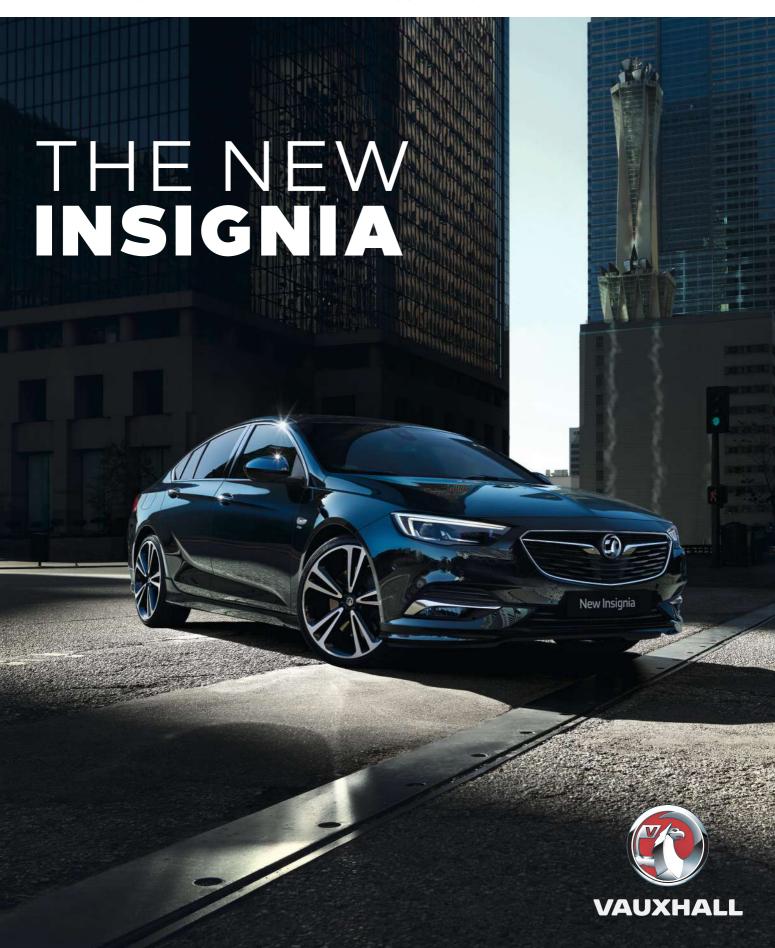
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The Fleet News Fleets Informed programme is designed to deliver comprehensive advice and knowledge to fleet decision-makers. All the content will be hosted at www.fleetnews.co.uk/fleets-informed which will go live this month.









Mayor makes case for diesel scrappage ahead of the Budget

Temporary 20% rise in VED on new diesels could be used to fund scrappage of polluting old ones, says report

By Gareth Roberts

lans for a diesel scrappage scheme for local businesses and low income households have been revealed in a new report.

Van operators would receive £3,500 to scrap vehicles that fell below the Euro 6 standard and have access to a lease guarantor fund to help source a replacement.

Low income households, meanwhile, would be offered £2,000 to dump their car in favour of a mobility package, which would include access to public transport, cycle hire and car club or car rental schemes.

Older, polluting, purpose-built taxis would also be targeted, with a payment of £1,000, in addition to other incentives, to scrap vehicles.

The package of measures, proposed by Transport for London (TfL) and consultants Cambridge Economic Policy Associates, would be delivered over a two-year period and funded, in part, by a temporary 20% rise in Vehicle Excise Duty (VED) on new diesel cars until 2021.

The scrappage scheme would also only be available in the UK's most polluted cities, where so-called Clean Air Zones (CAZs) will be introduced.

Birmingham, Leeds, Nottingham, Derby and Southampton are required to have a CAZ in operation by 2020, while London could introduce an Ultra Low Emission Zone (ULEZ) from 2019.

The report, which was commissioned by Mayor of London Sadiq Khan, has been delivered to the Government ahead of next week's Budget.

Khan said: "A national diesel scrappage fund is the cost-effective way to deliver significant emission reductions while reducing the economic impact on those most affected, such as small businesses, charities and low income households

"For years, Government has incentivised and encouraged people to purchase diesel cars; it is only fair that they now help people to switch to cleaner alternatives."

The report estimates a scrappage scheme in London would cost up to £515 million, but it is unable to provide a total cost, due to a lack of data from other cities.

Almost half of that cash, some £182m-£245m, would be spent over the two-year period helping between 52,000-70,000 operators in London scrap a pre-Euro 6 van.

The Euro 6 vehicle emission standard has been required for newly registered vans and minibuses

since September 2016 (2015 for new models). The Government's draft CAZ framework proposes that only the latest Euro 6 diesel vans and minibuses are allowed to be driven in a number of UK cities without incurring a charge.

It is estimated around 55% of vans and minibuses driven in London on an average

day in 2019 would not comply with Euro 6 standards.

The authors of the report suggest a payment of £3,500 in exchange for scrapping a pre-Euro 6

diesel van would help to bridge the gap for small businesses and charities to buy a compliant vehicle

However, owing to the timescales, there is likely only to be a limited second-hand market of Euro 6 vans by 2020 and many organisations, even with a cash payment scheme, may find it difficult to source the upfront capital cost for a second-hand vehicle. For example, a Euro 6 van is estimated to cost around £11,000 in 2019.

The report proposes a leasing guarantor fund, allowing smaller operators that may have traditionally outright purchased vehicles to address

"A national diesel scrappage fund is the cost-effective way to deliver significant emission reductions"

Sadiq Khan, Mayor of London

any creditworthiness issues and lease a new vehicle instead.

The report also suggests Government might consider the interaction between the scrappage payment and plug-in van grants and what additional incentives could be put in place to help switch to much cleaner vehicles.

Support could be provided that is less reliant on the scrapping of a vehicle but rather fleet growth and/or trialling new cleaner vehicles in city centres, including measures to break down barriers related to charging infrastructure. However, this would not be a substitute for the scrappage payment, nor explicitly linked as a condition for payment as businesses will require flexibility.

The British Vehicle Rental and Leasing Association (BVRLA) welcomed the proposals. Gerry Keaney, BVRLA chief executive, said: "There is an urgent need to address pollution in our cities, which requires a change in the way we travel and the vehicles we use.

"We believe the mayor's proposal for a national vehicle scrappage fund could make a significant contribution in reducing emissions by removing some of the oldest, most polluting vans and cars from our streets."

Khan's call for a diesel scrappage scheme is not new. MPs on the Environmental Audit Committee have previously called on the Government to consider a scheme in an effort to comply with European pollution limits (fleetnews.co.uk, November 23, 2015).

The thinktank Policy Exchange also suggested



a scheme which would offer £2,000 to motorists who scrap an old diesel car or van and buy a new lower emission vehicle (fleetnews.co.uk, March 11, 2016).

However, a Fleet News poll suggests fleets are divided on the merits of a diesel scrappage scheme. Just over 40% of respondents said they believed it would significantly improve air quality.

Professor Toby Peters, visiting professor in Transformational Innovation for Sustainability at Heriot-Watt University in Edinburgh, is not convinced either. He says that before the Government starts spending taxpayers' money to take diesel cars off the road it should consider two minor reforms that cost nothing and target the vehicles that emit the most.

During 'dieselgate', it emerged that the realworld emissions of Euro 6 diesel cars were on average seven times higher than the legal limit. But independent transport refrigeration units (TRUs), the secondary diesel engines used to provide cooling on refrigerated trucks and trailers emit far more.

Peters explained: "Analysis has shown that a TRU emits up to 93 times more nitrogen oxides (NOx) and 165 times more particulate matter (PM) than the emissions limits of a Euro 6 diesel car."

TRUs are allowed to run on red diesel because they are classed, "bizarrely" according to Peters, as 'non-road mobile machinery', even though they operate on a truck or trailer.

He continued: "There is no conceivable economic justification for continuing to subsidise such a mature and highly polluting technology

against new zero-emission competitors. Britain is one of only a handful of countries in the EU that still permits this.

"Banning diesel TRUs in London alone would be the PM equivalent of taking more than 300,000 Euro 6 diesel cars off the road. Imagine what replacing 300,000 cars would cost under a scrappage scheme."

Peters is an advocate of UK-based innovation in energy systems and founder of Highview Power and the Dearman Engine Company. Through these companies, he has established the concept of liquid air to deliver both grid-scale electricity-to-electricity energy storage, and distributed cold and power for applications in transport and the built environment.

He suggests banning all TRUs from Britain's cities by 2022, giving five years for supermarkets and the food industry to find zero-emission replacements, and, with immediate effect, scrap the red diesel subsidy for TRUs everywhere.

Peters said: "It makes sense to tackle TRU emissions because they are grossly disproportionate emitters, the number of vehicles affected would be small, around 84,000 across the UK, and market-ready zero-emission alternatives are available."

Analysis of four zero emission TRU technologies - battery electric, hydrogen, liquid nitrogen evaporation, and liquid air cold and power - showed that all bar hydrogen would have lower lifecycle costs than TRUs running on unsubsidised road diesel, but that none could compete with red diesel. "This loophole has to go," said Peters.

FLEET FACTS AND FIGURES

OPINION POLL

Have you seen congestion become more of a problem in the past year?



No 7.1%

FleetNews view:

Nine out of 10 fleets believe congestion is getting worse and the statistics appear to back that up, with The AA claiming that drivers now need to allow an extra 41 minutes for a one-hour journey to make appointments on time. The Government has invested billions of pounds on trying to tackle the levels of congestion, but there is no silver bullet to resolve the problem. Investing in public transport and employers implementing flexible hours or home working could have a positive impact in easing the strain on our roads.

This week's poll: Do you think that the offer of a company car is an important in-work benefit? fleetnews.co.uk/polls

MOST COMMENTED ONLINE

Each bad driver costs a fleet an extra £560 a year in fuel, new research finds

fleetnews.co.uk/news



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Go Further

BIK values were correct at the time of printing and are based on taxation rates for 2016/17 tax year. P11D value is the sum of RRP (plus VAT) and number plate charge (£25). Options available at additional cost.

For more information on the April company car tax increase visit www.ford.co.uk/company-car-tax

"I have spoken to the biggest fleet companies in the UK; I have spoken to the British Vehicle Rental and Leasing Association and I have to say they have a completely different view to the MPs around this table"

Paul Willis, Volkswagen



VW boss given rough ride by MPs over 'done nothing wrong' claim

Minister considers ways to support consumers involved in compensation cases

By Gareth Roberts

he UK boss of the VW Group has told MPs he expects that all 1.2 million cars implicated in the emissions scandal will be fixed by the autumn. Paul Willis told the Transport Select Committee (TSC) the group was currently dealing with up to 20,000 cars per week and had so far fixed 470,000 vehicles.

It had originally been hoped all affected Audi, Volkswagen, Seat and Škoda vehicles would have been fixed by the end of 2016, but Willis said: "The technical releases for these measures weren't released as quickly as we had hoped.

"One of the reasons was because of the detailed discussions we had, and are having, with the regulatory authorities to make sure there is no change at all in the performance of the care."

Willis was making his third appearance in front of the TSC since news of the emissions scandal broke in 2015.

In a sometimes heated exchange between committee members and Willis, he denied the company had misled UK customers and claimed there was no legal basis for compensation.

He said there had been no change in fuel consumption and, from all the data he had seen, there had been no detrimental effect to the residual value of vehicles.

Willis continued: "We have never ever sold cars on the basis of nitrogen oxide levels in the UK; we did not mislead anybody in the UK."

VW Group previously told *Fleet News* it will robustly defend any claims for compensation it could face in the UK courts [*Fleet News*: February 2].

However, in what one MP described as akin to

Alice in Wonderland, Willis claimed that the company was not guilty of any wrong-doing in Europe whatsoever.

The 'fixes' being conducted on cars in the UK and the 8.5 million across Europe were simply being conducted to "remove any doubt" in customers' minds. "There's nothing wrong with any of them," he said.

"I have spoken to the biggest fleet companies in the UK; I have spoken to the British Vehicle Rental and Leasing Association (BVRLA) and I have to say they have a completely different view to the MPs around this table.

"They understand what's going on. They say there's no basis for compensation. They say we're doing a good job applying the technical measures."

He also insisted that the company had given everything it had been asked for by the Department for Transport (DfT), including paying £1.1 million for the re-testing of VW Group vehicles by the DfT in the wake of the scandal.

However, transport minister John Hayes, who appeared in front of the committee immediately after Willis, called the UK MD's evidence "extraordinary" (fleetnews.co.uk, February 20).

He said Willis's claim that the VW Group had provided everything that the DfT had asked for was also "not true". Requests for the 'fix' on affected cars to come with a warranty and compensation for owners had "not been forthcoming", he said.

In addition, Hayes said the total cost of re-testing vehicles, including non-VW Group cars, had been £2m and the manufacturer had only covered the cost of testing Audi, Seat, Volkswagen and Škoda cars – some £1.1m – despite requests to pay the larger amount.

"It would be entirely inaccurate to say everything we asked for has been granted," continued Hayes.

The minister also told the committee that he hadn't ruled out taking action against the manufacturer and would be meeting representatives from the German Government this month (March) to obtain further information.

He also said he was meeting with the legal representatives of three groups of consumers who were seeking compensation to look at how the Government can support them.

"I will happily consider a range of support the Government can offer those litigants," said Hayes.

"It seems important to me we get behind them. People have been shortchanged and they deserve the support of the Government.

"I will take any action within my power to ensure that right is done."



"People have been shortchanged and they deserve the support of

the Government"

John Hayes, Department for Transport

Met ditches diesel-only policy in response to air quality concerns

More than a quarter of planned replacements will be electric or plug-in hybrids

By John Maslen

he Metropolitan Police is to introduce 250 electric or plug-in hybrid cars to its fleet as forces throughout the country consider the future role of zero-emission vehicles.

The Met's ambitious project is part of a multimillion pound fleet renewal programme and will account for more than a quarter of 700 planned vehicle replacements on the 4,000-vehicle fleet in the next year.

Trials of electric vehicles have already proved successful including a BMW i3 Range Extender, which has been used on patrol and to respond to incidents. It has also been trialled by the force's driving school.

A key factor behind the increased use of EVs is a bid to tackle pollution in urban environments, amid concerns about the health impacts of diesel exhaust fumes. The force covers more than 60 million miles a year and, as a result of concerns over emissions, it has ended its dieselonly policy so it can explore other fuel options.

The zero-emission focus will include the purchase of plug-in hybrids, electric vehicles and some of the first hydrogen-powered cars used for frontline police duties, while electric motorbikes are also being trialled.

Jiggs Bharij, head of fleet for The Met, said: "We are looking at different plug-in hybrid technology and alternative fuels such as hydrogen and compressed natural gas that could meet our requirements. To police London successfully we have to make sure that we have an operational police fleet which remains available 24/7, which is our top priority.'

The distance electric vehicles can cover on a single charge will be a limiting factor in maximising vehicle availability. As part of the initiative, Bharij will be making sure a charging point network is developed throughout the force's area and that vehicles are allocated to suitable

He added: "We need to be confident that the vehicles are capable of carrying and powering additional police equipment, which enables officers and members of the public to remain safe at the scene of an incident.

"Our aim is to make the fleet as clean as we can while maintaining operational capability. These first vehicles are a stepping stone that will allow us to build volume over time once we have the right technology and infrastructure in place."

