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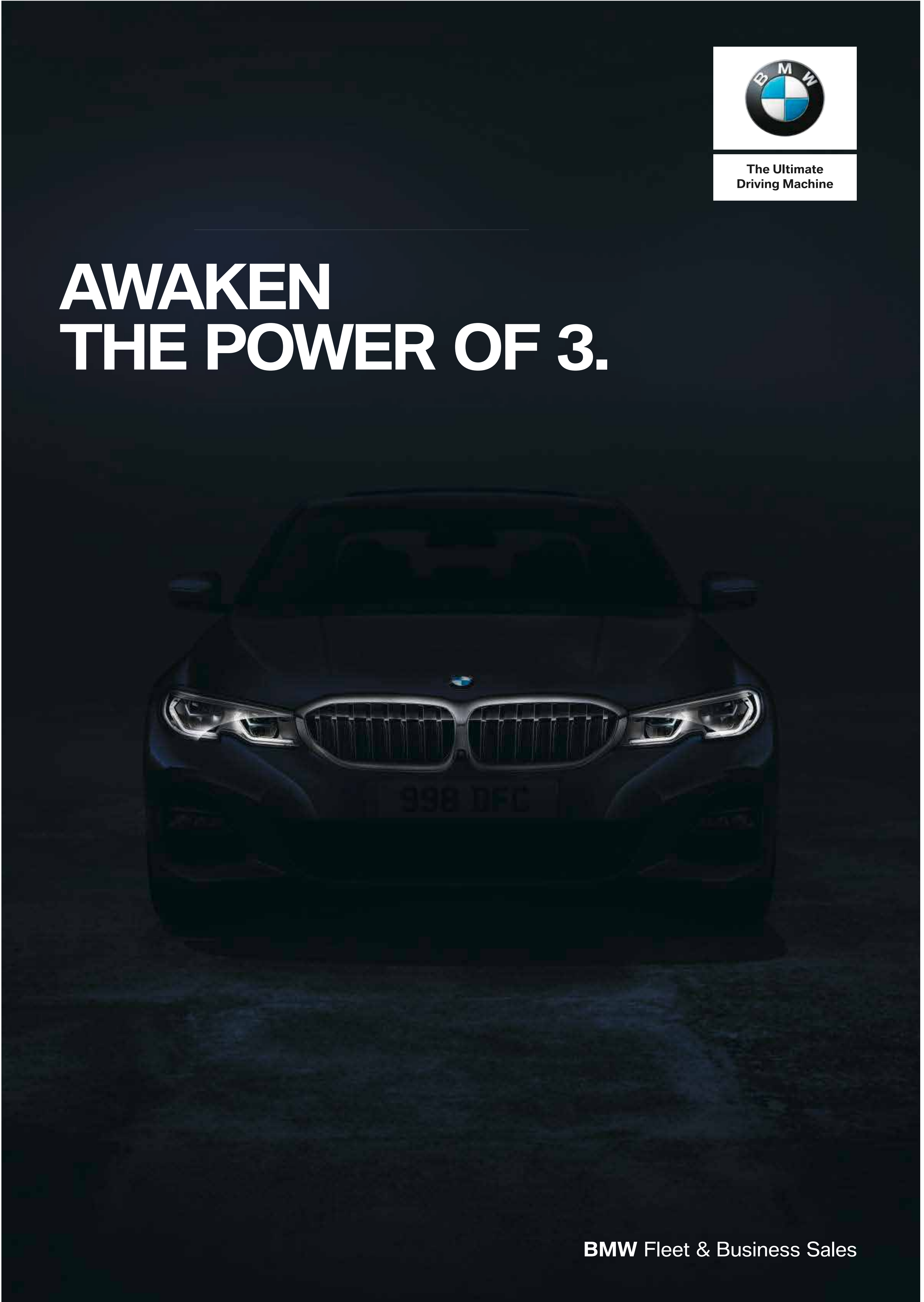

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For the latest news, visit: fleetnews.co.uk/news www

Government 'must move up BIK cuts or miss Road to Zero pledge'

2019 tax increase for EV drivers is slowing uptake of ULEVs, warn fleets

By Gareth Roberts

If the Government is to stand a chance of achieving its Road to Zero pledge of half of all new cars being ultra-low emission by 2030, it must bring forward planned reductions in company car tax rates and provide guarantees it will stay low, the fleet industry has warned.

Company car drivers considering a pure electric or hybrid car face a three-percentage point increase in benefit-in-kind (BIK) tax rates from next April, before rates fall the following year.

The tax cut, from 16% to 2%, from April 2020 for pure electric vehicles (EVs) will save company car drivers hundreds of pounds a year. For a Nissan Leaf, for example, a 20% taxpayer would see their annual BIK bill fall from £1,051 to £131.

BIK rates for hybrid cars will also fall, bringing savings to thousands more company car drivers and incentivising uptake further.

On a Mitsubishi Outlander PHEV, for example, the annual tax bill will be cut by £150 thanks to its electric-only range of 28 miles (WLTP) putting it into a 14% BIK bracket.

The new regime, announced in November 2017, was designed to incentivise the cleanest cars, but now stands accused of holding back take-up.

By bringing forward the 2020 BIK reductions, the fleet industry argues the plug-in market could get a much-needed boost.

"At a time when the Government is desperate to encourage plug-in take-up among all drivers, but particularly fleets as they are the largest purchaser of new cars, then it is essential that a tax regime is in place that encourages that demand," said John Pryor, the chairman of ACFO, the fleet representative body.

"They need to support company car drivers with lower BIK rates, rather than increasing them next year"

Paul Gilshan, Tusker

So far this year, 8,980 pure EVs have been registered, compared with 9,030 in the first eight months of 2018 – a fall of 0.6%.

However, when taken together with other ULEVs, Government figures show that 33,792 cars qualified for the plug-in-car grant during the same period, a 32.6% year-on-year increase.

Last year, 53,203 new ULEVs were registered in the UK, up 27% from 41,837 units in 2016.

However, they accounted for just 1.7% of all new vehicle registrations – up from 1.2% one year previously and 0.9% two years before.

To achieve the Government's ambition for at least half of new cars to be ULEVs (sub-50g/km CO_2) by 2030, registrations would have to rise 30% year-on-year for the next 12 years.

Tusker CEO Paul Gilshan said: "[Transport Secretary] Chris Grayling said in July that the Road to Zero strategy 'sets out a clear path for Britain to be a world leader in the zero-emission revolution – ensuring that the UK has cleaner air, a better environment and a stronger economy'.

"For the Government to stand a chance in achieving this, they need to support company car drivers with lower BIK rates for electric drivers, rather than increasing them next year."

Like ACFO, Tusker wants the Chancellor of the Exchequer, Philip Hammond, to introduce the new rates a year early when he delivers his Budget in the House of Commons on Monday, October 29.

Gilshan said: "Tusker has seen a continued increase in ULEVs over the past few years, with 9% of new orders now a ULEV. If the 'cliff-edge' drop in BIK was brought forward, this growth would accelerate."

Tusker has started a petition on the Government's website calling for the Treasury to intervene, while *Fleet News* is urging the Chancellor to bring forward the BIK incentives to October's Budget through the Fleet Budget Manifesto (see page 22).

Produced in consultation with the British Vehicle Rental and Leasing Association (BVRLA) and ACFO, the manifesto calls on the Government to act on a range of fleet-related issues, alongside the changes to BIK.

They include: Raising ULEV incentives through a long-term commitment to grants; reconsidering the 4% diesel supplement; realigning BIK to take account of WLTP-based CO_2; and committing to a longer-term (four-five years) view of BIK.

Fleets can sign up to the campaign at fleetnews.co.uk/fbm2018.

The BVRLA said the planned three-percentage-point increase in April for ULEVs is "actively disincentivising" the take-up of EVs as company cars and contradicting the ambitions set out in the Road to Zero strategy.

Gerry Keaney, the chief executive of the BVRLA, said: "By bringing forward the 2% company car tax rate for zero-emission vehicles, the Government would be sending the right market signal, stimulating the new and used electric vehicle market, while at the same time promoting the UK as a place for inward investment.

"Fiscal policy is a powerful and effective tool to achieve the Government's environmental goals. In particular, there is great potential to use fiscal incentives to leverage the company car market, which is already a key enabler for the early adoption of new technologies."

The BVRLA launched its Plug-in Pledge earlier this year, which called upon the Government to support greater uptake in electric and hybrid vehicles through measures such as bringing forward the plug-in company car tax incentives (fleetnews.co.uk, July 16).

The pledge aims to see members' combined plug-in vehicle fleet size go from 50,000 today to 720,000 by 2025. By that time, vehicle rental and leasing companies will be buying 300,000 plug-in vehicles a year, representing an increase in the industry's share of annual new plug-in hybrid and pure EV registrations from 36% to 60%.

Mike Hawes, the chief executive of the Society of Motor Manufacturers & Traders (SMMT), said: "Industry supports a consistent, long-term approach to vehicle taxation policy to avoid market distortion and confusion.

"The automotive sector is firmly committed to a zero-emission future and is investing billions in technologies to get there, but this must be matched by government measures including technology-neutral incentives, investment into infrastructure and fiscal and other policy support to encourage uptake of alternative fuel vehicles."

Meanwhile, leasing company Lex Autolease is independently incentivising the take-up of pure EVs by offering fleet decision makers £1,000 for each one they adopt (*Fleet News*, September 20).

The lump sum is available for the first 1,000 customers, whether corporate or private, who sign-up for a zero-emission vehicle from January.

Lex has 18,000 ultra-low and zero-emission vehicles on its fleet, including 1,000 pure EVs, but it believes the move will help it to double the size of its pure EV fleet.

Ashley Barnett, head of consultancy at Lex Autolease, said while the company car market represented fewer than one million cars out of the 31m on UK roads, renewing and replacing those cars played a vital role on the wider market.

He also believes it is easier to drive the adoption of ULEVs within the company car market, rather than through personal contract hire, for example, due to the way incentives are currently targeted.

Barnett said visibility of year-three and -four BIK tax rates, as well as a long-term view of the plug-in car grant, would also prove vital to driving the uptake of EVs, echoing the Fleet Budget Manifesto proposal.

The Government has committed to maintaining a plug-in vehicle grant in some form until 2020, but it is expected to announce changes to the scheme this month.

Barnett said: "I would like to see the £4,500 maintained. If anything has to be reduced, I think it should be on the hybrid side, because trying to get as many people into pure EVs as possible is absolutely the right way to go.

"If you buy or lease a valuable asset for a long duration – four or five years – you'd also like to know, with some degree of certainty, what you're going to be paying without worrying that, part-way through, something out of your control is going to drastically impact that monthly cost. That's where some of the hesitancy of company car drivers is coming from."

The lack of rates beyond April 2021 was also a concern for Matt Dale, head of consultancy at ALD Automotive. "Once confirmed, this should give more confidence to company car drivers looking to switch into ULEVs," he said.

For more from Matt Dale on the benefits of plug-in vehicles, see page 21.

NISSAN LEAF TEKNA

TAX PAYABLE
2018/19 - **£854* (BIK rate 13%)**
2019/20 - **£1,051* (BIK rate 16%)**
2020/21 - **£131* (BIK rate 2%)**
(*Costs for a 20% taxpayer)

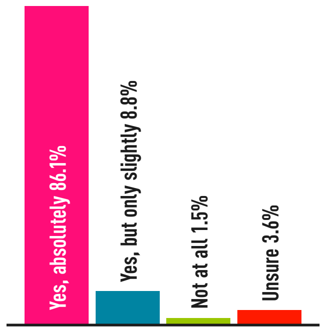
MITSUBISHI OUTLANDER PHEV JURO (19MY)

TAX PAYABLE
2018/19 - **£954* (BIK rate 13%)**
2019/20 - **£1,174* (BIK rate 16%)**
2020/21 - **£1,027* (BIK rate 14%)**
(*Costs for a 20% taxpayer)

FLEET FACTS AND FIGURES

OPINION POLL

Are increases in benefit-in-kind tax influencing vehicle choice?



FleetNews view:

The results of our poll suggest that benefit-in-kind (BIK) tax rises are playing a major role in vehicle choice. Just 1.5% of respondents said BIK had no influence at all on car selection. Fleets have faced year-on-year increases to company car tax, with rates set to climb by three percentage points next year (see opposite). *Fleet News* is urging the Government to protect this valuable benefit by giving fleets greater certainty over future rates.

This week's poll: Since September, have you seen any improvement in lead times for cars? *fleetnews.co.uk/polls*

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Electric cars could get green number plates

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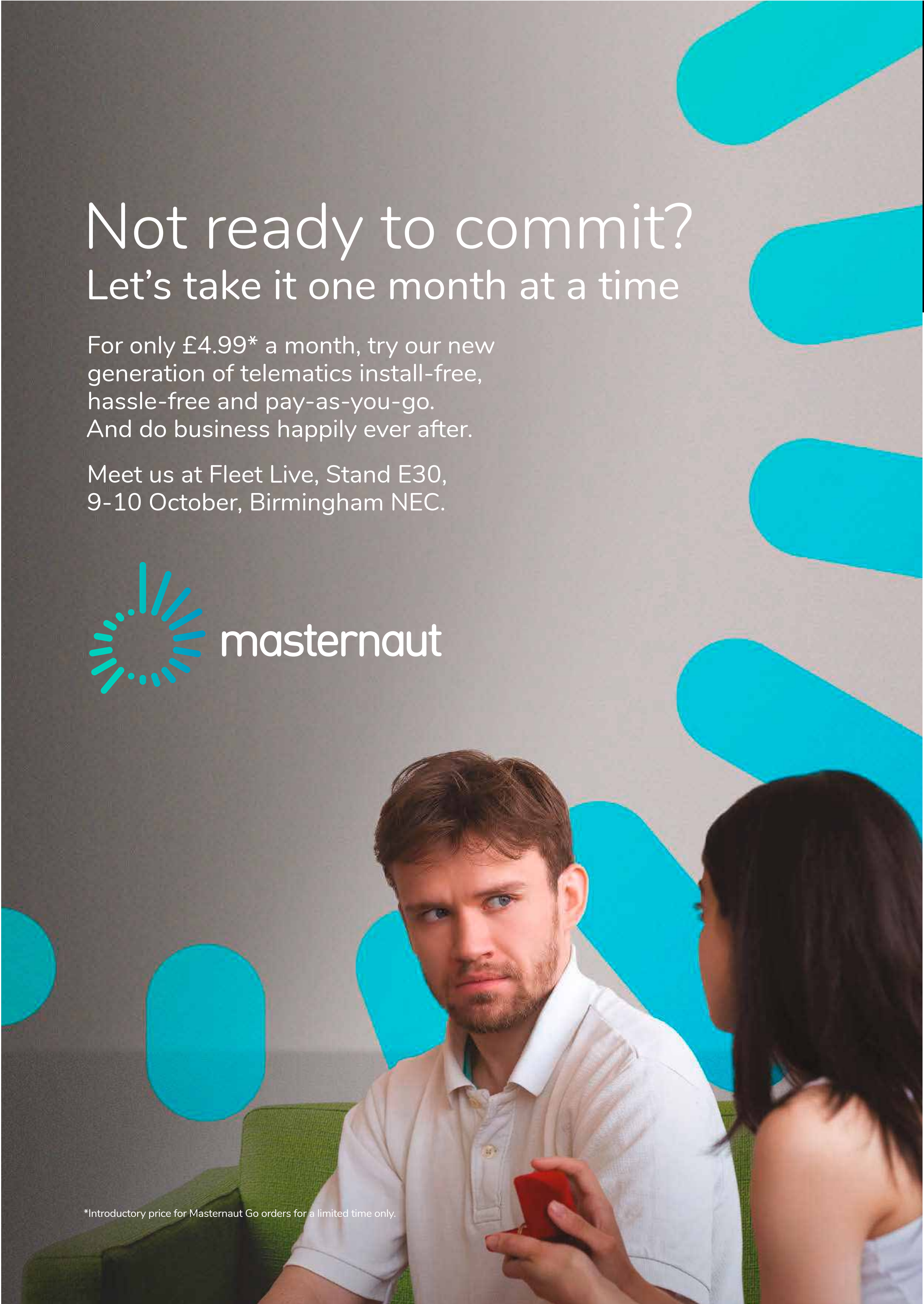
Unleaded (ppl) 129.50 ↓

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



Gerry Keaney, BVRLA chief executive, said attracting fleets was 'a natural evolution'

BVRLA membership plan sparks concerns over conflict of interest

ACFO and ICFM are wary about move to admit end-user fleets from January

By Gareth Roberts

The ability of the British Vehicle Rental and Leasing Association (BVRLA) to represent both suppliers and customers has been called into question after it opened its membership to end-user fleets.

