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Fleet News launches Fleet Budget Manifesto

FLEET BUDGET MANIFESTO

Industry voices its support, as we call on the Chancellor to address key fleet concerns in November's Budget

By Stephen Briers

It has become a common refrain: "We don't know how to advise our company on future policy."

These are unprecedented times for fleet decision-makers. A series of issues have come together to create a perfect storm, which is causing confusion and uncertainty among those responsible for deciding company car strategies as well as company car drivers themselves.

The issues mainly revolve around the new Worldwide harmonised Light vehicles Test Procedure (WLTP) for fuel efficiency and CO_2 emissions, and the lack of clarity over future benefit-in-kind (BIK) taxation levels, VED and national insurance contributions (employee and employer) beyond tax year 2020/21.

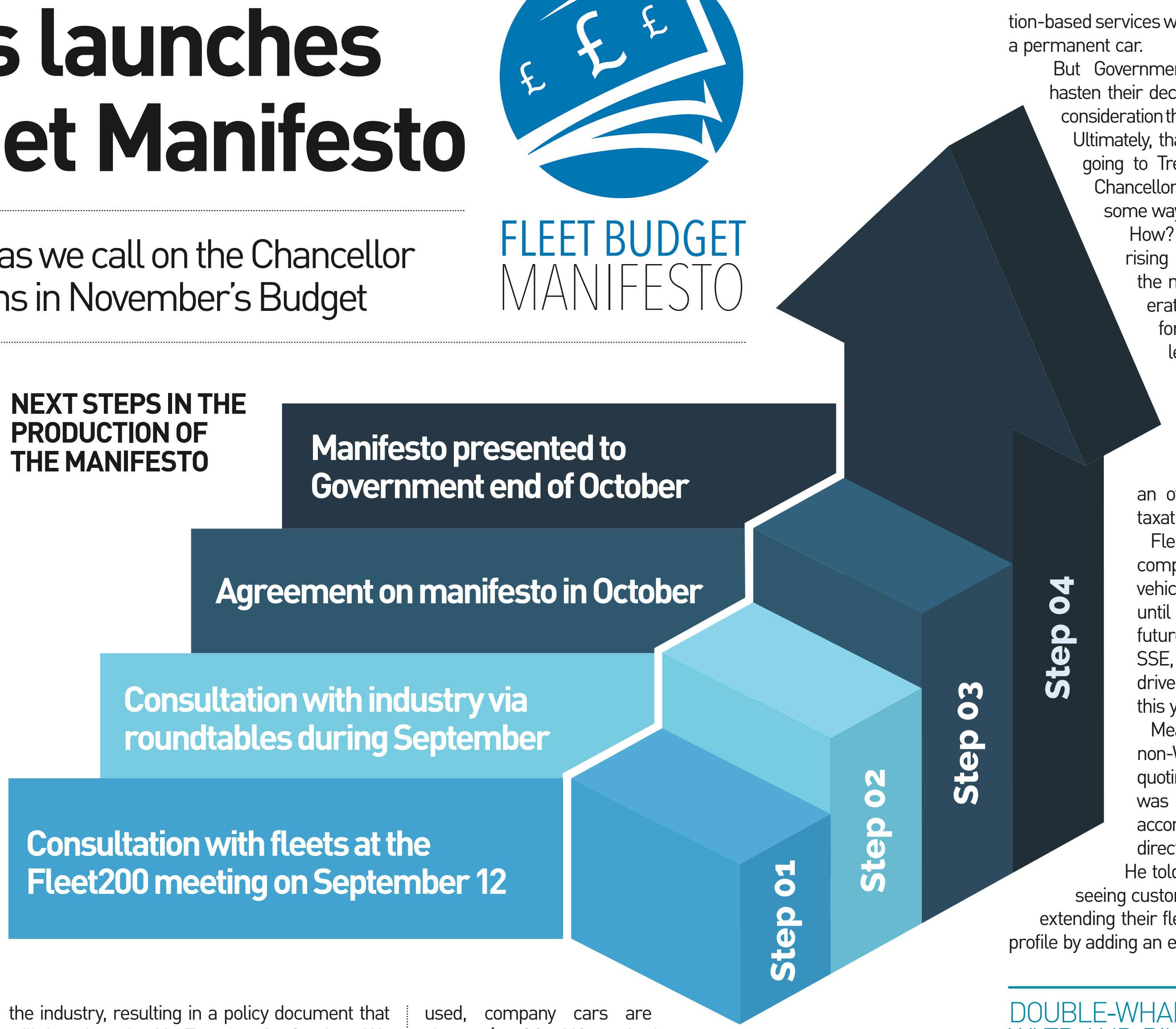
Added to this is the ongoing uncertainty over Brexit (admittedly on the back burner as most organisations attempt a 'business as usual' stance – although it is affecting vehicle supply and contract terms, according to some fleets), air quality regulations, salary sacrifice apportionment rules and mobility/urban transport policies.

Chancellor of the Exchequer Philip Hammond has an opportunity to address fleet concerns in his Budget at the end of November and we believe there are a number of topics that need his consideration (see panel below).

Consequently, *Fleet News* is launching a Fleet Budget Manifesto, working with British Vehicle Rental and Leasing Association (BVRLA), fleet association ACFO, fleet operators via our Fleet200 and the wider fleet sector, to highlight the areas where action needs to be taken to provide clarity and certainty.

In this piece, we will outline some of the broad brush elements after initial talks with the interested stakeholders. These will be developed further next month in consultation with fleets and the industry, resulting in a policy document that will be shared with Treasury in October. We understand those timescales fit in with the Chancellor's own schedule for the Budget.

NEXT STEPS IN THE PRODUCTION OF THE MANIFESTO



VITAL CONTRIBUTOR TO GOVERNMENT REVENUE

The company car is a vital part of the UK economy, providing mobility for businesses and employees and contributing billions of pounds to the Treasury in the form of company car taxation (CCT).

Compared to private cars, new and (especially) used, company cars are cleaner (on CO_2, NOx and other particulates), safer thanks to the latest technology, and result in more money going to the Treasury.

However, the latest Government figures show that the number of employees paying BIK taxation fell by 20,000 in 2016/17 from 940,000 a year earlier. Yet the amount of money paid in BIK and employer national insurance contributions increased by 19% (or £390 million) to £2.48 billion.

Company car numbers will inevitably fall in future as people opt for alternative forms of mobility or choose shared services or subscription-based services which mean they do not need a permanent car.

But Government taxation policies could hasten their decline if they do not take into consideration the true burden to employees. Ultimately, that will result in less money going to Treasury. The actions of the Chancellor in his next Budget can go some way to minimising the exodus.

How? By realigning BIK to take rising CO_2 emissions caused by the new WLTP test into consideration. By providing clarity and foresight over future BIK levels, allowing drivers and companies to plan ahead with certainty. And by planning now for growth in ultra-low emission cars which will necessitate an overhaul of the CO_2-based taxation system.

Fleet operators report that company car drivers are putting vehicle replacements on hold until they receive clarity over future BIK. At energy company SSE, for example, only a third of drivers due to change their car this year have placed an order.

Meanwhile, Zenith has removed non-WLTP vehicles from its quoting platform – a move which was "very well received", according to its managing director Ian Hughes.

He told *Fleet News*: "Now, we are seeing customers reduce any impact by extending their fleets and changing the fleet profile by adding an extra year to their term."

DOUBLE-WHAMMY – WLTP AND BIK

Fleets and drivers are fearful about stepping into the unknown on future BIK rates and the potential double-whammy of higher CO_2 emissions due to the new WLTP tests combined with tightening BIK thresholds.

During an interim period, from September 2018 until April 2020, WLTP is being converted to correlated NEDC figures using the EU-wide CO2MPAS equation. On average, it is resulting in CO_2 increases of between 10% and 20%, moving many cars up a couple of tax bands.

"Zenith encourages Government to work collaboratively with the fleet industry to ensure the impact of any change is fully understood"

Ian Hughes, Zenith

The Government has proposed that, from April 2020, full WLTP figures will be used for BIK, VED and employers' national insurance contributions. It is expected to confirm this date in the Budget.

Full WLTP could result in another 10-20% rise in CO_2 emissions, further hitting company car drivers with higher BIK taxation deductions, exacerbated by the fact that the BIK thresholds themselves will have risen by four percentage points for most cars at that juncture.

However, it shouldn't be this way. The European Union gave a clear recommendation to member states that WLTP should not be revenue raising but the UK has yet to give any indication that it will revise BIK and VED to take into account the higher CO_2 emissions.

Meanwhile, other European governments are taking action, according to information from *Fleet Europe* magazine.

In the Netherlands, the correlated NEDC values will be used for taxation purposes until the end of this year. From January 1, 2019, new tax levels will be introduced that compensate for the increase in CO_2 emissions resulting from the new WLTP test.

Germany has also indicated that it will make changes from January. Details have not been announced, but the government will adapt tax bands to take WLTP into account.

Elsewhere, the Irish Government is also reportedly considering widening tax bands to account for higher emissions.

However, Belgium has taken a different view and will base its taxation on figures derived from correlated NEDC until the end of 2020, except for road tax which is a regional affair. Flanders, for example, will introduce WLTP values for road tax on January 1, 2020.

One fleet operator, commenting on a *Fleet News* story about company car tax revenues and a reduction in the number of employees paying BIK, said: "The Government needs to realise that the tax collection revenues will fall unless they make company car tax sustainable again. What's needed is balance. Short term tax take is rising, largely as most company car drivers have a three- or four-year tie in to their current vehicle.

"However many of those will give up the company car at their next renewal. Fewer company cars will see a falling tax revenue for the Government with drivers who previously had new economical company cars (that

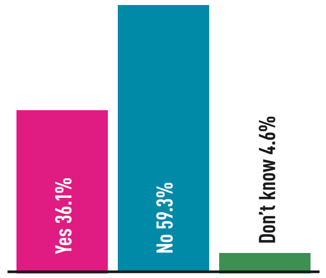
SIX AREAS FOR DISCUSSION

- Realignment of benefit-in-kind (BIK) tax tables to take into consideration CO_2 emissions under WLTP; there should not be any distortion caused by the transition and use of correlated NEDC figures for tax purposes.
- Reconsider the 4% diesel supplement.
- Bring forward the 2% BIK incentive for ULEVs to April 2019, not 2020.
- Raise ULEV incentives through a long-term commitment to plug-in grants.
- Commit to a longer-term view of BIK – e.g. four or five years.
- Begin consultation about future and alternative company car taxation policies.

FLEET FACTS AND FIGURES

OPINION POLL

Do you think the ULEV target of 50% of new car sales and 40% of new van sales by 2030 is achievable?



FleetNews view:

The results of our poll suggest that the majority of respondents (59.3%) do not think Government targets for ultra-low emission vehicles (ULEVs) are achievable. It is clear the fleet industry faces an uphill challenge, especially where ultra-low emission vans are concerned. That's why *Fleet News* is urging Government to offer long-term support for fleets through the taxation system and plug-in grants.

This week's poll: Will the official mileage reimbursement rate for pure electric cars help increase adoption rates?
fleetnews.co.uk/polls

MOST COMMENTED ONLINE

Death by dangerous cycling law consultation launched

fleetnews.co.uk/news

UK AVERAGE FUEL PRICES

Diesel (ppl) 132.56 ↑
Unleaded (ppl) 128.56 ↑

fleetnews.co.uk/costs/fuel-cost-calculator helped reduce pollution and supported the UK motor industry) swapping into older (secondhand), more polluting vehicles or new personal lease or PCP vehicles where the pressure on taking a low CO_2 vehicle is relaxed.

"An effective company car tax regime promotes efficient vehicles and can provide a good income for the Government. But if it becomes (as it risks now) too greedy it will do neither thing as drivers vote with their feet."

Those views have been confirmed by one company car driver who said: "From this year I will pay more in tax for my company car, which I use as a business tool, than I pay for my mortgage. That says it all. I will be opting out at the first opportunity."

Nigel Boyle, PD Hook technical director, called on the Government to stop its year-on-year increases in BIK.

"The car I drove last year costs no more to run this year, yet they charge me more – the argument is flawed," he said. "If they want to increase revenue, they should increase the rate of income tax so everyone can see it."

Boyle believes the Government is using WLTP as a "backdoor tax", adding: "The tipping point is close. It will not stop people driving, it will stop them having company cars and the Government revenue will dramatically fall."

AN ALTERNATIVE TO BIK

Ultimately, as fleets gradually move to ultra-low emission vehicles, CO_2 emissions will fall regardless of the number of company car drivers, affecting revenues from BIK taxation.

This is inevitable; therefore, Treasury should start preparing now by considering alternative revenue schemes.

This could include implementing a blanket BIK charge for all vehicles, similar to the van benefit fee applied to commercial vehicles with private use. Or, it could involve a road pricing scheme, which could link into other policies around reducing congestion by implementing different fees and different times of the day.

The eventual solution is a moot point; what's vital is for Government to start consulting now, taking into consideration the views of business and the public, rather than resorting to a knee-jerk reaction when BIK taxation plummets.

John Pryor, chairman of fleet operators association ACFO, also urged the Government to involve the fleet sector in any discussion.

He said: "Please engage with stakeholders first – we have seen what happens when this does not happen."

The company car tax regime has a proven track record of encouraging drivers into the lowest emitting vehicles, with the fleet industry being early adopters of cleaner technologies.

Hughes says that it's a trend evident in Zenith's fleet, where average CO_2 emissions have reduced by 40% since 2002/3.

