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Official fuel consumption for the SEAT Leon Range in mpg (litres per 100km); urban 31.4 (9.0) – 65.7 (4.3); extra-urban 48.7 (5.8) – 74.3 (3.8); combined 40.9 (6.9) – 70.6 (4.0). CO₂ emissions 158 – 102 g/km. Standard EU test figures for comparative purposes and may not reflect real driving conditions. More information is available on the SEAT website at SEAT.co.uk and at dft.gov.uk/vca.

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Fleet & Outsourcing

We look at outsourcing from both sides: should fleet managers view it as a threat to their role or a positive enhancement?

Air quality tops agenda as main parties prepare for election

Manifestos back investment in plug-in vehicles but differ on approach to emissions

By Gareth Roberts

Measures to improve air quality, including a complete ban on the sale of diesel cars and vans, have been outlined in the parties' manifestos ahead of the general election.

The Liberal Democrats have taken arguably the most severe stance by promising to ban the sale of diesel cars and small vans by 2025, supported by a diesel scrappage scheme and more ultra-low emission zones (ULEZs). For many fleets this would come within two replacement cycles.

Labour has set its sights on diesel buses, which it believes is the biggest cause of air pollution (all three parties have plans for low emission buses). However, it outlined no specific measures for funding ULEVs.

Meanwhile, the Conservative Party retains its target for almost all new cars and vans to be zero emission by 2050, together with its commitment to invest £600 million by 2020 to achieve it.

But, after it was forced by the courts to publish its air quality report ahead of the election, it fails to feature in the Tory plan for Government.

Instead, the consultation on the draft proposals will end in June and, if the Conservatives retain power, the final plan is expected to be published by the end of July (*Fleet News*, May 11).

DIESEL DUTY

While the Lib Dems is the only party to lay out specific plans for an outright ban on diesel, many in the fleet sector fear the next Government could be tempted to target diesel vehicles through the tax regime, with a rise in diesel fuel duty a distinct possibility.

Fuel duty has been frozen since it was reduced by 1p per litre (ppl) in 2011. But, it remains the highest in Europe at 57.95ppl, representing a significant cost to business.

The Freight Transport Association (FTA), the Road Haulage Association (RHA), and RAC have called on all political parties not to risk economic growth by targeting diesel duty.

Publishing their own manifestos ahead of the national vote, the trade associations have put fuel duty, congestion, investment in roads and skills, road safety and a Brexit deal which delivers for the fleet industry among their chief policy concerns.

Christopher Snelling, head of national policy at the FTA, argues that the sector should not be targeted for a pollution problem which is "the responsibility of all".

He said: "There is no environmental purpose to increasing diesel duty on vans and lorries as, unlike diesel car drivers, operators of these vehicles currently have no realistic alternative."

In fact, the FTA and RHA want the next Govern-



"There is no environmental purpose to increasing diesel duty on vans"

Christopher Snelling, FTA

ment to cut fuel duty, after a study from the Centre for Economics and Business Research (CEBR) showed the economic benefits.

Snelling said: "A 3ppl reduction in fuel duty would boost the economy and be revenue neutral

for the Government. The resulting additional spending would reinvigorate the economy."

In its manifesto, the RHA argues: "High duty drives up costs for companies and consumers, undermining the competitiveness of the UK and undermining the working capital of businesses."

"The impact in the more remote areas of the UK – further from suppliers and major markets – is especially damaging."

"The next Government needs to reduce the differential between duty rates in the UK and the rest of the EU."

Meanwhile, the RAC is urging the next Government to commit to no further increases in fuel duty for the duration of the entire next parliament.

RAC's chief executive officer Dave Hobday said: "It is vital, with motoring taxation at record levels, that there should be a commitment not to increase fuel duty; otherwise he warned "it could stifle economic growth".

Labour's manifesto makes no mention of fuel duty and contains no specific target or funding commitments on plug-in cars. Instead, there is a promise to position the UK at the forefront of the development, manufacture and use of ULEVs.

It also wants to retrofit thousands of diesel buses in areas with the most severe air quality problems to Euro 6 standards.

Labour says its plans will encourage and enable people to get out of their cars, for better health and a cleaner environment.

POLITICAL PARTIES BACK INVESTMENT IN TRANSPORT

Labour, the Liberal Democrats and the Conservatives have all pledged to invest billions of pounds in the UK's transport infrastructure.

In December 2014, the Government committed to investing £15 billion in England's strategic road network between 2015 and 2020.

Known as the Road Investment Strategy (RIS), a significant plank of the plan is to increase capacity on some of the busiest sections of motorway by converting them to smart motorways based on 'all lane running' where the hard shoulder is converted to a permanent running lane for traffic.

RIS 2, which is due to come into effect from 2021, was expected to be funded by ring-fencing vehicle excise duty (VED) which currently generates approximately £6bn per year for the Treasury. This figure was also expected to increase further from 2020-21.

THE TORIES SAY THEY WILL:



- Continue to develop the strategic road network, providing extra lanes on motorways, improving key routes and fixing pinch points.
- Scrap the tolls on the Severn Bridge.
- Focus on creating extra capacity on the railways.
- Increase services on our main lines and commuter routes, and launch new services to places which are poorly served.
- Continue a programme of strategic national investments, including High Speed 2, Northern Powerhouse Rail and the expansion of Heathrow Airport.

However, the Liberal Democrats want to completely ban the sale of diesel cars and vans by 2025. The party's plans include a diesel scrap-page scheme and extending ultra-low-emission zones (ULEZs) to 10 more towns and cities.

All private hire vehicles and diesel buses licensed to operate in urban areas would also have to run on ultra-low-emission or zero-emission fuels within five years, according to its manifesto.

Furthermore, the Lib Dems would reform vehicle taxation to encourage sales of electric and low-emission vehicles and develop electric vehicle infrastructure, including universal charging points.

FLEETS LEAN TOWARDS TORIES

Prior to the manifestos being launched, a *Fleet News* poll asked readers which political party they thought would best protect fleet interests.

Almost two-thirds (66%) said they believed the Conservatives would do the best job for the fleet industry; just one in seven (15%) picked Labour.

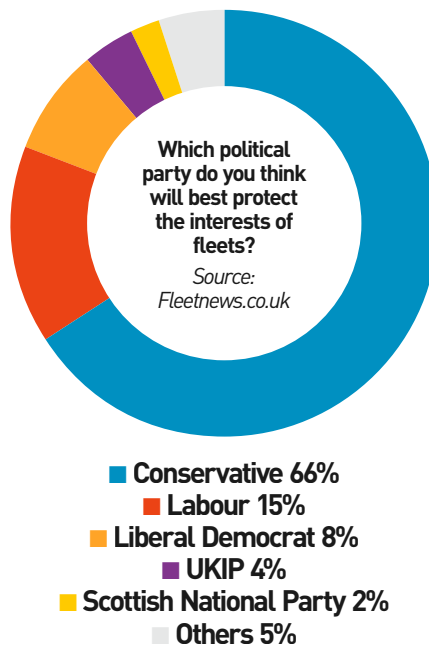
With 8% of the vote, support for the Liberal Democrats was slimmer still, but it was still twice as strong as the 4% polled by UKIP.

The Fair Fuel UK campaign complained that apart from the "naïve plans" of the Liberal Democrats, Labour and the Conservatives were giving no details around VED or fuel duty.

Founder Howard Cox said: "All political parties are willing to fleece hard-working drivers, small business and the haulage industry, with the highest motoring taxes worldwide, but are unwilling to say what they plan for them in the next parliament."

In light of that uncertainty, and the current Government's plan to review the tax treatment of diesel vehicles, Venson Automotive Solutions is urging fleet managers to review their reliance on the fuel type.

According to the British Vehicle Rental and



Leasing Association (BVRLA), diesel vehicles remain a vital part of the fleet mix, as they have the most energy-efficient internal combustion engines.

However, Samantha Roff, managing director for Venson Automotive Solutions, said: "The signal that the Government is looking at introducing diesel vehicle tax changes that are likely to mean tax rises, could prove to be the catalyst to further drive fleets towards plug-in vehicles."

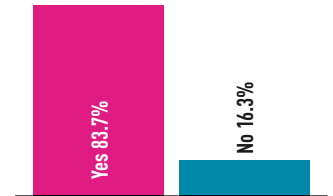
■ A breakdown of the relevant policies of all the major political parties can be viewed at fleetnews.co.uk/general-election-2017

■ Turn to page 18-19 for more policies affecting the fleet industry.

FLEET FACTS AND FIGURES

OPINION POLL

Do you think mileage reimbursement rates which reflect real-world driving for hybrid company cars should be published by HMRC?



FleetNews view:

ACFO has called on the Government to issue Advisory Fuel Rates for plug-in cars after providing HMRC with real-world mileage reimbursement figures. Eight out of 10 respondents to our poll have backed the move, which the fleet representative body argues will help prevent drivers using the combustion engine alone in a plug-in hybrid car. *Fleet News* believes it could help solve the problem of plug-in hybrids not delivering fuel savings.

This week's poll: Do you think clean air zones should be charged according to a real-world emissions component, rather than just the Euro 6 standard?
fleetnews.co.uk/polls

MOST COMMENTED ONLINE

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fleetnews.co.uk/news



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 Unleaded (ppl) 119.90 ↑

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

LABOUR SAYS IT WILL:



- Continue to upgrade the road network and improve bottlenecks.
- Urgently look at improving the A1 North, the Severn Bridge and the A30.
- Scrap the tolls on the Severn Bridge.
- Aim for zero deaths on UK roads and reintroduce road safety targets.
- Bring private rail companies back into public ownership as their franchises expire.
- Complete the HS2 high-speed rail line from London through Birmingham to Leeds and Manchester, and into Scotland.

LIB DEMS SAY THEY WILL:



- Invest capital in major transport improvements and infrastructure.
- Shift more freight from road to rail.
- Deliver the Transport for the North strategy.
- Complete East-West Rail, connecting Oxford and Cambridge.
- Pursue the electrification of the rail network, improve stations, reopen smaller stations, restore twin-track lines to major routes and proceed with HS2, HS3 and Crossrail 2, including development of a high-speed network stretching to Scotland.

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Leasing companies urged to 'up their game' on big data analysis

ACFO seminar explores fundamental challenges lease providers must address

By Gareth Roberts

The dynamics of the fleet leasing market are changing thanks to the potential 'big data' is providing through the growth in connected cars.

Worldwide, analysis shows that less than a quarter of cars were connected in 2014, but by 2018 two-thirds will be connected, with the penetration rate predicted to be even higher in the UK.

It is turning leasing companies, which have traditionally provided data to customers, into data analytics companies that lease vehicles, according to Craig McNaughton, corporate director at Lex Autolease.

He explained: "The sheer volume of change that's going on in our sector is causing uncertainty and what our customers are saying to us is 'take away that uncertainty; help us predict the future'. And, the only way that they can predict the future is through data intelligence."

McNaughton told delegates at fleet trade association ACFO's 'big data' spring seminar at Whittlebury Hall, Northamptonshire, there is an "unquenchable thirst" for data from customers who want to drive cost reduction, risk mitigation and overall revenue.

However, providing data on demand via customer reports, "no longer cuts the mustard", he said. "What's clear is we really have to up our game."

Fleets want to know how well they are doing compared to their peers, what they need to do to improve and what help they can expect the leasing company to provide.

Lex Autolease has begun benchmarking some of its fleets; turning big data into meaningful insight. It uses its top 100 customers by size – equating to a combined fleet of 120,000 vehicles.

McNaughton said: "The difference from the one-off reports that we produce is it's a live data system, with some analytical algorithms that allows customers to access comparable data on an ongoing basis."

However, leasing companies need to be able to distil and decipher data from variable sources; creating multi-layers of information. "We need to be agnostic," said McNaughton. "We've got to be able to pinpoint the critical incidents; predict and pre-empt what is happening with the fleet and then find the trends over time."

However, he admitted that the leasing giant had become known as a bit of a Luddite within the leasing industry when it came to signing up connected cars.

He said: "They're going to be a huge part of our future, but as a fleet provider there are many challenges to overcome before they can live up to their full potential."



"We've got to be able to pinpoint the critical incidents; predict and pre-empt what is happening with the fleet"

Craig McNaughton,
Lex Autolease

Lex Autolease has spent its time debating and deliberating with manufacturers, 'who is the customer when there are two names on the V5?'

In fact, McNaughton believes there are five fundamental challenges that the lease provider needs to overcome.

Customer contracts being with the fleet and not the driver is one, as is changing the car's functionality part way through the lease which could affect its cost.

Operational costs could also be impacted, with cars being directed to a local dealership when the fleet contract is with an independent provider.

Furthermore, the deactivation of systems at defleet is paramount, as all the data created during the life of the lease will have been absorbed into the vehicle.

And finally, data protection can prove particularly tricky, with the vehicle owner ultimately liable for any breach.

New, even stricter rules, have been enshrined under the General Data Protection Regulation (GDPR), which comes into force from May 25,

2018. And, while they only apply to personal data, the definition of personal data is also changing (*Fleet News*, April 28, 2016).

GDPR makes it clear that information is treated as personal data whenever individuals can be identified by online identifiers, including GPS information.

Alex Ktorides, a partner at legal and professional services firm Gordon Dadds, told ACFO delegates: "The information a car generates around its performance – the brakes [for example] – that, for me, is not personal data."

"It doesn't mean you can forget about it, but I would say that it's incredibly low risk so you can tailor what you do."

The key principles for fleets to consider, according to Ktorides, is that the data being gathered is anonymised, privacy impact assessments have been conducted on data subjects, and good governance can be easily demonstrated.

"The Information Commissioner wants to see from you an ethical, transparent plan," he said.

■ **ACFO AGM will be held at CCIA on June 13.**

More EV sales data needed to aid accurate calculation of residuals

Some leasing companies are setting high RVs so lease rates stay competitive

By Tom Seymour

Nissan and pricing experts at KeeResources believe more retail data is needed to help improve the accuracy for residual values (RVs) on electric vehicles (EVs).

Karl Anders, Nissan GB national EV and public sector manager, accused the price guides of being "incredibly pessimistic" with their forecasts.

He said: "Using pricing data from auctions is misleading because the amount of Leaf volume going through that channel is minimal. The franchised dealer network is retailing these ex-lease vehicles."

The majority of ex-lease Leafs are on buy-back schemes which sees them repatriated back into Nissan's franchised dealer network.

Mark Jowsey, KeeResources director, said that dealers selling used EVs at retail can help protect used values as those dealers are best placed to find the right buyers for the cars.

Jowsey confirmed that the majority of data is compiled from contract hire and auction data, which at the moment is at low numbers.

He said: "It may well be fair that retail data is needed in order to rethink the RV position, but Nissan's remarketing team needs to share this data on how vehicles are being disposed of within retail networks."

KeeResources' Kwikcarcost data shows a Leaf Hatch Acenta 30kW 6.6kW charger Auto



Used Leafs are more likely to be remarketed through the franchised dealer network than via auctions



"I think there does need to be a lot more awareness in the second-hand market"

Chris Chandler, Lex Autolease

with an RV of £6,800 or 22% after three years/30,000 miles.

This compares to a Ford Focus 1.5TDCi 120 ST-Line diesel which depreciates to 38% over the same operating period (the Focus also has a residual value of 31% over the more fleet-typical three years/60,000 miles).

Low residual values can mean higher lease rates for electric vehicles. Lex Autolease and Total Motion, two leasing companies in the UK with some of the highest levels of pure EVs on their risk fleet, set their own residual values to help make contract hire rates accessible.

Simon Hill, Total Motion managing director, said: "I don't think EV and hybrid RVs are stacking up as well as they should be."

"The result of a poor RV is a much higher lease rate. However, we're very bold with setting our own RVs. We look at the guides, but I would say we're probably up to as much as 20% higher than Cap HPI on some models."

"This means we can set our lease rates at a competitive level as a consequence."

Chris Chandler, Lex Autolease principal consultant, said his company sets its own RVs and they haven't been as "rock bottom" as the guides suggest.

He said: "If we were way out of step with the guides, we would of course have a look at that."

"I think there does need to be a lot more awareness in the second-hand market and not so many scare stories."

Cap HPI has seen used values for EVs fall by 9% on average over the past 12 months, double

the rate of deflation for other types of car and Andrew Mee, senior forecasting editor at Cap HPI, is confident its EV pricing is accurate.