Established in 1967 as the UK trade body for companies engaged in vehicle rental, leasing and fleet management, the association now wants to also represent fleet operators.

Gerry Keaney, the chief executive of the BVRLA, said it was a "natural organic evolution" to invite fleet operators to join the 'BVRLA family'.

"By representing car, van and truck fleet operators, we are in a unique position to strengthen our industry representation, provide deeper industry insights and be a louder voice of influence when protecting the interests of the fleet sector," he said.

"The issues faced by the industry have never been more complex. An ever-changing regulatory environment, fast-paced technological developments and the social, political and economic uncertainties of Brexit all keep policymakers busy.

"We are working hard, in collaboration with other trade bodies and fleet organisations, to ensure that the voice of fleets is heard loud and clear when policymakers are making decisions that affect the industry."

However, ACFO, the fleet representative trade body, told *Fleet News* that the BVRLA's intention to put a foot in both camps would result in a conflict of interest.

John Pryor, the chairman of ACFO, said: "As the BVRLA name suggests, it represents vehicle leasing and rental companies. ACFO can see that, at times, there is bound to be conflict when an organisation attempts to represent both suppliers and customers in the same industry."

Some fleet operators shared ACFO's concerns. Paul Tate, commodity manager at Siemens, said: "[The] BVRLA is linked to the supply chain and focuses on the interests of that body. I struggle to see the benefits this approach would bring."

"There is bound to be conflict when an organisation attempts to represent both suppliers and customers"

John Pryor, ACFO

Another big fleet operator, who wished to remain anonymous, wondered how the trade body could fairly represent fleet operators' concerns on end-of-contract charges, for example. "It just doesn't make sense," she said.

Fleet management training organisation, the Institute of Car Fleet Management (ICFM) – which works closely with both ACFO and the BVRLA – also expressed its doubts.

Three years ago, the ICFM agreed to forge closer links with ACFO to promote the benefits of professional fleet management and the importance of training and education.

On hearing about the BVRLA's plans, Paul Hollick, the chairman of the ICFM, said: "Another subscription for fleet managers would not be ideal unless there is a significant benefit of membership over and above the bodies acting across the fleet industry today.

"I believe that fleet managers are best served by a dedicated body to represent their interests and lobby the Government accordingly. For car fleet operators, ACFO does an incredible job in this regard."

The BVRLA announced it would open its membership to end-user fleets, from January 2019, at the annual Fleet Industry Forum, organised by BT Fleet Solutions (fleetnews.co.uk, September 21).

Jay Parmar, the director of policy and membership at the BVRLA, told delegates that having met with fleet decision-makers, while discussing plans for clean air zones with local authorities, it could ensure fleet views are heard at the highest level of Government. "We think we can make that voice louder," he said.

The BVRLA represents more than 900 organisations, working with governments, public sector agencies, industry associations, consumer groups and other stakeholders across a range of road transport, environmental, taxation, technology and finance-related issues.

Its members are responsible for a combined fleet of almost five million cars, vans and trucks on UK roads – one in eight cars, one in five vans and one in five trucks.

ACFO has worked closely with the BVRLA on numerous issues, holding joint discussions on topics of common interest and making co-ordinated representations to government departments and other organisations.

"Most recently," said Pryor, "that has included the BVRLA taking part in ACFO's successful campaign for an advisory electricity rate for all plug-in cars to be introduced by HMRC and, only last month, both organisations jointly attended a pre-Budget meeting with HMRC, HM Treasury and Department for Transport officials."

Established more than 40 years ago, ACFO's membership includes most of Britain's major fleets as well as many drawn from the SME sector.

Pryor concluded: "ACFO will continue to represent the independent voice of the fleet operator, while also continuing to work in partnership with other industry organisations, which include the BVRLA and ICFM, with whom it also has strong links."

German 'circle of five' investigated over emission technology collusion

Previous case cost truck manufacturers billions of pounds in EC fines

By Gareth Roberts

The VW Group, BMW and Daimler could face hefty fines if found guilty of collusion in the development and roll-out of technology for cleaner cars.

The European Commission revealed that the German carmakers were the subject of a formal investigation last month (fleetnews.co.uk, September 18).

Information already seen by antitrust investigators suggests that the BMW, Daimler (Mercedes-Benz) and Volkswagen Group's VW, Audi and Porsche – labelled the "circle of five" by investigators – held meetings where they colluded to limit the development and roll-out of certain emissions control systems for cars sold in Europe.

Competition commissioner Margrethe Vestager said: "If proven, this collusion may have denied consumers the opportunity to buy less polluting cars, despite the technology being available to the manufacturers."

Six truck manufacturers were recently fined a total of €3.8 billion (£3.4bn) for coordinating the pricing of new technologies needed to meet stricter emission standards and when they would be introduced.

Investigators in that case found the collusion had lasted for 14 years, from 1997 until 2011, when the Commission raided the firms.

Following its investigation, Daimler was fined €1.08bn (£970 million), DAF €752m (£672m), Iveco €494m (£442m), and Volvo/Renault €670m (£600m) by the Commission in 2016.

Scania decided against settling with the Commission and was fined €880m (£787m) for being a member of the cartel the following year.

However, truck manufacturer MAN, which had initially revealed the cartel's existence to the Commission, received immunity and avoided being fined.

Volvo/Renault, Daimler and Iveco also co-operated by providing evidence and so had their fines reduced.

> *"This collusion may have denied consumers the opportunity to buy less polluting cars"*
>
> *Margrethe Vestager, European Commission*

In relation to the latest antitrust investigation, Volkswagen and Daimler have claimed whistle-blower status, which would see both avoid any fines.

The Commission first revealed antitrust regulators were investigating possible collusion among German carmakers following a tip-off, last year (Fleet News, August 3, 2017).

In October, it confirmed the offices of several German carmakers had been raided by investigators.

Allegations in the German media at the time suggested that the carmakers agreed to limit the size of AdBlue tanks, in order to save costs and space.

A selective catalytic reduction (SCR) system, AdBlue filters some of the most harmful emissions from diesel engines.

Before the agreement, some of the carmakers were testing AdBlue tanks as large as 35 litres, that could clean emissions for up to 18,500 miles. But in 2006 the carmakers agreed to limit AdBlue tanks to just eight litres, which can effectively clean emissions for fewer than 3,700 miles, the report alleged. Carmakers declined to comment on the claims.

In launching a formal investigation, antitrust investigators have now confirmed that they are investigating whether the companies colluded to limit the development and roll-out of SCR systems to reduce harmful nitrogen oxide emissions from passenger cars with diesel engines.

They will also be looking at whether the five German manufacturers did the same with so-called 'Otto' particulate filters (OPFs), which reduce harmful particulate matter emissions from passenger cars with petrol engines.

The Commission says that the investigation will aim to establish whether the conduct of BMW, Daimler and VW violated EU antitrust rules that "prohibit cartels and restrictive business practices, including agreements to limit or control technical development".

However, it said: "At this stage, the Commission has no indications that the parties coordinated with each other in relation to the use of illegal defeat devices to cheat regulatory testing."

The Commission also alludes to other topics discussed by the carmakers, which will not form part of the investigation. "Numerous other technical topics were discussed, including common quality requirements for car parts, common quality testing procedures or exchanges concerning their own car models that were already on the market," it said.

"The circle of five also had discussions on the maximum speed at which the roofs of convertible cars can open or close, and at which the cruise control will work.

"Cooperation also extended to the area of crash tests and crash test dummies where the car companies pooled technical expertise and development efforts to improve testing procedures for car safety."

At this stage, the Commission says it does not have sufficient evidence that these discussions between the carmakers constituted anti-competitive conduct that would merit further investigation.

EU antitrust rules leave room for technical cooperation aimed at improving product quality.

Don't forget traditional customers in rush to PCH, warns Arval MD

Personal leasing grew 14% in the first quarter of 2018, says BVRLA

By Sarah Tooze

Arval's UK managing director, Miguel Cabaça, has warned leasing companies not to lose sight of the traditional corporate customer despite the growing appeal of offering personal contract hire (PCH).

The number of leasing companies entering the personal leasing market has increased rapidly over the past year, with all of the FN50 top 10 offering some type of PCH arrangement. The British Vehicle Rental and Leasing Association (BVRLA) reported a 14% increase in personal leasing in the first quarter of 2018, in contrast to a 1% overall decline in business leasing (see *Fleet News,* July 26).

Arval itself has offered PCH for a few years (via its broker network and direct sales operation to the SME sector) and has recently begun offering nearly new vehicles via PCH (Re-Lease) and a range of private lease options for employees of its corporate clients (under the 'Arval for Employee' banner, see *Fleet News,* March 8).

This has meant that the drivers of corporate customers have become "a key stakeholder in their own right", Cabaça told delegates at the recent International Auto Finance Network (IAFN) conference.

Serving consumers has brought a number of challenges as leasing companies have had to adapt to Financial Conduct Authority (FCA) regulation and ensure they have sufficient resources in their legal and compliance department, as well as adjust their teams' skill sets to communicate to customers in the right way.

"Private customers require different skill sets in terms of communication skills, the way you approach them," said Cabaça.

"Communicating with a driver who is part of a company car scheme versus a private customer that has chosen their car and is paying for their car, you may say 80% of the contact is the same, but there's 20% which is very different."

Digital tools are also key, he said: "You have to understand you are facing a very different customer.

"One is a driver that is sitting at a company looking at a laptop in the morning, trying to go through the company car scheme possibilities and choosing their own car. Another one is a consumer – alongside our options, they have brokers, they have different dealers, they have different manufacturers, so we're up against a very different competition. You have to be extremely good in the way you have your digital tools set up."

Although leasing companies are adapting their businesses to suit consumers, Cabaça believes they must also continue to develop new services to support traditional customers.

"When you see a lot of things changing in the market, there is a risk you actually forget your traditional customers," he said. "Everyone is interested in mobility, everyone is interested in PCH, new segments, that's quite sexy.

"The problem is we do have traditional customers that are struggling because of everything that is happening and we still have to keep in mind that those traditional customers are absolutely key to the strategy in the future."

He suggested that fleet managers should be considered "superheroes" because they are "up against an extremely complex background" with the challenges caused by the Worldwide harmonised Light vehicle Test Procedure (WLTP), uncertainty around future benefit-in-kind (BIK) taxation and clean air zones.

"When we try to sit down and have a projection of a fleet for the next four years, it's extremely complicated to know exactly what will be coming, even in the next two years," said Cabaça. "It's a very painful and difficult exercise."

However, he suggested that leasing companies have a role to play in supporting the transition to a 'greener' fleet by doing things such as supporting infrastructure development and using telematics to improve results.

Drivers face insurance and licence 'red tape' in event of no-deal Brexit

Fleets may need international permits and insurance 'green cards' to drive in EU

By Tom Seymour

Fleets and drivers may need international driving permits (IDPs) and insurance 'green cards' to drive or rent a vehicle in Europe if the Government fails to secure a deal on Brexit.

While UK driving licences are currently valid in the EU, a Department for Transport (DfT) paper has said an IDP may be required after March 29, 2019.

For insurance, UK drivers currently only need a passport and driving licence when crossing any borders within the green card-free circulation area – which covers the EU plus Andorra, Serbia and Switzerland – but there is no guarantee the exemption will continue past March. The 'green card' proves that a driver has the minimum insurance cover needed in the relevant country.

Pauline Bastidon, the head of European policy at the Freight Transport Association (FTA), said introducing IDPs would create "an array of red tape and paperwork" for businesses. The FTA is urging the Government to strike a deal with the EU to avoid creating delays and confusion for the logistics sector.

Bastidon said: "While it is encouraging to finally see some of the Government's plans for a no-deal Brexit, which provide helpful clarifications in some areas, there are still key processes to be agreed if the UK logistics sector and 'just-in-time' economy is to be protected.

"Of real concern is that these IDP permits would not be available to purchase at every post office, (the DfT paper suggested 2,500 outlets, rather than the full network), and will not be on sale until February 1, 2019, leaving operators precious little time to undertake the necessary administration ahead of Brexit day itself."

Ministers have confirmed that EU drivers will not require an IDP to drive in the UK after Brexit.

An IDP is a multi-language translation of a driving licence that is required or recommended in about 140 countries. To complicate matters further, there are two types of IDP required by EU countries. Each is governed by a different United Nations convention – the 1949 Geneva Convention and the 1968 Vienna Convention.

The 1949 convention IDP lasts for 12 months and is recognised in Ireland, Spain, Malta and Cyprus. For driving in all other European countries (including Norway and Switzerland) after Brexit, a 1968 convention IDP is valid for three years, or for however long a driving licence is valid, if that date is earlier.

The UK ratified the 1968 convention on March 28, 2018, as a part of its EU exit preparations.

The cheapest way to obtain an IDP is at a Post Office – there is no online alternative. Drivers pay £5.50 an application and have to fill out a form, supply their existing licence, proof of identity and a passport photo. It takes about five minutes and the documents are handed right back.

The UK Government hopes to secure an agreement with EU leaders before November

The start date of the IDP can be delayed by up to three months from application.

A spokesman for the Post Office told *Fleet News* it is working with the Government to deliver an enhanced service if and when required.

She said: "Part of this work is looking at how we could provide the service through thousands of additional locations in our branch network, to enhance accessibility for our customers if needed."

The Post Office declined to comment when asked if an online IDP service would be available for drivers and businesses.

Insurance green cards are currently free, but insurance providers can decide to recoup production and handling costs by increasing their administration fees.

A spokesperson for The Motor Insurers' Bureau, which is responsible for issuing green cards in the UK, said: "Preserving the current system post-Brexit should be achievable and encouraged given that there are already other non-EEA countries which are no longer 'green card compulsory'."

Drivers without a valid IDP may be turned away at the border or face other enforcement action, such as fines, which vary by country.

Fleet News asked daily rental companies how these potential changes would affect fleet customers and their business. Avis declined to comment, while Europcar said it would "apply the law applicable at the time".

A spokesperson for Sixt said: "How these new rules will be structured in the case of a no-deal Brexit is not yet clear.

"Nevertheless, we cannot imagine that access to rental cars will be significantly more difficult for UK citizens in the EU – and vice versa."

The UK Government hopes to secure an agreement with EU leaders later this month.

"There are still key processes to be agreed if the sector is to be protected"

Pauline Bastidon, FTA

Telematics systems: 'It's what you do with the data that counts'

Fatal bus crash 'may prompt compulsory telematics law'

Onboard system flagged problems with driver's behaviour before crash that killed two, court told

By Tom Seymour

A fatal bus crash in Coventry city centre in October 2015 could prompt new regulations to make telematics and driver behaviour monitoring compulsory in public service fleets and HGVs, according to law firm Stephensons.

Birmingham Crown Court last month found that Kailash Chander (80), a driver for Stagecoach subsidiary Midland Red South, was driving dangerously when he caused the deaths of Rowan Fitzgerald and Dora Hancox.

Prosecutors said he mistook the accelerator for the brake before the crash.

He had previously been sent eight warning letters about the standard of his driving after a telematics system fitted to the company's vehicles, which monitored braking, acceleration and speeding, flagged up poor driver behaviour.

Chander was involved in four other driving incidents in the previous three years.

Additionally, he missed a one-to-one meeting to address concerns over his driving because "his bosses needed him to be out driving", and he was allowed to continue with his work until the fatal collision.

Chander, who was diagnosed with dementia after the crash, was judged unfit to plead or stand trial at Birmingham Crown Court and jurors were not asked to return verdicts of guilty because the defendant was mentally unfit to take part in the hearing. They were instead invited to rule on whether Chander had carried out the acts alleged.

Stagecoach had already pleaded guilty to two charges under the Health and Safety at Work Act in September 2017.

These included failing to ensure the safety of employees and failing to ensure members of the public were not exposed to risks to their safety arising out of the driving of public service vehicles (PSVs).

Stagecoach will be sentenced on November 26 and faces an unlimited fine.

Paul Loughlin, a solicitor at law firm Stephensons, said the Traffic Commissioner, the government body responsible for licensing and regulating operators of HGVs, PSVs and local bus services, does not yet consider telematics systems a compulsory requirement, but this could change.