He also agrees that collaboration will be key. "Zenith encourages the Government to work collaboratively with the fleet industry to ensure the impact of any change is fully understood and company car tax can be used to drive a long and sustainable change in the way people use vehicles for the benefit of the UK's air quality," he said.

Company car drivers opting out as soon as possible

"Please engage with stakeholders first – we have seen what happens when this does not happen"

John Pryor, ACFO

REVIEW 4% DIESEL SUPPLEMENT

Related to the emissions debate is the decision to increase the diesel supplement from 3% to 4% last year and the announcement that any vehicle meeting the Real Driving Emissions Step 2 (RDE2) test would be exempt.

Euro 6 diesels must emit no more than 0.080g/km of NOx under standard laboratory testing. Currently RDE1 tests cars under real-world conditions and requires them to emit no more than 2.1 times this amount of NOx. Optional testing has started and all cars will have to go through the test by September 2019.

RDE2, due to begin in 2020, allows cars to emit up to 1.5 times the official level of NOx. It becomes mandatory for all cars on sale by January 2021.

However, testing by Emissions Analytics shows that the latest Euro 6 diesel engines are far more efficient for NOx and particulate emissions. In fact, it points to at least 20 models that comply with RDE2 (rated A or A+).

Could it be sufficient to remove the 4% diesel supplement for these NOx-compliant cars? We'd like the Government to give it some thought.

"The latest diesels are some of the cleanest and fleets are looking to provide fit for purpose vehicles and this [the diesel supplement] adds extra costs," said Pryor.

For Claire Evans, head of fleet consultancy at Zenith, it's a question of fairness. "The current 4% diesel supplement does not fairly reflect the role these vehicles continue to have for company car fleets," she said.

"The newest and cleanest diesel vehicles are often the most cost-efficient and environmentally-friendly option for drivers who complete higher business mileage compared to higher-emitting petrol or plug-in vehicles, which simply do not have a suitable range for the type of journeys completed by typical job-need drivers."

Evans is right. It is simply not fair to penalise British business for using the fuel type – diesel – that best meets the majority of its needs. Fleets would switch to electric today if it represented a viable solution. Unfortunately, it doesn't, other than for specific types of journey profile.

LONGER-TERM VIEW OF BIK

Pryor believes the Government should also take heed of the other consideration points raised by *Fleet News* in the Fleet Budget Manifesto.

"Drivers and business need to know what their costs are. We understood the new WLTP would not be a tax-raising option. We all need to see CO_2 reduced and company-supplied vehicles were showing this can happen," he told *Fleet News.*

"The more we can do to encourage the use of ULEVs, the better for all. Fleets need a clear working plan to get the right vehicle for the job."

Hughes also believes it could benefit the environment. "A longer-term view of company car tax rates would allow decision-makers to better plan the transitioning of their cars into a cleaner, safer and lower-emitting technologies," he said.

ACFO has long campaigned for greater notice about future BIK levels and has previously secured a commitment from Government that it would provide four years' notice. However, BIK is now only known until tax year 2020/21.

"Fleets are looking to run (vehicles) longer and four years is now becoming more common with five years being considered," said Pryor.

But, whether it's a four or five-year replacement cycle, Hughes says that the current lack of company car tax rates from 2021 is causing unnecessary confusion, and leading to delays in drivers selecting their next company car.

"It could lead to a lack of supply into the second-hand market that could negatively impact clean air ambition plans further down the line," he said.

"Fleet News' Budget Manifesto reflects the challenges the fleet industry is facing."

GET BEHIND THE FLEET BUDGET MANIFESTO

Email us at fleetnews@bauermedia.co.uk. We will include any messages and views in future editions.

FLEET BUDGET MANIFESTO

Digital app aims to revolutionise the way fleet drivers pay for fuel

That's the intention of BP as it extends BPme service to fleet fuel card holders

By Matt de Prez

BP fuel card customers can now pay for fuel from their vehicle using a smartphone.

The new service – which BP claims is the first of its kind in the UK – uses the oil giant's recently launched free to download BPme app.

Initially, BPme allowed credit or debit cards, PayPal and Apple Pay to be used to pay for fuel via a customer's smartphone. Now, BP's 500,000 fuel card holders can use the app too.

BP says it will save fleet operators and company vehicle drivers valuable time, while improving security for precious loads.

Andy Allen, UK fuel card manager at BP Fuel Cards, said: "When we thought about developing the app, we were looking at customer needs from two different sides.

"Fuel cards often have a two-focus approach. You have the needs of the fleet manager and the needs of the driver.

"Fleet managers are typically time-poor. They have lots of responsibilities and BPme helps them reduce administration.

"Drivers have different needs, too. They want to get from A to B as fast as possible and get served at a fuel station as fast as possible. They don't want to queue. The idea is to make their use of the BP forecourt easier and simpler.

"The key USP is that time element. It saves both the fleet manager and the driver time."

Fuel card customers can use BPme to make quick cashless purchases from their vehicle, even if they don't have their physical fuel cards with them.

The app will automatically log every fuel transaction and allow drivers to enter their mileage while they are in the vehicle, giving fleet managers accurate data on vehicle activity.

As well as all the fraud detection and transaction security measures fleet managers can expect from a physical BP fuel card, the fuel card-linked app also offers other safety benefits such as allowing drivers to stay close to their vehicles at all times, and swapping fuel card PINs for fingerprint or passcode recognition on drivers' phones.

Fleet managers are now able to manage the fuel cards that are linked to BPme through their existing BP fuel card portal. For security, fuel cards must be authorised before they will work through the app.

BPme is free to download to smartphones but cards will still be issued

"It saves both the fleet manager and the driver time"

Andy Allen, BP Fuel Cards

New drivers can be set up with a digital fuel card immediately, avoiding the wait for a physical card to arrive. BP has no plans to stop issuing fuel cards at this point.

By the end of the year, the majority of BP's 1,280-strong filling station network should be online.

Currently, more than 900 stations offer the digital payment service.

Since launch, the app has processed the sale of more than 10 million litres of fuel.

BP expects a large proportion of its 40,000 fuel card customers to encourage the use of the app.

Following BP's acquisition of Chargemaster, the company is also looking to integrate electric vehicle charging into the app. "This is only the start – there is lots more to come in this space," said Allen.

As the app is rolled out across Europe, BP will continue to develop the digital payment model.

In New Zealand customers can already order food and drink from the on-site café and Allen says this functionality is expected to come to the UK soon.

He also confirmed that BP is already in discussions with a number of vehicle manufacturers about integrating the app with the infotainment systems in connected vehicles.

He said: "If we can leverage their on-board telematics, we can automatically input vehicle mileage and pick up VIN, to remove an extra step for the driver and remove the possibility for error or fraud."

For van and truck fleets, BP hopes to enable app integration with aftermarket telematics and in-vehicle tablets.

"Lots of operators already install telematics hardware into their vehicles. We are looking at how we can make BPme run on those devices. It is also possible to interact with route planning and navigation, which is exciting," explained Allen.

HMRC plans to tax elements of benefits packages such as insurance and maintenance

Benefits package 'oversight' may mean tax rise for sal/sac drivers

Some face having to pay up to £240 a year more after HMRC corrects 'mistake'

By Tom Seymour

Salary sacrifice drivers could be hit with higher costs after HMRC claimed it always intended to tax the 'package' of benefits they receive with their car.

Insurance, maintenance, tyres and breakdown cover, the fleet industry was told, would not be taxed when a new tax regime for so-called Optional Remuneration Arrangements (OpRA) was introduced.

However, less than a year later, HMRC now says their omission was an "oversight" and they should have always been included in the original legislation.

Tax officials told *Fleet News* that the error had not been identified during the initial consultation on the OpRA policy proposals. It is now looking to correct what it described as a "mistake" and is consulting on the changes, which will apply from April 2019.

Industry estimates suggest that for those drivers affected, it could cost them an additional £100-200 in tax per year. Employers will also end up paying more Class 1A National Insurance.

The leasing industry, which has seen the funding device grow in popularity over the past few years, is lobbying Government to introduce a transitional arrangement or to introduce grandfathering (exemption from a new law) for those drivers that took out salary sacrifice deals from April 2017.

Jay Parmar, director of policy at the British Vehicle Rental and Leasing Association (BVRLA), said: "This change could see some employees, who entered into a new arrangement on or after April 2017 in good faith, being affected. This is why the BVRLA is calling for transitional arrangements to be put in place."

"The average impact, where there is one, will be around a £10 per month increase"

Claire Evans, Zenith

However, HMRC appears to be standing firm. A spokesman told *Fleet News*: "The Government does not believe that grandfathering is appropriate – the changes intended simply ensure the rules work as intended."

The fleet industry fought hard to protect the benefit when the OpRA rules were first outlined and was successful in winning an exemption for ultra-low emission vehicles.

However, energy company SSE took the decision last year to pull its salary sacrifice scheme, closing it to any new entrants, after it claimed the new rules increased administration and lessened the benefits achieved.

Simon Gray, head of fleet and travel at SSE, explained: "The view was that if a suitable scheme became available, and we were confident the Government would not change any legislation that would impact the scheme during its life, then we would look at this again."

However, he says this latest change means he can see no benefit in relaunching a scheme.

Nevertheless, providers insist that a large number of cars will not be impacted by the latest tax change and it could even make the rules easier to apply.

Adrian Hulme, senior consultant for employer solutions at accountants BHP, says some drivers will not be affected as the benefit-in-kind (BIK) figure is already higher than the sacrifice amount. However, others will see an increase in the amount of income tax they pay on their company car BIK as a result of the changes.

He told *Fleet News*: "From 2019/20, when you have to take into account the salary sacrificed for the 'package' element too, employees' BIK tax bills will inevitably be larger.

"This is because the benefit figure will in most circumstances become the total amount of salary sacrificed, which will be higher than the benefit figure calculated in the ordinary way."

The change won't affect P11Ds or tax bills until April 2020 and it doesn't affect cars first supplied prior to April 6, 2017.

SG Fleet told *Fleet News* that based on its analysis of the worst case scenario, with no grandfathering, 43% of the 14,000 vehicles currently on its system will be affected. More than a third of those (36%) will see their monthly company car tax bill go up by less than £10 or under £120 a year.

Looking at the cars it has ordered in the past six months, Zenith said fewer than half will be impacted by the latest legislation change. "The average impact, where there is one, will be around a £10 per month increase," said Claire Evans, head of fleet consultancy at Zenith.

Jon Lawes, managing director of Hitachi Capital Vehicle Solutions, also believes the impact will be relatively small, estimating that some drivers could see increases of £10-£20 a month (£120-£240 a year).

Government probes the impact of braking and tyre wear on air quality

Consultation also links microparticles released to the pollution of world's oceans

By Gareth Roberts

The Government is calling on experts to help reduce the impact of microparticles released from brakes and tyres on air quality.

Estimates suggest that, while harmful particulate matter (PM) from exhaust emissions will fall dramatically over the next 10 years, the same micro-particles from brake, tyre and road surface wear will have risen by almost 25% (see graph).

The Government says it wants to get a better picture of their impact both now and in the future, as well as see what measures it may need to introduce to mitigate their harmful effect.

It's a pressing issue. A recent study by the Royal College of Physicians estimated that these microscopic particles are a contributory factor in 29,000 deaths in the UK each year.

Furthermore, the Government says particulate matter left on UK roads can be deposited into sewers, rivers and oceans, harming marine wildlife and food chains.

The University of Plymouth estimates emissions from tyre wear may contribute as much as 5-10% of the total of plastic in the oceans.

Transport is just one source of PM, however. Data from the National Atmospheric Emissions Inventory shows 38% of total UK particulate emissions are from domestic wood and coal burning, 16% from industrial combustion, 13% from the use of solvents and industrial processes and 12% from road transport.

Environment minister Thérèse Coffey said: "While we are all now well aware that fumes from the exhaust pipes on our cars can have a detrimental impact on human health, it is less well known that tiny particles released from our brakes and tyres also contribute to air pollution.

"This call for evidence will help us to learn more about how these particles are released as well the actions we can take to reduce their impact."

Particulate matter is commonly classified according to size, either as PM10 or PM2.5, which is 200 times smaller than a grain of sand. The size has a strong influence on the time the particle remains suspended in the air and its impact on human health and the environment.

According to a recent Joint Research Centre (JRC) Science and Policy Report, up to half of non-exhaust traffic-related PM10 emissions by mass emanate from tyre, brake, clutch and road surface wear.

Professor Prashant Kumar, a chair in Air Quality and Health at the University of Surrey, believes that increased Government scrutiny will result in a greater focus from the fleet industry (*Commercial Fleet*, April 2018).

Kumar, who is also founding director of the Global Centre for Clean Air Research (GCARE), said: "With regulators already clamping down on exhaust-related emissions, I believe a greater level of Government scrutiny will prove a catalyst for a lot more research in this area by OEMs, tier ones [suppliers] and premium tyre makers."

The industry is already looking at ways of mitigating the impact of non-exhaust emissions. Ford, Brembo and Continental, for example, are part of the Lowbrasys project which began in 2015 and will end this month.