Initially, deployment of vehicles will focus on new ultra low emission zones (ULEZs) spanning eight London boroughs that are being rolled out by London Mayor Sadiq Khan.

Bharij added: "The Met is leading the way, certainly in the police sector."

The Met police is the largest electric vehicle



"Our aim is to make the fleet as clean as we can while maintaining operational capability

Jiggs Bharij, Metropolitan Police

initiative to date by police forces as they target reduced emissions and costs.

West Midlands Police has 30 electric Nissan Leafs, which are used to transport officers to appointments with members of the public rather than responding to emergencies.

Since 2013, the fleet has covered 700,000 miles, saving an estimated £68,000 in fuel and about 200 tonnes of CO2.

To support the increased use of EVs, there are 32 charging points at 13 different locations across the force's area.

West Midlands police and crime commissioner David Jamieson said: "As well as being greener, the Nissan Leaf costs a fraction of the cost per mile to run compared to a diesel or

petrol car. Anything that helps us save money in the current climate is most welcome. They have the added bonus of being British-built in Sunder-

Gloucestershire police has added seven Nissan Leafs to its 400-vehicle fleet, which is predominantly diesel.

The force's police and crime commissioner Martin Surl said: "We know that diesels are not as good for the environment as we thought. Electrification of the police fleet will continue, where operationally viable, and emissions will be an increasing element in the decision-making process alongside cost and performance when vehicles are purchased.

"I believe the police can and should make an important contribution to reducing emissions by using cleaner vehicles".

West Yorkshire Police has joined forces with Peugeot to assess two electric vans as transport for scenes of crime investigators.

Fleet manager Keith Hidle said: "As policing nationally continues to transform and with savings still required, it is crucial we stay ahead of the game and look for possible new solutions.

'By testing more of these vehicles within our fleet and examining their performance, it will help us to identify where further savings could be made.'

Market share is at risk if Vauxhall sale goes ahead warns union boss

Talks continue on possible takeover of GM's European operations by PSA Group

By Gareth Roberts

auxhall's UK market share could be at stake if workers at factories in Luton and Ellesmere Port lose their jobs.

Union boss Len McCluskey issued the warning as talks continue over the possible takeover of General Motors' European operations, including Vauxhall, by the PSA Group.

McCluskey, general secretary at Unite, said: "Vauxhall is a quintessentially British brand with a century-long history of building cars in this country. That history, this workforce and generations of customer loyalty has ensured that the UK is GM's single biggest European market by a significant margin. Any buyer must understand it will not be allowed to cherry-pick the UK market while closing British plants."

Vauxhall registered 250,955 cars in the UK last year. Only Ford, with 318,316 units, sold more. It also sold 37,727 commercial vehicles, putting it



"Support British jobs to keep your place in the British market"

Len McCluskey, Unite

behind Ford and Volkswagen, but just ahead of Peugeot with 33,187 units.

Vauxhall is also the biggest supplier to police fleets, a position it hopes to strengthen after opening the largest police car factory in Europe at its Luton plant last year.

at its Luton plant last year.

McCluskey continued: "I urge the Prime
Minister to join me in making one common call

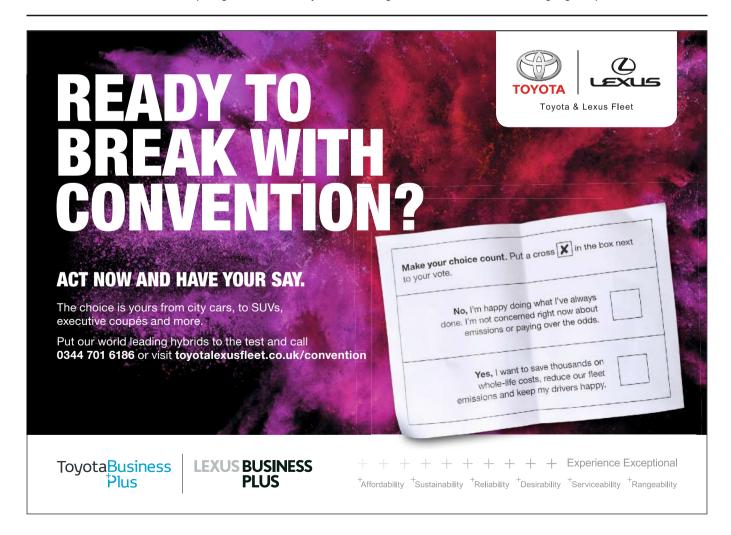
to both Peugeot's CEO Carlos Tavares and to General Motors: support British jobs to keep your place in the British market."

In a statement issued last week, the PSA Group, which owns the Peugeot, Citroën and DS brands, promised to safeguard all existing job guarantees in its potential £1.7 billion takeover of Opel Vauxhall.

In the UK, those commitments extend up to the end of the production run of the seventh generation Astra at Ellesmere Port, which employs some 2,500 workers, and the Vivaro van at the Luton plant, where more than 1,000 are employed.

Production of both models was kept in the UK after pay and pension cuts were agreed by workers at both plants in the wake of the financial crisis.

McCluskey concluded: "The UK Government must match, if not exceed, whatever political and financial support the French and German governments are giving their plants and workers."



Improved fleet uptake at heart of tyre company's growth strategy

Two-year warranty on tyres offered as Vredestein adds to distribution network

By John Maslen

redestein has put fleet operators at the heart of its growth strategy as it aims to put more of its tyres on UK roads in 2017.

The company, part of global tyre giant Apollo Vredestein, is focused on balancing an increase in both supply and demand as the company increases production and its distribution network.

A new factory in Hungary is set to double the company's production capacity, which will support controlled growth with fleet clients in the UK, explained country manager Karl Naylor.

the UK, explained country manager Karl Naylor. He told *Fleet News:* "The fleet market is integral to our growth ambitions as it accounts for such a large proportion of annual vehicle sales. We are looking for controlled growth, rather than being aggressive. It is all about getting tyres on the shelf, so you have the distribution network to support client requirements.

"There is no point having a big contract win in the fleet market if you have not got the distribution network to support it. So the network is an important part of our strategy."

In addition to building on the 1,000 outlets providing its brand, the company is focusing on ensuring its car and van tyres are on choice lists, either through direct contracts with fleets or by being an option offered through leasing suppliers.

Currently, Vredestein has relationships with a number of small fleets in conjunction with their local tyre retailer.



"We are looking for controlled growth, rather than being aggressive"

Karl Naylor, Vredestein



Exposure to the fleet market will benefit the business in a number of ways, Naylor says, with increased sales generating greater brand recognition in the new car market and even providing positive benefits after vehicles have been deflected.

He said: "Having tyres on a fleet choice list and on new vehicles says something about the brand, but also when a vehicle is defleeted and it is time for a consumer to replace their tyres, there is a greater likelihood they will ask for a like-for-like replacement."

Raising awareness of the brand is important for Naylor so customers understand that although the Vredestein name may be new to them, the company actually has a heritage stretching back more than a century to the start of the modern motoring era.

Vredestein has historic expertise in all-weather and winter tyres including several industry firsts, such as its all-season tyre with runflat technology and the first all-season and winter tyres with a high-speed Y rating.

It also has a partnership with famous Italian design agency Giugiaro dating back 20 years.

It was acquired by India-based Apollo Tyres in 2009, itself a global brand and an indication of the combined group's scale comes from Apollo's recent announcement that it had become the global tyre sponsor for Premier League football team Manchester United.

Naylor is keen to educate fleets about Vredes-

tein's focus on premium quality tyres that have a competitive price point compared to rivals. Its range covers more than 600 tyre choices, equivalent to 90% of potential tyre options, he says.

To encourage customers to use its range, Vredestein is offering a comprehensive two-year warranty on its tyres, including accidental damage, damage due to impact and non-repairable puncture cover.

Naylor said: "The guarantee gives fleet managers and transport managers peace of mind, particularly when they are dealing with a new brand."

The fleet growth programme has already achieved early successes, including a deal to supply Purple Parking's 150-strong fleet with its Comtrac and new Comtrac 2 All Season tyres.

Tyre dealer Tomato Tyres ran tests on Purple Parking's vehicles for the best all-round tyres for the fleet before choosing Vredestein's Comtrac range as the most suitable.

Purple Parking operations manager Steven Rowlerson said: "In our business, downtime due to problems with our vehicles is something to avoid at all costs; fitting premium quality tyres actually results in cost savings and increased safety, while Vredestein's warranty provides extra peace of mind."

Ricky Mitchell, Vredestein fleet and lease manager, added: "Vredestein proved we could secure substantial annual financial savings for Purple Parking."

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Safety is top of the agenda for second road investment strategy

Proposals released for comment this year with implementation due to start in 2020

By Stephen Briers

he Department for Transport (DfT) and Highways England have started laying the foundations for RIS 2, the second road investment strategy, which is due to be implemented in 2020.

A series of proposals will be released this year with feedback from the fleet sector likely to play a key role in shaping plans for the so-called strategic road network (SRN) of motorways and major A roads in England.

The first of these reports will detail route strategies of 18 national roads and is due to be published this month, followed shortly by the strategic economic growth plan.

Jim O'Sullivan, Highways England chief executive, said: "We want comment over the summer. The first plan will be [published] next year."

The SRN makes up just 2% of the national road infrastructure but carries one-third of its traffic, including two-thirds of freight.

O'Sullivan described the contribution of the SRN to the economy as "immense". Speaking at a Westminster Energy Environment and Transport Forum seminar last month, he said the 112 named road schemes committed to under RIS 1 were all on track to begin by 2020, albeit many of them were starting towards the end of the five-year period laid out by Government.

This was a concern for the roads regulator Office of Rail and Road (ORR), which called it "not ideal".

David Hunt, ORR head of economics and policy, Highways Directorate, said: "This has to be managed."

The ORR has also drawn attention to a dip in the quality of roads, which has fallen below agreed targets.

"We don't fully understand why performance has dropped. We will look at this in detail over the next few months and report in our next update in July," said Hunt.

The Government's five key aims for the SRN – economy, integration, safety, network capability and environment – are expected to be retained for RIS 2.

"We will look at this (dip in performance on road quality) in detail over the next few months and report in July"

David Hunt, Office of Rail and Road



SEVEN ISSUES FOR RIS 2 TO ADDRESS

- Safety, including other drivers' behaviour
- 2. Journey times, of which congestion relief is key
- 3. Surface quality, signage and lighting
- 4. Information around roadworks and incidents
- Integration with other roads, including diversions
- Roadside facilities, especially for lorry drivers
- Provision for cyclists and pedestrians along or crossing the SRN

Source: Transport Focus

"RIS isn't just building and maintaining roads; it's the performance of a critical national aspect," said Jill Adam, DfT director, strategic roads, economics and statistics. "So it's also traffic flow targets, efficiency, network condition, the environment and cyclists/walkers.

"The goal is connectivity integration locally and regionally. We are looking at the SRN in the context of the local economy to improve the performance of the network as a whole. We want a more intelligent and nuanced conversation."

The five-year RIS 2 programme will further move Highways England away from the treadmill of annual funding, enabling it to take a longer-term and more logical approach to investment planning.

"I want to see a five-year programme of renewal, a five-year programme of capital renewals and a five-year programme for new schemes," O'Sullivan said. "That will bring stability to the supply chain."

Highways England's primarily focus under the road investment strategy is to deliver safety, on-time completion and improved customer service. Safety consists of three priorities: engineering and design of junctions, driver behaviour and responsibilities, and vehicle design.

"We are working with manufacturers on autonomous vehicles and safety devices," said O'Sullivan. "If they fit devices that distract the driver, they will have to fit other [safety] devices to make up for that."

Highways England is planning to trial a 55mph speed limit through roadworks on the SRN, increasing the limit from the current 50mph. O'Sullivan said it was "a challenge", but added: "We expect to see it trialled this summer. It would be a huge win for the freight industry."

In other measures intended to meet its customer service objectives, Highways England will change the language used on overhead information boards.

"We will stop talking about long and severe delays. We will give you our best estimate of the length of the delay and how far the delay is away so you can better plan ahead," O'Sullivan said.

He is also starting to work more closely with local authorities on roads which link into the SRN and called on the Government to find more money to help with their funding.

Diversion routes around roadworks and accidents were a particular concern. "They are barely fit for purpose when you leave the SRN," O'Sullivan said.

"We are forming a view on what investment in that network should look like with the DfT – they have no view yet. These roads are important to us; no one starts or ends their journey on the SRN."

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Chancellor asked to defer planned VED increase in the spring Budget

Report suggests rental sector will be unfairly hit by proposed new tax rates

By Gareth Roberts

K public borrowing is set to fall in the spring Budget, with stronger tax receipts potentially paving the way for another freeze in fuel duty.

Chapcellor of the Exchequer Philip

Chancellor of the Exchequer Philip Hammond announced that fuel duty would be frozen for a seventh successive year in the Autumn Statement.

Scrapping the planned 2p-per-litre rise in duty, that was due to be enforced in April, was welcomed by the fleet industry.

Hammond had pointed towards "significant pressure" on prices at the pumps in a rising oil price environment, which had also been put under pressure by a fall in sterling.

Three months on and the same price pressures remain, but the fleet industry is not convinced Hammond will move again to protect operators.

In fact, almost two-thirds of respondents to a *Fleet News* poll believe the chancellor will announce a rise in fuel duty when he delivers the Budget on Wednesday, March 8.

The price of diesel and petrol reached a twoyear high at the beginning of February and has remained at this level, with average forecourt prices of £1.20 for unleaded and £1.22 for diesel – the highest seen since December 2014.

RAC Fuel Watch spokesman Simon Williams said: "Since the June 2016 referendum we have seen approximately 8p per litre added to fuel prices of which more than 4p can be attributed to the impact of the collapse in the pound against the dollar."

Meanwhile, in its Budget submission, the British Vehicle Leasing and Rental Association (BVRLA) has called on the Government to defer or stagger the VED increases planned for April. It also wants owners to retain the ability to obtain a full refund of any tax outstanding when a car is sold in the first year.

A new report from Oxford Economics, commissioned by the BVRLA, suggests that the rental sector will be unfairly hit by the Government's decision to increase VED rates and remove the ability to claim a refund for any unused first-year tax from April 1, 2017.



The report found the average duty paid for rental cars, which have a typical fleet life of nine months, will rise from £36 in 2016 to £170 from April 2017.

As a result, the rental sector's overall first-year VED bill will rise 400%, from £11m in 2016 to £55m in 2017, with the lack of refund responsible for £14m of this.

"Our members are facing a 400% increase in one of their main tax bills, and the inability to claim a refund on any unused portion of the VED is totally inconsistent with usual UK tax policy," said BVRLA chief executive Gerry Keaney.

The car rental sector purchases around 324,000 cars each year, but the BVRLA says this number is now likely to fall as companies lengthen their operating cycle in an attempt to reduce the cost impact of the new VED regime.

An analysis of BVRLA member data indicates that the industry will buy 24,800 fewer cars in 2017, which will have a major knock-on effect on the environment.

"Rental companies account for a substantial proportion of new, low-emission car purchases in the UK, and if these changes go through, the Government will seriously damage its green agenda and air quality goals," said Keaney.

