager at Michelin, says: "While an at-a-glance look at a tyre label can help inform a fleet manager's decision, the labels should only be a rough guide."

Fleet managers should instead focus on identifying the demands their fleet vehicles face, and what policy would offer them the lowest whole-life costs – all with the assistance of tyre manufacturers, he suggests.

Ricky Mitchell, at Apollo Vredestein, says fleets should consider wet handling, aquaplaning resistance, wet braking, dry handling, stability, dry braking, traction and cold weather performance.



What can Corporate Carsharing bring to a company?

The key to reducing costs and improving operational efficiency, compliance, and sustainability

What is corporate car-sharing?

Corporate car-sharing is a private car-sharing scheme dedicated to employees, which can be used for both business and private journeys. The concept allows an authorised employee to book a car online for the time they need, access the car via smartphone or access card, and use the car for the duration of the booking. Essentially it is a mobility service that helps reduce transportation spend on taxi, daily rentals and staff using their own cars for business trips.

Why is it important?

This type of service is generally partially or fully outsourced, saving fleet managers time as they no longer need to spend unnecessary hours managing pool cars, keys and bookings. Pool cars are usually a small aspect of the fleet, but require a lot of management so it's about making the whole process more efficient.

How does it help a business?

Corporate car-sharing helps a business become more innovative. Introducing a new way of doing things with a keyless solution and contributing to the development of a different mindset amongst employees. It saves undesirable fleet and transportation costs and increases internal satisfaction.

It's a self-managing product, so it also allows fleet managers to have more time to focus on strategy and less time on small operational tasks and administration. Cars are fully managed, and easily booked by employees. Costs are easily allocated to relevant cost centres and detailed reporting shows who used the vehicle, for what, when and how many miles they travelled. When implemented, corporate car-sharing unveils benefits that stretch to other departments such as finance and operations. Detailed data also allows for the constant optimisation of the fleet, so your fleet needs evolve alongside the business.

What is the future of business mobility?

Like a lot of sectors, technology is going to play an important part. Business mobility will split into two: long and short distance journeys. Where for both, online and mobile booking tools are going to participate in helping businesses organise employee journeys. We predict that business mobility will be less fleet oriented and more multimodal.

The solution

Ubeeqo provide a tailor-made solution where cars are shared and connected. In-depth analysis allows for a truly comprehensive solution, customised to your needs. The concept consists of a vehicle network on a company site, a user friendly booking platform, in-car technology and dedicated customer support. Our solution ultimately helps businesses reduce costs and improve operational efficiency, compliance and sustainability.

Our advanced technology, expertise and good service helps reinvent and optimise daily business mobility.

To get information on how we've helped some of our clients email **business@ubeeqo.com** or **call 0203 807 0795**

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2016 European Car Sharing Customer Value Leadership Award

Advertisement feature

Universities lead by example on reducing carbon emissions

EVs are making more economic sense and improving local air quality

As centres of academic excellence, universities are expected to challenge traditional thinking whether through previously unexplored theories or new technologies.

"People look to universities to lead by example, so we are trying to be at the forefront of the sustainable green transport message," says Chris Donnelly, head of travel and access at University of the West of England (UWE Bristol), which has 13 electric vehicles on its fleet.

"We use our electric vans for site maintenance and hospitality deliveries for teas and coffees, so a lot of our fleet use is fairly short distances and on our campuses.

"One of the things we are really focusing on is the local air quality and the environment for our students.

"We had diesel vans buzzing around campus all day, chugging out fumes, and all of the students were breathing in the air, so the zero tailpipe emissions from EVs has got to be better for them.

"As well as that, the economic case really stacks up with the lower fuel and maintenance costs.

"I've just serviced two Nissan e-NV200 vans and spent £99 on each of them, while if you were doing your first service on a normal van, you would be talking about at least a couple of hundred pounds.

"That's a big saving and, with EVs, there are less oily bits as well, so there's less to go wrong with them."

University of Birmingham has also found significant fuel and maintenance savings through operating EVs, while Manchester Metropolitan University said that as a result of taking on 11 EVs, its fuel costs have been cut by around 80% with carbon emissions down an estimated 8%.

The latest additions to its fleet are three Nissan e-NV200 vans, which are used for deliveries around its two campuses, and two Nissan Leaf pool cars.

Jason Smith, transport co-ordinator at Manchester Metropolitan University, said: "As an organisation, we are always striving to improve our environmental performance and our EVs are making a significant contribution to that. But the savings on fuel alone make moving towards an EV fleet a real no-brainer."

The remaining 18 vehicles on the university's fleet are now expected to be replaced by electric alternatives when they come up for renewal.

University of Birmingham hopes to increase the proportion of electric vehicles on its 100-vehicle fleet to 40% by 2020. The organisation bought its first electric vehicle in 2007 and in 2008 was the first UK university to open its own hydrogen station.

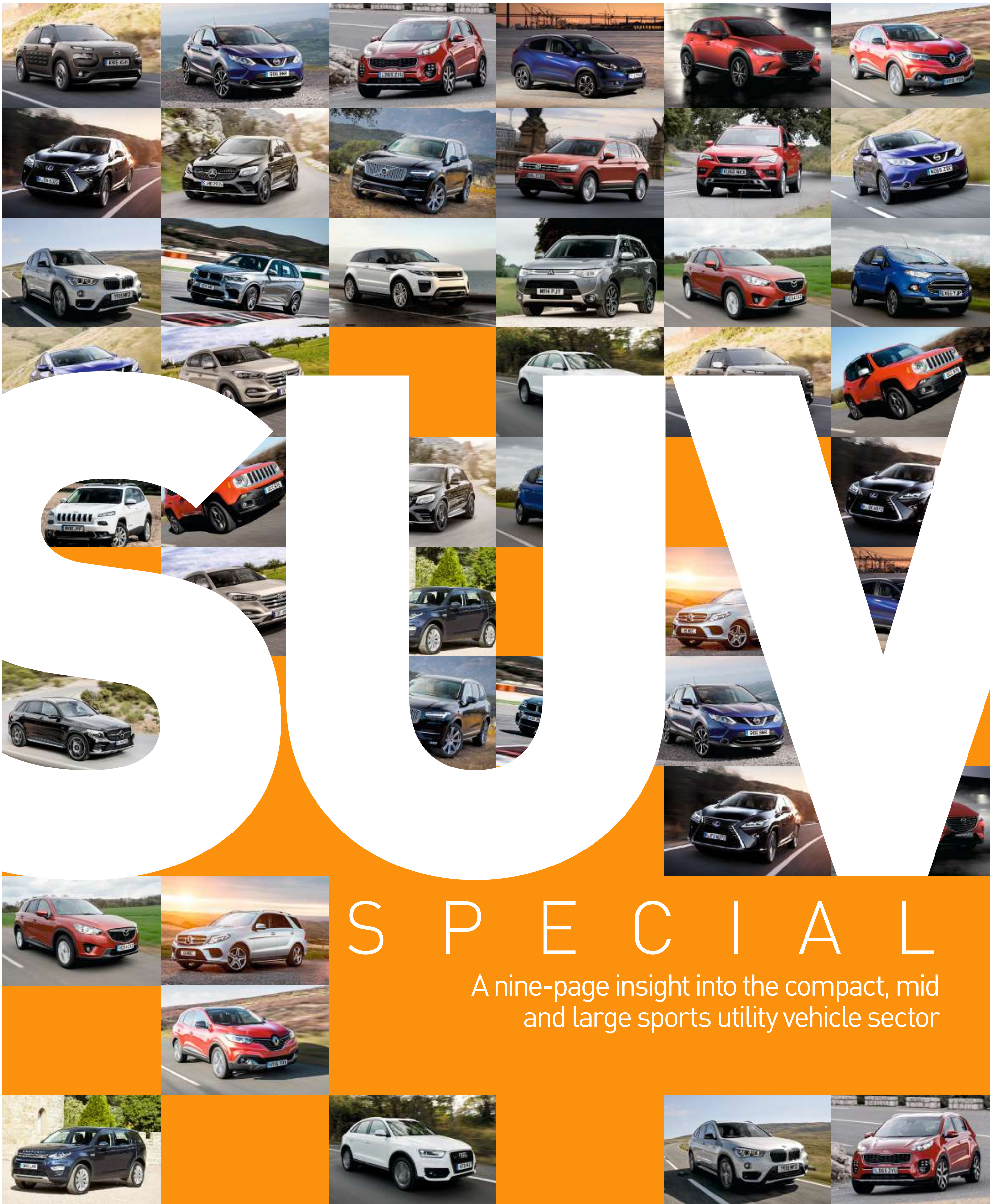
It expects to have 23 EVs by the end of the year and these will be driven by electricians, environmental services, IT services staff and postal services. They travel 5,000 miles per year on average and all the university departments that use them have a charging point.

Monica Guise, sustainable logistics manager at the University of Birmingham, said: "Our EVs are leased for five years. For the first time this year we found that an electric vehicle was less than its diesel counterpart.

Our low mileage diesel vehicles suffer from filter issues resulting in considerable time off the road for repair. We've also noticed a reduction in noise and air pollution and have seen carbon emissions across the fleet reduce by 13.5 tonnes."

All three universities have gained Go Ultra Low Company status, which is an initiative that acknowledges and rewards organisations that have taken the industry lead and included significant numbers of EVs on their fleets, with a commitment to add more before 2020.

To learn more about EVs and how you can join the Go Ultra Low Companies initiative, visit GoUltraLow.com/fleet



SUV SPECIAL

A nine-page insight into the compact, mid and large sports utility vehicle sector

INSIDE

APPEAL OF SUV AS FAMILY CAR IS STILL UNDIMINISHED

Year-to-date figures show SUVs have shaken off their 'gas guzzlers' image to register 16% of the UK new car market reports *Simon Harris*

The car market has been transformed in the past 25 years, with some of the traditional sectors falling out of favour as people find new niches more attractive.

People carriers or MPVs became popular in the 1980s, with Renault laying claim to being first with the Espace (in Europe at least), but around a decade later it downsized the concept with the Mégane Scénic and other manufacturers followed.

While SUVs had tended to be authentic 4x4s, with a separate body-on-ladder chassis, the revolution here began in the 1990s with the Toyota Rav4, Honda CR-V and Land Rover Freelander offering family car-sized choices and family car-like driving experiences. The Mercedes-Benz M-Class and BMW X5 were pioneers for the premium sector.

In the days when fuel was substantially lower than £1 a litre and company car tax was based on annual business mileage rather than CO_2 emissions, the stronger residual values of SUVs in comparison with similarly priced saloons and hatchbacks made it easier to justify procuring SUVs for the right employees and roles.

A combination of the impact of CO_2-based benefit-in-kind (BIK) tax in 2002 along with some fleet policies excluding 4x4s subsequently saw the appeal of SUVs narrow. They were often described as 'gas guzzlers'. So it is perhaps surprising that for the year to date the SUV takes a 16% share of the UK new car market, and has been the fastest growing sector in Europe for several years.

According to market data from Jato Dynamics for Europe, the SUV sector overall outsold individual traditional market segments for the first time in 2015, taking a market share of 22.49%. By contrast, the 'sub-compact' sector, the B-sector in the UK, reached 21.99%, while 'compacts', also known as lower-medium or C-sector cars, took a 20.61% share.

The performance of the SUV sector in the UK, as defined by the 'dual purpose' segment by the Society of Motor Manufacturers & Traders (SMMT), isn't quite as strong, but the evidence of rapid growth is clear, with a 16% share of the market from January to August 2016, compared with 6.4% for the full year in 2008.

Car manufacturers themselves draw a distinction between SUV and 'crossover' for their own marketing purposes. Although crossover is little more than vague industry jargon, it is usually applied to models that are not intended for serious all-terrain driving. But in terms of styling, practicality and everyday usability, they are similar and come under the same 'dual purpose' banner.

While cars like the Toyota Rav4, Honda CR-V and Land Rover Freelander defined the template for the compact SUV in the 1990s, Nissan captured the more recent desire for a family car that didn't conform to the traditional sectors.

The Nissan Qashqai launched in 2007, effectively replacing the Primera in the manufacturer's European line-up. Traditional upper-medium saloons and hatchbacks had been declining in Europe, and many mainstream manufacturers were struggling to reach previous sales numbers.

