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## NEWS

- 6 Diesel not dead say CCIA experts
- 9 Investment in cyber security to soar
- 11 Dashcam voyeurism on the rise
- 12 Fleets favour 'soft Brexit'
- 13 Fears over dynamic fuel pricing
- 14 Concerns over rising repair costs

## REGULARS

- 18 Letters and editor's Big Picture
- 21 Opinion: Travel/fleet management
- 58 Awards: Enterprise Rent-A-Car
- 66 Last word: Richard Boreham

## CAR/VAN REVIEWS

- 60 Volvo XC60
- 62 Ssangyong Korando
- 63 Long-term reports

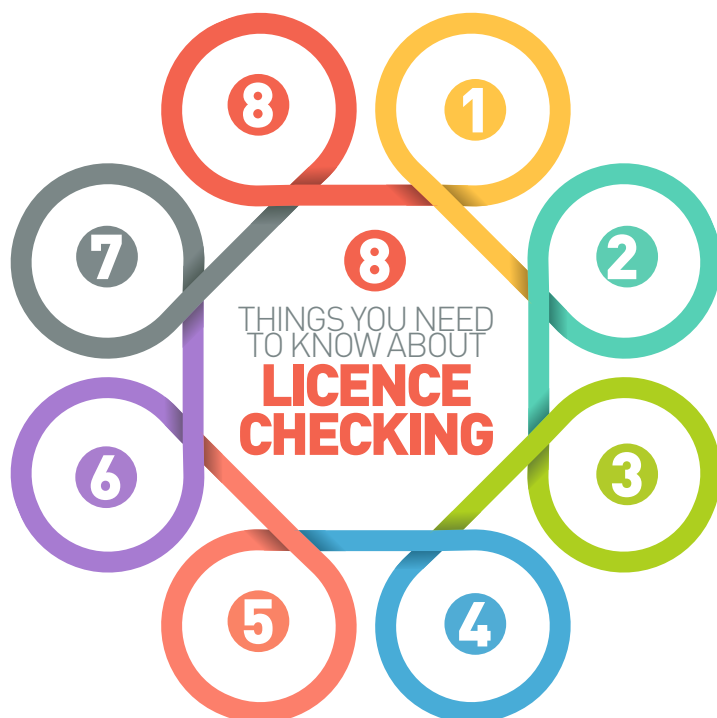


24

**Cover feature**

### Fleet in focus: London Borough of Hackney

Corporate fleet manager Norman Harding is expanding his electric vehicle fleet in a bid to help the environment



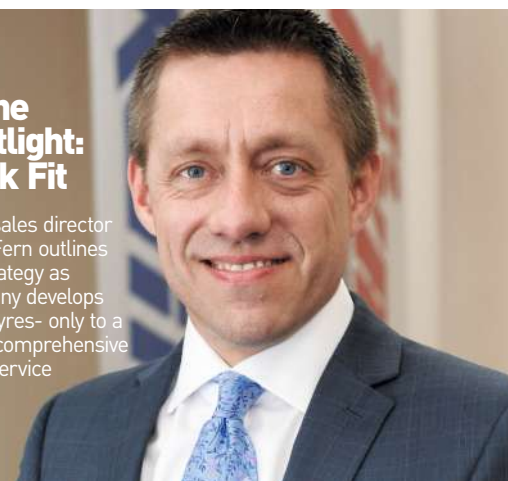
### 44 **Insight: Licence checking**

Ensuring employees hold valid driving licences is vital for the compliance of a fleet – and not doing so can have serious consequences.

30

### In the spotlight: Kwik Fit

Fleet sales director Andy Fern outlines his strategy as company develops from tyres- only to a more comprehensive SMR service



## FLEET & DRIVERS

Implementing measures to ensure vehicles are looked after and maintained can ensure a fleet is efficient and effective. Find out how in our eight-page report



35



# Diesel has a strong future, experts tell fleets at CCI A debate

Companies urged to focus on vehicle need and stay technology neutral as fuel debate rumbles on

By Gareth Roberts

**T**alk of diesel's demise as the dominant fuel for the fleet sector is premature, according to industry experts.

Despite 'dieselgate', the need to meet EU rules on air quality and uncertainty over the future tax treatment of vehicles, the message from a panel of experts at Company Car in Action was: 'Don't discount diesel just yet.'

The fuel currently accounts for more than 80% of the vehicles used by company car drivers, and makes up almost half of all UK new car sales.

However, with the debate raging about future fuel choices for fleets, diesel's market share has begun to fall across much of Europe. Analysts at Experteye forecast a minimum of 5-10% drop in residual values in the next two years and a 15-20% drop over the next five years.

In the UK, 81,489 diesel cars were registered in May, down 20% compared to last year. Diesel registrations year-to-date were also down, by some 9%, while petrol registrations showed a 6% increase and alternative fuel vehicles (AFVs) recorded a 27% rise so far this year.

The AFV increase was even higher last month versus May 2016, with a 47% rise helping set a new record market share of 4.4%.

Fleet specific figures from the Society of Motor

Manufactures and Traders (SMMT) showed greater growth in petrol registrations – up 17%.

The slowdown in diesel was less pronounced in fleet, with a 7% fall, while the increase in the uptake of AFVs was practically identical (fleetnews.co.uk, June 5).

Jayson Whittington, chief car editor at pricing experts Glass's, said: "Petrol is the story of the moment; dealers are fielding more enquiries for petrol than they have done previously."

However, when it comes to fleet vehicles, he told visitors to Company Car in Action's future fuels debate that "diesel is still very strong".

He added: "Unfortunately, for those that wish it to be the case, diesel is not dying – diesel, I believe, is here to stay."

Diesel has been the powertrain of choice for most fleets after company car taxation rules changed in 2002, thanks to better fuel efficiency and lower CO<sub>2</sub> emissions.

But, with a shift in focus from CO<sub>2</sub> emissions to NO<sub>x</sub>, businesses are finding it difficult to plan the future make-up of their fleet.

The Government has hinted at tax rises after Chancellor of the Exchequer Philip Hammond promised to look at the tax treatment of diesel vehicles, saying he will announce any changes in the autumn budget later this year.

## 'DIESEL IS WOUNDED, NOT DEAD'

"Uncertainty is the enemy of us all," said Andy Eastlake, managing director of the Low Carbon Vehicle Partnership (LowCVP).

However, he said that one thing fleets can be sure of is that all of the major political parties share the common goal of every new car and van having zero emissions by 2040.

"They all had measures written into their manifestos to support the ultra-low emission vehicle industry," he said. "They all identify air quality as one of the most pressing challenges for transport."

"It's the perfect storm for ULEVs, but diesel is wounded, it's not dead."

Fleet decision-makers largely agree that it is far too soon to sound the death knell for diesel, but fleet make-ups are changing and will continue to change.

Respondents to ExpertEye's fleet industry review said they expected to see a reduction in diesel vehicles over the next two years, with electric, electric range-extended and hybrid



engines gaining in popularity (fleetnews.co.uk, April 24). A significant number also said that petrol would make a comeback.

Meanwhile, more than half (52%) of respondents to a *Fleet News* poll said they expected petrol powertrains and AFVs, including plug-ins and hybrids, to account for the lion's share of fleet registrations by 2021 (*Fleet News*, Sept 8, 2016).

This rose to four out of five (81%) by 2026, while just 7% said diesel's dominance would endure for the next 25 years.

Nick Molden, founder and CEO of Emissions Analytics, said: "We moved from a world where diesel was being pushed as a solution to our CO<sub>2</sub> problems to it being the source of all evil."

He told the debate he didn't see pure EVs as a viable fleet alternative right now. "I think it's very much a battle between diesel and the petrol hybrid for the future shape of the market," he said.

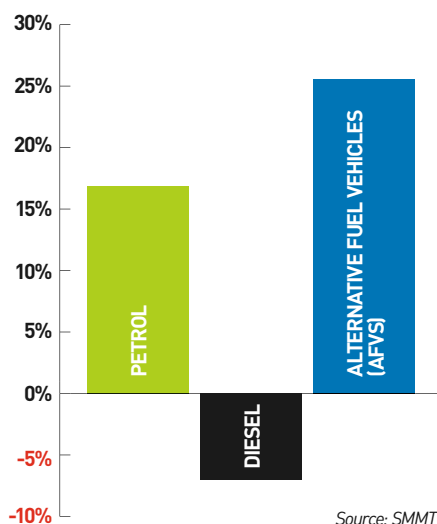
"[Petrol] hybrids have now got to a fuel economy level that is competitive with diesel, even in motorway driving."

With diesel's CO<sub>2</sub> advantage under threat, it therefore makes it all the more important that it can be extremely clean in terms of NO<sub>x</sub> tailpipe emissions.

The cleanest 5% of diesel cars tested by Emissions Analytics are as clean as the average petrol car, according to Molden. "That shows diesels can be clean," he said. "The problem is no one knows which is which?"

"If you go out and source one of the worst in the market – 18 to 20 times the legal limit – you'll be contributing significantly to urban air quality programmes."

## FLEET REGISTRATIONS, YEAR-TO-DATE







Debating team (l-r): Andy Eastlake, LowCVP; Ben Grocott, Chargemaster; Karl Anders, Nissan; Jayson Whittington, Glass's; Nick Molden, Emissions Analytics

Molden fears a more "draconian" approach from local and central government towards diesel if they fail to see a way of cleaning up the fleet.

"Ideally, what you would have is a more targeted approach to get the dirty ones out of the market as quickly as possible, focus on the clean ones and then you would have a much more rapid solution to the problem," he said.

But, most importantly, he stressed: "Nobody needs to invent anything. It's not a technological problem; it's about getting that technology on to the cars."

## FLEETS CAN DRIVE CHANGE

Eastlake believes the industry needs to start talking about 'clean' and 'dirty' vehicles.

"Diesel per se is not dirty," he stressed. "It is the implementation of the after-treatment on diesel vehicles that has not been successful and has not delivered what we want."

"The technology exists; it is possible and it is proven in the heavy duty market."

Fleets can be the real driver of change, however, and taking the opportunity to engage with company car and van drivers is a vital first step.

"The driver is the biggest influencer on emissions, the fuel economy and an EV's range," said Eastlake, "because whatever we do with technology, if we put it in the hand of a numpty who drives irresponsibly, the emissions and the fuel economy just go out the window."

Karl Anders, national EV and public sector



*"Diesel is still probably the best choice for long distance, high mileage drivers"*

Andy Eastlake, LowCVP

manager at Nissan Corporate, stressed fleets need to pick fuels which are fit for purpose.

"Instead of saying I've got an all-diesel policy, I've got an all-petrol policy or I've got an all-EV policy, I think fleets need to look at the individual," explained Anders.

"You've got to drill down to the individual requirements you will have for each individual vehicle. For a 100-vehicle fleet that might mean 30 diesels, 40 petrols and 30 EVs. We need to move away from a blanket policy on fleet."

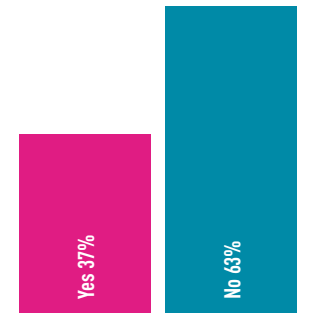
Eastlake agreed. "Choose the right vehicle for the right job," he said. "But, diesel is not dead, it's still probably the best choice for long distance, high mileage drivers."

■ See the next edition for lots more from this year's Company Car in Action.

## FLEET FACTS AND FIGURES

### OPINION POLL

Do you think that permanent hard shoulder running on so-called 'smart motorways' is a good idea?



### FleetNews view:

The vast majority of respondents to our poll are yet to be convinced about the merits of hard shoulder running. Securing additional capacity for the motorway network is crucial however, and smart motorways can help ease traffic flow. Fleet News supports their adoption but urges Highways England and the Government to ensure all drivers know how to use them and what to do in case of a breakdown.

This week's poll: When do you expect another general election to be called?

[fleetnews.co.uk/polls](http://fleetnews.co.uk/polls)

### MOST COMMENTED ONLINE

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# Investment in cyber security to soar as hackers target vehicles

Manufacturers work to ensure connectivity software and hardware security

By Gareth Roberts

**V**ehicle manufacturers are raising the amount of money they spend on cyber security after hackers, and a recent ransomware attack, revealed their vulnerability.

Software spend will increase from \$37.95 billion (£30bn) in 2015 to \$80bn (£63bn) in 2020, reaching \$168.8bn (£133.3bn) by 2025, while investment in car cyber security is expected to grow by almost 25% over the same period, according to analysts at Frost and Sullivan.

Hackers have shown they can remotely access and control vehicle components such as braking and engine stop-start operations or tap into private customer data collected by the on-board system.

Just last month, Renault-Nissan's manufacturing plants in Sandouville and Sunderland were hit by a ransomware attack which halted production.

It came after a series of hacks by researchers, who were able to remotely control a Tesla Model S from a distance of 12 miles and remotely locate, unlock and start a Hyundai car via a mobile app.

Niranjan Manohar, programme manager for connectivity and automotive internet of things (IoT) at Frost and Sullivan, said: "A variety of very public cyber attacks against automotive companies have occurred over the past few years, only scratching the surface of the magnitude of the risks."

"Connectivity is what consumers want, but security will need to be a key focus area across the vehicle lifecycle. The automotive industry demands a comprehensive security solution in the entire automotive value chain, covering hardware security, software security, network security and cloud security."

A new white paper, 'Cyber security for the Automotive Industry' from Frost and Sullivan and digital security firm Irdeto, highlights how one of the key challenges faced by the automotive market is the increasing extent of in-vehicle connectivity, which extends from infotainment to mobile phones, voice recogni-



Hackers are finding new ways to control connected vehicles



*"Hackers and cyber criminals are employing new strategies to exploit vulnerabilities in today's connected cars"*

Daniel Thunberg, Irdeto

tion, navigation and communication with other in-vehicle infrastructure.

While this connectivity is essential to satisfy consumer demand, it also introduces a variety of vulnerabilities that hackers aim to exploit.

The automotive industry is working in tandem with a number of government-industry

projects to analyse the problem and formulate protections such as hardware security modules (HSM) and securing vehicles from internal and external attacks.

In 2015, manufacturers formed the global information sharing community, the Information Sharing Advisory Centre (Auto-ISAC), to enhance security awareness and share vehicle cyber security information, threats, warnings and incidents among industry stakeholders.

Daniel Thunberg, global head of automotive at Irdeto, said: "Hackers and cyber criminals are employing new strategies to exploit vulnerabilities in today's connected cars."

"Consumers crave connectivity features in their vehicles, but automakers must address the associated vulnerabilities to prevent hackers from altering their automobiles."

"With investments in digitisation and connectivity expected to increase in the coming years, OEMs and tier-one operators need to think of cyber security from the beginning, by implementing a comprehensive security approach that will keep drivers safe on the road."

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# Call for privacy charter over dashcam footage 'voyeurism'



## Hundreds of videos downloaded every day and shared across social media

By Tom Seymour

**T**he AA has said it will lobby Government to look at privacy laws surrounding dashcams, after it raised concerns at the growing number of people sharing footage online.

While the motoring group is not calling for an outright ban, its president Edmund King said: "There is an element of vehicular voyeurism from some individuals." He added, however, that the majority of drivers who fit cameras do so to protect themselves from crash for cash fraudsters or dangerous drivers.

A recent survey by the Road Haulage Association (RHA) found 50% of fleets were now using dashcams and another 30% were actively considering introducing them.

The AA supports camera evidence being submitted to police, who can assess it and speak to the other party before action is taken. However, King said many victims of online videos could be caught out by diesel spills, black ice, intimidation or trying to avoid another road user.

He said: "Perhaps Government needs to look at a privacy charter for use of dashcam material, before video vehicular voyeurism gets totally out of hand."

Simon Marsh, managing director of UK dashcam provider VisionTrack, said the firm's dashcam sales have increased by 40% in the past 12 months. VisionTrack's camera can automatically edit out number plates to ensure drivers are not identified in footage.

He told *Fleet News*: "The AA is making some valid points about vehicle voyeurism and the unregulated sharing of dashcam footage."

"Currently the system is a little out of control and hundreds of videos are being downloaded each day and shared across platforms such as Facebook and Twitter."

Marsh said 'cash for crash' is still a big problem for fleets, with fraudsters targeting

company cars, because they know drivers will be insured and the vehicle will be covered by a comprehensive, company-wide policy.

He said: "They specifically target vehicles which are not covered by cameras. We have had incidents with fleet clients where the driver has braked abruptly in front of them in an obvious 'cash for crash' whiplash scam."

"Once the fleet driver has pointed out their camera the other driver has declined to make a claim – knowing their camera has exposed their fraud."

Marsh agreed that fleet managers should make sure employees are not uploading footage to social media themselves.

He said: "Footage should only be shared by professionals who are trained in the law and understand the potential implications of sharing content on a public platform."

"A driver could get himself into a lot of trouble by sharing footage irresponsibly."

Marsh said any responsible fleet will have a policy in place concerning the sharing of footage.

In the event of an insurance claim, drivers will need to see the footage, but Marsh said it should be made clear the footage does not belong to the driver – it is owned by the fleet itself.

He concluded: "The fleet has control of the footage. If they feel there is a powerful public safety message which can be made by the sharing of the footage then we would support them in releasing it. But this should never be done a by driver acting on their own."



*"Government needs to look at a privacy charter before vehicle voyeurism gets out of hand"*

*Edmund King, the AA*

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There are testing times ahead in Westminster

# Election results casts shadow of uncertainty over fleet industry

Majority of decision-makers in *Fleet News* poll now in favour of 'soft Brexit'

By Gareth Roberts

**A** general election which was called in order to provide a 'strong and stable' Government has instead created uncertainty and left the fleet industry calling for clarity.

The Institute of Directors reports there has been a "dramatic drop" in business confidence since the result was announced, while credit rating agency Moody's predicts further pressure on the UK's public finances.

Matt Sutherland, chief operating officer at Alphabet, said: "Now that the Prime Minister, Theresa May, is running a minority Government, with an expected shelf-life of weeks or months rather than years, the likelihood of planning and implementing policies with long-term vision is remote."

Sutherland believes this will have a huge impact on employers that are looking for some certainties beyond 2020. "We're currently in a situation where fleet decision-makers are having to make medium to long-term decisions about vehicles, without knowing the tax framework or its implications beyond April 2020," he said. "Everyone knows that businesses thrive on certainty, not guesswork."

Fleets were expected to learn in the autumn budget what the Government had decided to do around the future tax treatment of diesel vehicles.

New company car tax bands for ultra-low emission vehicles (ULEVs), withdrawn from the finance bill to help its quick passage through parliament when the general election was called, were also expected to be included.

Furthermore, the Government's air quality plan, currently out for consultation, must be published by July 31.



Matt Sutherland, Alphabet

*"Everyone knows that businesses thrive on certainty, not guesswork"*

LeasePlan head of consultancy services Matt Walters said: "The plan might still be published by that date, but what will it contain now?"

"Will the ultra-low emission vehicle tax breaks that were put on hold prior to the election still be introduced? Will more concrete action on clean air be on the cards?"

Walters expects that the answers to these questions will take some time to unfold. "This isn't ideal for fleet professionals, but it is typical of the past few years," he said.

Brexit negotiations are also due to start but, considering the lack of a clear mandate from the electorate, many Conservative MPs – along with the fleet industry – are now asking whether the Government should soften its approach.

A *Fleet News* poll suggests a majority (57%) of fleet decision-makers, want a 'soft' Brexit, with the UK remaining part of the single market.

Ahead of the election, the Conservatives insisted they were committed to getting the best outcome for Britain but, because the UK was

leaving the EU, it could no longer be a member of the single market or customs union. The party also reiterated its threat to walk away from any deal which failed to deliver for the UK.

However, a bad Brexit 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.

James Hookham, deputy CEO of the Freight Transport Association (FTA), said: "Exiting the customs union threatens the imposition of tariffs, border checks, customs declarations and huge amounts of bureaucracy for the significant number of UK businesses that trade in the EU."

"Negotiating a replacement trade deal that avoids these would require a strong and convincing mandate, which the election has now put into doubt."

"The decision to leave the customs union should be reviewed as a matter of urgency and other ways of achieving a positive outcome for Brexit should now be considered."

Time will tell whether the Government's approach to Brexit talks will be more consensual and what policies it chooses to adopt around diesel and company car taxation.