He said: "As in this case, operators can be prosecuted for ignoring clear and indisputable issues relating to health and safety deficiencies highlighted by telematics systems.

"Regulatory action might also come before the Traffic Commissioner as a result."

Peter Millichap, marketing director at Teletrac Navman, a telematics provider, but not the supplier Stagecoach was using, added: "It's what you do with the data that counts. It's critical that operators proactively manage the telematics data they have at their disposal, from driver behaviour behind the wheel to monitoring driver hours, in order to identify potential issues and enforce best practice."

The court heard that the four driving incidents Chander had been involved in included one in 2012 when he struck street furniture and one in 2013 while pulling into a bus stop.

The other two crashes happened at Stagecoach depots, with Chander driving into another bus on one occasion and a gate on the other.

At Midland Red South, the telematics data was available to management, with drivers needing to reach a rating of 20 events or below to get a cash incentive payment.

Chander's ratings ranged between 32 and 87, and every score that went over 50 resulted in a warning letter.

"Operators can be prosecuted for ignoring... health and safety deficiencies highlighted by telematics"

Paul Loughlin, Stephensons

Following one of these high scores, Midland Red South sent a letter to Chander saying that his driving would be monitored – possibly with someone joining him on board his bus – and a one-to-one meeting would take place.

Seven months before the incident, Chander was referred to the company's driving school, which sent an anonymous assessor to report on his driving.

The instructor said the journey was uncomfortable and erratic and would not have been good enough to pass an initial driving test.

In August 2015, Chander received a letter with a breakdown of his scores from four previous weeks which were 59, 87, 87 and 59.

The court was told that the usual weekly hours for a driver were 39 or 42 hours, but in the week leading up to the crash, he had worked for more than 70 hours.

Jurors were also shown CCTV footage of Chander, who struggled to punch a ticket moments before the crash as his hands were shaking, steering the bus as it drove over a pavement into the supermarket where the collision took place.

Defence lawyers acting for Chander had argued his conduct was careless (rather than dangerous) because it did not fall far below the standard expected of a competent driver.

Fleet News asked Stagecoach if it will be making any changes to its policies around telematics, driver monitoring and driver training as a result of the case.

A spokesman for Midland Red South said: "None of us at our company will ever forget the terrible events of October 3, 2015.

"We are deeply sorry for the heartache of those affected, particularly the families of Rowan Fitzgerald and Dora Hancox.

"We have made it our continuing priority to work very closely with the authorities to help fully understand and learn detailed lessons from what has happened.

"The court hearing has been an important part of that process. We intend to comment further at the end of the case after the court has made its decision."

The Traffic Commissioner told *Fleet News* it was up to the Department for Transport (DfT) to consider a revision to regulations in the wake of the trial.

The DfT was approached for comment, but failed to reply before *Fleet News* went to press.

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THE BIG PICTURE

By Stephen Briers, editor, *Fleet News*

No sooner had we suggested that some fleets view their leasing providers with suspicion – or at least not with wholehearted and unreserved trust – (Big Picture, September 20) than the news broke that the British Vehicle Rental and Leasing Association (BVRLA) was opening its membership to fleet operators.

In some ways, this makes a lot of sense. The BVRLA has a strong – and strengthening – relationship with key government offices, including the Treasury, HMRC and the Department for Transport. An ability to represent the views of the entire fleet sector will be compelling for time-poor ministers.

Currently, industry representation is made by a combination of any or all of the following: BVRLA, ACFO, Society of Motor Manufacturers and Traders, Freight Transport Association and the Finance and Leasing Association.

"ACFO is, as you may expect, pretty unhappy about it"

The BVRLA says its members encouraged it to take this decision, although I believe the Fleet Manifesto meetings we ran with ACFO before the 2015 general election helped to sow the seeds. They opened the BVRLA's eyes to the opportunities in bringing together leasing, rental and fleet operators to discuss common ground.

However, move away from lobbying and into the detail of business relationships and you find many points of divergence. How will BVRLA tread a line between the two?

End-of-contract charges, price creep, disagreements in service levels – the criticisms aimed by fleets at leasing companies are not inconsequential.

Then there is the impact on ACFO. The news, announced by BVRLA director of policy and membership Jay Parmar at a BT Fleet Solutions event, came as a complete surprise and ACFO is, as you may expect, pretty unhappy about it (see News, page 7).

We expect the BVRLA to initially target the large corporates, such as Fleet200 members. Whether it extends into smaller fleets will probably depend on its success here.

■ **What do you think about BVRLA offering membership to fleets? Email me at stephen.briers@bauermedia.co.uk or comment online**

YOUR LETTERS

ROAD SAFETY

Speed is not the problem

EDITOR'S PICK

Martin H wrote:
Having read 'Police chief call for zero tolerance on speeding not achievable' (fleetnews.co.uk, September 11), I can't believe this is being discussed in the way it is.

The speed limits we have on our roads were set 50 years ago when a crumple zone was usually your ribcage. Cars and safety have progressed massively year-on-year to put the ratio of cars on the road and the miles driven to the number of serious accidents and fatalities to what must be an all-time low.

Driving will always be dangerous and accidents will always happen.

A family member of mine was killed by a speeding driver, but she was killed because that driver was driving over the legal limit and on the wrong side of the road.

The fact that he was allowed to drive less than five years later is the real crime.

As much as I applaud what the spokesperson from Brake is trying to say, speed is not the root cause of the accident any more than tyres are the reason people drive off the road.

Lane departure aids, adaptive cruise control and city braking technology are the things that this specific charity should be concentrating on, instead of their unimaginative approach to motoring safety.

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

VEHICLE FUNDING

Explain WLTP changes clearly

Earlybird wrote:
Having read 'Leasing companies are taking advantage of WLTP confusion' (fleetnews.co.uk, September 24), if the changes and effects of those changes are explained clearly, it is perfectly clear and easy to see why some rental rates have gone up and equally easy to quantify and so check any such rises. No suspicion needed.

EU INVESTIGATION

Are directors just taking what they can?

Derek Webb wrote:
Having read 'BMW, Mercedes and VW investigated over emissions collusion' (fleetnews.co.uk, September 18), the investigation into the German brand OEMs is an awful event that further demonstrates the mentality of modern board directors working in industry today.

When we understood what was happening in "institutions" prior to the 2008 crash it was shocking but showed naivety on my part.

The recent revelations of executives' bonuses in all industries hitting millions without the company numbers to explain them is a further representation of modern business methods – take as much as you can now, using almost any route necessary.

I sincerely hope that the German investigation comes to nothing, but I fear it will be another shame on our industry leaders.

CONNECTED VEHICLES

Coverage not as good as it used to be

The Engineer wrote:
Having read 'Patchy mobile coverage an issue for connected cars' (fleetnews.co.uk, September 18), we see this a lot with our telematics from dash-top sat nav units. The signal is lost sometimes for so long that the devices can't buffer for long enough and catch up properly when back in range.

The data captured can often be a bit ropey, with confused arrival and departure times being common.

I see the signal indicator crossed out surprisingly often. It's strange, because I remember in the 'old days' when we had fixed bespoke car-phone installations and proper phone antenna on cars, you could talk for ages without interruption. These days it seems harder.

ELECTRIC VEHICLES

More plug-in incentives needed

Gordy wrote:
Having read 'Government announces £106m investment in EV development' (fleetnews.co.uk, September 11), the Government could start by scrapping the £300 tax disc for the first five years of ownership for EVs over £40,000.

It is by their very nature that EVs cost more money when new to pay for the R&D that has gone into them. But it is very premature to be charging so much for a road fund licence for EVs when the Government is trying to promote them.

Abolishing tax on EVs, even abolishing VAT on EVs, would be putting money where the Government's mouth is.

HYBRID VEHICLES

Hybrids not driven economically

Nigel wrote:
Having read 'Commuting in an EV or hybrid could 'slash' fuel costs' (fleetnews.co.uk, September 13), a fair few of the hybrids I see on the motorway are usually passing me at speeds in excess of 70mph. That suggests to me they are purely chosen to save benefit-in-kind tax and, rather than being good for air quality, they are detrimental to the environment, consuming uneconomical amounts of fuel from their inappropriate engine for such a driving style.

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

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Burning question:
What is the most expensive thing you have broken?

Editorial
Editor-in-chief
Stephen Briers 01733 468024
stephen.briers@bauermedia.co.uk
My dad's Alfa Romeo 33. I tried to clear heavy snow off the windscreen using the wipers. The electrics dissolved
Deputy editor
Sarah Tooze 01733 468901
sarah.tooze@bauermedia.co.uk
I bent my engagement ring
News editor
Gareth Roberts 01733 468314
gareth.roberts@bauermedia.co.uk
A friend's antique table
Features editor
Andrew Ryan 01733 468308
andrew.ryan@bauermedia.co.uk
I once broke a commemorative crystal bell at a friend's house when we were playing football in his living room with a rolled up sock
Head of digital
Jeremy Bennett 01733 468261
jeremy.bennett@bauermedia.co.uk
I wrote off a MkII Honda Civic driving between Oakham and Stamford. Probably worth about £3,000
Web producer
Elizabeth Howlett 01733 468655
elizabeth.howlett@bauermedia.co.uk
An iMac that didn't belong to me
Staff writer
Matt de Prez 01733 468277
matt.deprez@bauermedia.co.uk
I've never broken anything of value
Photos Chris Lowndes

Production
Head of publishing
Luke Neal 01733 468262
A Mercedes S-class
Production editors
David Buckley 01733 468310
Out of office
Finbarr O'Reilly 01733 468267
I drove a toy tractor into an antique vase, which smashed and fell through a glass table
Designer
Erika Small 01733 468312
An antique watch – I overwound it

Advertising
Commercial director
Sarah Crown 01733 366466
B2B commercial manager
Sheryl Graham 01733 366467
Account directors
Lisa Turner 01733 366471
Stuart Wakeling 01733 366470
Account managers
Emma Rogers 01733 363219
Karl Houghton 01733 366309
Lucy Herbert 01733 363218
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Kerry Unwin 01733 468578
Chelsie Tate 01733 468338

Events
Event director
Chris Lester
Event manager
Sandra Evitt 01733 468123
Senior event planner
Kate Howard 01733 468146

Publishing
Managing director
Tim Lucas 01733 468340
Group marketing manager
Lauren Annis 01733 468295
Office manager
Jane Hill 01733 468319
Group managing director
Rob Munro-Hall
Chief executive officer
Paul Keenan

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FLEET OPINION

NUMBER PLATES

Lack of quality controls concerning

By Martyn Nash

"There are almost 39 million licensed vehicles on UK roads, each carrying a unique identifier. In an age of cameras policing every movement, it is critical in terms of law enforcement and the payment of charges.

But with around 9,000 Automatic Number Plate Recognition (ANPR) cameras photographing 25-40 million plates each day, the Government's independent surveillance camera commissioner Tony Porter has suggested up to 3% could be 'misreads'. What's more, around 12% of number plates on UK roads are cloned due to a failure by sellers to undertake due diligence on customers.

One of the main reasons why British Standards is due to introduce new number plate regulations – BSAU145e – is to improve the readability and reflectivity of the identifier by ANPR cameras.

Yet, as a supplier of some 1,200 pairs of plates a day to fleets, we fear the market, which should play such a critical role in enforcement, is broken. If it was working as it is supposed to, there would be no requirement for BSAU145d to be replaced.

There are just a handful of major number plate manufacturers producing components and finished products that then filter down to a plethora of sub-producers ranging from established High Street retailers to 'bedroom sellers'. They do not necessarily comply with any standard, but are looked over by the British Number Plate Manufacturers' Association, and effectively self-certify to British Standards.

Subsequently, there appears to be a lack of control as to the quality of raw materials used in number plate manufacturing, and no licensing of end-sellers. This lack of control, verification and policing of the entire UK vehicle number plate market should alarm the entire fleet industry.

Introduction of BSAU145e should be the launch pad for total enforcement of vehicle number plate regulations – potentially by the DVLA – that embraces independent testing and certification of product conformity and not self-certification, which some major producers are demanding.

My concern regarding self-certification is that the product tested and certificated may not necessarily be of a comparable standard to that sold."

"The lack of control, verification and policing should alarm the entire fleet industry"

Martyn Nash
chairman of VGroup International

Matt Dale
head of consultancy for ALD Automotive

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

ELECTRIC VEHICLES

Plug-in benefits 'undeniable'

By Matt Dale

"The debate about electric vehicles (EVs) is running out of excuses. Simply put, the financial benefits are now undeniable, and we no longer need to debate the environmental benefits, particularly after the summer we have had and recent reports on climate change.

While manufacturers are working hard to improve their EV offerings, the push from legislation and taxation incentives are also making these vehicles more attractive. With the launch of the first of the clean air zones just over a year away, fleets need to act now to make sure their staff mobility policies remain viable into the future.

Yet, the switch to EVs has been slow. It seems that the last remaining obstacles centre on the battery range and the charging network. But this is simply filled with red herrings.

Firstly, our own research – a real world PHEV trial conducted last year using data compiled by ProFleet – has shown that over three-quarters of daily journeys could be completed using EVs. This is increasing all the time as more vehicles enter the market with ranges exceeding 125 miles on a single charge. It won't be long before EVs can comfortably exceed 200 miles, at which point 94% of journeys could be completed using purely electric power.

Our research was based on the assumption of a single daily charge, suggesting that as infrastructure improves, more EV journeys will be viable. But according to OFGEM, 87% of EV charging is done at home, with a further 12% being charged at work or another destination, leaving just 1% of charging being carried out en-route. This suggests that battery charging is actually more convenient than having to make a scheduled stop for fuel, because it can be carried out while the vehicle is not being used. With home chargers standard in many new houses and Government grants available, more homes are becoming equipped to cater for fully battery EVs.

Two final thoughts: if you obtain your electricity through solar panels, you can charge your EV for free and release any unused power back into the grid. Further, the latest EV model is the Hyundai Kona, with a range of 300 miles. These might seem like scenarios of the future, but both already exist. There really are no excuses left."

"Battery charging at home is more convenient than having to make a scheduled stop for fuel"

MORE THAN 300 SIGN PETITION BACKING FLEET BUDGET MANIFESTO

With the Budget imminent, six action points would create certainty, boost ULEV uptake and allow fleets and drivers to plan with confidence

By Stephen Briers

Fleet News has now made its submission to HM Treasury, together with the British Vehicle Rental and Leasing Association (BVRLA) and fleet operators' association ACFO.

The Fleet Budget Manifesto sets out the six key action points which we urge Chancellor of the Exchequer Phillip Hammond to consider ahead of the October 29 Budget, but it also seeks to educate ministers on the shape of the fleet sector and why any rise in benefit-in-kind taxation hits lower income families, not the higher earning middle classes, as is sometimes thought by MPs.

More than half of people paying BIK earn less than £40,000, putting them in the 20% tax bracket. The relentless rise in company car tax has seen employees contribute £360 million more to the Treasury in the year to 2016/17, a rise of 24%, according to recent *Fleet News* analysis of the latest figures (July 12, 2018).

Add in National Insurance Contributions and the increase rises by another £30 million. Collectively, BIK and NIC are now worth £2.48 billion.

However, the number of people paying BIK has fallen from 960,000 to 940,000, which means the average annual cost to a company car driver has risen by £472 to £2,638, or almost £40 per month.

That's a 22% rise at a time when wage rises were hovering around the 2% mark.

It is little surprise, then, that fleets are reporting growing enquiries from employees into cash allowances, with some already seeing a trend away from company cars.

Sewells research suggests the proportion of perk car drivers switching to cash is set to increase from 29% to 39%.

This has major implications for Government tax take if the trickle becomes a flood. It will also have significant implications for the environmental agenda as cash takers tend to buy either older, more polluting cars or new higher CO_2 emissions cars – freed up from the BIK incentive to go green.

FLEET BUDGET MANIFESTO

Company cars average 112.7g/km in CO_2 emissions, compared to the market as a whole at 122.3g/km. According to BVRLA analysis, the average personal lease car emits 12% more CO_2 than a company car, while the average grey fleet car emits 22% more CO_2.

In addition, around 71% of company cars – taken from figures from the Fleet200 – are business-need, which means staff have little option but to absorb the tax increase as they are required to have the car as part of their job.

More than 200 companies have now signed the *Fleet News* petition calling on the Chancellor to consider the six action points. They include those running vehicle fleets, leasing companies, manufacturers and fleet suppliers, as well as company car drivers.