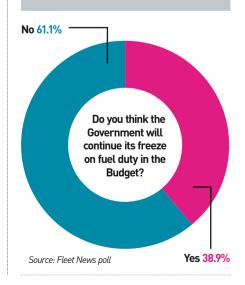
The VED changes will slow the rate at which these cleaner cars are brought on fleet and subsequently sold into the second-hand market, says the BVRLA. This could have a particular effect in the urban areas of London, Birmingham and Manchester, where around 25% of rental cars are located.

There is also a significant potential VAT loss resulting from fewer cars being purchased and thus disposed of in 2017. Using an average rental car disposal price of £17,800, the BVRLA calculated that the Treasury could be hit by a VAT shortfall of almost £74m this year.



"The inability to claim a refund on any unused portion of the VED is totally inconsistent with usual UK tax policy"

Gerry Keaney, BVRLA





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Safo takes 75% stake in TR Fleet to offer complementary services

Merger will allow both companies to expand into new European markets

By Matt de Prez

leet management and software provider TR Fleet has been acquired, in part, by European fines management and automotive IT specialist Safo Group.

The Italian business has bought a 75% stake in TR Fleet, which began trading in 2010 and whose client include Travelodge, Motiva and Rabobank. Key to the merger is TR Fleet's DriveSecure software package, which will be developed and sold across Europe.

Julie Summerell, managing director of TR Fleet, said: "When I set up TR Fleet I wondered if there was an existing data hub on the market but I couldn't find anything that was based on the driver rather than the vehicle."

She developed DriveSecure which allows fleet managers to manage employees who drive on business. It integrates with data and services from a number of specialist providers to help businesses comply with legislation and also assists in the management of grey fleets.

"As the business has grown and developed I needed a partner that had a similar vision and commitment to driver safety and would help me develop DriveSecure into the hub I always thought it could be," said Summerell.

Thanks to the merger, DriveSecure will now be developed using Safo's expertise in the automotive IT sector and then marketed in Europe for the first time.

Safo Group CEO Elpidio Sacchi said that TR Fleet will have its own autonomy and identity.

"It will be presented as TR Fleet in the other countries where we already have a presence. Our marketing will start to promote both the Safo and TR Fleet offer." he said.

Summerell continued: "A lot of people are talking mobility but a lot don't understand what it means. If you ask leading players in leasing they haven't got the expertise in house to deliver



"I needed a partner that had a similar vision and commitment

to driver safety"

Julie Summerell, TR Fleet



the solution. One thing that I saw early on in Safo is they were already there in terms of what platforms they were developing in Europe so I'm very excited about developing those into a UK offering through the TR Fleet DriveSecure platform."

Safo is focused on developing mobile and IT solutions for mobility and already provides services to a number of UK leasing companies, including LeasePlan, Arval and Alphabet. But the majority of its business is conducted in Italy, France and Romania.

"We already process more than 50,000 fines per year in the UK and we work with some of the biggest parking agents for the electronic exchange of fines," said Sacchi.

"I think there is a lot that can be done on developing the way in which the leasing and rental industry interacts with the authorities."

In Europe, the company processes more that 2.5 million fines each year, 1.2 million completely electronically.

Fines management has always been a key piece of the puzzle that Summerell wanted in DriveSecure's development and fines management will be included in the next version of the

software. "One of the biggest frustrations in the past 30 years has been managing fines because differing authorities have different rules," she said.

"Safo has been quietly developing solutions and supporting companies across Europe in this realm and I'm quite excited about how it can support the UK fleet manager."

Sacchi added: "We have a fully operating solution that has been adopted by more than 400 authorities.

"I think there is a lot that can be done for developing the way in which the leasing and rental industry interacts with the authorities.

"Most companies use leasing or rental products but have so many issues with fines, maintenance and insurance. They need a professional product"

By the end of this year Sacchi expects Safo Group, along with TR Fleet, will be operating in Spain and Portugal. In 2019 he said they will also expand into Germany.

Summerell concluded: "We've both got some very ambitious growth plans for the UK and I'm assured by Sacchi that they will be mirrored in Europe."





THE BIG PICTURE

By Stephen Briers, editor, Fleet News



Almost 93% of people responding to a *Fleet News* poll believe congestion has worsened in the past year. Meanwhile, almost 90% say the state of the roads has not

improved with the additional funding allocated to repairing potholes.

Both will not please the Department for Transport (DfT), which has committed large sums to roads at a national and local level.

Responsibility for the strategic road network of motorways and major A roads rests with Highways England. The £15bn pot of money it is investing over the five years to 2020 is intended to be spent on 112 new road schemes to alleviate congestion.

"Extensive road building can only ever hope to maintain the traffic flow status quo"

Part of the problem is that a large proportion of these schemes will not begin until close to the 2020 deadline. Given that congestion will worsen during the roadworks, there is unlikely to be any easing of traffic levels for some time.

There have been successes: the new interchange at the M1/M6/A14 at Catthorpe has both revolutionised traffic flow in the area and massively reduced accidents since it opened last year, for example. And safety is a key part of the agency's objectives together with environment priorities.

In some ways, extensive road building can only ever hope to maintain the traffic flow status quo as the number of vehicles on the road continues to rise. Will autonomous cars and platooning provide an answer?

Not according to the DfT. At a recent seminar, its director of strategic roads, economics and statistics Jill Adam said we would need 100% penetration of autonomous vehicles to achieve a 40% improvement in delays. A 50% penetration would achieve merely a 7% improvement.

There's a long way to go until autonomy has any noticeable impact on congestion – certainly not in my lifetime.

YOUR LETTERS

AIR QUALITY

Toxicity charge should be based on US-style real world emissions tests





Leo Carroll wrote:

Having read 'Mayor of London to introduce £10 emissions surcharge in October' (fleetnews.co.uk, February 21), the city needs to put a system in place that accurately measures real world driving of vehicles on its roads.

To phase out pre-2006 model vehicles won't really solve the air pollution problem. There are very few

of these vehicles and they aren't driven much.

What is needed is an emissions detection and reporting (EDAR) system, like the ones used in the United States. They use NASA-inspired laser technology to read emissions on the road. This system would allow the city to discover who the polluters are, then deal with them.

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ROAD SAFETY

Crossing cameras to film the crazies

Winston wrote:

Having read 'Level crossing safety in spotlight as swerving drivers risk licence' (fleetnews. co.uk, February 17), there's probably a good case to install cameras that capture the driver and vehicle registration, so that prosecution can follow idiotic, and selfish behaviour. The cost of installation would be insignificant compared to the consequences of a collision with a train.



TELEMATICS

No data on root cause

Aidan Rowsome wrote:

Having read 'Driving doctor takes pain from telematics data management' (fleetnews.co.uk, February 10), telematics-based driver behaviour solutions have struggled to deliver 'actionable insights' because they have no data on root cause, only outcomes.

More sophisticated data analytics is not the solution. For example, harsh braking is the outcome, but what was the root cause that needs to be addressed? Dogs running across the road or distracted driving due to smartphone use? Each requires a different message to the driver.









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YOUR LETTERS

CONGESTION

Councils need to go with the flow on traffic

Darren Campbell wrote:

Having read 'Traffic congestion costs motorists more than £30bn' (fleetnews.co.uk, February 20), we recently had a meeting with a group from the council to discuss changes to the roads in our area (West London), which has terrible traffic issues.

Every one of our suggestions for freeing up traffic flow (like removing a bus lane which forces traffic from two lanes to one, putting bus stops off the carriageway to allow traffic to flow when busses are picking up/dropping off, adding a roundabout at a bad junction, no right turn into another junction etc) were ignored.

Instead the council wants to put in a second set of light-controlled crossings, a speed-hump, close off one of the entrances to a minor road which would force more traffic through 'rat runs', and adding more trees to encourage traffic to slow down, somehow.

All this is going to do is make the traffic problems

Councils need to start looking at opening roads up to allow better traffic flow, removing bottlenecks, discouraging rat runs, and, in general, more



intelligent traffic control systems. While this attitude remains, then the traffic problems will only ever get worse.

Nik Fllis added:

The faster the flow, the less congestion, so surely now is the time to consider increasing speed limits on certain, safe roads? This will unblock our country's arteries thus easing some of the traffic flow.

DIESEL SCRAPPAGE

A costly disaster

Mike Burnhill wrote:

Having read 'Government looks at merits of diesel scrappage scheme' (fleetnews.co.uk, February 3), this is yet another 'back of a fag packet' scheme which will seriously put up costs to transport and the goods carried on

Will there be enough petrol as we will see a steep rise in consumption as it does a lot fewer miles per gallon and will be used by all.

Will there be enough capacity to charge all the electric cars? This has not been thought through and looks like another costly disaster.

VED TAX RISE

Don't ask me to pay

Sage and Onion wrote:

Having read 'BVRLA calls for a rethink on planned VED changes' (fleetnews.co.uk, February 8), rental companies are already charging £1.31 per day for VED so they are already recovering their current £36 cost in just over 27 days out of a potential 270 days' rental that a nine months period would bring, which is precisely a 10% utilisation rate.

But assuming a 70% utilisation rate is a minimum target then that already brings them in £248 of VED revenue for something that they are worried is going to rise to £170 in April. It's going to take a lot of persuading from the rental providers to get me to accept any increases because of the VED changes. (See bid to defer VED changes on Page 15).

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Burning question: Where did you spend your least enjoyable holiday?

Editorial

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The tail-end of a travelling camping
holiday when we got to a smelly site
near Great Yarmouth. We left a day early

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Out of the office

Photos Chris Lowndes

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Roses in Spain. I went out of season and everything was closed
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Amsterdam in the late '60s – aged 17
I was out of my depth. Came home four days early

days early Finbarr O'Reilly 01733 468267 Düsseldorf

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FLEET OPINION

MOTOR PREMIUMS

Insurance increases look here to stay

By Steve Green

I've been reading reports which suggest motor insurance premiums have hit a record high. This doesn't just affect private vehicle owners but also businesses who buy motor and liability insurance.

The issue isn't going away. There are a number of factors likely to come into play which could see these premium increases continue for the foreseeable future.

As vehicles become more technology dependent, the ABI reports that the average repair cost has increased 32% over the past three years due to the complexity of repairs. This is compounded further by the increased cost of spare parts because of the current weakness of the pound.

A factor in insurance premiums rarely talked about is the discount rate (also known as the Ogden rate). When a person is paid a large sum of compensation following an accident, an adjustment is made to the compensation amount that an insurer will pay. This is based on how much extra income the recipient is likely to receive when they invest the compensation.

The discount rate is set at 2.5% but has recently come under review by the Lord Chancellor. The likelihood is that this rate will be reviewed down. If this does go ahead (an announcement is due shortly) it, unfortunately, spells more bad news for insurance premiums as it will mean insurers must pay out more money in compensation claims. As personal injury claim costs increase, so, too, do premiums.

Add to all of this the rise in Insurance Premium Tax (IPT) announced in the autumn statement that will see it hit 12% from June and increasing whiplash claim costs, it doesn't seem there is much in the way of positive news for insurance premiums at present.

In this environment, it is more important than ever that your chosen broker understands how risk is managed and can use this information positively in the insurance market. Next time you contact your broker make sure you allow time for a proper conversation. They need to know your business inside out. If you feel this isn't the case or if you're not happy for some reason you might want to consider taking your business elsewhere.

"Next time you contact your broker make sure you allow time for a proper conversation"



Steve Green director, Anthony Jones Insurance Broker



Gil Kelly operations director, Venson Automotive Solutions



AUTOMATED VEHICLES

Preparing for a driverless future

By Gil Kelly

It is envisaged that cars will be able to drive themselves by 2025. But before that happens, the liability in the event of a crash involving a driverless car needs to be addressed by the industry. The good news is that the Association of British Insurers (ABI) will go ahead with proposals to develop a single insurer model to cover both the driver and vehicles when fully in autonomous mode to help establish who is liable in the event of an accident.

Creating a single insurer model from the outset will ensure that there is appropriate legislation in place to protect the driver and the public, and establish who is at fault when an accident happens.

The process needs to be as simple and straightforward as possible, otherwise there is a risk it will inhibit take-up of drivers switching to fully autonomous driving mode.

The ABI's proposed measures will enable the liability to be transferred when it is clear the accident has been caused by faulty technology. The data collected under the ABI's measures would include 30 seconds before a crash and 15 seconds after, using a GPS record of time and location, including information on whether the vehicle was in manual or driverless mode and details of activity, such as braking or steering.

As well as offering reassurance to the public, the data would help police investigate incidents and support insurers' claims investigations. If technology is at fault, the ABI says insurers should recover costs from the manufacturer.

It's clear that driverless cars are no longer the stuff of science fiction. Indeed, the technology is advancing with speed and the fleet sector should be working alongside the insurance industry to ensure vehicle fault and accident data collection is a key prerequisite to a driverless future.

For the foreseeable future, drivers will remain liable, but it is great to see that The Department for Transport can now take the insurance proposals for automated vehicles forward into the Modern Transport Bill.

It is important that the UK is seen as a leader in revolutionising transport systems and it's great to see we are already moving in the right direction when it comes to autonomous vehicles.

"If technology is at fault, the ABI says insurers should recover costs from the manufacturer"

BUILDING A WELSH SUPERFLET

How the merger of Environment Agency for Wales, Forestry Commission for Wales and Countryside Council for Wales in 2013 brought efficiencies and is already saving the vehicle fleet almost £1 million. *John Maslen* reports

overnment fleets are under pressure to achieve more with less as budgets are stretched and limited resources have to go further. In recent years, this has

inspired the creation of public sector 'superfleets', where several organisations combine their spending power, so they can deliver services more cost-effectively.

A merger of public sector organisations into Natural Resources Wales (Cyfoeth Naturiol Cymru) in 2013 created one such fleet.

The new body manages the landscape, forests and water resources in Wales and was formed from the merger of the Environment Agency for Wales, Forestry Commission for Wales and Countryside Council for Wales.

Bringing the three agencies together is expected to save more than £100 million over 10 years and, like every department, the combined fleet is expected to deliver efficiencies to help achieve this goal.

The merger brought together vehicles from the three organisations into a single fleet of about 1,000 cars and vans, making it one of the largest in Wales.

Since then, a focus on delivering savings without affecting services, combined with a reduction in headcount within the new organ-

isation, has reduced the fleet to 590 vehicles, including 150 cars, with overall cost reductions approaching £1m.

Savings have been delivered through innovation and the combined management expertise of executives brought together from the three merged fleets.

Bruce Cochrane, mechanical engineer and fleet manager for Natural Resources Wales, who spent nearly 30 years with the Forestry Commission before his current role, says: "There was a change but although they were three fleets operating very differently, the fundamental principles were the same.

"We have to match the fleet to users' needs, with fit-for-purpose vehicles at the right cost. From that point of view it was a natural progression from one area of the business to the new business."

The first challenge was to create a single fleet from a legal perspective, before introducing a transport strategy that supported the wide-ranging needs of the new organisation.

The changes required extensive fleet management knowledge to identify the issues that needed to be tackled. For example, the Forestry Commission fleet was crown exempt, so vehicles had to be registered for taxation purposes to make sure they were compliant.

Cochrane adds: "You had to go into the detail and that involved people from all the

different organisations coming together to programme and map out the changes to create the Natural Resources Wales fleet and become legally compliant."

Executives on the combined fleet have decades of transport experience, including Gareth Roberts, who oversaw the Countryside Council for Wales fleet, recognised with a Fleet News Award in 2013 for its initiatives to manage grey fleet, and Tom Marshall, formerly from the Environment Agency's fleet.