Mee said: "A used EV at a certain age and mileage in today's market will be worth 9% less than the same model at the same age and mileage one year previously."

"This rate of deflation is consistent with historic EV performance and also consistent with the deflation built into our gold book future value forecasts, so our forecasts for EVs have proved to be very accurate."

Rupert Pontin, Glass's director of valuations, said values for EVs have been lower than values for other propulsion types, although this position is beginning to change amid more favourable press coverage and improved products.

Pontin said manufacturers have always presented the necessary information to be able to understand vehicles for Glass's to provide "a robust forecast value".

However, he believed that EVs still posed a risk to fleets due to how quickly technology in the sector is moving. "A car with a 120-mile range coming to the used market at three years old will find itself battling with newer cars with far greater ranges and, therefore, more relevance as an everyday used car," he said.

"At the moment this causes concern for all contract hire and leasing companies that take these units on risk on behalf of their customers."

■ For more on EV residual values, see *Electric Fleet*, due to be published with the June 8 edition of *Fleet News*.



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Official Government Fuel Consumption Figures (litres per 100km/MPG) and CO₂ Emissions (g/km). Highest: New Grand C4 Picasso PureTech 130 S&S 6-speed manual with 17" wheels: Urban 6.1/46.3, Extra Urban 4.3/65.7, Combined 5.0/56.5, CO₂ 116 g/km. Lowest: New C4 Picasso BlueHDi 100 S&S manual with 16" wheels: Urban 4.5/62.8, Extra Urban 3.5/80.7, Combined 3.8/74.3, CO₂ 100 g/km. MPG figures are achieved under official EU test conditions, are intended as a guide for comparative purposes only, and may not reflect actual on-the-road driving conditions.

CITROËN prefers TOTAL. Models shown are New C4 Picasso PureTech 130 S&S 6-speed manual Flair with 17 inch 'Mamba' alloy wheels and New Grand C4 Picasso PureTech 130 S&S 6-speed manual Flair with 17 inch 'Boa' alloy wheels. OTR price for New C4 Picasso shown is £24,955 (including optional Lazuli Blue metallic paint at extra cost of £520). OTR price for New Grand C4 Picasso shown is £26,655 (including optional Soft Sand metallic paint at extra cost of £520). *Optional at extra cost on Touch Edition and Feel trim levels, standard on Flair. + MPG and CO₂ figures quoted refer to New Citroën C4 Picasso BlueHDi 100 S&S manual fitted with 16" wheels. [^]BIK percentage shown is for New Citroën C4 Picasso BlueHDi 100 S&S manual Touch Edition. Information and data correct at time of going to print.

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No wholesale ditching of salary sacrifice schemes by companies

Perk remains popular despite tax changes from the Government, says survey

By Tom Seymour

Salary sacrifice schemes remain one of the most popular employee benefits in the UK, despite tax changes to the product.

According to research of 1,000 drivers by Sodexo Benefits and Rewards Services, one in five (20%) said they value access to the benefit after pensions (51%), childcare (41%) and discounted shopping (34%).

James Malia, Sodexo director of employee benefits, said: "These findings are particularly pertinent given the Government's new policies on salary sacrifice."

"Whereas previously staff could give up a portion of their pre-tax salary to pay for car financing benefits, the new policy will mean that only a small number of ultra-low emission vehicles (ULEVs) will be eligible."

Under the old rules drivers obtaining a car via a salary sacrifice scheme were taxed on the benefit-in-kind (BIK) of their chosen vehicle.

The new rules, outlined in the recent Finance Bill, will see drivers taxed on the higher of either the BIK or the sacrificed salary – unless they choose a ULEV emitting 75g/km of CO₂ or less, as these are exempt. HMRC expects to get an extra £260 million a year from the changes (fleetnews.co.uk, April 18).

Employees who were enrolled in salary sacrifice contracts before April 6 this year will also be protected from the new rules until April 2021.

More than a third (34%) of respondents to a *Fleet News* poll at the start of this year said they would be 'less likely' to introduce a salary sacrifice scheme, while 17% said they were 'less likely to retain' one. More than a quarter (29%) of respondents to the poll said they were not taking any action yet.

Complying with new tax rules for car salary sacrifice schemes and car or cash allowance programmes will prove problematic for employers, according to Dan Rees, associate director, Deloitte Car and Mobility Consulting (fleetnews.co.uk, March 23).

"We haven't seen an immediate withdrawal from employers"

James Malia, Sodexo



With the final legislation published less than three weeks prior to launch of the new rules, Rees told delegates at an ICFM masterclass: "There is likely to be widespread non-compliance, especially in the first year."

He urged employers to get processes in place to track employees with the relevant parameters to facilitate correct benefit reporting. Indeed those employers who currently payroll car benefit, as opposed to reporting via P11D, have an immediate requirement to get their processes in place for new joiners.

Malia said: "We shouldn't expect to see the fleet industry grind to a halt, and any attempt to exaggerate the repercussions of this new legislation should be avoided."

He admits the changes to salary sacrifice are likely to have a negative impact overall, but he's confident the changes don't signal the end. He said: "The Government has not eliminated the financial benefits of car salary sacrifice schemes altogether. Ultra-low emission vehicles are still tax efficient, meaning greener motoring is still very much on the agenda."

Malia said that while the choice of manufacturer, style and price does limit a fleet's choice for ultra-low emission vehicles, this is set to change.

He said: "Most, if not all, major manufacturers have hybrid or pure electric cars in the pipeline, and with the Government's recent comments around diesel vehicles, we could see these launches accelerated."

Malia said fleet managers will need to adapt their fleet to align with the expected increase in demand for ULEVs.

This includes the increased costs involved with offering suitable charging facilities at work for plug-in vehicles.

He said: "A company would also need to make sure those going to work in an electric vehicle or plug-in hybrid can get home again, so charging stations at work will need to be accounted for to ensure the scheme doesn't run out of steam (or charge) before it gets going."

Malia said tax changes can easily fly under the radar for employees and it was on the shoulders of fleet managers and leasing companies to work together to help inform them in simple terms.

"From our side, we haven't seen an immediate withdrawal from employers, as informed employers will simply adapt their offering and communicate any changes accordingly," he said.

"As a result, as long as there remains a healthy demand for this type of benefit, employers will continue to offer it."

■ **Leicester City Council's salary sacrifice scheme continues to grow – profile page 32**



Fleets sought to aid trial aimed at fairer charges for NOx emissions

Research company wants to investigate 'pay as you pollute' real-time readings

By Gareth Roberts

Vehicles entering towns and cities plagued by air pollution problems should be charged according to real-time emissions, not their environmental standard.

That's the view of Matthew Pencharz, who was deputy mayor for environment under the former Mayor of London, Boris Johnson.

He told *Fleet News* that plans to use Euro 6 compliance for London's ultra-low emission zone (ULEZ) and its toxicity charge, as well as potential clean air zones (CAZs) across the rest of the country, were flawed.

"It's a blunt instrument," he said. "Once you've paid you're not incentivised to drive better; you're not incentivised to minimise the amount of driving you do in the zone. If you can incentivise people to drive better you are going to see large emission savings in a fairer and smarter way."

Instead, Pencharz believes people should be charged according to the real-time, real-world environmental performance of the vehicle. "Pay as you pollute," he said.

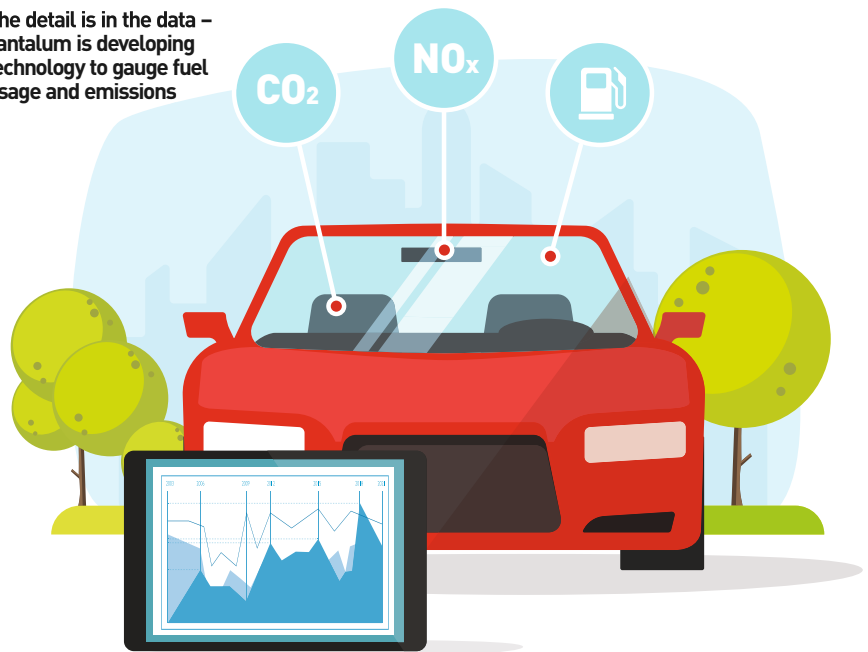
He joined Tantalum, a fast-growing technology innovator in the connected vehicle market, in January to look at emissions-based monitoring and charging, using methods being developed by the company.

The company was recently awarded £1 million of Government cash by Innovate UK and the Centre for Connected and Autonomous Vehicles to develop Air Car, a product which aims to accurately estimate NOx emissions in real time, allowing vehicles to 'pay as they pollute' (fleetnews.co.uk, April 12).

Pencharz highlighted how the Government, in its draft air quality plan, has urged local authorities to consider new technologies to curb emissions. "I am sure that in the not too distant future, they're going to be looking at this kind of solution," he said.

Tantalum's academic partner in the project, Imperial College London, believes NOx emissions can be halved through better driving.

The detail is in the data – Tantalum is developing technology to gauge fuel usage and emissions



The plug-and-play telematics device interrogates information via the on-board diagnostics (OBD) and, through a series of algorithms, shows dynamic fuel usage and carbon emissions.

Pencharz said: "In terms of NOx, the way we're going to develop the technology is by testing a lot of vehicles and then building the algorithms and machine learning to do the same as we do for fuel and carbon."

It wants to launch a 1,000-vehicle trial in December that will last six months and is appealing for fleets operating cars, vans and trucks to get involved.

In return, fleet managers will receive free access to cloud-based fleet management software, which will present them with vehicle location and historic trip data, including idling time and utilisation rates.

They will also receive accurate fuel usage by vehicle and by individual trip, including wasted fuel, and notification of fault codes and driver behaviour analytics.

Pencharz said that a university support fleet has already shown interest in taking part in the trial, along with a local authority and a leasing company. He hoped to be able to confirm their participation in the coming weeks.

"[The trial] is a very important part of making the system work; refining the models and really proving the concept," he said. "At the same time, we're showing fleet operators what quantitative outcomes there are for them as well."

Tantalum's real-time CO2 emissions product has, it says, already helped customers save an average of 15% in fuel costs through better driving.

The Air Car device could also benefit fleets that may have to adhere to emissions-based procurement standards in the future, when dealing with the public sector supply chain.

Pencharz said: "There is real interest in the market and you can see why with all the noise about clean air zones and air pollution, and different ways to reduce the problem."

He concluded: "It seems quite clear to us that some sort of banded road-user charging scheme, with an emissions component, is what is desperately needed in London. Air Car could potentially deliver that within a year."

■ **Businesses interested in taking part can register online at www.fleetnews.co.uk/air-car**



"It seems quite clear to us that some sort of banded road-user charging scheme, with an emissions component, is what is desperately needed in London"

Matthew Pencharz, Tantalum

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BMW	5 Series 520i Steptronic 2.0 240 SS SE AB 16.0kW	142g/km	81	66.1	32.4	£37,400
BMW	5 Series 520i Steptronic 2.0 240 SS SE Professional Steptronic AB 15.8kW	142g/km	84	66.1	32.4	£38,990
BMW	5 Series 520i Steptronic 2.0 240 SS M Sport Professional Steptronic AB 15.8kW	152g/km	83	63.5	32.4	£41,395
BMW	5 Series 520i Steptronic 2.0 240 SS M Sport AB 10.2kW	152g/km	83	63.5	32.4	£40,100
BMW	5 Series 520i Steptronic 2.0 240 SS M Sport AB 10.2kW	178g/km	72	36.7	25.4	£43,100
BMW	5 Series 520i Steptronic 2.0 240 SS Luxury AB 10.2kW	178g/km	72	37.7	25.4	£45,100
BMW	5 Series 520i Steptronic 2.0 240 SS M Sport Professional Steptronic AB 10.2kW	178g/km	72	36.7	25.4	£46,400
BMW	5 Series 520i Steptronic 2.0 240 SS M Sport AB 10.2kW	148g/km	100	58.4	37.8	£49,990
BMW	5 Series 520i Steptronic 2.0 240 SS Luxury AB 10.2kW	148g/km	100	58.4	37.8	£49,990
BMW	5 Series 520i Steptronic 2.0 240 SS M Sport Professional Steptronic AB 10.2kW	148g/km	100	58.4	37.8	£50,990

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New research underpins concerns about the mental health of drivers

Employers should encourage drivers to open up about problems without stigma

By Gareth Roberts

Mental health fears for delivery drivers revealed in a recent survey have been reinforced by research being carried out by the Transport Research Laboratory (TRL).

The initial study, conducted by Mercedes-Benz Vans, painted a picture of drivers struggling to cope with the time pressures that the job entails. Almost one in five van drivers described their current mental health as poor or very poor, with three-quarters saying work was a contributory factor (fleetnews.co.uk, May 10).

TRL told *Fleet News* that the latest results from a study being conducted at its research facility show those initial fears for driver well-being were well-founded.

"Our ongoing research suggests that commercial drivers are at significantly higher risk of developing poor mental health, with working conditions singled out as one of the reasons," said TRL cognitive psychologist Shaun Helmann.

"There is a need within the industry to raise awareness, remove stigma and make it acceptable for drivers to talk about their concerns with colleagues and their employer."

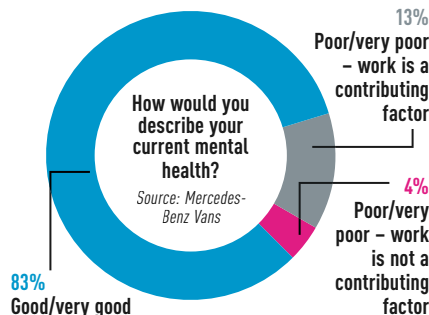
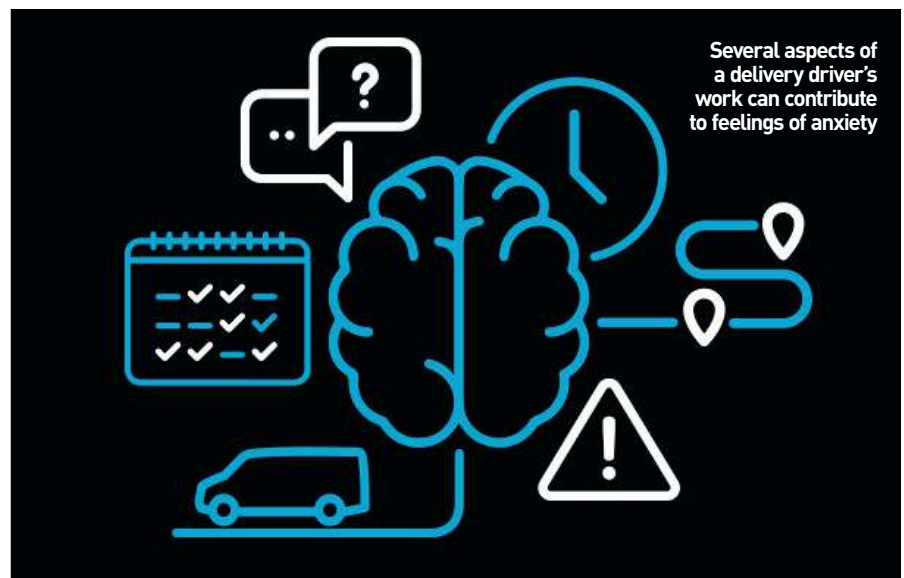
More than half of the van drivers identified with poor mental health in the Mercedes-Benz study said that increased time pressures (52%) and increased workload (50%) were factors affecting their mental health.