All are looking to protect the company car sector – drivers and companies – from excessive costs plus the uncertainty caused by a lack of Government clarity on future taxation levels.

David Oliver, Red Bull procurement manager, summed up the view of many when he said the current uncertainty and "contradictory messages" were creating "the worst of both worlds for our drivers and our management".

Oliver added: "We have entered a position today where the business is almost paralysed due to the lack of reliable information on hand to make informed decisions on vehicle purchases. We have deferred all car purchases in 2018 and cannot hold off any longer in Q1 2019 and may now consider widening the opt-out for cash allowance for some roles.

"BIK has risen sharply on even our lowest diesel CO_2 vehicles and now, for anyone taking a new car over four years, they are entering the unknown for a part of this period. This impacts people even before we add in the new WLTP testing impact.

"We believe that the views of the industry appear to not have been heard, which is why I am fully supporting this [Fleet Budget Manifesto] initiative to get a voice at this critical time, with the Budget just weeks away now. The Government risks shooting itself in the foot if we are not listened to as there will be a real risk that the move to opting out will lead to a massive downturn in taxes raised, as well as a potential to see CO_2 rising again."

"We have entered a position today where the business is almost paralysed due to the lack of reliable information on hand to make informed decisions"

David Oliver, Red Bull

At a Fleet200 meeting of the UK's largest and more professional fleet operators, the Fleet Budget Manifesto was high on the agenda.

A number of companies had put orders on hold while they waited to see the impact of WLTP and future BIK levels. Some were also considering switching to cash with the resulting rise in grey fleet, but recognised that that replaces one problem with another.

This decision would affect Treasury revenues. "They need to understand the risk of their policies," said one fleet.

The impact of WLTP on CO_2 emissions ranged widely depending on manufacturer and model. But all fleets had seen a lot of models drop off their choice lists.

Fleets urged Government to rebalance BIK and also bring forward the 2% BIK for ULEVs. "They can do this now – they changed policy for the diesel surcharge with little notice," one commented.

Another said: "Drivers should not be adversely affected by what is simply a different way to measure CO_2 from the same car.

"Tax is too high. Fix this and you fix the migration away from company cars. This would boost the uptake of more environmentally friendly cars and boost HMT revenues."

There was concern over Treasury's lack of understanding about the fleet sector, and the implications its policies have on the market.

"HMT can't make decisions in isolation," said one fleet. "They have to communicate their proposals better in order to understand the impact for the industry and the workplace."

Fleet200 data reveals that the average operating cycle for cars stands at around 47 months, or almost four years. With this in mind, fleets believed they should have a minimum of a four-year sight of future benefit-in-kind taxation thresholds, although most would prefer five.

"That way, we and our drivers will know our costs for our entire time with the car," explained one operator.

There was also support for ending the 4% diesel supplement. One fleet said: "Demonisation of diesel has to stop. It's the right option for many drivers and job roles; for other roles petrol or electric is the right option. Allow us to choose the right fuel for the right function."

6 ACTION POINTS

1 **Realignment of benefit-in-kind tax tables to take into consideration CO2 emissions under WLTP; there should not be any distortion caused by the transition and use of correlated NEDC figures for tax purposes.**

2 **Reconsider the 4% diesel supplement.**

3 **Bring forward the 2% BIK incentive for ULEVs from April 2020 to 2019.**

4 **Raise ULEV incentives through a long-term commitment to plug-in grants.**

5 **Commit to a longer-term view of BIK – five years.**

6 **Begin consultation about future and alternative company car taxation policies.**

"If the Government does nothing else, could it slow down and consider the views of businesses that have to adapt and evolve to meet all these new regulations"

Anonymous fleet operator

Away from the key themes of the Fleet Budget Manifesto, fleets also raised other concerns, outlined below:

- There is an imbalance of charging BIK on electric charging for company cars at work where there is no charge for personal drivers. There is a need for government to change the incentives.
- Surprisingly, given it was ACFO lobbying that led to the change in policy, the quarterly updates to advisory fuel rates are a challenge because it means changing their internal systems. Instead, fleets preferred rates to be fixed for the tax year which would then be rebalanced at the end of the year.
- Fuel duty needs to be reduced or – at the very least – continue to be frozen because the rises in fuel prices are having a major effect on wholelife calculations.
- Government needs to define its position on plug-in hybrids and how they account for the electric element for AFRs.
- Should Government start to incorporate NOx into the taxation picture to equal the balance with CO_2? Fleets thought this was worth looking at.

British business has been exhausted by the rapid and accelerating rate of change caused by new legislation and seemingly knee-jerk reactions without proper industry consultation.

The plea by one fleet operator was echoed by his peers.

"The last 2-3 years has been constant – VED, sal/sac, BIK, WLTP – the rate of change is huge and we've had to try to keep up," he said.

"If the Government does nothing else, please could it slow down and consider the views of the businesses that have to adapt and evolve to meet all these new regulations."

You and your drivers can give your support to the Fleet Budget Manifesto by signing our online petition at fleetnews.co.uk/fbm2018

FleetNews AWARDS 2019

AWARDS 2019 TIMELINE

- OCTOBER 12 2018 — **Deadline to receive 750 words entry for fleet categories**
- OCTOBER 19 2018 — **Shortlisted fleets notified; second stage of online entry process opens**
- NOVEMBER 16 2018 — **Entry deadline for all categories (no extensions given)**
- DECEMBER 3 2018 — **Initial shortlist drawn up for manufacturer judging**
- MID-DECEMBER 2018 — **Entries to judges**
- JANUARY 23-24 2019 — **Judging day for manufacturer and supplier awards**
- JANUARY 30-31 2019 — **Fleet manager interviews take place**
- MID-FEBRUARY 2019 — **Shortlist revealed**
- MARCH 20 2019 — **Winners revealed at Fleet News Awards ceremony**

6 BENEFITS OF ENTERING AWARDS

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FAME AND CREDIBILITY AWAITS... IF YOU ENTER THE FLEET NEWS AWARDS

We've made the process of entering simpler for those in fleet categories so the 'no time to enter' excuse no longer applies

Fleet News is offering its readers a chance to boost their business performance, their fame and their credibility. How? By entering the Fleet News Awards 2019.

Numerous studies that have shown the positive impacts that winning industry awards can have on a business and its employees. Even being shortlisted can have a positive effect, according to studies carried out by awards consultancy Boost.

Entries are now open for fleet operators, suppliers and car manufacturers – your opportunity for recognition both within the fleet sector and beyond.

Being shortlisted for a fleet category, for example, is about more than a pat on the back for the fleet decision-maker; it's about raising the profile of the company brand with customers and potential customers. Organisations who take seriously their safety and environmental obligations to their vehicle fleets are ideally placed to win business – these things really matter to consumers.

Winners say it has helped them to acquire new talent, raise their brand profile and improve client relationships.

So, to help, we will commit to publicising all shortlisted companies prior to the awards evening and promoting the winners after the event.

We recognise that the number one reason for not entering awards is the fact it can be too time-consuming. So, for the fleet categories, we have changed the process.

To begin with, we simply need you to tell us in up to 750 words why you believe you should be shortlisted. This could include information about initiatives you have introduced, improvements you have made or simply your continued success in running an efficient, safe fleet of vehicles.

The judging panel will deliberate and select the best to go through to the shortlisting phase. Only then, once you have been confirmed as a 2019 finalists, will we need you to complete an entry form giving the judges more detail.

Note, though, you do not need to wait for this stage – you can go ahead and fully complete the forms from today.

We believe the Fleet News Awards has the outstanding credentials you need to make entering worthwhile. But don't just take our word for it, we've also included testimonials from previous winners.

Finally, we will also give feedback after the awards to all unsuccessful companies.

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Nick Brownrigg, chief executive officer of Alphabet (GB)

Leasing Company of the Year – more than 20,000 vehicles

THE CATEGORIES

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Fleet of the Year – up to 1,000 vehicles
2018 winner: Freedom Group of Companies
Sponsored by Reflex

Fleet of the Year – 1,001-plus vehicles
2018 winner: Royal Mail
Sponsored by Zenith

Most Improved Fleet
2018 winner: Rexel UK

Safe Fleet Award
2018 winner: Skanska UK

Ultra-low Emission Fleet
2018 winner (Eco Fleet Award): Farmdrop
Sponsored by BMW (UK)

Travel and Mobility Initiative – NEW FOR 2018

MANUFACTURER AWARDS

Best Small Car
2018 winner: Ford Fiesta

Best Lower Medium Car
2018 winner: Volkswagen Golf

Best Upper Medium Car
2018 winner: Škoda Superb

Best Compact SUV
2018 winner: Volkswagen T-Roc

Best Mid-size SUV
2018 winner: Škoda Karoq

Best People Carrier
2018 winner: Ford S-Max

Best Compact Premium Car
2018 winner: Audi A3

Best Premium Car
2018 winner: Audi A4

Best Executive Car
2018 winner: BMW 5 Series

Best Zero Emission Car
2018 winner: BMW i3

Green Fleet Manufacturer
2018 winner: Toyota (GB)

Most Improved Fleet Manufacturer
2018 winner: Seat UK

SUPPLIER AWARDS

Leasing Company – up to 20,000 vehicles
2018 winner: Marshall Leasing

Leasing Company – more than 20,000 vehicles
2018 winner: Alphabet (GB)

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2018 winner: Enterprise Rent-A-Car
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Customer Service Award
2018 winner: FMG

Fleet Dealer of the Year
2018 winner: TrustFord

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2018 winner: Julie Madoui

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2018 winner: BMW 5 Series
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Fleet Manufacturer of the Year
2018 winner: Mercedes-Benz Cars UK
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"WE'LL HIT OUR 40% EV TARGET EARLY"

Monica Guise explains how the University of Birmingham's fleet will soon be 40% electric or hydrogen – a year ahead of its target. *Sarah Tooze* reports

Back in 2014, the University of Birmingham pledged that 40% of its fleet of 98 business-use vehicles would be electric or hydrogen by 2020 (see *Fleet News*, October 16, 2014).

The target was driven by environmental and air quality concerns, plus access to funding.

Only a small proportion of its fleet was zero emission at the time and it had experienced a range of teething problems with its first electric vehicles (seven MegaVans from French manufacturer Aixam, which it adopted in 2010).

But Monica Guise, whose role then was post, portering, transport and interim sustainable travel manager, was buoyed by the fact that leasing rather than buying the vehicles outright had become viable, thereby removing the maintenance and residual value risk. The technology had also moved on from her earlier experiences (thanks to the introduction of the Renault Kangoo ZE and Nissan e-NV200), and would continue to develop.

Her faith has been rewarded, as when the university takes delivery of its next batch of e-NV200s (expected next month), it will hit its 40% target.

Guise, now head of sustainable logistics, admits to being surprised at reaching the target more than a year earlier than planned, but believes it's due to greater acceptance of the technology.

Her department, sustainable logistics, which incorporates post, portering, transport services, sustainable travel and car parking, operates like an internal leasing company, enabling it to influence choice.

"The departments come to us to procure their next vehicle," Guise says. "At first it was me saying, 'electric vehicles are your first choice, you have to tell me why you can't have an electric vehicle.' That doesn't have to happen now. Electric has naturally become the first choice for most drivers."

She adds: "I didn't think we'd hit this target so early and I'm hugely thankful to the team for being champions of electric technology, and hugely thankful to the manufacturers because they've not only developed the technology, they've worked with us and let us trial it."

She acknowledges that switching to pure electric isn't yet possible for some fleets and that the university has been able to run EVs because they are mainly used around campus.

"We've got the perfect profile [for electric] because our vehicles don't travel far – our average mileage is 8,000 miles a year," Guise says.

The vehicles are used by a wide range of staff, including IT, maintenance, grounds and gardens, postal, transport and catering.

The e-NV200 is the mainstay of the electric vehicle fleet but the university also operates a Citroën Berlingo Electric, two Polaris Gem utility vehicles, a number of hybrid cars, and a Nissan Leaf, which joined the fleet last year as a pool car.

In 2016, the university became one of the first organisations to take delivery of the Hyundai ix35 hydrogen fuel cell vehicle, which is used across the city to manage services and deliveries. It also has a Microcab, which is used for research purposes.

Hydrogen is viable as the university has its own hydrogen fuelling station on campus (as well as a number of EV charging points).

"Hydrogen has lots of potential in the future for bigger payloads and longer distances so it's something we're working to drive forward," Guise says.

"We have the centre of hydrogen technology at the university and we work with the researchers."

The pressure on the university to 'go green' is increasing as Birmingham has been mandated by the Government to introduce a clean air zone (CAZ) by January 2020 in order meet legal air quality limits. It is one of five cities (the others are Derby,

Monica Guise is driving down emissions at Birmingham University


To be fully electric by 2030, 'we need technology to catch up', says Monica Guise

FACTFILE

Organisation: University of Birmingham
Head of sustainable logistics: Monica Guise
Fleet size: 98 (80 commercial vehicles, 18 cars), plus 15 research vehicles
Funding method: contract hire

Leeds, Nottingham and Southampton) ordered to do so although each is taking a different approach, within the Government's framework (see fleetnews.co.uk/air-quality-map).

It is estimated that poor air quality is responsible for up to 900 premature deaths in Birmingham each year.

The two pollutants causing most concern are nitrogen dioxide (NO_2) and fine airborne particulate matter (PM2.5).

Birmingham City Council is proposing that the most polluting vehicles should pay to enter the city centre (all roads within the A4540 Middleway ring road).

A daily charge of £50-£100 has been suggested for buses, coaches and lorries, while taxis, private hire vehicles and vans would pay £12.50 and private cars would pay £6-£12.50.

Buses, coaches and HGVs that meet Euro VI emissions standards, and cars, vans and taxis that meet Euro 6 (diesel) or Euro 4 (petrol) emissions standards would be exempt from any charges or restrictions.

The council recognises that businesses and organisations may need travel planning support to review fleet vehicles and deliveries, and to help staff change their travel habits.

Guise has been meeting with the council to review the university's own fleet (she has identified six vehicles which won't be compliant with Birmingham's CAZ) and, in her role as head of sustainable logistics, to look at the air quality, congestion and car parking challenges across the university site and the local area.

> *"We've reached the point where everything is electric that can be. To get to 50%-60% we need the technology to catch up"*
>
> *Monica Guise, University of Birmingham*

The university has 35,000 students and 8,000 staff and is Birmingham's third biggest employer, behind the NHS and Birmingham City Council.

"As the city looks at reducing emissions and improving air quality, there is a lot of pressure on us to influence how people get to work and how students get to us," Guise says.

The university has its own train station, which was built for a footfall of around 750,000 people a year. Currently, it gets 3.5 million so the area is, says Guise, "hugely congested". That number could grow to 10 million in the next decade.

LEADING BY EXAMPLE – AND LIFTSHARING

Monica Guise says she has had to "skill up" to become head of sustainable logistics at the university.

She now has an MA in Leadership and Management from Coventry University.

Her dissertation looked at how an organisation's corporate values influence and impact the behaviour of its employees.

"That's been really helpful in my new role because what was evident was that you have to lead by example – so I try to lead by example," Guise says.

She does that by using public transport, where possible, and has joined Liftshare.

"I would never have dreamt two years ago of liftsharing, but I now liftshare with two other people coming into work," she says.

"It means I have to organise myself. The reason for not car sharing is you don't want to share your space with anybody, you don't want to feel like you have to leave the house at a certain time. Just like electric vehicles, we list all these reasons why we shan't do it, but actually you've got to take the barriers down."

Car parking, added to Guise's remit when she was promoted from sustainable logistics manager to head of sustainable logistics in August, is also a challenge as there are only about 3,500 parking spaces available.

The university is looking at park and ride schemes and wants to reduce the number of single occupancy vehicles commuting to campus.

It promotes sustainable travel through discounted public transport, a car sharing platform, bike hire and bike loan schemes.

It also has two foldable Brompton bikes to enable staff to use the train and cycle to their destination instead of driving.

A car salary sacrifice scheme was launched in 2014 to tackle grey fleet use and there are currently 32 employees signed up. The university lowered the emissions cap from 120g/km to 75g/km last year to take account of the Government changes to optional remuneration arrangements (OpRA).

The sustainable logistics department is also responsible for hire vehicles. When a sports event takes place, for example, it may hire 20 vehicles in addition to its permanent four minibuses.