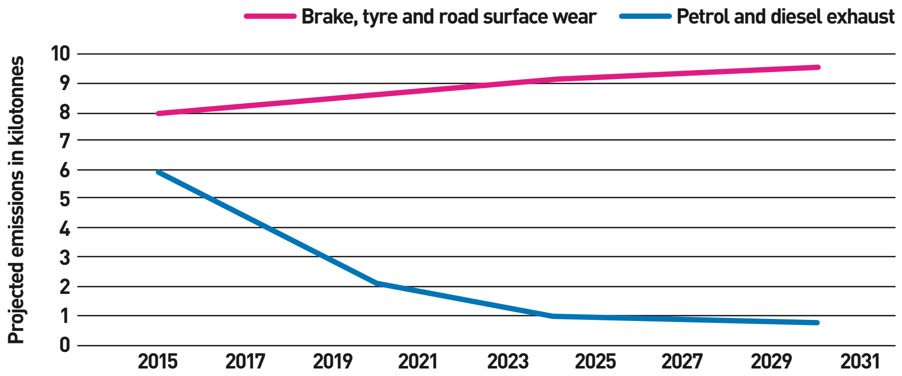
Funded by the EU's Horizon 2020 research programme, they are collaborating with academic institutions to create a braking system that Lowbrasys says "will reduce micro and nanoparticles emissions by at least 50%".

Meanwhile, Iveco UK director of alternative fuels Martin Flach says the manufacturer is increasingly selling more automatic transmissions, which eliminate the need for a clutch.

"Last year 40% of vehicle sales were automatic transmissions," he said. "We expect that trend to continue and sales of the manual clutch, and the wearing parts that constitute it, to be very much in the minority in the future."

The findings of this call for evidence closes on September 28.

PROJECTED PM2.5 EMISSIONS FROM ROAD TRANSPORT



Source: UK Report to the UN Convention on Long-range Transboundary Air Pollution

> *"Tiny particles released from our brakes and tyres also contribute to air pollution"*
> Thérèse Coffey, Defra

Experts argue open data crucial to mobility services development

Government had been against intervention, but now it is keen to help find solutions

By Gareth Roberts

The Government wants to enable a sea change in how people, goods and services are moved around the country by resolving barriers to data sharing.

Publishing a call for evidence on the future of mobility, it is asking what measures it should introduce to enable access to data, while still protecting privacy and security.

Mobility as a Service (MaaS) experts have suggested that public transport operators, taxi companies, car clubs, bike share services and even carmakers, should be obliged to make their data accessible to mobility companies.

They told MPs on the Transport Select Committee, who are investigating the potential of mobility and the barriers to its implementation, that access to data is vital for the development of services (fleetnews.co.uk, May 11).

It now appears ministers have recognised the importance of open data, having previously argued against Government intervention.

"We are on the cusp of an exciting and profound change"

Jesse Norman, DfT

Just two months ago, Jesse Norman, who has responsibility for the future of mobility and MaaS at the Department for Transport (DfT), told the same select committee MPs that "nationalising data" could stifle innovation (fleetnews.co.uk, July 6).

There is no suggestion yet that companies could be forced to share data, but the consultation acknowledges better access will be a key enabler for innovation in transport and it is a priority for the Future of Mobility Grand Challenge; one of four 'grand challenges' revealed in the Government's industrial strategy – Building a Britain Fit for the Future – published last November.

Johan Herrlin, CEO at transit data experts Ito World, said: "It's encouraging to see that efforts are being made to better understand how data can be used to improve the way people and goods move around the country. But for these revolutionary trends to work, high-quality data – delivered in real-time – must be at the fore.

"People will only change their travel habits if they can trust the information they receive, plan their journeys and have a good user experience. Otherwise it all falls apart."

The Government has taken an important first step by persuading train operators to publish more real-time information (fleetnews.co.uk, August 10).

Rail minister Jo Johnson says it will enable tech firms to develop more sophisticated travel apps. It will also examine how data is collected, stored and published and improve clarity over which data is commercially sensitive, and what data can be used for what purposes.

Furthermore, it says that it will explore, with the rail industry, what incentives could be introduced to drive further innovation and data sharing, on top of that already planned.

Chief executive of the Rail Delivery Group Paul Plummer said: "Technology gave rise to the railway, connecting Britain, and the rail industry wants to channel this spirit to help produce cutting-edge products and services that can be exported around the world."

A Government study has already identified the transport benefits, practical considerations and enablers associated with big data, while the Local Transport Data Discovery project will report shortly on the main barriers to local authorities publishing and exploiting open data, and recommendations for overcoming them.

Meanwhile, the Bus Services Act 2017 enables regulations that could require local authorities or bus operators to provide data about local bus services. Government is currently consulting on these regulations.

The Future of Mobility call for evidence covers similar ground and has been purposely launched alongside another consultation looking at 'last-mile' deliveries.

It wants fleet operators to outline what the barriers are to delivering goods more sustainably and what incentives might be needed for firms to replace diesel delivery vans.

With air quality restrictions planned in towns and cities across the country, Norman argues that new transport modes could provide the answer for delivery firms, with new electrical methods of delivery, including cargo bikes and electric vans, playing a key role in the last-mile delivery of goods.

He said: "We are on the cusp of an exciting and profound change in how people, goods and services move around the country which is set to be driven by extraordinary innovation. This could bring significant benefits to people across the country and presents enormous economic opportunities for the UK, with autonomous vehicles sales set to be worth up to £52 billion by 2035."

The last-mile and future of mobility consultations close on September 10.

HMRC announces AFRs for pure EVs, but not for PHEVs

Clearer policy on reimbursement may encourage organisations considering electrifying their fleets

By Andrew Ryan

HMRC's decision to introduce advisory fuel rates (AFRs) for pure electric vehicles (EVs) will remove a "real barrier" to organisations wanting to electrify their fleets.

The Government had previously declined to introduce AFRs for pure EVs as it did not consider electricity to be a fuel.

This left fleet operators unsure how to reimburse company car drivers for business journeys made in pure EVs. However, following a campaign by ACFO, HMRC has announced that from September 1 the AFR for EVs – to be called advisory electricity rates (AER) – will be four pence per mile (ppm).

However, despite lobbying by the organisation, no AFR has been announced for plug-in hybrid vehicles (PHEVs).

These will continue to be treated as either petrol or diesel models for mileage reimbursement purposes (see table right).

John Pryor, chairman of ACFO, said: "I am delighted HMRC has listened to ACFO and its members and introduced an AFR for 100% electric cars and at the rate we recommended.

"Historically, HMRC has consistently said that it did not consider electricity to be a fuel, so for it to make this change is a major leap and will assist all fleets operating and seeking to introduce pure electric cars."

ACFO had been calling on HMRC to publish official tax- and national insurance-free AFR rates for plug-in vehicles for several years.

Last year it hosted a fleet industry summit where the delegates – which included representatives of the British Vehicle Rental and Leasing Association (BVRLA), leasing companies, car manufacturers and fleet decision-makers – called on HMRC to publish AFRs for pure EVs, range-extended EVs and PHEVs.

ACFO also launched an online petition to support its campaign, which has so far been signed by fleet decision-makers operating more than 120,000 company cars.

DEFINITIVE SOLUTION

Chris Chandler, principal consultant at Lex Autolease, also welcomed the announcement. He added: "It is good to have a definitive solution for pure EVs.

"There is an element of compromise here around the different costs associated with charging at home, on public charge points or at work, but this is a much-needed, simple and fair approach, which will mean businesses can realise the full environmental and cost benefits of having pure EVs on fleet.

"The absence of a standard reimbursement methodology to date has been a real barrier for fleets considering a more ultra-low emission vehicle-focused vehicle policy, although there are still no plug-in hybrids rates, which means many businesses are resisting adding these vehicles to their fleet."

ACFO has vowed to keep up the pressure on HMRC to introduce AFRs for these vehicles.

Pryor said: "We are disappointed that HMRC has not supported ACFO's call for AFRs to be introduced for PHEVs and range-extended EVs.

"PHEVs are a major part of vehicle manufacturers' future electrification programmes and, as a result, an increasing number of such vehicles will find their way on to company car choice lists due to their benefit-in-kind (BIK) tax efficiency.

"They are at their most efficient when driven for as many miles as possible on electric power.

"Therefore, particularly with technology advances likely to increase the electric range of such cars, publishing appropriate AFRs for PHEVs will help encourage drivers to use their car in the optimal environmentally-friendly way."

TAX IMPLICATIONS

In the majority of cases, *Fleet News* calculations show that the actual cost of charging a pure EV will be less than the AER (see panel below).

However, in some instances, such as if a car is charged at some rapid charge points which carry a cost premium compared with charging at home, the cost of electricity could be more than the AER.

If this happens, then HMRC said employers can use their own rate which better reflects their circumstances.

It added: "If [the employer] pays a rate that is higher than the AER and can't demonstrate the electricity cost per mile is higher, it will have to treat any excess as taxable profit and earnings for Class 1 National Insurance purposes."

Similarly, employers can opt to reimburse employees with the actual cost of the electricity used if it is lower than 4ppm.

If and how a driver is reimbursed for the electricity used to charge an EV also has tax implications for an employer and employee, said Jeff Whitcombe, director of BCF Wessex.

Under the draft Finance Bill 2018-2019, an employer is able to provide free electricity at the workplace to an employee – whether for business or private use – with no tax implications.

However, if an employee uses the car for both business and personal journeys and charges either at home or at a public charge point – wherever it is situated – and is then reimbursed that amount by their employer, then that amount counts as earnings which means it must be added to that employee's other earnings.

The employer must also then deduct and pay PAYE tax and Class 1 National Insurance through payroll.

If a driver charges at work for free and uses that electricity for business mileage, then they should not make a claim for reimbursement, said Whitcombe.

However, it could be difficult for a fleet decision-maker to determine if this is the case or if they had paid for the electricity themselves. "Certain assumptions have to be made," he added.

Fleet bodies have been pressing HMRC to recognise electricity as a fuel

"The absence of a standard reimbursement methodology has been a real barrier for fleets"

Chris Chandler, Lex Autolease

CURRENT ADVISORY FUEL RATES

Engine size	Petrol (ppm)	LPG (ppm)
1400cc or less	11	7
1401-2000cc	14	9
More than 2000cc	22	14

Engine size	Diesel (ppm)
1600cc or less	10
1601-2000cc	11
More than 2000cc	13

Hybrid cars are treated as either petrol or diesel cars for this purpose.
** AFR rates are correct at time of going to press.*

EV AND PHEV SALES ON THE UP EVEN BEFORE AER WAS ANNOUNCED

Sales of pure electric and plug-in hybrid vehicles hit a record high in the first six months of this year.

Go Ultra Low figures show that 28,054 were registered in this period – a 25% increase year-on-year – with PHEVS accounting for more than 21,000 of these.

Even before the announcement of the AERs, fleet uptake of EVs and PHEVs was expected to increase significantly: Arval's Corporate Vehicle Observatory 2018 research found the number of UK fleets running full electric vehicles could treble over the next three years.

It interviewed more than 300 fleet managers in the UK as part of a global survey of 3,700 and found that 14% currently have pure EVs – cars and/or vans – but that proportion could rise to 42% by 2021.

It makes pure EVs the third most popular alternative to petrol and diesel, behind hybrid (25% now; 53% within three years) and PHEVs (22%/46%).

DRIVERS CAN 'PROFIT' ON AER IF ONLY CHARGING AT HOME

While the AER provides simplicity and clarity to fleets, the 4ppm rate is higher than the true cost of electricity used if the vehicle is mainly charged at home.

"Therefore, using the full AER for business mileage represents an avoidable cost to the employer," said a spokesman for The Miles Consultancy.

He said the actual cost of the electricity used from a domestic supply can be calculated by using the manufacturer's published range based on NEDC and the kWh of the battery.

For example, if a car with a 30kWh battery has range of 155 miles, then it has a mileage per kWh of 5.17.

If a car is charged at a typical kWh unit price of 14p, then when this is divided into the 5.17 it would give a pence per mile of 2.7ppm.

However, if the same 15% reduction for real-world conditions used in the AFR calculation is applied, then the miles per kWh drops to 4.14, and the cost of electricity becomes 3ppm.

This formula can be adjusted to cater for different battery sizes, ranges and electricity tariffs.

In this table, we have used this formula to calculate the actual cost of electricity for six of the UK's most popular electric cars.

TMC said if an organisation reimburses the true cost of a journey to an employee instead of using the AER, then the figure will need to be substantiated if subject to an HMRC audit.

Actual cost per mile for pure electric vehicles

Car	Battery (kWh)	NEDC range	Mileage per kWh (after real-world 15% reduction)	Actual cost per mile: Economy 7 tariff*	Actual cost per mile: Standard tariff**
BMW i3	33	186	4.79	1.69	2.99
Hyundai Ioniq Electric	28	174	5.28	1.53	2.71
Kia Soul EV	27	155	4.88	1.66	2.94
Nissan Leaf 40kWh Tekna	40	235	5	1.61	2.87
Renault Zoe ZE 40	40	250	5.31	1.52	2.7
Volkswagen e-Golf	36	186	4.39	1.84	3.26

*Electricity average rates – *eco 7 – 8.08p, **standard tariff 14.33p Source: EST*

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THE BIG PICTURE

By Stephen Briers, editor, *Fleet News*

What were you doing 40 years ago? Me – I was enjoying one of those long hot summer days (weren't they all back then) on holiday with my parents in Dawlish Warren, a favoured Devon destination.

Over in Brentford, a rather more momentous event was brewing. Brothers Ross and Bill Jackson had just put the finishing touches to the third edition of *Fleet News*, which they'd launched five months earlier (we've used their original logo on the cover and you can view a PDF of the first edition on our website). Many of the articles were written by sadly departed Peter Cooke.

"I believe some of the actions of my predecessors deserve acknowledgment"

During the subsequent decades, this publication has upheld its original aim of providing vehicle fleet management insight and support to senior decision-makers.

It's not our style to go around bragging about our successes.