In the meantime, Sutherland warned: "It is important that with the current uncertainties and lack of clarity, UK businesses do not make a knee-jerk reaction which will cost them in the long run."

"It is also important that Government recognises the vital role that fleet vehicles have played – and will play – in keeping the UK economy moving, while supporting the growth and take-up of low emission, sustainable transportation."

# ACFO fears impact of dynamic pricing on fleets' fuel budgets

'Storm of protest' predicted if forecourt prices change several times a day

By Elizabeth Howlett

Software being touted to UK retailers, which could result in pump prices fluctuating up to 10 times a day, would impact the ability of fleets to control fuel costs, ACFO has warned.

The system, made possible by an artificial intelligence (AI) program called Price-Cast, has been developed by Denmark-based fuel pricing company a2i Systems.

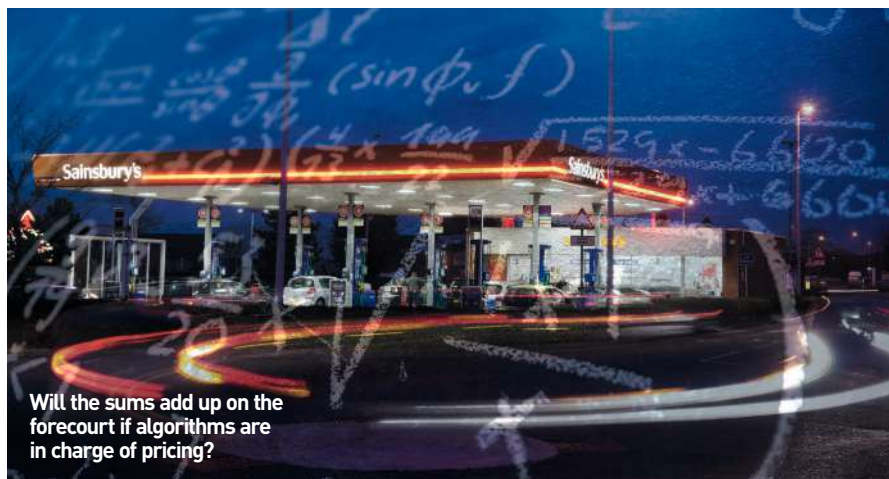
Already in use across Europe and the United States, Price-Cast adapts to changing customer behaviour using a series of algorithms to predict when price increases should be implemented, in order to maximise profit.

If adopted in the UK, it would mark a significant change to the current pricing model of fuel retailers, where pump prices depend on significant and sustained changes in wholesale prices, and are usually amended on a weekly basis. It is for this reason the concept has caused consternation among industry professionals, who see the technology as troublesome.

"This could be extremely difficult for fleets regarding fuel cards and control," ACFO chairman John Pryor said. "It adds yet another complexity to fleets and businesses trying to keep up in today's world."

"I cannot imagine businesses [operating fleets] seeing this as an advantage – I suspect the prices will predominantly be higher than lower."

The AA's public affairs officer Luke Bosdet shares Pryor's concerns. "Watching the pump price on billboards is a national pastime, second only to weather watching," he said.



Will the sums add up on the forecourt if algorithms are in charge of pricing?

"We think it will be just a matter of hours before a retailer who moves prices three or four times in a day is rumbled."

"If drivers already complain about retailers, particularly of the same brand, being 2p a litre more expensive in neighbouring towns, an extra £1 or more for a tank of fuel during busy periods will go down badly."

"The UK fuel market isn't like the Danish fuel market and I think there would be a storm of protest if it became so."

However, a2i Systems chief executive Ulrik Blitchfeldt defended the technology. He told *Fleet News*: "The changes in prices would amount to fractions of a penny."

"It won't necessarily generate higher prices

during peak times and implement rapidly changing rates. It is not as simple as that. If it raised prices then the petrol station down the road would get the business."

"Price-Cast is an advanced tool based on modern technology, empowering the user to reach their objective in an efficient way using sophisticated pricing methods."

Siemens commodity manager Paul Tate said he felt it was "only a matter of time" before on-demand fuel pricing came into play in the UK market.

He said: "It was to be expected. Many pricing structures are based on algorithms. It was only a matter of time before fuel pricing followed suit to maximise profits."

"The people it will affect the most are SMEs, traditional multi-vendor fuel card users and business drivers who are not paying for fuel out of their own pocket."

"However this can be countered by fleet managers by communicating with fuel providers and/or collaborating with strategic partners. It is possible an app could be created to counter this change in the fuel market."

Blitchfeldt was not willing to disclose which fuel retailers the company was talking to.



*"This could be extremely difficult for fleets regarding fuel cards and control. It adds yet another complexity to fleets and businesses"*

John Pryor, ACFO

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# ADAS technology contributes to 32% rise in vehicle repair costs

But fleets shouldn't be put off specifying advanced driver assistance systems

By Tom Seymour

**T**hatcham has formed a working group with vehicle manufacturers to urgently address spiralling repair costs associated with collision avoidance advanced driver assistance systems (ADAS).

According to statistics from the Association of British Insurers (ABI) from Q3 2016, average vehicle bills have increased by 32% over the last three years to £1,678.

Andrew Miller, Thatcham chief technology officer, said that while ADAS may not account for the entire increase, it is definitely a major contributor. This is through the need for additional training and specialist equipment.

He added: "Cars are only getting more complex and the repair of sensors, cameras and automated vehicles will mean this problem will continue to grow."

John Pryor, chairman of fleet operators association ACFO, agreed that ADAS on new vehicles is becoming an issue, with anecdotal evidence suggesting an increase in downtime and costs for fleets.

He said: "We have heard of vehicles that are off the road for longer due to the availability and complexity of parts."

"Windscreens have been a problem for some members with downtime affected due to not being able to get the right sensors, or they don't have the right screen as there are 10 different types. It is getting crazy. The more complex cars become the more difficult this will be."

Miller said windscreens are proving to be a particular problem, due to them having to be recalibrated after repair to make sure complex sensors and screen-mounted cameras are operating correctly.

He said: "The message is that there needs to be an open dialogue between manufacturers,



fleets and insurers around this subject. We have already established a working group to discuss the cost of ADAS repairs.

"Part of the solution could be agreeing to lower pricing on parts and repairs to help stabilise the rising costs."

While costs may be increasing, Miller said fleets should not let this put them off adopting new technologies due to the increase in safety and vehicle downtime they can provide.

He said: "The data we have seen around automatic emergency braking (AEB) is that it can help with up to a 40% reduction in frequency of front and rear crashes."

As a result some insurers are passing on discounts to fleets that have vehicles with AEB fitted.

Miller added: "My message for fleets is that the benefits still outweigh the costs, but we are aware of the problem and we're not sitting back. We are actively working with manufacturers to tackle the problem."

Miller said the cost of repairs for ADAS is not currently on the minds of fleet managers when considering their choice lists, with them looking at the potential benefits rather than increased repair costs.

Pryor said it is a "fine balancing act" to choose vehicles with ADAS for the increased safety benefits but also being aware of the increased service costs they can incur.

He said: "Fleets aren't really factoring in these costs with advanced technology, it's more of a hidden cost as depending on the type of incident, it's usually an insurance claim."

"Leasing companies aren't going to want to

factor this into their SMR costs because they can't predict that you're going to go through three windscreens over the life of the vehicle."

Pryor suggested leasing companies could work to include an advisory price list menu that spells out the cost of replacement for different types of technologies.

He said: "Having said that, I also don't want to trivialise the importance of this technology with safety. Of course these technologies aid much safer driving and in turn that can have a positive effect on driver safety, a reduction in risk and a potential reduction in insurance premiums."

Jeremy Rochfort, Autoglass national sales manager, said his company has already worked to address the downtime issue with new windscreens, to make sure 96% of current vehicles can be fixed and calibrated at the roadside.

He said: "ADAS functionality is designed to make vehicles safer, so their correct operation and maintenance should reduce accident damage, ultimately also reducing overall costs."

"However, it's important that calibration is carried out as quickly as possible, to get motorists back on the road."

Rochfort said that while its own research shows the majority of insurers are willing to pass on premium reductions on AEB, he said they tend to take a "wait-and-see" approach on other new ADAS until the benefits are fully proven.

He said: "It's too early to say what the impact of ADAS will be on costs but it's likely that it will vary across the market as insurers become even more sophisticated with data, and design policies to suit the detailed needs of individual drivers and fleets."



*"Cars are only getting more complex and the repair of sensors, cameras and automated vehicles will mean this problem will continue to grow"*

Andrew Miller, Thatcham



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# THE BIG PICTURE

By Stephen Briers, editor, *Fleet News*



The sun shone, cars were out and people were even queuing to get in: Company Car In Action 2017 was a stunning success.

If you weren't able to attend this year, here's a taster of what you missed (full review in the July 6 issue): 300 cars and vans, exclusive first drives of the Nissan Qashqai and Insignia Sports Tourer (among others), exclusive first looks at the Alfa Romeo Stelvio, two weeks before its official unveiling at Goodwood, and the Range Rover Velar.

A well-attended Fleet200 meeting including roundtable discussions on Brexit, fleet policies, alternative fuels and fleet data (reports on the *Fleet News* website).

*"The value of an internal fleet professional should not be underestimated"*

Two debates, one on fuel, one on connected and autonomous cars. Sample take-aways: cyber security is a real issue; fleets need to create new training programmes for autonomous cars and diesel is definitely not dead.

All this and free ice-cream too!

More than 900 fleet decision-makers and leasing influencers attended, up 25% on last year's rain-affected event. We'll release official figures once independent auditor BPA has validated the number – our fleet events are the only ones to be audited so you can trust our figures to be true.

What did we learn? Fleets are keen to try a variety of models, from sector newcomers Suzuki and Porsche to established favourites such as Ford and Vauxhall – and everything in between. Also, off-roading is a big hit if you improve access to the facilities.

Fleets are concerned about taxation rules and cash/car implications, but they are working hard to review and amend policies to ensure there is minimum negative impact on their businesses.

The final point is worth labouring as we hear of yet more fleet outsourcing: the value to an organisation of employing an internal fleet professional should not be underestimated.

## YOUR LETTERS

### SAFETY

## Campaign needs greater coverage

EDITOR'S PICK



#### Andrew Jacobs wrote:

Having read 'Confusion reigns over the correct use of emergency refuge areas', ([fleetnews.co.uk](http://fleetnews.co.uk), June 13), I must have missed the radio campaign Highways England ran and I'm sure so did most drivers. It doesn't sound the best or the most comprehensive way to communicate such an important safety message and I hope their review tells them they need to spend a bit more cash.

The fact is, it has been more than 50 years since the M1 opened in 1959 and the rules regarding motorway driving have remained fairly unchanged.

Okay, no speed limit was enforced for the first few years and hardly

anybody drove on them, but if you broke down you knew the hard shoulder was a safe refuge.

Highways England has done a reasonable job of advertising certain aspects of smart motorway driving, but such a safety-critical message as this needs a suitable TV and press campaign; especially when some 400 miles-plus of smart motorway has already been introduced.

In the meantime, while we wait for that 'review' to be completed, fleet managers should play their part by ensuring their drivers understand what they should do if they end up having to use an emergency refuge area, rather than just leaving it to chance.

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

#### Phil Bennett added:

The problem with smart motorways is that many HGV drivers seem unwilling to use the hard shoulder. They instead sit in what is effectively lane two, leaving the hard shoulder redundant and any hope of increased capacity lost; that's unless you fancy undertaking a 40-tonne truck.

Educate drivers about the correct use of emergency refuge areas, but

also start ensuring that people use the hard shoulder when it is permitted.

#### Ian Coleman added:

Lack of information again – they want to make these so-called smart motorways but do not put out any information to the masses on how to use them. Massive accident waiting to happen.

## Contact us

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### Burning question:

What are the best and worst things about summer?

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**Best:** Cool beers and BBQs. **Worst:** Trying to dry off after a post-exercise shower

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**Worst:** Flight prices shooting up

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**Best:** The weather

**Worst:** Spending most of it at work

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**Best:** Longer evenings. **Worst:** Wasps

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**Best:** Hot feet on cold grass.

**Worst:** Music in neighbours' gardens

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**Best:** Beer gardens

**Worst:** Not being in one

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**Photos** Chris Lowndes

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**Best:** Summer holidays.

**Worst:** Having an office job

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**Best:** Ice cream. **Worst:** Sunburned drunks with football shirts hanging from their back pockets

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**Best:** Having BBQs

**Worst:** When it rains having a BBQ

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## ROADS

# What about the Romans?

### Cliff Burton wrote:

Having read 'Call for more road investment as pothole-related breakdowns rise' ([fleetnews.co.uk](http://fleetnews.co.uk), June 12), local authority funding has been slashed over recent years and, with more 'pressing priorities' such as education and adult social care demanding a larger slice of an even smaller pie, roads maintenance has simply fallen down the pecking order. Repairs have increased, but a couple of winters later the pothole returns as what is being afforded is only a quick fix.

Did the Romans have these problems or did they understand the importance of an effective transport network?



## LICENCES

# Why view the card?

### Diarmuid Fahy wrote:

Having read 'DVLA 'could do more' to tackle counterfeit driving licences' ([fleetnews.co.uk](http://fleetnews.co.uk), May 24), given that direct validation from the DVLA database has been available for many years, and it is now possible for an employer to do an instant online check, why would any half-competent fleet operator be concerned with viewing the card?

Looking to add things like biometrics and more unique identifiers is, in my view, overcomplicating matters and will likely result in more resistance from drivers to checks in the first place.

## MAINTENANCE

# Retain control of SMR regime

### Mr Bean wrote:

Having read 'Don't assume vehicles leased 'with maintenance' are being maintained, warns FleetCheck' ([fleetnews.co.uk](http://fleetnews.co.uk), May 22), most cars these days will warn the driver when the car is due for a service and with connected cars, this will be easier for drivers to know what's required.

Some leasing companies have a proactive servicing system which makes some assumptions and contacts the driver to check what the current mileage is. But all this should be controlled by the employer and their fleet manager, with the driver also taking some responsibility.

## ELECTRIC VEHICLES

# Think about the savings

### Swansswimmer wrote:

Having read 'Plug-in hybrid market set for 'transformational' growth, says Frost & Sullivan' ([fleetnews.co.uk](http://fleetnews.co.uk), June 1), I am

amazed at how many fleet managers are not aware of the huge cost savings available from EVs. Your drivers will enjoy huge savings too. I purchased a 30kW Leaf in March, perfect for a 50-mile each way commute and longer – up to 90 miles – if the office has a recharge post in the car park.



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## FLEET OPINION

## TRAVEL MANAGEMENT

## Manage employees not the asset

By Paul Hollick

“The UK fleet market is the most mature in the world, but the pace of change in terms of mobility is so stuck in the slow lane that vehicle manufacturers and leasing companies are in danger of being overtaken by travel management specialists.

There is a plethora of manufacturers churning out hundreds of thousands of cars each year and most have, or are about to launch, mobility divisions.

But, just as over the past 20 years corporates have overseen the demise of the fleet manager – a completely wrong-headed decision as a member of staff must be employed to oversee fleet strategy and manage suppliers – so with the advent of mobility we are seeing the emergence of the travel manager [often morphed from those surviving fleet managers].

What they want is a focus on the total cost of mobility irrespective of what mode of transport is used for a journey. Indeed, it may be multiple modes of transport – car, train and taxi, for example, and reversed on the return trip.

However, instead of mobility being defined on a ‘per employee basis’, we continue to see manufacturers and leasing companies defining journeys according to assets.

Manufacturers may be launching mobility divisions and leasing companies, as well as rental business, operating car clubs and advocating car sharing, but the regimes remain focused on asset utilisation and not people mobility.

But the world is changing. Today’s employees – particularly the millennials now moving into management – are increasingly focused on making a journey from A to B with the whole trip being booked and paid for in advance and using whichever mode(s) of transport are appropriate.

Total journey management is an area where travel management companies are already starting to operate and, as a result, I fear for the fleet industry as we know it. Manufacturers, contract hire and leasing companies and rental providers will be decimated unless they accelerate into the mobility fast lane.

What that means is employee – not asset – management.”

*“With the advent of mobility we are seeing the emergence of the travel manager”*



**Paul Hollick**, chairman of ICFM and managing director, The Miles Consultancy



**Geoffrey Bray**, chairman of Fleet Service Great Britain and chairman of the Fleet Industry Advisory Group



## FLEET MANAGEMENT

## Fleet experience must be valued

By Geoffrey Bray

“Fleet today appears to be overrun by so-called ‘experts’ giving opinions in a sector in which they have little or no practical knowledge or experience.

Whatever sector people work in they need to have graduated from ‘the university of life’ in which they have got their hands dirty and truly understand every aspect of the segment. The nuances, the ‘what if’ scenarios, the unintended consequences of taking an action and the impact that will have can only be gained with experience.

Yet, too often we hear ‘experts’ espousing views on aspects of fleet when they have no knowledge of the day-to-day workings of one.

I have worked in the fleet industry for almost 50 years and my views have been shaped by getting my hands dirty and by taking on board the comments of other people that spend their days running fleet operations.

That’s not to say that the views of experts in other fields – perhaps vehicle-related taxation, funding or maintenance – should be ignored. However, they should not be swallowed whole. Instead, they should be taken on board, weighed up and balanced against current policies and procedures and discussed with current suppliers and peers.

Unfortunately, too many businesses give part-time employees fleet responsibility in a fashion similar to when an individual may be responsible for buying the stationery.

These businesses would not consider employing an unqualified accountant so why would they consider putting an employee in charge of typically the second biggest area of a company’s expenditure – fleet – when they have neither the relevant knowledge nor experience?

What that trend has done is give licence to the ‘experts’ to disseminate their own version of knowledge which is often garnered from a single viewpoint – almost certainly that of the organisation they represent.

It is a worrying trend and one that today’s professional and experienced fleet managers must stand up to by encouraging the younger generation that vehicle management is a hugely rewarding career delivering huge benefits to businesses.”

*“We hear ‘experts’ espousing views on aspects of fleet when they have no knowledge”*



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# COUNCIL 'KEEN TO PUSH THE BOUNDARIES'

Introducing more electric vehicles and using biofuels in other vehicles ... there is little this council won't try in bid to help the environment. *Sarah Tooze* reports

**T**he London Borough of Hackney has set a target of having more than 40 electric vehicles (EVs) on its fleet of 400-plus vehicles by the end of the 2017/18 financial year, with a view to the entire fleet eventually becoming electric.

It also wants to introduce a small number of electric pool bikes for journeys where the employee does not need to carry anything.

Norman Harding, corporate fleet manager at the London Borough of Hackney, says the council is "keen to push the boundaries" and is always willing to try different technologies.

"Hackney Council is really environmentally aware," he says. "It really wants to ensure the local residents and community of Hackney have the best possible life opportunities – and that includes clean air."

Exactly when the fleet will be 100% electric depends on how rapidly the EV market for commercial vehicles develops as the majority of the council's fleet is commercial vehicles – it currently has 270 vans and 103 HGVs, 16 cars, plus plant and wheelchair-accessible buses.

"We don't anticipate it being totally electric for probably another 10 years because while technology is developing all the time and there are some manufacturers getting close to making electric available for heavy trucks, many of our commercial vehicles, such as our refuse trucks, our road sweepers and our skip loaders, all require some additional energy to run the bodies as well as the truck chassis," Harding says.

The council's interim solution is to use biofuel (see panel overleaf).

It has had EVs for the past 10 years – its first was the Citroën Berlingo Electric.

It was also among the early adopters of electric van conversions, running an electric Peugeot Boxer, converted by Allied, about seven years ago.

"We managed to get grant funding through the Cenex programme for the Allied conversion," Harding says. "We had a few teething problems to start with – mostly down to technical issues with the conversion, which Allied was quite responsive to – but once we had ironed those out we ran that quite successfully for five years."

However, that experience has made Harding decide it is best, where possible, to "stick with global brands rather than smaller

company conversions" and when the Allied conversion reached the end of its lifespan it was replaced with the Nissan e-NV200.

The council has 13 EVs on fleet, including a Nissan Leaf and a Peugeot Ion, which it has had for the past three or four years.

The majority of the EVs being added to the fleet this year will be Nissan e-NV200s. The council has just taken delivery of three, which will be used by its courier service for internal post and parcel delivery between various buildings, and a further 14 are on order.

Two vans will be used by its library service as they only travel about 20 miles a day and will therefore only need charging a few times a week.