The university recently hosted the World University Squash Championship, which meant the department arranged for the collection of delegates from different UK airports and the movement of equipment.

When a university open day takes place it manages the park and ride service as well as traffic flow.

This work extends to the university's campus in Dubai where Guise recently had to organise all of the bus services.

"Anything that moves – be it hire cars, taxis, plane journeys, train journeys, the movement of mail and parcels, the movement of goods – we have the data on it," she says. "There is no hiding when a fleet manager has managed to reduce the emissions on their fleet but actually hires or taxis have increased. We have to be completely transparent and that's good because we can look at trends and we can see what influences any troughs or increases throughout the year, and we can start to actively manage that."

Of course there are times when emissions can rise through no fault of the fleet manager – take the NEDC correlated figures, which have meant CO_2 emissions have risen by 10% on average.

As the university changes around 20 vehicles a year, Guise expects an impact and she will need to explain the circumstances to stakeholders.

She is also mindful of emissions from suppliers. "We're doing a lot around sustainable procurement, influencing how our suppliers deliver to us and also dictating in some ways what day, what time, what corridor into Birmingham they're going to take," she says.

"We understand we have a huge impact on the city and we have to therefore take responsibility for that."

Ultimately she would like the university fleet to be entirely electric but her challenges are infrastructure and large commercial vehicles.

"We'd hope we're fully EV by 2030 but that all depends what is going to come out," she says. "We've reached the point where everything is electric that can be. To get to 50%-60%, we need the technology to catch up."

TELEMATICS PROVES ITS WORTH

The university's entire fleet is now fitted with Quartix telematics after three years of negotiation with the unions.

"We kept driving on and we got there," Monica Guise says. "For us it was about health and safety. We have students walking around campus with their earphones on and looking at their phones, and it is a challenge for the drivers. Telematics gave them more confidence so we can see the speed they're going at if there is a complaint.

"To date, we've only had two complaints where we've had to check telematics and in both incidents it's worked in the driver's favour. It's supporting the drivers and also supporting the business so we can see where they've been and how long deliveries will take."

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

Design has now been signed off and the concept car will be on show at Fleet Live

FACTFILE

Head of corporate and used cars: Steve Roberts
Time in role: Two years
True fleet sales (to end of Q3): c. 6,300
Dealer network: 139

'WE DON'T WANT THIS TO BE A BORING CAR'

Ten years after initial trials, the first pure electric Mini is due for launch. Inside and outside the company, excitement is building. *Sarah Tooze* reports

How many times have you heard the phrase 'eagerly awaited' in relation to a new car? It's marketing speak that we try to avoid at *Fleet News* but in the case of Mini's first pure electric vehicle, which will launch next year, it's apt.

The launch coincides with the brand's 60th birthday and marks 10 years since fleet operators and their drivers took part in trials of an electric prototype, the Mini E, which paved the way for BMW's electric models.

We don't yet know the all-electric Mini's range, its price or the charging proposition but the mere fact it's coming has been enough to attract new fleet operators to the brand.

Steve Roberts, Mini's head of corporate and used cars, says: "It's probably the most excited I've been about a car because it gives us such a great opportunity. We're in serious discussions with a number of fleets who have approached us since we made the initial press announcement. Because the car is going to be built in the UK, they want to secure some early production slots.

"It's great we've got people coming to us and showing that interest."

He adds: "There are a couple of customers we have signed up recently who are now Mini fleet customers in anticipation [of the all-electric Mini]."

The design of the car has been signed off and while we haven't seen any official images yet (aside from the grille and wheel) it's believed to be very similar to the concept car shown at the Goodwood Festival of Speed in July. Fleet operators will get a chance to see the concept car 'in the flesh' at Fleet Live at Birmingham's NEC this month.

The electric Mini will give fleet operators the "green credentials" they're looking for without any sacrifice in looks or performance, according to Roberts.

"We want it to be an emotive car, we want people to get out and have a smile on their face after driving that car with the typical go-kart dynamics," he says. "We've always been quite clear that we don't want this to be a boring car. Anyone could bring an electric car to market but it's got to drive right, it's got to fit right with the brand, and I'm quite confident this will."

He suggests that goes some way to explaining why it has taken Mini so long to announce its first pure EV.

Mini has also benefited from developments in technology by waiting until now.

During the Mini E trials, company car drivers said the range was the main drawback (it had an official figure of 100 miles, but this could drop to 60 with the heaters on).

Things have moved on significantly and Roberts says "range will be something that customers don't need to be nervous about".

"It's going to have sufficient range, you'll be able to live with the car on a daily basis so that's why I'm so excited about it," he says.

He won't reveal sales expectations but the BMW Group has stated that by 2025, electrified vehicles will account for between 15% and 25% of registrations.

Mini's first plug-in hybrid, the Countryman PHEV, which launched in 2017 has seen "huge demand", according to Roberts, with around 90% of sales going to fleets.

"We've sold 1,500 in the year to date, which is as many as we did for the whole of last year and the order bank is very strong on that car," he says.

Customers are attracted by the benefit-in-kind savings (despite a rise from 49g/km when the car was first launched under NEDC to an NEDC-correlated figure of 55g/km), plus the fact it's a "very versatile vehicle".

Roberts acknowledges that "demand is definitely outstripping supply at the moment", with a lead time of around four to five months compared with Mini's typical two to three months.

"We did talk quite early to some of our larger fleets who we knew would have a big appetite for the PHEV and were able to secure production," he says.

Although lead times have increased on the PHEV, Roberts says there are no availability issues with Mini's other models as the BMW Group was one of the first manufacturers to do WLTP testing (all Mini vehicles sold in the UK as of July were compliant, ahead of the September deadline). On average, CO_2 emissions for the Mini range have risen by 5g/km (NEDC correlated figures).

David George, director of Mini UK, who joined the brand in January, says: "Our large corporate customers have commended us that we went early, although they have been unable to compare [Mini] with other manufacturers, which has meant it has been a difficult six months."

To take advantage of growing interest in the brand from corporates, Mini recently introduced the Clubman City (see page 53), which has a number of standard features designed to appeal to business users including sat-nav, Apple Car Play, digital radio, Real Time Traffic Information (RTTI), and Rear Park Distance Control (PDC).

""We want it to be an emotive car, we want people to get out with a smile on their face"

Steve Roberts, head of corporate and used cars, Mini

"It is available for retail but it was predominantly designed for fleets," George says. "That is something we haven't done in the past. We used to specify cars for retail and hope they fly in the fleet space."

The idea, says George, is to "offer a spec where fleets can take it off the shelf".

It's part of a drive to make it easier to understand the Mini range.

"The last thing we want to do is put barriers up for a business customer choosing a car on a choice list," George says. "Leasing companies have a vast array of good product, but if one is difficult to understand then you aren't going to get the cut-through.

"We've been working on that with the leasing companies over the past 18 months, and we have reduced the number of Cap codes from 900 to 400 across the entire Mini range. We are hoping to reduce that further."

The Clubman City is available with two petrol engines (with emissions of 130g/km and 131g/km) and one diesel (with emissions of 109g/km).

George believes it is important to maintain a diesel offering with the Clubman, although on hatch models it's a different story.

"On the hatch models we are now talking handfuls of diesels, to the point where it is likely we may not offer a diesel on the hatch any more, because demand is so low," he says.

Roberts adds that Mini has "always been quite a petrol-heavy brand" but among corporate customers the fuel split was typically 50/50. Now it's 90/10 in favour of petrol.

"I think some people have switched off [to diesel] even when it makes sense," he says. "All we can do is advise the fleets and their drivers as best we can to make sure they are making an informed decision. We'll always be honest where we think a diesel would make more sense based on their driving profile."

Last year, about half of Mini's total sales were to fleet (34,194, compared to 34,668 in retail) based on the SMMT classification. Its sale to traditional corporate fleet and leasing was 9,900 (up 400 units on 2016).

This year Mini has "fared slightly better than the market" and while Roberts believes the remainder of 2018 will "continue to be rocky" for the fleet sector, with much dependent on the Budget, he is optimistic that Mini's true fleet sales will be about 9,000 units this year. That's owing to the "growing acceptance of Mini by fleets".

Roberts was appointed two years ago to the newly created role of head of corporate and used cars as "there was a desire from the management to create more focus for Mini corporate and to have a voice in the corporate market for Mini".

Since then the corporate team has expanded to three (including Roberts), who

Little is known about the new vehicle in terms of price or range

work alongside the BMW group sales team.

Roberts and his team deal with Mini-only customers (currently 10% of Mini's fleet customers are solus) and work with the dealer network to help ensure a corporate customer gets a good experience when they walk into a Mini showroom.

To do that, Mini has an aftersales corporate charter (10 promises it makes to fleet customers, covering areas such as vehicle downtime and demonstrators), which the team monitors, and hundreds of its sales force across its network of 139 dealers have been through corporate specific training.

It also offers 48-hour test drives to fleet and retail customers and has seen fleet take-up of that grow by 25% this year.

Specific demonstrators are available for leasing companies too, and a member of Roberts' team predominantly focuses on working with these businesses, ensuring there are separate conversations about Mini (rather than both Mini and BMW) and helping them to structure deals.

However, Mini can also take advantage of being part of the BMW Group, particularly when it comes to technology such as RTTI and Teleservices (telematics). The latter, with the customer's permission, enables leasing companies or fleet managers to be alerted when a vehicle service is due.

About half of the leasing companies Mini works with take up its TLC Service Pack (which covers a vehicle for up to 80,000 miles/four years).

Roberts acknowledges adding the service pack to a finance agreement is an attractive proposition for cash allowance drivers and it's important when they opt out of company cars "we've got the offers there for them".

But he doesn't forecast the death of the company car.

"It's such a large part of the car market I'd just be amazed," he says. "I can't see it, it's too established. If you look at the revenue it generates, it's so big. But, as always with company cars, it comes down to legislation and what the Government decides so, along with everyone else, we're just keeping an eye on that."

■ To see the Mini Electric concept at Fleet Live, register for the event at fleet-live.co.uk.

"The last thing we want to do is put barriers up for a business customer choosing a car"

David George, director, Mini UK

BRANDING CARS – BUT NOT IN THE USUAL WAY

Fleet operators can brand their cars in a non-traditional way using the Mini Yours range. It allows fleets to customise side scuttles, dashboard inlays and puddle lights.

"We are in discussion with a number of fleets who want to use them for specific purposes," Steve Roberts says. "It's a great way for them to be able to brand their cars in a non-traditional way rather than having livery all over the side of the car because we know a lot of drivers don't particularly like that."

The components are fully interchange-able and can be removed and replaced with standard components at defleet.

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"WITH SO MANY CHANGES TAKING PLACE IN THE VANS MARKET, IT IS VITAL FTA KEEPS OPERATORS ABREAST OF THE LATEST COMPLIANCE AND OPERATIONAL ISSUES WHICH ARE COVERED BY THE VAN EXCELLENCE SCHEME"

Mark Cartwright, head of vans and light commercial vehicles, FTA

New easy-to-use apps are giving fleet managers of light commercial vehicles the tools to verify the road worthiness of their vehicles on a daily basis.

While many businesses might insist drivers carry out a 'pre-flight' check every morning before turning the keys in the ignition, guaranteeing they actually comply with the instruction is difficult.

This issue will be the focus of a principal presentation at Fleet Live by Mark Cartwright, head of vans and light commercial vehicles at the Freight Transport Association and a champion of the FTA's Van Excellence scheme.

"With so many changes taking place in the vans market, it is vital FTA keeps operators abreast of the latest compliance and operational issues which are covered by the Van Excellence scheme," said Cartwright.

"Fleet Live gives us the chance to talk directly to van operators, answering their questions and ensuring that they can work to the highest possible standards – as well as showcasing the latest initiatives, which we hope will make their operations run even more smoothly."

Unlike the heavy goods arena, where most vehicles return to a depot at the end of the day, about 80% of vans go home with the driver. This makes it harder to oversee vehicle inspections and prevents the paper-based system of HGV drivers from working (heavy truck drivers can tick off the elements of their inspection on paper and then hand their form in to the gatehouse as they leave for the day, ensuring the fleet meets its Operator Licence requirements).

But an app-based system enables van drivers to work their way around vehicles, prompting an inspection of all key areas, and the report can then be automatically sent to the fleet department. Some businesses will only release a driver's work schedule for the day when they have received the vehicle inspection report.

"Any fleet operator should be confident of their vehicles' roadworthiness and of their drivers' qualifications. The most efficient way of doing that is a daily sign-on," said Cartwright. "Most drivers now have access to a smartphone or tablet, which makes pre-drive inspection apps a good idea."

The FTA is to launch its own Van Excellence app imminently, and Cartwright said a pre-drive check should not be onerous for the driver. Three to five minutes should be sufficient to check tyres, lights, the windscreen wash reservoir and to note any damage or pools of oil under the vehicle. FTA engineers categorise a number of vehicle issues as 'neglect faults', which a driver should be expected to pick up.

For fleet managers looking to instigate a new van inspection regime, Cartwright advised that apps should integrate with the fleet management software. Alternatively, if the fleet relies on its own IT system to manage vehicles, the app needs to be able to report on a stand-alone basis.

"The biggest single message we would say is to use the data," he said. "If there's evidence in your system that something needs addressing, then address it."

He also recommended that fleets implement some form of triage system for assessing the faults reported by apps, determining what happens next and which faults are a priority. A minor dent, for example, could be left until a vehicle is due to come in for routine maintenance work, whereas a bald tyre demands immediate action.

"We would contend that the pre-use defect check is a fundamental cornerstone of any proper operator's due diligence before they let the drivers loose on the road. It's not just about road traffic prosecutions, it's about protecting the organisation and individuals within it from health and safety prosecutions," said Cartwright.

The FTA's Van Excellence scheme is supporting Fleet Live, and Mark Cartwright will be speaking on 10th October. For more information see fleet-live.co.uk

EXHIBITORS BOOKED SO FAR

Abax ACFO Agility AID Fuels Group Allports Group Allstar Business Solutions Alphabet Anglian Water Anthony Jones Insurance Apical IT Solutions Aquarius IT Arval Asset Alliance Group AssetWorks AutoGlass Autoserve Avon Tyres Axtec Bluelite BMW/Mini Bott BP Oil UK CanTrack Global Car Scanner Chevin Fleet Solutions CIPS Cloakware by Irdeto Crystal Ball DAC Beachcroft Davis Daimler Fleet Management DriveTech, part of The AA E.ON Drive EMS/FP&S Engenie Engie Enigma Telematics Experian FleetCheck Fleet Operations Fleet Parts Suppy Ford Free2Move Lease FuelGenie Greater Birmingham Chamber of Commerce Gefco Greenroad Grosvenor Leasing Halfords Haynespro Hitachi Honda In-Sync Group Intellidrive Intellitec Jaama Jaguar Land Rover Joyce Design LeasePlan Lex AutoLease Licence Bureau Lightfoot Marshall Leasing Masternaut Matrix Telematics Milestone Insurance Consultants Minieye Mobilleo Momenta Moneypenny My Fleet Hub NAFPM National Accident Repair Group National Salvage Nexus Vehicle Rental NFE Group Pertemps O2 Telefonica Red Fleet Driving Training Reflex Response-able Solutions Ltd RingGo Corporate Rolec Services Royal Mail Fleet Samsara Scorpion Automotive Seat UK Selsia Vehicle Accident Centres Shell UK Oil Products Snarto SP.ZO.o Supra Swinton Group TCH Leasing Tevo Tom Tom Telematics sales Toyota Lexus TTC Group United Legal Assistance Van Excellence Venson Automotive Solutions Verizon Connect VisionTrack VMS Fleet Management Volkswagen Financial Services Volvo XPI Simulation Zenith Zenobe Energy Zero Light

WHICH STRATEGY WORKS BEST FOR YOU?

Fleet decision makers face a number of choices when deciding how to maintain their fleet, each offering their own strengths. Here *Andrew Ryan* looks at the strategies adopted by different fleets and why they work for them

MAINTENANCE PROVIDED AND MANAGED THROUGH LEASE CONTRACT

"We lease our vehicles because we don't want to accept residual risk, and we don't want risks in those kind of costs: it's not our business"

Colin Hutt, CITB

Certainty around budgeting is the major reason why the Construction Industry Training Board (CITB) includes maintenance in its leasing contracts.