One in three also highlighted job uncertainty as a contributory factor and one in five said congestion impacted on their state of mind.

Despite drivers recognising that their mental health may be suffering, only one in three said they had spoken to their manager about their concerns, with more than one in 10 saying they had not spoken to anyone at all on the subject.

Steve Bridge, managing director of Mercedes-Benz Vans, said: "Our research findings act as a clear call to van drivers to talk about their mental health concerns and work pressures with their employers and for employers to actively listen to the real concerns of their workforce."

Research conducted by the Mental Health Foundation earlier this year, showed how prevalent mental health problems are in the workplace.



More than 40% of survey respondents said they had experienced depression, while more than a quarter said they had had panic attacks.

The most notable differences, according to the study, were associated with household income and economic activity – nearly three-quarters of people living in the lowest household income bracket reported having experienced a mental health problem.

Compared to the national average, the foundation said that the figures from the Mercedes-

Benz study indicated that van drivers are experiencing an increased rate of poor mental health. This may be explained, in part, by the pressures of the job, and the fact that van drivers can often be isolated, it said.

Chris O'Sullivan from the Mental Health Foundation believes that a working life which supports an individual's ability to thrive is good for mental health. "We also know that challenging working conditions can be toxic to our mental health and we may lose the mental health benefits work can bring," he said.

"The world of work is changing. In that change, and the pressure to become (financially) leaner, there are hazards for mental health and well-being, and a risk that some people can be left behind. We want to see a labour market which includes everyone who wants to be a part of it, and recognises and addresses challenges before they become toxic."

To do that, O'Sullivan says employers need to understand and address the causes of mental health problems and ensure that working life is supportive and addresses any risk factors.

He concluded: "While there is a wealth of good evidence on mental health at work, we still have many challenges and unanswered questions."

"We need to recognise that many people are working in rapidly changing, sometimes hostile, environments where the risk of psychological injury is high."

"We need to recognise that the riskiest jobs for mental health – those with the most demands and the least control, the least reward per effort, and where the organisational justice is negligible – are those often occupied by people with the highest risk of mental health problems."










"There is a need within the industry to raise awareness, remove stigma and make it acceptable for drivers to talk about their concerns"

Shaun Helmann, TRL

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Visit: fleetnews.co.uk/cars/car-launch-calendar

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Brexit policies try to mitigate tariff threat for cars and vans

Labour would scrap Tory White Paper; Lib Dems would put deal to another vote

By Gareth Roberts

The Conservatives have reiterated their threat to walk away from any Brexit deal which fails to deliver for the UK. Outlining plans for leaving the EU in its manifesto, the party insisted it was committed to getting the best deal for Britain.

A bad deal could see manufacturers having to pay tariffs if the UK fails to gain access to the free market. Any additional costs could then be passed on to fleet customers through increased rentals, fewer discounts and heftier P11D prices.

The Conservatives want to maintain the

common travel area and keep as "frictionless a border as possible" for people, goods and services between Northern Ireland and the Republic of Ireland. Workers' rights conferred on British citizens from its membership of the EU will remain and it intends to pursue free trade with European markets, and secure new trade agreements with other countries.

But, because the UK is leaving the EU, the Tories say it will no longer be a member of the single market or customs union, so will instead strike a new free trade and customs agreement.

Meanwhile, Labour argues that leaving the EU with 'no deal' would be the worst possible deal

for Britain. It has vowed to scrap the Conservatives' Brexit White Paper if it forms the next Government and replace it with fresh negotiating priorities that have a strong emphasis on retaining the benefits of the single market and the customs union.

However, while it has ruled out holding another referendum, the Liberal Democrats say that when the terms of the UK's future relationship with the EU have been negotiated, it will put that deal to another vote, with the alternative option of staying in the EU on the ballot paper.

"We continue to believe there is no deal as good for the UK outside the EU as the one it

SELF-EMPLOYED DRIVERS AND THE GIG ECONOMY

Workers plying their trade in the so-called 'gig' economy (short-term or freelance contracts) are typically classed as self-employed and therefore have fewer pension entitlements, reduced access to benefits and no qualification for sick or holiday pay.

Yet the nature of their work differs from the traditional self-employed person who might be a sole trader, a freelancer or running their own business.

THE TORIES SAY THEY WILL:



■ Make sure people working in the gig economy are properly protected. Last October, the Government commissioned Matthew Taylor, the chief executive of the Royal Society of Arts, to review the changing labour market.

It will await his final report, but a new Conservative government will act to ensure that the interests of employees on traditional contracts, the self-employed and those people working in the gig economy are all properly protected.

THE LABOUR PARTY SAYS IT WILL:



■ Shift the burden of proof, so that the law assumes a worker is an employee unless the employer can prove otherwise.

■ Give employment agencies and end-users joint responsibility for ensuring the rights of agency workers are enforced.

■ Set up a dedicated commission to modernise the law around employment status. New statutory definitions would reduce the need for litigation and improve compliance. The commission will be led by legal and academic experts with representation from industry and trade unions.



already has as a member," says its manifesto.

More than half of all the cars and 90% of all the commercial vehicles built in the UK last year, were bought by customers in Europe, while the EU represents more than 80% of the UK's motor vehicle import volume, worth €42 billion (£36bn). Seven out of every 10 new cars sold in the UK come from EU plants.

The European Automobile Manufacturer's Association (ACEA) told *Fleet News* that a single vehicle part may be composed of more than 30 components, and undergo more than 100 process steps to become a finished product.



"Today, the automotive industries of the European Union and the United Kingdom are closely integrated; from the economic, regulatory and technical points of view"

Erik Jonnaert, ACEA

It may pass through 15 countries, and cross borders multiple times in its material journey, with a single vehicle consisting of about 30,000 parts.

Vehicle manufacturers currently operate some 300 assembly and production plants in Europe. They often manufacture engines or transmissions in one country and assemble the final vehicle in another.

The ACEA says the single market provides for a high level of economic and regulatory integration in this respect, which is reflected in how the automotive industry has set up its business operations in terms of supply chains, production sites and distribution networks.

ACEA secretary general Erik Jonnaert explained: "Today, the automotive industries of the European Union and the United Kingdom are closely integrated; from the economic, regula-

tory and technical points of view. Any changes to this level of integration will most certainly have an adverse impact on automobile manufacturers with operations in the EU or the UK, as well as on the European economy in general."

This could result in tariffs of up to 10% for cars, up to 22% for vans, and 3%-4% on average for parts and components.

Sigrid de Vries, secretary general at the European Association of Automotive Suppliers (CLEPA), said: "Vehicle manufacturers and component suppliers are entangled in a highly integrated manufacturing network spanning Europe."

"Tariff- and burden-free market access, as well as a stable and predictable regulatory framework, are crucial instruments to sustain the supplier industry's technology leadership and secure investments and jobs."

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THE BIG PICTURE

By Stephen Briers, editor, *Fleet News*



With just two weeks to go until the General Election, the main political parties have now released their manifestos.

Transport and travel features in all, though arguably less so than the 2015 election, especially for the Lib Dems who had more than 20 pledges back then, from rail upgrades to introducing an air quality plan and reforming VED, including separate bandings for diesel, to tackle emissions. It also committed to encouraging uptake of EVs and driverless vehicles.

The party remains committed to that environmental agenda, making it the focal point of its 2017 manifesto.

“Labour has cottoned on to the buzz around mobility and integrated transport”

Last time, the Conservative Party was fixated on road building, committing funds to several schemes. It also earmarked investment to encourage EV uptake and its latest manifesto reaffirms its commitment to an electric future. However, it added little to previous budget announcements other than a promise to scrap Severn Bridge tolls.

Meanwhile Labour has cottoned on to the buzz around mobility and integrated transport in its manifesto (something that would arguably be made easier by its pledge to renationalise the railways), although details are thin on the ground.

Labour echoes the other two parties' commitments to EVs and it has taken up an appeal made in the 2015 Fleet Manifesto (the *Fleet News*, BVRLA, ACFO collaboration) by pledging to reintroduce road-safety targets, which were scrapped by the Tories.

Many Fleet Manifesto recommendations remain just as relevant today, among them road pricing, creating legislative conditions for autonomous vehicles, access to connected vehicle data, tax incentives to encourage uptake of vehicle safety technology and reporting at-work vehicle crashes.

Some have already been adopted, such as road maintenance investment and a review of AMAPs. It goes to show what's possible when the fleet sector pulls together.

YOUR LETTERS

FINES

Bus lane penalties are just council cash cows

EDITOR'S PICK



Edward Handley wrote:

Having read 'Fines for company car drivers show sharp increase' (fleetnews.co.uk, May 5), the huge increase in penalties for using bus lanes is interesting.

Bus lanes are very different from other traffic offences as they are often time specific and it is very easy for a driver to misunderstand the times stated on the signs at the start of a bus lane, or to miss the signs altogether as many are badly placed and are often obscured, not infrequently by buses.

The increasing use of bus lane cameras means local authorities can raise considerable revenue by automatically ticketing any vehicle that strays into a bus lane, even if it was only in the lane for a very short distance passing a vehicle waiting to turn right, or when turning left into a side road.

Fines for distraction, speeding, jumping red lights, etc., are justifiable as they are all about road safety, but bus lane fines are all about revenue. Local authorities will refute this and say they need to keep the bus lanes clear, but that is a smoke screen as many bus lanes are only used by a few buses an hour.

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

ANPR added:

I feel this illustrates the undue emphasis on automated systems such as speed and ANPR cameras at the expense of traffic police.

The largest contributing factor to most road traffic collisions has for the past few years been driver distraction, legal speak for using a phone, and not speeding, yet there is little action taken to catch drivers using a phone.

I don't excuse law-breaking but authorities are taking the easy option of using cameras, which only detect certain offences, and leaving the most dangerous element of driver behaviour almost unchallenged, proving that revenue, and not road safety, is the focus.

INSURANCE

How to avoid common collisions

John wrote:

Having read 'Arval urges fleets to improve safety to combat rising insurance premiums' (fleetnews.co.uk, May 12), the single most effective way to cut costs is to train high-risk drivers to understand the most common collisions and how to avoid getting involved in them – something that is never covered in learner driver training. Just because it was the other driver's fault doesn't make it acceptable to crash.

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Burning question:
What's your favourite childhood book?

Editorial

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Any of Blyton's Famous Five at primary school age; Golding's Lord of the Flies at secondary

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DIESEL

Unintended consequences

Wary One wrote:

Having read 'Diesel vehicles targeted with early introduction of Ultra-Low Emission Zone' (fleetnews.co.uk, April 4), the Mayor of London's 'consultation' is disingenuous as the wording of questions is deliberately designed to only show support for what the mayor wants.

While I actively support having cleaner air, I am opposed to the way the mayor plans to achieve it.

Many businesses in London are already facing uncertainty post-Brexit; introducing new taxation will only help to drive them away from the city. And when there are fewer businesses, there will be less need for people to commute. Thus, the air will get cleaner but the city will die – it may take 10 or 20 years but it will certainly happen.

The mayor needs to understand that using a carrot instead of a stick will bring better all-round results.

HYBRID AFRs

Risk to hybrid market

The Engineer wrote:

Having read 'Call to publish mileage reimbursement rates for plug-in hybrids' (fleetnews.co.uk, May 11), these rates would help kill the market, especially for lower-range hybrids.

We use the fuel-based AFRs and viewed against straightforward fuel card reimbursement it did create a fuel cost saving given a vehicle like an Outlander has to be driven economically or the driver will be personally out of pocket.

When we switched there was uproar from some drivers who wanted to return the vehicles. It was pretty easy to identify the 'heavier footed' types. The more economical drivers saw it as a challenge to do better than break even to their own small gain.

Many fleets drivers will be on a 'whatever it costs' fuel card that doesn't discourage filling up at hugely expensive motorway stations or driving hard, many are probably getting worse fuel consumption costs than hybrid drivers.

MOBILE PHONES AT THE WHEEL

Higher fines can only achieve so much



Graham wrote:

Having read 'Motorists still using mobile phones despite higher fines' (fleetnews.co.uk, May 11), people say that the new fines and points are not harsh enough and

that they won't stop people using their phones.

Personally, I think they're at about the right level. I will not risk touching my phone now.

However, you will never be able to impose a punishment that will stop it completely. Any punishment will only ever act as a deterrent. An

extreme example? There are severe punishments in law for murder, but people are still killed.

Keith Parker added:

Make the fines as much as you want, if there's no one there to enforce the law people will carry on ignoring it. As a regular motorway user I see it every day, people on phones, on laptops, even doing paperwork leaning on the steering wheel. The latest one I saw was a driver with a mobile phone in each hand; would that get double points and fine?

Richard Montgomery added:

I witnessed a driver today, not wearing a seat belt, on his mobile phone while leaning over the steering wheel trying to light a cigarette.

HAVE YOUR SAY Email: fleetnews@bauermedia.co.uk Comment online: fleetnews.co.uk
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FLEET OPINION

CLEAN AIR

Telematics offers air quality opportunity

By Nick Walker

“Improving air quality is possibly the most pressing issue we face as an industry today, particularly given the ‘demonisation of diesel’.

So the Government’s draft air quality proposals have to be welcomed in broad terms, although we’ll no doubt argue over the details before finally shaping the way ahead.

What struck me as a positive was the inclusion of influencing driver style to support air quality improvement.

The Government estimates that 100,000 vehicles using telematics technology to improve driver style and behaviour could have a bigger impact on NOx reduction (0.35 kilotonnes over 10 years) than reducing speed limits (0.05kt), or government buying standards (0.1kt).

Given the exponential rate of telematics adoption, it seems there is a clear opportunity to make a big difference to air quality right now.

Following the draft air quality plan unveiling, many business owners and fleet managers will be concerned about the financial impact of changing vehicles to cleaner options.

In reality, it could take a generation for the UK’s five million businesses to convert all their fleets to cleaner vehicles, so we should be looking at the technology that exists today to start making a change.

Telematics in business vehicles not only influences driver style and behaviour, dramatically reducing fuel usage and, therefore, emissions, it also enables businesses to measure vehicle usage, in order to better manage it.

The Government must give more serious consideration to the implementation of telematics technology across its own vehicles as a starting point, as part of improving its procurement processes, and the rest of the local government/public service fleet.

It should lead by example and demonstrate the benefits to businesses whose vehicles are on the road every day, keeping the economy moving, as we all know.

Telematics technology exists now. It can be implemented at low cost and relatively quickly which can then have a significant, real-world impact on air quality. The only question is why wouldn’t you do this today?”

“There is a clear opportunity to make a big difference to air quality right now”



Nick Walker
managing director of
RAC Connected
Solutions



Richard Silver
motoring offences
solicitor and managing
partner of Richard
Silver Solicitors



NEW REGULATIONS

Law change has EU implications

By Richard Silver

“The Road Vehicles Registration and Licensing (Amendment) Regulations 2017 came into force on May 6, and fleet operators would be wise to take note of them. The regulations require the Driver and Vehicle Licensing Agency (DVLA) to provide details of the registered keeper of vehicles alleged to have been involved in certain motoring offences across the EU.

The details include name, address and date of birth; or legal status if the keeper is not an individual, as well as the make/model and chassis number of the relevant vehicle.

The alleged offences include failure to stop at a red light, drink-driving or driving under the influence of drugs, speeding and using a mobile phone while driving.

Cross-border EU prosecutions for road offences have been unusual, rare even, but these regulations may change that situation for the better from a road safety point of view.

Of course, for fleet operators, there’s the risk that they simply add another layer of bureaucracy to operations, as well as opening employees to the risk of a foreign prosecution for offences they may deny having committed.

In real terms, there are some business considerations for those with a European reach. One of these could be the requirement to engage with foreign justice systems – language barriers and cultural differences may present a challenge, for example.

Larger operators may be able to task in-house legal teams with managing this role, but smaller players may need to find external support – and, of course, this will come at a cost.

Another consideration is the interplay between employee relations and the regulations.

Businesses will need to ensure their employment contracts and handbooks are up to date, and that their procedures for managing employees accused/convicted of criminal offences abroad are adequate.

Operators should also consider their position with regards to supporting (or otherwise) accused employees with legal assistance – especially if a guilty verdict would have a significant impact on the employee’s ability to continue in their role.”