The council's waste supervisors, who are responsible for monitoring the quality of street cleanliness, will also be using electric vans.

The Leaf and Ion are used by Hackney's street team who visit the local community and encourage private business and local residents to buy electric vehicle technology.

Arguably its most high profile EV is a Tesla Model S, which was added to the fleet in June last year and is primarily used for the speaker's duties.







Norman Harding hopes that the council's fleet will be fully electric in the next 10 years



## FACTFILE

**Organisation** London Borough of Hackney  
**Corporate fleet manager** Norman Harding  
**Fleet size** 470 vehicles – 16 cars, 270 vans, 102 HGVs, 32 wheelchair-accessible buses, 50 items of road registered plant  
**Funding method** outright purchase and leased  
**Replacement cycle** four years



Harding is keen to stress that the Tesla works out cheaper on a total cost of ownership basis and is saving the taxpayer money compared to the previous executive car, the Mercedes-Benz E-Class.

"When you do the business case, the Tesla is more economical to run on a whole-life basis so it wins on a financial environment and it thrashes all the competition from an environmental point of view," he says.

"It's about £2,000 per year cheaper to run than the E-Class. That's largely because of the reduction in fuel spend because we know exactly how much our electricity costs and because we charge it up on a smart meter I can calculate to the penny

*"I think drivers were very surprised just how well EVs drive and more and more people are buying into them"*

*Norman Harding  
 London Borough of Hackney*

how much the Tesla is costing us to charge.

"We had the E-Class on a lease contract over four years and our real-world fuel consumption was nearer 22mpg, bearing in mind we're an inner London urban local authority so the sort of runs it was doing meant it would never get up to its optimum fuel consumption figures."

However, the official range for a pure EV can also be unrealistic.

"You have to be really careful when you do the business case for an electric vehicle that you can make it work financially," Harding says. "If you're really pushing the boundaries of the vehicle's mileage limitations, that brings in an element of unreliability to your operations. If the manufacturer claims its vehicle has a mileage range of 100 miles and you do the business case on that figure you could make the financial argument work.

"But in real-world driving operations, particularly in the winter when you're also using energy for heating and lighting, it's unlikely you're ever going to get anywhere near that 100 miles range.

"The best we've ever got out of an electric van has been about 70 miles. At the moment we're putting vans into service where the day-to-day mileage is really low so there are no range issues. We know the van will easily do a day's work and get back to its base.

"When you're working with any alternative technology you've got to match it very care-



## FLEET COULD BE FOSSIL-FREE IN 18 MONTHS

The London Borough of Hackney has used biofuel made from recycled cooking oil in its commercial vehicles since 2008, cutting its CO<sub>2</sub> production by around a quarter (24.8%) last financial year.

It currently has 20 commercial vehicles running on a 100% blend (B100) and around 200 on a 30% blend (B30).

"Our older fleet used to run happily on 100% biofuel but, as we are starting to replace older vehicles with the latest emissions criteria Euro 6 vehicles, the manufacturers' warranties prevent us from running 100% so the ratio of vehicles running 100% relative to 30% is changing," Norman Harding says.

He is hoping to start using hydro-

treated vegetable oil which has shown in an early emissions test in one of the council's refuse trucks to reduce NO<sub>x</sub> by nearly 70%, as well as reducing carbon.

The next steps are to do further emissions testing, get support from vehicle manufacturers, develop the supply chain and get the fuel "at a realistic price", according to Harding.

"If hydro-treated vegetable oil does prove to be as good as we think, it's feasible that once I've got the supply chain set up my whole fleet operation will be running on a fossil-free fuel," he says.

"This would mean either electricity or a waste vegetable oil product in 18 months, and that includes plant."

fully to the task you expect the vehicle to do otherwise you will be setting it up to fail and we don't want to do that."

He adds: "As long as you're sensible about what you're trying to do with the vehicle then it will work. If you're a rep constantly doing 200 miles a day then it's not going to work."

The Government's plug-in grants (up to £4,500 off the purchase price of an electric car and up to £8,000 off an electric van) have been essential to the business case.

The council has also benefitted from Mayor of London's air quality fund to assist with charging infrastructure.

It has 38 charging points across 13 sites, following a formal tender process which it carried out with help from Cenex to establish the specification and conduct site surveys.

Most are seven kilowatt chargers but, in anticipation of larger electric vehicles coming to market and joining the fleet over the next 18-to-24 months, the council has installed



Norman Harding with one of the council's electric vans, a Nissan e-NV200

a handful of 22 kilowatt chargers as well.

One problem Harding has encountered is that fully loaded vans do not have space for the charging cable and it has to be kept in the passenger footwell, which isn't ideal when several employees are using the van, but there have been no other operational issues.

Drivers have reacted positively.

"When we introduced electric vehicles we really hit that psychological barrier and a lot of people wouldn't even get into an EV but as time has gone on a few more of them have ventured into trying them," Harding says. "I think they were very surprised just how well they drive and more and more people are buying into them and they're quite happy to drive the vehicles."



For more fleet profiles, visit:  
[fleetnews.co.uk/fleetprofiles](http://fleetnews.co.uk/fleetprofiles)

## GREY FLEET DAYS LIKELY TO BE NUMBERED

**The London Borough of Hackney is reviewing its grey fleet (employees using personal cars for business journeys) with the intention of removing their use completely – subject to legacy terms and conditions.**

A number of employees have an essential user allowance as part of their employment package but the council has found it is easier for them to use public transport rather than a personal car given the bus, train, Tube and Docklands Light Railway are all options. As a result it is no longer offering a car user allowance to new employees.

It is also introducing a new payroll system which will require employees to notify their line manager if they need to

**Council is encouraging staff to use public transport**



use their personal car for a particular journey.

If a car is the best option for a journey, pool cars are available and the council also intends to add a small number of electric pool bikes to its fleet.



# All-New Renault SCENIC & GRAND SCENIC

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The official fuel consumption figures in mpg (l/100km) for the All-New Renault Scénic (4.2); Extra Urban 74.3 (3.8) – 76.3 (3.7); Combined 70.6 (4.0) – 72.4 (3.9). The official CO<sub>2</sub> with EU Legislation and may not reflect real life driving results.





**RENAULT**  
Passion for life



Signature Nav dCi 110 and Grand Scénic Signature Nav dCi 110 are: Urban 64.2 (4.4) – 67.3 emissions are 104-100g/km. Figures are obtained for comparative purposes in accordance



Kwik Fit fleet sales director Andy Fern's style is to sell what he believes in

# 'IT'S NOT ENOUGH TO CONTINUE TO DO JUST WHAT WE ARE DOING TODAY'

Kwik Fit fleet sales director outlines the strategy as company develops from tyres-only to a more comprehensive SMR service. *Stephen Briers* reports



When it comes to aftersales work, leasing companies and fleets have a clear choice: use franchised dealers or turn

to independents.

It's no secret that many have been directing more of their aftersales work to independent workshops – *Fleet News* leasing stats show that 30% of work already heads their way, up from just 18% six years ago.

The independent sector has undergone considerable change in recent years. Long seen as a cheap and, arguably, inferior alternative to the franchised dealers, heavy investment has improved not just the quality of repairs, but the quality of facilities, with, for example, plush waiting rooms, free WiFi and coffee on tap.

The leading companies have also extended their offering from tyres into full servicing, maintenance and repair (SMR).

Kwik Fit has been at the vanguard of this new dawn. After acquiring the business in 2011, its parent Itochu Corporation made a strategic decision to overhaul the entire network of service centres under the eye of managing director Kenji Murai and fleet director Peter Lambert.

An impressive commitment when the network totals more than 600 sites.

Lambert retired in February after almost seven years in the role. His replacement, Andy Fern, believes the company has "changed massively" since the days of private equity ownership, although one thing that has remained stable is the split of business – two-fifths fleet, the balance retail.

"Itochu has invested and has looked at the long term. It's a professional business and

that was pivotal to me taking a leap and joining," he says.

Fern has an interesting background. A self-confessed 'petrol head', he spent two decades working for Michelin, the first in its motor sports division including five years as a race tyre technician for the McLaren Formula 1 team. Despite never seeing himself as a salesman, he switched to sales in 2006 as Michelin began to scale back its interests in F1.

Responsible for major accounts, one of his clients was Kwik Fit.

"My style is that I will sell something if I believe in it. I like to get involved, I like to understand the detail and, when I do, then I will sell it. That gives me credibility with customers," Fern says.

In 2014, he was appointed sales manager for fleet at Michelin. "That's when I started to understand fleet. My style is more suited to dealing with fleets and leasing companies," he adds.

"So when the opportunity to join Kwik Fit came up, it felt like the right thing to do."

Kwik Fit is only his second employer. He already had a good understanding of the business, but has no plans to make any changes to strategy just yet.

"You have got to give it six months before you have a good, balanced view of the business," he says. "My ideas are very similar to how things are now. But it'll be six months before I understand the business sufficiently to put my stamp on it."

So, currently, the priority is to continue the push into mechanical work, with a strategy based around the "one-stop shop" network of Kwik Fit Plus centres and an expanding mobile service.

Kwik Fit operates 200 mobile vans around the country and late last year launched Mobile7 within the M25 London Orbital

motorway, initially with 10 vans. Mobile7 extends operating hours from 8.30am to 8.30pm seven days a week with the vans equipped to tackle a wide range of maintenance requirements. Already, 40% of bookings within the M25 are for evening slots.

Fern's long-term ambition is to offer the Mobile7 service nationwide, mirroring the direction in which the market is moving, especially for tyres.

Fleets are being encouraged to change their drivers' mind-set when it comes to tyre replacement, moving away from the traditional approach of turning up unannounced to a Kwik Fit centre towards pre-planning tyre changes, with bookings facilitated through the company's Fleet Web website.

"Our strategy is two-fold," Fern says. "We recognise that our centres are bigger and tyres are evolving – and it's not stopped yet regarding the number of fitment options. It's challenging to have every tyre in the centre on spec so we need strong logistical support from our Stapletons business [acquired by Itochu in 1994], but also from fleets and drivers planning ahead."

Fleet Web is a crucial component as the variety of tyres grows, partly fuelled by the trend towards specific tyres for specific vehi-





## FACTFILE

**Company** Kwik Fit

**Head office** Letchworth Garden City

**Fleet sales director** Andy Fern

**Time in role** four months

**Network** more than 600 centres, 200 mobile vans

**Stock keeping unit** more than 5,000 individual tyre lines

cles, such as SUVs. Auto transmission and 4x4s are also growing in popularity and they have their own tyre requirements due to weight, complexity and speed.

The proportion of work pre-booked through the web remains small, but rising.

Fern says: "We have to work with customers to change their mind-sets, but it's a win-win; it helps us to plan ahead and it is more convenient for the customer because we come to their office."

Technology will help to drive the change: the connected tyre is not far off. Initially, it will be able to inform the driver about size and tyre; ultimately, it will be able to tell the driver when it needs replacing.

Fern recognises that Kwik Fit's heritage lies in tyres and he is determined to "not take our eye off the ball" as the company puts greater energy into growing its SMR business.

This strategy revolves around the Kwik Fit Plus centres; it has 70 with plans to add more over the next couple of years.

"We are seeing increasing interest from leasing companies – we work with eight of the top 10 – because we now offer a broad section of mechanical work," Fern says.

"If you go into one of these centres, it feels like you are in a car dealership – it's a similar

*"It's challenging to have every tyre in the centre on spec so we need strong logistical support"*

*Andy Fern, Kwik Fit*

model. But the investment has also improved our ability to do a high quality job on time."

Fern puts fleet business into two camps: pay monthly, typically leasing companies and large fleets, which lean towards premium tyres (Kwik Fit bases each centre's stock profile on the customer base); and transactional, where the leasing company has negotiated its own rates with a tyre supplier and Kwik Fit follows that stipulation.

His own sales team is divided into three: leasing companies/large fleets; core fleet/medium-size fleets; and local business specialists for fleets with fewer than 100 vehicles. "We have an approach for each," he adds.

He also has a strategic approach for vans, an

area of the market where Kwik Fit is looking to make significant inroads. Facilities investment has enabled more centres to accommodate vans, which has increased business, but the company still has work to do.

This could result in the relocation of some high street centres which do not have the floor space to fit high-roof LCVs. Tyre stocking has not been an issue, as there is a relatively low number of sizes dominating the market so centres are better able to accommodate unplanned visits.

Kwik Fit has identified three phases to its business: what the driver does before they go to a centre, what happens to the car at the centre and what happens after the fitment.

Much of the investment has focused on the middle phase; the company now needs to turn its attention to the first and third stages, according to Fern.

"We have to respect that the driver is the customer of the fleet or leasing company," he says.

"This is where we will develop over the next three years – that three phase approach.

"I want customers to consider us to be the best at what we do and to be the benchmark for their business. It's not enough to continue to do just what we are doing today."



# Drivers hold key to safe and efficient vehicle management

Experts will be on hand to advise about keeping problems to a minimum

**E**very time fleet managers hand a driver the keys to a car or van, they are taking a calculated risk. Assets are placed under the control of employees with varying skill levels, who in many cases do not consider driving an important part of their role. So how can fleets ensure that once vehicles are on the road, the potential for problems is minimised?

At Fleet Management LIVE (FML), which takes place on October 3-4 at the NEC in Birmingham, experts will help with strategic advice to ensure drivers care for cars and vans.

Suppliers include fleet consultants, risk management experts, software

providers and risk management firms, with a total of more than 100 exhibitors expected at one of the most important fleet events of the year.

The show comes as a growing array of issues affect fleet managers. For example, businesses faced a sharp rise in motoring fines in 2016 as the number of penalties incurred by company car and van drivers rose 21% year-on-year, according to annual figures from FML exhibitor Lex Autolease. The research, compiled from 353,000 company vehicles across the UK, revealed drivers racked up a £14 million bill, up 26% from 2015. The figure is a steep rise from the £7m accrued in 2012.

The findings show the number of drivers caught by bus lane cameras rose by 27% last year compared with the previous 12 months, with the value of the fines rising by 37% over the period. The number of parking offences also increased by 34%, in 2016. The cost for businesses rose by the same amount to £6m.

In addition, fleet managers are under pressure to keep accidents and damage under control and there are additional challenges, such as the need to monitor drivers for drug use, both legal and illegal.

Fleets can take their most pressing questions direct to the experts at Fleet Management LIVE and discuss

solutions, including the role of driver incentive schemes.

These can include rewards for reduced accident rates or focus on scores for daily performance, using a league table to encourage drivers to compete to be the safest.

Alternatively, companies can use penalties to ensure drivers adhere to company rules in order to protect any benefits they receive.

Visitors to Fleet Management LIVE will be able to get detailed guidance from suppliers from their stands, but also at a series of best practice seminars during the day at the show.

For full details and to register, visit [www.fleetmanagementlive.co.uk](http://www.fleetmanagementlive.co.uk).

## Who should attend?

Fleet managers  
HR professionals  
Finance  
Procurement managers  
Risk management  
Transport managers  
Corporate mobility managers  
SMEs

**REGISTER TODAY AT [FLEETMANAGEMENTLIVE.CO.UK/FN](http://FLEETMANAGEMENTLIVE.CO.UK/FN)**

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# FLEET MANAGEMENT LIVE

## OCTOBER 3-4, 2017 NEC BIRMINGHAM

### A chance to see 150+ exhibitors

Fleet Management LIVE has moved to a larger hall at the NEC as part of a record-breaking year for the event.

It has grown to incorporate the *Commercial Fleet Van & Truck Show* to cover every area of the industry, with space for more than 150 exhibitors in total.

The expansion reflects the wishes of vehicle operators, many of whom operate both cars and commercial vehicles. Managers with a combined fleet of more than 500,000 vehicles are expected to attend this year's show.

Fleet Management LIVE has been designed for fleets by fleet experts and covers car, van and truck fleets, both large and small. It also aims to deliver value to managers from every area of the fleet sector, including fleet management, HR, finance, risk management, procurement and mobility management.

### Fleet inspiration from Peter Shilton

Footballing legend Peter Shilton, one of England's finest goal-keepers, will provide inspiration on management and leadership at Fleet Management LIVE to help decision-makers meet their fleet goals.

During his international career, Shilton established a record of 125 caps for his country which remains unbroken to this day.

His experience of peak performance at the highest levels of sport translates well to corporate environments and he will provide an overview of the self-discipline and dedication it takes to become the world's best, while sharing his tactics for achieving success in business and on the playing field.

Shilton won back-to-back European Cups with Brian Clough's Nottingham Forest and was named the PFA Player of the Year for 1977-1978.

He earned both an MBE and



OBE for his services to football and was awarded the Order of Merit in 2002 from the PFA.

His impact on English football makes him one of the true greats of the sport's history.

Besides football, Shilton has made regular appearances on a host of TV programmes, including *Celebrity Come Dine With Me*, *Let's Dance for Sports Relief* and the renowned BBC talent show *Strictly Come Dancing*.

### 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 Vehicles Solutions  
Fuelmate  
GEFCO  
Inchcape Fleet Solutions  
Interactive Fleet Management  
Jaama  
Keytracker  
Lex Autolease  
Licence Bureau  
Licence Check  
Lookers Leasing  
Marshall Leasing  
Nexus Vehicle Rental  
Nimmos Insurance Brokers  
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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Total Motion Vehicle Management  
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Venson Automotive Solutions  
vGroup International  
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## Advertisement feature



**SAVE  
TIME**



**SAVE  
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**SAVE  
MONEY**

# Changing beyond recognition

AFO is fast becoming a technology-driven business supported by people

Since Henry Ford launched the Model T, signalling the arrival of mass manufacturing, the automotive industry has changed beyond all recognition. Now the sector is on the brink of a similarly seismic leap, one that's set to revolutionise our industry again.

This time though it's not just the manufacturing process that's set to change but every element of the buying, ownership and driving process making it unrecognisable from today, moving from a part-manual/part-digital-led world to a predominantly digital one.

But are we ready for such change?

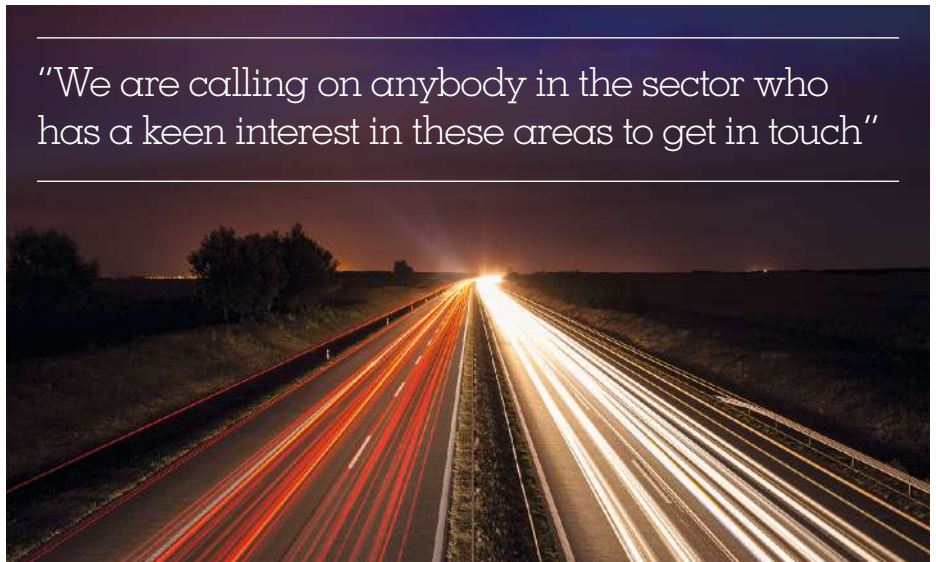
- Will driverless cars mean fewer accidents, impacting on the world of insurance as we know it or even road traffic officers?
- Will we lose our sense of freedom and the enjoyment of 'just going for a drive'?
- Can the industry come up with a commonly accessible platform for the Connected Car that is welcomed by both manufacturers and fleets?
- Will a car no longer be a prized possession but something you order at the click of an app?

So many questions and so few answers, yet "Tomorrow's World" is rapidly approaching.

Are you looking at ways your fleet will be driven and managed in the next three, five or 10 years? Do you know what the connected car will mean to your company? Have you started preparing for the digital disruption?

At All Fleet Online (AFO), we're recognising the drivers of change and changing our business model, services and products to reflect this. AFO is a brand of All Fleet Services. Focussed on digital products supported by excellent customer

"We are calling on anybody in the sector who has a keen interest in these areas to get in touch"



service, satisfaction and building strong business relationships, AFO is changing from a people-driven business supported by technology to one that's driven by technology with the support of people.