But, in the year of our 40th birthday, I believe some of the actions of my predecessors deserve acknowledgment.

After all, not only did they result in establishing this reputable, trustworthy and useful brand, they also helped champion good causes, support the industry and campaign for positive change.

Back in the 1980s, then-editor Rob Barrowman was leading the calls for lead-free petrol and launched Britain's Safest Fleet at a time when safety was on no one's agenda.

In the 1990s, we supported the BVRLA financially by giving it a stake in our successful Fleet Show, helping it become the leasing and rental powerhouse it is today. And we were there at the birth of the ICFM, offering sponsorship, publicity and a bursary to help the fledgling organisation find its feet.

More recently we joined forces with BVRLA and ACFO to present the Fleet Manifesto to the transport minister ahead of the 2015 general election – several of our recommendations were introduced. And this year we again combined, with the addition of Energy Saving Trust, to ensure fleets' voices were heard by major city councils during their clean air zone consultations.

Since the launch of the Fleet News Awards 30 years ago we have used the opportunity of large fleet industry gatherings to raise money for charity. Marie Curie has been a major beneficiary, receiving more than £230,000 over the past 18 years, but many others have also benefited from fleet sector generosity.

So, I thank my predecessors for all they have done. But we should look ahead, to a period of growing complexity and considerable change in fleet.

Technology is changing the role and function of fleet management, mobility is creating new opportunities for the movement of people, and urban transport policies and legislation are forcing everyone to come up with new ideas if they wish to continue operating efficiently and effectively.

It means changes for *Fleet News*, too. We are undergoing a strategic review that will result in a brand evolution to ensure we continue to lead as well as reflect the changing landscape.

More of that as we progress through 2018. For now, thanks for all your support over the years. Here's to the next 40!

YOUR LETTERS

COMPANY CAR TAX

EDITOR'S PICK

Does the Treasury care?

Rosco wrote:

Having read 'Will Treasury listen to fleets' concerns as drivers face hefty BIK payments?' (fleetnews.co.uk, July 23), the people at the Treasury are either not aware of, or don't care about, the damage they are causing to the fleet car industry in the UK, which has major repercussions for all new car sales.

My belief is that the Treasury believes that though the tax rates will drive people to a cash allowance, they assume (incorrectly) that the tax charge on cash will be the same as that for the company car. They are wrong.

A good proportion of those taking cash will opt for a secondhand car. What this does is remove an important source of VAT income, as pre-owned cars do not attract VAT.

Unfortunately, as others have stated, the HMRC figures of company car users doesn't highlight the number who will not renew their company car. By the time HMRC and the Treasury understand the issue, the damage will be irreversible.

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

CONNECTED CARS

Develop technology to stop bad drivers

Liz Hollands wrote:

Having read 'Seat connected technology warns drivers of changing traffic signals' (fleetnews.co.uk, July 25), that's great, but can they also develop the technology further so that the car stops when the lights do change, thus stopping drivers running red lights?

ETHANOL FUEL

Stop kicking the can down the road

Richard Royal, head of Government affairs at Vivergo, wrote:

Having read 'Government launches low carbon fuels consultation' (fleetnews.co.uk, July 20), while we welcome some of the positive comments regarding E10 ethanol fuel contained within this document – and the ultimate desire to see it introduced – we are immensely frustrated by the ongoing delays this process causes.

The overriding sense is one of the Government 'kicking the can down the road', an approach which puts at risk our industry along with thousands of jobs and the British farms that depend upon us.

The Department for Transport (DfT) has investigated these options multiple times, through working groups, select committee inquiries, consultations and private meetings with industry. As a result, it has answers to many of these questions – primarily recommending the mandated introduction of E10.

Yet another call for evidence, followed by another consultation, only adds to the industry's precarious position and calls into question whether the Government is taking advice and the ultimate aim of cleaning up transport seriously.

AIR QUALITY

Fuel will be used elsewhere

Edward Handley wrote:

Having read 'The Government's Road to Zero is still paved with many obstacles' (fleetnews.co.uk, July 30), the problem is the hype does not quite fit with the science. It was only a few years ago that petrol cars pumped out vast quantities of lead which rotted out brains while diesels were seen as much cleaner.

Now, diesel particulates are killing us all and we all have to buy petrol or alternatively fuelled vehicles, while politicians conveniently ignore Euro 6, AdBlue, DPFs and other developments that mean diesel and petrol cars are, in fact, much cleaner.

They also ignore construction plant, central heating, fridge motors, ships, railway engines and power stations that use much older and dirtier technology, as well as things like plastics, which are made from petroleum.

The trouble is that only part of crude petroleum is good for making plastics and a large proportion of the stuff which is not suitable is, wait for it, petrol and diesel.

Net effect is that less petrol and diesel will be used to power cars and vans so the surplus will be used for heating or powering plastics production.

DRINK DRIVING

Figures are a disgrace

Peter wrote:

Having read 'Call for law change after drink-drive figures show increase' (fleetnews.co.uk, August 9), the UK, to our great discredit, is way behind the rest of Europe on this. The figures are a disgrace – 9,040 people and their families affected in one year. At the very least, England and Wales should follow Scotland's lead in reducing the limits.

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:
***Fleet News* is celebrating 40 years of production. If you could summon up the Tardis, which event of the past 40 years would you revisit?**

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Out of office
Deputy editor
Sarah Tooze 01733 468901
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I'd rather use the Tardis to go forward 40 years and see how things have changed
News editor
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Christmas 1983 when I was given a ZX 48k Spectrum computer
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Head of digital
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A holiday in the Dominican Republic two years ago
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The fall of the Berlin Wall so I could experience and understand David Hasselhoff fandom
Staff writer
Matt de Prez 01733 468277
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A TLC concert – before Lisa 'Left Eye' Lopes died
Photos Chris Lowndes

Production
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Luke Neal 01733 468262
Out of office
Production editors
David Buckley 01733 468310
Christmas Day 2004 so I could warn of the tsunami due the next day
Finbarr O'Reilly 01733 468267
Out of office
Designer
Erika Small 01733 468312
The fall of the Berlin Wall so I could be there with my nan and grandad as they helped knock it down

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B2B commercial manager
Sheryl Graham 01733 366467
Account directors
Lisa Turner 01733 366471
Stuart Wakeling 01733 366470
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Managing director
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FLEET OPINION

Stewart Whyte
director at Fleet Audits

REFLECTIONS ON THE PAST 40 YEARS

'Back in 1978, the only diesel cars were taxis'

By Stewart Whyte

I was already active in the UK fleet industry when the idea of *Fleet News* was first proposed. It seemed that it would be a good idea to have a specialist publication to deal with an industry that, even then, was evolving rapidly to the changes in the country's political and economic scene.

Back in 1978, the fleet market was just emerging from more than five years of tough economic times. We'd recently come through the first major energy crisis, the meltdown of the economy and rescue by the International Monetary Fund, tight restrictions on credit, sky-high interest rates, the Lib-Lab pact. Employers and employees alike were still coming to grips with the 'standardised' system of company car taxation, rather than the individually-calculated tax returns. Oh – and we'd recently joined the European Common Market.

Plus ça change – plus c'est la même chose as the French might say. Up until 1977-78, the company car market was quite rigid in two tiers: mobile employees had fairly basic cars (Ford Escort and Cortina; Chrysler Avenger; BLMC Allegro and Marina – all exclusively British-made) while directors had Jaguar, Rover, Triumph or Ford Granada. There were some Mercedes-Benz and the occasional Volvo – but BMW, Audi, Saab were very rare, and nobody had a Japanese model.

Companies bought their cars outright (often with bank-borrowed cash), with only 10-12% using contract hire. Until 1976, the standard contract was for 24 months/40,000 miles. The normal warranty was for 12 months and up to 12,000 miles.

Fleet managers were usually male, and very often with a workshop background. Policy decisions were made by the board and run within finance. These were hard business-based issues and personnel had little involvement, but that was all changing.

During the national pay freeze, when inflation was more than 10% per annum, there was a huge expansion of company car entitlement. This was easy to introduce, as there was an active – and very willing – fleet infrastructure able to deliver the goods. But since personnel/HR was now involved, and for a whole new range of employees, the shape of the demand changed, as well as the size.

Manufacturers started to offer better warranties. Finance leasing emerged as a mainstream facility, now offered by banks and finance houses. Interest rates were still high, so most of the increased market was funded on easy terms.

To reduce costs, extended replacement cycles (usually 36 months/60,000 miles) became the norm.

Fleet News reported these changes and by making the new systems public knowledge, helped all these market expansion opportunities. And so it continues.

Within the Fleet Audits Consultancy, I've watched as changing attitudes to outsourcing, coupled with innovation on the supply-side has seen huge changes in the operation of the market.

The key fundamentals of fleet management remain. Cars need to be sourced, funded, maintained, insured, fuelled and taxed – and eventually sold on. Somebody, somewhere, needs to do these. Back in the late 1970s, employers did most of these tasks, except where contract hire covered the supply/funding/tax/disposal.

Major changes to company car taxation and attitudes to road safety and environmental considerations have brewed a powerful evolutionary cycle that now delivers the majority of new company vehicles under leasing arrangements, which often include fuel and accident management.

Dramatically increased build quality, reliability and extended warranties have relegated the need for a mechanically-minded transport manager.

> "Dramatically increased build quality, reliability and extended warranties have relegated the need for a mechanically-minded transport manager"

We've been through several stages of fleet manager – but even that is now a declining concept: total mobility management now – and rightly for the current conditions – looks at optimising every aspect of employee movement with the right vehicle for each business journey that is deemed necessary.

All aspects of vehicle technology have advanced to the point where self-driving cars are a reality, even if not yet at a stage of public launch. The active, pinging map of the *Goldfinger* Aston Martin and the speech recognition of the Enterprise flight deck computer are now commonplace in even modestly-priced cars.

Back in 1978, the only diesel cars were taxis, a few Austin Cambridges and some Land Rovers. Since then, various fuels have come and gone, each with its own pros and cons.

Many have been influenced by taxation – some of which has been muddle-headed and short-term. We're now firmly in the electric vehicle era, but patchy recharging infrastructure and a stupidly-complex access/payment system is not yet particularly attractive to many fleet operators.

Evolution won't stop. Fleets don't inhabit a vacuum – they need to serve the core businesses and the context of the overall economy.

And I guess that *Fleet News* will keep on reporting opportunities and results for another 40 years.

Happy 40th *Fleet News* and many happy returns.

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

At the roundtable (from left): Toby Poston from BVRLA; Lorna McAteer, Royal Mail; Andrew Lilley, Enterprise Rent-a-Car; Glasgow City Councillor Anna Richardson; Margaret Speirs, Arnold Clark; and Paul Winter, Turner Hire Drive

Glasgow's balanced approach to introducing a low emission zone

Initial focus will be on buses but all vehicles will be included by the end of 2022

By Sarah Tooze

Glasgow will be the first Scottish city to introduce a low emission zone (LEZ) and the city council believes it has struck the right balance between ambition and pragmatism with its phased approach.

The LEZ, which will be introduced in parts of the city at the end of this year, will initially apply to buses before being extended to all vehicle types by the end of 2022. The standard has been set as the highest possible for diesel vehicles (Euro 6/VI) and Euro 4 for petrol.

Non-compliant vehicles will be excluded from entering the zone and will be issued with fixed penalty notices if they do so (the amount of the fine is to be determined by Scottish Ministers). There will be no option to pay a fee.

Glasgow is one of four cities (the others being Aberdeen, Dundee and Edinburgh) required by the Scottish Government to implement a LEZ by 2020.

However, to date, Glasgow is the only one to have had its plans approved by its local committee.

The council believes around 12% of bus journeys are Euro VI-compliant at present and has set a series of targets. By the end of this year 20% of bus journeys will be compliant, rising to 40% by the end of 2019, 60% (end of 2020), 80% (end of 2021) and 100% (end of 2022).

These timescales are subject to the traffic commissioner for Scotland agreeing to impose a traffic regulation condition.

> *"Pressure won't determine our decision, the right thing to do for the city will determine our decision"*
>
> *Councillor Anna Richardson, Glasgow City Council*

The council is tackling buses first as they were identified as the main source of pollution in its data collection and air quality modelling work.

However, this alone will not address the unsatisfactory levels of nitrogen dioxide (NO_2) in the city centre so the council believes it is necessary to incorporate all vehicles types (including cars) by the end of 2022.

Councillor Anna Richardson, city convener for sustainability and carbon reduction, said the main driver for the measures was citizens' health, pointing out that around 200 deaths in the city per year are attributable to exposure to air pollution.

"We need to keep making policy changes to bring that number down," she said.

Vincent McInally, team leader Sustainable Glasgow at the council, added that levels of pollution were dropping in the city thanks to a range of actions introduced over a number of years, including a cycle hire scheme (500 bikes available at 50 stations, with plans to increase this to 1,000 bikes at 100 stations), car clubs and an Eco Stars fleet management programme to share carbon reduction best practice among fleets (87 companies with more than 5,500 vehicles have signed up in Glasgow). However, the downward trend was "not steep enough", McInally said.

"We do still have issues with pockets within the city centre where air quality is unsatisfactory," he said.

This is caused by the relatively narrow streets and high rise buildings in the city centre causing a canyon-type effect which stops the pollutants being dispersed and by an increase in the number of ageing vehicles which have higher NOx emissions.

Glasgow's LEZ has been criticised by air quality campaigners, who have nicknamed it a 'no ambition zone' but Richardson said the council had "held firm for 2022".

"Pressure won't determine our decision, the right thing to do for the city will determine our decision," she said.