Nissan decided to go in a different direction and launched the Sunderland-built Qashqai as its alternative to the upper-medium hatchback.

The Qashqai is now in its second generation (launched in 2014), and in 2015 around 60,000 were registered in the UK

21.99%
share of the new car market enjoyed by 'subcompacts'

20.61%
share of the new car market enjoyed by 'compacts'

It followed the introduction of a larger crossover in North America, the Murano, in 2003, which had become an unexpected sales sensation. Nissan felt that a more Europe-friendly model in the same vein could repeat that success.

Like the compact SUVs that preceded it, the Qashqai offered an elevated driving position, improving forward visibility, a roomy interior and usefully large luggage compartment. It also felt more agile to drive, and its running costs and tax liability were equivalent to upper-medium cars.

Other manufacturers were also switched on to this evolution in the SUV sector, and soon there were a number of softer-styled, more sophisticated versions that were more appealing than a traditional saloon or hatchback.

The Ford Kuga, Volkswagen Tiguan, Hyundai ix35 (now the Hyundai Tucson), and the Kia Sportage are among the most popular mainstream models that compete for user-chooser attention, while the Range Rover Evoque, BMW X1 and Audi Q3 are among the premium-badge cars around the Qashqai's size that have followed.

The Seat Ateca and Toyota CH-R are latecomers to the medium SUV sector, introduced this year, while Peugeot has had a change of strategy with two of its MPVs, reinventing them as SUVs.

The Peugeot 3008, launched in 2008, had more of a rugged look than rivals such as the Renault Scenic, but was never really marketed as an SUV. The 5008, launched in 2010, was a seven-seat MPV rivalling the Vauxhall Zafira and Volkswagen Touran.

Now, Peugeot is launching the 3008 SUV and it will soon be joined by the seven-seat 5008 SUV. Both models are now vying for a share of the SUV market, and the popularity of seven-seat SUVs could be a cause of the decline of the traditional large MPV in Europe.

UK 'DUAL PURPOSE' (SUV) REGISTRATIONS AND MARKET SHARE

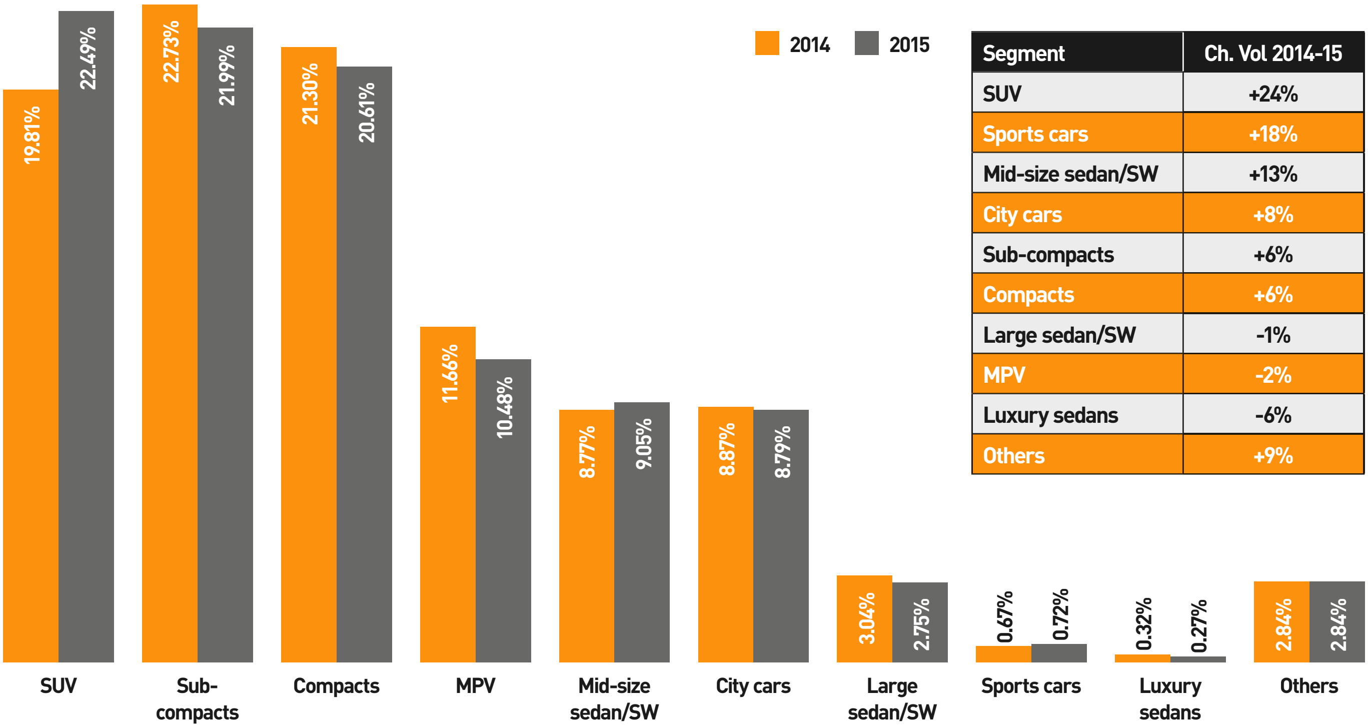
2006	175,805	7.5%
2007	176,290	7.3%
2008	136,525	6.4%
2009	132,472	6.6%
2010	156,552	7.7%
2011	165,997	8.6%
2012	201,102	9.8%
2013	248,003	11.0%
2014	292,347	11.8%
2015	355,118	13.5%
2016*	344,486	16.0%

Source: SMMT

** January-August*

EUROPEAN ANNUAL REGS. VOLUMES BY SEGMENT SHARE

Source: JATO Dynamics Ltd



Segment	Ch. Vol 2014-15
SUV	+24%
Sports cars	+18%
Mid-size sedan/SW	+13%
City cars	+8%
Sub-compacts	+6%
Compacts	+6%
Large sedan/SW	-1%
MPV	-2%
Luxury sedans	-6%
Others	+9%

Just 15 years ago, there were large MPV choices from Chrysler, Citroën, Fiat, Ford, Hyundai, Kia, Mazda, Mitsubishi, Peugeot, Renault, Seat, Toyota and Volkswagen. Now just Ford, Seat, SsangYong and Volkswagen offer large MPVs in the UK that aren't also available as commercial vehicle variants.

The choices that have disappeared have been replaced by large seven-seat SUVs, such as the Hyundai Santa Fe, Kia Sorento, and premium models such as the Audi Q7, Volvo XC90 and Land Rover Discovery.

The Land Rover Discovery has long been the best-selling large SUV in the UK and, unlike most of its popular rivals, it has a truly impressive level of off-road ability. It doesn't have the same responsive on-road behaviour as a BMW X5 or Mercedes-Benz GLE, but its practical shape – and the unique appeal of the Land Rover brand in the UK – make it desirable to more people as an all-round family car.

And the appeal of large SUVs continues, with more manufacturers introducing models in this sector. Ford launched the Edge in Europe this year, and buoyed by the success of the Qashqai-sized Kadjar, Renault will launch the larger Koleos in 2017. Škoda will also launch its own large SUV, the Kodiaq.

While some car choosers see a clear distinction between mainstream and premium brands in the traditional sectors, it's less obvious in the SUV one, with both types appearing on people's wish lists. The status of the SUV in itself is seen as a premium choice.

Nissan has repeated the success of the Qashqai with the Juke as a crossover built on a small car platform, and other manufacturers also have ensured they have a presence in this sector. The Vauxhall Mokka, a roomier and more practical car than the Juke, is popular in the fleet market, while Ford, Fiat, Jeep, Peugeot and others have their own choices.

There will be others. Seat confirmed as it launched its Ateca medium SUV this year that there would be a smaller SUV joining the range in 2017, and a larger one by 2020.

And two years after Jeep launched the Renegade small SUV in the UK, it will be adding a Qashqai-sized model in 2017 in the new Compass.

"The Land Rover Discovery has long been the best-selling large SUV in the UK, and unlike most of its popular rivals, has a truly impressive level of off-road ability"

There are further niches to be explored. Suzuki will launch the Ignis in 2017, and claims it is the first A-sector (city car) crossover. It is unlikely to be offered with a diesel engine, but Suzuki's Dualjet petrol engine should offer a good balance of performance and low CO2 emissions in such a small car.

It might not have the rugged, go-anywhere ability of the Fiat Panda Cross, but it certainly could offer customers an SUV option where others are out of budget or too expensive to run.

Other manufacturers might already have their own alternatives in the pipeline and those that don't will no doubt be observing the performance of these cars with interest.

The Qashqai is now in its second generation (launched in 2014), and in 2015 around 60,000 were registered in the UK. It usually appears in the monthly overall top 10 new car registration tables, and is more prolific than most lower-medium hatchbacks.

We were familiar with SUVs before the Nissan arrived, but it, and other cars since, can be credited with redefining customer expectations for family cars, and helping establish what had been a niche in the market as a high-volume segment. Almost 10 years on, it still has the potential for further growth.

DIESEL-ONLY OPTION STARTS TO LOSE ITS APPEAL

Plug-in hybrids are gaining in popularity and even pure electric SUVs are being developed, threatening traditional internal combustion engines. *Simon Harris* reports

SUVs have undergone a powertrain revolution in recent years, with electrified versions.

While diesel remains the logical choice for most fleet users, especially for SUVs that need to tackle different types of terrain, plug-in hybrid powertrains have been gaining in popularity rapidly, and there are even pure electric SUVs being developed for the future.

Petrol, also, has its place for particular types of cars and buyers, but is as much of a niche for fleets as alternative fuels.

However, it's likely that both diesel and petrol SUVs will become less relevant in the mainstream of the sector, as buyers seek to minimise costs and are incentivised to consider hybrid options.

PETROL

Petrol engines are usually offered only in compact SUVs, that make good low-mileage retail propositions, or in expensive, high-performance SUVs, where purchasers are more interested in status than costs.

Therefore the range of options spans the petrol-only Suzuki Jimny and the Bentley Bentayga, albeit diesel and plug-in hybrid versions of the new Bentley SUV have been confirmed.

Although the recent improvements in petrol engine technology have boosted efficiency in all cars, in most cases, a diesel version will be less expensive for fleet operators in terms of running costs and for drivers in terms of benefit-in-kind (BIK) tax liability.

"A diesel version will be less expensive for fleet operators in terms of running costs"

Bentley Bentayga at the top end of the petrol-only engine options

DIESEL

The trend toward downsized engines hasn't escaped some of the largest cars on sale. A number of the biggest SUV models have abandoned V6 diesel engines for bi-turbo four-cylinder diesels.

Mercedes-Benz's GLE 250d uses a 204hp four-cylinder diesel engine, as does BMW's X5 25d. Land Rover will introduce a bi-turbo 240hp 2.0-litre diesel in the Range Rover Sport for 2017, which will, no doubt, become an option in the Jaguar F-Pace in due course.

If anyone doubted that a 204hp four-cylinder diesel was strong enough to propel a Mercedes-Benz GLE at an acceptable rate, its predecessor, the M-Class, was introduced with a 163hp five-cylinder diesel that was far less fuel efficient.

Likewise, the first BMW X5 diesel used a 184hp 3.0-litre six-cylinder diesel engine – the four-cylinder diesel in the latest X5 produces 231hp and is supposedly capable of 53.3mpg on the combined cycle in the rear-wheel drive variants, with CO_2 emissions of 139g/km.

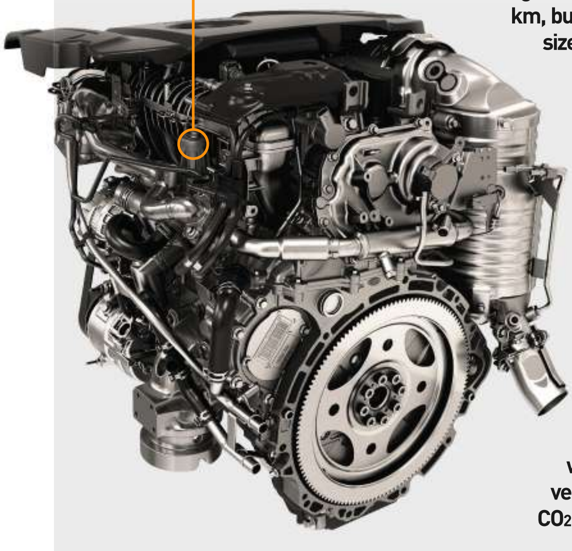
Improvements in fuel efficiency have also made medium SUVs more appealing to fleet operators and user-choosers.