The team of 10, reduced from a total of about 20 under the three previous organisations, sits within corporate services, part of the finance department.

Cochrane adds: "We have members of staff from each legacy body. When we came together, the first thing we had to do was sit down and look at the fleet, how we used it and how the business was changing.

"One of the things that was quite clear was that we had an over-capacity and we had to do a bit of a rationalisation across the fleet."

In-house maintenance has been switched to an outsourced model, while funding requirements are a mixture of outright purchase and lease, along with rental and some grey fleet support. This can be used to avoid a fleet which being left upused for a

vehicle being left unused for a substantial length of time, such as for transport to the train station for an onward journey.







FACTFILE **Organisation** Natural Resources Wales (Cyfoeth Naturiol Cymru) Fleet size 590 vehicles - 150 cars.440 commercial vehicles Replacement cycle five years/60,000



Every fleet vehicle operates under a 'bookable and pool' system, which allows staff to switch vehicles based on the changing requirements of their jobs.

Cochrane says: "We had three lease car employee schemes from the legacy bodies. We looked at the models for them and we worked it through and the outcome was that we terminated those schemes.

There is no private use. All mileage is business-related. Some people may need a vehicle full-time because of the nature of their work, but when they don't need that vehicle, other people have access to it.

'For example, if you make the vehicle available when someone is on annual leave, that represents a 15% improvement in fleet availability."

An electronic vehicle booking system, developed in-house, allows drivers to book vehicles online and choose the one that best suits the needs of their project.

Employees are urged to pick the right vehicle for the journey, so small cars or vans are chosen for road trips, particularly over long distances, whereas 4x4s are an option for towing and off-road work. Cochrane says: "We are trying to make best use of assets, reduce mileage and save fuel."

As vehicles are shared, there is a focus on leaving them in good condition, ready for the next user. Cleaning facilities are provided, along with a valet service.

There is also a travel hierarchy (see fleetnews.co.uk/travel-decision-tree)that urges employees to work through a series of steps to decide on the correct transport choice for their journey.

"This includes asking whether a journey is necessary at all," Cochrane says.

Natural Resources Wales employees are encouraged to use software such as Skype to reduce the need for travel, supported by the widespread availability of phones, laptops and tablets.

According to the 2015 accounts for Natural Resources Wales, mileage across the fleet fell by nearly 800,000 miles in the 2014/2015 financial year, although some of this can be attributed to changes in staffing levels.

To help monitor costs, PIN-protected fuel cards are provided for each vehicle, which can also be used to buy additional items such as screen wash.

The shared-vehicle approach also means vehicles can be moved around the business

TEAMWORK BRINGS BENEFITS FOR TAXPAYERS

The creation of Natural Resources Wales established a new fleet community as experts from three organisations now share ideas and best practice.

Cochrane says: "We are actually a fleet community and we have formed a really strong fleet team. We work really closely together and I think that is a major success of the change.

'We can look back and see how we did things, but it is not necessarily the way we will take it forward. We sit down and have a discussion about what is right for Natural Resources Wales."

Cochrane says there are lessons to be learned as the business continues to move forward and face new challenges.

He adds: "We still have a long way to go, but that's the job; finding new ways of working and delivering better value for money for the taxpayer.

"We work for the taxpayer and we want to make sure their money is used in the most efficient way."

"If you make the vehicle available when someone is on annual leave, that represents a 15% improvement in fleet availability"

> Bruce Cochrane, Natural Resources Wales

to balance their mileage before defleet, with an aim to achieve an average of five years/60,000 miles.

The Natural Resources Wales fleet team replaces approximately 20% of the fleet each year. Cochrane says the staged replacement allows the team to adapt the fleet to the requirements of the organisation as it develops.

He adds: "There are funding challenges, but we inherited quite an old fleet (leased vehicles were on five-year contracts but outright purchased vehicles were dependent on the availability of capital funding) so we have taken time to show that by reducing the vehicle age profile you can reduce repair costs and off-road time. The benefit is a more productive member of staff because they are not tied up with a breakdown."

Natural Resources Wales also recently cut its annual insurance costs by more than £40,000 with a shift from third-party to fullycomprehensive cover. Savings have been achieved by incorporating costs such as claims handling, accident management and at-fault repair costs within the insurance premium.

Cochrane said: "It has also provided better financial control with a known premium figure compared to unknown at-fault expenditure."

Other developments have included the introduction of three Nissan Leaf electric vehicles, while the fleet team is reviewing its diesel-only policy and expects to see the introduction of small petrol engines in future.

'We want to make sure our fleet is dynamic and moving to suit the changing circumstances," Cochrane says.

The fleet is also assessing the benefits of telematics to provide much more detailed analysis of fleet movements. It is being trialled on 10 vehicles.

During the second quarter of this year, the fleet will also begin charging a proportion of fleet costs back to individual cost centres to provide them with a clearer view of what they spend on transport.

"Fleet will still be accountable for the repair and monitoring of the budget, but the actual cost of operating the fleet will be based around the useage of the user, so teams have an incentive to think about the ways they travel and how they can reduce their costs," Cochrane says.







Major fleet management player bids to raise profile as it seeks to hit growth targets.

Stephen Briers reports

he trend for companies to outsource some or all of their fleet responsibilities to leasing or fleet management partners continues unabated into 2017. Often their rationale varies dependent on size - small companies cannot justify dedicated fleet resource while larger companies want to free up fleet time for strategising; but in other ways they want the same things - better cost control, greater efficiencies, less admin.

Such rich pickings tend to stimulate assertive and public jostling for ascendancy among the main fleet management protagonists. However, one sizeable player has opted to stay largely out of sight. Until now.

FleetEurope was formed in 1992 by current chairman and CEO John Yarroll with then partner Terence Drane. Described by senior board members as "a bit old school", they focused on establishing and growing the business rather than shouting about their achievements.

Today, FleetEurope has more than 600 customers, primarily in the UK. The 'Europe' moniker, according to chief commercial officer Carlos Montero, stemmed from having some outboard rental business abroad.

Post-Brexit, a name change was considered but dropped as the company is developing its rental platform for the mainland and is already in talks with rental providers. "And our customers know who we are," adds Montero.

So why the decision to raise the profile now? "We feel we have to be more public about the business in order to meet our ambitions for growth," Montero replies. "We were not doing enough to court more companies."

Growth is defined by the management team as being "significant" and coming "at a rate of knots". It is levelled across FleetEurope's three main business services: rental, fleet management and leasing.

Rental is the largest division, with 600 customers (of which more than 100 were signed in the past nine months alone) ranging from end-users hiring one vehicle a month to bluechip corporates hiring 30-40 a day.

The model is a traditional broker/intermediary with all the major rental providers, promising access to more than 400,000 vehicles via 1,500 locations, competitive rates and a savings tracker service which monitors customers' rental spend to highlight potential savings.

FleetEurope's leasing proposition is via a panel of funders, including four of the FN50 top five, linked to a multi-bid platform for vehicle-by-vehicle quotations.

Quotes can typically involve three or four models on two operating cycles for each company driver and the savings can be substantial, particularly for small- and medium-sized enterprises (SMEs) which have open choice lists.

> "SMEs tend to be more flexible on choice – it's more like a consumer and so there are lots of savings to be made. The key is to match the customer to the right funder," Montero says. "When we first get a customer they continue to benchmark us until they trust us and the process."

> All service, maintenance and repair (SMR) contracts for the 100 customers, primarily running fleets of 25-100 vehicles, are arranged outside the leasing deal as part of the company's fleet management service. The price tends to be fixed at a competitive rate for the duration of the contract.

> "It also means the driver experience is a better one and a happy driver means a happy customer," says Montero.

> Once vehicle quotes and SMR contracts are agreed, Fleet-Europe's focus turns to in-life management of costs, such as over-mileage, driver management and fuel efficiency.

> The company used to write its own book for the provision of contract hire, but exited a few years ago due to the risk.

> Joe Howick, appointed in March 2016 as chief operating officer after almost 20 years at Leasedrive Group, says: "Funding is so commoditised and the cost of money is so cheap that it is hard for us to be competitive with the top five lenders because of their access to funds. So we work with them and wrap our partnerships and service around that."

> FleetEurope's managed fleet mix is 65% cars, 35% light commercial vehicles but it is seeing the balance starting to shift towards vans as companies move away from outright purchase to leasing.

> Montero says the switch to contract hire is a clear trend - for cars as well as vans. However, FleetEurope takes a

customers, primarily in the UK

vehicles under management is target over next three years



procurement method.

"Some customers can buy very well," Montero says. "Their decision comes down to their appetite on risk and we advise accordingly. We can't have a vested interest; we give the right advice for the right customer."

FleetEurope seeks to treble the number of vehicles under management from around 1,000 to 3,000 in the next three years. It has identified several opportunities, including piggingbacking new technology such as electric vehicles, quoting apps and driver apps to "help drivers get to our products and services easier which will help companies to manage them" and selling fleet management into existing rental customers.

Howick explains: "We have done a fantastic job of winning rental business but we deal with office managers, PAs and receptionists. We need the finance directors or procurement directors - the people who deal with the fleet. So we are taking an introductory approach to our other products and services."

Montero says FleetEurope offers "large fleet services to small fleets" giving them access to the same efficiencies. His challenge will be to maintain personal service while growing.

FleetEurope is also looking to win more rental business with the launch of a new recharge service and a new outsourced management solution.

Damage to hire vehicles is a big issue and we sit in the middle with customers saying they didn't do it and suppliers saying they did," Howick says. "We are launching a new product, De-risk, that will save customers a significant amount of time and money. They can opt for an all-inclusive price for a small additional premium so they won't be charged for any damage priced at less than £500."

Company FleetEurope Established 1992 Key execs founder/chairman John Yarroll; chief operating officer Joe Howick; chief commercial officer Carlos Montero

No of employees 25 No of customers 600 rental including 100 fleet management sum and involve a substantial amount of admin to resolve. The product, introduced in response to customer feedback, could be a "real game-changer for fleets", claims Howick.

Initial feedback suggests large corporates are just as interested as smaller fleets in the product. It will also link to the recently launched Managing Partner outsourced rental management service which is targeting major organisations.

Under Managing Partner, FleetEurope will sit between the fleet and the rental company handling all rental bookings, validations and invoicing for a management fee. Customers can choose to select certain suppliers or opt for the best price at time of hire.

"We are in talks with several big companies, one of which would save around £1 million over three years net of our management fees," says Howick.

The service tends to work best for customers spending more than £3m on rental or ones that have complex requirements, for example construction companies."

He expects to sign only a handful of customers a year. These will be "selected opportunities" that require a lot of planning and implementation.

The core of the business will remain the smaller fleets which require hands-on management of their operations. FleetEurope makes its money primarily from the services rather than charging a management fee. It's a point of differentiation with some other fleet management companies, according to Howick.

He adds: "We have big fleet management tools for smalland medium-sized fleets. We save them money and manage their fleets so they can concentrate on their core business."



industry-profiles

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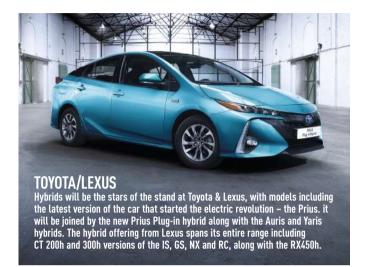






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New features at CCIA 2017

EV/Hydrogen Review Zone

Decision-makers will be briefed on the future shape of fleet at the EV/Hydrogen Review Zone, where experts will be on hand to provide information and advice about the shift to electric vehicles.

The dedicated area covers all forms of electric vehicles, from plug-in EVs to hydrogen-powered cars. It will dominate the indoor arena, reflecting the growing importance of electric vehicles in the future purchasing choices of fleet decision-makers.

With increasing concerns that cities will start to restrict access to urban areas to all but the cleanest vehicles, this will form a critical part of your visit.



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To make the most of your day, join other fleet executives to debate the biggest issues in fleet, from future fuel choices to the challenge of keeping drivers safe on the road.

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SPONSOR PROFILE



Grosvenor Leasir easi-Fleet Manag

2016 was another year of great progress at Grosvenor Leasing – not just in winning the *Fleet News* Award for best leasing company with up to 15,000 vehicles, but in launching an innovative new fixed-cost fleet management service.

easi-Fleet Management does exactly what the name suggests. As a fixed-cost fleet management service, it simplifies the management of company cars and vans for a small monthly fee per vehicle.

It is available for businesses using all traditional funding methods, including contract hire, outright purchase, hire purchase and finance lease.

With easi-Fleet Management clients enjoy management of maintenance, accidents, rental, risk, fuels cards and online driving licence checks. Also there's fleet administration to process MOTs, road fund tax, fines and tariffs, updates to the motor insurance (MID) database – all provided with consolidated invoicing.

"This service is best described as a ready-made, complete off-the-shelf fleet management solution and it's ideal for fleets with less than 100 vehicles," said Giles Bolton, Grosvenor Leasing's head of corporate finance. "Although there's no reason why larger fleets couldn't utilise the service as well.

"Many companies find their cars and light commercial vehicles a time-consuming and costly distraction. Yet they struggle on, inundated with calls and emails, working with data on Excel spreadsheets, bemoaning the stress and constant distraction that even a small fleet of vehicles can bring.

"Service is a ready-made, complete offthe-shelf fleet management solution"



Giles Bolton, Grosvenor Leasing

"The name easi-Fleet Management seemed very apt due to how simple we make life for our customers – quickly alleviating them of all the stress of running their vehicles.

"Imagine what a relief it would be to hand everything over to our team of fleet management professionals and be able to access your vehicle and driver data at anytime on our web-based fleet management system."

Stephen Duff, managing director of HSF Health has been a customer for many years. He said: "By using Grosvenor Leasing we benefit from having our own fleet department, and this removes all of the day-to-day hassles of running a small fleet of cars. We save money too."

Robert McAllister, director of human resources at Glenny's chartered surveyors agrees. "For a business of our size it's not feasible to employ a dedicated fleet manager to keep on top of vehicle issues, suppliers and drivers. Handing everything over to Grosvenor Leasing means we save time and money, and the service and support is excellent."

Kim Peacock of Villeroy & Boch added: "Switching to Grosvenor Leasing was one of the best decisions we made. It is beneficial to our fleet drivers having only one point of contact for any fleet-related issues. It also removes the day-to-day hassles of running a small fleet, giving time to concentrate on other priorities."

Bolton continued: "Some company directors are nervous about letting go of the management of such a vital aspect of their business. However Grosvenor Leasing is already the fleet department to many small businesses as well as some of the largest and best-known companies in the LIK

"As a privately-owned business, with more than 35 years' expertise in fleet management, we are also one of the largest companies to have resisted the temptation to adopt a call centre, process-driven culture, instead offering national capability with a personal touch."

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ng launches ement





Grosvenor Leasing's new initiative to help fleets go green

Grosvenor Leasing has launched '0Zone', a new service to advise, help and support companies through the transition of becoming a zero or low emission fleet.

The new service offers clients the development of a low emission vehicle policy, and advice and ongoing support to move smoothly through the evolution towards electric vehicles (EVs) and ultra low emission vehicles (ULEVs).

"The shift towards EVs and ULEVs is something that is not going to go

away," said Shaun Barritt, Grosvenor Group CEO.

"At some point all companies operating vehicle fleets will make the transition to a new era of fuel technology and our advice is to be pro-active and start planning now.