"When I joined CITB in 2012 we looked at wholelife costs and, with budgeting in mind, tagging on maintenance to our contract as a fixed cost made it so much easier to forecast costs," says Colin Hutt, category and contracts manager (fleet and insurance) at CITB.

Part of his remit was to encourage cash allowance takers back into company cars to improve the organisation's duty of care, but any policy also had to make economic sense.

"I needed to make sure I could go to the executive and say 'ok, you are paying this person £5,000 cash allowance, but if we gave them a choice of any of these cars, we can be 100% sure that this vehicle isn't going to cost any more than their allowance'.

"That cost would include the lease, the company national insurance, our potential dehire, and a number of other associated little bits. Only by building in the maintenance would we be able to do that."

Hutt says the CITB's fleet profile also means it makes sense to include maintenance on a leasing contract.

"We run fairly high mileages of 20,000 a year on four-year leases, so we have vehicles going beyond their warranties and into the MOT period," he adds.

"You accept the fact that for the first year or two there is probably going to be very little cost involved in maintaining a vehicle, but beyond that point is where the costs begin to escalate."

Hutt adds: "I've been approached by different companies suggesting that if we looked closely at our maintenance costs, we could be better off taking maintenance out of our lease contract and almost self-insuring that.

"With that, though, there is an element of risk involved. We lease our vehicles because we don't want to accept residual risk, and we don't want risks in those kind of costs: it's not our business."

MANAGING THE MAINTENANCE PROVIDED THROUGH LEASE CONTRACT

"We do not allow our engineers to contact the lease company. We brought it in-house"

Nick Webb, Miller's Vanguard

Miller's Vanguard has increased the level of service its customers receive by taking control of its vehicle maintenance regime.

The firm, which provides maintenance services to the food industry, includes maintenance in its vans' contract hire agreements, but takes responsibility for booking work to minimise operational disruption.

"We do not allow our engineers to contact the lease company," says Nick Webb, fleet manager at Miller's Vanguard. "Otherwise what could happen is our call centre asks where a vehicle is or what an engineer is doing, but they could have booked their van in for some work without us knowing.

"We brought it all in-house. We told all of our engineers that they do not contact the supplier and we told the supplier that they do not contact any engineer."

The fleet team monitors mileage through a telematics system so it knows when regular services are due, and books these in advance.

"The first our engineers know about it is when they get an email from us two weeks before the service date telling them everything about location, time and if a replacement vehicle has been arranged for them," says Webb."We know when our guys have their holidays booked or are working late shifts, so we can book vehicles in when it is convenient. We can book one person in each region per day, so it will not affect our service."

Engineers also call the fleet team with any issues with a vehicle, such as a flat tyre, so the company can co-ordinate the repair and let the customer know there will be a delay.

PAY-ON-USE MAINTENANCE

"At the end of the trial we saw a saving per asset of £1,000 over the lifecycle of the contract, a 33.8% reduction compared to including maintenance in the lease."

Paul Tate, Siemens

Siemens has begun to roll-out pay-on-use maintenance across its fleet after this approach cut its service, maintenance and repair spend by a third during a three-year trial.

The infrastructure company has traditionally included maintenance within its operating leases, but looked at pay-on-use to see if it could gain greater visibility of costs.

"We sat down with ARI Fleet, who we knew specialised in pay-on-use maintenance, and compared the figure for a lease contract with maintenance included against a projected pay-on-use maintenance cost," says Paul Tate, commodity manager at Siemens.

He says it was obvious immediately that if there were no interventions other than servicing and regular wear and tear, switching to pay-on-use would have clear cost benefits.

To put this theory to the test, Siemens ran a cradle-to-grave trial of 48 vans which were about to join the fleet for a three-year period.

"When we got to the end of year one, there was a 65.8% reduction in maintenance spend between the package that was offered by the lease company and the actual expenditure," says Tate.

"You can understand that because at the beginning of a lease there is only just a touch of expenditure here and a touch of expenditure there, so it was really only at the back end of the contract that you can truly see how it pans out.

"For us, when we got to the end of the trial we saw an average saving per asset of £1,000 over the lifecycle of the contract, which worked out to be a 33.8% reduction compared to including maintenance in the lease."

Siemens has now extended pay-on-use maintenance to around 350 vehicles, although it is currently in discussions with its leasing provider after it contacted Tate with a proposal for a maintenance agreement including a profit-sharing element.

Information provided through the pay-on-use trial also helped the company identify issues with vehicles and drivers.

Under the traditional operating lease with maintenance, a figure was set where any repairs costing less than that threshold would automatically be carried out and the drivers' line managers would not be notified of any cost.

Under pay-on-use, all repair costs went to the relevant line manager for approval.

"Suddenly, these line managers were coming to me to say 'What are all these charges? You said I wouldn't be paying for them'," says Tate.

"I would tell them that they've always been paying for them but they didn't know about it because of the way the traditional operating lease works.

"Suddenly that got their ears pricked up and they started to take notice of what the damage was, who was causing it and why.

"It generated a lot of questions and made the fleet far more efficient because it was bringing control back into the system."

NATIONWIDE AGREEMENT WITH INDEPENDENT MAINTENANCE SUPPLIER

"Standard servicing was quite expensive because we had no national account: our vehicles were going to anybody to get things done as long as they were local to the job"

Gary Condon, Careys Plant and Fleet

Construction business Careys has reduced costs, vehicle downtime and administration after agreeing a nationwide agreement with independent supplier Halfords Autocentres to provide its maintenance and servicing.

Before this, its drivers adopted a "scattergun" approach, using whichever garage was closest to where they were working, leading to inconsistent service and invoices from a multitude of different suppliers.

"Standard servicing was quite expensive because we had no national account: our vehicles were going to anybody to get things done as long as they were local to the job," says Gary Condon, managing director for Careys Plant and Fleet, which has around 800 vans and outright purchases its vehicles.

"Now we use Halfords Autocentres, so it does all of our servicing and MOTs around the country linked to a service level agreement. Within that we have got standard pricing, so we are getting better value for money, and it's a managed account so we can look at key performance indicators such as how long vehicles are in for.

"When a Careys vehicle turns up at a Halfords centre, it knows us and knows what is expected. We are like everybody else in that we are not always very proactive, but Halfords help us manage that with a quick turnaround and response. It's easier to manage and reduces the downtime."

Condon says the nationwide coverage provided by Halfords Autocentres plays an important part in the operation of the fleet. "Its outlets are located in all of the urban conurbations where we work, so they are never too far away from one of our sites," he adds."It means our drivers don't have to drive miles and miles to a dealer as one is usually around the corner, so the driving time to a service centre is reduced."

But as around 90% of Careys's vans are Ford models, the company has an agreement where it can use the manufacturer's franchised dealer network if needed.

Condon adds: "Halfords does other things for us. If we send a vehicle for a service or a repair, there is a system where it checks them over so it gives us a certainty over our vans. If a vehicle goes into Halfords or Ford and it needs a tyre, they would contact our tyre provider to get the tyre replaced, so it's a 360 degree supply chain."

USING LOCAL INDEPENDENT GARAGES

Liam Farrar

WAKEFIELD DISTRICT HOUSING (WDH)

Wakefield District Housing (WDH) uses local garages for maintenance work as it feels they offer a better service than main dealers.

"They offer us better availability of being able to get emergency appointments and because our business is in social housing it's partly about supporting the local community," says Liam Farrar, fleet manager at WDH.

He ensures the organisation's vehicles are maintained to the same standards and remain within warranty by using original parts and garages with the correct dealer-level diagnostics systems.

"It's different, but it has always worked well for us," adds Farrar. "We've got good relationships with local suppliers and can get service whenever we require it."

WDH leases its vehicles with a full maintenance package, but instead of adhering to a manufacturer's maintenance schedule, it 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 it is in their best interests that the vehicles are maintained to a high standard.

"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.

VEHICLE DEFECT APP

Julie Davies

AMEY

Apps are becoming an increasingly common tool for fleets to identify vehicle defects and prevent any issues from becoming more serious and expensive to repair.

Amey has introduced a daily vehicle check app which has reduced paperwork and ensured faulty vehicles are back on the road faster than before.

"Our transport managers might have five or six operating centres and it was not possible for them to go round every day to pick up their defect sheets, but they go to them electronically now," says Julie Davies, group fleet and plant compliance manager at Amey. "It is saving phone calls and time on a daily basis."

Davies says the app has also enabled faults to be repaired more quickly in the event of a breakdown. "We trialled the app on a highways contract and on a waste contract and, during the trial, one of our refuse collection vehicles broke down – it was a hose," she adds.

"Normally that would be a call to the transport manager , and there might be a conversation along the lines of 'Where's the hose?', 'it's underneath, it's the blue one'.

"The transport manager would phone the maintenance provider and it could turn out to be the green hose instead, delaying the repair.

"But by using the app to send a photo of the hose to the maintenance provider, the fault was identified correctly straight away. It went to repair the vehicle and it went on its merry way, saving us two hours compared to how it would have worked previously."

CLASH OF THE TITANS

A fierce battle is brewing for the future of road travel as major players bid to capitalise on the development of connected and autonomous cars. *Jonathan Manning* reports

Fleets could look dramatically different in a dozen years time as technology companies put traditional car manufacturers to the sword.

Enormous investment by tech giants, such as Google-owned Waymo, is giving them the edge in the race to autonomous driving, according to some experts. Moreover, the tech firms have a clearer business case for profiting from driverless cars, monetising the time that passengers will spend in autonomous vehicles.

Stan Boland, chief executive officer of Five AI, says: "It's far from clear that the traditional OEMs that have dominated the industry over the last 100 years will win as this industry rotates towards autonomy. You can almost say it's certain they won't win, and that the winning companies will be technology companies that can attract the talent and can adopt a model which upturns the existing model."

The crisis for today's vehicle manufacturers lies in a business model based on one-driver-one-car, when autonomy is forecast to lead to much greater sharing of vehicles, particularly in urban areas, although no one seems to be asking whether this is something people actually want.

"There is no history where a major industry has gone through a major transition like the one we are about to see and the incumbent in phase one has become the dominant player in phase two," says Boland. "And it's not going to happen here."

He forecasts that vehicle manufacturers will not disappear, but will have to forge complex supply agreements with tech companies.

BMW and Intel, for example, are working together on an AV platform, and a new report from UBS forecasts that five different types of player – 'Big Data, auto OEMs, ride-on-demand platforms, tech hardware players and auto suppliers' – are in the race to develop a winning business model in a world of autonomous vehicles.

However, UBS also sees vehicle production remaining the domain of carmakers, after Waymo stopped producing its own cars in favour of adapting the Chrysler Pacifica and Jaguar i-Pace.

"Returns in AV production are too low for tech companies, entry barriers should not be underestimated, and the value-add for an AV happens elsewhere," says UBS.

Among manufacturers, UBS expects that only a few premium brands and the very largest, low cost vehicle makers (capable of making huge volumes of budget robo-taxis) will benefit from the advent of autonomy. The likelihood is that premium sector customers will be more inclined to keep a privately owned vehicle, because the cost per mile argument is less relevant for them, and UBS currently sees Daimler as best placed.

Christoph Domke, a director in KPMG's Global Strategy Group, says: "There is generally an assumption in the industry that the hardware component – the vehicle itself – is getting less important. What becomes much more attractive, and where the value lies, is all the software and the services around it. It probably explains why Apple, Google and Amazon, which have the money to buy any OEM, haven't done so. They know the actual vehicle is not the solution, it's the software and the services around it."

Manufacturers, however, are not going to cede their century-long domination of personal transport without a serious fight.

"As pioneers in automotive engineering, we will not leave the task of shaping future urban mobility to others," says Dieter Zetsche, head of Mercedes-Benz Cars.

"At Daimler, we are vigorously and systematically pursuing our transformation from automobile manufacturer to provider of mobility services with our CASE strategy. CASE stands for connectivity, automated driving, sharing and services and electric mobility."

Zetsche identified the world's rapidly growing urban areas as the battleground for the future of mobility. These population-dense places need clean, seamlessly integrated transport.

Importantly, many manufacturers neither see the car as the sole solution to urban travel, nor see themselves as sole providers. In one of the most interesting alliances, fierce rivals BMW Group and Daimler AG have announced plans (awaiting approval by competition authorities) to merge their mobility solutions into a 50:50 partnership, which will offer car sharing, ride hailing, parking, electric vehicle charging and multi-modal travel.

"The key to more liveable cities is in intelligent and seamless services that are easy to use and combine sustainable modes of transport and mobility services," says Peter Schwarzenbauer, member of the Board of Management of BMW AG.

The combined technological and commercial might of the two German manufacturers creates a formidable competitor in the mobility market, and one capable of working with city authorities to develop transport plans for the future.

Harald Krüger, chairman of the Board of Management of BMW, says: "More than 23 million customers used our mobility services last year. By 2025, we will expand this base to 100 million active users, offering customers an all-round, all-inclusive package. The European Commission has calculated that private households in the EU invest more than a billion euros in mobility every year. In Germany alone, mobility needs will increase significantly by 2040, most of that still relying on cars."

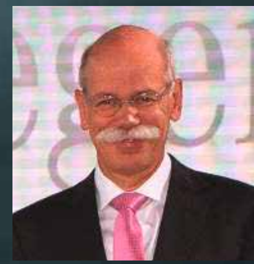
Krüger adds that the car remains the number one mode of transport, and that the development of mobility services will go hand-in-hand with a model offensive.

Indeed, a number of manufacturers argue that in the short term, car sharing services in particular will play a powerful role in introducing drivers to electric cars and overcoming their fears of the unknown.

"We are already anticipating what mobility will look like in 10, 15 years down the road – and taking the necessary decisions today," says Krüger.

Rival manufacturer Volvo has branded the future M, with the Swedish car maker insisting it is "becoming more than just a car company," according to Håkan Samuelsson, Volvo Cars president and chief executive.

> "We will not leave the task of shaping future urban mobility to others"
>
> Dieter Zetsche, Mercedes-Benz



M aims to provide a better alternative to car ownership for metropolitan customers, offering reliable, on-demand access to cars and services, summoned through a self-learning app that questions users about their individual travel needs, rather than simply telling them where they can collect a car. Volvo will launch M trials in Stockholm, Sweden, this autumn and plans to launch in the US in the spring of 2019.

"We recognise that urban consumers are rethinking traditional car ownership," says Samuelsson. "We are evolving to become a direct-to-consumer services provider under our new mission 'Freedom to Move'."

Cars remain central to M, but Volvo promises to deliver more to the travel experience than ride hailed taxis and public transport. Its goal is to provide a genuine alternative to the way current drivers actually use their cars. Unsurprisingly for a premium brand, Volvo is focused on offering a 'premium experience' in the mobility market – one that makes life easy and which saves precious time.

"Mobility is undergoing a fundamental transformation. The launch of M creates new sources of revenue for Volvo Cars and will be integral to the company's ambition to build more than five million direct consumer relationships by the middle of the next decade," says Samuelsson.

When Bodil Eriksson took up her role as chief executive officer of Volvo Car Mobility, she relinquished her car keys and determined to rely on alternative mobility solutions, describing the experience as both frustrating and liberating.

"One of the first insights, from not having a car of your own, is that the car itself becomes secondary. What is important is what you are about to do: to solve, to fix, to explore. Mobility is an enabler for the lives we want to live," she says.

The concept of mobility is extending the parameters of what constitutes transport – Volkswagen, for example, has unveiled 'micro-mobility' solutions that are far

closer to electric scooters than any four-wheeled car – and is fundamentally changing the way manufacturers view themselves.

Two years ago, Volkswagen set up the company MOIA to redefine 'mobility for people living in urban areas'. Based in Berlin, Hamburg and Helsinki, MOIA "does not see itself as an automaker or a pure-play car-sharing provider, but rather aims to become one of the world's leading mobility service providers by 2025," says the company.

Showing it can be every bit as ambitious as the all-conquering tech firms are in their own markets, MOIA will develop on-demand ride-hailing and ride-pooling services in-house, while simultaneously investing in digital start-ups and collaborating with cities and established transport providers.

Volkswagen plans to roll out on-demand car sharing services in its domestic market next year, and in major cities across Europe, North America and Asia from 2020.

"We are convinced that the car sharing market still has potential," says Jürgen Stackmann, Volkswagen Brand board member for sales.

"That is why we are entering this market with a holistic single-source concept covering all mobility needs from the short journey that takes just a few minutes to the long vacation trip. Our vehicle-on-demand fleets will consist entirely of electric cars, and will therefore provide zero-emission, sustainable mobility. That is an intelligent way to relieve the strain on urban areas."