“Smaller players may need to find external support – and, of course, this will come at a cost”

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'WE BELIEVE WE CAN BE AN ENABLER IN MANY AREAS'

After four years in his role as chief executive of the BVRLA, Gerry Keaney delivers a frank assessment of association progress. *Stephen Briers* reports



nabler – that's the word used repeatedly by Gerry Keaney during our 90-minute interview.

The chief executive of the British Vehicle Rental and Leasing

Association (BVRLA), which celebrates its 50th anniversary this year, believes the leasing and rental sector, together with its fleet customers, is an enabler for Government policy, helping ministers to achieve their goals of improved air quality, mobility and connected and autonomous vehicles.

His view is based on the knowledge and experiences of the association's diverse membership, which ranges from the UK's biggest leasing companies, such as Lex Autolease and LeasePlan, to the smallest with fleets barely registering double figures.

Larger members have often given serious consideration to the big issues and those views can be shared with the smaller organisations. But all need to be engaged with Government policy.

"John Hayes indicated he understood the need for that [a national framework for clean air zones] and it's now included in the air quality report. That's a good win"

Gerry Keaney, BVRLA

Take the latest buzz phrase mobility as a Service (MaaS), which combines options from different transport providers into a single mobile service. Large leasing companies have the multi-modal, multi-ticketing and software systems to facilitate such processes. They can be an enabler to a more mobile future.

"This all comes back to how we represent our members' needs to Government," Keaney says. "We believe we can be an enabler in many areas. For example, air quality where we totally support the Government's strategy. We worked with Transport for London (TfL) on the implementation on

its clean air zone. Our members' cars are all Euro 6 or ULEVs. We are seen as a partner to help them achieve their targets of improved air quality."

Keaney became BVRLA chief executive four years ago after a 21-year career with Volvo Cars, which culminated with nine years as senior vice-president of marketing, sales and customer service.

In his first *Fleet News* interview shortly after his appointment, Keaney said he wanted the association to have a greater share of voice. Does he believe this has been achieved?

His answer includes a surprisingly frank self-assessment. "I came in thinking, a bit arrogantly to be honest, that this was an association whose members are buying half of all vehicles each year and how are we leveraging that influence with stakeholders, Government and other influencers," he says.

"I was thinking about press coverage, but what we have actually done in the past four years is to focus on increasing our penetration of the key messages we want to get across."

Keaney points to the collaboration with fleet association ACFO and *Fleet News* in 2014 to create the Fleet Manifesto where key stakeholders got together to agree their position on the big issues.

"That work helped us to identify the key areas where we could effect some change," he says. "And we continue to do that on an annual basis, updating the areas that we want to focus on."

By establishing four or five key pillars each year, the BVRLA is now more decisive in delivering its messages to Government which has increased its effectiveness and its share of voice.

Last year, for example, it had 178 commu-

FROM HUMBLE BEGINNINGS – CELEBRATING 50 YEARS

Fifty years ago, six people assembled for a low-key meeting in a London hotel to discuss forming a trade association for the embryonic vehicle rental and leasing sector.

A few months later those founders of the BVRLA held their first official meeting in offices near Victoria Station. They laid out the association's values and objectives, which remain core to its beliefs today:

- 1. To represent the sector**
- 2. To work to improve the customer experience of car rental and raise the sector's level of professionalism**
- 3. To identify ways in which they could help and support members**

Over the years, the number of products and services offered to members has increased, while the range of member categories has

broadened to include leasing brokers and car clubs. The BVRLA now has 908 members who are responsible for some 4.8 million cars and vans.

However, the one constant has always been the BVRLA's responsibility to its members.

"We have become more professional over the years but our number one role is still to represent the sector in the UK with Government and also in Europe with our support of LeaseEurope," says chief executive Gerry Keaney.

"We are committed to a process of self-governance through our mandatory codes of conduct and audit processes for each sector, plus our conciliation services for dispute resolution which is recognised by Government. Those three values are still at our core."



Gerry Keaney has increased the BVRLA's voice with the Government with 178 'communications' last year

FACTFILE

Organisation British Vehicle Rental and Leasing Association

Founded 1967

Chief executive Gerry Keaney

Time in role four years

Number of members 908

Vehicle reach 4.8 million cars and vans

nications with Government – face-to-face, responding to consultations, at parliamentary receptions, for example – which represents an increase of 100%. Those discussions took place with 25 Government bodies.

"We have never been more prominent or more active in terms of our participation," Keaney adds.

He can point to several successes, such as revisions to the new salary sacrifice tax rules, which saw ultra-low emission vehicles removed, and the acceptance by Government that it needs a national framework for clean air zones.

"Hitherto, Government was reluctant to talk about this. But [transport minister] John Hayes indicated he understood the need for that at our parliamentary reception last year

and it's now included in the air quality report. That's a good win."

However, there remains some areas where the BVRLA has not been as effective as it would like, such as vehicle excise duty (VED) and company car tax changes.

The association would like to see better-connected discussions across key Government departments such as Treasury and HMRC, although Keaney believes there is much clearer understanding by ministers of his membership.

"When you look at MaaS, we have members providing vehicles from 15 minutes to 15 years so we can provide an umbrella over it," he says. "We can be an enabler to a city authority to achieve its ambitions and ministers understand that. This

TOP LEASING SECTOR CONCERNS

1. Brexit
2. Connected vehicles and data
3. Air quality
4. Business car tax and VED
5. Real-world emissions tests

wasn't the case four years ago – we have now got that message across."

One of the BVRLA's current priorities is the speed of development of connected cars and data; members believe the Government is failing to keep up with the pace of change.

"We could see manufacturers move to a monopolistic situation regarding data capture that is anti-competitive and undermines the level playing field," Keaney says.

"It would give manufacturers and their franchised dealers an unfair advantage at the expense of the independent garages. Also, our members with their value-added services are dependent on access to real-time data."

BVRLA, together with counterparts such as the Independent Garage Association and Association of British Insurers, is actively lobbying Government and Brussels for regulatory protection.

"Talks are ongoing," Keaney adds, "although there is new data protection regulations that will have to be implemented in the UK in 2018 that could be a key milestone."

The association has the majority of leasing companies within membership, while its rental members account for around 95% of short-term transactions.

Nevertheless, Keaney believes there are as many as 500 rental companies outside of membership that he is looking to bring on board.

He recognises that while the BVRLA's silos of leasing, rental, brokers and car share remain relevant, the landscape is changing and the lines are blurring. The association also regularly receives requests from organisations that do not fit into one of its membership streams, including, perhaps surprisingly, fleet operators.

Keaney puts this down to the 2014 Fleet Manifesto, which raised the BVRLA's profile with fleets.

"We are already developing our strategic and policy platforms with our members' customers and this is an area of membership that is potentially of interest," he says, although he's quick to add his respect for the role that the likes of ACFO, FTA and RHA play.

"By working with customers, we are getting a lot of value and they are getting a lot of value, and they have asked whether they can join. We don't have a category and I'm not sure how it would work, but why would we exclude them?"

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'PEOPLE JUST WANT A NICE NEW CAR THAT IS AFFORDABLE'

The salary sacrifice changes have had little impact on Leicester City Council's scheme; in fact it has continued to grow, Cory Laywood tells *Stephen Briers*

Not everyone pressed the panic button when the Government unleashed its plans to change the taxation rules on salary sacrifice. Once the amendments to cars had been announced, which saw the omission of ultra-low emission vehicles (ULEVs), some organisations saw the changes as an opportunity, not a threat.

Leicester City Council sits in the opportunity camp.

It launched its salary sacrifice scheme four years ago and believes the proposals, since confirmed in the Finance Bill, perfectly fit its environmental agenda.

The local authority conceived its scheme to save money while offering employees access to more benefits at a time of public sector austerity, according to service manager Cory Laywood.

Those priorities have since evolved.

Now, it is focused squarely at staff motivation and loyalty, while also helping the council to fulfil its environmental responsibilities.

Laywood was handed the remit for benefits six years ago, at a point when "we didn't have many at the council", he says.

"The mandate for the scheme was to save

money while giving more value for working for the organisation," he adds.

Cars were just one element of the programme, which also encompassed annual bus passes, car share and bicycles, but it quickly became the one which most excited and engaged staff.

"Part of the strategy was to get people to work," Laywood says. "A car is one enabler but it was also the main benefit that people wanted. That was good for loyalty because they are on three-year terms."

Salary sacrifice enabled the council to close its traditional leased company car fleet of around 50 cars, although it continues to operate a fleet of around 760 vehicles, primarily vans, for council workers, managed by head of transport Steve Kerry. It also removed the essential user allowance for staff travelling to work in their own car.

The two actions resulted in a six-figure saving in the first year, with some of the savings used to subsidise the other forms of getting to work, including car parking (see panel overleaf).

"There were barriers to our leased cars; they were only available to certain people that were job-need, linked to business mileage, and the choice wasn't great," Laywood says.

In contrast, salary sacrifice enables the

council to offer a broader range of cars to more employees. The only limitation it has imposed is a 120g/km CO₂ emissions cap.

The scheme was set up in 2013 with Tusker and incorporates motor insurance, servicing and maintenance, roadside assistance, tyres and glass.

Initially there was scepticism among employees, but their doubts were quelled when Leicester City Council showed it could mitigate any risks by including protection against redundancy, resignation and maternity leave.

"They worried they would have a commitment to a car if they were made redundant. We said we have insured against that and we will take the car back," Laywood says. "It added a bit of cost but that was the step-change that helped employees to engage with the scheme. They saw that as long as they stayed employed, they could keep the car. It was an instant win for us."

Tusker was selected following a tender for a number of reasons. First, its approach to indemnifying risk appealed to the council. In addition, its explanation of benefit-in-kind (BIK) tax and how it worked "was the best", says Laywood. It also had the widest range of vehicles at the time.

But the clincher was that





Council service manager Cory Laywood gets "a lot of satisfaction" from the salary sacrifice scheme helping those who wouldn't normally be able to afford a new car



FACTFILE

Organisation Leicester City Council
Service manager Cory Laywood
Salary sacrifice fleet 283 cars
Operating cycle three years
Brands 28, including Audi, Citroën, Ford, Nissan, Peugeot and Toyota
Authority fleet 760 vehicles
Head of transport Steve Kerry



Tusker's scheme would improve the authority's green credentials and keep business local.

"Because we are a council, a big thing for us is localism," Laywood says. "What Tusker is able to do, where possible, is to supply cars from local dealers and maintain them locally, so business stays in the area."

"Its carbon offsetting was also attractive. Tusker is able to limit CO₂ emissions and provide the cars at the most competitive rates. They are also geared towards the public sector; they understand our local government pension scheme and how to save money."

To date, 312 people have joined, while the current fleet size is 283 vehicles. Of these, more than 100 are second-time purchasers; in fact, more than half of people that have taken a car on the salary sacrifice scheme have made a key-for-key change. New orders are running at an average of 10 per month for the first four months of 2017.

The council has an eligible population of 13,000 staff and has set a target of signing up "at least 10%" over the next five years, which would more than quadruple the scheme size.

"That is achievable based on our current experiences. It would be in line with the

number of people that use their car to come to work," Laywood says.

"We have realised that the real benefit [of the scheme] is the value the car gives to the employees – the fact they could access a wide choice of new cars in the most efficient way. We work hard on the ones that have chosen not to stay with the scheme, although in many cases it's down to timing."

The profile of the employees that have joined directly contradicts the Government's perception of salary sacrifice when it was consulting on the rule changes.

Far from being the preserve of the wealthy, 35% of take up is from people earning less than £25,000, while only 6% is from those on more than £60,000.

"That says the scheme is of most benefit to those who wouldn't normally be able to afford a new car. That gives me a lot of satisfaction," Laywood says.

He is now looking to put greater emphasis on cars with emissions below 50g/km. The tax changes announced by the Government fit perfectly with this strategy.

"Cars below that level are still tax efficient so the Government has helped us out – this makes absolute sense," he says.

"It's not the end; it's the beginning for us. Our approach has been rubber-stamped by the Government."

NOT JUST CARS, BUT BUS PASSES, PARKING AND BICYCLES, TOO

Leicester City Council has used a proportion of the six-figure savings achieved by replacing company cars and essential user allowances with the salary sacrifice scheme to fund other elements of travel.

It subsidises annual bus passes for a couple of hundred employees, underwrites car parking for another couple of hundred and contributes to a cycle-to-work scheme for around 400 staff. It also uses money to incentivise car share.

Cory Laywood says: "We have a lot of car parks in Leicester on waste ground; they are unsightly and we don't like those on prime land. So we have partnered with NCP to make their car

parks affordable for our staff through subsidies. It has been so successful that there are no spaces left.

"We also have our own car parks that are just outside the city centre so we are now looking at how we can get staff to park there."

The car share scheme has been around for a while. The council knows where everyone lives and uses software to put people together. The software identifies those who drive and informs staff who live nearby.

However, while a worthy way to reduce mileage or improve journey times to work, not many people use it; owners see sharing their cars as an inconvenience.

Nevertheless, the announcements did have the potential to cause confusion. Tusker acted quickly, updating its staff portal and providing clear advice about how the changes would affect the council and its staff, especially those who were already on the scheme.

The leasing company also pledged to fix its prices to their pre-April 2017 level for a period of two months; it meant that while, in some cases, tax and national insurance might be affected, the overall cost to employees and the city council was unchanged.

"It hasn't deterred anyone from getting any type of car. In fact, it's actually increased a little bit, probably because our employees now know where they stand and the changes gave us another opportunity to promote the scheme," Laywood says.

"In reality, people aren't interested in the detail; they just see that they can get a nice new car at a price that is affordable."

He adds: "And as an employer, the changes make little difference to us because our focus has changed from the savings to staff motivation and loyalty."

Tusker is supporting Leicester City Council's environmental efforts by providing affordable access to ultra-low emission cars.



Cory Laywood's own choice of car – a BMW i3 – reflects the growing shift towards greener vehicles

"Prices are high and people are concerned about secondhand prices," explains Laywood. "Tusker understands that and has made the vehicles accessible and affordable and that was key for us."

Laywood, himself, is a prime example: "I have an i3 – I would never have considered buying one from BMW, but it's fit for purpose and fit for my budget."

He plans to reduce the CO₂ cap from 120g/km to 110g/km within the next month or so. Three-quarters of the salary sacrifice fleet is already under this threshold and Laywood believes there are enough models around to keep staff happy.

"There is just the odd model that slips through that we don't want from an environmental point of view," he explains.

Just nine vehicles (3% of the fleet) have emissions up to 50g/km, but Laywood's five-year strategy will see this rise four-fold.

Ultimately, he would like to see around half the fleet below this threshold, although he recognises that this has as much to do with manufacturers' model ranges and affordability as it has demand from employees.

Laywood has removed one hurdle to electric vehicle uptake: business mileage reim-

"A big thing for us is localism. What Tusker is able to do, where possible, is to supply cars from local dealers and maintain them locally, so business stays in the area."

Cory Laywood, Leicester City Council

bursment. Instead of the advisory fuel rate, which might be as low as 11p per mile, Leicester City Council pays the AMAP rate of 45ppm; the difference becomes a P11D benefit.

"Otherwise it's a barrier to pay 11p per mile. With our solution, there is no difference to using a private car," Laywood says.

Six brands dominate the fleet – Audi, Citroën, Ford, Nissan, Peugeot and Toyota – although 28 manufacturers are represented, including some unconventional marques such as Suzuki, Jeep and Dacia.

So, any regrets, or elements of the scheme he would've changed, knowing what he now knows?

Laywood thinks for a moment. "There's nothing we could have done any better," he starts, "although one thing we could have done differently is using the savings from national insurance to subsidise other forms of travel. Instead, we could have used it to subsidise 50g/km cars as well to make them more affordable."

As further evidence of the scheme's success, he concludes: "We've only had two or three cars that have been terminated early. That tells you we are doing it right; staff are choosing the right car for the right purpose."



For more fleet profiles, visit:
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Outsourcing advice on offer at Fleet Management LIVE



Effective use of suppliers plays a key role in operating an efficient fleet and freeing up time to plan new strategies

The correct use of outsourcing can make fleet departments more efficient and drive down transport costs. That is the message being directed towards fleet decision-makers who attend this year's Fleet Management LIVE.