The Nissan Qashqai is not only the UK's most popular SUV, and the most popular Nissan, it is the third highest lower-medium platform car in the registration tables. The 1.5-litre diesel variant produces CO_2 at 99g/km – a significant achievement when the second-generation Qashqai was launched in 2014, and a feat that few have managed to follow since.

The Renault Kadjar, launched in 2015, uses the same engine and manages to match the Qashqai's 99g/km, but with diesel SUVs of this size and with power around 110-150hp, figures closer to 120g/km or 130g/km are more typical.

Offering a diesel version with CO_2 emissions below 100g/km remains a target for many car makers, and more are likely to reach it in the next few years. But for those who need versions with four-wheel drive and substantial towing capability, it's possible we might never see these versions achieve such low CO_2 ratings.

Land Rover Range Rover Sport will have a bi-turbo diesel in 2017



HYBRID

As Toyota pioneered petrol-electric hybrid powertrains in saloons, hatchbacks and estates, its premium brand, Lexus, offered the first hybrid SUV for sale.

In 2005, it launched the RX 400h – a hybrid version of the second-generation RX, which had only been available with a petrol V6 engine.

The successor to that model is the RX 450h, with the latest version launched late in 2015. It still uses a 3.5-litre V6 engine supplemented with an electric motor that can drive the car without the engine at lower speeds.

The undoubted expertise of Toyota and Lexus in developing the petrol-electric hybrid engine results in CO_2 emissions from a remarkable 120g/km with this model.

Lexus also introduced a smaller SUV with a hybrid powerplant in 2014 – the NX 300h. Designed to compete with four-cylinder diesel rivals, such as the BMW X3 and Audi Q5, it offers CO_2 emissions from below 120g/km.

But entry-level variants, which are front-wheel drive and have the lowest CO_2 emissions, have no towing capacity. Weight reductions to achieve the lowest possible CO_2 emissions means no tow bar can be installed.

Toyota has also introduced a hybrid version of the Rav4, using an identical hybrid powertrain to the Lexus NX, while the new C-HR crossover shares hybrid power with the Prius and Auris, offering CO_2 emissions from 86g/km.

Few other manufacturers have explored the standard hybrid format in SUVs. Audi has offered a Q5 hybrid in some markets, while Peugeot has the RXH, the more rugged version of the 508 estate, which was originally only offered as a diesel hybrid.

Lexus 450h was launched in 2015

"The RX 450h still uses a 3.5-litre V6 engine supplemented with an electric motor"

PLUG-IN HYBRID

The plug-in hybrid format lends itself comfortably to the SUV template for a range of reasons.

It offers manufacturers the opportunity to make the biggest gains in CO_2 emissions reduction. With manufacturers' average CO_2 emissions governed by targets set by the EU, which will levy fines for those who exceed the limits, it has been a good way to take thirstier, higher-emitting SUVs off the roads, in favour of those that have substantial zero-emissions capability.

The SUV's shape allows large battery packs and other hybrid components to be accommodated with fewer compromises in practicality compared with traditional cars.

And the premium pricing of SUVs also allows the cost of hybrid components to be included in the price of the vehicle without making the list prices appear prohibitive, especially when taking into account the availability of grants.

Mitsubishi revolutionised the way we viewed hybrid technology in the UK when it introduced the Outlander PHEV in 2014.

Here was a practical five-seat (diesel versions offer seven seats) SUV, with four-wheel, an EV range of up to 30 miles, and, taking into account the incentives offered at the time, priced at the same level as diesel versions of the Outlander. Unlike many hybrid SUVs, it also offers four-wheel drive when running on electric alone.

The Outlander, with effectively no restriction on supply, quickly became the best-selling plug-in car in the UK, and since the plug-in car grant regime changed in April 2016, and the assistance to buy was effectively halved, Mitsubishi has run an offer with a deposit contribution for retail customers, making up the maximum grant amount and retaining price parity with diesel versions.

There are a number of choices of large SUVs with plug-in hybrid powertrains, with the Porsche Cayenne, Mercedes-Benz GLE, BMW X5, Audi Q7 and Volvo XC90 offering hybrid variants.

In that small group there is a range of different engine choices, with Mercedes-Benz and Porsche favouring six-cylinder petrol engines, Audi using a V6 diesel, and BMW and Volvo both using turbo-charged four-cylinder petrol engines.

The BMW, Porsche and Mercedes-Benz have CO_2 emissions above 75g/km, but the Volvo and Audi both produce lower than 50g/km, putting them in a lower benefit-in-kind (BIK) tax band.

The Volvo includes hybrid components without sacrificing its seven-seat practicality, while the Q7 e-tron is not available as a seven seater. The Audi is the only diesel plug-in hybrid SUV now on sale.

Volvo XC90 offers hybrid variants


Tesla Model X is the only fully electric SUV currently available

ELECTRIC

So far the only fully electric SUV available is the Tesla Model X. With prices starting at around £70,000, it is competitive with premium plug-in hybrid SUVs, but is more about the practicality of the SUV silhouette and the security of four-wheel drive traction than travelling off road. For the majority of SUV drivers, that level of ability will be more than adequate, and the Model X has a number of positive reasons for choosing it.

It has a usable electric range that will allow driving for 200 miles before needing a charge, and has free access to Tesla's growing network of superchargers. It can be specified with up to seven seats, and has the strong acceleration and instantaneous maximum torque that electric motors are able to provide.

Other manufacturers have shown pure electric SUVs as concepts and are likely to develop them for production within a few years.

USED DESIRABILITY CAN OFFSET RUNNING COSTS

SUVs shape up well when compared to saloon counterparts. *Simon Harris* reports

Modern SUVs have mostly been able to shake off the 'gas guzzler' label that perhaps was justified 10 or so years ago.

But reductions in running costs go beyond better fuel consumption and, in any case, traditional cars have also undergone similar improvements.

In fact, although SUVs are still less fuel-efficient and have higher CO_2 emissions than similar priced saloons and hatchbacks, their desirability as used cars creates lower depreciation and helps offset these higher costs.

The more up-market appearance of an SUV, a higher driving position and a roomy and practical interior creates an appealing image for user-choosers, who will often pay higher BIK tax to have a car that says more about their status. SUVs can also be a useful tool in staff retention.

Manufacturer pricing strategies vary, but it's typical that an SUV based on a B-sector or small car platform will have a similar price to a lower-medium hatchback. Likewise, an SUV on a C-sector or lower-medium car platform will have a price equivalent to a D-sector or upper-medium car.

The price parity with the sector above takes account of the increased desirability of the SUV as well as any additional features. Although fuel costs will be higher, there is often little difference in SMR costs, with shared powertrains and technology, especially if the SUV is two-wheel drive.

Lower depreciation costs, which can typically give an SUV a five percentage point advantage over a standard hatchback or saloon – but in some cases is much higher – can be enough to claw back any cost deficit in other areas.

User-choosers will often pay higher BIK tax to have a car that says more about their status

In the table, the Mazda3 hatchback is £624 more costly to run than the Mazda CX-3 over four years/80,000 miles, using depreciation, SMR and fuel costs.

Although the CX-3 has higher Class 1A national insurance contributions, and in the second, third and fourth years of ownership would be liable for vehicle excise duty at £20 a year, this amounts to an additional £272 – a figure that would be absorbed in the CX-3's running costs improvement.

The benefit of running a Ford Kuga over a Ford Mondeo is even clearer, with an £800 saving in running costs over four years. This offsets the Kuga's higher NIC, which adds just £156 over four years, while the higher VED liability results in a £240 deficit to the Mondeo. The net saving for the Kuga, including NIC and VED is still £404 over four years.

The contrast in depreciation between the Jaguar F-Pace and the Jaguar XF is even greater, despite the XF being one of the best performers in the executive car sector.

The F-Pace has a £1,128 advantage in running costs over four years/80,000 miles. Its VED costs would be £190 higher than the XF AWD over the same period, while NIC is £788 higher. The net advantage of the F-Pace over the XF using all these employers' costs is still £150 over four years.

HOW SUVs COMPARE WITH SIMILAR PRICED COUNTERPARTS


Model	Mazda CX-3	Mazda3 hatchback
Derivative	1.5 D SE-L Nav	1.5 D SE-L Nav
P11D	£20,940	£21,140
CO_2 (g/km)	105	99
BIK tax band (2016/17)	21%	19%
Annual BIK tax (20%/40%)	£879/£1,759	£803/£1,607
Annual VED	£0 then £20	£0
Class 1A NIC	£607	£554
Residual value	£6,400/31%	£6,125/29%
Depreciation (ppm)	18.18	18.77
SMR (ppm)	3.64	4.19
Fuel cost (ppm)	7.29	6.93
Running cost (ppm)	29.11	29.89


Model	Ford Kuga	Ford Mondeo hatchback
Derivative	2.0 TDCi 150 Titanium X Pack	2.0 TDCi Titanium X Pack
P11D	£28,540	£28,540
CO_2 (g/km)	122	115
BIK tax band (2016/17)	24%	23%
Annual BIK tax (20%/40%)	£1,370/£2,740	£1,313/£2,626
Annual VED	£0 then £110	£0 then £30
Class 1A NIC	£945	£906
Residual value	£8,375/29%	£6,725/24%
Depreciation (ppm)	25.21	27.27
SMR (ppm)	4.84	4.33
Fuel cost (ppm)	8.57	8.02
Running cost (ppm)	38.62	39.62


Model	Jaguar F-Pace	Jaguar XF
Derivative	2.0 D 180 AWD R-Sport auto	2.0 D 180 AWD R-Sport auto
P11D	£41,025	£38,595
CO_2 (g/km)	139	129
BIK tax band (2016/17)	27%	25%
Annual BIK tax (20%/40%)	£2,215/£4,431	£1,930/£3,860
Annual VED	£130	£0 then £110
Class 1A NIC	£1,529	£1,332
Residual value	£17,025/41%	£12,900/33%
Depreciation (ppm)	30	32.12
SMR (ppm)	6.35	6.38
Fuel cost (ppm)	9.66	8.92
Running cost (ppm)	46.01	47.42

Source: KeeResources (4yr/80k)

AT-A-GLANCE GUIDE TO SUVs

Features on the newest models to attract the attention of *Fleet News* test drivers

COMPACT SUV

Citroën C4 Cactus

The C4 Cactus offers something different for people choosing a medium-sized hatchback. It has plenty of kerbside appeal, as well as novelty value in its quirky design in a sector dominated by plain-looking hatches.

The 1.2-litre PureTech 82 delivers 65.7mpg, with CO_2 emissions of 98g/km while the 1.6 BlueHDi 100 has figures of 91.1mpg and 82g/km.

The most distinctive feature of the Cactus is the patented Airbump cushioned panels around the car. Developed to resist low-speed and car park damage, the panels come in one of four colours, contrasting with or complementing the car's paint colour.

Ford Ecosport

An eight-inch ground clearance and a wading depth of up to 20 inches promises to make the Ecosport more capable away from smooth roads than the Fiesta on which it is based.

A tall stance and tailgate-mounted spare wheel give it the rugged looks of an off-roader. Standing on 16-inch alloy wheels, the five-door Titanium has a comprehensive specification that includes climate control, tyre pressure monitoring, a multifunction steering wheel, all power windows, keyless entry with push-button start, fog lights, trip computer, height and reach steering, a height and lumbar adjust driver's seat and rake adjust rear seats.

Jeep Renegade

The Renegade is available with a choice of three diesels: 120hp 1.6-litre front-wheel drive, with CO_2 emissions from 120g/km, and 140hp or 170hp 2.0-litre four-wheel drive diesels.

The Renegade has many traditional Jeep characteristics: the round head-lamps, grille with seven vertical bars, and squared wheel arches.