"We believe that 2022 is the right target date. It gives businesses and residents time to adapt."

She acknowledged that the council would need to work with stakeholders and businesses ahead of 2022 to understand the impact the LEZ would have on them.

There will be an economic appraisal and a formal consultation (timescales to be advised). Richardson said: "We'll continue to ensure that businesses have time to prepare."

Glasgow is also working closely with the other three cities. The Scottish Government has set up a four-cities LEZ leadership group to oversee strategic issues, and a four-cities LEZ consistency group.

A Cleaner Air for Scotland (CAFS) group, set up in 2015 following the publication of the Scottish Government's strategy, also meets regularly.

Scotland's approach was welcomed by fleet industry representatives at the air quality roundtable jointly hosted by the British Vehicle Rental and Leasing Association (BVRLA), Energy Saving Trust (EST) and *Fleet News* in Glasgow.

Toby Poston, director of communications and external relations at the BVRLA, outlined the fleet industry's blueprint for approaching clean air zones (CAZs)/low emission zones, which includes a consistent framework and communicating it well; a managed transition – giving people time to change their vehicles and upgrade their fleets; changing behaviour; and support for electric vehicles.

"I have to say 'hats off' to what is happening in Scotland," Poston said. "Whether it's the transition period, whether it's support for electric vehicles, car clubs and behaviour change, frankly I think you are leading the way and showing how it should be done."

> *"I have to say 'hats off' to what is happening in Scotland"*
>
> *Toby Poston, BVRLA*

Fleet operators who attended the roundtable were keen to understand whether exemptions would apply to Glasgow's LEZ (for example, for the emergency services) and whether there would be sunset clauses.

The council said that both would be determined at a national level and that emergency services were a "key consideration".

Night time use will also be looked at.

McInally said: "We need to do detailed modelling. People will take different routes when LEZ is in. Lots of people work shifts and can't use public transport [at night]. Taxis need to be able to get in and get out."

The exact costs of enforcing the LEZ are still being calculated. The council is looking at a number of different camera technologies and deciding whether they should be fixed or portable.

The LEZ covers largely the same area as the existing city centre air quality management area but will change slightly for phase two (all vehicles).

"We need to factor in escape routes for vehicles that may turn off the motorway and come into the city centre before they realise it's a low emission zone so they need to be able to turn round and get out again," McInally said.

Similarly, there may be routes that traffic coming from the east and west of the city may be able to take to avoid the city centre.

"LEZ is a small area, it's not like in London," McInally said. "There is the option to avoid it if vehicles are not compliant."

Fleet operators with vehicles that must enter the city centre will have to consider whether they can shift parts of their fleet around to ensure compliant vehicles are used in Glasgow.

However, as more cities introduce CAZs or LEZs this could become problematic.

There are 38 air quality management areas in Scotland in which local authorities are required to develop action plans to improve air quality and these could include LEZs if the national low emission framework (NLEF) suggests that is the right measure to take.

To find out more about CAZs/LEZs, visit our interactive map https://www.fleetnews.co.uk/uk-clean-air-zones

LACK OF CAPITAL IS CAUSE FOR CONCERN

Public sector fleet operators have expressed concerns about the availability of capital for new vehicles and pointed out that replacement cycles are getting "longer and longer". "It used to be three or four years, for some it's seven or eight years," one said.

Communication was also highlighted as an important issue, particularly in light of the BVRLA's recent findings that four in 10 small- and medium-sized businesses are unaware clean air zones will start in towns and cities across the UK as early as next year (fleetnews.co.uk, July 31).

Transport Scotland is looking at a national campaign and Glasgow City Council would like a website which allows people to check their vehicle's registration and gives them the option of hiring a Euro 6 or Euro 4 vehicle.

Car clubs have a part to play, particularly in shifting people out of the grey fleet and into cleaner vehicles.

"It might sound counter intuitive but the idea is you use sustainable transport most of the time but when you do need a car you have access to it," Glasgow City Council's Vincent McInally said. "Each car club vehicle has been shown to replace up to 12 private vehicles."

Glasgow already has one of the lowest rates of car ownership in the country, a large urban rail network, "extensive buses" and has seen "a huge increase in the number of people cycling", McInally added.

It will be introducing measures to give buses priority with the benefit of making bus journeys more attractive and reducing the time the buses are in the city centre.

Longer term, the council is looking at narrowing roads, broadening pavements and making the city "a more pleasant environment for sustainable transport", McInally said.

Compare the corporation tax savings of a Mitsubishi Outlander PHEV against a typical company car.

	TYPICAL VEHICLE	OUTLANDER PHEV
PROFIT BEFORE TAX (PBT)	£100,000	£100,000
TAX RATE	19%	19%
LIST PRICE OF VEHICLE	£37,000	£36,945
CAPITAL ALLOWANCE	8%[3]	100%
CAPITAL ALLOWANCE (£)	£2,960	£36,945
TAXABLE PROFIT (ON £100,000 PBT)	£97,040	£63,055
CORPORATION TAX (NO VEHICLE PURCHASE)	£19,000	£19,000
CORPORATION TAX (WITH VEHICLE PURCHASE)	£18,438	£11,980
SAVING DUE TO CAPITAL ALLOWANCE	£562	£7,020

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	OUTLANDER PHEV 4h	HONDA CR-V EX AUTO	BMW X3 XDRIVE 30D SE AUTO	AUDI Q5 S-LINE PLUS AUTO	MERCEDES E220D AMG LINE AUTO SALOON
COST OF THE CAR - P11D VALUE[4]	£39,445	£34,695	£45,170	£41,555	£39,775
GOVERNMENT GRANT REDUCTION	£2,500	£0	£0	£0	£0
ADJUSTED FINAL PRICE	£36,945[1]	£34,695	£45,170	£41,555	£39,775
CO_2 EMISSIONS G/KM	40	179	154	133	127
BENEFIT IN KIND RATE	13%	36%	34%	31%	30%
VEHICLE BENEFIT CHARGE WITHOUT FUEL PROVIDED	£2,051	£4,996	£6,143	£5,153	£4,773
THE EXTRA TAX YOU PAY VS PHEV (40% TAXPAYER)	-	£2,945	£4,092	£3,102	£2,722
VEHICLE BENEFIT CHARGE WITH FUEL PROVIDED	£3,268	£8,366	£9,326	£8,054	£7,581
THE EXTRA TAX YOU PAY VS PHEV (40% TAXPAYER)	-	£5,098	£6,058	£4,786	£4,313

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Outlander PHEV range fuel consumption in mpg (ltrs/100km): Full Battery Charge: no fuel used, depleted Battery Charge: 50.4mpg (5.6), Weighted Average: 159.5mpg (1.8), CO_2 emissions: 40.3 g/km.

1. On The Road prices shown include the Government Plug-in Car Grant and VAT (at 20%) and First Registration Fee. Model shown is a 19MY Outlander PHEV 4h with pearlescent paint at £37,550 including the Government Plug-in Car Grant. On The Road prices for an Outlander PHEV range from £34,255 to £39,100 and include VED, First Registration Fee and the Government Plug-in Car Grant. **Metallic/pearlescent paint extra**. Prices correct at time of going to print. 2. For more information about the Government Plug-in Car Grant please visit www.gov.uk/plug-in-car-van-grants. The Government Plug-in Car Grant is subject to change at any time, without prior notice. Fuel figures shown are official EU test figures, to be used as a guide for comparative purposes and may not reflect real driving results. 3. Outlander PHEV qualifies as low CO_2 emissions vehicle for the purpose of Capital Allowances. 8% write down allowance used for comparison. 4. Cost of the car shown in this row include the Government Plug-in Car Grant (where applicable) and VAT (at 20%) but do not include First Registration Fee. **Metallic/pearlescent paint extra**.

5. This figure is NEDC equivalent and based on the official EU test (WLTP). To be used as a guide for comparative purposes only with other WLTP tested vehicles. Based on the vehicle being charged from mains electricity. This may not reflect real driving results. 6. Up to 33 mile EV range achieved with full battery charge. 532 miles achieved with combined full battery and petrol tank. Actual range will vary depending on driving style and road conditions.

7. 13% BIK compared to the average rate of 30% for the other vehicles shown. 13% BIK rate for the 2018/19 tax year.

'IT'S A TIME OF MASSIVE CHANGE'

Air quality, autonomy and connectivity are among the challenges facing the John Lewis fleet. Justin Laney tells *Stephen Briers* how he stays on top of it all

An innovative approach to fleet management which prioritises productivity and cost savings during periods of peak demand over absolute utilisation of all assets has seen the John Lewis Partnership (JLP) develop a dual fleet strategy with two operations effectively running in tandem.

The company, which owns John Lewis and Waitrose, has a primary fleet of vans and trucks, managed over a 7.5-year cycle, and a 'mothballed' fleet of ex-primary vehicles which are kept for up to two more years to address peak demand for services, such as Christmas when the fleet swells by 30%.

At a time when fleets talk about maximum utilisation and minimising the number of vehicles they operate, it might appear a luxury to have 250 vehicles sitting around not turning a wheel for large parts of the year.

However, there is a robust business justification for the policy.

The mothballed fleet means the company does not endure the expense of rental at these busy times – reducing costs by around 30% – and also ensures it has vehicles in the precise specification it needs, which boosts productivity.

Key is John Lewis's seven workshops which ensure these older vehicles are kept in prime condition, ready to go at a moment's notice.

The mothballed fleet is just one of the novel tactics employed by general manager, fleet Justin Laney to manage his fleet operation of close to 5,000 vehicles.

"We purchase all our fleet, from cars to trucks and trailers, and we make them last longer than most," Laney tells *Fleet News*.

"Our fleet model is to buy equipment that is designed for our purposes. But, because it is specialised and the vehicles are on a long life cycle, it is less attractive to leasing companies because the residual value is low.

"So we fund the fleet and we maintain it in-house to keep standards high and the costs down. It also gives us the flexibility to de-fleet early if that is appropriate."

In-sourcing is a theme for the 150-strong central transport team, which includes 100 workshop employees, plus fleet management staff, the car team, compliance, a driver risk manager and a call centre which handles externally-maintained vehicles spread across more than 300 sites.

Central transport provides support to both John Lewis and Waitrose and is headquartered in Bracknell, Berkshire, on a Waitrose mini-metropolis, a 75-acre site comprising seven office blocks.

It acts as an internal leasing company, buying the vehicles and leasing them to each cost centre with an aim of breaking even.

"The business looks to us to come up with solutions. Our role is to provide guidance about what's best policy," Laney says.

The head office site includes the company's largest workshop and a body repair shop with a full-size oven that can accommodate 44-tonne trailers. It operates 24 hours a day, 6.5 days a week.

"The workshops are mainly for the bigger vehicles, but we will suck in smaller ones in each locality," says Laney. "We are also looking at pulling in vehicles from further afield for MOT and cosmetic repairs. We have to control the look of the fleet because we keep it for longer, as well as the mechanical safety.

"Our workshops combine the best of the dealer world, such as productivity, with the best of fleet, including vehicle standards and safety, and we empower people to have a say in how the workshop is run."

Unlike most operators with a sizeable van and truck fleet, the JLP team also manages the car fleet in-house. Responsibility rests with three staff.

By Laney's own admission, it is a more "hands-off" relationship, largely because the majority of the 1,500 cars are perk vehicles on an employee car ownership (ECO) scheme. Staff choose to have the cars for either three or four years.

"ECO is tax-efficient for both our partners and the partnership," he says. "It works for us, and could work even better with the new WLTP – it will be interesting to see how changes in BIK will affect the balance of ECO versus conventional funding."

Laney, who has been in fleet for 35 years, the past eight at John Lewis, outsources very little fleet responsibility. Exceptions include tachograph analysis and accident management/claims handling for anything large, including third party claims. Pretty much everything else stays within the fleet team.

"We ask ourselves whether it is better and cheaper to do it in-house," says Laney. "And we find that it is."

Having such a breadth of knowledge within his fleet team

Justin Laney liaises with academics to help identify technologies with potential for the JLP fleet

FACTFILE

General manager, fleet Justin Laney
Time in role eight years
Fleet size c5,000 vehicles: **cars** 1,500; **car-derived vans** 300; **3.5t vans** 1,000; **rigid trucks** 400; **tractors** 550; **trailers** 1,000
Funding method **cars** ECO scheme; **vans and trucks** outright purchase
Operating cycle **cars** 3-4 years; **vans and trucks** 7.5 years (then kept for up to two years on the mothballed fleet)

helps Laney grapple with the rapidly evolving fleet sector, everything from alternative fuels to mobility services technology.

"It's a time of massive change in commercial vehicles and it's being speeded up," he says. "Alternative fuels, air quality, operating trucks in urban areas, autonomy, connected vehicles and electrification – it's important we make the right decisions."

Laney works closely with academics, including the Centre for Sustainable Road Freight, to identify technologies with potential and how quickly they might come to market.

When he wanted to trial low carbon fuels, he approached Imperial College London to collaborate on a biofuels programme, assessing various sources of waste to fuel the biomethane trucks.

For electric vehicles, he worked with Cambridge University, concluding that "we will electrify our small vehicles over time, but for trucks it will be 20-25 years before there is a solution that can be rolled out widescale".

Until then, he will continue to pursue a strategy of replacing diesel trucks with biomethane as they come up for disposal. John Lewis operates 53 now with 68 due on fleet within four months and a further 100 next year.

"It works because it reduces CO_2 by around 83% on a well-to-wheel life cycle," Laney says. "Drivers prefer them because the noise is about half that of a diesel truck and that also has benefits in urban areas where noise is important for night-time deliveries. The business case works – the payback on investment is broadly two years."