While the word outsourcing can be a cause for concern for some, who fear the impact it may have on their role, in truth it plays a vital part in nearly every fleet operation.

For example, most car fleets in the UK use contract hire, which removes the burden of vehicle sourcing and finance, while fleet maintenance is typically handled by external suppliers.

The next step is to extend the role of suppliers to handling day-to-day contact with drivers and even supporting the business on developing driver handbooks and fleet policies.

A key benefit of this approach is that the fleet manager, or their equivalent, has more working time

to focus on strategic fleet management and planning.

Suppliers argue that outsourcing doesn't have to be a rigid process. Instead it can be flexible, to respond to the changing needs of the company.

In addition, bringing in supplier expertise vastly increases the fleet management knowledge which can be brought to bear on a company's transport challenges.

This is particularly important in the current environment, where fleets face a number of challenges and changes, including new legislation, taxation changes and ongoing demands to drive down fleet costs.

For example, fleets are facing a strategic challenge over the future of diesel, as they balance the running cost and tax benefits of vehicles using the fuel against concerns that local authorities could soon begin to restrict access for some vehicles.

Fleet operators will have access to around 150 suppliers who can discuss their needs at Fleet Management LIVE at the NEC, Birmingham, on October 3-4.

Outsourcing considerations

- What are the core strengths that need retaining in-house?
- Which processes are you thinking of outsourcing and why?
- Have you calculated the total cost of in-house management for each part of the fleet?
- What is the potential return on investment of appointing the outsourced supplier? What guarantees are provided for meeting targets?
- What are the dangers of not outsourcing? Is the business lacking in expertise? Could it cope with sudden changes and demands?

■ For more on outsourcing, see pages 39-44

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Selecting the right fleet software can be a time-consuming task, but fleets can see a range of suppliers in a single day at Fleet Management LIVE.

Companies at the event include some of the leading brands in the fleet market including award-winning suppliers.

These include Chevin, Drive Software Solutions, FleetCheck and Jaana. FleetCheck will be showcasing the software that led to it winning Fleet Specialist Supplier of the Year at this year's Fleet News Awards.

Other companies with software as part of a range

of services include specialist fleet management provider Interactive Fleet Management, which offers products including the IFM App, and Telogis which will be showing its cloud-based Mobile Enterprise Management software platform for companies that require dynamic routing, commercial navigation, advanced telematics and mobile apps.

AssetWorks will be showcasing its FleetFocus fleet management solution, while FleetCor will be briefing fleets on the technology behind its payments services that support 500,000 customers globally.

Fleet advice from more than 20 speakers

Best practice advice for employees in every department dealing with fleet is on offer at Fleet Management LIVE.

A wealth of industry expertise from fleet managers, industry suppliers and fleet experts is available for visitors.

Speakers will be presenting in a series of best practice sessions and also in the Discover Fleet Theatre, which provides specialist fleet advice for HR, finance and procurement executives. A session focusing on helping busy SMEs is also available.

Speakers taking part include specialists from

companies including ALD Automotive, DriveTech (part of The AA), BCF Wessex Consultants, Chapman HR Consulting, Enterprise Flex-E-Rent, the ICFM, Lex Autolease and Zenith.

Presentations from fleets will include Red Bull and Zip Water.

Topics will include funding best practice for every vehicle type, covering cars, vans and trucks, telematics, legislation, managing drivers, risk management and corporate mobility.

For details of the added-value sessions, visit www.fleetmanagementlive.co.uk/speakers

Exhibitor listing so far

BMW
Honda
Jaguar
Land Rover
Lexus
Mini
Seat
Toyota
Vauxhall
Volvo
Agility Fleet
AID Fuel Oils Group
ALD Automotive
Alphabet
Appy Fleet
Arnold Clark Vehicle Management
Arval
AssetWorks
Autoglass
Bott
BP Oil
BT Fleet
Carbaya
CC Keys
Chevin Fleet Solutions
CVM Fleet Management Solutions
Daimler Fleet Management
Dash Witness
Drive Software Solutions
DriveTech, part of The AA
Enterprise Flex-E-Rent
FleetCheck
Fleetcor
Fleet Evolution
FORS
Fourways Vehicle Solutions
Fuelmate
GEFCO
Inchcape Fleet Solutions
Interactive Fleet Management
Jaama
Keytracker
Lex Autolease
Licence Bureau
Lookers Leasing
Marshall Leasing
Nexus Vehicle Rental
O2
Parksafe Automotive
Probuild Transport Systems
Reflex Vans
RingGo Corporate
Scorpion Automotive
Selsia Vehicle Accident Centres
Shell UK
Sortimo
TCH Leasing
Telogis
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** based on savings from transactions in the past 6 months

FLEET & OUTSOURCING

Should fleet managers greet the concept of outsourcing with open arms or see it as a potential threat to their role? We examine both sides of the debate

*licence
checking*

*fleet
analysis*

*accident
and risk
management*

INSIDE



40 | Asked and answered – the big outsourcing questions

What functions are suitable to be outsourced and how do fleets get the most out of suppliers?

46 | How to select your fleet's outsourced partner

Follow clear procedures and guidelines when choosing a good fit for your style of operation

OUTSOURCING: THE BIG QUESTION

The outsourcing of fleet functions has increased in recent years, but what can be outsourced and how do you get the most out of suppliers? *Andrew Ryan* finds out

Outsourcing is often viewed by fleet managers as a double-edged sword.

On one hand, it can have a positive impact by freeing them up from performing complicated, time-consuming tasks to allow them to concentrate on other, often more strategic, areas.

On the other, however, in recent times many dedicated fleet managers have lost their jobs when their employer has decided to completely outsource the fleet function to a third party, moving responsibility within the company to either procurement or perhaps HR.

So how should a fleet manager view outsourcing – pro or anti? “They should accept it as helping them to do their role better,” says Richard Hipkiss, managing director of Fleet Operations. “But I guess the uncertainty is in large organisations where you have got half-a-dozen people in a fleet team managed by a fleet manager.

“If you take half-a-dozen people away and outsource the administration, then clearly there would be an element of nervousness about where the business is going next.

“So, although it is understandable that fleet managers potentially regard it as a threat, actually from a fleet management perspective, they should see it as an avenue to really drive their fleet forward. This is because they are outsourcing to a business and a team of experts that essentially do the administration element that they may not want to do, anyway.”

In this special guide we look at why and what functions fleets can outsource, and how they can get the best out of their suppliers. So, first we ask ...

WHY DO FLEETS OUTSOURCE?

Outsourcing can address a mixture of objectives such as reduction of operational costs, increasing company focus on core activities, utilising and

maximising expert external resources, freeing internal resources for other purposes and streamlining and increasing efficiency of fleet processes, says Shaun Sadlier, head of consulting at Arval.

“If there are clear reasons and objectives to outsource the fleet operation, then the risk is that, by not outsourcing, those company objectives will not be achieved,” he adds.

TCH Leasing has found that the two main reasons fleets outsource functions are shortfalls in expertise and/or headcount, says Ken Buckley, head of sales at the company.

“I’ve been in the industry for 40-odd years and when I started, responsibility for the fleet was allocated to a fleet manager and it was their primary function,” he says.

*accident
and risk
management*

NS ANSWERED

"Nowadays, there are fewer fleet managers around and in most cases fleets are run by one or two people as part of a wider job. So, generally, I find the expertise isn't there across the board."

"That isn't a criticism, that's just a fact."

Many day-to-day tasks involving fleets are also time-consuming and becoming more complicated, he says, and fleet departments frequently do not have the manpower to perform them effectively.

Hipkiss adds: "Often the employee with responsibility for fleet may be somebody who has come in through a procurement channel, at which point they will want the day-to-day administration and so on to be outsourced."

Outsourcing to specialists with expertise and experience of the market also gives fleets access to "industry best practice and cutting-edge technology", says Rob Wentworth-James, corporate sales director at Fleet Alliance.

"The increasing complexity of modern fleet management with the need for on-demand and bespoke systems, real-time reporting, carbon footprint evaluation, fleet analysis, driver support, licence checking, accident and risk management and other related issues means that it has become a role for the expert rather than the part-timer," he adds.

"This enables the business to benefit from the outsourcing company's economies of scale and investment in highly-trained staff while it concentrates on core business activities."

There are risks, according to fleet managers with outsourcing experience, particularly if opting for a leasing partner.

"I find the expertise isn't there across the board. That isn't a criticism, that's just a fact"

Ken Buckley,
TCH Leasing

The main ones are price and cost: lease prices could edge up if there is no internal manager studying them, end-of-lease costs could be inflated if not challenged and other third party costs such as maintenance and repair bills could escalate if not tightly controlled.

As one Fleet News Award-winning fleet manager said: "Outsourcing partners won't look after the pennies like a fleet manager will."

Nevertheless, one trend Hipkiss has seen in recent years is an increase in the number of small- to medium-sized enterprises (SMEs) outsourcing fleet management.

Often they have someone trying to manage the fleet in what could be 10% or 20% of their role.

"They are not a fleet specialist," Hipkiss says. "They may be an HR manager, or PA to an MD, and, as they are not running a few hundred vehicles-plus, that company wouldn't have the budget or requirement for a dedicated fleet manager, so they want to outsource to a specialist."

An example of this is uPVC window, door and conservatory manufacturer and distributor Eurocell Building Plastics.

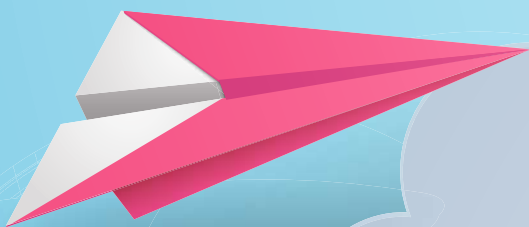
It had traditionally managed its fleet internally, but as it grew to its current size – 200 cars and 200 Mercedes-Benz vans – it felt the management of its vehicles had become too time-consuming and too great a drain on resources.

"At that point we decided to call in an outsource specialist," says Adam Morey, procurement manager at Eurocell. It appointed Fleet Alliance.

Other fleets outsource through changing circumstances, whether that's prompted by the retirement of an existing fleet manager, the re-direction of their duties, or redundancies.

Midlands-based social housing provider Longhurst Housing, for example, decided to outsource the management of its vehicles after fleet manager, Paula Longhurst, switched to part-time working.





IS OUTSOURCING RIGHT FOR YOUR FLEET?

Fleet management and leasing companies will obviously extol the benefits of outsourcing, but there are many organisations which find they operate more efficiently by keeping all fleet functions in-house.

Construction group Rydon, for example, does not outsource anything because "we know how the business would like to operate and I don't think a third party could do that to the level we do", says fleet manager Simon Watts.

"We take the call if something goes wrong any time day or night. Ultimately we are a service provider to our own business; our staff are our customers as well as our colleagues."

Rydon's fleet team of three is positioned within the HR department and Watts reports to the HR director "so we are close to the top," he says.

"We've got a voice that's heard at a very high level which is important as the fleet is the second biggest cost after salaries," adds Watts.

Gareth Wilsher, fleet manager at AT&T, agrees the increased knowledge of internal and future requirements of a business an in-house operator has, compared to an outsourced supplier, gives their employer a huge advantage.

"An outsourced company will not have full knowledge of the company culture to be able to manage the fleet in the right way and in the direction that the company wants to go," he says.

However, John Kelly, managing director of CLM Fleet Management, says one of the key risks of keeping fleet management processes in-house is the fast-moving pace of change within the UK fleet market and the risk of becoming outdated very quickly.

"By retaining the fleet management function in-house, this increases the chance of missing out on the latest changes in the marketplace in terms of new vehicles, the latest legislation, new technologies and new working practices," he says, although this overlooks the support fleet decision-makers get from trade associations such as ACFO, trade publications such as *Fleet News* and their leasing partners. Or, indeed, their own research given that it's their job.

WHAT CAN YOU OUTSOURCE?

"There are many fleet-related functions that can successfully be outsourced to a fleet management specialist,



"If there are clear reasons and objectives to outsource the fleet operation, then the risk is that, by not outsourcing, those company objectives will not be achieved"

Shaun Sadlier, Arval

including of course the whole fleet management function, in order to cut costs, create efficiencies, streamline operations and bring in new expertise," says Fleet Alliance's Wentworth-James.

These include vehicle sourcing and purchasing, funding management, maintenance (either scheduled or pay-as-you-go), all fleet admin, legislative compliance such as P11D and P46 reporting, fuel management including the provision of fuel cards, accident management and, for fleets which outright purchase their vehicles, vehicle disposal.

"There are also a number of driver services which can be outsourced including licence checking, mileage recording and grey fleet management for employees who use their own cars on company business," adds Kelly.

Maintenance is one of the most popular functions to outsource because companies can find it a very difficult area, says Buckley of TCH Leasing.

"Businesses sometimes just want to outsource the maintenance control because it's probably partly done by somebody in accounts and partly done by somebody who orders the vehicles, neither of whom has got any idea within reason what they should be paying for labour or parts," he adds. "They don't know whether they should have any discount, what's covered by the warranty and what's goodwill and what isn't."

"If they outsource maintenance, then immediately that fleet gets some professional eyes working on their behalf to manage their costs and make sure they are only paying what they should be."

HOW CAN YOU DECIDE WHAT YOU SHOULD OUTSOURCE?

A fleet manager should clearly set out their objectives to help identify which areas of vehicle operation they should look to outsource, says Arval's Sadlier.

"Importantly, if there are any parts of the process that they would like to keep in-house, then they should challenge themselves as to whether this supports their overall objectives," he says.

"Keeping some processes in-house may, inadvertently, build in a layer of complexity for them and their supplier."

Sadlier says a full review should be undertaken for all fleet processes, ensuring all touchpoints are included.

This will mean the involvement of departments such as



licence
checking

finance, HR, insurance and facilities, alongside the fleet management team and its drivers.

"Companies should consider the time taken on fleet matters per day, or per week, for all these touchpoints across all fleet processes to provide a monetary cost and the level, in hours or days, of resource involved," he adds.

Greentomatocars wanted to improve its procedures in the event of a collision, so appointed accident management company Kindertons.

"If a driver has an accident, rather than go through their driver handbook to find out who to call, they can now click on a smartphone app," says James Rowe, finance director and head of fleet for the private hire company.

"This will alert Kindertons to the fact that something has happened, it will then call the driver and talk them through what to do.

"This helps us look after the driver a little bit more and also reduces our downtime by allowing Kindertons to manage the process and sort out a replacement car as soon as possible."

WHAT IS THE LIKELY RETURN ON INVESTMENT?

Kelly says the return on investment (ROI) can vary from 2:1 to as much as 8:1 or even 10:1 on a three- or four-year contract, dependent on the fleet and the circumstances involved.

This can be calculated by benchmarking and monitoring

15
recommended maximum
number of SLAs

2:1
or even 10:1 is the
possible ROI on an
outsourced agreement

all spend, from the biggest costs such as vehicle leasing and fuel, to the smallest.

"Only by accurately measuring the existing spend will it be possible to quantify any cost savings that outsourcing can generate," adds Kelly. "The old adage of 'if you can't measure it, you can't manage it' certainly applies here."

ROI from any outsource agreement is usually calculated by the ratio of outsourcing costs to cost savings generated across the operation of the fleet, including fleet funding, maintenance and associated services such as fuel and accident management, says Wentworth-James.

"However, other less easily measurable returns could include generating a higher profile for the business, improving credibility, better processing capability, fewer errors or greater speed to market," he says.

Sadlier adds: "Outsourcing is not just about cutting costs and saving money. It is also about how to do things more quickly and more efficiently, maximising internal resources to add value and concentrate on core activities, and having access to qualified fleet experts and leading-edge processes.

"By considering the above and their original objectives, the company can determine whether outsourcing brings the required benefits that were originally set out."

HOW CAN YOU MANAGE SUPPLIERS?

Fleets should put in place specific service level agreements (SLAs) and meaningful and measurable key performance indicators (KPIs) to counter any concerns of handing over key busi-





ness functions, says Wentworth-James of Fleet Alliance. "An SLA can be used in any supplier contract where a business's ability to meet its customer requirements is dependent on the supplier," he adds.

"They cover all aspects of the outsourced work. They define the service that the supplier must provide, the level of service to be delivered and set out responsibilities and priorities."