Interior quality is much better than Jeeps of the past – and more in keeping with the latest Grand Cherokee and Cherokee, with soft-touch materials on the dashboard and elsewhere, while also feeling rugged.

Passenger space is comfortable for four adults.

Mazda CX-3

The CX-3 features bold styling, a high quality interior and comprehensive equipment levels. All versions come with Hill Hold Assist and tyre pressure monitoring as standard.

The mid-grade SE-L is particularly well packaged, including climate control, cruise control, lane departure warning and Smart City Brake, which lessens the severity of impact if the driver fails to respond to vehicles or obstructions up to six metres ahead.

The 1.5-litre clean turbo diesel, recently introduced in the Mazda2, is the choice unit for fleets.

MEDIUM SUV

Kia Sportage

The Sportage brings with it greater comfort, a more upmarket interior and a broader choice of engines than the model it replaced.

The fleet-favourite 1.7 CRDi 115hp diesel has CO_2 emissions at 119g/km.

Key features fitted as standard include alloy wheels, LED daytime running lights, DAB radio with Bluetooth and USB/aux connectors, as well as two 12v power sockets, trailer stability assist, hill start assist and downhill brake control all designed to help with towing.

A stiffer body shell and a number of new specifications for suspension and steering systems make the Sportage feel connected with the driver and the road, improving stability and responsiveness.

Ultimately, like all the best crossovers, there's a decent balance of comfort, refinement and agility.

Seat Ateca

The Ateca has the very latest technology in terms of safety and fuel efficiency.

For fleets, the diesel engines are likely to be of most interest, particularly the 115hp 1.6-litre TDI, with CO_2 emissions of 112g/km. But there are interesting petrol options, too: a 115hp turbocharged 1.0-litre TSI with 54.3mpg and a 150hp 1.4-litre TSI with CO_2 emissions of 125g/km and 52.3mpg.

The interior fittings are up to the high standard we now expect from Seat, with perhaps fundamentally only the design separating it from a medium-sized Audi.

And the Ateca's agility off-road hasn't affected its on-road behaviour. It feels nimble in all environments, and the 2.0-litre diesel engine is smooth, with a reassuring turn of speed.

MEDIUM SUVS CONTINUED

Audi Q3

A mid-term refresh has given the A3 an updated look, new and revamped engines and more equipment. The entry-level diesel engine is the 2.0 TDI 150, with CO_2 emissions from 119g/km. For Quattro four-wheel drive versions, emissions are 131g/km, but a 1.4 TFSI 150 petrol which runs on just two cylinders under light throttle loads has emissions from 128g/km.

BMW X1

The X1 comes in an entry-level front-wheel drive version – the 150hp sDrive18d – with CO_2 emissions from 109g/km, but all other models are badged xDrive and come with on-demand all-wheel drive,. Emissions for the xDrive 20d start at less than 130g/km. Sat-nav, Bluetooth, digital radio, autonomous emergency braking and a power tailgate are all standard.

Honda HR-V

The HR-V has plenty of legroom and is a match for most in its class on luggage space. A minimum capacity of 470 litres is better than the Nissan Qashqai and Ford Kuga. It comes with a choice of a 130hp 1.5-litre petrol engine or 120hp 1.6-litre diesel, the latter offering CO_2 emissions from 104g/km, although it increases with higher specification models.

Hyundai Tucson

The 1.7-litre CRDi Tucson is front-wheel drive only, and has CO_2 emissions of 119g/km, putting it on a par with some of the best in the class. A 136hp 2.0 CRDi with front-wheel drive has CO_2 emissions of 127g/km. The entry level comes with digital radio, Bluetooth, USB and aux-in sockets, 16-inch alloy wheels, air conditioning and automatic headlamp activation.

Mazda CX-5

Highly-competitive efficiency makes the Mazda CX-5 a tempting proposition. Its 2.2-litre Skyactv-D 150 SE-L has CO_2 emissions of 119g/km, and fuel economy of 61.4mpg. The cabin features high-quality materials and a infotainment system with seven-inch touchscreen. The CX-5 has an in-car connectivity system which works with the user's smartphone.

Nissan Qashqai

The 1.5-litre dCi Qashqai has sector-leading CO_2 emissions of 99g/km and 74mpg economy. Accenta Premium trim provides dual-zone climate control, alloy wheels, DAB radio, rear-view camera, parking sensors, push-button start and a sunroof as standard. Also included is traffic sign recognition, front collision avoidance, high beam assist and lane departure technology.

Range Rover Evoque

The Range Rover Evoque has the 2.0-litre 'Ingenium' engine in 150hp and 180hp variants. With front-wheel drive, CO_2 emissions are just 109g/km for the three-door coupé and 113g/km for the five-door. The long service intervals of 21,000 miles could see the car complete a typical fleet life-cycle with one fewer routine visit to the dealer, helping to reduce costs.

Volkswagen Tiguan

Using the same modular component set as the latest Golf, Touran and Passat, the Tiguan isn't quite as tall as its predecessor, but is longer and wider, and its wheelbase has been lengthened by 77mm, which improves interior space.

Luggage volume is also greater than before. The rear seat can slide forward to increase this further without the need for folding the rear seat, although the maximum available with the rear seats folded is 1,655 litres – which would be among the best estate cars you could buy for this money.

There are new safety features on the Tiguan, with forward monitoring and autonomous emergency braking with pedestrian protection standard across the range.

CO_2 emissions start at 125g/km for the 150hp diesel with front-wheel drive.

Mercedes-Benz GLC

The GLC, which uses Mercedes-Benz's 4matic permanent all-wheel drive system, is based on the C-Class platform, while both front and rear over-hangs are shortened to increase its off-road ability: this increases the steepness of slopes the vehicle can climb or descend.

Although the GLC is available only as a five-seater, there is plenty of room for all occupants, with headroom and legroom both particularly generous.

As well as its platform, the GLC also shares many of its cabin fittings with the current C-Class. This gives the interior a high-quality appearance, with a seven-inch touchscreen taking a prominent position at the top of the centre console: it feels a luxurious place to be.

Standard equipment on the entry-level SE trim level includes reversing camera, electric tailgate, leather upholstery, climate control, electronic stability control with crosswind assist, autonomous braking, and attention assist, which continuously analyses driver behaviour and steering movements.

Toyota Rav4

Substantial reductions in tax liability, comprehensive specifications and high-value pricing are being used to persuade company car drivers to opt for hybrid power instead of diesel when they consider the Rav4.

Positioned as the entry-level hybrid SUV, the Business Edition Plus 2.5-litre petrol hybrid offers official fuel economy in excess of 57mpg economy with 115g/km emissions.

Extremely quiet off the mark, thanks to its electric motor, the car accelerates in a crisp and smooth fashion – and retains a refined air when its new engine cuts in, irrespective of speed.

The improvement in handling stems from greater body rigidity while an interior that allows stretching space for five adults is also quieter, particularly so in the rear after improved sound insulation under the floor and in the doors.

Renault Kadjar

The Kadjar range starts at £17,995 for the 1.2-litre TCe 130 Expression+, with diesel versions starting at £19,895 for the 110hp 1.5-litre dCi Expression+.

The version most popular with fleets is the 1.5-litre dCi Dynamique S Nav at £22,395 which has CO_2 emissions from 99g/km. A 1.6-litre dCi has emissions from 113g/km, rising to 129g/km for the four-wheel drive version.

Core features include digital radio, LED daytime running lamps, seven-inch TFT instrument panel with digital speedometer, R-Link 2 multimedia system with navigation, Bluetooth, USB socket, lane departure warning, traffic sign recognition and automatic headlight beam adjustment, dual-zone climate control, automatic lights and wipers, and cornering function on front foglights.

The Kadjar has a roomy interior with high-quality finish. It can accommodate five adults comfortably, and is a capable performer on the road.

LARGE SUVS

BMW X5

BMW introduced a plug-in hybrid version of the X5 this year, offering reduced CO_2 emissions and improved fuel economy compared to the diesel. The 2.0 XDrive40e (£51,845 in SE trim) uses a turbo-charged four-cylinder petrol engine, in conjunction with an electric motor. The total system power output is 313hp, with CO_2 emissions from 77g/km – around half the diesel X5.

Jeep Cherokee

Jeep expects to sell around 3,000 Cherokees a year, with 80% powered by the 197hp 2.2-litre engine mated to the nine-speed box. The most sought-after trim is Limited grade. Around 25% of all Cherokees sold in the UK will go to the fleet sector. Producing 197bhp and 440Nm of torque, the engine has plenty of oomph and the power delivery is smooth and quiet.

Land Rover Discovery Sport

The Ingenium 2.0-litre engine option is available in a 150hp unit offering CO_2 emissions of 129g/km and fuel economy of 57.7mpg, and a 180hp version with 139g/km and 53.3mpg. The nine-speed gearbox works well with the engine's power delivery, ensuring refined yet punchy performance, while the precise steering and smooth ride ensure an enjoyable drive.

Lexus RX

The RX hybrid range starts with the SE, which features 18-inch alloy wheels (allowing it to achieve 120g/km), digital radio, sat-nav, LED headlights and leather seats. All variants have a safety pack comprising pre-crash safety, adaptive cruise control, lane departure warning and lane keeping assistance, traffic sign recognition and automatic dipping high beam.

Mercedes-Benz GLE

The 2.1-litre, four cylinder engine in the 250d is expected to account for two-thirds of registrations. It combines 155g/km with 47.9mpg. Equipment is generous and includes a park-assist system with reversing camera, push button starting, heated front seats, a multi-control touchpad, privacy glass and a powered tailgate.

Mitsubishi Outlander

The latest Outlander has a distinctive new look, with sharper, more coherent styling at the front. The Outlander PHEV will travel up to 32 miles on electric power alone and can run on electric at motorway speeds, although prolonged high-speed driving will reduce the range. A 2.0-litre petrol engine takes over when the plug-in charge has run out.

Volvo XC90

The engines in the XC90 are offered in a variety of powertrain options. Both petrol and diesel engines are four-cylinder 2.0-litre units. The 225hp D5 diesel will take the majority of sales, but a 400hp T8 petrol plug-in hybrid could attract the attention of user-choosers. This plug-in hybrid has CO_2 emissions of 59g/km so lower BIK tax than the diesel versions.

SPECIAL REPORT

THE NEWEST KID ON THE SUV BLOCK

Inside: why the SEAT Ateca is set to make a significant impact in the highly competitive SUV sector

Ateca to drive SEAT fleet sales to a record high

Aim of 3-4% market share will make it second-best seller behind the Leon

The Ateca SUV is a significant car for SEAT. From global chief executive Luca De Meo to UK head of fleet and business sales Peter McDonald, everyone at the company understands its importance to the brand.

Until now, SEAT's line-up has covered just over half of the car market. By the end of 2017, with other launches in the pipeline, it will cover almost three-quarters.

Listen to De Meo, for example: "From a brand position, the Ateca will move us to the centre. People should expect emotion and warmth from SEAT."

SEAT expects the Ateca to drive its true fleet registrations to record levels as it moves into the third-largest – and fastest-growing – segment in the fleet sector for the first time. It has received hundreds of orders from fleet and retail customers, even before people could drive the car.

"Leon has been a key fleet model for SEAT – and the Leon is great – but we know that the fleet marketplace requires a portfolio of products" says McDonald.

"A fleet customer often doesn't want to deal with many different manufacturers, they want to work with a few, and have deep relationships. The Ateca will grow volume but also help us to win customers where they want breadth of range, so it is really important."

McDonald points to the heavy investment SEAT is making in new products, including a Leon refresh and a new Ibiza next year, the latter of which will also form the platform for a second, smaller SUV.

"It will be the most comprehensive line-up SEAT has had in terms of segments," he says.

SEAT has increased its fleet sales for the past three years and is up again in 2016 by 10%. Each time it has registered a new record and the Ateca will help to continue this growth into 2017.

"The Leon is great – but we know the fleet marketplace requires a portfolio of products"

Peter McDonald, SEAT

SEAT is targeting a 3-4% share of the sector with the Ateca, which would make the SUV its second-best seller, behind the Leon. Conquests are expected from other marques and sectors, many of whom will be experiencing the brand for the first time.