Our first digital product, FleetFineOnline.co.uk launched at the beginning of the year to a very positive reaction from the industry. It is revolutionising fleet management, offering significant savings in terms of time, resources and carbon footprint.

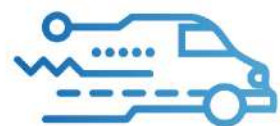
With more than a billion cars on the planet, congestion and gridlock in our cities and a shortage of parking, change is inevitable. AFO is looking to be at the forefront of this.

Dave Scobie, managing director of All Fleet Services, explained why they are inviting the industry to help shape the solutions they provide in the future: "We pride ourselves on both the insight we have and our ability to anticipate what is next

around the corner. But we want to ensure we develop products that provide the best possible fit for our clients and the wider industry's future needs. That is why we are calling on anybody in the sector who has a keen interest in these areas to get in touch."

AFO is looking to recruit a team of knowledgeable industry professionals to join its advisory panel and help it develop market-leading products to meet the needs of the fleets of the future. This could be in the format of roundtable-style events, webinars or surveys.

Do you want to get involved?



**ALLFLEET**  
ONLINE

Email [info@allfleetonline.co.uk](mailto:info@allfleetonline.co.uk) or call 0800 122 3008 to get in touch and help shape the future of fleet management



# FLEET & DRIVERS

Implementing measures to ensure vehicles are looked after and maintained by drivers can save a fleet money. Find out how in our eight-page report

## INSIDE



### **36 | Benefit from a well-cared-for fleet**

Well-maintained and presented cars and vans can promote your company, improve safety and reduce your costs

### **38 | Driver buy-in key to policy success**

Education and enforcement can be used to make sure employees comply with vehicle care requirements

### **42 | Technology makes vehicle checks easier**

Regular pre-use vehicle inspections can help a fleet stay compliant and cut unscheduled downtime



# BOOST EFFICIENCY AND SAFETY WITH BETTER VEHICLE CARE

Running a well-cared for and maintained fleet has many benefits for a company.

*Andrew Ryan* reports

**F**irst impressions count. Whether someone is going along to a job interview or an important business appointment, if they turn up looking like they've been dragged through a hedge backwards then the meeting is unlikely to progress well.

The same is true for an organisation: if the car or van an employee arrives in at a customer's premises is damaged or filthy, it could impact adversely on that company's reputation.

"To us, having a clean and well-maintained vehicle is essential," says Nick Webb, fleet manager of Millers Vanguard, which supplies and maintains equipment to the food service industry. "The first impression any store will have of us is when our vehicle arrives in its car park. It's like a business card for us, so it has to be pristine and if it looks unsightly to us, we will change the vehicle.

"We work in the hygiene industry, so customers expect that a prestigious organisation like us, which is turning up to clean, service or repair catering equipment, must adhere to the same standards they do."

However, while its appearance may be the most obvious sign of a well-cared for and maintained vehicle, there are a number of other significant benefits to fleets.

The most obvious one is reduced costs, says Peter Eldridge, director of ICFM. These manifest themselves in a number of ways: reduced in-life service, lower maintenance and repair (SMR) costs, reduced end-of-contract penalty charges and enhanced residual values.

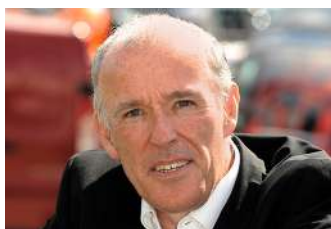
"The difference between a well-looked after fleet and one that isn't could easily improve the bottom line on a balance sheet by a six-figure sum for a 750-vehicle fleet," he adds.

Many fleets have found that fitting telematics has enabled them to reduce in-life costs. "One of the benefits [of the technology] is that drivers treat the vehicles better because their driving behaviour is being monitored and improved," says Webb. "If they treat the vehicles better, there is less wear and tear and fewer accident repairs."

Anglian Water aimed to cut fuel use by 10% through improved driver behaviour when it embarked on a telematics programme in 2014.

**£500**

cost of a missing service history



*"A failure to maintain a vehicle in good condition is likely to significantly impact on residual values"*

*John Pryor, ACFO*

## INVEST IN STAFF AND COMPANIES WILL REAP THE REWARDS

Looking after company vehicles well can help an organisation get more out of its staff.

As well as portraying a professional image of a business, well-cared for cars or vans can make drivers feel more valued, improving staff morale and performance.

"We feel that if we invest in staff, in return we get good service from them," says Liam Farrar, fleet manager at Wakefield District Housing, which has a comprehensive vehicle care programme.

"Because our guys are lone workers, the van is also their office and they appreciate that we are investing in them, so we are seeing that the vehicles are in a better condition and we tend to have less damage."

The programme covers areas such as repairs, vehicle cleaning and driver training.

"We want people to go home safe, we don't want them to be in accidents or go to hospital or be off work," adds Farrar.

Chairman of Fleet Industry Advisory Group Geoffrey Bray adds: "There is a correlation between the attitude to vehicle care of a company and the fleet decision-maker and the way a fleet performs and what it looks like. Cars and vans are expensive assets so they must be looked after."



Liam Farrar "if we invest in staff we get good service"

In the first year it fitted the technology to 750 vans, the second to 500, with the remaining vans on its 1,640-strong fleet receiving the equipment last year.

The organisation saw a typical 10-13% improvement in economy across the fleet, meaning it has saved more than £650,000 in fuel costs.

However, head of fleet services Stewart Lightbody saw another beneficial side effect: the improved driver behaviour reduced Anglian Water's tyre costs by £10,000 a month and its insurance premium by £60,000 a year.

Private hire company Greentomatocars also turned to telematics to cut its accident costs through improved driver behaviour. It has fitted the technology to 300 vehicles and last year made savings of £600,000.

"The saving was not only due to the telematics," says Sophie Jacobsen, head of service delivery at Greentomatocars. "It was also due to performance management of the drivers following an internal reorganisation, but telematics did have a huge impact on us."

As well as reduced in-life costs, taking care of vehicles also has a beneficial effect at the end of fleet life. "A failure to maintain a vehicle in good condition is likely to significantly impact on residual values and, if leasing, end-of-contract damage charges which can be a contentious issue," says John Pryor, chairman of fleet operators' association ACFO.

## SIGNIFICANT AREA OF COSTS

Last year's FN50 research, which covers the UK's 50 largest contract hire and leasing businesses, found that the average end-of-contract damage charges were £289 for cars and £380 for vans, making it a significant area of cost to fleets.

However, this can be reduced by ensuring vehicles are properly maintained and better cared for during fleet life.

Britvic, for example, has seen its average end-of-contract damage charges fall from around £900 some four years ago to £287 last year through employees taking better care of their cars (see page 40), and Wakefield District Housing has an average bill of £30 per van thanks to its approach to vehicle care (see page 38).

Fleets which buy outright will find cars or vans sold at auction with damage will attract less interest and lower bids, while ongoing vehicle care should also extend to ensuring that no documents or items such as spare keys go missing.

BCA estimates that the typical costs of missing items are £500 for service history, £100 for a spare key, rising if it is a car with keyless entry or a programmable key, and £50 for a missing spare tyre or repair kit.

Any missing documents may also lead to a delay in the vehicle being sold while replacements are sourced.

While taking care of vehicles will positively impact a company's bottom line, Eldridge says the other main benefit of ensuring a fleet is well looked after is the reduction in exposure to operational road risk.

"Quite simply, if a fleet operator promotes poor disciplines with the routine elements of the vehicle operation, then this could be conveyed as a green light to allowing poor driving standards and behaviour, with the inevitable outcome of increased accident rates and costs," he says.

"Worse still, it could lead to penalisation under 'cause and permit' legislation, which is geared to fines being imposed to the business as a percentage of their turnover."

Pryor adds: "Compliance with occupational road risk best practice and health and safety regulations means maintaining vehicles in accordance with manufacturer recommendations. There is no cost cap that can be put on that as any failure could result in significant damage – cost and reputational – and injury or even death to drivers and the public.

"Ultimately, a company car or van is company property and should be looked after as any property belonging to an organisation would be."



# DRIVER BUY-IN KEY TO VEHICLE CARE SUCCESS

Education and enforcement can be used to make sure employees comply with a company's requirements. *Andrew Ryan* reports

**S**elling out a driver's responsibilities for vehicle condition in a policy is an important step in making sure cars and vans are well maintained and cared for.

This may typically cover areas such as vehicle checks, the processes for reporting damage and faults, as well as expected cleanliness levels.

To ensure the policy is successful, the first step should be to get buy-in from drivers, says Nick Webb, fleet manager at Millers Vanguard.

His company does this through making driver assessment and engagement a priority during an engineer's induction.

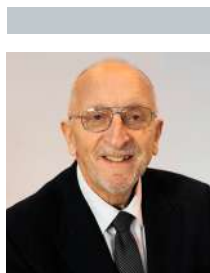
"With a lot of organisations, it's the last thing. A new member of staff will come into a business, they'll get their uniform, they'll get education on the business, they'll do the health and safety, they'll have a load of training, and when they're leaving their induction, someone will go 'oh, there's your vehicle key mate, away you go'. Now we make it the first priority," says Webb.

Millers Vanguard's process of educating engineers of the importance of its fleet begins even before they join the company which supplies and maintains equipment for the food industry.

"They will have an email explaining why we do things as stringently as we do," he says.

"In that email it asks for us to have access to their driving licence records so we can check them before they are even offered a job here. So, from the onset, they are thinking this organisation is hot on transport.

"When they arrive with us, the first thing they have to complete is an online driver assessment that looks at



*"The system would tot-up the points at the end of each year and align results to pre-agreed penalties or benefits"*

Peter Eldridge,  
ICFM

their attitude, knowledge and understanding.

"It builds a picture up with these employees that, as we are so serious about transport, we expect them to be as well. It gives them an understanding of the ethos of the business before they start training for the actual job they will be doing."

New employees at Millers Vanguard receive a formal transport induction within their first week, where the expected standards of behaviour, cleanliness and the standards of the vehicle are all laid out.

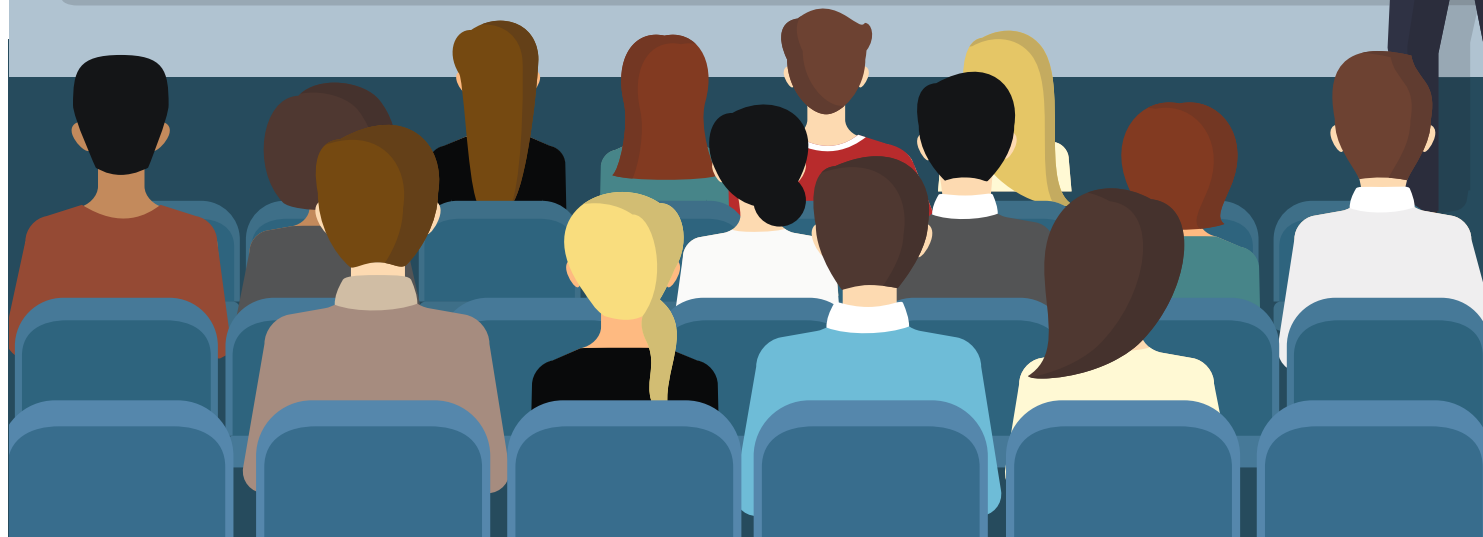
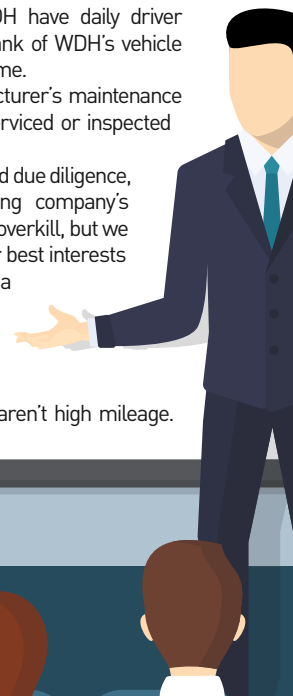
Wakefield District Housing (WDH) places a similar emphasis on driver education and training. Fleet manager Liam Farrar, says: "We do invest heavily in driver training, driver awareness and toolbox talks. We also have corporate events and days, so we try to engage with the drivers more."

Both Millers Vanguard and WDH have daily driver vehicle checks, while a central plank of WDH's vehicle care policy is its van servicing regime.

Instead of adhering to a manufacturer's maintenance schedule, WDH has its vehicles serviced or inspected every six months.

"From a corporate perspective and due diligence, it's a good check: from a leasing company's perspective it could be a little bit of overkill, but we do lease our vehicles so it is in their best interests that the vehicles are maintained to a high standard," says Farrar.

"For example, our Volkswagens are on a two-year or 24,000-mile interval, but because of the way we work, our vehicles aren't high mileage.



We have some vehicles coming up to three years old so we put them in for an MOT. Some have only done 14,000 miles, so a manufacturer may look at that and say 'well, we won't bother changing the oil or the brake pads from a wear and tear perspective'.

"From our viewpoint, we like to have a highly-maintained fleet. It puts drivers' minds at rest and it's good from an audit perspective."

Farrar says this maintenance policy does not have a big financial impact on WDH because the cost is built into its lease agreement.

"I've spoken to leasing companies and they are keen to work with the likes of us who want to overkill our fleets on checks because the return value on that asset is very high for them," he adds.

While education is a key part of ensuring drivers comply with policies, Geoffrey Bray, chairman of the Fleet Industry Advisory Group, warns they "are only of value if they are enforced and have teeth".

He adds: "Too often they are ambiguous and are not supported by disciplinary measures.

"All businesses should adopt a zero tolerance to employee abuse whether that is in respect of office equipment such as desks and computers or company cars and vans.

"For businesses to ignore the value of looking after vehicles is ridiculous.

"Yet, too often that happens. If employees damaged a desk or a computer they would, in all probability, be disciplined and possibly sacked.

"Yet, in respect of company vehicles – a far more valuable asset – all too frequently abuse appears to be tolerated."

As well as its policy of daily van checks, WDH employs a fleet enforcement officer, whose job is to perform vehicle spot checks and offer advice to drivers.

"He's not there to catch people out: he's there to support people to make sure we are compliant with authorised maximum weights, to talk about securing loads properly, things like that," says Farrar.

"He will also look at things like tyre tread and if a vehicle has been cleaned or is caked in a week's worth of muck. He's our eyes and ears in the workplace."

Bray says it is important drivers are aware that vehicle

condition is being monitored to ensure policy is being complied with.

"If drivers know there is no fleet manager undertaking spot checks and monitoring videos sent by email from garages when service, maintenance and repair work is undertaken then they will not take good care of a car or van," he adds. "However, if drivers know that random checks are made on vehicles, regular vehicle defect reports are asked for and followed up and videos from garages are viewed and action taken when abuse is identified, vehicle condition will be top notch."

Peter Eldridge, director of fleet training body ICFM, adds that a 'carrot and stick' approach usually works best to get the desired result from drivers.

"This could be something quite simple like a points system, pro-rata to the mileage covered and made up of items such as number of at-fault incidents and costs, cost of rectification for 'outside' of normal wear and tear, and penalty charges occurred," he says.

"The system would tot-up the points at the end of each year and align results to pre-agreed penalties or benefits for the drivers."

## PICKING UP THE CLEANING BILLS

A policy to pay for vehicles to be cleaned regularly can help a company operate a well-presented fleet.

For example, both Millers Vanguard and Wakefield District Housing (WDH) pay for their vehicles to be washed.

"We expect it to be done at least once a week and it's a no-quibble policy. If somebody sends us a receipt to say they've cleaned the vehicle,

we'll refund the engineer the money," says Nick Webb, of Millers Vanguard.

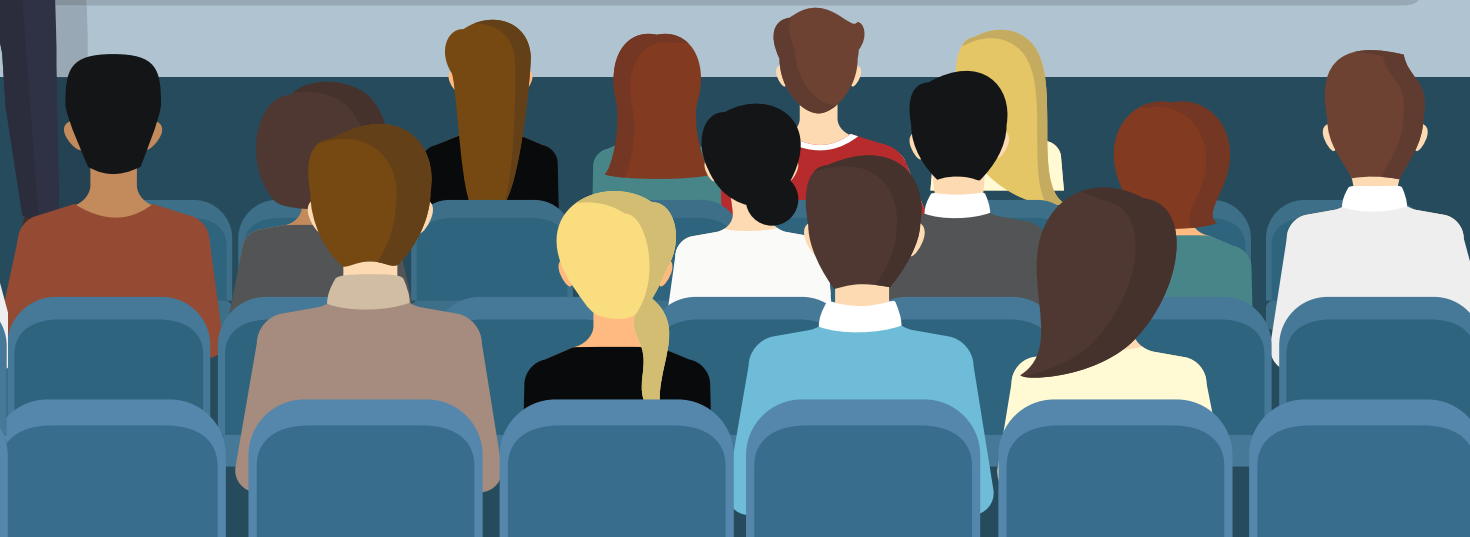
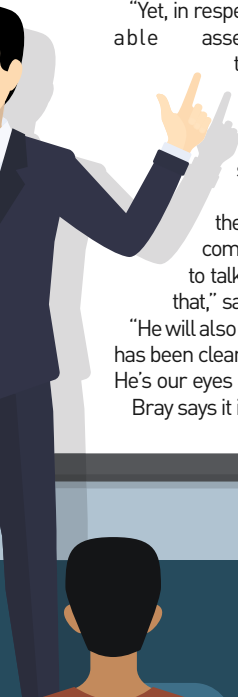
"It's got to be cleaned by paying another organisation. It basically means our drivers have to use somebody who has got the skills and the necessary equipment and chemicals to clean the vehicles professionally."