The SLAs will differ dependent on what functions are outsourced. For example, Hipkiss says that if a fleet outsources accident management, then it may be looking at KPIs surrounding vehicle off-road time, repair time and labour rates.

Short-term rental KPIs would cover areas such as availability of vehicles, he adds.

"Fleet functions are very different and very complex, so you could end up with 10 categories outsourced with an SLA that technically applies to all, which is why simplicity around it is key," adds Hipkiss.

Wentworth-James says SLAs should be well defined and typically cover:

- The service provided
- The standards of service
- The delivery timetable
- Responsibilities of supplier and customer
- Provisions for legal and regulatory compliance
- Mechanisms for monitoring and reporting of service
- Payment terms
- How disputes will be resolved, between a fleet, the supplier and any managed suppliers
- Confidentiality and non-disclosure provisions
- Termination conditions

TCH Leasing's Buckley adds: "The reason a client has outsourced is invariably because they don't have the manpower or internal expertise to manage a process effectively.

"Likewise, if you make the SLAs too complicated, they won't have the manpower internally to sit and spend hours going through them.

"It should be an overview: the stuff that really matters. I would say that if you've got 10-15 key things on there, then that'll be more than enough."

Buckley feels that as well as regular reports, face-to-face meetings are vital to get the most out of a fleet-outsourcing supplier partnership.

"They are absolutely essential," he says. "We would recommend they take place at least every three months."

Computacenter outsources a number of fleet functions to its leasing company, Lex Autolease, and they make regular calls and hold frequent meetings.

*"The
outsource
agreement
should identify
the most
critical
components
of the deal
and build
periodic
performance
reviews into
the SLA"*

*Rob Wentworth-James,
Fleet Alliance*

"We keep a very clear watch on them," says Computacenter deputy financial controller Keith Cook. "I have two excellent fleet administrators keeping an eye on our provider which reduces the possibility of it running away with costs."

Each quarter, every contract is independently benchmarked by a fleet consultant to make sure it is market competitive.

"If you've got sole supply, I think having someone independently benchmark is absolutely of value," says Cook.

WHAT HAPPENS IF SLAs AREN'T MET?

"If service providers fail to meet agreed levels of service, SLAs should provide for some form of compensation," says Wentworth-James.

"The outsource agreement should identify the most critical components of the deal and build periodic performance reviews into the SLA."

Building penalty clauses into an outsourcing agreement is an effective way to compensate fleets for service which falls below that included in the SLAs, says Buckley.

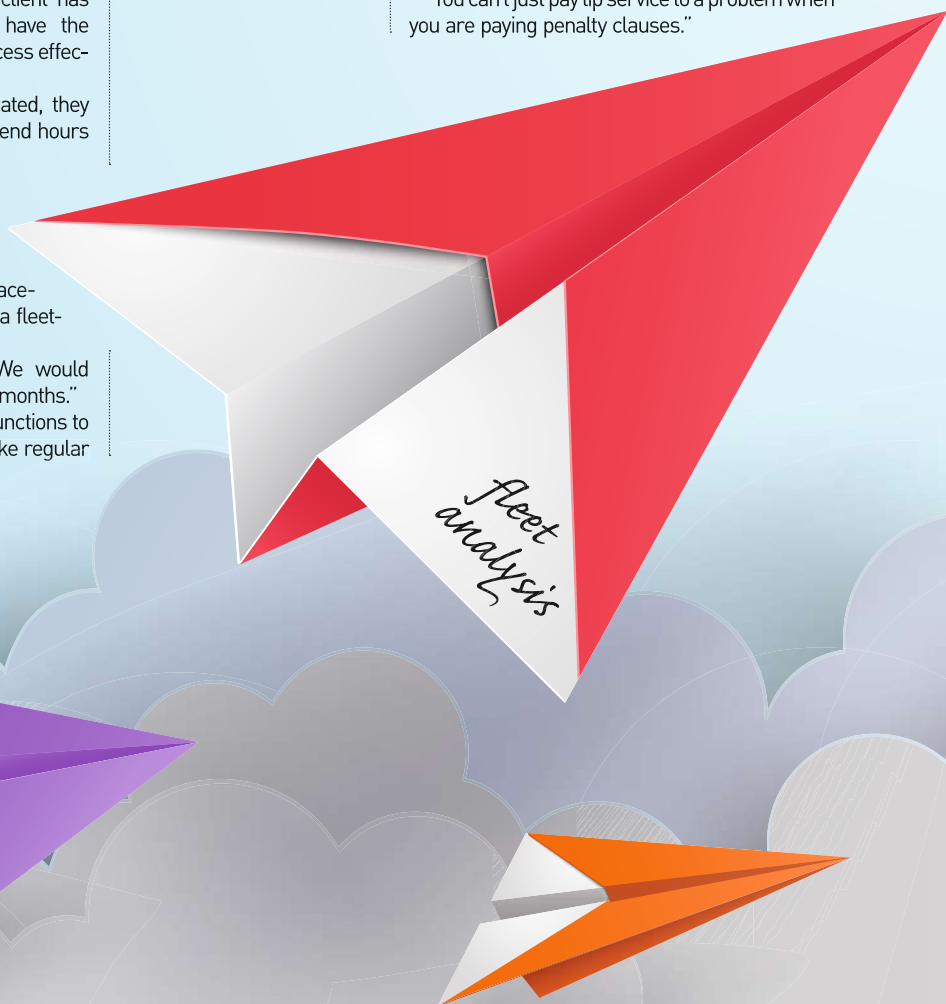
"If the performance is affecting our clients' customers, then, by rights, there should be penalty clauses," he says.

"I don't think there is much value in putting penalty clauses in for the sake of it. They should be for a very good reason.

"If their business is having some deterioration because of the level of services we are providing – because perhaps our suppliers have let us down – a penalty is more than acceptable in my eyes.

"That's a motivator for us to make sure it doesn't happen, or when it does happen, and we have no control over it, we make sure that it's put right as quickly as possible.

"You can't just pay lip service to a problem when you are paying penalty clauses."



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CHOOSE THE RIGHT OUTSOURCING PARTNER

Leasing companies and fleet management companies battle it out to prove their outsourcing model is best for fleet. *Andrew Ryan* reports

While determining what functions are outsourced to a third party is an important decision for a fleet manager, it is also vital to choose the right provider once those functions have been identified.

Outsourcing to the wrong company can have a severe adverse impact on the operation of your fleet, but choosing the right one can help processes run smoothly.

If a fleet decides to outsource only one function, whether it is accident management, licence checking or something else altogether, it may make sense to outsource to a dedicated specialist as there will be only one supplier to manage.

However, if more than one function is outsourced, then some fleet departments may find it more desirable to appoint one company to look after them all, meaning they avoid having to deal with multiple suppliers, contacts and invoices.

"Different data streams from various suppliers in different formats may turn into a logistical and management nightmare," says John Kelly, managing director at CLM.

"However, by employing a fleet management specialist on an outsourced basis, all vehicle acquisition, fleet admin and driver support can be managed from one supplier to optimise fleet efficiency."

In these instances, the majority of fleets will usually choose either their leasing company or an independent fleet management company.

Predictably, both types of businesses argue that their model is best. In the red corner, are the fleet management companies.



"Companies have their own ways of operating so they need to find a partner that suits the way they function"

*Ken Buckley,
TCH Leasing*

"The selection of the partner is always a key decision and there are a number of different options out there," says Richard Hipkiss, managing director of Fleet Operations.

"Although they sound similar, they operate in very different ways so there are a number of pros and cons to each of them.

"If you go to a fleet management business, it will have a whole range of suppliers for each category that ensures you get a fit for your organisation.

"You can also have the bespoke offering, whereas if you go to a leasing company you get a one-size-fits-all supply chain that may be great and may fit your fleet very well, but in most cases it won't be the most efficient way of doing it for your fleet and it won't be the most cost-effective."

Sue Branston, country head, UK and Ireland, at Fleet Logistics, recommends fleets consider outsourcing to an independent fleet management specialist, working with a number of providers rather than to a leasing company on a solus basis "for a myriad of reasons".

"For example, by working with more than one leasing company, competitive pricing is guaranteed on the day," she adds.

"The sole lease company position means the customer is tied to their pricing strategy and the customer will not know whether they are getting the best deal.

"We are not saying it does happen, but there could be a risk of complacency. And, in reality, we find that solus leasing supply arrangements are quite rare in the current climate.

"However, having said that, we have two UK clients, one with 1,300 cars, the other with 800, which both use a solus



leasing company for their fleets, but then employ us in a policing role to ensure that the fleet is being run effectively on their behalf."

In the blue corner, are the leasing companies. Like fleet management companies, they also claim to provide the best service possible to clients.

"The key is obviously the volume of vehicles and making sure you are maximising the leverage within that volume," says Ken Buckley, head of sales at TCH Leasing.

"For example, our technical manager has someone in his team that negotiates with repairers to make sure our labour rates are correct, that we are getting the right parts discounts, and that we are buying correctly."

He adds that one of the advantages of using a leasing company to manage fleet functions is the knowledge they already have of the vehicles if they are leased through them.

"Sometimes where a repair hasn't been carried out correctly, it is much easier if the contract hire company investigates their suppliers, as opposed to the separate provider trying to talk to the repairer about something that they've done with no real clout or information about what went on," says Buckley.

"This can lead to a cost problem to the client in the end because it's fragmented and not dovetailed together."

Shaun Sadlier, head of consulting at Arval, adds: "A good leasing company will look to bring added value to a customer and, by doing this, enjoy a long-term partnership rather than seek a short-term gain."

"Allow the leasing supplier to assist in the formulation of your fleet strategy – you have appointed them as your experts and they have access to best practice, new legislation and innovation that will impact your fleet decisions."

However, whichever type of business a fleet manager ends up appointing to manage fleet functions, there are some best practice procedures that should be followed during the selection process.

"It is important that the outsourcing partner offers transparent pricing and is really going to be the best fit for that fleet, not just the one with the biggest marketing budget and says they're the best," says Hipkiss.

Buckley adds: "Companies have their own ways of operating so they need to find a partner that suits the way they function."

"If they find somebody that's culturally right for them as a business, I think they will generally end up with a long relationship."

Fleet managers should ask for referrals from potential suppliers and take the time to follow these up.

"Make sure that you, as the fleet or procurement manager making the decision, actually get into that organisation," says Hipkiss.

"Ask to see systems and processes: that can be really telling because occasionally someone could say we've done x, y and z for somebody, but that may not turn out to be quite right."

"Speak to the person who you will be dealing with day-to-day and who will be working with your drivers because understanding how they work is really important in the decision-making process."

"The organisation should be open to getting prospects and potential new people into their offices and operations to really get into that detail."

Sadlier says fleet managers need to make sure they are focused on the reasons behind any visit to gain any real insight from it.

"You need to have a clear objective to ensure there is positive evidence that a potential supplier is able to provide the service quality and cost control you are looking for," he adds.

However, Sadlier warns that the work involved in outsourcing a fleet function does not end with the moment when a contract is signed with a partner.

"There should be a clear management strategy in place that will continually monitor the supplier's performance."

This will benefit both parties," he says.

"It is sensible to put in position service level agreements (SLAs) that best fit your objectives and, wherever possible, introduce measurements of end-users – meaning driver satisfaction. Then, you should agree and set out a clear timeline for complaint management and reporting."

"Be very clear about, and document, which processes are to be undertaken by the external company and which are to be kept in-house."

"Also, ensure that all internal stakeholders are aware and agree with the new procedures."



PORSCHE MAKES DEBUT AS CCIA CHOICE GROWS

Iconic 911 will be available for decision-makers to put through its paces

The choice of brands available to drive at Company Car in Action has expanded even further with the news that Porsche will make its debut at this year's event.

The manufacturer will bring a choice of models from its range, including the iconic 911, which recently saw the one-millionth car roll off the production line.

The choice will extend to its SUV range, with the Cayenne and Macan available to test in several power variants, including diesel and hybrid models, while the five-door Panamera will also be on offer.

In addition to models available for driving, Porsche will also be

showing the 911 C2S Endurance Racing Edition as a static display.

The Porsche range adds to a choice of around 300 cars from leading fleet brands available for an exclusive test drive experience in a unique environment at Millbrook Proving Ground, Bedfordshire, on June 13-14.

At the centre of the event is the iconic 'steering pad', where fleet managers can choose from a wealth of the latest cars ready to receive their expert appraisal.

Fleet decision-makers can take vehicles onto the test routes around Millbrook that are normally closed



to the public and choose from four unique routes, including a testing city circuit, high-speed oval, a challenging hill route and off-

road course.

All are designed to help fleet managers expertly assess each vehicle in a professional environment made specifically for vehicle-testing purposes.

CCIA maintains its role as the essential drive and decide event on the fleet calendar by offering the widest choice of brands and a huge range of important new models for review.

New test drives include the BMW 5 Series, Mini Countryman, Seat

Ibiza, Renault Captur, Vauxhall Insignia Sports Tourer and Crossland X.

There are also scores of models making their CCIA debuts, giving hundreds of fleet operators their first chance to put them to the test.

In addition, there will be a range of static previews of key new cars coming to fleets in the future, including the Range Rover Velar and Volkswagen Arteon.

Fleet decision-makers can plan their day at CCIA by visiting the event website for the latest updates on brands and vehicles available to drive.

To reserve your place at the drive and decide event of the year, visit www.companycarinaction.co.uk and secure your place behind the wheel.

**13-14
June**

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Porsche's iconic 911 will be one of several models available to test at CCIA



Panamera



Macan S Diesel



Cayenne

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New fuel choices on show at EV/Hybrid Review Zone

Decision-makers will be briefed on the future shape of fleet at the CCIA EV/Hybrid 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 hybrid to pure electric.

Models will be on show from brands including Kia, Ford, Mini, Nissan, PSA Group, Renault, Tesla, Toyota, Volkswagen and Volvo.

The zone is sponsored by Chargemaster, which operates the Polar network of more than 5,000 recharging points throughout the country, serving in excess of 50,000 customers.

Its experts will also be on hand to provide advice and information to fleets about the shift to ultra-low emission vehicles (ULEVs).

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Artist's impression



MINI COOPER S E COUNTRYMAN ALL4



KIA OPTIMA PHEV



FORD MONDEO HYBRID TITANIUM



VOLVO XC90 T8 TWIN ENGINE



RENAULT ZOE R90 DYNAMIQUE NAV



NISSAN LEAF TEKNA 30KWH



CITROËN E-BERLINGO MULTISPACE



TESLA MODEL X



VOLKSWAGEN PASSAT GTE



TOYOTA PRIUS PLUG-IN

Future of diesel and technology focus for 'great debates'

A series of industry debates taking place during Company Car in Action will look at two of the most important issues facing fleet managers.

The first of the 'Great Debates' will focus on the future of diesel

and the introduction of new powertrains, while the second will assess how fleets can balance the introduction of new technology with growing concerns about driver distractions on the road.

Organisations which will be presenting their viewpoints include the Low Carbon Vehicle Partnership, Nissan, SBD automotive and IAM RoadSmart.

The Great Debate at CCIA takes place at 10.30am each day.

Brands on test



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FACTFILE

Sales director Martin Wilson
 Fleet director Guy Pigounakis
 Total sales 2016 92,419
 Total market share 2016 3.43%
 Fleet sales 2016 47,864
 Market share 2016 3.47%
 Fleet sales YTD 2017 17,569
 Market share YTD 3.62%

JUDGES' COMMENTS:
GREEN FLEET CAR
MANUFACTURER
OF THE YEAR

Hyundai is bringing alternative fuels into the mainstream in an innovative way with the Ioniq three-in-one car. It is committed to hydrogen as well as electrified platforms and its sustainable energy is evident in its Korean factory where surplus electricity produced by solar panels is fed back into the grid.

WINNER: **HYUNDAI**

Three-in-one Ioniq is making fleet bosses sit up and take notice

Hyundai's investment in alternative fuel R&D has produced a double award-winner for environmental excellence

By Stephen Briers

Not so long ago, few people would have singled Hyundai out as an environmental champion of the automotive industry. Yet, here it sits as the *Fleet News* green manufacturer of the year with the Ioniq as the zero emission car of the year.

So, what has changed? Much of it is down to timing. The company has been investing heavily in alternative fuel research and development since creating a dedicated fuel cell unit in 1998, but it has only recently been in a position to bring a realistically-priced car to market.