"Most company drivers have spent their entire working lives driving traditional petrol or diesel vehicles and a key factor in making a smooth transition is to communicate with them and get their buy-in. "It's also vital to understand the current opportunities, and limitations, these vehicles offer so timely decisions can be made, and begin to budget around the financial implications and forecast what the fleet operation will look like in years to come.

"At Grosvenor Leasing, we have developed our new 0Zone service to guide companies operating vehicle fleets, large and small, smoothly through the process and plan ahead rather than react too late."

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FICTION?

Changes to salary sacrifice schemes announced in the Chancellor's Autumn Statement unleashed a torrent of myths about employee car benefits. Andrew Don seeks to separate the fact from the fiction

alary sacrifice car schemes are alive and kicking, despite what anyone might try to tell you.

The schemes, where employees exchange some of their salary for a non-cash benefit-in-kind (BIK), such as a car or a mobile phone, have proved popular with thousands of companies and their staff.

For car schemes, both employer and employee make a tax saving, increasing their attractiveness, because the benefit is taxed less than the salary.

However, Chancellor of the Exchequer Philip Hammond announced in his Autumn Statement on November 23 that most salary sacrifice schemes would be subject to the same tax treatment as cash income from April this year.

The announcement affects various salary sacrifice schemes differently. Pensions, childcare, Cycle to Work and ultra-low emission cars (up to 75g/km) will be exempt under the new rules.

All arrangements in place by April 5, 2017, will be protected for up to a year, but cars get a bigger window and will be protected until April 2021.

Claire Evans, head of fleet consultancy at Zenith, insists salary sacrifice car schemes still demonstrate "excellent value" compared with other market options, although a number of fleets have privately expressed reservations about the perceived complexity created by the changes.

Tusker, a leading salary sacrifice provider, says

there has been a great deal of confusion about the facts, and this has led to the perpetuation of myths around what the Government changes mean. Not even the experts all agree.

The commonly-held beliefs about the salary sacrifice changes are listed on the following pages with detailed explanations aimed at cutting through the myths.

There is a small caveat, however, as Alastair Kendrick, owner of AK Employment Tax Services, points out: "Employers need to bear in mind we

are still waiting the final proposals following consultation which are to be announced in the Budget [on March 8]."



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THE CHANGES SPELL AN END TO THE REDUCTION IN EMPLOYERS' CLASS 1 NI

As employees give up part of their pay in return for a non-cash perk, one benefit of salary sacrifice is that it reduces their overall taxable pay, which, in turn, lowers the amount they pay in tax and National Insurance (NI).

For employers, this means they do not pay Class 1 NI contributions on the amount the employee sacrifices. This continues to be the case even after the new rules are introduced, for both ULEVs and non-ULEVs.

Zenith gives an example based on monthly gross earnings of £2,000. Where there is no salary sacrifice, the employers' Class 1 NI cost charged at 13.8% is £276

Where there is a £300 a month salary sacrifice in place, the salary subject to Class 1 NI drops to £1,700 and therefore

the employers' Class 1 NI cost subsequently drops to £234.60 (13.8% of £1,700). The employers' Class 1 NI cost is therefore reduced. The Autumn Statement does not change this.

However, from April, employers' Class 1A NI costs for non-ULEVs will be based on the higher of the annual salary sacrifice or the benefit charge (ULEVs will still be based on the benefit charge).

This will increase the Class 1A charge if the annual salary sacrificed is greater than the benefit charge, which would offset the reduction in Class 1 costs.

Zenith says car salary sacrifice still delivers savings for employees and can be implemented on a cost neutral basis for employers, where the salary sacrifice matches the cost of the vehicle to the company.



PRICES GO UP FOR ALL EMPLOYEES

Drivers are taxed on the BIK of their chosen car under the old rules. The new rules will see them taxed on the higher of the BIK or the sacrificed salary - unless they choose an ultra-low emission vehicle in which case the rules are unchanged.

The new rules only apply when a new car contract is entered into after April 5, 2017. There is no change in cost for cars on existing contracts until 2021," says Nick Davies, director, employer consulting at BHP **Chartered Accountants.**

Many drivers choose to take a car where the BIK is already higher than the sacrificed salary. In such cases, says Davies, there is no cost increase.

'A comparison of before and after April 2017 shows approximately 50% of drivers currently in salary sacrifice cars would see only a minimal tax increase. In many cases it can be as little as £1 a month."

He illustrates the effect with the following figures: if a driver has a monthly salary sacrifice of £400 and a car benefit of £370, there would be a tax saving on £30 per month under the old rules because they would only be paying tax on the benefit. For a basic rate taxpayer this equates to a tax saving of £6 a month.

Under the new rules they will now be taxed on the higher amount, so the car would cost an extra £6 a month. However, if the figures were reversed and the BIK was £400 with a salary sacrifice of £370, they were already paving tax on the higher amount, so there would be no cost increase.

Davies adds: "It should be remembered that a tax saving was never a huge part of the benefit. The tax saved was on the difference between the sacrificed salary and the BIK, so in many cases there was either no tax saving, because the BIK was already higher, or a very small tax saving.

"The bigger financial benefits came from other areas, such as the employee NI saving and the employer's ability to pass on VAT savings, and both of these still exist under the new rules.'

Verdict





ONLY ULTRA-LOW EMISSION VEHICLES WILL BE AVAILABLE **UNDER SALARY** SACRIFICE SCHEMES

Employees will still be able to choose any type of car under a salary sacrifice scheme and providers are still offering a wide selection.

Chris Salmon, commercial director at SG Fleet, which offers customers the Novalease Car Salary Exchange, says the Government has singled out ULEVs under 75g/km to promote greener motoring.

However, the Government has also provided clarity on the tax treatment of cars with emissions of more than 75g/km, which will continue to benefit from preferential arrangements until April 2017.

"Post April 2017, employees opting for cars over 75g/km under a traditional car salary exchange scheme will still benefit from NI savings on the amount of salary exchanged, as well as having access to all the features and benefits that come with a car salary exchange arrangement," says Salmon.

Matthew Walters, head of consultancy services at LeasePlan UK, adds: "ULEVs will undoubtedly become more attractive. In addition, in 2020/21 new BIK tax rates will provide significant incentives for ULEVs with the cleanest cars attracting only 2% BIK."

Verdict







EMPLOYEES HAVE TO RECEIVE CARS BY APRIL 5 TO BENEFIT FROM TAX SAVINGS

Shakespeare Martineau's Jon Heuvel says that for tax savings to be taken advantage of until 2021 on a company car which is not a ULEV, the vehicle would have to be secured and provided to the employee under a salary sacrifice scheme by April 5 this year.

"As tax benefits for company cars are calculated by the CO₂ emissions, it is vital that the vehicle is ordered and the salary sacrifice scheme put in place before this date to ensure it meets the Government's deadline," he adds.

However, if the vehicle is a ULEV, even if the arrangements are not put in place until after April 5, it will still be possible for both parties to benefit from the tax savings, says Heuvel.

Verdict



SALARY SACRIFICE WILL BE ABOLISHED IN 2021

The Treasury has simply stated that all current car salary sacrifice agreements, as well as those signed before April 6, 2017, will be ring-fenced at their current rates until April 2021, says Duncan Howell, corporate sales manager salary sacrifice at TCH Leasing.

"Those agreements signed after that date will fall under the new rules."

The Government has, in effect, clarified the rules for the foreseeable future and has definitely not announced any end to this type of scheme, he says.

Verdict



SPONSOR'S COMMENT

By Claire Evans, head of fleet consultancy, Zenith



At Zenith, we have welcomed the Chancellor of the Exchequer Philip Hammond's decision to give the green light to salary sacrifice car schemes. It finally removes the uncertainty and allows us to continue to offer

affordable cars to customers' employees that are fully HM Revenue & Customs (HMRC) approved.

All existing arrangements are protected until April 2021, subject to contract variation rules.

Cars ordered from April 6, 2017 will be subject to income tax contributions and employers' Class 1A National Insurance (NI) contributions on the higher of either the annual gross salary sacrificed or the benefit value of the car.

HMRC is happy with salary sacrifice concept

One of the biggest misconceptions is that employees can no longer save on NI, but HMRC has been clear that these savings remain for all employees. HMRC is happy with the concept of salary sacrifice.

The change was put in place to eliminate the tax and NI advantages gained through salary sacrifice where the benefits themselves are not subject to any or enough employee tax or employers' Class 1A NI. Following detailed analysis of our salary sacrifice fleet, we found that only one in three of our current orders and deliveries in 2016 would have seen any impact as a result of the change. Those that are affected still deliver a considerable saving against the external retail market.

Salary sacrifice car schemes will continue to work in the same way they do now. The employee will continue to benefit from a brand new car with no deposit or credit check and an all-inclusive, hassle-free package. They remain a powerful benefit for attracting and retaining talent.

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COMPANIES ARE NO LONGER SIGNING UP FOR SALARY SACRIFICE SCHEMES

TCH Leasing notes a continued interest in its own salary sacrifice scheme, TCH Sala, since the turn of the year.

Duncan Howell says the business is currently in talks with six employers whose combined employee base totals about 30,000 as well as an even bigger number of small- and medium-size enterprises that are ready

Tusker also reports increased interest in its car benefit schemes since the tax changes were announced. with many new schemes launching in December and even more in January and February.

LeasePlan UK's Matthew Walters says it is certainly true that many companies "held their breath" between the consultation the Government launched in August and the Autumn Statement.

However, with the Government making its position clear, we have seen a return to normal from a client and prospect perspective with a high level of activity and new scheme launches," he adds.

Salary sacrifice continues to provide employees with an all-inclusive car package, normally including insurance, with no requirement for deposits or credit checks, adds Walters.

'Added to this, the provision through the employer gives an added degree of certainty and security," he

says.
"However, perhaps most important of all is that the contract hire options and for all these reasons we believe that salary sacrifice for cars will continue to be an attractive option for employees and employers

Verdict



SALARY SACRIFICE CONTINUES TO BE AN ALTERNATIVE TO TRADITIONAL CAR SCHEMES

This provokes a strong mix of responses. Zenith's Claire Evans believes salary sacrifice cars are still attractive on a like-for-like basis compared with alternatives.

However, she says it is not possible to really say which cars will now be the most cost-effective based solely on CO2 emissions because insurance cost, fuel type, amount of discount achieved and the driver's tax rate have to be taken into account.

Zenith carried out an analysis of its salary sacrifice fleet and found that of the orders and deliveries made in 2016, only one in three would have been affected by the changes. Even those would still deliver a considerable saving against the external retail market.

TCH's Duncan Howell points out there has been talk of a resurrection of affinity and employee car ownership (ECO) schemes. However, these types of scheme do not offer the same benefits as a true salary sacrifice one, he says.

"They do not offer the employee income tax savings, NI savings, VAT savings - dependent on the employer's VAT position - and a fully inclusive package where all you have to do is add the fuel.

They also involved credit checks

on the employees and there may be a large deposit to pay before delivery.

Howell adds they have also been criticised in the past for being complicated to run for employers.

SG Fleet disagrees that salary sacrifice continues to be an alternative to traditional car schemes in that they are not designed to replace traditional company car schemes.

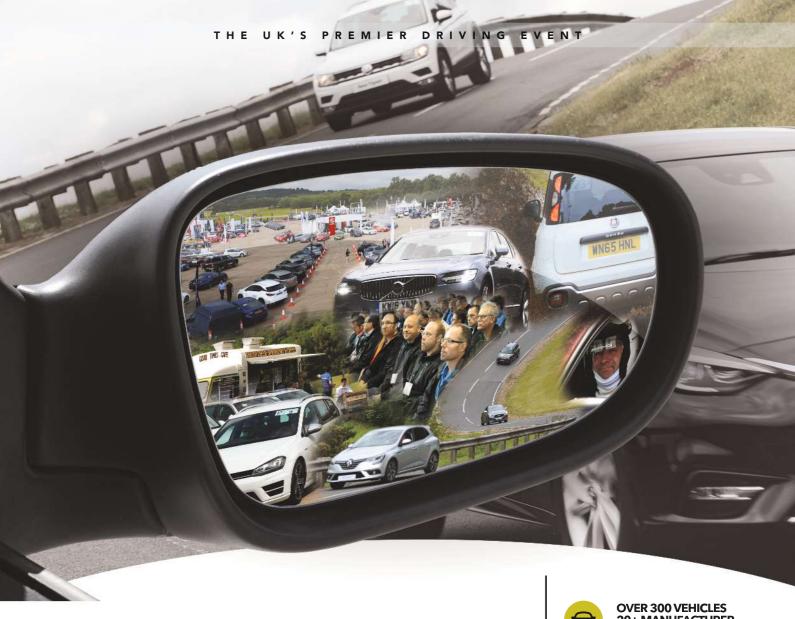
"In reality, we find that business mileage is generally low among our employee car benefit population," says Chris Salmon.

"Employee car benefit schemes traditionally are used as a reward and retention tool and quite often offered to those employees that may not qualify for a company car."

Salmon believes that following the Autumn Statement and the introduction of BIK tax to cash allowances, there will be "a positive shift towards employee car benefit schemes that can provide the lease direct to the employee".

BHP Chartered Accountants' Nick Davies sees salary sacrifice as "an enhancement rather than an alternative" to traditional car schemes. "We will just see greater care taken in vehicle choice with employees increasingly opting for cars with lower CO₂ emissions," he says.





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Nick Davies, BHP Chartered Accountants

SALARY SACRIFICE SCHEMES CAN BE TERMINATED IF AN EMPLOYEE LEAVES

The salary sacrifice scheme for a vehicle will be terminated if an employee leaves a business, but there will usually be an option to buy the car outright, says Lex Autolease head of consultancy Lauren Pamma.

The option can depend on how the scheme has been set up which can vary by customer."

SG Fleet's Car Salary Exchange, for example, includes risk mitigation for the employer, including voluntary leaver, terminal illness and redundancy cover, so the lease simply ceases on the last day and the car is collected.

There is no early termination fee for the employer and the Car Salary Exchange premium covers most leave reasons.

BHP Chartered Accountants'

Nick Davies points out that all of the schemes he has seen offer some form of protection. This can be against early termination costs, either in the form of an insurance policy, an upper limit on early termination charges, or the operation of a contingency fund within the scheme, funded by a slight increase in rentals to cover such eventualities.

The key is flexibility. Employees can be offered the opportunity to keep the car when they leave, either by settling the termination costs or by refinancing the vehicle privately," he says.

"A new employee agreeing to take over the car is becoming increasingly common - indeed, this happened last month with one of our own employees."

Verdict



SALARY SACRIFICE AT A GLANCE

- Salary sacrifice car schemes are fully HM Revenue & Customs (HMRC) approved.
- The legislative changes come into effect from April 6, 2017, for vehicles ordered from this date. Existing agreements are protected until April 2021.
- Ultra-low emission vehicles (ULEVs CO2 emissions up to 75g/km) are exempt from the changes.
- Schemes still deliver employers' Class 1 NI savings, which employers can still realise dependent on the agreed setup of the scheme.
- Salary sacrifice is still effective for a wide range of cars not just ULEVs.
- Salary sacrifice car schemes remain a powerful benefit for attracting and retaining talent.
- Salary sacrifice cars are still attractive on a like-for-like basis compared with retail alternatives.
- You cannot really say which cars will now be the most cost-effective based solely on CO₂ emissions because there are other significant impacts such as insurance cost, fuel type, amount of discount achieved and the driver's tax rate.