WDH drivers can pay for vehicle washes using their

fuel cards. "They can go to a service station, fill up with fuel, get a token for the jet wash or foam wash and pick what they want," says Liam Farrar.

"We can pull up a report so we know that 'Joe Bloggs' has washed his van twice in a month.

"That's probably okay in the summer months, but we would expect it to be done once a week in winter."





## CASE STUDY: BRITVIC/MILLERS VANGUARD ON ENGAGING DRIVERS

### Giving drivers a sense of 'ownership'

Giving drivers an increased feeling of ownership by offering them a wide choice of car or getting them involved in spec'ing their van can improve the way they treat their vehicle.

Britvic offers its company car drivers an open choice list which, within their band, gives them the opportunity to select a brand they want, with the option to make a monthly contribution to trade up to a more prestigious, higher-specced low-CO<sub>2</sub> car.

By making this choice, the employee tends to be better off by "probably £300 or £400 a year", says director of compensation and benefits Will Smith, as despite making the contribution and that car having a higher P11D value, the employee benefits through lower BIK tax bills and private fuel cost.

It also gives them a vehicle they want to look after, he adds. The company has seen average end-of-contract recharges fall by around two-thirds from £800 to £900 around five years ago to £287 now.

"If you give someone something they are proud of, they will take better care of it and this principle applies to cars," says Smith.

"If drivers make a contribution towards a car, then they've got a financial attachment to it outside of tax and they have a car they are

proud of. We find that they take care of these vehicles significantly better than they would otherwise.

"They keep them clean, they ensure they are serviced regularly and any scrapes or bumps are reported promptly."

Millers Vanguard also involves employees in spec'ing vehicles, for example making changes to internal lighting on the suggestion of an engineer.

"Asking for ideas and listening to them makes the drivers feel they've got input into the vehicle and that their voice is being heard," says Nick Webb, of Millers Vanguard.

"It makes them think about the vehicle they are driving and gives them the feeling of ownership."

*"If you give someone something they are proud of they will take better care of it"*

Will Smith, Britvic



Will Smith believes that getting drivers involved in spec'ing their van improves the way they treat it

## CASE STUDY: COMPUTACENTER ON THE HARD-LINE APPROACH

### Using the 'stick' to change behaviour

While drivers can be educated and incentivised to look after their vehicles, some fleets find using the 'stick' to be an effective method.

Computacenter, for example, recharges all end-of-contract damage charges to its drivers.

Employees are informed of the details in their fleet policy document and vehicle renewal guide. Drivers are also issued with the BVRLA fair wear and tear guidelines so they are aware of what condition their vehicle should be returned in.

"It's not necessarily popular, but because it is now so well embedded culturally, people do look after their vehicles," says Keith Cook, deputy financial controller at Computacenter.

"I would say it's less than 20% of the vehicles which come back with chargeable damage: typically our drivers do look after their vehicles."

Cook says Computacenter is proactive in advising drivers how to care for their vehicles as well as how to get damage repaired at the lowest cost by using suppliers such as mobile dent repairers instead of booking cars into bodyshops.

Drivers are able to use Computacenter's

insurance to claim for damage repairs, although this is limited to one 'fault' incident in a two-year rolling period.

"Otherwise they have to pay the insurance excess for any damage that appears on the vehicle," says Cook.

"Our biggest risk is that our policy drives people to make more insurance claims than we would perhaps like, but we are able to monitor that. We do say that any damage we are claiming for must have occurred within the past three months and if you have damage such as hit while parked – absolutely our number one enemy – our drivers must have a crime reference number from the police or have evidence they have attempted to get one."

*"It's not necessarily popular, but because it is so embedded, people look after their vehicles"*

Keith Cook, Computacenter



Keith Cook recharges all end-of-contract charges to his drivers

# Shaping driver behaviour key to cutting maintenance bills

Eradicating erratic actions can reap serious safety and financial rewards

**W**hen helping drivers to take care of their vehicles, it is what you can't see that is really crucial.

Appearance might seem to give the most obvious measure of how a vehicle is being looked after and can often be indicative of the employee's general approach to looking after company property.

But to ensure vehicles are taken care of the biggest factor is driving style. Erratic driving – such as accelerating too quickly, braking too harshly or over-steering – increases wear and tear on tyres and parts.

This is before you consider the potential for poor driving to lead to a greater prevalence of incidents, which can result in serious and immediate vehicle damage.

Consequently, businesses must get a handle on driver behaviour if they are to take proper steps to ensure drivers take better care of their vehicles.

## Setting the tone

It must start with the establishment of a positive culture. A written road safety policy can represent a helpful step in achieving this by enshrining key principles and setting expectations for drivers, but it is a programme of continuous analysis and feedback that can make the biggest impact.

Employee engagement is vital and hinges on effective communication. Employers must set the tone through initiatives such as email bulletins that provide education on key topics, workshops and training sessions and regular driver briefings with qualified assessors.

## Collecting and using data

The measurement and analysis of performance behind the wheel as part of a wider programme to improve driver behaviour can lead to a more proactive approach that helps to tackle the root causes and create lasting change.

Telematics plays a vital role in helping to identify problem trends in order to take more targeted action. OptiDrive 360 – a key component of TomTom Telematics



WEBFLEET® – scores drivers based on a series of performance indicators, including speeding, harsh steering and braking, and gear shifting.

This means managers are able to quickly identify areas for improvement across a fleet and delve deeper into the data to find out where drivers need help. Targeted training can then be provided to help drivers improve their scores. The information presented within OptiDrive 360 can also enable initiatives such as incentives or league tables that can also help as motivational tools, giving drivers a reason to strive towards targets and adding a degree of healthy competition.

## Instant driver feedback

It is well known that instant feedback is the most effective way to foster learning and behavioural change. When paired with a TomTom Telematics PRO driver terminal OptiDrive 360 provides direct feedback to a

driver, keeping their driving style front of mind at all times and promoting a continuous approach to performance improvement. Drivers are given performance tips before each trip, followed by predictive advice and live feedback during the trip. Once they have finished driving they are provided with an analysis of performance to show them where improvements can be made.

Such direct feedback ensures employees are fully involved in the improvement process, allowing them to take action immediately to rectify issues.

## Potential rewards

This collaborative, continuous approach to driver improvement can reap serious rewards. TomTom Telematics customer SGN used WEBFLEET and OptiDrive 360 to underpin a performance programme that is expected to save the business £1 million on fuel and maintenance.

To find out more about OptiDrive 360 and WEBFLEET by TomTom Telematics, visit [telematics.tomtom.com](http://telematics.tomtom.com) or call 0208 822 3605





# CHECKS BECOME MUCH EASIER IN DIGITAL AGE

Regular pre-use vehicle inspections can help a fleet stay compliant and reduce downtime by identifying issues early. *Andrew Ryan* reports

**R**egular vehicle checks can be a vital tool for a fleet manager in making sure vehicles are being well maintained and looked after.

The checks, carried out by drivers before they use the vehicle, provide a valuable and auditable way to detect any damage or issues such as low tyre tread or broken lights.

They can also help a fleet detect and address minor problems before they become more serious, reducing unscheduled downtime.

"Vehicle checks are vital," says Geoffrey Bray, chairman of the Fleet Industry Advisory Group. "They should be simple and quick to carry out and ingrained into a driver's psyche so they become as 'normal' as filling a car or van up with fuel."

For many fleets, the vehicle check is a daily requirement for van drivers, with some refusing to assign employees their first job of the day until their check has been completed.

Regular pre-use defect checks are an integral part of the Freight Transport Association (FTA) Van Excellence Code accreditation scheme.

## CHECKING EVERYTHING

"Under our checks, our drivers are looking at absolutely everything: lights, fluid levels, damage to the vehicle, tyres, the livery, mirrors, doors, suspension, etc." says Nick Webb, fleet manager at Millers Vanguard, which supplies and services equipment for the food industry.

Like many fleets, Millers Vanguard uses electronic devices to ensure the checks are carried out.

Traditionally, drivers have filled out paper forms to confirm they have carried out the checks, but this has led to concerns that there are no safeguards that they have been carried out satisfactorily, while fleet managers have to wait until the form has been handed in to see the results.

The widespread adoption of SIM-enabled personal digital assistants (PDAs), tablets or smartphones by company drivers has seen many fleets move these checks on to their electronic devices, often through an app.

These often give fleet managers real-time updates of when the checks have been carried out, as well as information if any issues have been picked up.

"Our daily pre-use checks are all logged on our drivers' tablets so I get a automated report every day telling me who has done the check and who hasn't," says Webb.

"If there is any damage they have to report it to us, take a photograph and email it through.

"We will inspect it and decide if the vehicle is fit to continue in use or whether we take it off the road for repair."

The move of checks to electronic devices has also benefited fleets such as Wakefield District Housing (WDH), whose vans are taken home by its mobile workers and not returned to a central depot overnight.

"Given the area has a reasonable signal, which most of the areas we cover do, at any point of the day I can go into the system and see whether the vehicle checks have been carried out," says Liam Farrar, fleet manager at WDH.

"It's not big brother watching you, but our drivers know it's their responsibility to take 15 minutes to do the check: they are all fully aware of what is expected.

"If the driver does report they've got an issue, it instantly transmits an email to their team leader or line manager about it."

Travis Perkins moved from a paper-based system to an electronic one around two years ago and uses the information produced by its daily checks to identify potential issues on its commercial vehicles as well as training needs for drivers.

"It's been really important for us to identify faults on vehicles and trends of defects," says Graham Bellman, group fleet director at Travis Perkins.

"The system we use is really customisable, so if it's a vehicle with a tail-lift we can add that into the check.

"If we know we've had a problem with the left clip on the bumper of a certain type of vehicle we can put a picture on the app and ask the drivers to check that, or maybe we've had mounting bolts on a mirror come loose – it could be anything.

"Also, if it identifies that the rear lamp on the left-hand side keeps getting knocked off every van in London we can say 'why's that?' and the driver can tell us that they deliver



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*"We will inspect it (the damage) and decide if the vehicle is fit to use or whether we take it off the road for repair"*

*Nick Webb, Millers Vanguard*

to such and such a place and it's got this problem, so we can then look at how we can address that."

As well as pre-use checks, Travis Perkins drivers are also required to inspect the vehicle at the end of the working day.

"Every day our drivers sign a vehicle in and sign a vehicle out," adds Bellman. He says this may be seen as being too stringent, but that driver is confirming that the vehicle is being returned in the same condition they took it over.

"You can also ask if they've been stopped by any of the authorities during the day, or any other relevant information."

#### LESS RIGOROUS REGIME FOR CARS

While regular checks are commonplace among van fleets, the regime in place with car drivers tends to be less rigorous. Often a fleet policy states they should carry out weekly checks on areas such as tyre pressures and fluid levels, but this is difficult to police.

"We have to accept that in the modern idiom most drivers would argue that they do not have the time, skills or expertise to be able to carry out these checks," says Peter Eldridge, director of fleet training body ICFM. "Worse still, the additional elements, such as oil and other fluid levels checks are often a bridge too far for today's motorists, who prefer the 'warning lights' systems to alert them.

"The problem with 'warning lights' however, is that often they get ignored and as a result mechanical or other damage often ensues, usually at high cost."

John Pryor, chairman of fleet operators association ACFO, adds: "We tend to think that modern cars are reliable and can just go 'on and on and on', but with the new generation of oils cars can appear to burn more," he says.

"Unfortunately, some drivers tend to think a company car is a bit like the photocopier machine: always available and it works most of the time.

"But, motor vehicles are hugely more valuable assets than a photocopier. Checks should be undertaken regularly and any defects reported so rectification work can take place."

So, given that van operators are having success through electronic vehicle checks, could similar systems be put in place for car drivers?

Bellman says it is something Travis Perkins is looking at. "Let's look at it realistically," he adds. "I could say I want my drivers to walk round their car every morning, but will they do it? No. I want them to actually do the check, so I, as an individual, would probably say I want them to do it once a week. You get into your car, you get out of your car. Hopefully you will wash your car every week or get someone to wash it and you should notice if something is missing or the tyres are low.

"Could we use our vehicle check app? Yes we could. Have we got the licence? Yes we have. Have we got the desire to push on it? Not just yet, but it is on our roadmap: it is one of the things we are talking about."



BENEFITS  
AND  
DRAWBACKS OF  
OUTSOURCING  
LICENCE  
CHECKING

IT IS AN  
OFFENCE TO  
PERMIT STAFF  
TO DRIVE  
WITHOUT  
A LICENCE

LICENCE  
CHECK DATA  
CAN SHAPE  
A RISK  
STRATEGY

8

THINGS YOU NEED  
TO KNOW ABOUT  
**LICENCE  
CHECKING**



LICENCE  
CHECKING CAN  
ONLY BE  
CARRIED OUT  
ONLINE

REGULAR  
CHECKS ARE  
IMPERATIVE

DATA  
PROTECTION  
LAWS MUST BE  
RESPECTED

A ROBUST  
SYSTEM CAN  
BE A LEGAL  
DEFENCE

FLEETS CAN  
CARRY OUT  
ONE-OFF  
CHECKS ON  
DRIVERS

Ensuring employees hold valid driving licences is vital for the compliance of a fleet – and not doing so can have serious consequences. *Ben Rooth* reports

**R**egular driving licence checks should form a key part of any health and safety policy at a company where employees drive on business.

These should uncover whether the member of staff is entitled to drive the type of vehicle they are allocated, and that they hold a current driving licence.

Asking drivers is not enough: a recent RAC Insurance survey found that 25% of motorists surveyed who already had penalty points did not inform any organisation when they received them, while only 13% would tell their employer if they incurred any. The fact that employees could be driving for work when – in short – they shouldn't, presents a potential legal minefield.

John Pryor, chairman of fleet operators' association ACFO, says: "When it comes to licence

checking, best practice invariably means knowing precisely who's driving your vehicles and that those individuals are fully permitted to do so.

"In my experience, some fleets carry out detailed checks and others decide that this isn't such a great priority for them. Ultimately, it comes down to whether a company is prepared to stand up in court and defend the procedures that they have in place if the worst case scenario occurs."

Pryor adds that the ability to carry out checks on driving licences online – either yourself or by using a third-party – means that there is now "no excuse" for not having protocol in place that works for the benefit of both the driver and the organisation they work for.

Here, we look at eight key facts every fleet should know about licence checking.



1

## It's an offence to permit staff to drive without a licence



"The Road Traffic Act 1988 states that as well as it being an offence for a driver to drive without a valid licence, it is also an offence for a person to permit a driver to drive without a valid licence," says Martin Evans, managing director of fleet management software company Jaama.

"The only way an employer can be absolutely certain that a member of staff can legally drive, and specifically the number of endorsement points they have on their licence, is to carry out checks against the DVLA database themselves or engage a third party agency.

"Employers therefore have a duty to check the validity of employees' driving licences both on recruitment and periodically thereafter – and at least annually."

Evans adds employment contracts should indicate that drivers must report driving offences to their employers immediately so full records are maintained.

And for fleets with larger vans, licence checks can ensure that employees are legally entitled to drive vehicles with a gross vehicle weight of more than 3,500kg.

Employers also have a duty of care to employees under health and safety legislation for on-the-road work activities.

The Health and Safety Executive's (HSE) Driving at Work guide stresses employers' responsibilities under the Health and Safety at Work Act 1974 to ensure "so far as reasonably practicable" the safety of all employees while at work.



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2

## A robust system can be a legal defence



While a company found guilty of allowing an 'unlicensed' or 'improperly licensed' employee to drive on its behalf could face a fine of up to £1,000, most employers will be far more concerned about the possibility of prosecution under the Health and Safety at Work Act 1974.

Revised sentencing guidelines introduced last year have increased the levels of fine to severely punish those organisations who flout the law.

Richard Brown, managing director of compliance company Licence Check, says: "Here, fines can range from £180,000 to £20 million according to an organisation's size and level of culpability.

"As with any legal defence, documented evidence of the checks made and the steps taken to address specific and identified risks is critical.

"For optimum protection, it's therefore important to make sure that repeated checks are carried out where risk demands this, and that any published policies and guidance are issued to employees and audited to ensure continuing compliance."

Brown adds that the Health and Safety Executive's Driving at Work: Managing Risk Related Road Safety document makes clear that the obligations to ensure the safety of employees "who might be affected by work related driving" rests squarely on the shoulders of the employer – irrespective of vehicle ownership.

"They must properly assess the risks as part of their statutory obligations and must ensure that employees are suitably qualified to use the vehicle, and that the vehicle itself is safe and reasonably fit for the intended purpose," he says.

"Where particular risks – in the form of a poor driving record or missing or expired entitlements – are identified following a driving licence check, the employer must be seen to have taken steps to remedy this in the shape of remedial or additional training."

3

## Fleets can carry out one-off checks on drivers



Since June 2015, fleets in possession of a driver's mandate have had instant online access to the DVLA's up-to-date Share Your Driving Licence system.

This allows the driver to generate a code using their driving licence number and National Insurance number which enables an employer to access their penalty point information and details about the vehicles that can be driven on one occasion only.

This service involves both the driver and employer logging into the service every time a check is performed.

Another option is for the driver to download and complete a form authorising the checks before posting it back to the DVLA with a cheque or postal order for £5.

Richard Payne-Gill of the Association for Driving Licence Verification says that these "one-off checks" remain both intensive due to its reliance on manual procedures, and a serious compliance risk if drivers fail to declare points or bans between checks.

He recommends regular checks of at least a year, increasing for staff with more points on their licence.

4

## Data protection laws must be respected



Information contained within driver records is classed as personal data and use of this data is clearly defined by the Data Protection Act 1988 and the pending updated General Data Protection Regulations.

Consequently, employers and any licence checking agencies acting on their behalf have to obtain a driver's informed consent, known as a mandate. Accessing a DVLA record without this consent is a fineable offence.

Richard Brown, of Licence Check, says: "Ensuring informed consent is important and will become even more so when the new regulations come into effect next May due to increased levels of fine.

*"When a fleet uses the licence checking service, they have peace of mind"*

Richard Payne-Gill, ADLV

"Although most employers appreciate the need to secure permission from the employee, too many risk prosecution by failing to record the fact that consent has been given. It's tempting to just get verbal permission, or view the licence online without bothering to get a share code from the DVLA. The problem is if the driver later reports the employer to the Information Commissioner's Office, there is no evidence to defend the case."

Richard Payne-Gill, deputy chairman of the Association for Driving Licence Verification, adds all ADLV members are subject to a strict code of practice.

He says: "When a fleet uses the licence checking services of an ADLV member, they've got peace of mind that licence data is consistently controlled, monitored and secure at all times. In addition, we require each member to commit to obtaining full certification throughout their business of the international standard of ISO27001:2013 to reduce risks associated with data security."

5

## Regular checks are imperative



Many organisations carry out licence checks once a year for drivers with a clean licence and increase the frequency if the employee is deemed to be at higher risk.

This might be because they've already accrued penalty points and endorsements, or shown that they have a higher accident rate, drive high mileages, are inexperienced behind the wheel or are an older driver.

Malcolm Maycock, managing director of Licence Bureau, says: "The law is unclear about the regularity of licence checks.

"The advice from the Traffic Commissioners is to undertake checks quarterly and accreditations such as the Fleet Operators Recognition Scheme (FORS) or the Freight Transport Association (FTA) state a minimum of six monthly and even more frequently for drivers working in high risk environments.

"The new fee of 70p (per online DVLA licence check) means we advise clients to follow the Traffic Commissioners' guidelines."

He adds: "A driver will usually lose their licence or the categories of vehicles they can drive because of convictions, health or age.

"Regular checks for those with more convictions are therefore essential."

Ashley Sowerby, managing director of fleet management software company Chevin, adds: "Typically, we advise that checks should be carried out at least once a year for drivers with a clean licence.

"Nonetheless, this frequency should be augmented based on multiple parameters such as their date of birth, annual mileage, accident rate, penalty points and endorsements accumulated. This will allow a relevant frequency appropriated to potential risk."

6

## Checking can only be carried out online



The DVLA's online system has revolutionised the speed and ease with which licences can be checked.

John Pryor of ACFO explains: "Going online has improved a fleet's ability to keep on top of licence checks. In the past, a driver used to have to bring a copy of their counterfoil. In theory, it was possible for a driver to present a doctored photocopy of their licence when it wasn't free from penalty points."

Also, fleet managers responsible for drivers based offsite no longer have to wait for documents to arrive by post.

Ashley Sowerby, managing director at Chevin, adds: "Automated licence checking software enables companies to carry out multiple checks for hundreds of drivers in one go. This slashes the administrative burden of manual checking while ensuring full compliance with data protection laws."