A year ago, McKinsey & Co forecast that the sharing of cars would lead to a slower growth of vehicle sales, but suggested that it would also present new revenue opportunities for manufacturers and mobility players. This new income stream will have to be considerable to compensate for an anticipated fall in vehicle sales by 2030.

> *"We are convinced that the car-sharing market still has potential"*
>
> *Jürgen Stackmann, Volkswagen*

On the plus side, shared vehicles will have higher utilisation rates and therefore require replacing more frequently.

They may also be cheaper to manufacture, if carmakers no longer have to woo individual drivers, paving the way for less powerful engines, simpler interiors, more basic assembly processes and, of course, lower distribution costs. McKinsey indicated that this type of car could cost up to a quarter less than a standard car.

As for making money, McKinsey suggested that manufacturers might morph into fleet operators, building relationships with major cities to be part of the solution for urban transport requirements.

Furthermore, market forecasts for the revenue potential from connected cars helps to explain the current land grab between tech firms and manufacturers.

An academic paper published in April by Accenture Digital and the German Association for the Digital Economy, projected that by 2050 OEMs will generate half of their revenue from data-driven services. The study sees manufacturers as holding the upper hand in the battleground for data-driven business services, so long as they can adapt swiftly enough, arguing that tech players will not be able to attack the automotive industry in the same way as they have besieged other industries.

Moreover, the transition from theory to practical implementation of autonomous, connected and shared cars is taking place more gradually than anticipated, giving manufacturers time to build their capabilities, said the study.

"The new digital services will be asset-based, requiring engineering capabilities and brand assets," it says.

"To survive and thrive in this scenario, OEMs will have to become complete digital protagonists, said the report, capitalising on their own brand reputations and enforcing cooperation with other players.

"Car makers should not seek to copy Uber or Google. On the contrary. They possess a capability that typical internet companies are now seeking to acquire: hardware manufacturing. In the cyber-physical world of the Internet of Things, physical strikes back. Whoever controls the complete chain – hardware, data, insights and digital services – can deliver the most superior brand experience," it concludes.

Avis UK – responding to today's business mobility needs

Pace of change may be quick, but Avis UK has it covered

Fleet panel

- David Oliver, Red Bull
- Debbie Floyde, Bauer Media
- Caroline Sandall, ACFO vice-chairman
- John Pryor, ACFO chairman, Arcadia group fleet & travel manager

While most agree seamless mobility across all forms of transport is the future, how does that impact the traditional company car? And what strategies are required across different areas? Avis UK have the answers.

Q How do you see on-demand vehicle options and public transport coming together in the future? Will things only take off when the back-end administration and payment process is integrated?

A Whether it is established businesses with short-term contracts, start-ups with limited cash flow, or employees in need of flexible transportation solutions, across the sector we are seeing a steep rise in the business need for on-demand vehicles – one that we can confidently predict is here to stay.

In today's world, fast-moving developments in technology are driving higher consumer expectations for smoother, more accessible, more adaptable and overall frictionless experiences. More than ever, all travellers – for work or pleasure – want a quick and easy transition to go from point A to point B. In terms of how we link on-demand vehicles and public transport options as part of this solution, back-end process integration could make the customer journey from start to end-point as seamless as possible.

Avis Car Rental UK and the wider travel industry are taking steps to integrate booking processes to give customers a one-stop, seamless approach to managing their travel journey. This requires collaboration and buy-in from all players across the industry. For example, our Avis app allows customers to book their vehicle at the tap of their screen without delay and at their own convenience. We have also digitised our range of service offerings – including those offered through Avis UK and Zipcar – with optimised mobile technology.

Q Company cars are currently seen as all-or-nothing options, whereas some businesses and employees are looking for medium-term solutions. Are there options that can fill this gap but still be compliant, cost-effective and simple to administer?

A Whether it's for large companies or SMEs, managing a company fleet has its challenges: staff changes, damage, cost control and, of course, balancing short-term demand with long-term usage. Businesses in general have to be much more agile in how they work. We are increasingly seeing businesses seek more

> "We are increasingly seeing businesses seek more flexible solutions to the traditional company car"
>
> Louisa Bell, General Manager, Avis UK

flexible solutions and alternatives to the traditional commitment that company cars usually require.

At Avis UK, we offer a number of options for our customers that provide many of the same benefits of company cars, but without the long-term cost commitment.

For longer-term, more flexible rental options, our customers can choose Avis Flex – a system that allows our customers to access rental vehicles for periods of 28 days plus without having to be tied into lease deals. There is a wide range of vehicle options alongside simple and clear pricing structures. Should our Flex users need to return their car early, they can do so without the worry of a return penalty.

Q Will true mobility only be appealing for companies when suppliers and service providers join forces on a single, multi-solution platform, or will the bigger players acquire and rebrand the niche solution providers? Both would make it more compelling for organisations to actively promote it.

A The customer travel experience – across different modes of transport and brands – could be improved by more integrated platforms. However, travellers and travel planners are resourceful and will continue to be so, provided the right solutions, whether integrated or not, are out there.

At Avis UK, we already provide streamlined mobility options thanks to some strong and well-established relationships with TMCs, as well as new and innovative technologies we have introduced to facilitate this. This includes, for example, the Avis Rental Tool (ART), which enables travel managers to book and manage rentals for their travellers at any time.

We also have our Avis app. Customers can book direct through the app for the cheapest price with a wide selection of vehicles to choose from. With Avis Preferred – our loyalty programme – members receive priority service straight away. This includes avoiding queues every time (with pre-prepared paperwork and your vehicle ready to go) and, in

some locations, you can simply locate your car, get in and drive away.

Q Any company operating across the UK will have pockets or regions that are too rural for anything other than a company car, whereas some ultra-urban areas will have lots of mobility options. Does this mean you need a variety of strategies in place?

A The important thing is for customers to choose the right mode or modes of transport for their unique journey.

We provide flexible options for all of our customers' needs, including fleet customers, to enable them to find the right solution or combination of solutions for each journey. For rural areas in particular, the last few miles of travel often require a car.

Cars provide travellers with the flexibility that other modes of transport simply do not – for example, for people travelling together, people transporting luggage or goods, or for co-ordinating changed plans. For fleet or travel managers, providing travel support doesn't always mean just providing an individual with a company car. Often, it makes sense to combine fleet cars and rental cars with public transport, taxis and car sharing options to provide workers with the variety of options they need to enable their journey in the best way possible.

Within Avis Budget Group, we have a range of options to suit business travel needs, including traditional car rental, Avis Flex and Zipcar. In certain European countries, we also offer Avis Chauffeur Drive – a driven service for executive business travel.

About Avis

Avis Car Rental is one of the world's best-known rental brands with approximately 5,500 locations in approximately 170 countries. Avis has a long history of innovation in the car rental industry and wherever and whenever our corporate customers do business we make every aspect of the rental experience easy, productive and rewarding.

Avis is owned by Avis Budget Group, Inc. (NASDAQ: CAR), which operates and licenses the brand throughout the world. We offer a range of options through our three leading brands: Avis – the premium car rental experience in a personalised way; Budget – delivering a warm, easy experience for savvy, value-seeking renters; and Zipcar – the world's leading car sharing network.

Visit avis.co.uk/business, call 0808 284 0284 or email avisbusiness@avis.co.uk

AVIS

AUDI A6

Delivering performance coupled with supreme efficiency, the A6 is set to become a fleet favourite

The A6 feels light and nimble, with four suspension configurations

By Matt de Prez

Choosing an executive express has just become a lot more difficult with the introduction of Audi's latest A6 saloon and estate to the playpen.

Billed as a baby A8, the new car promises more luxury, advanced technology and better drivability than its predecessor.

Crucial in the company car segment is fuel economy, and it's here that the core A6 holds its own above all its rivals.

From launch, there will be two engines, a 2.0-litre '40' TDI and a 3.0-litre '50' TDI. Both use mild-hybrid technology to boost fuel economy.

The 40 TDI is the fleet pick. In saloon guise, it returns 62mpg and has CO_2 emissions from just 117g/km.

With 204PS available, the four-cylinder unit is more powerful than that of key rivals, such as the BMW 520d and Mercedes E 220 d.

Power is transmitted to the front wheels via a seven-speed automatic transmission and the A6 40 TDI has a 0-60mph acceleration time of 8.1 seconds.

The V6-powered 50 TDI is equally impressive, with CO_2 emissions from 146g/km. Featuring Quattro all-wheel-drive and an eight-speed auto box, it can still achieve more than 50mpg and develops 286PS. Petrol engines are expected to join the line-up before the end of the year, along with a Quattro version of the 40 TDI.

Externally, the A6 is elegant and sophisticated. It doesn't have as much road presence as a 5 Series, but it offers a more modern look than the current E-Class.

Audi rarely struggles to produce a class-leading interior and the new A6 is no exception. The dashboard looks as if it is lifted straight from the A8, with two high-definition touchscreens responsible for most of the controls.

The new set-up is easy to use, responsive and offers a range of connectivity options.

A larger wheelbase provides more interior space and a bigger boot than before. The A6 saloon has enough luggage space to match a 5 Series but it is about a rucksack behind the E-Class.

In the A6 Avant it's a similar story, although the E-Class has a greater advantage.

Customers can choose from two versions of the A6 – the entry-level Sport or the S-Line.

Prices for the Sport start at £38,640 and standard specification is high with LED lights, heated leather seats, sat-nav, lane departure warning and a rear view camera.

S-Line versions cost upwards of £42,000 and feature sportier styling and larger 19-inch alloy wheels plus alcantara upholstery and Matrix Led headlights.

To simplify selection, Audi offers a range of packs to enhance the A6. Fleet customers are most likely to be tempted by the Tour Pack, costing £1,950. It adds Adaptive Cruise Assist – which controls acceleration and braking plus lane keeping – with traffic sign recognition and high beam assist.

However, to get the full suite of driver assistance systems, the A6 also requires the City Pack, which adds blind-spot monitoring and cross traffic alert for £1,375.

For £1,495, the Technology Pack increases the size of the sat-nav screen from 8.8 inches to 10.1 inches. It also adds the Virtual Cockpit digital instruments and wireless phone charging.

Class-leading interior quality

The 40 TDI delivers power with efficiency

	FLEET PICK MODEL 40 TDI SPORT TECHNOLOGY	ENTRY MODEL 40 TDI SPORT	RANGE-TOPPER 50 TDI S-LINE TECHNOLOGY
SPECIFICATIONS			
P11D price	£39,875	£38,380	£51,395
CO_2 emissions (g/km)	117	117	146
Fuel efficiency (mpg)	62.8	62.8	50.4
BIK	28%/£2,233	28%/£2,149	34%/£3,495
Annual VED	£205 then £140	£205 then £140	£515 then £450
Class 1A NIC	£1,541	£1,48	£2,41
Fuel cost (ppm)	9.79	9.79	12.17
Running cost (4yr/80k)	48.93ppm	47.40ppm	65.39ppm
AFR (ppm)	12	12	13
RV (4yk/80k)	£12,950/32.5%	£12,675/33%	£14,550/28.3%

FLEET PICK RIVALS

	BMW 520D SE	MERCEDES E 220 D SE	VOLVO S90 D4 MOMENTUM
SPECIFICATIONS			
P11D price	£37,515	£37,305	£35,500
CO_2 emissions (g/km)	117	122	123
Fuel efficiency (mpg)	56.4	61.4	60.1
BIK	28%/£2,101	29%/£2,164	29%/£2,059
Annual VED	£205 then £140	£205 then £140	£205 then £140
Class 1A NIC	£1,450	£1,493	£1,421
Fuel cost (ppm)	10.75	10.06	10.09
Running cost (4yr/80k)	46.81ppm	47.22ppm	45.15ppm
AFR (ppm)	12	12	12
RV (4yk/80k)	£12,200/32.5%	£12,125/32.5%	£11,675/32.8%

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

Settling in to the A6 for long journeys is a pleasure, thanks to its comfortable seats and quiet cabin.

It is hard to imagine that anyone would need more power than the 40 TDI delivers, especially given its high efficiency and the tax liability of more powerful models.

The A6 is among the cheapest in the segment for benefit-in-kind tax – if you ignore plug-in hybrids – costing a little over £2,000 per year in base trim.

Keen drivers will find the A6 feels light and fairly nimble, although there are four suspension configurations to choose from.

We were able to try only the S-Line version, which features firmer and lower springs than Sport models. The ride is noticeably rough on country lanes. Opting for adaptive dampers (£1,150) should help mitigate this.

Models fitted with the optional air suspension are far more comfortable and dynamically proficient, but cost a whopping £2,050 extra.

Overall, the A6 offers an excellent executive package. Its performance, handling and technology should satisfy almost all drivers while competitive running costs and strong residuals make it an eminently sensible fleet choice.

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

THINKING CAP

By Martin Ward, manufacturer relationships manager

cap hpi

Thursday Down to Newport Pagnell to drive the all-new Audi Q8, a large SUV. It is smaller than the huge Q7, but gets a bigger number, which on the face of it doesn't make sense. But when you see it and drive it, it certainly does. The Q8 is the flagship of the range and deserves the biggest number possible. It looks fantastic, with great lines, and splendid shoulders or haunches over the rear wheels. The interior is of a very high standard, and probably the best cabin yet from Audi. Launch models have a 3.0-litre V6 diesel coupled to a mild-hybrid which can be driven on pure electric for a short time to help fuel consumption and reduce emissions. I wasn't too sure about it at first, but now I've driven it, I'm convinced Audi have got it right again.

"The Q8 interior is probably the best cabin yet from Audi"

Friday Local today and just north of Leeds, for the Northern Group of Motoring Writers short-list Car of the Year Judging. Quite a few members assembled and the five finalists all brought the relevant cars for us to drive before making a decision. These were Volvo XC40, Suzuki Swift, Kia Stinger, Citroën C3 Aircross and the only fully electric car there, the Jaguar I-Pace. It was interesting talking to the other judges about what they were looking for. It ranged from exterior style, interior colours, size, usability, image and fuel to the comfort of the ride, but I didn't hear anyone mention residual values or running costs. Maybe one or two from Yorkshire were more interested in whether there was enough room for the whippet, and if they could put their flat caps on the rear parcel shelf! But judging anything is difficult and diverse, and sometimes personal. Our winner was the Kia Stinger and they'll receive a prestigious engraved Miner's Lamp.

JEEP CHEROKEE

A sharper design but lack of engine options is a shame

By Matt de Prez

User-choosers are firmly in Jeep's sights with the redesigned Cherokee, a car which the brand claims is more desirable and more capable than ever before.

With Jeep sales booming across Europe thanks to new models such as the Compass and Renegade, a redesign of its core model was much needed.

The soft styling of the previous generation Cherokee has been sharpened with new headlamps, bumpers and, most noticeably, a new tailgate enhancing the looks

In the UK, the Cherokee will be available with only one engine when it goes on sale next year. The 2.2-litre diesel unit produces 195PS and emits 175g/km of CO_2.

All-wheel-drive comes as standard, as does a nine-speed automatic gearbox.

Jeep also offers a more frugal front-wheel-drive version, but its availability in the UK has yet to be decided – a shame as it would have greater fleet appeal.

Refinement has been improved in the facelift, meaning the Cherokee now cruises with more grace and improved passenger comfort.

Handling is still behind the class leaders, with

FLEET PICK MODEL

JEEP CHEROKEE 2.2 LIMITED

SPECIFICATIONS	
P11D Price	£35,000 (estimated)
BIK	37%/£2,590 (est)
CO_2 emissions (g/km)	175
Fuel efficiency (mpg)	42

vague and overly-light steering spoiling the experience. It does make the Cherokee easy to drive around the city though.

While firmer suspension mitigates body roll, over rougher surfaces the ride can become unsettled.

By redesigning the luggage compartment and fitting sliding rear seats, Jeep has managed to free up 70 litres more space – giving it an advantage over the BMW X3.

Two trim levels will be available – Limited and Overland – both providing a high level of kit as standard.

Key for fleet customers, according to Jeep, is the Cherokee's vast array of safety and assistance systems. It will also feature the firms new Mopar connect system, which provides drivers and fleet managers with live data from the vehicle.

Prices are yet to be confirmed, but are likely to be aligned to the outgoing model – meaning upwards of £35,000.

Jeep's efforts undoubtedly make the Cherokee a more attractive package, but the lack of frugal engine option mean it is a less impressive fleet prospect than many of its rivals.