The cost of gas depends on the price of setting up a fuelling station. Laney currently works with CNG Fuels which builds fuelling sites close to locations where JLP commits to investing in the trucks. Eventually, JLP will probably have to build its own infrastructure.

While electric is not ready for trucks, one area where it could have a significant and immediate impact on emissions is on refrigerated units which are powered by "barely Euro 1" old technology diesel.

"Our bio trucks now have electric-powered fridges, which make them perfect for night-time deliveries," Laney says.

"Because the LLCS (London Lorry Control Scheme) is about noise, a vehicle like this should be exempt and able to take the route of most efficiency, whereas the scheme promotes longer distances at the wrong time. We are talking with Transport for London about this and there is a lot of interest."

> *"Because (our model choice) is specialised and the vehicles are on a long life cycle, it is less attractive to leasing companies"*
>
> Justin Laney, JLP

Electric is also the most viable solution for vans. John Lewis has some biofuel LCVs but believes the likelihood of zero emission zones being introduced in many city centre makes electric the sensible choice to pursue.

It has already trialled some, but payload was an issue, so there was no business case. Now, with the Government derogation on O-licences to 4.25-tonnes to take battery weight into consideration, it has gone from "cost-negative to cost-positive".

Laney adds: "If you can take half the payload again than a diesel, it reduces congestion – that could be a game-changer."

He is in "very promising" talks with EV newcomer Arrival, but he has concerns.

"The problem with steel vans is their life is determined by corrosion – the body rots. That's fine on diesel, but on an EV, we don't want to bin it after seven years," he says.

"If they build it from aluminium and composites, it will have a longer life. EVs are expensive, so they have to last."

Laney has a structured approach to the introduction of new technology. "First filter out the chaff by engaging the academics," he says. "Then we trial a vehicle; then we buy 10 to 20 of them. If that works, we go for 30, 40, 50. It's a three-to-four-year lead time."

One of his, and JLP's, principal priorities is driver safety. The company operates a toolkit which is applied in different ways dependent on the type of vehicle. Car drivers have a scaled-back version, but Laney is working on typically resourceful plans to overhaul the entire driver risk management process.

Currently, driver risk is measured in conventional ways, such as accident records and points on licence, with interventions including training and assessments designed to transform high risk drivers into low risk.

Laney is seeking a "more nuanced system" that prevents accidents before they happen.

He has introduced a series of daily "nudges or messages" which update the driver on good or poor behaviour. Sent to their hand-held device, these will inform the driver if they have, for example, been braking heavily that day which will affect their risk score.

If they transgress again, the next message will advise them to undergo training and if that does not resolve the issue, a meeting will be scheduled with their line manager.

The initiative, expected to launch within the next 12 months, isn't intended to only communicate the 'bad news'. It will also congratulate drivers on good performance in an attempt to inspire them to be the best.

Laney is considering supporting this with driver awards, recognising the best by depot, area, within business unit and also by the type of vehicle they are driving.

"It's a two-way path; we hope people will take the one to make them a better driver," he says.

Jerry Ward, John Lewis manager legal operations (transport), adds: "We are a high profile brand – our drivers can be measured by the public."

Laney is already thinking about further developments. "There could be a role for artificial intelligence looking at the environment, road conditions, load, demographics, and then we could tailor messages to that area – for example, telling the driver it will be icy on their route that morning," he says.

"These are all things that will help the driver and reduce stress."

The need for robust risk programmes accelerated with the explosion in home delivery, which is responsible for JLP's van fleet growing from almost zero a decade ago to 1,000 today. More than half of goods sold are now bought online and a large proportion are delivered to the home. This will continue to proliferate.

The company initially had a tie up with Ocado for Waitrose but started to set up its own operation in the late 2000s as home delivery became an increasingly important part of both businesses.

Initial issues of cost per drop are fading as density rises, making the operation more productive and efficient. This was further boosted by switching from a box body van to a custom-built body which increased load capacity by 50% and used lighter materials to improve fuel efficiency, enabling the vans to accommodate longer routes.

The home delivery service also prompted a change to risk management policy.

"They are our highest risk drivers because they are in urban areas, doing more reversing and they are not vocational drivers," Laney says. "Plus they are spread around 200 sites with non-specialist managers. So we started a new team to monitor risk with a permit to drive and a permit to operate so each – driver and transport operation – had to jump through hoops to be qualified."

The permits cover a number of areas, including audit scores, action plans, compliance to the driver management process such as daily checks and licence checks, reaction to accidents and vehicle cleanliness.

Home deliveries have also raised the central transport team's profile within the business not least as connected technology makes it easier for JLP's product suppliers to link directly to its end customers.

"It's an interesting conundrum; we have to add value and be a destination," Laney says. "Previously we were seen as a necessary cost; now we are a differentiator and a key part of the customer experience."

One way John Lewis is adding value is by extended the services offered by its home delivery drivers to customers.

"We have built in more time per delivery so they can, for example, take goods into the kitchen," Laney says. "We also offer home installations where the drivers fit lights or plumb in. Our staff get driver training, training to be customer-facing and training for the installation of goods."

Laney continues to investigate all the latest technologies, assessing which ones have a potential role to play on the fleet.

"We need solutions for air quality, carbon reduction, the urban environment and we have to plot a path through new technologies while maintaining our focus on manager risk and developing drivers to be safer and safer," Laney says. "There is no longer a one-size fits all for fleet."

Justin Laney (front) with manager legal operations (transport) Jerry Ward

AUTONOMOUS TECHNOLOGY IS 'GAME-CHANGER'

Justin Laney believes autonomous technology is "a potential game-changer, especially with heavy trucks where there is a driver shortage".

It could have a large impact on operational costs if trucks can run without drivers, although he is quick to reassure his drivers that this is a long-term view of the market.

"We can't jump in too early. The challenge is knowing about which technology to back and how quickly to jump in," Laney says. "But autonomous, as in driverless, is probably 15 years into the future."

He adds: "The economics of autonomy will drive adoption, but they will have to be demonstrably safer than the average driver before they can proliferate."

Laney is actually more concerned about mid-level autonomy, so-called Level 3 and 4, than he is full autonomy.

"It's easy to get over-relaxed when the car is doing its thing, but then, if it has to hand back control, research shows it takes six seconds for the driver to regain control – you can travel a long way in that time," he says. "It's tempting to jump straight in at Level 5 rather than go through Levels 3 and 4."

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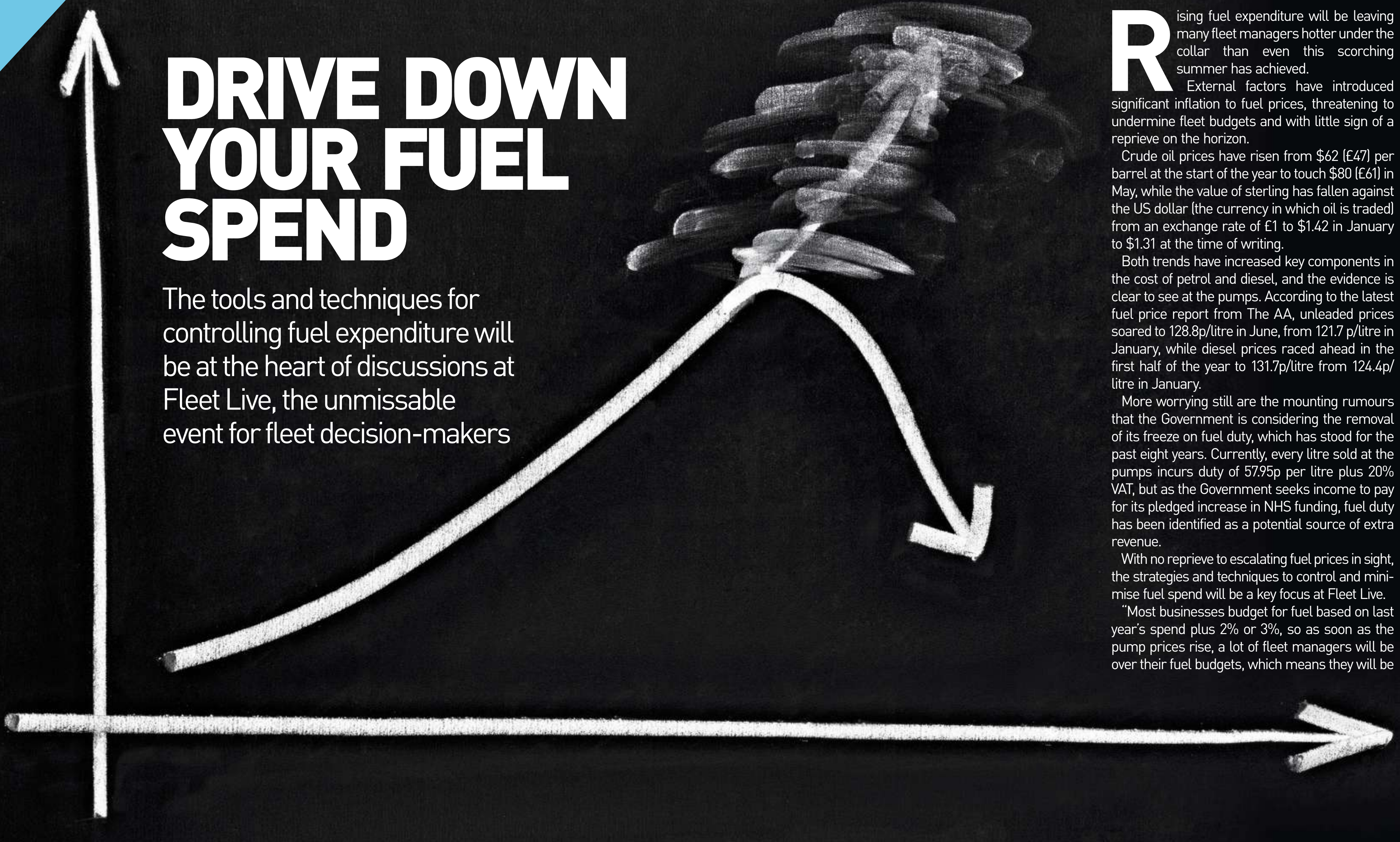

DRIVE DOWN YOUR FUEL SPEND

The tools and techniques for controlling fuel expenditure will be at the heart of discussions at Fleet Live, the unmissable event for fleet decision-makers

Rising fuel expenditure will be leaving many fleet managers hotter under the collar than even this scorching summer has achieved.

External factors have introduced significant inflation to fuel prices, threatening to undermine fleet budgets and with little sign of a reprieve on the horizon.

Crude oil prices have risen from $62 (£47) per barrel at the start of the year to touch $80 (£61) in May, while the value of sterling has fallen against the US dollar (the currency in which oil is traded) from an exchange rate of £1 to $1.42 in January to $1.31 at the time of writing.

Both trends have increased key components in the cost of petrol and diesel, and the evidence is clear to see at the pumps. According to the latest fuel price report from The AA, unleaded prices soared to 128.8p/litre in June, from 121.7 p/litre in January, while diesel prices raced ahead in the first half of the year to 131.7p/litre from 124.4p/litre in January.

More worrying still are the mounting rumours that the Government is considering the removal of its freeze on fuel duty, which has stood for the past eight years. Currently, every litre sold at the pumps incurs duty of 57.95p per litre plus 20% VAT, but as the Government seeks income to pay for its pledged increase in NHS funding, fuel duty has been identified as a potential source of extra revenue.

With no reprieve to escalating fuel prices in sight, the strategies and techniques to control and minimise fuel spend will be a key focus at Fleet Live.

"Most businesses budget for fuel based on last year's spend plus 2% or 3%, so as soon as the pump prices rise, a lot of fleet managers will be over their fuel budgets, which means they will be under pressure from their finance teams," said Paul Hollick, chair of ICFM and managing director of TMC (The Miles Consultancy), who will be speaking at Fleet Live.

He added that initial responses to fuel overspend frequently focus on reducing the number of miles travelled, but argued that better, smarter policies can bring expenditure back into line without impacting on a company's business.

Overall savings of 15.2% can typically be through a combination of encouraging drivers to refuel at cheaper filling stations, more accurate reimbursement of business miles and combatting fraud.

"MOST BUSINESSES BUDGET FOR FUEL BASED ON LAST YEAR'S SPEND PLUS 2% OR 3%, SO AS SOON AS THE PUMP PRICES RISE, A LOT OF FLEET MANAGERS WILL BE OVER THEIR FUEL BUDGETS"

PAUL HOLLICK, ICFM

FREE TO FLEET DECISION MAKERS

Eliminating refuelling at motorway services, for example, can save an average of 10p/litre, while reliable recording of business miles can significantly reduce reimbursement payments.

"We have seen one prospect that had a private mileage reimbursement rate of only 6%. So they were effectively saying that 94% of all fuel used was for business trips. If they are company cars that is not possible. The norm you would expect is 50:50," said Hollick.

"And there will be people claiming 45ppm when they have a car allowance and are only entitled to 11 or 12ppm. All of these things are prevalent in a lot of businesses."

Cases of mis-use and fraud can start innocently, but develop into costly, endemic abuse through issues such as ghosting, where an employee claims for a trip even though a meeting was cancelled; two employees claiming for the same trip when they've travelled in the same car; or simply rounding up mileage claims.

"Employees often don't think they are doing anything wrong, but actually it can have serious consequences for fleets," said Hollick.

Only robust systems for monitoring fuel spend, which have the capacity to mine and analyse the data and highlight inconsistencies, will enable fleet managers to take genuine control of expenditure, he added.