7

## Licence check data can shape a risk strategy



Data garnered from licence checks can be invaluable when developing a risk management strategy.

"Data-led risk profiling can offer great value in helping reduce the likelihood of accidents occurring," says Ashley Sowerby of Chevin. "Identify drivers that represent the highest and lowest risk based on the type of endorsement they

received and the amount of penalty points they accumulate. Then, combining that information with other data in fleet management software packages, such as age, experience, training, accident rate, licence history, behaviour scores drawn from telematics data, fuel economy, mileage and more, it's possible to create profiles with a risk score."

Aggregated information from across the driver pool can also prove instructive, adds Richard Brown of Licence Check.

"A higher incidence of speeding convictions than might be expected given the size of the driver pool could indicate that a speed awareness course or training is required to effectively address a wider problem," he says.



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8

## Benefits and drawbacks of outsourcing licence checking



### ADVANTAGES:

**Specialist knowledge and expertise:** outsourcing companies will have a great deal of experience that can be drawn upon by customers. This covers the provision of general information, the effects of changes in legislation and policy guidance and support.

**Management and reporting:** in the case of hosted services, there will be software specifically designed to provide automated warnings, notifications and re-checks at scheduled times, and a full range of management reporting tools.

**Risk based profiling and checking:** those drivers identified as high risk and/or vocational can be checked more frequently.

**Legal compliance with a robust audit trail:** A managed service will help to ensure that all necessary tasks are

completed promptly and provide a clear audit trail in the event of pending prosecution or other legal action.

**Security:** where the licence checking agency is a member of the Association for Driving Licence Verification (ADLV) they are required to have ISO 27001 security certification as well as an annual external test against unauthorised system penetration.

**Links with other fleet and HR applications and services:** a licensed service provider will often have other services to offer or can provide links to other employee management software.

### DISADVANTAGES:

**Cost:** there is a cost associated with hiring the services of a licence checking company, while the DVLA's service is seen as 'free'. However the DVLA's

service doesn't provide reporting, ongoing management warnings, reminders and automatic re-checking – all of which take time and therefore cost money.

**Data protection:** although ADLV members have to carry ISO 27001 security certification, not all third-party licence checking companies are ADLV members. Consequently, the security of employee data remains a concern to some customers.

**Training:** there is frequently a training requirement for employees to learn how to use the licence checking service.

**Switching supplier:** it is important from the outset to ensure that the contract allows a fleet to withdraw from the service or switch to another supplier relatively easily should the need arise.



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# FLEETS INFORMED

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# A company's responsibility to employees spelt out

Follow the three pillars of road safety if you wish to avoid falling foul of the law



## 1 What responsibilities do employers have for staff who drive for business?

The Health and Safety at Work Act 1974 requires employers to take appropriate steps to ensure the health and safety of their employees and others who may be affected by their activities when at work. "This includes the time when they are driving or riding at work, whether this is in a company or hired vehicle, or in the employee's own vehicle."

The Management of Health and Safety at Work Regulations 1999 requires "the risk assessment to be reviewed periodically to ensure it remains valid. Employers should consider the risks to employees on the road in the same way as for those in a workplace."

For clarity, health and safety law does not apply to drivers commuting to work; but many commuters are killed each year. We believe companies should therefore consider a corporate and social responsibility (CSR) approach covering all their staff who drive.

## 2 What are the potential consequences of failing in these responsibilities?

The Corporate Manslaughter and Corporate Homicide Act 2007 was a landmark in law. One of the most high profile examples was Baldwins Crane Hire which was convicted of corporate

manslaughter and fined £700,000 plus costs in December 2015 after being found guilty of corporate manslaughter and health and safety offences when one of their employees was killed while driving.

However, the real game changer has been the massive increase of health and safety fines since February 1, 2016.

The courts now consider culpability, seriousness and likelihood of harm and the size of a business and its turnover when imposing fines.

Research by health and safety specialists, BLM, says companies across the UK have paid out more than £61 million in health and safety fines throughout 2016 – almost 2.5 times more than 2015.

An example includes Travis Perkins Trading who were fined £2m with costs of £115,000 when a customer died after being crushed by a company vehicle in the company's yard.

## 3 How can a business identify higher risk drivers before they cause a crash?

Collision stats help identify higher risk drivers after the event, but prediction is more challenging. Points on a licence can be a good guide to a driver's risk exposure but that's not the whole story; neither is telematics data showing driving style. We believe the best way to identify high risk drivers is to combine existing driver information with a formal assessment

covering the driver's ABC – Attitude, Behaviour and Competence. This provides a full driver risk profile, potentially as part of a permit-to-drive scheme.

## 4 How can a fleet determine the most cost-effective risk management measures?

There are generally considered to be three pillars of road safety – enforcement, education and engineering.

Enforcement ensures drivers obey the laws of the road and are legal. Education focuses both on driving skills (competence) and ensuring that drivers make better driving decisions (attitude and behaviour). Engineering covers roads but also the vehicles that companies manage. Cost-effective risk management works best if all aspects of driving are considered as part of an integrated approach.

## 5 How can a company instil a safety culture across all its drivers?

Our experience is that 'the top sets the tone'. Active sponsorship of a driver safety programme by the leadership team is the single most critical factor. They

**"Initial analysis after training found a 77% reduction in the number of collisions in the year post-training. The cost per collision reduced by 27% together with an overall collision cost reduction of more than 80%"**



efficiency and lowers service, maintenance and repair (SMR) costs.

## 7 What measures should a fleet use to benchmark its safety performance, and how can it compare these to similar fleets?

Benchmarking between different fleets is challenging as many companies do not measure what they want to manage. Of those that do, many often don't want to share their benefits publicly as they see it is a sustainable competitive advantage. When used, typical measures include accidents per million miles (APMM) and number of collisions per driver per annum or total cost of ownership (TCO) comparisons where nearly 50% of the fleet cost – fuel, insurance and SMR – can be influenced by driver's performance.

## 8 How can a fleet control the performance of agency drivers?

Agency drivers, like drivers who use their private cars for working, are more difficult to manage as they are outside the traditional corporate boundaries. Our advice is first to negotiate supplier contracts where duty of care responsibilities are part of the legal framework, for example, the supplier guarantees the legality of the drivers to drive. Driver assessment and training should also be set into the relationship.

## 9 What safety features should fleets be specifying as standard on new cars to improve their risk profile?

At a recent conference held by DriveTech, Thatcham Research identified the effects of safety features on preventing death and serious injury.

Two examples stood out.

Electronic Stability Controlled (ESC) equipped vehicles are 25% less likely to be involved in a serious or fatal crash in the UK and EuroNCAP anticipates a 38% overall reduction in real-world, rear-end crashes for vehicles fitted with low speed autonomous emergency braking (AEB). The real issue is, however, employers choosing to use EuroNCAP ratings to determine car choice, rather than just TCO costs or driver demands.

## 10 How will autonomous cars reduce road risk dangers?

The pursuit of autonomous driving is leading to a growing focus on collision prevention rather than systems to mitigate the consequences of crashes.

As a fully autonomous driving environment is not predicted until 2030 onwards, new safety technology will be used in human-controlled vehicles more widely.

Examples of emerging advanced driver assistance systems (ADAS) today that will improve road safety include:

Light detection and ranging (LIDAR), radio detection and ranging (RADAR), lane-keep assist (LKW) and lane departure warning (LDW), adaptive cruise control (ACC), junction collision protection (JCP), reverse auto-Brake (RAB), emergency lane keeping (ELK) and dynamic brake support (DBS).

must practice what they preach. Driving is a life skill and reducing the risk for family and passengers is often a great incentive to promote a culture of driver safety.

## 6 How can a fleet operator construct a business case to justify the investment in training?

Some companies take a tactical, 'tick the box' compliance approach while others see driving for work as strategic for their business where an investment in training delivers real and tangible savings. DriveTech recently analysed one of their customer's pre- and post-training collision costs for high risk drivers. Initial analysis after training found a 77% reduction in the number of collisions in the year post-training. The cost per collision reduced by 27% together with an overall collision cost reduction of more than 80%. Great training also improves fuel

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# Making the case for telematics

## Why it's about more than protecting the bottom line

1

### What is the principal information a fleet can derive from telematics?

Telematics is now prolific among businesses operating fleets of cars and vans, enabling them to garner extensive data about their vehicles and identify opportunities to reduce risk, manage cost and drive efficiency.

The ability to accurately capture business and personal mileage is a major draw of modern telemetry systems, with some providers automatically recording all journey logs.

For drivers this means less time spent on the admin that comes with running a company car, such as calculating and submitting driving expenses. Meanwhile, employers can rest assured that their annual fuel spend is based on accurate business mileage, rather than estimated or over-inflated calculations. With HMRC issuing hefty fines to businesses that are found to have submitted inaccurate mileage claims – the record fine reportedly being £4.1 million – this is where telematics can provide extra peace of mind.

With systems like ProFleet, another benefit comes from the ability to track the precise location of fleet vehicles via GPS tracking. This provides a clear advantage to businesses needing to respond to customer call-outs by being able to pinpoint drivers in the vicinity. It can also prove instrumental in the recovery of stolen vehicles – ProFleet has assisted the police in the prompt recovery of nearly £1m-worth of stolen vehicles over the past

two years alone, saving valuable time and cost for employers.

Fuel consumption can have a major impact on the bottom line, so the ability to accurately monitor fuel efficiency across individual vehicles is a major attraction for many employers.

2

### How can telematics be used to create a safer fleet?

With the appropriate driver consent, some telematics systems will alert fleet managers to potentially dangerous or hazardous driving, such as harsh acceleration, excessive speeds, heavy braking or excessive revving. Through ProFleet, employers can generate reports that highlight these “exception events”, so timely corrective action can be taken. This may include measures such as the implementation of incentive schemes to encourage positive changes in behaviour and additional driver training, helping businesses to fulfil their responsibility of providing a duty of care to their drivers.

ProFleet has also been designed to alert

**“Employers should consider the positive impact telematics can have on other areas that are key to achieving the business’s unique objectives”**

drivers when their vehicle is due to be serviced, warning employers when a service is overdue or missed.

This function ensures all vehicles are kept up to date with vital vehicle health checks, reducing the threat of any potentially hazardous and costly mechanical faults or breakdowns.

3

### What extra arguments can a fleet manager use to build a business case for investing in telematics. And what is a reasonable return on investment (ROI) period?

Naturally, a business case will address the potential cost savings that a telemetry system can help a business to achieve.

But the scope of the benefits go beyond simply protecting the bottom line. Employers should consider the positive impact telematics can have on other areas that are key to achieving the business’s unique objectives.

This may include highlighting the benefits to risk management that telematics offers through the opportunity to create a more positive driving culture which can ultimately lead to safer driving.

Alternatively, this may involve emphasising the contribution telematics can have on a company’s CSR agenda, with telematics devices now proving to be an invaluable tool for accurately recording a fleet’s carbon emissions and vehicle usage.

ROI varies dependent on the success of the telematics implementation and the cost of the system. ProFleet can cost as little as £5 a month and, with a 10% reduction in



business miles (based on 12,000 business miles per annum), in many cases it can pay for itself within as little as six months. Other savings are longer term and may take a year or more, such as a reduction in accidents and insurance claims. For example, one of our customers operating a fleet of 130 vehicles saw a reduction of £135 in insurance premiums per vehicle, or £17.5k per annum, plus a contribution from their insurer of £5,000 towards the cost of the telemetry system.

#### 4 What criteria should a fleet apply when selecting the vehicles to be fitted with telematics?

One of the first considerations about deploying a telematics solution is to set clear goals and objectives, e.g. controlling costs, reducing risk, improving efficiency and so on.

It is also extremely important to gain driver buy-in. Therefore clear communication about why the system is being installed, what information will be recorded and how it will benefit the driver and company needs to be shared from the outset.

Get support of the board by involving its members in a free trial of the system, so any issues or questions can be ironed out

before installing the wider fleet. Staff members are also pivotal to its success, so involve them in the trial, too.

Finally, shortlist providers that suit your needs the best – if you don't need all 'the bells and whistles' why pay for them?

#### 5 How can a business reassure its drivers that telematics is not just 'Big Brother' watching their every move?

Fortunately, the former misconception that telematics is simply used by companies to track and monitor the whereabouts of their staff is now on the decline.

With ProFleet, drivers can be put in control of the information they share, with the ability to switch the data their employer can see about their vehicle on and off. If a journey is private it should remain so, businesses can rarely justify monitoring when drivers are not at work – a good system will include functionality that allows drivers to choose what information they share.

ProFleet is as much a tool for drivers as it is for their employer. They can make information about personal and business journeys available at the click of a button, taking the pain out of recording and submitting journey expenses.

This also ensures they won't lose out on any miscalculated or under-estimated business mileage.

#### 6 If a fleet inherits more than one telematics system through business acquisition, how can it harmonise the data?

With the amount of telemetry systems now available, it's not surprising that employers can feel overwhelmed at the amount of data at their fingertips.

And with data streams flowing in from numerous different providers in a variety of different formats, it can be a challenge to say on top of an ever-growing source of information.

ProFleet is unique in that it consolidates incoming data from multiple different telemetry systems around the world, including manufacturer-fitted devices. Customers can choose to link up their own telemetry systems or use our in-house solution.

The online portal provides a single, intuitive dashboard with the ability to produce accurate real-time reporting and auditable management records.

This means employers can gather insight about their fleet and spot trends more efficiently and cost-effectively.

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# No short cuts when it comes to compliance

## Why it's key to play by the rules to safeguard businesses

### 1 Which compliance issues affect car fleets, and how do these differ to vans?

Employers have compliance requirements under a raft of legislation governing on-the-road activities including: Health & Safety at Work Act 1974, Management of Health & Safety at Work Regulations 1999, Working Time Regulations 2005, Health Act 2006, Corporate Manslaughter and Corporate Homicide Act 2007 and Disability Act 2010.

They also have duties under road traffic law – Road Traffic Act and Road Vehicle (Construction and Use) Regulations – which are administered by the police and the Driver and Vehicle Standards Agency (DVSA).

While the legislation applies to all vehicles, there is currently particular enforcement activity around the number of overloaded vans on the roads and those considered by DVSA inspectors to be suffering from serious mechanical defects.

To aid fleet compliance with all legislation, managers should adhere to the Health and Safety Executive's (HSE) 'Driving at Work: Managing Work-related Road Safety' guidance and van operators should become accredited to best practice initiatives including the Fleet Operator Recognition Scheme (FORS) and the Freight Transport Association's Van Excellence Initiative.

With regards to car compliance, vehicle condition checks are not legislative but best practice. However, prosecutions can arise in respect of cars being in an unroadworthy condition and in respect of issues such as illegal tyre tread depths and, of course, such negligence can result in crashes.

There is a raft of guidance and advice available, not only in the HSE document, but on websites, including those of the Department for Transport, Road Safety GB, Driving for Better Business and many other road safety charities and industry bodies.

The efficient management of compliance and adhering to best practice delivers a host of financial, operational, fleet administration and corporate social

responsibility benefits while also ensuring that the law is obeyed and a robust audit trail maintained in the event of a crash and subsequent police/HSE investigation.

### 2 How can a fleet with vehicles and drivers nationwide keep track of them all for compliance purposes?

To ensure consistent compliance management across a company with vehicles and drivers located nationally it is imperative to have a centralised fleet management system, accessed via the web with standardised rule sets across the business.

What's more, with the dilution of vehicle and driver management responsibility across departments in many employers – HR, procurement, payroll, finance etc – it is important that dedicated fleet management software is capable of integration with third party systems that may already be in use as well as having the capability to take data/information feeds from suppliers and liaise with systems used by the likes of the DVSA, DVLA and HMRC.

A failure to maximise system compatibility is a recipe for potential compliance disaster due to weak spots in data collection and analysis that could lead to key driver-related and vehicle maintenance issues being overlooked. Furthermore, any need for manual intervention could result in inputting errors, resulting in non-compliance.

Additionally, particularly with drivers and vehicles located nationwide, it is

even more important to identify potential functions that could be run on a self-service basis. For example, if drivers, including employees who drive their own cars on business, have to complete mileage returns/reclaims then they might as well key it straight into the system as long as none of the checks and balances are compromised. What's more, it is vital that daily/weekly vehicle checks are undertaken with data automatically populating the system so that service, maintenance and repair matters can immediately be actioned, while protecting the business against any huge bills that could result from a lack of intervention.

By ensuring a holistic view of all drivers and vehicles is available, time and resource saving is assured and valuable assets are maximised and not left to stand idle.

In conclusion, a software system should have a good report writer that enables data to be swiftly obtained for analysis and comprehensive report compilation for management, thus ensuring compliance.

### 3 What responsibility can a business delegate to drivers when it comes to compliance obligations, and how can it ensure drivers comply with the fleet policy?

The spectacular increase in fleet administration in recent years – which is set to continue – means that it is essential to ensure operating efficiency and up-to-date record keeping that drivers provide information on a 'self-help' basis, negating manual intervention.

Responsibility for drivers to provide requested information on a daily/weekly/need-to-know basis should be part of the company's culture and included within contracts of employment, codes of conduct and job descriptions. Failure to comply should be treated as a disciplinary matter.

The requirement to provide information from a compliance perspective starts with validating all drivers' licences.

Today eConsent, which has been approved by the DVLA, enables employers to request checking approval remotely rather than drivers having to



**“Having a robust validation system deters most people with something to hide – including those who think they can cheat the system”**

physically complete, sign and return a paper mandate, thus aiding efficiencies.

Also, in respect of ‘grey fleet’ drivers, the information you hold regarding vehicles is no different to that of a true fleet vehicle. Grey fleet drivers should be empowered and given the tools to easily provide and update information relating to vehicle insurance and current documentation including VED, V5, MoT and servicing.

Meanwhile, Jaama has launched its ‘My Vehicle App’ following extensive customer, technological and usability research to ensure in-life vehicle compliance.

Jaama believes that the easiest and most straightforward way for drivers to provide information in real-time is via a smart-phone app. Critically the data provided increases vehicle and driver audit trail accuracy to meet duty of care regulations notably in respect of who is driving which vehicle and when – particularly important when multiple vehicles are available to different drivers.

What’s more, fleet chiefs should ensure that data/information uploaded by drivers via an app automatically updates data/information and populates records held within their asset management system used to manage vehicles and drivers.

Critical information from a compliance perspective that drivers should provide includes: daily odometer readings; pre-journey vehicle condition checks triggering in-house rule sets and notification such service, maintenance and repair procedures; and at the scene crash-related information including photographs, date/time, a summary of what happened etc.

**4**

#### **How can a fleet maintain compliance when it uses self-employed or agency drivers?**

Whether employed or agency, the rules regarding drivers remain the same. Having a robust validation system deters most people with something to hide – including those who think they can cheat the system.

If drivers are genuine they will accept driver licence checks and the other in-life vehicle compliance requirements demanded by an employer. They include insurance clarification and safety checks on vehicles driven by owner/drivers – drivers should make their own inspections and best practice dictates that employers undertake random daily and weekly depot gate checks.