McDonald says: "SUV is the fastest growing segment and third largest in fleet. As many fleet policies now allow SUVs to be an option, we see opportunities for drivers who used to drive B segment saloons potentially moving to the Ateca."

Buyers are expected to be divided 50-50 between fleet and retail. In fleet, they will typically be user-choosers, matching a similar profile to the retail customer – families with young children and people that have left home.

The Ateca gives them the option to choose a higher specification SUV over a lower specification, and smaller, premium hatch.

McDonald does not believe that the Ateca will take sales from the Leon, whose platform it shares. In fact, quite the opposite could be true.

"I don't see that the Ateca substitutes a lot for the Leon. I think the Ateca will actually help us attract more Leon customers because we can sell a bigger portfolio – we can now attract a larger number of major fleets who desire a range of products, appealing to a wider customer base," McDonald says.

"The Ateca is really important to us. It has really good RVs, sensible CO_2 across the range, and good pricing so really good lease rates."

The Ateca fits neatly into the range with the sharp design cues from the Leon and Ibiza, including the trapezoidal grille, taut curves and full LED headlights.

"It's the halo effect," adds McDonald, "and it gives us the ability to communicate something new and exciting."

The Ateca is set to make a significant impact for SEAT

Packed with latest technology

SEAT prioritises driver assistance, safety and enjoyment with the new Ateca

The new Ateca is loaded with technology to appeal to drivers and fleet decision makers alike. SEAT has made safety a priority alongside connectivity – which enables drivers to access their mobile apps – and convenience, which helps them to perform everyday driving tasks.

Its new SUV has received the full five stars for safety from Euro NCAP. The Ateca scores 93% for adult protection, 84% for child protection and 71% for pedestrian protection, making it one of the safest cars in its class.

"We have packed the car with technology, focusing on driver assistance, safety and enjoyment," says SEAT UK director Richard Harrison. "It ticks all of the boxes."

Among the safety highlights is rear cross traffic alert, which scans the road during reversing manoeuvres and stops the car automatically if other vehicles or obstacles are crossing behind. Complementing this is pedestrian protection, which detects crossing pedestrians and activates the brakes.

New safety features include adaptive cruise control with front assist, which keeps the car a set distance from the vehicle in front by accelerating or decelerating accordingly. If the distance reduces suddenly and the driver does not react, front assist will activate the brakes.

SEAT has also added pedestrian protection to the autonomous emergency braking (AEB) system which, as standard-fit across the range, was a key reason why the Ateca scored highly for pedestrian safety in the Euro NCAP test.

"This does its utmost to prevent a forward collision which helps employers with duty of care and also reduces accident costs for fleets," says Steve Mirfin, SEAT UK product manager. "Front-end collisions could be reduced by up to 40% as a result of AEB technology."

Motorway driving is made safer with the addition of lane assist, which alerts the driver if the car is drifting out of its lane unintentionally and gently steers the car back into line.

Meanwhile, blind spot detection uses LED warning lights to alert the driver if cars are approaching in their blind spot when changing lanes.

Not all the safety technology comes as standard. Mirfin explains: "It gives the end user the decision how far they want to go down that safety route."

He also points to new headlight technology, which not only switches from high beam to low beam settings automatically so as not to dazzle oncoming traffic, but distributes "a bright white light with a broad beam pattern, which uses less energy".

With user-choosers a major target, the Ateca has to engage the company car driver. SEAT has introduced a wealth of technology as it seeks to "be at the forefront" of connectivity systems, according to head of fleet Peter McDonald.

Drivers can connect their smartphones through SEAT Full Link for Apple CarPlay, Android Auto or Mirror Link, enabling them to use their mobile apps safely on the move via the eight-inch colour touchscreen. They can also charge their phones via the two USB ports or by placing it on top of a built-in wireless charging unit.

A 360-degree camera gives a bird's eye view for parking

The Ateca has a wireless charging system for smartphones

View apps with ease

93%
Euro NCAP score for adult protection

84%
The score for child protection

While inside the car, drivers can tailor the environment to their mood with ambient lighting. Eight colours are available and each can be set to a desired intensity.

Technology is also playing an important role in improving the convenience of driving the Ateca, making daily tasks much easier.

Mirfin describes using the technology to "make the everyday less mundane" for drivers and fleets.

Take keyless entry, for example, which unlocks the car as the driver approaches, or the electric tailgate which can be opened hands-free by putting a foot beneath the rear bumper to trigger a sensor.

A real delight feature is 'welcome light' which helps drivers find their Ateca in a busy carpark at night. Simply click unlock on the remote key and the LED headlights will illuminate. At the same time, a circle of light is projected on the ground from each door mirror with the silhouette of the SUV.

SEAT has made parking less stressful thanks to a 360-degree camera which gives the driver a bird's eye view of the car and its surroundings for safety manoeuvring.

Combined with park assist, which uses sensors to measure the distance between the rear of the car and obstacles, and can even take control of the steering, drivers will be able to squeeze their Ateca into the tightest of spaces.

While the Ateca is likely to spend the majority of its time on the road, SEAT has ensured that, as an SUV, the car is adept off-road as well.

Ground clearance of 187mm, 13mm more than the Leon, combines with hill descent control for controlled progress. The all-wheel drive models also have clever electronics that allow extra wheel spin if required and electronic differential lock.

Mirfin says: "It's primarily an urban SUV, but drivers will find the Ateca is very capable in off-road terrain."

Just hold a foot under the rear bumper to open the boot

The Ateca is also adept off-road

Four-day test drive gives fleets and drivers the full experience

New programme targets new customers and could be rolled out to include Leon

One of the biggest challenges any brand faces when introducing a new model, particularly in a sector in which it hasn't operated previously, is 'bums on seats' – how to get drivers behind the wheel to experience the car for themselves.

SEAT believes it has a solution to this perennial problem with the introduction of a four-day test drive on the new Ateca. It will allow potential business customers more time to explore the car and understand its many key features.

"The four-day test drive programme is an opportunity to encourage new people to the brand," explains UK head of fleet and business sales Peter McDonald. "As part of the Ateca launch we want to get it to as many fleets as possible. If it works we will consider expanding it to the Leon."

It is already proving popular with company car drivers, he adds: "There are a lot of people that want to get behind the wheel."

The four-day initiative is also helping to open up fleet and driver eyes to the potential of petrol, according to Mark Penny, SEAT area fleet manager, especially the advantages of the smaller 1.0-litre and 1.4-litre engines.

"The demonstration fleet is important; it's about getting fleet decision makers and drivers to try the car," he says. "We don't tell the driver the size of the engine and they often then don't believe it after they have driven the car."

The test drive programme also helps fleets and drivers to understand how the car is positioned to meet their needs.

The chance to drive the SEAT Ateca over a four-day period can help drivers make their decision

INSIDE THE ATECA

Fleet News had time behind the wheel of the SEAT Ateca at the press launch in July.

We said the car featured the very latest technology in terms of safety, fuel efficiency and convenience, and was capable of rivalling some of the most desirable user-chooser models in the SUV sector.

We tested the 2.0-litre diesels on the event, equipped with four-wheel drive, in range-topping 'XCELLENCE' specification.

This model has CO_2 emissions of 129g/km and fuel economy of 55.4mpg on the combined cycle.

While we noted that styling is subjective, we described the Ateca as "purposeful and agile", noting that SEAT had done a great job of maintaining the main cues that identify the brand, creating a vehicle with much more presence.

We put some of that agility to the test on a specially-created obstacle course, which could be completed safely only with the aid of four-wheel drive, hill descent control and the additional ground clearance which the Ateca has over the Leon X-PERIENCE all-wheel drive estate car.

We also used some other technology to drive a short course completely blind (glass was covered with a vinyl wrap) using the 360-degree cameras available as an option in the Top View pack.

It involved reversing up to a trailer in the precise position needed to hitch it to the tow bar, using only a guide on the screen. Both were completed without any problems, showing the precision of this technology.

The interior fittings are up to the high-standard we now expect from SEAT, with perhaps fundamentally only the design alone separating it from what you would expect from a medium-sized Audi.

And the Ateca's off-road agility hasn't affected its on-road behaviour. It feels very nimble in all environments, and the 2.0-litre diesel engine is smooth, and has a reassuring turn of speed too.


The interior is up to the high standard we now expect

The Ateca breezed through the blind test

Petrol has always been more popular for urban driving but it could have a greater role to play

Ateca sparks a debate on fuel

Petrol or diesel? SEAT believes both have a role to play on today's fleets

Petrol versus diesel: it's a debate that has been rumbling away for the past couple of years as fleets reassess their vehicle policies. But should the talking point be 'versus'? Or should the discussion centre on petrol and diesel as a mixed options policy?

SEAT believes the latter. And not just for smaller cars, doing low urban-based mileage, where petrol has historically been a considered choice. Its calculations show that the financial argument stacks up for large cars, like the new Ateca SUV.

The Ateca is available with two powerful, yet efficient, petrol engines, a 1.0-litre TSI and a 1.4-litre. SEAT recognises that the engine sizes will present an immediate hurdle: the common perception is small equals under-powered.

Mark Penny, SEAT area fleet manager, says a re-education of company car drivers is required to overcome this common misunderstanding. "Our 1.4-litre petrol has 150ps – that's more than adequate for the average driver," he says. "Even the 1.0-litre offers 115ps."

A little over 15 years ago, an output of 115ps would have graced many a 2.0-litre petrol engine. Engines have downsized, yet power has increased.

The argument for diesel often centres on the greater fuel efficiency and the higher residual value, which more than offset the higher P11D price, thereby resulting in a lower running cost.

Yet, according to Cap data, the 1.0-litre petrol has the highest residual values within the SEAT Ateca range, which means the running cost is also the lowest, at around 28p per mile over three years/60,000 miles, compared to a more typical 30-34ppm for the rest of the line-up.

"It's a no-nonsense model for the driver that wants transport rather than all the equipment," says Penny. "It is priced competitively (£17,935) and has the lowest BIK in the range. It's a blend of all these things that gives it such a strong residual value."

He has a number of corporate customers that have placed orders for the smaller petrol engine, primarily due to the cost savings.

However, while the 1.0-litre is currying favour with its headline residual values, the higher-powered 1.4-litre option is attracting the greatest fleet interest. The engine, already available in the Leon, Ibiza and Alhambra, features Active Cylinder Technology (ACT) which automatically closes two of the four pistons at lower to medium rpm to maximise fuel efficiency. It works up to 80mph, regardless of gear.

150ps
Power output of the Ateca 1.4 litre petrol engine

28ppm
Running cost of the 1.0 litre petrol model

£852
Difference in price between diesel and petrol engines over three years

23%
Proportion of petrol demonstration requests

119g/km
Emissions from the 1.0 litre petrol TSI

The driver won't notice any difference, and the pistons are instantly reactivated if greater power is needed, but CO_2 emissions and fuel consumption will both fall by up to 10%. This could save up to half a litre of fuel per 62 miles depending on driving style, rising to 0.7 litres in urban traffic.

When pitched against the comparable diesel model, Penny says the petrol engine is £852 cheaper over three years/60,000 miles.

It has a lower P11D (£2,000 like-for-like) and a better residual value (three percentage points higher). It costs slightly more in fuel, but the service, maintenance and repair is £21 less than diesel and national insurance contributions are almost £300 lower.

"Altogether, it's a lower total cost of ownership on petrol but we have to get that message across to fleet decision makers," Penny says.

Drivers also save, despite CO_2 emissions being slightly higher. Take the 1.0-litre TSI: it starts at £17,935 and emits 119g/km of CO_2 for a benefit-in-kind of 20%. Despite the £20,120 1.6 TDI emitting just 113g/km, the 3% diesel supplement pushes up its BIK to 22%.

"Drivers can save £131 in the first year, rising to £139 in future years," says Penny.

He says drivers as well as fleets are keen to consider petrol. Across the SEAT model range, the proportion of petrol demonstration requests has risen from just under 20% last year to more than 23% in 2016.

"Drivers are finding it difficult to future-proof themselves on BIK, especially when company policies are four years in length," Penny says. "Petrol gives them the option to shed some of that uncertainty."