Source: Zenith

IN CONCLUSION

Car salary sacrifice schemes remain an extremely valuable benefit to employees, says benefits advisor John Messore, director at Innovation Professional Services.

"Also, contrary to some published options, there are many cars where cost savings can still be substantial.

'While the largest savings can sometimes be with ULEVs below 75g/ km, there are also significant financial savings with higher CO2 cars that have low whole-life costs."

All New Toyota C-HR breaks the SUV mould



ALWAYS A **BETTER WAY**

Fleets and user-choosers have led a record-breaking test drive response to the launch of the All New Toyota C-HR

ince it was revealed to the industry last year at events including Company Car in Action and the annual FN50, test drive requests have been flooding in from fleets and drivers keen to experience the ground-breaking crossover first-hand.

"We have never had a response like it," says Mark Roden, Toyota sales director. "We had hundreds of test drive requests before the car was available and they have continued since its launch."

The reaction reflects the importance of this market-defining SUV which introduces hybrid technology to this sector for the first time. It marks one of Toyota's biggest launches in more than a decade and brings the benchmarks of trust and quality synonymous with the brand to the small

The Toyota C-HR breaks the mould with a design that combines the space and flexibility of an SUV with the sleak, powerful looks of a coupe. This is reflected in the name, which stands for Coupe High-Rider, as the sculpted exterior reminiscent of α sports car curves around the All New Toyota New Global Architecture (TNGA) platform.

TNGA showcases the best of Toyota's engineering expertise and its commitment to 'make ever-better cars', with an SUV that delivers on the fun-to-drive promise of its looks. handling and performance in favour of convenience, practicality and space when choosing a crossover, but the Toyota C-HR delivers the best of both worlds. It has a lower centre of gravity than any of its competitors, giving balanced handling and a more engaging, secure drive.

Roden adds: "It has very good driving dynamics and because of its looks, people really want to drive it."

While user-choosers will relish the driving enjoyment of the Toyota C-HR and a premium-quality interior, fleet managers and finance teams will be reassured by exceptionally low running costs delivered by renowned reliability, efficient engines and strong residual values.

Fleets can choose from either a 1.2-litre turbo petrol, producing 115PS, CO₂ emissions of 134g/km and combined fuel economy of 47.9mpg or a 1.8-litre petrol/hybrid, which offers 122PS, CO2 from 86g/km and combined fuel economy from 74.3mpg, which is expected to account for about 70% of sales.

Roden says: "We allowed fleets to test the car against its rivals and the results were strong, particularly on driving dynamics. The combination of practicality, performance and efficiency means we are expecting strong demand from a range of sectors. It will also be a catalyst for people to experience hybrid

The All New Toyota C-HR is offered with three trim levels: Icon, Excel and Dynamic. All offer high levels of specification, with interior quality benchmarked against premium rivals.

All Toyota C-HR models feature Toyota Safety Sense, a package that can alert the driver to collision risks and intervene if necessary to avoid or mitigate the consequences of α collision. Included is a Pre-Collision System with autonomous emergency braking and pedestrian recognition, lane departure warning, traffic sign recognition and automatic high beam headlights.

levels of test drive demand for the C-HR. Toyota has a dedicated central test drive fleet and has made test cars available throughout its business centre network.

Neil Broad, general manager Toyota & Lexus Fleet and Remarketing, said: "The highest levels of quality and reliability will generate keen interest throughout companies from fleet and finance to HR, along with user-choosers eager for a new driving experience."

Order books are now open for the All New



The future of fleet

We are Zenith, and we've been providing innovative, intelligent vehicle solutions to our customers for over 25 years. We take pride in our ability to provide a fully outsourced fleet management solution, including daily rental, accident management, best-in-class web platforms, flexible funding solutions and vehicle administration. This is all looked after by our dedicated in-house team of experts, which means our customers can just sit back and relax.

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We design our products and services around our customers — by listening to, working with, and moving forward with them in mind. It's our customers' feedback that helps us improve. In order to keep our customer service outstanding, we have to be fully transparent, and by fully understanding their needs, we can evolve with them.

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helping us deliver a personal, knowledgeable and efficient experience. Our cutting edge digital offering includes our market-leading customer service platform, Accelerate, and our mobile-first driver portal.

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All of this goes into making The Zenith Difference. It's our people, the service we provide, and our innovative technology — that's what makes Zenith, Zenith.

Salary Sacrifice Car Scheme at a glance:

- Salary sacrifice car schemes are now fully HMRC approved
- Changes come into place from 6th April 2017 for vehicles ordered after this date, while existing arrangements are protected until April 2021
- Ultra-low emission vehicles (ULEVs) are cars that produce 75g/km or less. These are exempt from the changes
- Salary sacrifice is still effective for a huge range of cars, not just ULEVs
- Employees still get a fantastic deal compared to the retail alternative
- Schemes remain a powerful tool for attracting and retaining staff

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Salary sacrifice car schemes — The facts behind the fiction

In the 2016 Autumn statement, the government announced that it will limit the range of benefits that attract income tax and employers' Class 1A NI advantages from April 2017.

This has caused some confusion.

However, rest assured there is nothing to worry about. Salary sacrifice car schemes are in no way dead and buried. They still offer excellent value compared to the retail market, and we're here to prove it.

Fiction – The government are getting rid of salary sacrifice schemes.

Fact – Simply, no. The government has fully backed car benefit schemes, and all that's changed is the tax treatment they involve.

Fiction – There's no longer any benefit for employees.

Fact – Actually, there are still huge savings involved, including National Insurance, pension savings and discounts from manufacturers.

Fiction – There are no longer any National Insurance savings for employees.

Fact – NI for employees is not affected at all by the new rules. Not even a little bit.

Fiction – Only ULEVs are available as part of the scheme.

Fact — While the savings for ULEVs are greater under the new rules, drivers can continue to choose any car, make or model on offer. The savings will vary depending on their own circumstances and the $\rm CO_2$ rating of the vehicle in question.

Fiction – Salary sacrifice will be abolished in 2021.

Fact – HMRC have fully approved salary sacrifice as a method of providing cars to employees. HMRC have applied a

'grandfather clause' to the tax rule changes which means anyone with a car ordered prior to 6 April 2017 will continue to pay tax under the existing rules. It is this that ceases in 2021, but schemes will still be viable after this date, with all cars being assessed under the new legislation.

Fiction – The scheme will no longer offer employers Class 1 NI savings.

Fact – Schemes still deliver employers' Class 1 NI savings. These can be achieved depending on the way the scheme is set up.

Fiction – The scheme only works for 20% tax payers now.

Fact – Not true. 40% tax payers can also benefit from the scheme, although they will benefit from smaller employee NI savings than a 20% tax payer. They can still benefit from the ability to recover VAT, increased manufacturer discounts, and an all-inclusive package.

Salary sacrifice car schemes are still, and will remain, a great benefit for you and your employees.





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At Renault we have a wide range of fleet vehicles to offer. From our new crossover, the All-New Renault Kadjar launched in 2015, to the All-New Renault Megane launching later this year, we have a versatile range to suite every fleet. We have worked hard to develop our fleet team, combining years of experience with a singleminded commitment to your fleet, your business and you.

This is why we are

This is why we are delighted to congratulate Portsmouth City Council who were the winners for the 2016 Fleet of the Year up to 250 vehicles, and we wish the team all the best for the future.

1_m

grey fleet mileage after hire programme came in

PORTSMOUTH CITY COUNCIL

'We are looking at transport as a whole across the city'

Portsmouth City Council's team is making better use of its transport by developing integrated solutions

By Christopher Smith

ortsmouth is, in effect, an island city. Portsmouth City Council is the unitary authority responsible for servicing this densely packed centre of population.

The approach taken? Sweat the assets and implement a robust journey tree and travel plan to encourage staff driving for work to take the most appropriate form of transport.

The council's Integrated Transport Unit covers all transport-related policy across the city, from buses and park and ride, to its vehicle fleet.

Katie Howard, fleet coordinator, and Felicity Tidbury, transport planning manager, currently manage the fleet after the departure late last year of Mike Vickers, now with the FTA.

In 2012, the team began to tackle grey fleet – with the introduction of a new, dedicated short-term hire programme. The programme has reduced annual grey fleet mileage by 500,000 miles to one million.

Fleet News: How do your shared vehicles contribute to the aim of reducing grey fleet mileage?

Katie Howard: Some of our main users of grey fleet are social workers, out and about across our area. We don't offer much parking in the city, and have heavily promoted our public transport offerings, so we don't really want staff to have to bring their own cars in to get around.

Felicity Tidbury: We are looking at transport as a whole, so there's plenty of other things we're doing. We're encouraging our staff to use the park and ride, as well as offering a 'business bus pass', where staff can use either of the local bus services, and there are pool bikes too.

The fleet is part of a whole sustainable transport

package, and it's about getting staff to actually think about their journey options, rather than just hopping into their private cars.

KH: The hire scheme means we know that driver checks are done properly – we know vehicles are safe and well maintained – and reduces costs.

The vehicles are here to be used within the city, and around 10 are dedicated for our own use, and based on our site.

Southern Motor Contracts, a local company, operate them for us, and provide an online booking portal that staff can use to reserve the vehicles.

It's a mix of cars, from small cars, to Nissan Leaf electric vehicles, up to larger cars like the Ford Focus for multiple staff members going to a meeting. The system also allows us to access vans.

FN: How did the electric cars fit into your fleet?

KH: Electric cars are a perfect fit for our city, where NOx pollution and air quality could become a significant risk to public health.

When they were introduced, they were new and interesting and everyone wanted to try them. So we set up a familiarisation programme. We wanted staff to feel comfortable about taking the vehicles out.

FT: We've been working very closely with our council cabinet members for traffic and transportation on a low emission vehicle strategy for the city, with electric vehicles on our fleet, and charging points set to play a key part in that. Alongside that, we've been working on an air quality action plan.

We're looking at everything from public transport to our fleet, and we're very aware of the Government priority to improve air quality. We want improvements to our fleet to be a big part of that.

In the meantime, we've been introducing a number of petrol vehicles onto fleet as vehicle renewals come up, to reduce particulate emissions.

FN: You've introduced a similar partnership with local business for SMR – how does that work?

KH: We work with a local garage for all our service, maintenance and repair, both for our own vehicles and as a nominated repairer for leased vehicles.

By putting through larger volume, we've been able to save 10% on our servicing and negotiate a better labour rate. We've improved our preventative maintenance – issues are being picked up sooner, and costing us less in the long run.



"When electric cars were introduced, they were new and interesting and everyone wanted to try them. So we set up a familiarisation programme. We wanted staff to feel comfortable"

Katie Howard, Portsmouth City Council





What is really useful for us is a drop-in service, for quick fixes like tyres, headlight bulbs or wiper blades. Our drivers can arrive on the spot and get these items changed and charged back to us, with automatic authority up to £250.

FN: What have you done to improve utilisation of your vehicles?

FT: The transport unit doesn't just manage fleet, it looks after policy, planning and home-to-school transport, too.

That's really helped in moving what we do forward, in a quest to keep the vehicles moving as much as we can.

Our home-to-school minibuses are normally only used at the start and the end of the school day, so we've been running a programme to offer that spare capacity to schools in the area and charities. It increases the utilisation of our vehicles and staff, and reduces cost and hassle for schools having to maintain and operate their own vehicles.

KH: Previously vehicles would be allocated solely to one department, but we have now developed multi-purpose vehicles, suitable for use across more than one team. For

example, our community and traffic wardens now share a vehicle pool, which has removed two vehicles from our fleet, and reduced the cost of vehicle specification.

Our gardening and grass cutting teams would regularly have to leave their site and empty their waste on the edge of the city – we added one vehicle to collect waste from all teams throughout the day, reducing mileage and increasing productivity of the teams on the ground.

FN: How do you manage driver training?

FT: Our staff undertake driving assessments with the Blue Lamp Trust, a Hampshire-based charity supporting community safety. The on-road assessment and education session will identify if any further training is needed, which we'll then act on accordingly.

We have telematics systems, along with Ashwoods Hybrid Lightfoot vehicles, on our fleet, and use the reports from these systems to discuss our drivers' habits, and help them improve their skills.

We have a duty of care towards our drivers and want to keep them safe in their day-to-day work.

FN: What's next on the agenda for your fleet and transport policy?

FT: We're looking to make further integrations with our team. For example, we've just integrated the transport function of adult social care in with our team so we can make better use of the resources we have.

Doing this means we know how the use of our vehicles fits within other departments, and we can better support them with that knowledge.

eeping people moving throughout a congested, densely populated island remains a challenge, but the council's joined-up approach, not solely looking at the vehicle fleet in isolation, continues to reduce mileage – and, over time, emissions.

FACTFILE

Organisation Portsmouth City Council Fleet size 156 Transport planning manager Felicity Tidbury Fleet co-ordinator Katie Howard Pool vehicles 10 Electric vehicles 3

Judges' comments

Portsmouth City Council has undertaken a range of initiatives to save cost and carbon. Its advanced thinking and holistic approach goes beyond simply meeting the needs of the council; it extends into the community and looks at how the fleet can play a role there. The judges praised the excellent mini-bus initiative to improve utilisation and productivity of the fleet. Forward-thinking and innovative.



By Simon Harris

he i30 has come to be seen as a watershed model for Hyundai. The first i30, launched in 2007, marked the beginning of the brand's transformation from budget-buy into the mainstream

It was Hyundai's first European-built model and made huge strides in catching up with rivals for quality, technology and safety.

The second-generation i30 in 2011 was more stylish and better to drive, and has played a key role in the brand's growth to becoming a serious player in both retail and fleet in the past few years.

Almost 120,000 versions of the first- and second-generation i30s have been registered in the UK.

For 2017, the i30 has evolved into its third generation. It is perhaps a little too similar in appearance to its Kia Ceed cousin to truly stand out, but it was never going to make an impact based on how it looks.

And, as this is the more 'conventional' five-door hatchback, there is room in the range for other body styles to be a little more adventurous.

We'll see an estate version at this month's Geneva motor show, and a high-performance Volkswagen Golf GTI rival later in the year.

There will also be a four-door version – a derivative that has taken the bulk of sales in the North American market in the previous generation, where it's badged Elantra – which Hyundai is referring to as a 'fastback'. This could be marketed as a compact 'four-door coupé' such as the Mercedes-Benz CLA, but Hyundai would be targeting an audience seeking to spend less.

£784/£1,567

Class 1A NIC £541 Annual VED £0 then £30

RV (4yr/80K) n/a

Fuel cost (ppm) n/a

AFR (ppm) 11

Running cost (4yr/80K) n/a

SPEC

Power (PS)/torque (Nm) 120/126 CO2 emissions (g/km) 115 Top speed (mph) 118

0-62mph (sec) 11.1 **Fuel efficiency (mpg)** 56.5

KEY RIVAL

Ford Focus 1.0 Ecoboost 125 Zetec Edition

P11D price: £19,940

BIK tax band (2016/17) 18% Annual BIK tax (20%/40%)

£718/£1,436

Class 1A NIC £495 Annual VED £0 then £20

RV (4yr/80k) £4,650/23%

Fuel cost (ppm) 8.86

AFR (ppm) 11

Running cost (4yr/80k) 31.33ppm

Running cost data supplied by KeeResources (4yr/80k) So first impressions on what will become a comprehensive line-up of cars are important.