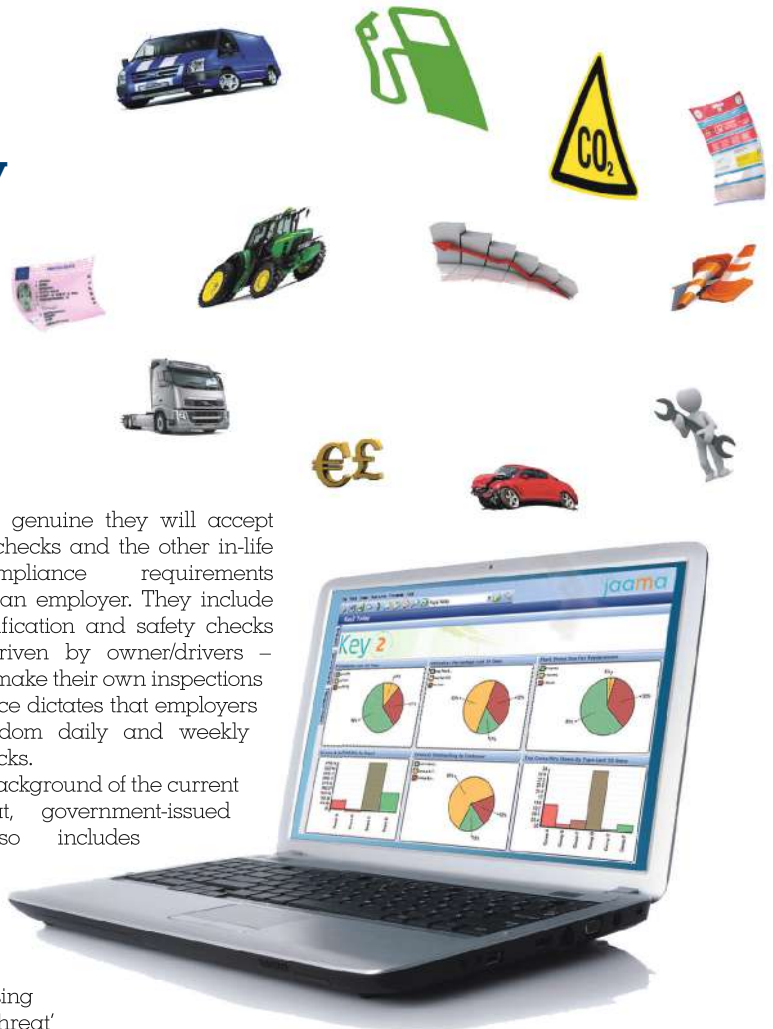
Against the background of the current terrorist threat, government-issued guidance also includes advice for drivers and businesses operating vehicles.

The ‘recognising the terrorist threat’ advice says that “simple precautions can make a difference” and that starts with a senior manager having “responsibility for security” and with driver licence checking. The guidance further recommends:

- Always check a driver’s references and previous employment history and speak in person to previous employers.
- Inform applicants that false details on application forms may lead to dismissal
- Check driving licences are valid and look for endorsements before employing, and then at six-monthly intervals afterwards. Drivers should report any changes to their licence.
- Check if the applicant has any prosecutions pending or is waiting for sentencing by a court.

- For agency drivers, ensure that the agency has carried out all of the above checks including criminal records checks.
- Use only reputable agencies that are affiliated with a recognised UK trade organisation.

The best practice advice also dictates security should be built into drivers’ duties and responsibilities via employment contracts making clear failure to comply will trigger disciplinary proceedings. Further information is available on the gov.uk website.



## Key 2

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# One solution does not fit all when considering ways to finance fleets

Different tax treatments, usage and types of vehicle are just some of the factors to ponder

By Claire Evans, head of fleet consultancy, Zenith

## 1 How viable is it for companies to use different finance products to fund different vehicles on their fleets?

One funding solution isn't always the most cost-efficient option for all vehicles on a fleet. Car funding may be done differently compared to vans where there is a different tax treatment and requirement to retain the vehicle for a different length of time and use the vehicle in different ways. Also, business needs and perk fleets may result in optimum solutions being different funding types to ensure the requirements of employees and cost-efficiencies are maximised.

Running a blended mix of funding has become more prominent, and this can be tied to the ability to manage it efficiently, primarily using sophisticated leasing company software that makes the decision on the best funding option for different areas of fleet.

Fleet managers and employees do not want to add layers of complexity and therefore rely on leasing providers to build efficient management solutions.

## 2 What rules of thumb apply when identifying the most appropriate funding arrangements for different types of company and vehicle?

The consideration of funding options has traditionally centred on the company's position on factors such as the VAT recovery available, weighted average cost of capital, vehicle business requirement such as car vs. van or perk vs. essential user. However, with government

policy looking to consider a clean air agenda, external impacts such as changes to taxation and legislation, and the possible introduction of ultra-low emission zones (ULEZ) in cities, alongside incentives for ultra-low emission vehicles through grants and possible scrappage schemes will all play a bigger role outside of pure funding costs.

Having a clear strategy in place for fully analysing the cars' or vans' usage will help fleet operators identify the total cost of funding various fuel types.

With not just wholelife cost but also travel expenses such as ULEZ charging playing a greater role outside the more traditional funding factors as we approach the next decade.

## 3 With interest rates so low, should cash-rich companies return to buying vehicles outright?

Companies need to consider a range of factors when comparing outright purchase to leasing over and above their ability to fund the cars themselves.

Zenith is increasingly seeing companies with a growth agenda looking to utilise the cash in investment projects rather than tie it up in fleet vehicles, often on a four-year term.

In such a dynamic environment outsourcing the risk to a leasing company has been an important factor for fleets when looking at their funding, with a requirement to de-risk on the sale of the asset.

Finally, the ability of a leasing company to utilise economies of scale and expertise to provide a fully outsourced in-life service, including a competitive maintenance package has seen fleet operators move away from funding their fleets.

## 4 Why is leasing winning a greater market share?

The environment is changing and leasing rather than owning is now an established principle, particularly among Generation Y who are used to streaming music and renting a mobile phone then trading it in for a newer model.

This trend has driven demand for car leasing, particularly in the salary sacrifice area. People lead busy lives, and for all types of company cars, employees want an all-inclusive, hassle-free package they can budget a monthly amount for, be it through a salary deduction or benefit-in-kind (BIK) tax. For fleet operators having a leasing provider to help manage policy, create operational efficiencies and control costs is pivotal. Real value can be added as we move into the era of big data.

## 5 How should businesses prepare for the new accounting rules that will see leased vehicles appear on corporate balance sheets?

It is important to recognise that the new leasing rules that bring contract hire vehicles onto the balance sheet will also impact other types of assets often of greater value than cars. Indeed, most companies will already be reporting many other assets on balance sheet today and therefore most finance departments will already be geared up to report under the new rules.

It is key for fleet managers, in the build-up to this change from January 2019, to work with their leasing providers to understand how they plan to report the information required and ensure this fits their needs from an accounting perspective. Also, it may be prudent to compre-



hend any impacts on financial ratios such as gearing or banking covenants, but modelling suggests these will be minimal and it is merely a case of updating the relevant interested parties to the accounting change.

## **6** How will the new BIK tax rules for salary sacrifice cars affect the attractiveness of these schemes?

The tax advantage of the salary reduction played a decreasing factor in the popularity and cost-competitiveness of these schemes against retail.

Under the new rules the other cost benefits remain, such as the company's VAT position, employee NI savings, corporate discounts and competitive interest rates.

Modelling completed on the types of cars drivers pick on salary sacrifice schemes show that only one in three are typically impacted by the changing OpRA rules (where BIK is paid on the greater of the salary sacrifice value or the car benefit charge).

We have seen new schemes launch successfully and drivers continue to order

cars in salary sacrifice post the rule changes, which show the benefit is still recognised. Also, we have been working with drivers to advise them of cars impacted and other cost-effective alternatives. Employees entering these types of scheme traditionally have a figure in mind they want to spend on a car, and there is still a large volume of cars available in popular price ranges.

## **7** How will the lease rates of diesel cars change in the next three years?

The clean air agenda from government and a requirement to reduce NOx emissions has seen a range of initiatives suggested, most recently in the draft release of the clean air plan.

The spring Budget announced a review of taxation on diesel vehicles that will be announced in the next Budget and some

other initiatives are in the mix with possible plans for the further introduction of ultra-low emission zones primarily targeting older diesels that are not Euro 6 compliant, starting at the earliest in

2019 (for five specified cities) and 2020 for additional cities at the earliest.

Zenith continues to work with industry bodies to influence the government and highlight that diesels play a significant role on fleets, currently making up around 80% of fleet vehicles with almost all van production being diesel-centric, and will continue to do so until there are viable cost-effective alternatives.

Any policy introduced encouraging a move away from diesel will need to be considered and rolled out over a longer-term period. And, as such diesels will continue to play a role in fleet policies with current cleaner diesels available today impacted less, if at all, by government initiatives. This, therefore, ensures a continued demand in the secondhand market and a stable lease rate in the immediate future.

**"We have seen new schemes launch successfully and drivers continue to order cars in salary sacrifice post the changes, which show the benefit is still recognised"**

For more information about Zenith go to: [zenith.co.uk](http://zenith.co.uk), email: [fleet@zenith.co.uk](mailto:fleet@zenith.co.uk) or call: 0344 848 9327.





## SPONSOR COMMENTS

We're delighted to have sponsored the best rental company category at this year's Fleet News Awards. Many congratulations to Enterprise Rent-A-Car for winning this very competitive category.

The Grosvenor Group has been serving fleets for more than 35 years, and we have seen the Fleet News Awards go from strength to strength during that time. We're delighted to have been part of its success this year.

The awards provided a great opportunity to showcase easi-Fleet Management, our latest fixed-cost fleet management service. As with all Grosvenor services, easi-Fleet Management has no call centres, voice mail queues or impersonal service – just a ready-made fleet department saving money and freeing up your time to focus on other tasks.



## WINNER: ENTERPRISE RENT-A-CAR

# Greater unity means Enterprise customers get joined-up service

Increased collaboration with customers and no turndowns for corporate clients are among reasons behind the success

By Matt de Prez

**E**nterprise Rent-A-Car is taking a more joined-up approach to its fleet services on the back of a customer engagement programme last year.

"Our customers said they needed us to provide them with more services and to connect those services," says Adrian Bewley, director of business rental at Enterprise. "At the receiving end, the customer didn't feel the journey was as smooth as it could be."

The company set to work developing a new accident management system which allows for three-way communication between it, repairers and fleets. The goal was to reduce downtime for fleets and improve key-for-key time for all vehicles off the road.

"As far as mobility in B2B is concerned, we want to be relevant in all parts of the cycle from breakdown to repair to repatriation to getting the vehicle back on the road and making sure onward mobility is actually taken care of," Bewley says. "Today it's less about just the rental vehicle, but gaining more relevance in every moment of truth where the customer requires onward mobility."

Enterprise aims to provide any type of vehicle over any time period through its fleet of more than 97,000 vehicles and says business mobility is at the heart of its strategy.

Customers can access all of Enterprise's services, which includes car clubs and flexible rental, through one online booking platform.

**Fleet News:** How do you ensure the corporate sector is well served?

**Adrian Bewley:** For all our B2B customers we have something called free-sale, which means every customer is on a no-turndown account. It means our corporate customers can access our services 24/7 along with a higher level of priority. If we are close to selling out at a particular location or of a particular vehicle type we would turn to the retail market – we never turn off our corporate business.

Our two priorities are the replacement side of the business [somebody who is in distress in a breakdown or accident] and corporate contracts.

We've used all the relationships we have to make

sure our corporate customers are getting the maximum value from a customer journey point of view.

There are lots of ways we may touch a customer because we have lots of parts to our business. What we've been able to do is collaborate both internally at Enterprise and with our customers allowing us to cover virtually every single eventuality.

**FN:** How have you adapted to suit the needs of fleet managers?

**AB:** Our main focus has been to simplify the access points for fleet managers, to allow a breadth of choice.

That's the area we've really worked hard on. In making acquisitions like the City Car Club brand and Burnt Tree over the past three years, what became obvious is it's all very well having those products available but you need to simplify the access points for the fleet manager or business traveller. Now we can offer an unrivalled selection of vehicles, available from one-hour increments all the way up to contract hire.

One of the priorities has been making it easier for the fleet manager to access the most appropriate mode of transport. Acting as 'one enterprise' is absolutely key to that – whether they want to complain about a car or hire a HGV, it's done through one platform with Enterprise.



Giles Bolton, head of finance at Grosvenor Leasing, presents the award to Joanne Vickers, national sales manager – fleet and leasing, Enterprise Rent-A-Car



Adrian Bewley (right) punches the air in celebration with other members of the Enterprise Rent-A-Car team

#### FACTFILE

**Number of branches:** 420  
**Fleet size:** 97,000  
**Vehicle types:** Cars (inc hybrids), Vans and HGVs  
**Size of corporate business:** 45%  
**Customer satisfaction rating:** 95%  
**Delivery/Collection charge:** £2.50

We have learnt to communicate as one collaboration. As a sales team we are talking about the customers' requirements, not products. A few years ago it's fair to say we were quite self-focused but now we are very customer focused, we listen to their problems and try to solve them with the services and solutions we have in place.

We are talking to fleets from lots of different angles, whether that be from a manufacturer and breakdown point of view, insurance replacement or via the fleet company. It has been massively about the customer journey and finding ways to help all parties achieve a smoother output – effectively reducing downtime and helping operational efficiency.

#### **FN: Are there other areas you are looking to develop?**

**AB:** Yes. The next big initiative we will be looking at is to have an alternative to a grey fleet provision.

One of the biggest challenges in the industry is options for grey fleet. You need a mobility suite which is wide and complex and we have that. We've been able to come up with a simple approach to choices for grey fleet for short- and long-term journeys.

Currently we are developing platforms that are going to make and simplify the alternatives to grey fleet, which, in turn, will make the fleet managers' selections for grey fleet become much easier.

#### **FN: Are more fleet operators moving away from traditional funding methods in favour of rental?**

**AB:** It's less about 'leasing is bad, rental is good' and more about what is fit for purpose.

The way we see the future is that each customer will have their own specific requirements and we need to have the ability to mould around those requirements and give them the fluidity of access.

#### **FN: Have you seen a change in the type of vehicles that are being requested or demanded?**

**AB:** Absolutely. It's normally the exception if a customer doesn't demand lower CO<sub>2</sub> emissions now. We buy our vehicles based around customer needs and it has become habit that CO<sub>2</sub> levels are dropping.

As for electric cars, that's slightly different. Hybrids and low-CO<sub>2</sub> have pretty much become mainstream, but fully electric cars are a completely different kettle of fish.

I think there is a chance EVs will have their day but a lot of things need to happen first. The infrastructure needs to be developed and the price needs to become a lot more comparable to a mainstream vehicle.

The fact is an EV is still more expensive for a short-term rental. The moment it becomes fairly similar to a normal rental vehicle, that's when things will start to evolve.

**A** focus on customer service has seen Enterprise listen to and adapt to customer needs. The business has expanded to offer a suite of services to support fleet operators, including accident management and car clubs.

Greater unity within the Enterprise group has been realised to ensure the highest level of service is provided and the business operates with one voice, according to Bewley.

Customers can access vehicles 24/7 via the company's network of 500 rental desks, including 420 dedicated branches. An online booking system streamlines the process.

Bewley is optimistic about the future: "We are probably at the most exciting stage of my 22-year career. Our customers tell us they have issues that need solving and while that's happening I have a very positive outlook."

#### JUDGES' COMMENTS

Enterprise Rent-A-Car has integrated its car club services with its daily rental branches so fleet customers can be advised when an hourly rental might be preferable to a daily one.

It has also broadened its commercial vehicle range and developed a new accident management system in response to customer feedback.



# VOLVO XC60

Second generation SUV puts the emphasis on safety combined with comfort



A distinctive look that projects a warm, cutting-edge image



By CJ Hubbard

**T**he Volvo XC60 – a premium, mid-size SUV – is now in its second generation and places a high emphasis on safety equipment, user-friendliness and technology.

The previous XC60 was launched in 2008, and quickly became not only Volvo's best-selling model, but also the best-selling vehicle in its class across Europe. To say that this is an important car for the Swedish brand would be a serious understatement – XC60 Mk2 needs to be good.

And it is. From the scaled-down XC90 exterior design to the luxurious, high-technology interior, it feels every bit the modern family accessory. The engines are refined, the ride is comfortable and performance is brisk throughout the range.

It also features more standard safety equipment than any of its rivals, and a distinctive look that projects a warm, cutting-edge image without the aggression of some of the German alternatives.

There are three main trim levels – Momentum, R-Design and Inscription – though each one can be further enhanced by a bespoke Pro package, which adds specific extra kit.

The XC60 is available to order now with deliveries due in

**£37,205**  
entry level price for the  
Volvo XC60

Q3. Prices start at £37,205 and all models benefit from leather upholstery, LED headlights, heated front seats and a powered tailgate.

R-Design adds sports seats and sports suspension along with larger alloy wheels, while range-topping Inscription versions get nappa leather upholstery, ventilated seats and extra chrome trim.

The Pro upgrades across the range have been designed with company car drivers in mind, combining popular options into what essentially become additional trim levels. Volvo says this is perfect for situations where drivers aren't allowed to add extras to their company car separately.

A choice of four engine options is available: 190PS D4 or 235PS D5 diesels and a 255PS T5 petrol. At the top of the range sits the T8 'Twin Engine' which utilises a plug-in hybrid electric motor drive system; this promises strong performance and a 28-mile battery range.

The entry-level D4 diesel is expected to be the best fleet seller; with emissions of 136g/km and combined fuel consumption of 55.4mpg. In popular R-Design trim it costs £39,705 meaning company car tax will be around £4,500 per year for a 40% taxpayer.

With four-wheel drive and quick-shifting eight-speed auto as standard, it does 0-62mph in 8.4 seconds, which is commendably swift. Top speed is 127mph.

In contrast the Hybrid will be much cheaper for the driver at just over £2,000 tax per year in the same trim, thanks to its 49g/km CO<sub>2</sub> emissions. However the T8 is far more expensive at £56,795, pushing into luxury SUV territory.

Combining a 2.0-litre four-cylinder turbo petrol engine with an electric motor, it achieves a total power output of 407PS – enough for 0-62mph in 5.3 seconds. Volvo claims 134.5mpg but with all plug-in hybrids we expect this figure to be closer to 40mpg in real-world driving.

At the launch we drove the D5 diesel (£45,055 in Inscription guise) which makes an excellent first impression (we'll be testing the D4 at its UK launch).

With 235PS it is very smooth, responding to your right foot exceptionally quickly for a diesel – that PowerPulse technology at work – with almost no sense of 'lag' from the twin turbochargers at all. But a jump in emissions to 144g/km means drivers will be hit hard at £5,100 per year in tax.



The XC60 has an attractive, yet simple, dashboard



All-wheel drive comes as standard on the XC60

*"To say that this is an important car for the Swedish brand would be a serious understatement – the XC60 Mk2 needs to be good"*

The eight-speed automatic gearbox isn't quite as convincing. With so many ratios to choose from, it never quite seems to be able to make up its mind which gear it should be in, with an irritating habit of changing them in the middle of corners.

The XC60 does feature a choice of driving modes, however, which allows you to influence the engine response, the gearbox programming and – where fitted – the air suspension and adaptive dampers.

Rivals such as the Audi Q5 and BMW X3 certainly offer a more rewarding driving experience in the corners.

Still, with all-wheel drive as standard, the XC60 has more than enough traction to deal with the strength of its engines, and in compensation for the slightly relaxed attitude to cornering you do get plenty of ride comfort.

Since the XC90 was introduced in 2015, Volvo has successfully established a strikingly unique interior design, using bold, high-quality materials alongside modern technology.

The XC60 fully reinforces this trend, with an attractive yet simple dashboard that still incorporates intricate details – such as the Swedish flag in the metal trim piece that cleverly hides the join between plastic and wooden elements.

Your eyes are drawn to the central nine-inch Sensus infotainment display, with its unusual (but logical) portrait orientation. The screen offers tablet levels of responsiveness, and the second-generation user interface featured in the XC60 shows a clear progression in thinking, using larger tile-style icons to make it easier to operate on the move.

The XC60 is an excellent choice for a family SUV. While some rivals are more fun from behind the wheel, few challenge this Volvo as an overall package. It would certainly have a place near the top of our shortlist.

## COSTS

<b>P11D price</b>	£44,450
<b>BIK tax band (2017/18)</b>	30%
<b>Annual BIK tax (40%)</b>	£5,334
<b>Class 1A NIC</b>	£1,840
<b>Annual VED</b>	£200 then £450
<b>RV (4yr/80k)</b>	£14,425
<b>Fuel cost (ppm)</b>	10.41
<b>AFR (ppm)</b>	11
<b>Running cost (4yr/80k)</b>	53.81

## SPEC

<b>Power (PS)/torque (Nm)</b>	235/480
<b>CO<sub>2</sub> emissions (g/km)</b>	144
<b>Top speed (mph)</b>	137
<b>0-62mph (sec)</b>	6.8
<b>Fuel efficiency (mpg)</b>	51.4

## KEY RIVAL

<b>Jaguar F-Pace 2.0d 240 R-Sport</b>
<b>P11D price:</b> £44,060
<b>BIK tax band (2017/18)</b> 32%
<b>Annual BIK tax (40%)</b> £5,640
<b>Class 1A NIC</b> £1,946
<b>Annual VED</b> £500 then £450
<b>RV (4yr/80k)</b> £17,200
<b>Fuel cost (ppm)</b> 10.98
<b>AFR (ppm)</b> 11
<b>Running cost (4yr/80k)</b> 50.91

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

# THINKING CAP



By Martin Ward, manufacturer relationships manager

**cap hpi**



**Monday/Tuesday** Off to Hanover to drive the all-new Volkswagen Arteon.

It is larger than the Passat and has the additional advantage of being a five-door hatch. It's a very handsome coupe-like car, with some really crisp, precise and well-pressed panels. The side swage lines are so sharp, you could almost cut your fingers on them. The Arteon will be in UK showrooms in September with prices expected to start around £38,000. Two engines will be available at launch: 2.0 TSI 280PS and 2.0 TDI 240PS and both will have seven-speed DSG and 4MOTION as standard. VW in Europe will offer the new 1.5 petrol, but not sure this engine will make it to the UK. Hope it does. It is a stunning looking bit of kit.