The model roll-out started with the hydrogen fuel cell ix35 in 2015 and followed up last year with the innovative Ioniq, which puts three drivetrains (hybrid, plug-in and full electric) onto one platform.

This 'three-in-one' policy is likely to be extended to other models eventually; certainly almost every future Hyundai model will have a hydrogen or electric version, according to sales director Martin Wilson.

It's not just models that make Hyundai green; it also displays a holistic approach to the environment, showing innovation in its production processes at factories across the globe, including Europe in the Czech Republic.

Fleet News: How successful has the Ioniq been and which of the three drivetrains are most in demand?

Guy Pigounakis, fleet director: We had to re-set all our ordering to take into account demand rather than our forecasts. No one expected it to sell like it has but, with all the issues around emissions, every company we are talking to is obsessed with making statements about reducing their carbon footprint.

Martin Wilson: We expected to sell 2,500-3,000 this year. But we have taken just shy of 2,000 orders in the first three months. We have placed 1,200 orders with the factory to arrive May/June time and we have 950 back orders, but the rate is still strong. Demand has been predominantly for the hybrid model, but we have been constrained on supply for the electric. The guides are now being kinder to alternative fuels so the monthly payments stack up. We now have a conservative target of 6,500 this year. The success of Ioniq has taken everyone by surprise, including our



"Residual values are very strong which makes it (the Ioniq) attractive on all finance methods, especially PCH and BCH"

Martin Wilson,
Hyundai

business centres. It's a game-changer; it's attracting people who have never considered Hyundai or alternative fuels before.

FN: How much is that down to pricing?

MW: We have priced it right and the residual values are very strong which makes it attractive on all the finance methods, especially personal contract hire (PCH) and business contract hire (BCH). We have only given very small discounts; we are not distressing prices – this is genuine demand. The sweet spot is around 18 months on this car and there is big demand in the used market for that age and mileage of car, especially when it will still have a three-and-a-half-year warranty on it.

FN: So the Ioniq is giving you the opportunity to talk to fleets who otherwise wouldn't have considered Hyundai?

GP: Yes, it is opening doors, especially with leasing companies – they are taking a renewed interest in our current offering and what is coming. We are working on a strategy



Hyundai national fleet sales manager Paul Williams (left) receives the award from UK transport minister John Hayes CBE

JUDGES' COMMENTS: BEST PLUG-IN CAR (0G/KM)

The Ioniq offers one of the longest ranges of any electric vehicle. With ample space and a high-tech interior wrapped in an attractive body, its low price results in a very competitive running cost and brings electric motoring to the mass market.

to take advantage of this, to raise our profile and our strength of product with leasing companies. The timing is perfect to reposition the brand.

MW: We suffer with our share of voice with leasing companies. We have to be front of mind with their sales teams so they can get that awareness out to their customers and their drivers. This can make a dramatic difference very quickly.

GP: We are meeting with the CEOs at the top leasing companies – that's a first for us.

FN: What about the opportunities with the ix35 hydrogen fuel cell?

MW: We will have a new right-hand drive fuel cell ix35 by the end of the year (to-date it has been left-hand only). Six months ago we thought electric vehicles would eclipse fuel cell but there has been a massive uplift in interest for fuel cell. With more fuelling centres being opened, more people want to understand the difference in everyday use between fuel cell and electric vehicles. It all depends on the infrastructure, but the opportunity could be enormous.

FN: Are fleets geared to cope with the additional complexity that comes with having many fuel options instead of simply opting for diesel?

MW: Larger fleets are prepared for the complexity of many fuel options. We have an opportunity with the smaller fleets to get them to realise the benefits of electric vehicles. We have to make our customers become converts. They are wary: the greater the complexity, the more they have to feed down to their drivers. But also, their drivers will put pressure on to the fleet to drive down P11D tax.

GP: We find that youngsters want the green option and older people stick with diesel. It is still down to taxation and the Government has to address that – until they do, diesel sales will remain artificially high.

FN: How do you encourage more fleets to put your main-stream models on their choice list?

MW: It's about raising awareness, even now. The reaction of people when they get into our cars is surprise. They don't

really have a perception, so we just have to raise awareness.

GP: We have one of the highest test drive-to-sell conversion rates in the industry because people's expectations are modest. So our challenge is to increase the number of people that can experience the cars. Dealers have a role to play in this. We have rationalised our network and kept those that are committed. We have increased our support and commitment to them. They have dedicated demonstrator fleets and we have a central fleet to support them.

FN: What have you done to improve residual values?

MW: A KPI for every new car or facelift is to have the residual value in the top three in the sector and we are achieving that. Our residuals have increased steadily over the past three or four years. If we get the residual value right, everything else works. We have more resource working with the pricing guides and we involve them earlier in the new car launch strategy. We have actioned some of their suggestions into production and changed specification based on their views. And we are honest with them about the sectors we are targeting which gives them confidence.

Wilson's goal is to achieve market share in the leasing sector (which increased from 2.5% to 3.1% last year) that matches its national share (currently just under 3.5%). Leasing is one of Hyundai's biggest opportunities together with public sector and local business via the dealer network.

"This year, a key goal is to double our volumes through the top 20 leasing companies, increase the corporate element and also to double our public sector business," Wilson says.

Hyundai's priority is to target the more profitable channels in fleet, adds Pigounakis. "We are doing a gap analysis on every channel to see where the opportunities are and the cost of the opportunity," he says. "Some are very driven by discounts."

Those channels will be disregarded on the basis of not being financially viable. "It's not business at any cost," he adds.



"We have one of the highest test drive-to-sell conversion rates in the industry"

Guy Pigounakis, Hyundai

SEAT IBIZA

Improvement on predecessor and one of the best superminis available

NEED TO KNOW

- First model based on Volkswagen's small car platform
- Boot increased to 355 litres, up by 65 litres
- The 95PS 1.0 TSI expected to be most popular variant

By Andrew Ryan

This is proving to be a big year for the supermini sector. Already in 2017 we have seen the arrival of the all-new Nissan Micra, Kia Rio and Suzuki Swift, while a refreshed Toyota Yaris has also gone on sale. This summer will also see the launch of the new Ford Fiesta – the sector's biggest hitter.

For now, however, the newest model in the market is the fifth-generation Seat Ibiza. Currently available to order, first deliveries will take place at the end of July.

First impressions are good. The Ibiza, already one of the most angular and striking superminis on the road, looks sharper with more sculpted and accentuated surfaces.

Available only as a five-door, it is the first model to be based on the Volkswagen Group's MQB A0 small car platform, which means the Ibiza is 87mm wider than its predecessor, giving the new model a squat, sporty appearance.

It is also fractionally shorter and lower than the outgoing model, but its wheelbase has grown by 95mm, which means the supermini is more practical than before.

£17,310

P11D price for the 1.0 TSI 95 Xcellence



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

Rear legroom has grown 35mm, while an accompanying increase in headroom (an extra 24mm in the front and 17mm in the rear), makes it much more spacious for passengers.

Boot space has also increased: at 355 litres it is 65 litres larger than before, giving it the most capacity in the sector – just. The Honda Jazz at 354 litres, runs it close.

The Ibiza offers three petrol engines: a 1.0 MPI producing 75PS and a 1.0 TSI unit in 95PS and 115PS guises.

A 1.6 TDI diesel engine in 80PS and 95PS variants will become available later in the year, while a 150PS 1.5 TSI petrol unit will also be launched.

Until the arrival of the diesels, the most efficient unit in the range is the 95PS 1.0 TSI, which Seat says will also be the most popular.

This produces 106g/km of CO₂ and has an official combined fuel economy of 60.1mpg. The 115PS 1.0 TSI matches its economy but has slightly higher CO₂ emissions of 108g/km.

Five trim levels are available: S, SE, SE Technology, FR and Xcellence. As standard, the entry-level S includes a five-inch mono touchscreen, Bluetooth audio streaming and hands-free system, air conditioning and automatic headlights.

SE adds 15-inch alloy wheels, front fog lights with cornering function, LED daytime running lights and LED taillights, a five-inch colour touchscreen, and 60/40 split folding rear seats.

SE Technology is expected to be the most popular equipment grade and adds an eight-inch colour touchscreen and navigation system.



Hard plastic used on the dashboard detracts from interior's visual appeal



Increased size means Ibiza's boot is the biggest in its sector

"The steering is light and direct, giving the car an agile feel which makes it enjoyable to drive"



FR, the sporty trim level in the range, adds 17-inch alloy wheels, sports suspension, digital radio, sports seats and rain-sensing wipers.

Xcellence is also based on the SE Technology trim level and additions include 16-inch alloy wheels, rear privacy glass, digital radio, four driving modes, black Alcantara and similar leather upholstery, dual zone climate control, parking sensors, rear view camera and cruise control.

P11D prices range from £13,130 for the 1.0 MPI S to £17,310 for the 1.0 TSI 95 Xcellence.

At the Ibiza launch, we were able to drive the 1.0 TSI 115PS FR and the positive impression gained from its exterior styling was largely carried through to its interior.

This increased cabin space helps the Ibiza feel large and airy, with comfortable seats (42mm wider than before) and plenty of storage space.

The dashboard design is simple and subdued, with plenty of sharp angles, and it feels well put together.

However, the perceived quality is reduced by some of the materials used: the hard plastic on the top of the dashboard, centre console and door handles means it trails the class best in this area.

This is a shame, as otherwise the interior layout and space give the car a more refined feel, which continues when the car is on the road.

The Ibiza's suspension does a good job of smoothing out road undulations, while the steering is light and direct, giving the car an agile feel which makes it enjoyable to drive.

Noise levels are kept firmly under control, while the three-cylinder engine revs smoothly and delivers plenty of punch.

Overall, the new Ibiza is a significant improvement over its predecessor, and can be considered as one of the best cars in its class.

COSTS

| | |
|-------------------------------|----------------|
| P11D price | £15,060 |
| BIK tax band (2016/17) | 20% |
| Annual BIK tax (20%) | £602 |
| Class 1A NIC | £416 |
| Annual VED | £140 then £140 |
| RV (4yr/80k) | £3,450/23% |
| Fuel cost (ppm) | 8.99 |
| AFR (ppm) | 11 |
| Running cost (4yr/80k) | 26.23ppm |

SPEC

| | |
|-------------------------------|--------|
| Power (PS)/torque (Nm) | 95/160 |
| CO2 emissions (g/km) | 106 |
| Top speed (mph) | 119 |
| 0-62mph (sec) | 10.4 |
| Fuel efficiency (mpg) | 60.1 |

KEY RIVAL

| |
|--|
| Nissan Micra 0.9 IG-T 90 Acenta |
| P11D price: £14,940 |
| BIK tax band (2016/17) 18% |
| Annual BIK tax (20%) £538 |
| Class 1A NIC £371 |
| Annual VED £120 then £140 |
| RV (4yr/80k) £3,500/23% |
| Fuel cost (ppm) 8.41 |
| AFR (ppm) 11 |
| Running cost (4yr/80k) 25.55ppm |

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



Fifth-generation Ibiza has a more squat and sporty appearance

THINKING CAP



By Martin Ward, manufacturer relationships manager

cap hpi

Monday To Millbrook for a SsangYong catch-up and to try the latest models, and in particular new items of safety equipment, such as autonomous emergency braking, which has recently been added to some of its models. Took a Tivoli XLV 4x4 on the off-road test section, and it proved very capable. Prices for the Tivoli start from £13,300, which looks good value, but SsangYong has not really cracked the fleet market yet, but who knows? One day...



Tuesday Over to Cheshire to drive the all-new Suzuki Swift on the UK press

event. We drove it at the European launch in Monaco, but it was good to get chance to drive the 1.0-litre three-cylinder version which had not been available in France. This sweet little engine produces 111PS and goes from 0-62mph in 10.6 seconds. It is well put together and even the base car has enough standard equipment, but the one to go for is the SZ-T 1.0 which has a nice long list of standard features. Prices for the Swift range start from £10,995.

"SsangYong has not really cracked the fleet market yet, but who knows?"

Thursday Classic car prices are on the up and some of this is due to foreign buyers taking advantage of the weaker pound. Cars we would have sold for next to nothing or scrapped a few years ago, are now making a fortune. It is fair to say a car will make its original price back at some stage in its future, but how far ahead is the question.

Consider what would happen if fleet managers were to put their drivers in cars for around 20 years. They might make money when defleeting. New car sales would be cut dramatically which, in turn, would create a shortage of used cars. But we all know this will never happen, as fleets won't let their drivers go about their business in old cars. But food for thought.

BMW 5 SERIES TOURING

So refined that even in sport mode this estate is silky smooth and hushed



The 5 Series Touring has a boot that lifts it up the load space pecking order

NEED TO KNOW

- 2.0-litre diesel engine is all you'll ever need
- Doesn't match Mercedes-Benz E class for practicality
- Still the class-leader for driving dynamics

By Matt de Prez

BMW's 5 Series is ageing very well indeed. It's now in its fifth generation and has become more intelligent and more refined. We have already been won over by the saloon – which launched earlier in the year – and the Touring model continues to carry the torch, bringing added practicality to the mix.

Load capacity is what really matters in this sector and the 5 Series Touring now has 570 litres of space to offer – that's 10 litres more than the outgoing model.

Boot access is easy thanks to a standard-fit electrically-operated tailgate. If more space is required the 40:20:40 split rear seats can be folded at the touch of a button.

While it can't quite match the vastness of the Mercedes-Benz E-Class Estate (640 litres) it manages to just eke ahead of the Volvo V90 and Audi A6 in load-lugging.

During development of the estate, BMW's engineers had one clear objective: the car must offer customers the same level of refinement and driving dynamics as the saloon.

On the road the car balances smoothness and agility better than anything else in the sector. We struggled to unsettle the ride on the roads of Munich and we have no doubt the car will outperform rivals when it lands in the UK.

BMW's efforts to increase comfort are realised through a lack of road noise, even at autobahn speeds. With a full suite of clever driver-assistance systems looking after speed, braking and steering the driver can sink into the massaging seats and enjoy an effortless cruise.

You could go as far as to say the 5 Series has become a little bit too refined. Even in sport mode the car feels silky smooth and hushed which may put enthusiastic drivers off.

Powertrain options are restricted to two petrol and two diesel units, although pretty much everyone opts for the

COSTS

| | |
|------------------------|----------------|
| P11D price | £38,170 |
| BIK tax band (2016/17) | 24% |
| Annual BIK tax (40%) | £3,664 |
| Class 1A NIC | £1,264 |
| Annual VED | £160 then £140 |
| RV (4yr/80k) | £12,900 |
| Fuel cost (ppm) | 8.35 |
| AFR (ppm) | 11 |
| Running cost (4yr/80k) | 44.36ppm |

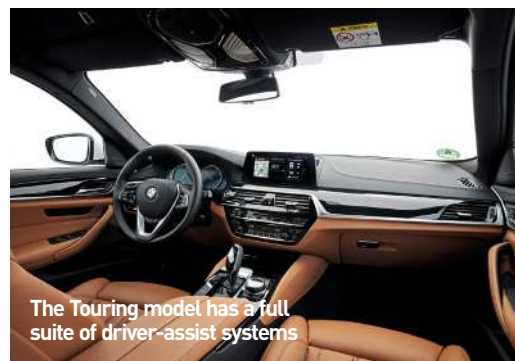
SPEC

| | |
|----------------------------------|---------|
| Power (PS)/torque (Nm) | 190/400 |
| CO ₂ emissions (g/km) | 114 |
| Top speed (mph) | 139 |
| 0-62mph (sec) | 7.8 |
| Fuel efficiency (mpg) | 62.7 |

KEY RIVAL

| | |
|-------------------------|----------------|
| Mercedes-Benz E 220d SE | |
| P11D price: | £38,460 |
| BIK tax band (2016/17) | 23% |
| Annual BIK tax (40%) | £3,538 |
| Class 1A NIC | £1,221 |
| Annual VED | £140 then £140 |
| RV (4yr/80k) | £13,075 |
| Fuel cost (ppm) | 8.13 |
| AFR (ppm) | 11 |
| Running cost (4yr/80k) | 45.54ppm |

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



The Touring model has a full suite of driver-assist systems

2.0-litre diesel as it is the cheapest and most efficient.