Overall, petrol accounts for almost half of Ateca sales, although in fleet, diesel still dominates. Here, petrol orders have already hit treble figures, and orders are still rising.

"I have corporate customers that have ordered petrol Ateca primarily because of the cost benefits. Others are influenced by local authority policies on congestion charging zones and low emission zones," Penny says.

"We see the Government's budget decision on the 3% diesel supplement as a strong indicator about what's coming, so fleet operators have to ask questions about their choices. And they are keen to listen about petrol."

In association with SEAT

Making a stand in a tough market

Strong running costs and high specification give Ateca the edge in ultra-competitive SUV sector

RIGHT: 4Drive model has six driving modes: eco, normal, sport, individual, off-road and snow

An important ingredient to the success of the new Ateca is maximising its residual value (RV) so the car remains an attractive proposition to leasing companies and their customers.

Richard Harrison, SEAT UK director, intends to achieve this by carefully balancing supply with demand. He certainly doesn't have to worry about the latter, after the Ateca enjoyed a record order take during the launch weekend.

"We have to do good business with the Ateca," Harrison says, talking in terms that will appeal to leasing companies and pricing guides.

He has a strong approach for the Ateca RV strategy, analysing where orders are coming from and lobbying the factory for more right-hand drive models to meet the demand.

Harrison adds: "It's a steady release. We will keep a tight control over lead times. It's an exciting challenge to have, and a turning point for the brand."

The Ateca has some of the highest residual values in the SUV sector, a measure of the confidence the pricing guides have in SEAT's strategy. It also has low service, maintenance and repair (SMR) costs thanks to technology from the Leon which means the total cost of ownership is very competitive.

Steve Mirfin, SEAT product manager, says: "We have involved the key RV influencers in every aspect of the vehicle and developed the vehicle in conjunction with their feedback – it's paid dividends."

Overall residuals ratings from Cap are 52% across the range at three years/60,000 miles, peaking at 59% for some engine derivatives.

SMR costs have been minimised thanks to variable 20,000/two-year servicing and a focus on ensuring parts can be replaced quickly and easily.

SEAT has a strong cost of ownership proposition with the Ateca. Nevertheless it is treading a well-worn path; the SUV sector is awash with rivals.

So how can it make its mark in one of the fastest growing sectors in the UK? Harrison says the company has done its homework on other SUVs on the market, picking and choosing the best elements and then adding its own dash of 'SEAT-ness'.

"As reaction from the press shows, we have done our research and it has paid off," he says.

"The car is packed with technology focusing on driver assistance, safety and enjoyment. It's a balance of affordability, performance, running cost and driver enjoyability. The Ateca makes us a seriously credible fleet player."

The car is packed with technology focusing on driver assistance, safety and enjoyment. It's a balance of affordability, performance, running cost and driver enjoyability"

Richard Harrison, SEAT

Four trim levels are available: S, SE, SE Technology and XCELLENCE. The entry S models include 16-inch alloy wheels, air-con, five-inch touchscreen infotainment, multi-function steering wheel and USB/SD card connectivity, while safety features include seven airbags, daytime running lights and driver drowsiness detection.

SE models have an upgraded eight-inch touchscreen display with Bluetooth integration and voice control, plus 17-inch alloys, LED rear lights, dual-zone climate control and rear parking sensors. SE also adds full-link system for smart-phones, displaying and using apps though the touchscreen.

SE Technology is available only with the 1.0-litre petrol and 1.6-litre diesel. It adds LED headlights and sat-nav.

The range-topping XCELLENCE list of features is extensive: full leather interior and multi-coloured ambient lighting, 18-inch alloys, reversing camera, digital radio, rain-sensing wipers, keyless entry, automatic LED headlights and the Drive Profile system which enables drivers to choose between six driving modes: eco, normal, sport, individual, off-road and snow.

Two-thirds of initial orders are for the XCELLENCE trim, which blends latest safety technology with full connectivity.

The high level of initial demand reflects the work SEAT has done building credibility in the corporate sector with fleets, leasing companies and the pricing guides – work which started with Leon last year. In the first half of 2016, the Leon has also enjoyed record levels of demand and has changed the way fleets view the brand, according to Harrison.

FUNCTIONAL TO HIGH-END: ENGINES AND TRIMS FOR EVERY DRIVER

Model	CO2 (g/km)	VED band	Insurance Group (30)	Recommended basic	Recommended OTR	P11D value	BIK 2016/17
Ateca S 1.0 TSi Ecomotive 115PS	119	C	8E	£14,945.83	£17,990.00	£17,935.00	20%
Ateca S 1.6 TDi Ecomotive 115PS	113	C	10E	£16,766.67	£20,175.00	£20,120.00	22%
Ateca SE 1.0 TSi Ecomotive 115PS	119	C	9E	£16,279.17	£19,590.00	£19,535.00	20%
Ateca SE 1.4 Eco TSi 150PS	122	D	13E	£17,466.67	£21,015.00	£20,960.00	21%
Ateca SE 1.6 TDi Ecomotive 115PS	113	C	11E	£18,204.17	£21,900.00	£21,845.00	22%
Ateca SE Technology 1.0 TSi Ecomotive 115PS	120	C	9E	£17,937.50	£21,580.00	£21,525.00	21%
Ateca SE Technology 1.6 TSi Ecomotive 115PS	114	C	11E	£19,862.50	£23,890.00	£23,835.00	22%
Ateca XCELLENCE 1.4 Eco TSi 150PS	123	D	14E	£19,875.00	£23,905.00	£23,850.00	21%
Ateca XCELLENCE 2.0 TDi 4Drive 150PS	129	D	16E	£22,808.33	£27,425.00	£27,370.00	25%
Ateca XCELLENCE 2.0 TDi DSG-auto 4Drive 190PS	135	E	21E	£24,837.50	£29,990.00	£29,805.00	27%

FleetNews AWARDS 2016

ŠKODA SUPERB

'The Superb is still incredibly strong on residual values'

Wholelife costs of the car really stack up according to Škoda head of fleet Henry Williams explaining Superb's success

By Sarah Tooze

True fleet sales for Škoda are on track to be 10% up by the end of the year, following a record September, according to the brand's head of fleet Henry Williams.

"It's the best September ever," he says. "We sold just over 2,700 cars into our 'true fleet' customers. We did do slightly more than that in March but March tends to be a little bit bigger so it's our second best month ever."

Williams has been in the job since February, having replaced Patrick McGillycuddy, who became head of group fleet at Volkswagen Group at the start of the year.

Williams ran Škoda's national fleet sales team between 2013 and 2015 and prior to that was a leasing manager for Audi so knows the fleet market well. He has taken a "if it's not broken don't fix it" approach and is sticking with Škoda's strategy of selling to blue-chip corporate businesses and leasing companies, and keeping daily rental and Motability sales "pegged to the market".

"That's well-founded and is the right thing to do for long-term sustainable growth," he says. "I'm not of the ilk of going and doing something which may be distressful for the brand or hurt long-term residual values because that's been a strength of ours for a long time and we're getting more sophisticated with the way we manage that, which you can see in Superb.

"The Superb, when we launched it, had best in class residual values. It's still incredibly strong on its residual values, which is part of the reason why it's so successful – the wholelife costs on that car really stack up."

The Superb hatch has grown its true fleet share from 1.2% to 2.8% year-to-date, while the estate is at 9.4%, up from 5.2%.

Williams points out that the Superb marks the start of the brand adding "emotional appeal" to its cars through its design.

This will be enhanced by a new Sportline trim level on the Superb, followed by the launch of the brand's first seven-seat vehicle, the Kodiaq, which goes on sale at the start of 2017.

"Kodiaq opens other doors to us," Williams says. "We sell 75% of our true fleet mix through Octavia and Superb so those are the real core models for us but what Kodiaq does give us is an element of the user-chooser market."

Fleet News: What reaction have you had from fleet customers who have seen Kodiaq?

Henry Williams: I took 25 key leasing and fleet customers to the Paris motor show and the reaction was incredibly positive. I think people are really wowed by the design of the car and the presence of it. The feedback on the interior from customers was 'this feels like a premium product'. We're not targeting premium brands, that's not the aim because that might suggest we're going more upmarket. We're trying to keep the value for money really strong but what we do see is an element of conquest from some of those premium brands, when we look at the trade-ins.

Some of the little things really get customers. There is a new feature on the Kodiaq, which is a door guard protector, which doesn't sound very exciting but the way it works is really clever, 'simply clever', which is one of our

2,700+
cars sold into 'true fleet' by Škoda in September

4,000
Superbs are expected to be sold this year

Henry Williams, left, receives the award from *Fleet News* editor-in-chief Stephen Briers

> *"It goes with the mantra of us as a fleet team. We want to be simple and easy to deal with"*
>
> *Henry Williams, Škoda*

Members of the Škoda team celebrate winning the best upper medium car award

key phrases that we use for a lot of things. What you see with Kodiaq is a lot of these 'simply clever' features, which a lot of people never think about but it's there and it works and is easy, and that goes with the whole mantra of Škoda. It goes with the mantra of us as a fleet team. We want to be simple and easy to deal with.

FN: Are you planning to expand the fleet team?
HW: We're not looking at improving the headcount but what we are looking at doing is resourcing the existing team up. By that I mean improving their training levels, giving them some of the key tools they are going to need in order to take this brand forward within the true fleet sales arena. And a big part of that is customer closeness and really getting to grips and understanding what the customer's requirements are rather than just going out and trying to sell them anything, it's more of a consultative relationship. A key area of focus for me is to make sure that we have the best relationships with our customers and our leasing companies of any car brand. That's really where I want the team to get to.

FN: What part does the dealer network play in your fleet strategy?
HW: We really went in with a sophisticated LBDM [local business development manager] programme three years ago. We said 'right, we're investing this money here, we want to increase our local business sales and we're going to run it for three years and then we're going to review it'. So that three years is now coming to an end and what we're doing at the moment is looking at that and saying 'well, is it the best in the industry? If it's not then it needs to be' and making the investment required to develop that.

At the moment we have just 20 LBDMs so these are dealer-based sales representatives, they are in that market of sub-25 so selling into local businesses. We're going to increase that to 45 by the end of next year, and what we're going to do for those LBDMs, and for those dealers that are taking this on board, is provide them with the resources they need to ensure the customers they are dealing with are looked after in the Škoda way so we're going to be training those guys up. We're going to be managing national recruitment to ensure we have the right people, we're going to be mentoring, coaching them through it, providing them with a class-leading lead management system so they can make the most out of their area and have the best relationship they can with their customers, in the same way we do with our own area fleet managers

It's a key part of the market. It's also one of the hardest parts of the market to get growth in because there are so many fleets out there and so many people to talk to. But I'm very clear that our route to that is through our local business development managers as people on the ground having those face-to-face conversations with end-user customers.

FN: How will you recruit those additional dealers?
HW: We've already been out to our network and asked for key dealers to come forward and say they would like to be part of it. That's been successful already. We'll also be going out to them through the rest of this year for that recruitment so we'll get that number, that's a certainty. Our dealer network sees the value in this programme. The dealers who are already on it are very vocal about how good it is and how it compares to the rest of the manufacturer world and so I don't envisage any issues with that [recruiting dealers].

FN: What are your fleet sales expectations for next year?
HW: The market is a real tough one. If we look at the forecast for the market overall, it is due to drop and the fleet market within that is due to drop so anybody who is looking to grow is going to have a tough time. As a brand with new models you would expect us to grow but if the market conditions don't permit that then we won't be pushing it.

Williams expects to sell about 4,000 Superbs this year and says Kodiaq won't be doing "that kind of volume". The majority of sales will be retail with about 30% going to fleet.

A facelifted Octavia will also be available next year. "We've seen the car, we think it's going to work really well for our customers," Williams says. "That is our main product, 45% of our true fleet sales go to Octavia, so it's important we get that car right and get it to our customers as soon as possible."

Škoda will launch its first plug-in hybrid with the Superb in 2019, which will be followed in 2020 by its first fully electric vehicle. "Electric vehicles are always a topic of conversation with fleet customers, and rightly so, it's such an important part of every manufacturer's future," Williams says. "We don't want to go too early with technology that potentially is not ready, we want to ensure we give a full Škoda experience."