*"The side swage lines are so sharp you could almost cut your fingers on them"*

**Thursday** To Millbrook for the annual Society of Motor Manufacturers & Traders media test day. As always it was well organised and the sun shone. Around 40 manufacturers were there with their latest models – 175 in total – and some even brought their classics to be driven. As you walk around it becomes obvious that just about every manufacturer has an SUV on offer, in varying sizes. Aston Martin had the brilliant DB11 there to drive, but it was great to see even the smallest, cheapest cars being booked out and driven.

**Friday-Sunday** To Majorca for a weekend break. Rented an Opel Adam which was small, compact and cosy, and just big enough for two. A word of advice: when going on holiday, don't be tempted by the cheapest, smallest rental car. Book one that will fit in all the family and luggage. If your stuff won't fit in your car from home to the airport – it certainly won't fit in a smaller rental when you get to your destination.





The Korando's front end has undergone a minor overhaul

2.2D ELX

# SSANGYONG KORANDO

If great pulling power is a priority, this SUV leaves others in its wake

## NEED TO KNOW

- Available now from £17,000
- Two-tonne towing capacity
- High CO<sub>2</sub> offset by low P11D value

By Matt de Prez

**S**sangYong has given the Korando SUV a second facelift in the space of three years, upping standard equipment and improving its visual appeal.

The Korando's Giugiaro-designed body is largely unchanged. Its front end has undergone a minor overhaul getting a new grille and headlight combo and the daytime running lights have been relocated to the bottom of the bumper, surrounding new fog lights.

The changes help to bring the Korando in-line with the family face seen on the Tivoli and upcoming Rexton.

The range consists of four models which are on sale now. Base-spec SEs get two-wheel drive and cost £17,000. Adding 4x4 brings the price up to £18,500. Top spec ELX models cost £22,000 or £23,500 with an automatic gearbox.

All come with heated door mirrors with puddle lamps, iPod and Bluetooth connectivity, air conditioning, tinted glass and roof rails.

ELX trim adds front and rear parking sensors, a rear-view camera, seven-inch touchscreen, TomTom sat-nav, 18" diamond-cut wheels, leather seats, heated steering wheel and heated front and rear seats.

Power comes courtesy of a 2.2-litre diesel engine which develops a healthy 178PS and 400Nm. The powertrain gives the car serious towing credentials with a max-trailer weight of two tonnes.

Elsewhere in the sector, smaller engine crossovers offer greater economy than the Korando's claimed 53.3mpg but lack the towing capacity. For a company car driver the emissions figure of 139g/km may be a turn-off, but, considering the starting price in BIK calculations, the Korando costs significantly less in tax than most of its spec-for-spec rivals.

Adding four-wheel drive bumps the CO<sub>2</sub> to 152g/km which

## COSTS

P11D price	£21,760
BIK tax band (2016/17)	32%
Annual BIK tax (20%)	£1,392
Class 1A NIC	£960.92
Annual VED	£500 then £140
RV (4yr/80k)	n/a
Fuel cost (ppm)	11.24
AFR (ppm)	13
Running cost (4yr/80k)	n/a

## SPEC

Power (PS)/torque (Nm)	178/400
CO <sub>2</sub> emissions (g/km)	152
Top speed (mph)	115
0-62mph (sec)	9.9
Fuel efficiency (mpg)	48.7
Real-world mpg*	35.8

## KEY RIVAL

Vauxhall Crossland X 1.6 Turbo D 120 Elite Nav
P11D price: £21,185
BIK tax band (2016/17) 23%
Annual BIK tax (20%) £975
Class 1A NIC £672
Annual VED £140 then £140
RV (4yr/80k) £5,600
Fuel cost (ppm) 7.75
AFR (ppm) 9
Running cost (4yr/80k) 31.90

Running cost data supplied by KeeResources (4yr/80k)  
\* Data supplied by Equa Index



The ELX comes with a seven-inch touchscreen and TomTom sat-nav

puts company car tax at around £1,300 per year, while base models attract a reasonable £949.

There are more frugal crossovers to choose from but if you need off-road competence and strong towing ability there is little else in the sector that ticks the boxes.

Fleet managers considering putting the Korando on their choice lists should first consider the Equa MPG Index, available on the *Fleet News* website, which suggests the car will only achieve between 35 and 40mpg. VED is also high in the first year (up to £500) due to the emissions.

Inside there is plenty of interior space and considerable legroom for all passengers. The boot floor is almost completely flat and there is up to 1,312 litres of space when the seats are folded.

Our high-spec ELX test car was comfortable and felt relatively well made, considering the car's price point. You can't expect Audi levels of refinement in a vehicle that costs supermini money.

It's on the road that the Korando's low price begins to make more sense. The steering is dull and unresponsive and, despite its power reserves, the engine delivers little to justify its fuel bills.

It's not all bad though. The gearbox is slick and visibility is good. On our test route we found the ride to be acceptable too. However, body roll is noticeable on twisty country lanes.

# VAUXHALL ZAFIRA TOURER

1.6CDTI SRI NAV

## Happy to get back behind the wheel of the Zafira



The Zafira Tourer turned out to be quicker, less heavy on fuel and much cheaper to buy than the S-Max

### COSTS

P11D price	£26,785
BIK tax band	23%
Annual BIK tax (20%)	£1,232
Class 1A NIC	£850
Annual VED	£0 then £30
RV (4yr/80k)	£7,150/27%
Fuel cost (ppm)	8.81
AFR (ppm)	11
Running cost (ppm)	62.05

### SPEC

Engine (cc)	1598
Power (PS)	134
Torque (Nm)	320
CO <sub>2</sub> emissions (g/km)	119
Manufacturer mpg	62.8
Real-world mpg*	47.3
Test mpg	54
Max speed (mph)	120
0-62mph (sec)	10.4
Current mileage	6,474

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

\* Data supplied by Equi index

By Luke Neal

**A**fter borrowing features editor Andrew Ryan's long-term Ford S-Max for a week I found myself missing the driveability of the Zafira Tourer.

On paper at least the two cars are similar, the 2.0 TDCI AWD S-Max has 150PS/350Nm while the Zafira has slightly lower power figures of 134PS/320Nm.

Kerb weight is 1,831kg vs 1,701kg respectively and the cars are close in length at 4,796mm for the S-Max and 4,656mm for the slightly shorter Zafira Tourer.

Despite the figures I expected the slightly heavier, but more powerful, S-Max to outperform the Zafira but I didn't find this to be the case.

The two cars are quite different on the road and while the S-Max 2.0 diesel engine has more power and torque it lacks power under acceleration and the gear change is long and notchy. The brakes are also lacking bite and need more of a shove than expected.

It's far less fuel efficient than the

Vauxhall, too, and failed to get above 39mpg.

In comparison the Zafira Tourer feels lively on the road and is almost two seconds quicker to 62mph than the S-Max despite the smaller engine. The brakes are strong and responsive, the gearchange is short and positive and the fuel economy has reached as high as 59mpg on a long run which is only just below the manufacturer's claim of 62.8mpg and significantly higher than the Equi Index real-world figure of 47.3mpg.

The S-Max has the edge over the Vauxhall in the 'quality feel' stakes but it's worth pointing out that our long-term Zafira model is more than £4,000 cheaper than our S-Max which could go some way to adding some premium touches such as metallic paint (£555), leather seats (1,060) or panoramic windscreen and sunroof (£1,015).

I've also had a tyre replaced on the Zafira this month. A slow puncture caused by a small hole in the rear passenger side tyre sidewall meant a like-for-like replacement was needed.

### MAZDA6 2.2D 150 SE-L NAV



It may sound like something you would find in a fighter jet rather than a four-door saloon, but G-Vectoring Control (GVC) is now a mainstay of this fleet favourite.

By monitoring your steering and throttle position when you enter a corner, GVC momentarily reduces the amount of torque delivered to the front wheels, thereby transferring a fraction more weight onto the front axle which allows the wheels to turn more precisely.

The result is a car which handles really well, giving you bags of driving confidence. Coupled with a 2.2-litre diesel engine and with 150PS or 175PS versions available, this is a fun car to drive.

Both diesels use a two-stage turbocharger, with two turbines and a large intercooler, producing excellent torque – even at low revs.

Gareth Roberts

### FIAT TIPO 1.6 MULTIJET



Our regular photographer Chris Lowndes has covered a

fair chunk of the Tipo's miles this month as he went around helping us to immortalise many of you in print.

He shares my enthusiasm for the Italian hatch. Its 440-litre boot holds plenty of camera equipment, giving it an advantage over the Vauxhall Astra (370 litres), Volkswagen Golf (380) and Citroën C4 (408).

Its keenest rival is the similarly priced Škoda Rapid which manages to top the Tipo with a 550-litre boot.

The Tipo redeems itself with a higher level of equipment. Škoda choosers will need to pick plenty of options to match the Fiat's spec.

Drivers may also be disappointed by the disconnect between the Rapid's name and its performance. The 1.6 TDI lags four seconds behind the Tipo in the 50-70mph dash.

Matt de Prez

### TEST TIMELINE



## AT A GLANCE – THE REST OF OUR FLEET



**Honda Civic**  
1.0VTEC  
Turbo SR



**Land Rover Discovery Sport**



**Ford S-Max 2.0 TDCi AWD Titanium**



**Renault Megane**  
1.5DCI  
Dynamique S-Nav



# FleetNews PORTFOLIO

WHAT WE DO IN YOUR INDUSTRY

## Fleet News magazine

The leading business publication for the fleet sector, offering insight, analysis, best practice and in-depth profiles of fleets and suppliers every fortnight. But don't take our word for it: 96% of readers say *Fleet News* is the most useful fleet publication (*Fleet News* reader survey). Every issue is packed with information that helps companies to run efficient and effective fleets – and our readership of 16,000 is restricted to named decision-makers, running fleets of 10-plus vehicles.

## Commercial Fleet magazine

*Commercial Fleet* offers insight into the world of light commercial vehicles and trucks to provide operators with detailed analysis on key topics such as operations, safety, remarketing and the environment. Case studies in every issue provide best practice advice to help you to improve your efficiency. The magazine is supported by the commercialfleet.org website and events.



## Driving Business magazine

This quarterly magazine is sent to managing directors and finance directors at 25,000 small to medium enterprises (SMEs) that are running fewer than 50 vehicles. Focusing on the key elements of running cars and vans, *Driving Business* provides practical advice to reduce cost and improve safety with a minimum of time and effort.

## Websites and newsletters

The *Fleet News* website is an extensive library of best practice advice, fleet case studies, news and tools. Compare car and van running costs, check how much tax employees will pay and find out which models use the least fuel with our easy-to-use tools. We also send *Ignition*, a monthly newsletter which contains car reviews and interviews not included with our print magazine.





## Fleet events

Fleet News events are the biggest and best in the sector. Our annual awards night attracts more than 1,500 people; the FN50 Dinner sees 950 leasing, manufacturer, rental and supplier companies networking and *Commercial Fleet* Summit provide insight into key areas of fleet operation; monthly roundtables enable 10-15 fleets to discuss issues and share solutions.



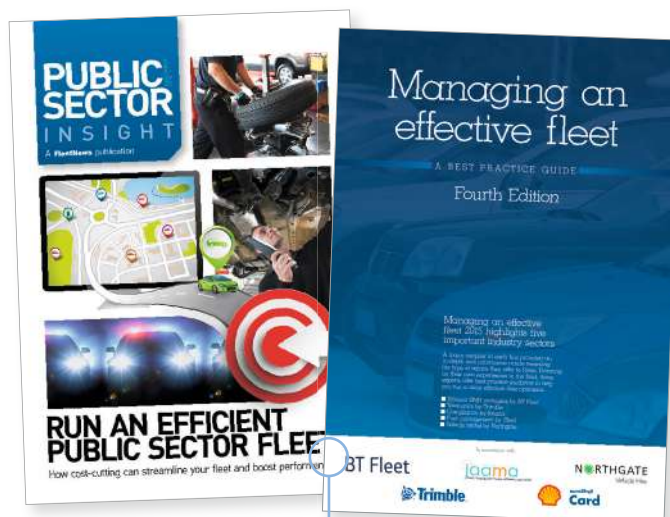
## Fleet Leasing magazine

*Fleet Leasing* provides insight and analysis to board level executives, senior management and regional sales staff at contract hire and leasing companies. Its objective is to inform and educate about fleet trends, new models and technological developments, once a quarter, supported by a website regularly updated with the latest leasing news.



## Bespoke publications

Magazines, supplements, brochures and digital products are produced for commercial partners. These bespoke publications inform fleets about companies and topics relevant to their business. They include manufacturer and supplier reports, in which *Fleet News* journalists interview key personnel to unearth the developments of interest to fleet operators.



## Best practice guides

Special supplements that complement the magazine, our best practice guides look at areas that are core to fleet management or which are topical, such as electric vehicles. They provide you with the knowledge you need to make the right decisions. We also publish reports into the Fleet200, which analyse the UK's biggest fleets, and the FN50 contract hire and leasing sector.



# RICHARD BOREHAM

MANAGING DIRECTOR AT V4B

When Boreham founded his vehicle brokerage, his vision was to complete one deal each week. It has done rather better than that to the extent that his 'dream' cars are his in reality

**My pet hate** is mobile phones and the carriers, they are terrible. If my business ran like theirs I would be bankrupt. Clients and I are always getting cut off – it is the bane of my life.

**Away from the office** I love my dogs, cars and travel. In particular I like visiting the Far East – Vietnam and Malaysia. I thought the rehabilitation care home for orangutans was fabulous.

**In the garage** I have my dream cars: a Jaguar XJS, a Bentley Arnage, a Bentley GTC and a Bentley Mulsanne. I would love to own a Bentayga though.

**My first memory** associated with a car was snapping a track rod on my Alfa Romeo Alfasud. I went up a bank at 30mph and it was quite frightening.

**The book** I would recommend others read is *Best Served Cold: The rise, fall and rise again of Malcolm Walker*.

**My favourite film** is *American Gangster* – he followed a master and then made good in the long run.

**I would like to be remembered** for founding something that offered security to many.

**If I was made Prime Minister** for the day I would sort out the NHS by stopping waste and looking very closely at the needs of patients.

**The most pivotal moment** in my life was meeting and marrying my current wife, she has brought hours upon of hours of fun and laughter – which is what keeps us young.

**I would tell my 18-year-old self** to do everything exactly the same.

**First automotive role** My first automotive role involved washing vans and checking the oil on vehicles. I wouldn't want to leave the automotive industry because I am passionate about vehicles – whether it is making them, driving them or financing them.

**Career goals at V4B** My goal is to continue expanding V4B into new affinities and markets.

**Biggest achievement in business** My biggest achievement is surviving 25 years in business. I founded the company in 1992 with a vision to complete a deal a week. We now fund, via our partners, more than £100 million-worth of vehicles every year across Europe.

**Biggest career influence** I can't single one out. Along with my old boss there have been lots of great clients along the way who have made both myself and V4B what we are today.

**Biggest mistake in business** Employing people who don't hold the same vision as me. However, I have learnt how to spot this and remedy it.

**Leadership style** My leadership style is best described as 'wacky but kind'.

**If I wasn't in fleet** I would love to be a stock broker because adrenalin pumps when I do a deal and stockbrokers do more deals than me.

**Childhood ambition** As a child I wanted to join the Navy because I wanted to travel the world.

*"I wouldn't want to leave the automotive industry because I am passionate about vehicles"*

**Next issue:** Peter Bonney, fleet controller, The Salvation Army



# Mobility of the Future by Goodyear.

At the recent National Association of Police Fleet Managers (NAPFM) show Goodyear presented their thoughts on Mobility of the Future and how this will impact fleets.

Goodyear believes that there is a revolution coming above the road. The internet of things, autonomous vehicles, ride sharing and new synergies between car manufacturers and technology players will change the transportation ecosystem as we know it.

The leading tyre manufacturer is anticipating and addressing the evolving needs and challenges of consumers and customers within this new ecosystem.

With new mobility business models emerging, particularly within the fleet industry, proactive maintenance that ensures maximum uptime will become imperative, and data is king to having an effective fleet.

As the only connection between the vehicle and the road, the tyre is crucial in ensuring optimal performance and will remain at the core of mobility. It will provide the insight that fleets need to remain efficient.

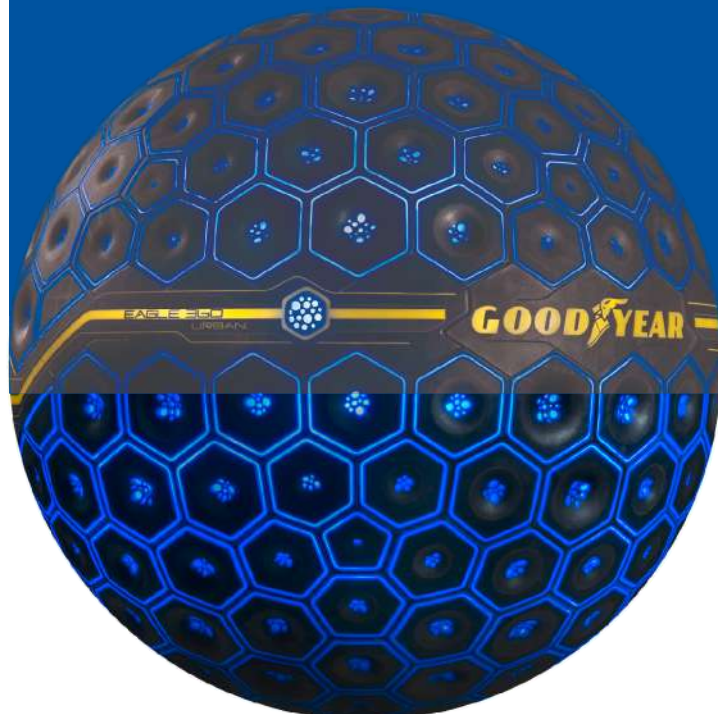
At the show Goodyear presented its most advanced vision for smart, connected tyres; The Eagle 360 Urban. The new concept tyre has the 'brains' and the ability to meet the demands of autonomous vehicles and an evolving mobility ecosystem by putting knowledge into practice.

It is the first concept tyre to be powered by Artificial Intelligence. The Eagle 360 Urban is ready to rapidly adapt to changing circumstances, as well as the evolving needs of Mobility as a Service for fleets and their users.

For more information about Goodyear, contact David Howe [david\\_howe@goodyear.com](mailto:david_howe@goodyear.com)

## How it works:

- The Eagle 360 Urban has a bionic skin with a sensory capacity similar to that of human skin and it can sense and capture information on road and weather conditions.
- By being connected to different data sources – other vehicles, infrastructure, traffic systems - the Eagle 360 Urban has a complete picture, in real-time, of what's going on around it.
- By analyzing this data using its artificial intelligence, the Eagle 360 Urban can decide what actions to take.
- It will communicate with the vehicle's 'nervous system' to improve the car's braking, handling and efficiency.
- It can transform and adapt to the road conditions by deploying its morphing tread.
- The concept tyre can then interact to share the information it has captured and the related action and its learnings with other vehicles and all of the elements making up the Internet of Things.





# INTRODUCING ALL-NEW FORD FIESTA



MOVING YOUR FLEET FORWARD  
WITH THE UK'S MOST TECHNOLOGICALLY ADVANCED SMALL CAR

TO FIND OUT MORE  
**SEARCH:** ALL-NEW FORD FIESTA

Official fuel consumption figures in mpg (l/100km) for the All-New Ford Fiesta range: urban 40.9-80.7 (6.9-3.5), extra urban 67.3-94.2 (4.2-3.0), combined 54.3-88.3 (5.2-3.2). Official CO<sub>2</sub> emissions 118-82g/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.



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