The tools and tactics to address these problems and the incentives that companies are using to encourage drivers to purchase fuel as if it were their own money they were spending, will be addressed in the Fleet Operations Theatre at Fleet Live.

EXHIBITORS BOOKED SO FAR

02 TELEFONICA Abax Agility AID Fuels Group Alphabet Anglian water Aquarius IT Arval Ashwoods Lightfoot AssetWorks AutoGlass Autoserve Avon tyres Axle Weight Technology BMW/Mini Bott BP Oil UK Cap HPI CanTrack Chevin Fleet Solutions Chevronshop Crystal Ball DAC Beachcroft DriveTech, part of The AA Engie Engenie Enigma Telematics EMS/FP&S Experian FleetCheck Fleetcor Fleet Operations Fleetondemand Ford Free2Move Lease FuelGenie Gefco Greenroad Halfords Haynespro Hitachi Capital Vehicle Solutions Honda Intellidrive Intellitec Interactive Fleet Management Irdeto Jaama Jaguar Land Rover JustPark Joyce Design KeySafe LeasePlan Lex AutoLease Licence Bureau Licence Check Marshall Leasing Masternaut Matrix Telematics Mercedes-Benz Financial Services UK Mileage Count Minieye Momenta National Accident Repair Group National Salvage Nexus Vehicle Rental NFE Group Pertemps RED Fleet Driving Training Reflex Responseable Solutions Ltd RingGo Corporate Royal Mail Fleet Scorpion Automotive Selsia Vehicle Accident Centres Shell UK Oil Products Telogis TCH Leasing Tevo Tom Tom Telematics Sales Toyota & Lexus TTC Group Venson Automotive Solutions Vision Track VMS Fleet Management Volkswagen Financial Services Volvo Zenith

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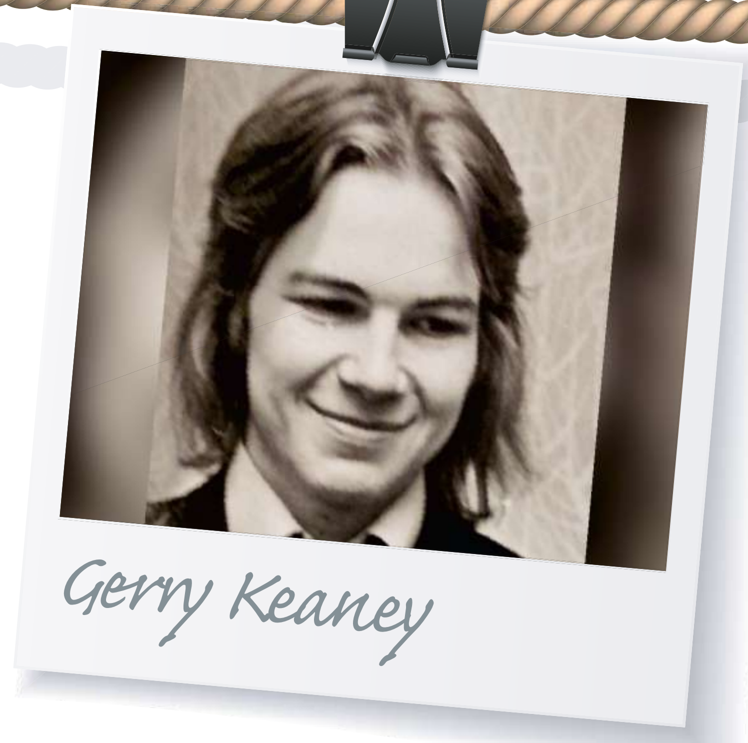

DRAMATIC FLEET CHANGES SINCE THOSE PORTAKABIN DAYS

We asked key fleet figures from the past 40 years to identify some significant innovations and the impact they have had on the industry. *Simon Harris* reports

DAVID BRENNAN, CEO, NEXUS VEHICLE RENTAL

The past four decades have seen shifts towards environmentally-friendly solutions, the decline of diesel and taxation shifting the entire proposition of the company car. Despite rental being established as a viable commercial option several decades ago, we have seen economic uncertainty and changing environmental guidelines take the proposition to new heights in recent years, as appetite for weighty capital investment has waned and commitment to long-term vehicles becomes less attractive.

Consumer behaviour has also changed. We have progressed from ownership to 'usership' as customers want the right solution to their immediate situation through Mobility as a Service.

Ultimately, however, it will be technology that we look back on and remember the past 40 years for.

Despite the industry proving receptive to technology over recent decades, as the market continues to evolve at an unprecedented pace, businesses of all sizes must decide whether to stick or twist; invest in tech or risk being left behind.

GERRY KEANEY, CHIEF EXECUTIVE, BVRLA

Innovations in vehicle technology have changed the core of our product, with cars, vans and trucks now being intelligent feats of ingenious software and mechanical engineering. For me though, the greatest driver of change has been brought about by wider technological advancements in IT.

The way we run and operate our businesses as well as the way we engage with customers has completely changed.

Our industry has led the way in adapting to this ever-changing technological landscape.

The fleet sector has consolidated throughout the past 40 years, but not to the extent that we might think. The fact that we still have the FN50 shows how vibrant the sector is. Some other European countries may struggle to even find 50 companies in operation, whereas in the UK, our sector is buoyant and still growing, with different business models emerging as operators in the mobility space.

The fleet sector has shown great resilience during the past 40 years.

Despite the challenges, our industry has always been good at investing in, recruiting and retaining the best skills in the marketplace and this is probably why the UK's vehicle rental and leasing industry is globally best-in-class.

That would have been the ambition of the industry's leaders in the 1970s in the same way as it is today. The same goes for the BVRLA. Years ago, while in my third year at 'poly', I was spending weekends and holidays fitting tyres at Watford Gap Services, and I was actually quite good at it. Our day-to-day work was driven by hard graft and warm customer greetings and it is this customer-focused approach that has remained steadfast and unchanged across the entire automotive industry during the past 40 years.

MARTIN WARD, MANUFACTURER RELATIONSHIP MANAGER, CAP HPI

At the time *Fleet News* was launched, I had been selling cars for seven years and getting quite good at it.

I was selling Hondas at Hepworth of Kirkburton, a small village dealer. Our idea of a fleet sale was selling an Acty pick-up to the local milkman, or a really big fleet sale was delivering two Civics to Bamforths Postcards, to be run by Mr and Mrs Bamforth in Holmfirth, and, no doubt, being paid in cash.

After the three Honda years, I moved to a larger Austin Rover MG Jaguar and LDV dealer called Rocar in Huddersfield.

Fleet business was brisk there, with most being paid for by company cheque, and very little finance – this was Yorkshire after all ...

Fleet accounted for nearly 25% of sales, as the majority were still retail cars.

In 1988 I moved to Cap in Skipton, where a team of just nine were trying to take on the world. A few ex-car salesman who thought we could value cars and push the huge, well-established other guide out of the way.

Around 1992 we came up with the idea of predicting future values. Some thought it was stupid idea,and would never catch on. Ah, well we gave it a go...

It took a couple of years for anyone to take us Yorkshire country bumpkins seriously. But eventually it worked, and I think it was at this point that the fleet industry came alive as Cap Monitor (now called Gold Book) was being used increasingly and became the industry standard.

JULIE JENNER, INTERNATIONAL BUSINESS MANAGER, ARVAL; FORMER ACFO CHAIRMAN

The way fleet is structured has changed a great deal. There were many more of the old-style transport managers, who might normally have worked in a Portakabin where the vehicles were based and there were definitely fewer women working in the industry.

As a fleet manager, you had a great deal of autonomy, were responsible for all that was going on and needed to be an expert in all aspects of that job.

Outsourcing was nowhere near the scale it is today, and there was no support from leasing companies. If you needed advice you would have to pay a fleet consultant a day rate.

Fleets used to buy cars based on P11D value – total cost of ownership (TCO) wasn't a widely adopted basis for vehicle procurement. Drivers were keen to hit 18,000 business miles a year so they could fall into a lower benefit-in-kind (BIK) tax threshold.

Drivers covering fewer than 2,500 miles paid 35%, those driving 2,500 to 18,000 paid 25%, and those travelling more than 18,000 miles were liable for just 15%.

From January to March, business mileage claims increased as drivers targeted the next threshold before the end of the financial year to minimise their tax.

We began a transition around 25 years ago, as there were moves to make the fleet manager's role more professional. The ICFM introduced recognised qualifications and formalising a range of skills the job required.

Although the level of support for fleet managers has increased during the past 40 years, with key fleet account executives at the contract hire companies, and the network professional associations such as ACFO provide, I wouldn't say the job is easier now. But the challenges are different.

> *"Customer-focused approach has remained steadfast and unchanged across the entire automotive industry during the past 40 years"*
>
> Gerry Keaney, BVRLA

CHRISTOPHER MACGOWAN OBE, FORMER SMMT CHIEF EXECUTIVE

Back then the fleet business was really all about company cars; the personal taxation regime made them hugely attractive and I remember with pride my first company cars – an Austin Maxi followed by a Hillman Hunter and then the much acclaimed Austin Princess which was thought to be a global winner.

The professionalism that has swept through the industry over the years makes those early days look almost amateurish.

When we look today at fleet management, remarketing, high levels of certainty about used car prices and the elevation of the fleet manager often, and rightly so, to board level, I have in my career witnessed the fleet industry go from a haphazard expenses-controlling exercise to a highly sophisticated asset management skill backed by professional qualifications and attracting some of the top brains.

GORDON STEPHEN, MANAGING DIRECTOR, OGILVIE FLEET

Technology is the single biggest and most significant change. There was no email so monthly lease rate quotes were posted to customers; there was no internet so customers had hard-copy versions of rate books that were regularly updated – today individuals can log in online and build their car according to employer company car policy.

Lease quotes were 'back of a fag packet' calculations. We had a manufacturer's car list price and Cap 'Black Book' helped with the residual value setting, but there was a lot of 'guesstimating' in working out the monthly lease rate because there was nowhere near the volume of data that's available today. Everything was very rudimentary.

Leasing companies only offered full contract hire with maintenance and customers were offered roadside assistance and a replacement car in case of breakdown. There were no other funding option or services, such as accident management or daily rental, available.

NIGEL FLETCHER, CHIEF OPERATING OFFICER, ALPHABET

Vehicle technology has advanced at a huge pace in the past 40 years, but every time we move forward as an industry, driver and customer expectation moves at a similar pace.

Changes come with consequences. Fixing a problem with a vehicle is very different from 40 years ago, but the expectation by customers of immediate results hasn't taken account of the complexities of modern vehicles and the technology within them.

Drivers' lives are motivated by productivity and return on capital. They are measured by what they bring to a business. They are now expected to communicate in more hours of the day than they are contracted to and, in turn, they expect all their service providers to make similar commitments.

We need to focus more on managing expectations. As an industry we haven't been brave enough to give ourselves sufficient time to resolve problems.

With the introduction of mobile speed cameras, traffic light cameras, bus lane cameras and automatic number plate recognition, we spend too much time trying to establish whether a driver was in the vehicle in that place at that time.

Mobile technicians while you work have replaced time-consuming visits to glass or tyre centres.

We still have some dangerous behaviour on the roads, whether it's people overloading vehicles, speeding, drink-driving or using their phones while driving.

I think there is more to come under corporate manslaughter legislation. It took eight years for the first case to come to court, but there will be more.

IAN HILL, MANAGING DIRECTOR, ACTIVA CONTRACTS

The fleet industry today is far more sophisticated and the level of service is incredible.

In the early days, and for many years after, we were dealing with fleet managers who were knowledgeable about vehicles. They decided the cars and vans they wanted and, as a leasing company, we delivered them.

Today, we rarely deal with a fleet manager. Instead the person administering a fleet has a finance, HR, procurement or facilities role and typically has limited vehicle and fleet knowledge.

As a result, the knowledge base has transferred to the leasing industry, which now helps clients to decide which vehicles to run and how to manage them to achieve compliance with best-practice – a fundamental change.

NICK BROWNRIGG, CEO, ALPHABET

The industry has unquestionably become more professional. Not simply through increased legislation and regulation, but also through the work of bodies like the BVRLA, ACFO and ICFM in raising standards.

The fundamentals of leasing haven't changed. It's still a case of providing the right vehicle, in the right place, at the right price to make it accessible to customers. But it needs to be delivered with an appropriate level of service, which is valued by customers, without charging them a premium for it.

The relationship between the corporate, the user and the asset is changing. People are starting to think more along the lines of matching the vehicle or mode of transport to the journey, not simply a 'one size fits all'.

Outright purchase used to be the norm, but leasing and rental are now standard. Corporates moved from an 'ownership' model in the past to the 'usership' of leasing in the 1990s.

The next move will be into sharing and we're already seeing that with our own AlphaCity and other subscription-based services.

As a company car driver, your choice used to the guided by the look of the car, performance and price. Now, the first things a company car driver has in mind are CO_2 emissions, fuel consumption and Vehicle Excise Duty.

Alongside developments in engine technology, over the past 20 years, changes in BIK tax have seen CO_2 emissions reduce by a third. Now BIK provides businesses and company car drivers with a lack of clarity on future choice considerations. We need certainty for longer-term tax planning, with a joined-up approach to electrification and investment in road infrastructure that's arguably in a worse state than at any time in the past 40 years.

TAX AND FUEL TYPE ARE AMONG RECURRING THEMES

1978
FLEET FINANCING AND WINTER OF DISCONTENT

Fleet financing options came under the spotlight in the first edition of *Fleet News* in March 1978. An article claimed: "The British economy is showing signs of an upturn. Industry is showing an increased degree of confidence, although unemployment is expected to remain high.