FACTFILE

Organisation Škoda
Total sales (YTD)* 633,310, up 5.3%
Market share 2.94% (2015 – 2.87%)
Total fleet sales 33,517, up 2.37%
Market share 3.10% (2015 – 3.19%)
* to end September

Judges' comments

"The name fits the car, said the judges. Stylish and roomy, with a high quality fit and finish, it feels like you are driving a car from the class above. Added to that are competitive running costs, low emissions and the strongest residual values in the sector – perfect for fleets and drivers."

AVAILABLE: MARCH 2017

HONDA CIVIC

Complete styling overhaul marks the unveiling of 10th generation model

By Matt de Prez

Honda is looking to widen its customer base with the launch of the new 10th generation Civic, which has received a complete styling overhaul.

The new model loses height in favour of width and length. Honda says this car will appeal to both C and D segment buyers by offering a mix of practicality and value with enhanced comfort and driving dynamics.

For fleets, the announcement of only-petrol engines at launch may be disappointing but a diesel is due to follow in November 2017 and Honda is busy restructuring its commercial sales department so it can expand its fleet market share.

Phil Webb, head of car for Honda UK, said: "We aren't a huge volume player in fleet." He admitted the company has instead focused on its traditional customer but has realised that it needs to appeal to and target a younger audience.

ENGINES

Honda has introduced two new turbocharged petrol engines for the new Civic. A 1.0-litre three-cylinder and a 1.5-litre four – the smaller unit is the predicted best-seller and it develops 127hp. For those wanting more power, the larger unit offers 180hp.

A re-worked version of the existing 1.6-litre i-DTEC diesel engine will be introduced late next year promising improved economy and efficiency. Performance and emissions data will be released nearer the launch date.

"Our dealer network offers the biggest fleet opportunities and it's important that the corporate sales team works closer with them to deliver the numbers," Webb explained.

Honda has 167 dealers in the UK and until 18 months ago only 12 were equipped to deal with corporate sales. Webb has ensured that 84% are now fleet-trained and he plans to have all on board before the end of the year.

"We've realised that our fleet operation was not as good as it could be and we have re-shuffled our corporate team to make sure we get it right," Webb added.

With more customers switching to SUVs, Honda has seen significant growth from its HR-V and CR-V models – which are global best sellers in their respective categories.

But the last Civic was less successful and the re-design has been carried out alongside the American version. The Swindon factory that produces Civic for the UK will now also fulfil all North American orders.

Katsui Inoue, president and chief executive officer of Honda, said at the unveiling: "For me Civic is Honda; it's our most recognisable name. The market has been very competitive since we launched the ninth generation and from early development we realised this car had to be a big step forward."

EXTERIOR

The Civic has benefited from Honda's biggest-ever development programme for a new model. Honda says the market now demands superior standards of quality, refinement and performance.

It demonstrates a bold new styling direction for the brand, which is keen to shrug off its older customer image and appeal to a youthful audience.

Sport models benefit from lower bumpers and a twin centre exit exhaust, plus bigger alloy wheels.

All-new suspension is set to offer class-best handling and ride, according to Honda. We haven't driven the new car yet, but a short passenger ride at Honda's factory in a prototype model gave us an insight into how well this car behaves on the road.

"We have re-shuffled our corporate team to make sure we get it right"

Phil Webb, Honda UK

SAFETY

The Honda Sensing suite of active and passive safety systems is included as standard on all new Civic models for the first time.

It uses a combination of radar and camera information, plus a host of high-tech sensors to warn and assist the driver in potentially dangerous situations.

Coupled with these technological innovations is a focus by Honda to improve the car's body rigidity and stiffness. As such, the manufacturer is anticipating the new car to achieve the highest ratings in the Euro NCAP tests.

INTERIOR

The driver sits 35mm lower than in the outgoing Civic which, combined with a more compact dashboard and thinner A-pillars, gives a better view of the road and makes the driver feel more like they are in the car – rather than on it.

The one-piece instrument panel features soft-touch plastics and a neater design. A seven-inch touchscreen is the centre point of the dash and controls the infotainment, navigation and vehicle settings.

A further display takes the place of traditional dials and, for the first time in a Honda, it includes the navigation and audio information.

THINKING CAP

By Martin Ward, manufacturer relationships manager

cap hpi

Monday To north Wales to drive the Fiat 124 Spider. The sun was shining, we got the manual roof down in seconds and set off into some scenic areas. The 124 is based on the new Mazda MX-5, but most of the body panels are different. It has Fiat's own 1.4-litre Italian-built petrol engine which really suits the car. A great looking two-seater and very reminiscent of the 1960s iconic 124.

Tuesday/Wednesday Over to Paris to drive versions of the forthcoming Peugeot 3008, and what an improvement it is on the current car. This SUV has great styling and an impressive interior. Prices will start from £21,795 when it goes on-sale early 2017. Peugeot has wisely decided to start at Level-2 and is sensibly not bringing a base model to the UK. A pleasant drive in the French countryside in a pleasant SUV.

"I'm becoming a bit of an SUV fan and not so much a sports car driver"

Thursday Looking back over the photos I took at the Paris motor show, and some real stars were born, some crackers were unveiled: the new Nissan Micra, Citroën C3, Land Rover Discovery, Concept BMW X2, Suzuki Ignis, Skoda Kodiaq, Honda Civic, Audi Q5 with its very bold and large new grille, and so many more, some that will appeal to fleet drivers, others that will never see a fleet list. The car that really jumped out at me was the Nosmoke, a pure electric-powered replica of the iconic British car. What a clever idea, I did like this EV.

Friday Down to Daventry for a McLaren press test drive day, my chosen car from the range was a 'Loud-Green' 570S, which produces 570ps, goes from 0-62mph in 3.2 seconds, and is just a pleasure to drive; so well put together and looks stunning. However, I'm becoming a bit of SUV fan and not so much a sports car driver – especially quick ones. Must be an age thing.

1.6 BLUE HDi 120 TOUCH EDITION

CITROËN GRAND C4 PICASSO

Manufacturer expects revamped people carrier to be popular with fleets

The new grille is just one of many changes introduced as part of the model's relaunch

NEED TO KNOW

- Refreshed styling
- Improved connectivity
- Versatile packaging

By Maurice Glover

Enhanced specification and stronger value for money are expected to help Citroën win a greater share of people carrier registrations in the fleet sector next year.

Relaunched with a fresh trim level identity and subtle styling changes, the most popular version in the French firm's C4 Picasso line-up is claimed to offer significant convenience benefits to make life easier for the busy driver.

In its latest guise, the Touch Edition Grand Picasso has connected functionality with a new TomTom live satellite navigation system offering live updates on road conditions along with alternative routing choices to allow drivers to steer clear of traffic jams.

The Picasso facelift includes a new front grille and air intake and rear lights with a distinctive 3D effect, fresh colours and a choice of interior designs. The revised package should boost the car's appeal to corporate users, believes product manager Dan Bullimore.

He said: "Touch Edition replaces the VTR+ model, the mid-range version that has proved to be a big success for us by accounting for 69% of Picasso fleet business. Compared with the outgoing car, it is being pitched at just £200 more and we are confident the additional equipment now included as standard will be seen by customers as representing an excellent uplift in value and an even better proposition."

With the entry-level version withdrawn due to low interest, the revisions are expected to boost popularity of the mid-range model, which is on target to achieve 10,360 sales this year, double the volume achieved by the five-seat Picasso.

Although basic styling is unaltered, cosmetic changes serve to reinforce the image of the Grand Picasso as an upmarket people carrier with class-leading space for seven. With neat handling for a vehicle of its size, the car cruises quietly at speed and has suspension that maintains composure over all surfaces while providing the smooth-ride characteristics to guarantee high-comfort travel over long distances.

For an entry-level model, the Touch is well equipped with dual-zone automatic air conditioning, rear parking sensors, auto lights and wipers and corner-turn fog lights. Also standard is a folding front passenger seat which stretches load length to more than 2.5 metres to add even greater versatility to an interior with second row seats that slide to increase legroom. Load volume is 704 litres with the backrests in position and a huge 2,181 litres with the seats folded flat.

The new model also aids driving safety by allowing access to controls via a touchscreen with faster response and better connectivity including voice control to minimise driver distraction. It also offers a degree of personalisation with a choice of orange, red, brown or black screen colours.

"We're confident fleets will see this new model as a good deal and we also believe it will help us step up our competition with the market-leading Ford C-Max while also bringing us into contention with premium rivals," said Bullimore.

COSTS

P11D price	£23,095
BIK tax band (2016/17)	21%
Annual BIK tax (20%)	£970
Class 1A NIC	£669
Annual VED	£0, then £20
RV (4yr/80K)	£5,075/22%
Fuel cost (ppm)	7.44
AFR (ppm)	9
Running cost (4yr/80K)	33.35ppm

SPEC

Power (ps)/torque (Nm)	118/300
CO_2 emissions (g/km)	105
Top speed (mph)	117
0-62mph (sec)	11.3
Fuel efficiency (mpg)	70.6

KEY RIVAL

Ford Grand C-Max 1.5 TDCi 120 Zetec	
P11D price:	£22,590
BIK tax band (2016/17)	22%
Annual BIK tax (20%)	994
Class 1A NIC	£686
Annual VED	£0, then £30
RV (4yr/80k)	£5,300/23%
Fuel cost (ppm)	8.02
AFR (ppm)	9
Running cost (4yr/80k)	33.43ppm

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


The Touch Edition features a choice of interior designs

Front of the vehicle was reworked in line with suggestions from Europe-based executives

1.0 BOOSTERJET SZ-T

SUZUKI SX4 S-CROSS

Radical engine change and aggressive new styling to put SX4 back in the SUV fight

NEED TO KNOW

- Bolder European styling
- Smaller, more efficient power unit
- Higher grade interior with soft-touch trim

By Maurice Glover

Suzuki is hoping that a few suggestions from Europe will soon be helping a revised sports utility vehicle make greater inroads into Britain's fleet industry.

Executives from five of the Japanese firm's European subsidiaries were asked to come up with a list of ideas aimed at reviving flagging showroom interest in the S-Cross model introduced three years ago. As a result, the latest version gains added distinction from a more upmarket appearance and has a higher grade interior with greater use of soft-touch trim.

Backed by a keen pricing structure, the more aggressively styled car is now in direct contention with rivals, believes Suzuki GB sales and marketing director Dale Wyatt.

"We suggested styling changes that involved introducing a scoop shape at the front to highlight a more prominent grille, headlamps with more detailing, a high shoulder line and a clamshell bonnet and I'm delighted the Japanese design team took just about everything we said on board," he says.

Fleet-dedicated SZ-T features sat-nav, parking sensors and climate control

COSTS

P11D price	£19,444
BIK tax band (2016/17)	19%
Annual BIK tax (20%)	£739
Class 1A NIC	510
Annual VED	£0, then £30
RV (4yr/80K)	£5,075
Fuel cost (ppm)	9.03
AFR (ppm)	11
Running cost (4yr/80K)	24,800

SPEC

Power (hp)/torque (lb-ft)	109/125
CO_2 emissions (g/km)	113
Top speed (mph)	112
0-62mph (sec)	11.0
Fuel efficiency (mpg)	56.4

KEY RIVAL

Skoda Yeti 1.2 TSI SE	
P11D price:	£18,705
BIK tax band (2016/17)	22
Annual BIK tax (20%)	823
Class 1A NIC	568
Annual VED	£0, then £110
RV (4yr/80k)	£4,678
Fuel cost (ppm)	9.91
AFR (ppm)	11
Running cost (4yr/80k)	24,848ppm

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

"The S-Cross was our first C-sector crossover and members of the design team used the previous-generation Nissan Qashqai as their benchmark when they were working on the original shape. It went down well in its first year here with local businesses and Motability customers but sales fell away in the second and third years as successive SUV styling developed to be a lot more purposeful to reflect changing tastes in the market."

He added: "Our latest version has a frontal design that takes account of these changes. It makes a stronger visual impact with a more premium appearance and looks sufficiently different to create more opinions than its predecessor. I believe this major facelift action will deliver a repeat of the initial success of the original model with up to 2,500 examples of the fleet-dedicated SZ-T being sold next year."