With 190PS and 400Nm of torque, the 520d can accelerate from 0-60mph in 7.8 seconds while returning 62.7mpg.

SE models cost from £38,385 and emit 114g/km of CO₂ meaning drivers will face monthly bills from £305 (40% taxpayer). That's £60 more than the E 220d or A6 2.0 TDI estates, assuming all are basic trim levels. But the 5 Series does redeem itself with the lowest running costs per mile.

More popular M Sport versions are priced from £41,370 and have a 5g/km emissions penalty due to larger wheels.

Those wanting more power can opt for the 530d but the uplift in both price (£46,285) and benefit-in-kind tax (£429 per month) is significant. Despite its satisfying torque surge, the extra performance just isn't worth the extra cost.

The 2.0-litre turbo petrol (badged 530i) may make more sense. Although its emissions are higher at 139g/km, it's almost £4,000 cheaper to buy and will save drivers £1,000 per year over the 530d.

Due to packaging constraints, it's unlikely we will see a plug-in version of the Touring, so the 3.0-litre petrol 540i completes the UK line up.

The 5 Series Touring is not only a credible contender in the luxury estate market but also begs the question as to why one would opt for an SUV – especially as xDrive four-wheel-drive is available on the larger engine cars.



Little has changed in the refresh of Škoda's ever-popular Octavia

1.6 TDI SE TECHNOLOGY

ŠKODA OCTAVIA ESTATE

Plenty of company car appeal but slightly let down by its emission figures

NEED TO KNOW

- Mid-life revisions boost appeal of Škoda's bestseller
- Improved connectivity and driver assistance available
- No versions available below 100g/km

By Simon Harris

Škoda's bestselling car has undergone a refresh for 2017, aiming to boost its appeal against the latest models. The Octavia has been Škoda's most popular model in the UK and in 2016 had its best ever year worldwide.

The high-performance vRS (actually one of the most popular variants in the UK) and the all-purpose Scout might carry much of the emotional appeal on the range, but the Octavia is still a very rational choice. We chose perhaps the most extreme on this spectrum of soundness, the 1.6 TDI estate in the SE Technology equipment grade.

If you asked anyone to imagine what a Škoda that might especially appeal to fleets would look like, this is the one. All new Octavias now come with alloy wheels, touchscreen infotainment systems and SmartLink+, meaning Apple CarPlay and Android Auto connectivity is standard.

Based on the SE models, which have cruise control, multi-function steering wheel, driving mode selection, rear parking sensors, driver fatigue sensor and dual-zone air conditioning, the SE Technology models add adaptive cruise control, an eight-inch touchscreen navigation system, Wi-Fi hotspot, and front parking sensors.

New optional features include blindspot detection, and rear cross-traffic alert, giving the driver an extra set of eyes monitoring behind, while autonomous emergency braking now has pedestrian detection technology.

Apart from some styling changes, little has changed, but it means you get one of the roomiest cars in the lower-medium sector, as well as the one with the most luggage space. The Octavia estate offers 610 litres up to the base of

COSTS

| | |
|------------------------|----------------|
| P11D price | £21,595 |
| BIK tax band (2016/17) | 23% |
| Annual BIK tax (20%) | £993 |
| Class 1A NIC | £685 |
| Annual VED | £140 then £140 |
| RV (4yr/80k) | £5,575/26% |
| Fuel cost (ppm) | 7.95 |
| AFR (ppm) | 9 |
| Running cost (4yr/80k) | 30.72 |

SPEC

| | |
|----------------------------------|---------|
| Power (PS)/torque (Nm) | 115/184 |
| CO ₂ emissions (g/km) | 106 |
| Top speed (mph) | 125 |
| 0-62mph (sec) | 10.2 |
| Fuel efficiency (mpg) | 68.9 |

KEY RIVAL

| | |
|---|----------------|
| Ford Focus 1.5 TDCi Zetec
Edition estate | |
| P11D price: | £21,740 |
| BIK tax band (2016/17) | 21% |
| Annual BIK tax (20%) | £913 |
| Class 1A NIC | £630 |
| Annual VED | £120 then £140 |
| RV (4yr/80k) | £4,950/23% |
| Fuel cost (ppm) | 7.37 |
| AFR (ppm) | 9 |
| Running cost (4yr/80k) | 31.76 |

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



All new Octavia SE models have multi-function steering wheels

the windows with the rear seats in place, and 1,740 litres up to roof height with the rear seats folded. This is more than many cars in the class above.

The Octavia's 115PS 1.6-litre diesel engine is both smooth and responsive, but we can't help wondering if the car would have just a little more appeal with a six-speed manual gearbox rather than the five-speed transmission.

It could help reduce noise intrusion even further on the motorway as the engine would run at lower speeds, and potentially offer lower CO₂ emissions than the disappointing 106g/km of our test car.

In fact, no model in the Octavia line-up currently achieves below 105g/km (a seven-speed DSG-equipped 1.6TDI), which is perhaps a legacy of Volkswagen Group presenting more realistic official test cycle figures in the wake of the diesel emissions scandal.

This isn't to say the Octavia is a poor choice. It has many virtues, some of which are class leading. But with other estate cars in this class, such as the Vauxhall Astra, Peugeot 308 and Toyota Auris all offering CO₂ emissions less than 90g/km, the Octavia has to work so much harder for company car appeal.



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Richard Green and Russell
Sidebottom, Give the dog a bone



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MINI CLUBMAN

COOPER 2.0D 150

Our split decision – we prefer a lid to doors on the boot



It may be larger than the five-door hatch but this Clubman is still fun to drive

COSTS

| | |
|----------------------|-------------|
| P11D price | £26,165 |
| BIK tax band | 22% |
| Annual BIK tax (20%) | £1,151 |
| Class 1A NIC | £794 |
| Annual VED | £0 then £30 |
| RV (4yr/80k) | £7,650 |
| Fuel cost (ppm) | 8.46 |
| AFR (ppm) | 11 |
| Running cost (ppm) | 36.01 |

SPEC

| | |
|----------------------------------|-------|
| Engine (cc) | 1,995 |
| Power (PS) | 150 |
| Torque (Nm) | 330 |
| CO ₂ emissions (g/km) | 113 |
| Manufacturer mpg | 65.7 |
| Real-world mpg* | 53 |
| Test mpg | 52.1 |
| Max speed (mph) | 132 |
| 0-62mph (sec) | 8.6 |
| Current mileage | 6,421 |

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

* Data supplied by Equi Index

By Sarah Tooze

The Mini Clubman is bigger than the five-door hatch, but, after driving both on long-term test (the five-door for three months in 2015 and the Clubman for the past six months), I would lean towards the five-door hatch.

That's purely due to the Clubman's split rear doors. Looks-wise they make the Clubman stand out but the downside is they restrict the driver's view in the interior mirror.

I also found I prefer to load and unload with a traditional boot lid.

If I had children or needed to carry more than the weekly supermarket shop, though, I would probably have favoured the extra space the Clubman offers (a 360-litre boot compared to 278 litres, plus an extra 270mm in length and 73mm width).

Both cars have the Mini's funky interior touches such as the toggle switches and LED ring around the centre instrument binnacle which changes colour in response to doing things like altering the temperature or music volume.

There are other clever lighting features in the Clubman such as the Mini logo being projected onto the ground when you unlock the car using the remote key, and the ability to change the interior lighting colour.

There are plenty of safety and convenience features, too, such as autonomous emergency braking, park assist and 'Easy Opener' to open the boot by waving your foot beneath the bumper (although that can be inconsistent).

The Clubman has proved fun to drive despite its larger size. There's a noticeable difference in responsiveness between the three driving modes ('green', 'mid' and 'sport'), which are available as part of Mini's popular Chili Pack (£2,785).

I did most of my 6,000-plus miles in 'mid' mode as the car defaults to this at the start of every journey; you have to remember to flick the rotary switch at the base of the gear stick to select a different mode.

Despite being in 'mid' rather than 'eco' the fuel economy averaged 52.1mpg (13.6mpg below the official combined figure).

VAUXHALL ZAFIRA TOURER 1.6CDTI



The Zafira Tourer has just had its first top up of AdBlue

(5,000 miles). It had indicated 1,600 miles left before the tank was empty.

The filler cap is under the fuel flap next to the fuel filler which is very convenient. However filling the AdBlue tank was not straightforward.

The motorway services only sold 10-litre containers at £19.99 (£22.80 for five litres at our local Vauxhall dealership). It was cumbersome to carry back to the car and tricky to hold up to the filler. The container came with its own spout but it would only pour when it was squeezed.

Also with no indicator to tell you when the tank is full, the AdBlue spills out down the side and onto your shoes. I'm now left with a half-full container as the Zafira didn't need it all, although a colleague will use it for their long-term.

Luke Neal

MAZDA6 2.2D 150 SE-L NAV



The Mazda6 has now covered 2,000 miles and my

average fuel consumption has nudged up to 48.4mpg. While this is an improvement it is still some way off Mazda's claim of 68.9mpg, although it is close to the Equi Index's real-world figure of 49.2mpg.

The Mazda6 is generously equipped. The entry-level SE comes with air-con, 17-inch alloy wheels, leather gear lever and steering wheel, cruise control and a seven-inch colour touchscreen infotainment system with digital radio, Bluetooth and a USB connection.

The car has a sleek and powerful look on the outside and a premium feel inside. It is pleasurable and responsive to drive.

The boot is generous at 480 litres, however the opening is fairly narrow so bulkier items simply won't fit in.

Leanne Patterson

TEST TIMELINE



AT A GLANCE – THE REST OF OUR FLEET



Fiat Tipo
1.6 Multijet



Land Rover
Discovery Sport



Ford
S-Max 2.0
TDCi AWD
Titanium



Renault
Megane
1.5DCI
Dynamique
S-Nav

TONY POVEY

DIRECTOR, FLEETSAUCE

Povey is an exponent of self-belief. He left a perfectly good job (when his wife was pregnant) to pursue his goals. His favourite film is a real-life drama about a father overcoming adversity

My favourite film is *The Pursuit of Happyness* (sic) starring Will Smith. Based on a true story, it relates to morals, focus and the ability to take risks. Single father Smith's ambition is to provide the best for his son. To see him achieve his goals, and watch the emotions unravel, showed me that no matter how hard times are – the change in circumstances is in your control.

The most pivotal moment in my life was leaving a good career at Lex (Autolease), returning home to my wife (child on the way) and explaining that I had left the job knowing that whatever happened was now down to me and me alone. My wife replied 'you said you can do it, now show me'.

My earliest car memory was going with my dad to 'Andy's scrapyard' to buy my first car – a Mini Clubman – for £45 and then working with my dad to rebuild it to pass its MOT.

I'd tell my 18-year-old self don't listen to negative people that say 'you can't do that' – try and fail, but learn.

A book I would recommend is *How to Win Friends and Influence People* by Dale Carnegie.

I'd like to be remembered as someone who inspired and led people, so one day they will remember who helped them achieve. I want my kids to remember me as the dad that never missed their birthdays, Christmas, sports days or parents' evenings, and inspired them to be the best at what they want to do.

If I was Prime Minister for the day I would review my salary and make other MPs understand that if they fall asleep on the benches representing my country they would be fired – like they would be in business.

The three vehicles I would you like in my garage are a Lancia Delta Integrale Evo2 in yellow, a Nissan GT-R R35 and a Ford RS200

Away from the office I enjoy spending time with the family at the coast. Weekends are my family time.

My pet hate is when people say they 'can't' and when they have a lack of knowledge in their field.

First fleet role Selling Nissans at Hartwell in Chester with a sales manager called Richard Sheen who introduced me to the world of selling. I love my customers, and can talk about cars all day long – always working to find the most efficient products.

Career goals at Fleetsauce To build an exciting, driven team of individuals who can find, develop and create long-term relationships with customers that can benefit from great advice and low prices.

Biggest achievement in business To have started a business in 2009 when the vehicle industry was experiencing a slowdown, and to still be growing year-on-year.

Biggest career influence John Taylor (ex-Lex director). I had never met a person who understood the mechanics/ processes and finances in business to the extent he demonstrated. John was never selling cars, but he had a clear, concise vision and style of execution. Then I understood what a leader looked like.

Biggest mistake in business In the first month expecting the phone to ring. It didn't. Then working 12 hours a day (and still do) to make it ring, and keep ringing!

Leadership style Lead by example, and do everything that you expect others to do – people will follow.

If I wasn't in fleet A teacher, to see the satisfaction on a person's face when they grasp the concept.

Childhood ambition I didn't have an ambition at school, they always pushed college and degrees, I didn't know what I wanted to do so didn't want to waste time. I did have four paper rounds and managed a car boot sale at the age of 10. Since then my ambition has been to be successful and be the best at what I am doing. I have strived to be the best in every job I've had.

Next issue: Sean Woodvine, assistant fleet manager, Rydon

Hexagonal shapes can be found on the upper grille and on leather interiors



Need a coffee? Ask and Vignale will direct you

Unique design, quality craftsmanship and cutting-edge technology are hallmarks of the refined Ford S-MAX Vignale and Mondeo Vignale.

The painstaking attention to detail includes exterior detailing with signature hexagonal upper grille and exclusive colours; and premium quality interiors with hexagonal-quilted Windsor leather with tuxedo-style stitching.

Inside, Active Noise Control constantly monitors engine noise and cancels out unwanted sounds by deploying opposing sound waves to counter noises from the engine and transmission. Enhanced

sound insulation better isolates road noise, and acoustic glass helps to reduce wind noise to levels normally experienced only in the premium segment.

SYNC 3 connectivity features enhanced voice control and an eight-inch touchscreen.

Simply by pushing a button and saying “I need a coffee,” “I need petrol,” and “I need to park,” drivers can find nearby cafés, petrol stations or car parks, as well as locate train stations, airports, and hotels.

The system then guides the driver to the selected destination via the navigation.

Further advanced technologies include

Ford Dynamic LED headlights with Adaptive Front Lighting System that adjusts the headlight beam angle and intensity to match the driving environment.

Both the sophisticated Ford Mondeo Vignale and the seven-seat Ford S-MAX Vignale are available with Ford's Intelligent All-wheel drive.

Further technologies include Pre-Collision Assist with Pedestrian Detection and Active Park Assist featuring Perpendicular Parking.

The Ford S-MAX Vignale also offers Front Wide-View Camera while Mondeo Vignale has Inflatable Rear Seatbelts for added safety.

CHROME MAKES WAY FOR DARK TARNISH IN STRIKING NERO OPTION

The Mondeo Vignale range has received a striking new option pack, Nero Vignale, which replaces chrome detailing on the side strips, door handles and front and rear bumpers and applies a dark tarnish effect to various details, including the 19-inch alloys.

Another hotly-anticipated addition to the Mondeo Vignale range sees the arrival of a five-door model, to supplement the saloon and estate.

The five-door Mondeo Vignale is available with a 2.0 240PS automatic petrol engine, or five diesel options,

including an AWD automatic transmission.

Like the rest of the Mondeo Vignale range, drivers can operate the five-door model's SYNC 3 touchscreen in the way they use their smartphones. A new interface enables pinch and swipe gestures for the first time.



THE QUICKEST ROUTE DOESN'T ALWAYS INVOLVE TARMAC



FORD RANGER

With Ford Ranger's outstanding wading depth of 800mm, you won't let a little thing like a river get in your way. Optional driver assist technologies such as Lane Keeping Aid, Rear View Camera and SYNC 3 touchscreen with voice control will also help keep you on the right track.

To find out how Ford can help your business go further, call the Ford Business Centre on 0345 723 2323.

| BIK* | CO ₂ | COMBINED
MPG |
|----------------|-----------------|-----------------|
| £107.67-£53.83 | 231-171g/km | 32.1-43.5 |

*Stated BIK rate applies only when the vehicle is classified as a commercial vehicle.

Official fuel consumption figures in mpg (l/100km) for the Ford Ranger range: urban 24.8-38.7 (11.4-7.3), extra urban 38.7-47.1 (7.3-6.0), combined 32.1-43.5 (8.8-6.5). Official CO₂ emissions 231-171g/km.

The mpg figures quoted are sourced from official EU-regulated test results (EU Directive and Regulation 692/2008), are provided for comparability purposes and may not reflect your actual driving experience. Any additional options specified on the vehicle will reduce the payload accordingly.



Go Further