New to the i30 is a 120PS three-cylinder 1.0-litre turbocharged petrol engine, which in UK specification offers CO2 emissions from 115g/km. It is available in S, SE and SE Nav grades (but not the range-topping Premium and Premium SE), and sits alongside a new-to-Hyundai 140PS 1.4-litre turbo petrol engine with CO2 emissions of 124g/km with the six-speed manual gearbox, or 125g/km when choosing the optional seven-speed dual-clutch automatic.

There is only one diesel engine for UK customers – a 110PS 1.6-litre, which has CO₂ emissions of 99g/km with the standard manual transmission, or 109g/km for the DCT auto. Hyundai took the decision to restrict the UK range to this single diesel derivative just days before we drove the car on the European media event, which focused on the new petrol engines and a 136PS version of the diesel, which will not be offered in the UK.

Equipment has been boosted for the new model, with the entry level S (a grade only offered with the 1.0T) having standard alloy wheels, LED daytime running lights, digital radio, electric windows all-round, Bluetooth connectivity, USB and aux-in sockets as well as driver's seat height adjustment.

Impressively, this car also comes with a suite of safety features as standard, which you often end up paying extra for elsewhere.

Lane departure warning, forward collision warning with autonomous emergency braking, lane keeping assistance and hill-start assistance are all here. Only two items are missing: a blindspot warning and rear cross traffic alert are added as standard from the Premium grade.







Having all these safety features as standard works well for fleet safety policies, avoiding the need to pay extra to have these items as options.

SE variants have larger alloy wheels than the S, a fiveinch touch-screen, rear parking sensors and camera and a leather-covered steering wheel. SE Nav variants are listed as an equipment grade in their own right, adding a larger touch-screen with satellite navigation as well as wireless phone charging for compatible smartphones.

Premium versions have 17-inch alloys with Michelin tyres, electronic parking brake, privacy glass, upgraded upholstery and heated front seats. Premium SE models add leather seats, a heated steering wheel and a panoramic sunroof.

Our time behind the wheel of the 1.0-litre variant was a pleasant surprise. The turbo provides plenty of low-down torque ensuring the engine's responsiveness, and the engine noise is well insulated so you don't get the characteristic offbeat gruffness that used to signal three cylinders under the bonnet.

Diesel would still probably be the preferred choice of fleets in this category, although the running costs and CO₂ emissions of the petrol models are low enough to make them worth a look for low-mileage drivers and for cars based in towns and cities.

The smooth nature of the higher-power diesel we tried also bodes well for the 110PS version we get in the UK.

The interior finish is the best of any mainstream Hyundai to date, providing good room and excellent comfort. Luggage space of 395 litres at minimum is also decent for this class.

"The turbo
provides plenty
of low-down
torque
ensuring the
engine's
responsiveness,
and the engine
noise
is well
insulated"



For full running costs, visit fleetnews.co.uk/ running-costs

THINKING CAP



By Martin Ward, manufacturer relationships manager

cap hpi



Monday/Tuesday To the pretty island of Majorca to drive the 'updated' Volkswagen Golf.

It's a minor facelift, but has lots of new technology which fleet drivers will love. New LED lights front and rear, new grille, new bumpers and that's about it for the exterior.

But the interior gets optional Discover Navigation Pro infotainment with the largest display in its class, and offers traffic jam assist and emergency assist for the first time. The interior looks great with its updated features and systems. The Golf is the backbone of Volkswagen's sales, and the car just gets better, every time a new model is launched.

Volkswagen confirmed that there will be 10 new models this year and by 2020 all models will have been replaced.

"Volkswagen Golf has lots of new technology which fleet drivers will love"

Wednesday In Barcelona and spotted a new, pre-production Seat Ibiza being tested up in the hills. And what a nice looking five-door hatch it is, very modern, with great lines, and a good overall exterior design. No doubt we will be driving this in the coming weeks.

Friday Down to Devon to drive the Mazda MX-5 RF. It's an MX-5, but with an electric, retractable, folding roof. The design is clever, with some heavy metal cogs and gears making it work very quickly and smoothly.

The traditional MX-5 driver will wonder what on earth is going on. It is not a full cloth convertible, costs around £2,000 more than the soft-top, and they will not touch it with a bargepole.

This pretty, small two-seater will appeal to a new band of owners who do want wind in their hair, but the added security of the hard top. There is a choice of two engines: 1.5 and 2.0. Both have a six-speed manual gearbox, but the larger engine is the one to go for as the 1.5 just lacks a bit of power. Prices start at £22,195 and rise to £28,995 on the road.

D4 2.0 190 AUTO

VOLVO V90 CROSS COUNTRY

Cross Country is the SUV for drivers who don't want a traditional off-roader



NEED TO KNOW

- Cheaper and more efficient than closest rivals
- Strong and impressive off-road capability
- Top marks in Euro NCAP assessment programe

By Matt de Prez

rossovers are big business for car manufacturers at the moment. The mud-plugging SUVs have rapidly morphed into city jeeps. Many feature two-wheel-drive, low rolling resistance tyres and would class 'off-road' as entering a multi-storey car park.

The Volvo V90 Cross Country offers a different approach to the 'crossover' concept. Instead of looking like an SUV it has been designed to work like one.

Volvo has raised the suspension height by 65mm over the standard V90 and reprogrammed its all-wheel-drive system, which is fitted as standard to this model, adding an extra off-road drive mode. There is also underbody protection and specially adapted tyres.

Power comes courtesy of a 2.0-litre diesel engine, which is available in two guises. The 190ps D4 is the most efficient with CO₂ emissions of 138g/km. A more powerful D5 unit develops 235PS yet emits just 1g/km of CO₂ more – putting both in the 27% benefit-in-kind (BIK) tax banding.

Fuel economy is similar, too, with the $D\bar{5}$ reportedly achieving 53.3mpg, just 1mpg less than the D4.

On the road both units offer up adequate power, which is delivered effortlessly through an eight-speed automatic transmission. The engine is well hushed at cruising speeds but does make itself known when reaching the higher end of the rev-counter.

The D5 has one key advantage: Powerpulse. It's a small tank of compressed air that is fed into the turbo at low revs to eliminate lag – it means there is no delay between pressing the pedal and accelerating away – ideal for safer manoeuvres at roundabouts and T-junctions.

Despite riding higher than normal the car feels well-planted on the road, but it isn't too stiff. It soaks up the bumps well and

COSTS

P11D price £39,600

BIK tax band (2016/17) 27%

Annual BIK tax (40%) £4,227

Class 1A NIC £1,475

Annual VED £130 then £130 $\,$

RV (4yr/80K) £12,625

Fuel cost (ppm) 10.24

AFR (ppm) 11

Running cost (4yr/80K) 49.82ppm

SPEC

Power (PS)/torque (Nm) 190/400

CO2 emissions (g/km) 138

Top speed (mph) 130

0-62mph (sec) 8.5

Fuel efficiency (mpg) 54.3

KEY RIVAL

Audi A6 allroad 3.0TDI 218

P11D price: £47,225

BIK tax band (2016/17) 29%

Annual BIK tax (40%) £5,478

Class 1A NIC £1,890

Annual VED £145 then £145

RV (4yr/80k) £13,575

Fuel cost (ppm) 11.21

AFR (ppm) 13

Running cost (4yr/80k) 60.07ppm

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



still feels like a car to drive. The ride quality is more impressive when off the beaten track. Close your eyes and the Cross Country can turn a rutted path into fresh tarmac.

Inside, the V90 exudes Scandinavian luxury. There are no nasty plastics or harsh lines here; everything is classy, logical and well-made.

The Sensus touchscreen system controls almost all the functions of the car but will take a while to get to grips with – it's like trying to use an iPad while driving.

With a P11D value of £39,600 the D4 will command company car tax rates of around £356 per month from a 40% tax payer, rising to £390 for the £43,400 D5 – and that's before delving into the substantial options list which includes such luxuries as a Bowers & Wilkins surround audio system (costing £3,000) and head-up display at £1,000.

Thankfully plenty of kit comes as standard including Volvo's semi-autonomous Pilot Assist, heated leather seats and keyless entry.

Farmers, vets and those who want the off-road prowess of a Land Rover without the stigma attached to driving a big 4x4 are expected to be key customers for the V90 Cross Country. It should be a strong contender for any user-chooser considering an Audi A6 Allroad or Mercedes-Benz E Class All-Terrain as its running costs are significantly lower.

1.4 CRDI 77 2

KIA RIO

Refined Rio leads Kia's 2017 trio of launches with some attractive efficiency figures



NEED TO KNOW

- 15mm longer and 5mm wider than predecessor
- Boot capacity has increased 13% to 325 litres
- The 77PS 1.4 CRDi has CO₂ emissions of 92g/km

By Andrew Ryan

uch has been the pace of change at Kia that its model range is virtually unrecognisable from just a couple of years ago.

Last year, for example, new models launched included Sportage, Optima saloon, estate and

plug-in hybrid, and Niro.

This year, the manufacturer will replace its Rio supermini

and Picanto city car, as well as launch the Stinger coupe.

The Rio is the first of these to arrive, with Kia hoping it will appeal to drivers considering downsizing from the sector

above.

Measuring 4,065mm long and 1,725mm wide, it is 15mm longer and 5mm wider than its predecessor, and continues to be one of the largest cars in the B-sector.

A slightly longer wheelbase and front overhang, and a more upright back end also aid interior space, while the Rio is available only as a five-door hatchback due to a lack of demand for three-door models (Kia describes the call for these versions as "miniscule").

These changes have allowed the manufacturer to give the Rio a chunkier, more mature, appearance. It is a look that suits the character of the car.

The feeling of solidity is carried over into the cabin, which is one of the car's strong points. Its design is unfussy, with all controls falling nicely to hand. There's a decent mix of materials with a touchscreen positioned nicely at the top of the centre console.

Front seat passengers have plenty of space, while there is ample room for two average-sized adults to be comfortable in the back.

Boot capacity has also increased 13% to 325 litres, rising to 980 litres with the 60.40 split rear seats folded.

The Rio also offers some attractive efficiency figures. It is

COSTS

P11D price £15.190

BIK tax band (2016/17) 18%

Annual BIK tax (20%) £547

Class 1A NIC £377

Annual VED £0

RV (4yr/80K) £3,650/24%

Fuel cost (ppm) 6.89

AFR (ppm) 9

Running cost (4yr/80K) 24.17ppm

SPEC

Power (PS)/torque (Nm) 77/240

CO2 emissions (g/km) 92

Top speed (mph) 102

0-62mph (sec) 13.5

Fuel efficiency (mpg) 80.7

KEY RIVAL

Vauxhall Corsa 1.3 CDTi 75 SRi

P11D price: £15,245

BIK tax band (2016/17) 20%

Annual BIK tax (20%) £610

Class 1A NIC £421

Annual VED $\pounds 0$

RV (4yr/80k) £3,625/24%

Fuel cost (ppm) 7.68

AFR (ppm) 9

Running cost (4yr/80k) 25.37ppm

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



available with a choice of six engines and power outputs, ranging from a 77PS 1.4 CRDi diesel to a 120PS 1.0 T-GDi petrol.

Fleets are expected to account for 30% of Rio registrations and the powertrains of most interest to them are the 77PS 1.4 CRDi, which has CO₂ emissions of 92g/km and official combined fuel economy of 80.7mpg, and the 85PS 1.25-litre petrol, with 107g/km and 58.8mpg.

The 90PS 1.4 CRDi available to drive at the launch event was a strong performer and its 240Nm of torque meant acceleration was brisk.

It's refined on the move, too, with road, wind and engine noise amply suppressed. Ride comfort is fine, while the light, direct steering makes urban manoeuvring straightforward.

At launch, Rio is available in four equipment levels – 1, 2, 3 and First Edition – and Kia expects most fleets to opt for level 2.

Standard equipment on this grade includes 15-inch alloy wheels, air conditioning, front and rear electric windows, electric folding mirrors with LED indicator lights, digital radio, a five-inch colour display screen, reversing camera and rear parking sensors.

All models except the entry-level 1 are fitted with autonomous emergency braking and lane departure warning as standard.



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2.0 TDI SE NAV 5DR

VOLKSWAGEN GOLF

More of the same but VW freshens up the equipment on the ever-popular Golf



NEED TO KNOW

- Revised Golf launches with average price cuts of £650
- Subtle, cosmetic changes, more hi-tech features
- Attractive new 1.5-litre petrol engine option

By Simon Harris

erhaps more than any other manufacturer, Volkswagen is accused of adhering to the old adage "if it ain't broke, don't fix it". The Golf is Volkswagen's best-selling car worldwide, as well as its most popular model in the UK, with an image of dependability built up over seven generations.

Even when shaken by the diesel emissions scandal in 2015, when Volkswagen admitted cheating emissions tests in the US, the brand's sales in Europe didn't seem to falter.

That aberration aside, customers know what they're getting, and the Golf has long been a favourite of fleets, its range effortlessly spanning job-need to user-chooser, as well as being a popular private buy.

For 2017 the seventh-generation Golf has been honed with subtle styling changes and new equipment. Prices are lower for most of the range, according to Volkswagen.

While this might not result in much difference in transaction prices for fleets, it certainly gives the Golf greater company car appeal with lower P11D prices reducing BIK tax bills.

It's difficult to compare like for like on the outgoing price list as many models had evolved into 'special editions' such as the Match Edition and GT Edition, while the figure for the entry point to the range, the 1.0 TSI S, stays the same.

But the SE Nav used in our price comparison undercuts the previous Match Edition by almost £400 (although the SE is £1,140 lower), while the GTD is lower by more than £250.

New for the 2017 model year are several hi-tech features, including Traffic Jam Assist – a semi-autonomous mode for automatically keeping pace with stop-start traffic – and

COSTS

P11D price £23,270

BIK tax band (2016/17) 21%

Annual BIK tax (20%) £977

Class 1A NIC £674

Annual VED £0 then £20

RV (4yr/80K) £6,475/28% Fuel cost (ppm) 8.26

ruet cost (ppm) 8.2

AFR (ppm) 11

Running cost (4yr/80K) 32.52ppm

SPEC

Power (PS)/torque (Nm) 150/236

CO2 emissions (g/km) 109

Top speed (mph) 134

0-62mph (sec) 8.6

Fuel efficiency (mpg) 67.3

KEY RIVAL

Vauxhall Astra 2.0 CDTi Biturbo

SRi Nav

P11D price £22,660

BIK tax band (2016/17) 21%

Annual BIK tax (20%) £952/£1,903

Class 1A NIC £657

Annual VED £0 then £20

RV (4yr/80k) £5,725/25%

Fuel cost (ppm) 7.89

AFR (ppm) 9

Running cost (4yr/80k) 32.92ppm

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



Emergency Assist, which can detect if the driver appears incapacitated, and initiates a series of alerts to encourage a response. The system will conduct an emergency stop if the driver has failed to respond.

The Golf is also offered with the Discover Pro navigation system, which includes gesture control for certain functions.

Also new is the 150PS 1.5 TSI petrol engine, which replaces the 1.4 TSI in the outgoing model and offers active cylinder management (shutting down two cylinders when coasting or on low throttle load) to save fuel and reduce emissions. A 130PS version of this engine will feature in the new Golf Bluemotion. It avoids the expense and complexity of a TDI with AdBlue, and the 3% diesel supplement on company car tax, so could be an interesting option for low-mileage users.