A softer ride means it's better suited as a motorway cruiser

MINI CLUBMAN CITY

A no-frills alternative with low running costs

By Matt de Prez

Mini is hoping to satisfy both the head and the heart in the core-fleet market with the launch of the Clubman City.

Reviving a classic nameplate, the City is a no-frills, fleet-specific model that incorporates low running costs with key items of equipment such as sat-nav and parking sensors.

As the new entry-level version in the Clubman range, the City costs from £19,735.

The engine line up consists of two three-cylinder engines: a 1.5-litre turbocharged petrol with 102PS and a 1.5-litre diesel with 116PS.

With a six-speed manual gearbox, the petrol model emits 131g/km of CO_2. Adding an automatic transmission (£1,560) reduces this to 130g/km. The diesel, in auto-only, has lower emissions of 109g/km and costs from £23,855.

The petrol manual is the cheapest to run over a four-year cycle, with running costs of 31.75ppm. Despite the higher CO_2 emissions, it also has the cheapest benefit-in-kind tax of £1,066 per year for a 20% taxpayer.

FLEET PICK MODEL

CITY 1.5 102 PETROL MANUAL

SPECIFICATIONS	
P11D Price	£19,735
BIK	27%/£1,066
Class 1A NIC	£735
Annual VED	£205 then £140
RV (4yr/80k)	£6,250/31.6%
Fuel cost (ppm)	12.21
AFR (ppm)	13 14
Running cost (4yr/80k)	31.75ppm
CO_2 emissions (g/km)	131
Fuel efficiency (mpg)	48.7

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

The interior has an upmarket feel

Higher mileage drivers may suit the diesel better as it offers up to 68.9mpg, compared to the petrol's 48.7mpg.

Mini has built its brand around the dynamic abilities of its models and the Clubman promises the same 'go-kart' handling as the rest of the range.

But, in the City things feel more relaxed than in other Minis we've tested. It still has weighty controls and a rifle-action gearshift, but the Clubman City has a softer ride, which makes it better suited as a motorway cruiser.

The interior offers an upmarket feel compared to the mainstream competition and drivers benefit from DAB, automatic headlights and wipers, and autonomous emergency braking as standard.

It's easy to get comfortable in the Clubman and it offers ample space for passengers. There is one glaring omission from the spec-list though and that is a front armrest. Fleets will have to cough up an extra £125 to add this key feature.

Mini believes that most businesses will look to take the Clubman City with no options other than colour. It does offer a 17-inch wheel upgrade at no extra cost, which also has no effect on emissions.

Like all Minis there is a breadth of customisation available to those who want it, with features such as leather trim, LED headlights and adaptive cruise control available.

As a fleet-focused model, its performance is a little lacklustre, with 0-60mph taking almost 12 seconds in the petrol and more than 10 seconds in the diesel.

Rivals such as the Volkswagen Golf 1.0 TSI and Ford Focus 1.0T promise greater efficiency with similar performance.

In terms of practicality, the Clubman's 360-litre boot is larger than the Focus's, but smaller than the Golf's. It does, however, provide unique 'barn door' access in place of a conventional boot lid.

HONDA CIVIC SALOON

A subtle step change from the hatch could suit some company car drivers

Styling changes are pleasant and modern on the saloon

By Christopher Smith

The last piece of the Civic puzzle may not be ground-breaking, but it does extend the capabilities of the car – if luggage is your interest. Honda is one of only a handful of manufacturers to persevere with a saloon shape, but the current generation Civic is a good platform from which to base it.

The Civic saloon arrives a year or so after the launch of the Civic hatch, and offers a more familiar design than previous Civic saloons – the front two thirds are almost identical. As you'd expect, it's the rear end where the changes are more obvious.

The styling changes are pleasant and subtle – the rear end looks modern, unlike some saloon conversions. It adds a not unreasonable 13cm to the length – making it 74mm longer than the previous saloon. Boot space in the saloon is 519 litres – 41 more than the hatch. The boot floor is flatter too, and when the rear seats are folded, they sit almost flat – the saloon aids practicality for those using the boot on a regular basis.

Those differences aside, the rest of the car is nearly identical to the hatch. Interior quality is pretty good, with soft touch surfaces, a smooth leather steering wheel and good quality plastics.

More steering reach adjustment would be useful

While comfortable, the interior is limited by lack of steering reach adjustment. The mid-range SR model tested offers most of the features and functionality a driver will require, with 17-inch alloy wheels, parking camera, climate control, auto wipers and lights. Even the base level SE specification compares favourably with rivals.

The infotainment system remains dated and clunky – drivers will likely end up connecting their own device and using Android Auto or Apple CarPlay, both of which are standard fit.

Driver assistance technologies are bundled up under the 'Honda Sensing' brand – including a host of safety features as standard. The list includes forward collision warning, city braking, adaptive cruise control, lane departure warning and traffic sign recognition on every new Civic sold, whatever the trim level. To get cross traffic monitor and blind spot detection, you have to jump up to the top-spec EX trim level, which also offers keyless entry, leather seats and LED headlights.

The Civic saloon arrives at the same time as a new CVT automatic transmission for the 1.6-litre diesel, which will also be available on the standard hatch. This pairing works pretty well – it's quite a calm CVT gearbox, that provides the power required for everyday driving with ease.

CO_2 emissions are from 91g/km in manual guise, and 108g/km in automatic form – lower by 2g/km and 1g/km respectively than the hatchback. Fleets can also opt for a 1.0-litre turbocharged petrol, but despite withdrawing diesel from its new CR-V, Honda expects it to be the best seller in the Civic. Expect this to be the last Honda to feature the fuel.

The saloon adds £500 to the hatch base price, which, when paired with the marginal drop in mpg, translates to about 1.5ppm in extra cost. Those running costs are on par with traditional hatchback rivals such as the Volkswagen Golf.

While the new saloon won't be for everyone, it reinforces the range as a solid, if offbeat, choice for company car drivers, with strong running costs, high fuel economy and a comfortable, well made environment to soak up the miles.

FLEET PICK MODEL
1.6I-DTEC SR MANUAL

SPECIFICATIONS	
P11D Price	£22,390
BIK	23%/£1,030
Class 1A NIC	£711
Annual VED	£145 then £140
RV (4yr/80k)	£5,350/23.8%
Fuel cost (ppm)	7.29
AFR (ppm)	11
Running cost (4yr/80k)	33.46ppm
CO_2 emissions (g/km)	91
Fuel efficiency (mpg)	83.1

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

FIAT 500X

Diesel is replaced by petrol and the updated 500X remains a pleasing drive

New headlights and bumpers are the only changes on the outside

By Phil Huff

Fiat continues to extend the 500 brand across a range of cars that fall some way outside of the nimble city car we know and love. Alongside the sensible 500L people carrier, there's the 500X, a larger SUV-styled car that accounted for almost 15% of the brand's total fleet sales last year.

Three years on from its launch, a brace of new petrol engines, the introduction of some driver assistance technology, and some well considered updates bring the 500X up to date.

There's precious little to tell this is an updated model, with new headlights and bumpers being the only external clue. Interior updates are limited to some new material finishes, a new steering wheel and some revised instruments. The cluttered seven-inch infotainment screen remains, but now it's boosted by the addition of Apple CarPlay and Android Auto.

All models now have traffic sign recognition and lane keeping assist, while blind spot detection and adaptive cruise control can be added.

The interior is boosted by a new steering wheel and improved infotainment system

Sadly, automatic emergency braking is only on the options list.

Despite the new technology, the whole car remains very much a retro-inspired model. Fortunately it feels modern to drive, thanks to a nimble and agile chassis that works well on most roads, although the ride is a little on the firm side.

The big news is under the bonnet, where the diesel engines previously offered have been discarded, replaced by two small capacity petrol engines. The most powerful is the 1.3-litre, although it's only available with an automatic gearbox. Fitted to this test car is the smaller 1.0-litre engine, with its six-speed manual gearbox.

Producing 120PS, it's just up to the task of pulling the 500X around, something it struggles with in its sister Jeep Renegade car. The 'Firefly' engine is also smooth, and torquey enough to allow for relaxed driving in urban areas as well as on the motorway.

CO_2 emissions are higher than its rivals though, with 139g/km being emitted. Official economy could be better too, as 47.1mpg isn't as strong as some competitors (the Mini Countryman returns 51.4mpg, for example). And, while the range starts from £16,585 for the 500X Urban, that's only available with the old, thirsty and heavy 1.6-litre petrol engine. To take advantage of the new technology, users will need to choose the City Cross or top-spec Cross Plus, both of which add unnecessary faux-off-road body mouldings, as well as at least an extra £2,000.

Skoda's Karoq offers a more conventional SUV package with lower emissions and improved economy, as well as vastly better residual values. Despite its higher price, a 1.0 SE Technology Karoq has whole life costs below 31p per mile, compared with the 500X's 34p.

While there might be a better choice for fleets, the Fiat 500X is capable enough to pass most users' practicality tests, engaging enough to drive to please drivers, and provides an appealing retro style both inside and out without sacrificing technology.

FLEET PICK MODEL
FIAT 500X 1.0 CITY CROSS

SPECIFICATIONS	
P11D Price	£18,585
BIK	27%/£1,004
Class 1A NIC	£692
Annual VED	£205 then 140
RV (4yr/80k)	£4,950/26.6%
Fuel cost (ppm)	12.62
AFR (ppm)	12
Running cost (4yr/80k)	34ppm
CO_2 emissions (g/km)	139
Fuel efficiency (mpg)	47.1

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

FORD FIESTA

1.0 ECOBOOST 125 ST LINE

Proving unanimously popular despite minor niggles

The Fiesta happily covers motorway miles without inducing fatigue

COSTS

OTR Price as tested	£20,405
P11D price	£18,115
BIK tax band (2018/19)	23%
Annual BIK tax (20%)	£833
Class 1A NIC	£575
Annual VED	£165 then £140
RV (4yr/80k)	£5,000
Fuel cost (ppm)	10.04
AFR (ppm)	11
Running cost (ppm)	30.91

SPEC

Engine (cc)	998
Power (PS)	125
Torque (Nm)	170
CO_2 emissions (g/km)	111
Manufacturer mpg	60.1
Real-world mpg*	45.8
Test mpg	42
Max speed (mph)	121
0-62mph (sec)	10.0
Current mileage	5,200

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

By Matt de Prez

Our Fiesta has already amassed 5,000 miles since joining our fleet just three months ago, proving how popular and capable the new model is.

It's taken various member of the *Fleet News* team all over the country on various assignments, and not a single user has come back with serious complaints.

In ST Line trim, the car sports larger 17-inch alloy wheels and firmer suspension. While this would ordinarily be a recipe for a disastrous ride, the Fiesta feels stable and confident.

Opinions in the office are split as to whether the ride is a tad too firm, but the car happily covers motorway miles without inducing fatigue.

Once you hit country lanes the car's real party piece is unveiled. It's handling is absolutely best-in-class with steering that should be used as a benchmark by all manufacturers.

The potent three-cylinder engine emits a throaty growl as you work it through the very slick six-speed gearbox, settling down to an almost silent cruise.

The car isn't without its foibles though. Our main criticism is the small door mirrors, which provide little rearward visibility. Luckily our car is fitted with blind spot monitoring – something we highly recommend to mitigate this issue.

Another gripe is, despite its £22,000-plus price, our Fiesta lacks a driver's armrest. To get one you have to go for a Titanium model or the more expensive ST Line X. Keyless start is standard but you do have to use the key fob for entry, which to us seems inconvenient.

Ford's promise of 60.1mpg has yet to become a reality for us, as the car continues to average around 43mpg. The figure rises closer to 50mpg on motorway runs but we found our Seat Ibiza long-term was a little more frugal than the Fiesta overall, achieving an average 48mpg.

Niggles aside, the Fiesta is continuing to prove to us why it is the UK's best-selling car. It is stylish, easy to drive and spacious and living with it is an absolute pleasure.

TEST TIMELINE

Start — End

VOLKSWAGEN E-GOLF

It used to be fashionable for car magazines to use a set of golf clubs to demonstrate the size of a vehicle's boot. Inadvertently, I seem to have created a sub-genre of this: the manure test.

This not only tests the practicality of a car, but also how smooth it is to ride in and drive – something which is critical given that the manure sacks being carried are not sealed (the vehicle interior is securely lined with tarpaulin, so any spillage would be easily cleaned up).

For the past few years, I've tried to channel my inner Monty Don to transform my back garden but have been hindered by my lack of design skills, indecision and the poor quality of soil. This has meant that, for the third consecutive year, I've made the trip to a local paddock to pick up sacks of well-rotted horse manure to improve the soil.

In the first year, the Honda Jazz proved capable due to its low boot lip and the mechanism which allows its seats to fold completely flat. Last year, I used our Ford S-Max which, as a large MPV, had much more space than I needed.

But as both were manuals, the 10-mile trip home was more worrisome than it could have been, as the need to change gear smoothly increased the concentration levels needed to negotiate the roundabouts and speed bumps en route.

The e-Golf, however, was a different story. The rear seats don't fold down to form a completely flat load area, but it still fitted 13 medium sized sacks in.

One of the car's strengths is how smooth it is to drive and ride, helped by its single-speed gearbox. This ensured the journey home was relaxing, with no risk of spilling even a drop of manure!

Andrew Ryan

AT A GLANCE – THE REST OF OUR FLEET

Škoda Karoq

Mercedes-Benz E 220d

Volvo S90

Mini Countryman

MICHAEL STEWART

DIRECTOR OF FLEET, HYUNDAI

A former semi-professional footballer whose childhood dream was to be a pilot, Michael Stewart became hooked on the motor industry after an internship at university

The pivotal moment in my life was when I took an unpaid internship at Vauxhall during my second year at university. This was my first glimpse of the motor industry and I was hooked. Without that 12-week experience I am sure I wouldn't have ended up in the motor industry!

A book I would recommend others read is an autobiography. Pick somebody or something that you love, who has achieved something or lived an interesting life, and just give it a go. You can learn a lot from others' journeys in life.

My first memory associated with a car was travelling in the back of my dad's yellow Jaguar XJS, and my legs sticking to the leather on a hot day. At the time, I don't think I liked it very much!

The advice I would give to my 18-year-old self is to travel the world, meet new people and don't be in a hurry to start your career.

I would like to be remembered as somebody who was great to work with.

The three vehicles I would like in my garage are a Ferrari of some kind, probably a red 488, a Porsche 911 and the brand new Hyundai Nexo. I was fortunate to drive this car in Seoul earlier this year and wow! Hydrogen fuel cell technology is progressing rapidly and this car is truly fantastic.

My hobbies and interests are sport. I like to run when I can and while I don't get the chance to play as much as I used to, I do coach both of my sons' football teams at the weekend, which I really enjoy.

My favourite film is the National Lampoon's Christmas Vacation, Home Alone or Home Alone 2: Lost in New York (with the kids of course!).

If I were Prime Minister for the day I would order a second referendum on Brexit. I'm sure the result would be different.

My pet hate is DIY and things not working as they should do.

First fleet role I joined Vauxhall straight from university and worked on its demonstrator programme as part of the fleet marketing team.

Career goals at Hyundai Our aim has to be to ensure our fleet operation is best placed to take full advantage of present and future product offerings. We have a renewed focus on growing our true fleet share.

Biggest achievement in business When I was a network sales director, we had a huge task to close the final year of a five-year strategic plan with some stretchy targets. As a team we had many obstacles to overcome but we got the job done.

Biggest career influence My family. My father ran his own business when I was young and I always looked up to him. My parents in general were always incredibly supportive. Now my wife and children are the biggest influence, supporting me in every venture.

Biggest mistake in business I can't think of one particular example but there have been occasions where I may have jumped into something too quickly.

Leadership style I'm a people-person so I'd say I usually adopt a fairly democratic style; a strong sense of team spirit alongside a drive to succeed.

If I wasn't in fleet As a child I remember wanting to be a pilot.

Childhood ambition I dreamed of becoming a footballer for my boyhood team, Tottenham Hotspur! I played a bit of semi-professional football so managed to catch a very small glimpse of what life may have been like to make a living from it, but it wasn't to be.

Most memorable driver moment Probably a track day with Nissan at Silverstone. Taking a GT-R around the race circuit with a pro-driver was fantastic.

Next issue: John Ellis, managing director, Nexus Vehicle Rental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