A radical change under the bonnet also marks a major turning point for the new fleet model. It now uses a three-cylinder Boosterjet petrol engine one-third smaller than the 1.6-litre, four-cylinder Fiat diesel motor of the previous SZ-T.

Swept volume is only 988cc, but with prolific output claimed to match that of a normally-aspirated 1.8-litre engine, the little direct-injection and turbocharged unit has 11% lower tailpipe emissions and 10% better economy than the discontinued Suzuki 1.6-litre petrol engine.

With virtually no turbo lag, the Boosterjet pulls strongly away from rest, accelerates smoothly from little more than tickover rate in top gear and allows the chunky five-seat car to offer surprisingly quiet and composed motorway cruising.

Standing on 17-inch wheels and with a higher ground clearance, the SZ-T has LED projector headlamps, sat-nav, a rear parking camera, front and rear parking sensors, dual zone climate control, fog lamps, rear privacy glass and silver roof rails. Luggage capacity ranges from 430 litres with rear seats upright to 875 litres when folded.

"We think this version has everything the busy driver needs for day-long comfort and convenience at work as well as versatile family transport. The upgrade makes it £1,000 dearer, but, after specification adjustments, it compares well with the Škoda Yeti and is up to £3,000 cheaper than the Qashqai. It's also better to park now because the new shape makes it possible to see the end of the bonnet from the driving seat," says Wyatt.

Jaguar XE Portfolio 2.0 I4 180HP RWD

Can driving in 'eco' mode really make much difference to fuel consumption? We put the theory to the test in our Jaguar XE, which has four driving modes: normal, eco, dynamic and rain/ice/snow.

Each mode alters the steering and throttle mapping. Eco encourages fuel-efficient driving; dynamic sharpens the throttle response and increases steering weighting for a sportier driving experience. The rain/ice/snow mode dampens acceleration and applies more gradual traction for better control in slippery conditions. Keep the car in normal for the most refined ride – here, the XE offers class-leading comfort.

Our test route took us from Peterborough to Birmingham, a journey of 86 miles each way travelling on A-roads and motorway. The outbound trip was in normal mode – result 55.1mpg. The return, under the same weather conditions, traffic and driving style, but in eco mode, achieved 65.8mpg on the trip computer.

"The return journey earned me a 98% efficiency rating and a trophy icon"

The XE came within a whisker of the official 67.4mpg and, while an unscientific assessment, it does suggest that reducing throttle response and changing gear earlier in eco mode does benefit fuel consumption.

The mode also provides full driving data after the journey, showing acceleration, speed/engine and braking performance and the impact each had on fuel economy, which enables the driver to make adjustments for future trips. I earned a 98% efficiency rating and a trophy icon!

The system, accessed through the eight-inch multimedia screen, also shows the effect on consumption of various electrical items, such as air-con, heated seats and windscreen de-mist.

During our two months with the XE, we've also noticed that its urban consumption figures are a close match to the official test cycle of 55.4mpg; our daily commute of mainly slow-moving traffic is generally achieving 53mpg.

As we move into mid-autumn, we will begin testing the rain/ice/snow mode to see if it is as effective as eco.

Stephen Briers

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

1.5 DCI 110 S NAV

RENAULT KADJAR

Easy car to live with – despite a few niggles

One way to test the load space

COSTS*

P11D price	£24,790
BIK tax band	19%
Annual BIK tax (20%)	£942
Class 1A NIC	£666
Annual VED	£0
RV (4yr/80k)	£7,000/29%
Fuel cost (ppm)	6.93
AFR (ppm)	10
Running cost (4yr/80k)	32.41ppm

SPEC

Engine (cc)	1461
Power (hp)	110
Torque (lb-ft)	1,844
CO_2 emissions (g/km)	99
Fuel efficiency (mpg)	74.3
Max speed (mph)	112
0-62mph (sec)	11.7
Test mpg	60
Current mileage	11,200

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

By Matt de Prez

Since my last update the Kadjar has reached 11,000-miles, which means there are 7,000 remaining until it needs its first service.

The majority of the miles have passed without a hitch, but there have been a few glitches along the way. They seem to be centred on the Kadjar's R-Link 2 multimedia system.

One morning it decided to freeze and shut down leaving me with no music or sat-nav.

On another journey the audio output became distorted and I ended up switching it off altogether. Both faults disappeared after a re-start but have tainted my opinion of an otherwise excellent system.

Connected services provide up-to-the-minute traffic alerts through the sat-nav, which uses TomTom software with crisp graphics and an intuitive interface.

My other gripe is with the stop-start which has an annoying habit of randomly shutting the entire car down as a previous tester noted. The tell-tale is that the courtesy lights come on, which has led to me glancing up at them every time I stop.

Niggles aside, the Kadjar is an easy car to live with. There are some great features such as keyless entry and start, automatic main-beam activation and an electric handbrake.

Clearly the car was designed with the family in mind, and that's no surprise seeing as it is based on the Nissan Qashqai – the car that bought affordable SUVs to the family market.

I don't have any cherubs of my own to test the Kadjar's 1,478-litre maximum load space, but with a few cars in the garage in need of restoration I opted to see how it coped with two sets of alloy wheels with tyres. The Kadjar swallowed the load with ease, folding its rear seats at the flick of a switch.

Overall it's an impressive package for £24,790. Compact dimensions mean it's easy to park and the gutsy 1.5-litre diesel engine is surprisingly efficient – it has torn up the SUV rule book and is better as a result.

"My other gripe is with the stop-start which has an annoying habit of randomly shutting the entire car down"

1.3 I-VTEC EX NAVI

HONDA JAZZ

Safest supermini lives up to the accolade

AEB system is (thankfully) yet to be put to the test on our long-termer

COSTS*

P11D price	£16,700
BIK tax band	21%
Annual BIK tax (20%)	£701
Class 1A NIC	£484
Annual VED	£0 then £30
RV (4yr/80k)	£4,750/28%
Fuel cost (ppm)	9.19
AFR (ppm)	11
Running cost (4yr/80k)	27.68ppm

SPEC

Engine (cc)	1,318
Power (hp)	102
Torque (lb-ft)	123
CO_2 emissions (g/km)	116
Fuel efficiency (mpg)	56.5
Max speed (mph)	118
0-62mph (sec)	11.3
Test mpg	53
Current mileage	10,408

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

By Andrew Ryan

Based on little more than the impression created by the Honda Jazz's solidity and the extra visibility allowed by its raised driving position, the cabin of our long-termer feels a safe place to be.

Testing by Euro NCAP has shown this appearance is far more than skin deep. It has awarded the range its maximum five-star rating. It has also named the Jazz as the safest supermini available in the UK.

Part of the reason behind this is the 71% it received in the safety-assist category, which covers driver-assist technologies such as lane departure warning and autonomous emergency braking (AEB).

AEB is standard across the Jazz range, while an advanced driver assist (ADAS) system is fitted as standard on mid and upper grades, including our range-topping EX Navi car. It is an option on the base model. The ADAS package features five active safety aids: forward collision warning, traffic sign recognition system, intelligent speed limiter, lane departure warning and high beam support system.

Fortunately, during my time so far with the car I haven't found out how effective the AEB system is, but the rest of the safety technology has proved useful and easy to use.

Forward collision warning uses a camera to detect the risk of collision with the vehicle in front, triggering a bright orange light in the instrument panel and sounding audible warnings that a crash is imminent.

I've found this to be too sensitive, sometimes going off when passing parked cars, but I would prefer it this way.

Of the other technologies, I've found high beam support to be the most useful. This automatically switches between main beam and dipped headlights dependent on traffic and the car's surroundings. The speed it reacts is impressive, meaning the risk of dazzling other motorists is minimal.

Overall, the Jazz continues to impress, and it's comforting to know the feeling of safety is backed up by fact.

"I have found the forward collision warning to be too sensitive, sometimes going off when passing parked cars, but I would prefer it this way"

Vauxhall Astra 1.0l turbo 105 Ecoflex Elite Nav

I've not spent that much time in our long-term Astra lately, as it's had a few technical issues and has spent a while in the care of Vauxhall.

On at least three occasions the rear brake lights remained on even when not braking, according to colleagues driving behind me. On the third occasion, we stopped driving the vehicle and contacted Vauxhall.

The manufacturer took the car away, replicated the issue and replaced the brake switch, but the problem re-appeared on the car's return and it is now back with the brand for further investigation.

"On at least three occasions the rear brake lights remained on even when not braking"

In the meantime, Vauxhall gave us a 1.6 CDTI sport tourer diesel in Tech Line trim, and the difference in economy was marked.

We originally took the small capacity petrol to discover whether fleet drivers are ready to return to petrol, and we're not sure the financial case stacks up quite yet.

I had been achieving highs of 45mpg in the petrol model, with averages around 41mpg (compared with an official figure of 64.2mpg). By contrast, its diesel sister, with broadly similar power output, was achieving 56mpg (official figure 83.1mpg).

Our car is the Elite model, and time in the lower, business-focused Tech Line trim offered a useful comparison in terms of specification.

Features that the Elite model gains that we wouldn't worry much about include leather seats and climate control, but the collision assist and vehicle distance detection functionality are safety features worth having.

Christopher Smith

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

DARREN BELL

MANAGING DIRECTOR, FLEETVOLUTION CONSULTING

This qualified ski instructor chose to turn his back on the slippery slopes and, after being voted fleet manager of the year 2014, decided to form his own business consultancy

One of the three vehicles I would like in my garage is an Aston Martin. I've always said I will have one by the time I'm 50, so that's first on the list. The Bentley Continental GT as I'm still a big fan and I think as an everyday driver it would have to be Range Rover Sport.

One of my earliest memories associated with a car was pulling the gear stick out of my grandad's Ford Capri when I was about six while he was driving. Suffice to say, I wasn't his favourite grandchild on that day.

I don't generally read for pleasure, my life's pretty hectic. But my most thumbed and useful book even to this day is *Operations Management* by Slack et al.

I would tell my 18-year-old self to look forward and persevere, work hard and treat people how you would like to be treated yourself.

My pet hate is people talking over you or others. Everyone's got an opinion and all should be heard.

My favourite film is *Good Will Hunting*. It has two of my favourite actors, Robin Williams and Matt Damon, a great story, and shows talent can come from all walks of life regardless of background and education.

There have been many pivotal moments in my life. Obtaining my degrees later in life, setting my own business up, and realising what's important in life . I took a long time to figure it out, but I think I've almost got it now.

If I was Prime Minister for the day? Difficult one, my days of being a politician I like to think are over, but one issue I would like to see resolved is congestion.

Away from the office one of my hobbies is golf without a doubt. I try to get out at least twice a week where possible.

I'd like to be remembered as being generous, fun to be around, and a fantastic golfer. Two out of three wouldn't be bad.

First fleet role I've been involved in transport/fleet since the age of 17, when I was an HGV driver in the armed forces, progressing through the ranks to becoming a senior fleet manager. I guess fast cars and big trucks (boys' toys) have a lot to do with it – and with technology and innovation driving industry it keeps things interesting.

Career goals at Fleetvolution Consulting I set up my own fleet consultancy business more than 18 months ago – I think things are going well, so continued success is what I strive for, as well as making wider contributions to industry in general.

Biggest achievement in business Being voted fleet manager of the year at the 2014 *Fleet News* Awards has got to be up there, as well as setting up a successful business.

Biggest career influence My late grandfather, the support and guidance he gave me in the early years have been invaluable – not just in business but in life.

Biggest mistake in business Working far too many hours and forgetting about what's important in life – family and health.

Leadership style Inclusive and forward thinking.

If I wasn't in fleet I'm a qualified ski instructor, so spending my days on the mountain with breathtaking scenery would take a lot of beating as an office.

Childhood ambition I was a county level runner (Middlesex). I often thought what could have been if I stuck at it instead of trying too many different sports. Still, there may be time for Japan 2020.

Most memorable driver moment For the United Nations in Bosnia in 1992/93, where I was driving articulated fuel tankers over the mountains in -30 and 8ft of snow. It was challenging, but exhilarating.

Next issue: Rupert Armitage, managing director, Auto Windscreens

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