On the road, little has changed. The car remains smooth and comfortable, but responsive enough to appeal to the driving enthusiast, particularly in the more performance-oriented variants.

The 150PS 2.0 TDI and 184PS 2.0 TDI GTD we tried were both supremely smooth and refined, leaving us wondering what more a company car driver could want.

SPORTBACK 2.0 TDI ULTRA 190 SPORT S-TRONIC

AUDI A5

Lighter and brighter, this second generation A5 needs bigger fuel tank as standard



NEED TO KNOW

- Second-generation five-door A5 makes its debut
- Reduced weight and improved fuel efficiency
- Improved standard specification plus hi-tech options

By Simon Harris

s niches go, the A5 Sportback fills one that performs well with user-choosers and fleet operators. The Audi A5 began life as a two-door coupe in 2007, but the appeal of a two-door car is often too narrow to be accepted for business use. In 2009, the five-door A5 Sportback addressed this.

Sleeker and more exclusive than an A4 saloon, but with four doors plus a rear hatch, it quickly became established as a more upmarket alternative to a premium saloon.

The A5 Sportback shares technology and basic architecture with the A4, and the second-generation A5 Sportback arrives about 15 months after the latest A4 was introduced.

It brings with it the benefits the A4 had over its predecessor. including reduced weight (up to 85kg lighter - equivalent to removing a 13-stone passenger), higher equipment levels and more efficient engines.

From launch, the engine line up includes a 190PS 2.0-litre TDI with a quattro all-wheel drive option, a 252PS 2.0-litre TFSI petrol engine, and the 354PS 3.0-litre TFSI S5, the latter two having quattro as standard.

The latest development of quattro means all-wheel drive is now 'on demand' rather than engaged permanently, with drive sent to the rear axle when sensors detect loss of traction. This reduces fuel use and cuts CO2 emissions in the official test cycle, along with a new stop-start system which can switch off the engine when coasting as well as when

There are three equipment grades at launch: SE, Sport and S Line. SE and Sport models come with 17-inch alloy wheels as standard, xenon headlights with LED daytime running

COSTS

P11D price £36,425

BIK tax band (2016/17) 21%

Annual BIK tax (20%/40%) £1530/£3060

Class 1A NIC £1,056

Annual VED £0 then £20 RV (4vr/80K) £12.600/35%

Fuel cost (ppm) 7.89 AFR (ppm) 11

Running cost (4yr/80K) 42.75ppm

SPEC

Power (PS)/torque (Nm) 190/295

CO2 emissions (g/km) 106

Top speed (mph) 130

0-62mph (sec) 7.9

Fuel efficiency (mpg) 65.7

KEY RIVAL

BMW 420d Gran Coupé Sport auto

P11D price: £36,130

BIK tax band (2016/17) 22%

Annual BIK tax (20%/40%)

£1,590/£3,179

Class 1A NIC £1.097

Annual VED £0 then £30

RV (4yr/80k) £10,650/29%

Fuel cost (ppm) 8.27 **AFR (ppm)** 11

Running cost (4yr/80k) 44.99ppm

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



lights, three-zone electronic climate control and Keyless Go with power-operated tailgate.

Sport models have sat-nay, electrically adjustable front seats, LED interior lighting and a free three-month trial of Audi Connect over the SE, while the S Line has 18-inch alloys, lowered suspension and LED headlamps over the Sport.

Not only is the engine noise more subdued than before, the whole experience in the A5 Sportback is improved, with a more compliant ride and improved comfort.

The S-tronic dual-clutch gearbox has replaced the Multitronic auto on the front-wheel drive version of the car, giving it a more natural feel when accelerating - as well as providing smooth and rapid gearshifts - and improving fuel consumption.

Like the A4, the standard fuel tank on the 2.0-litre TDI is a tiny 40 litres – smaller than the tank in an Audi A1 – and a 54-litre tank can be chosen as an option. Likewise, a larger AdBlue tank can also be specified.

The car might be more fuel efficient, but with the standard tank, the inconvenience of more frequent fuel stops might become tedious.



The need to offer fuel-efficient driving affects all models, even those in the burgeoning SUV/ crossover sector where space and the ability to create a sense of on- and off-road motoring are among the key sales factors.

To maximise the Kadjar's efficiency credentials, Renault turned to an old favourite - its venerable 1.5-litre diesel engine.

It was developed 16 years ago as part of the Renault-Nissan partnership and originally featured in the Clio and Micra. More recently Nissan has fitted it to the best-selling Qashgai.

Extra bragging rights for this engine come courtesy of the fact that Mercedes-Benz opted to fit it in the latest A-Class and CLA, while it also features on Nissan's luxury brand Infiniti in the Q30.

It's a difficult unit to fault as Renault's engineers have done a fine job of bringing the engine up-to-date with a diesel particulate filter and a variable geometry turbocharger. It's also very quiet, producing little more than a hum.

In fact, it sounds more like a four-cylinder petrol when you work it hard and makes almost no noise at all when idling.

Renault's official mpg figure of 72 combined is a little optimistic. however. Between fill-ups our Kadjar consistently returns between 50 and 53mpg.

What I have found interesting is that variation in driving style does little to affect the figure.

On a long run the best I've seen reported on the trip computer is 64mpg but by the time the tank is drained it's back to the low-50s.

Matt de Prez



FIAT TIPO

1.6 MULTIJET

Italian charm helps override few qualms and niggles

COSTS

P11D price £18,290

BIK tax band 19%

Annual BIK tax (20%) £695

Class 1A NIC £480

Annual VED £0 then £0

RV (4yr/80k) £3,875 Fuel cost (ppm) 7.28

AFR (ppm) 9

Running cost (ppm) 29.69

SPEC

Engine (cc) 1598

Power (PS) 120

Torque (Nm) 320

CO2 emissions (g/km) 98

Fuel efficiency (mpg) 76.3

Max speed (mph) 124 **0-62mph (sec)** 9.8

Test mpg 49.5

Current mileage 4,800

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

By Matt de Prez

ur latest long-termer, the Fiat Tipo, is an important model for the brand because it puts Fiat squarely back in the C-segment at an attractive price point.

But to succeed in this sector it has to face rivals such as the Škoda Rapid, Seat Leon and Peugeot 308 and, over the next six months, we will be keen to see how it performs.

We opted for the 1.6 MultiJet diesel in Lounge trim, which comes equipped with sat-nav, auto lights/wipers, climate control and 17-inch alloy wheels as standard, plus metallic paint in Magnetic Bronze as a £550 option.

A notable absence was the safety pack (which includes a speed limiter and auto emergency brake). Without including it as standard equipment, the Tipo scored a lowly three-star rating in Euro NCAP testing last year.

Now, however, Fiat says: "Recognising the importance of maximizing the safety of our customers, we took the decision to add safety packs to all units as standard. There is no need to retest the Tipo for NCAP, as it automatically becomes a four-star car with this pack added." Seems we got our long-termer a little too early.

There has also been an uplift in price with the hatchback range now starting at £13,345 (up from £12,995 at launch).

I've covered around 1.000 miles and from the outset I have been won over by the Tipo's charm. There's a pleasant and cheerful sense to the way it goes about its business, the cabin is spookily quiet and the engine serves up a delightful dollop of torque.

The chassis leaves a lot to be desired. however.

I'm starting to question whether the steering wheel is actually attached to the front wheels or is operating a rudder attached to the rear.

In the wet it's eager to understeer and more spirited driving will realise a light rear end which doesn't inspire confidence.

However the Tipo does cope with the motorway slog pretty well and it's easy to manage in stop-start traffic.

If we had to part company now I'd be pretty upset as the Italian charm of this otherwise mainstream hatch is really starting to appeal.



AT A GLANCE - THE REST OF OUR FLEET



Seat Ateca SE 1.6 **TDi Ecomotive**

- + Seats give good support
- Fuel economy failing to match claimed combined



Mini Clubman Cooper 2.0D 150

- Sat-nav map partly
- + LED highlights obscured by central LED ring



Land Rover **Discovery Sport**

- Go-anywhere motoring Our test car is the five-
- not seven-, seater



Vauxhall Zafira Tourer 1.6CDTI

- + Adjustable leg supports
- More interior storage would be nice

OLIVER WOODMANSEE

MANAGING DIRECTOR, AUTOXP

Oliver Woodmansee has a passion for business and life in general. He doesn't care for negative people but concedes that being strong enough to admit failure is a positive

The most pivotal moment in my life was when I The vehicles I'd like most in my garage was 17. I spent a summer in the rainforests of are an original Ford GT40, a Lamborghini Guyana. It gave me a great perspective on how Aventador, and an Indian Scout Motorcycle. varied life can be, how life is about opportunity and making the most of what you have. My favourite film is Stanley Kubrick's 2001: A Space Odyssey. Am still trying My earliest memory associated with a car to work out the metaphors. was breaking down - I grew up in the '70s when cars still broke down. I'd tell my 18-year-old self to enjoy every moment, I'd like to be remembered as life is going to be great. being passionate, successful and good to know. The book I would recommend is If I was Prime Minister for Good to Great the day I would reform the by Jim Collins. electoral system. My pet hate is One is my hate itself - I interests is can't stand classic cars. negative people.

First fleet role I started out with Renault Retail. My interest in cars first drove me to the automotive and fleet business, and while that passion still exists it is the constantly changing and highly innovative way the industry keeps developing that keeps my passion alive.

Career goals at AutoXP To achieve significant success in my new role as managing director at AutoXP and to see the business realise its full potential.

Biggest achievement in business

Working overseas and learning to motivate people who have very different life experiences and cultural expectations is always a good learning opportunity. However doing that and achieving business success is, so far, my greatest achievement.

Biggest career influence There are a handful of people who I have learnt a great deal from. The common theme is they all believe that anything is achievable and there is always a solution. This is, in my opinion, key to any success in business.

Biggest mistake in business

Early on in my career I approached everything with an attitude that nothing is allowed to fail. I soon learnt this was a big mistake, if you never fail you are not trying hard enough and being strong enough to admit failure is a key strength to having sustainable long-term success.

Leadership style Flexible as required. I have learnt over the years that having one leadership style is not enough. It is important to choose the right style for the conditions and people you are dealing with.

If I wasn't in fleet Mechanical engineering – I have a passion for all things mechanical.

Childhood ambition I wanted to be a racing driver, well who wouldn't!

Next issue: Beverley Wise, sales director UK and Ireland, TomTom Telematics



£1,000-worth of features adds just £400 to the bill

ord's popular Focus Zetec model has now been upgraded to a Focus Zetec Edition, with a number of additional features. It now has, as standard:

- SYNC 3 navigation
- Rear parking sensors
- Privacy glass
- Cruise control
- New 16-inch alloy wheels

This upgrade to Focus Zetec Edition provides £1,000-worth of equipment for only a £400 supplement, and leading whole-life cost providers have estimated that the higher residual value of Zetec

Edition after three years/30,000 miles should offset the price increase.

SYNC 3 navigation, which is also now standard on Focus Titanium, Titanium X, ST-Line and ST models (and on Focus RS with rear camera as standard) was previously available as an option.

Well-proven SYNC 3, which has an 8-inch touchscreen, allows iPhone users to activate Apple CarPlay, so they can make phone calls, access music, send and receive messages, get directions optimised for traffic conditions, and more, while they stay focused on the road.

Saying "I need a coffee," "I need petrol,"

and "I need to park," drivers can find nearby cafés, petrol stations or car parks, and then be guided to the selected destination

Android™ users can activate Android Auto™ apps in safer and seamless ways including Google Search, Google Maps and Google Play. Software can be updated over the air via Wi-Fi.

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

Many software updates can now be received over the air via Wi-Fi, meaning vehicle downtime can be reduced.

UPSCALE VIGNALE NOW AVAILABLE IN FIVE-DOOR OPTION

Ford has extended its upscale Vignale range, with a five-door version of the Mondeo Vignale joining the Mondeo Vignale four-door and estate models. Hand-finished to customer specifications, the Ford Mondeo Vignale delivers a whisper-quiet, comfortable ride, using sophisticated

technologies and an advanced chassis. Interior refinement is enhanced by Active Noise Cancellation, which uses three cabin microphones to monitor engine noise. Advanced audio technology then directs opposing sound waves through the audio system to cancel out engine noise and improve

cabin ambience. Standard now are rear privacy glass, power tailgate and heated steering wheel.

Powertrains include Ford's 210PS Bi-turbo 2.0-litre TDCi diesel, 240PS EcoBoost petrol and 187PS petrolelectric hybrid. Ford's Intelligent All-Wheel Drive is also available.







With ground-breaking services like destination download and hotel bookings** at the touch of a button, New Insignia Grand Sport has connected car features designed to assist your drivers in ways you might never have imagined; all courtesy of Vauxhall OnStar[†].





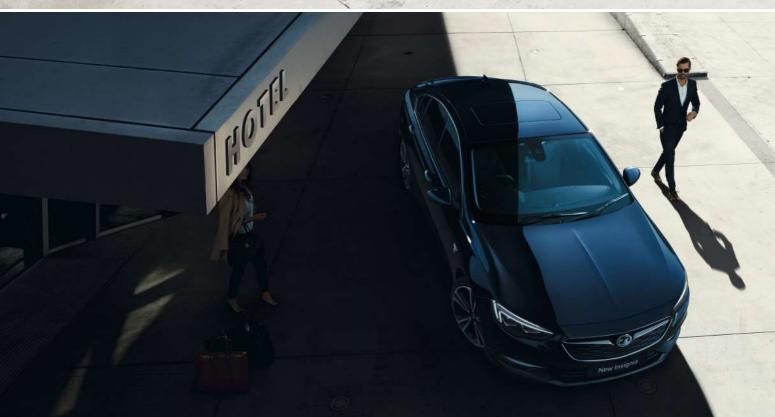




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Fuel consumption information is official government environmental data, tested in accordance with the relevant EU directive. New Insignia Grand Sport range fuel consumption figures mpg (litres/100km): Urban: 24.6 (11.5)-61.4 (4.6), Extra-urban: 40.4 (7.0)-78.5 (3.6), Combined: 32.8 (8.6)-70.6 (4.0). CO₂ emissions: 197-105g/km.

Official EU-regulated test data are provided for comparison purposes and actual performance will depend on driving style, road conditions and other non-technical factors. 2016/17 tax year. General Motors UK Limited, trading as Vauxhall Motors, does not offer tax advice and recommends that all Company Car Drivers consult their own accountant with regards to their own tax position.* = Terms and conditions apply and vehicles are subject to availability. Please call 0330 587 8221 for full details.** = Via booking.com. E-mail address and credit card required. Minimum age of reservation owner is 21 years. † = Includes 12 months of OnStar services from date of first registration and a 3 month/3 GB Wi-Fi free trial period (whichever comes first) effective from the date the customer accepts the nominated network operator Wi-Fi S&Cs. OnStar services rand 4 G Wi-Fi Hotspot require activation and are subject to mobile network overage and availability. Wi-Fi Hotspot service requires account with nominated mobile network operator. Charges apply after free trial period. The OnStar subscription packages could be different from the services included in the free trial package. Terms and conditions apply. Check vauxhall.co.uk/OnStar for details of availability, coverage and charges. Vehicles purchased without OnStar cannot have the required technology retro-fitted. Destination download only available on vehicles with factory installed navigation systems. All figures quoted correct at time of going to press (February 2017).