"In light of this, companies must review transport. Many vehicles have been kept long after they should have been replaced. Now is the time for those over-age units to be replaced."

The optimistic outlook was to be short-lived however, with widespread strikes by public sector trade unions demanding larger pay rises, following the ongoing pay caps of the Labour government led by James Callaghan, giving rise to the so-called 'winter of discontent' at the end of the year.


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—an overview of Vehicle Fleet Management for Chief Executives
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1985
VAUXHALL GROWS MARKET SHARE

UK new car sales figures were dominated by Ford, but by 1985 a rapidly rising force – Vauxhall – was making inroads into its market-leading position.

Just three years before, in 1982, *Fleet News* reported Ford's market share had topped 30%; by the end of 1984 that had fallen to less than 28%, while at the same time Vauxhall's market share, driven by the Cavalier, had grown from less than 12% to more than 16%.

Meanwhile, Nissan revealed its plans for the British fleet market when it announced its Washington plant would open next year and the fleet market was a primary target.

1991
LAMONT'S 'BUDGET FOR BUSINESS'

The 'budget for business' was met with dismay by the fleet industry when Chancellor Norman Lamont announced another hike in company car taxes in 1991. *Fleet News* reported how he proposed increasing car scales again by 20%.

He also proposed that company cars and fuel should now become liable for Class 1A National Insurance Contributions, assessed according to the scale charges used for taxation, and VAT was increased from 15% to 17.5% – largely to pay for the abolition of the 'Poll Tax'.

The leaders of the big four manufacturers – Ford, Vauxhall, Rover and Peugeot – warned that the measures could cost more than £1 billion in lost car sales.

They were proved right, with the UK was gripped by recession, the new car market crashed. Sales fell by almost half a million to 1,592,326 in one year.

The following year, Lamont's budget tried to make amends by scrapping the banding system for benefit-in-kind tax on company cars.

Tax payable was determined not by reference to the value of the car but by its engine size. Lamont was reported saying: "As the Monopolies and Mergers Commission has pointed out, this causes distortions. It also discriminates against diesel cars. The unfairness in the current system may have been acceptable when the tax charge was only a fraction of the true value to the user, but that is no longer the case."

1979
THATCHER TARGETS COMPANY CAR TAX

Following Margaret Thatcher's election success that May, changes to company car taxation were suggested in a consultation document in September.

Fleet News reported how proposals included increasing taxable scale figures, scrapping the £8,500 earnings figure under which tax was not payable and taxing petrol given for private use.

The Prime Minister raised VAT to 15%, scrapped 100% first-year allowances for lessors and the concept of a writing down allowance was properly effected, based on a notional cost new of £8,000. A comparable restriction (rental disallowance) applied to leasing charges.

Bill Hill, chairman of the Association of Car Fleet Operators (ACFO), would later outline the Chancellor's plans to tax the provision of fuel by companies for private motoring in his regular column for *Fleet News*.

However, it wasn't until 1983 that scale charges were introduced to formalise and simplify the process of taxing fuel for private use.

1983
CLUNK CLICK WITH EVERY TRIP

The law requiring all drivers to wear their seatbelts came into force in January 1983.

Car manufacturers had been required to install seatbelts since 1965, but the law requiring drivers to wear them did not come in to force for another 18 years.

Fleet News reported how soon after the law came into effect, 90% of car drivers and front-seat passengers were observed to be wearing seat belts.

These high rates of seat belt wearing in front-seats of cars have been sustained since that time.

When seatbelt wearing became compulsory for all rear-seat occupants in 1991, there was an immediate increase from 10% to 40% in observed seat belt wearing rates.

1986
'FROM TODAY NOT ALL PETROL IS THE SAME'

Shell launched two new brands, Helix motor oil in 1985 and Formula Shell in 1986.

In the UK, Formula Shell was launched with the strapline 'From today not all petrol is the same'.

However, *Fleet News* exclusively reported drivers who were using Shell's 'new formula' petrol were complaining about 'pinking', also known as 'knocking', where combustion occurs where the cylinder is not in the correct position.

Damage to cars from the new fuel was also reported in Denmark, Norway and Malaysia.

It took Shell, in collaboration with motor manufacturers, more than a year to establish the cause of the problem, while *Fleet News* continued highlighting the plight of fleets who had suffered damage as a result of using the new fuel.

Fleet News finally won its lengthy battle on behalf of all fleets in 1988, when the oil giant finally withdrew the Formula Shell brand from a number of markets, including the UK.

1997
ROVER 100 WITHDRAWN AFTER CRASH TESTS RESULTS

Fleet News published the first Euro NCAP crash tests in February 1997, sparking a political storm.

Until the birth of Euro NCAP, consumers had to rely on claims from manufacturers for how much protection a car would offer in a crash.

At an independent crash test laboratory, seven 'super-mini' cars were subjected to three different, exacting tests – a frontal impact at 64km/h (40mph), a side impact at 50km/h (31mph) and pedestrian safety tests. Each test was scientifically-formulated, minutely monitored, filmed and analysed – and designed to represent actual accidents as closely as possible.

The seven cars were fitted with sophisticated crash test dummies to reveal what would really happen to adult passengers or the driver in a collision, and were initially scored out of a potential maximum of four stars.

Only the Ford Fiesta and Volkswagen Polo managed to achieve three stars based on protection levels offered to adult occupants. The Fiat Punto, Nissan Micra, Opel/Vauxhall Corsa and Renault Clio achieved only two stars, while the top-selling Rover 100 achieved just one star and was later withdrawn from sale.

Volvo's S40 became the first four-star car for occupant protection just five months later.

WHAT ELSE WAS HAPPENING IN 1978?

IN THE NEWS

- In a controversial speech, the then opposition leader Margaret Thatcher said that many Britons feared being "swamped by people with a different culture".
- Anna Ford became the first female newsreader on ITN.
- The Conservative Party hired Saatchi & Saatchi to improve its image.
- The State Earnings-Related Pension Scheme (SERPS) was introduced.
- May Day became a bank holiday for the first time.
- Louise Brown, the world's first IVF baby, was born.
- Georgi Markov, a Bulgarian dissident, was murdered in London with an umbrella that carried a poison pellet.
- Motability was founded and Chrysler sold its European operations, including former Rootes Group factories, to Peugeot.

AT THE CINEMA

- Oscar for best picture went to Woody Allen's *Annie Hall* though the film that scooped most awards, with six, was the original *Star Wars.*
- Other major releases that year included the Christopher Reeve version of *Superman* and the much-lauded *The Deer Hunter.*
- In March *Saturday Night Fever* was released in the UK. The other John Travolta movie hit, *Grease,* was released later the same year. Singles from the soundtracks of these two dominated the music charts with six of the top 20 selling singles for the year.

ON TV

- We saw the start of *Top Gear* on BBC2 and *All Creatures Great and Small* and *Blake's 7* on BBC1; on ITV the last episodes of *The Sweeney* and *Rising Damp* were screened. BBC viewers saw the first episode of *Grange Hill*, which would run for 30 years.

IN FASHION

- Platform shoes and flared trousers were all the rage for women, while men were sporting afro and mullet hairstyles.

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2000
PUMP PROTESTS HIT FUEL SUPPLIES

By 2000, tax accounted for 81.5% of the total cost of unleaded petrol, up from 72.8% in 1993. Fuel prices in the UK had risen from being among the cheapest in Europe to being the most expensive in the same time frame.

The worldwide price of oil had trebled from $10 to $30 a barrel, the highest level in 10 years. *Fleet News* reported how drivers in the UK were now paying an average of 80ppl (pence per litre) for unleaded and 80.8ppl for diesel. The Government abandoned the fuel tax escalator early in the year.

In 1999, lorry drivers had protested in London against rising fuel prices and announced their intentions for a nationwide campaign.

In opposition, the Conservative Party joined the fray, organising the 'Boycott the Pumps' campaign, with motorists urged not to visit petrol stations on August 1.

Support for the day was reported to be patchy, but on September 8, the Stanlow Refinery near Ellesmere Port in Cheshire was blockaded by Farmers for Action. Over the next few days, pickets were reported at Milford Haven and an oil terminal at Avonmouth causing some petrol stations to run out of supplies.

The protests spread and by September 12, 3,000 petrol stations were reported to be closed due to a lack of fuel.

The protests fizzled out in a couple of days, but the Institute of Directors estimated that the protests had cost UK businesses £1 billion.

2008
VED REFORM REWARDS LOW CO_2 CARS

Chancellor Alistair Darling confirmed a reform of the Vehicle Excise Duty (VED) structure. From 2009, VED would be restructured so that there were financial incentives for choosing the greenest cars and from 2010, there would be a new higher first-year rate to deter people buying the most polluting vehicles.

Low polluting cars – those emitting less than 130g/km of CO_2 – would pay no VED in the first year, *Fleet News* reported.

But cars that produced more than 254g/km would pay a first-year VED rate of £950.

2014
TAX THREAT FROM NEW EMISSIONS TEST EXPOSED


New emissions test may lead to 35% rise in taxes

Fleet News was the first news outlet to suggest company car drivers and their employers faced a potential tax bombshell if a new vehicle emissions test was introduced from 2017.

The Worldwide harmonized Light vehicle Test Procedure (WLTP) would provide a more realistic picture of fuel consumption, which the New European Driving Cycle (NEDC) had failed to deliver.

But figures that better reflect real-world driving conditions would also result in an increase in the reported CO_2 emissions.

Experts predicted the increase could be significant, with some suggesting that the reported emissions for a car could be up to 30% higher under the new regime.

With company car tax and other vehicle taxes based on CO_2 emissions, *Fleet News* urged the Government to address the threat it posed to fleet. Four years later and it is still waiting.

2017
PLANS REVEALED TO IMPROVE AIR QUALITY

Fleet News reported how a central pillar of Defra's air quality plan was a ban on the sale of new conventional petrol diesel engines. It also put the burden on local authorities to tackle the causes of air pollution, with the plan saying they should consider a wide range of options so they can deliver reduced emissions in a way that best meets the needs of their communities and local businesses.

However, if these measures are not sufficient, local plans could include access restrictions on vehicles, such as charging zones or measures to prevent certain vehicles using particular roads at particular times.

Mike Hawes chief executive of industry group the Society of Motor Manufacturers and Traders (SMMT), told *Fleet News* the UK's automotive sector could be undermined if Government doesn't allow enough time for the industry to adjust.

2002
CO_2-BASED COMPANY CAR TAX INTRODUCED

The Government first announced its intention to reform the company car tax system in order to help protect the environment in 1999.

Details revealing the new CO_2-based system were announced in Budget 2000, but the new rules came into force in April 2002.

The company car tax system had been designed to provide financial incentives for employers and company car drivers to choose cars that produce lower CO_2 emissions, and encourage car manufacturers to develop and introduce greener cars.

Fleet News reported how the Treasury was predicting the new tax regime would encourage 200,000 more employees to take company cars.

2005
FLEET REPRIEVE TO TAXATION OF CONTRACT HIRE

Fleets were given a last minute reprieve from major changes to taxation of contract hire that threatened to swamp them with paperwork.

Under the proposed changes in the Corporation Tax Review, instead of leasing companies claiming tax allowances on vehicles and passing the benefit on to drivers in the form of lower leasing costs, customers would have made the claims instead.

Although this would have guaranteed the fleet operators would receive the benefit of tax allowances directly, *Fleet News* reported it would have been at the expense of handling vast amounts of detailed paperwork.

In addition, monthly rentals would have increased as soon as the cushion of tax allowances was removed.

The BVRLA warned the total would have been 'mayhem' had the changes gone through.

2003
CONGESTION CHARGE HITS FLEET OPERATIONS IN LONDON

Mayor of London Ken Livingstone introduced the congestion charge at £5 a day in February 2003 with the aim of reducing traffic congestion in and around the charging zone.

Fleet News reported how the congestion charge operators, Capita RAS, was fined £1 million for its poor performance in dealing with both drivers and equipment just eight months later.

2011
PLUG-IN GRANT LAUNCHED

The electric vehicle (EV) subsidy was launched by the coalition Government after being announced by the previous administration.

The plug-in car grant reduce the up-front cost of eligible vehicles by up to 25%, capped at £5,000.

However, the money ring-fenced by Treasury for the first 15 months of the scheme was £43 million, making subsidies available for 8,600 qualifying cars.

This was far below the £230m – enough to subsidise the purchase of some 46,000 cars – the previous Government had earmarked for the three-year subsidy.

Fleet News reported the concerns ACFO director Stewart White had about the short-term nature of the grants commitment.

2015
MILLIONS OF VEHICLES AFFECTED BY DIESELGATE SCANDAL

After US regulators ordered Volkswagen to recall 500,000 diesel cars for being fitted with so-called defeat devices – software that disguises pollution levels during testing, more countries launched investigations into the German carmaker.

Fleet News would later report that nearly 1.2 million VW, Audi, Škoda and Seat models in the UK were affected by the emissions scandal – nearly 10% of those affected worldwide.

Volkswagen Group reported a €3.48 billion (£2.5bn) operating loss for the third quarter, and a €2.52bn (£1.8bn) pre-tax loss, thanks to the mounting cost of the scandal.

2016
TAX OVERHAUL HITS CASH-TAKERS

Fleet News exclusively revealed that cash-for-car schemes would be considered as part of the consultation on the future of salary sacrifice arrangements.

The UK tax authority had already come under fire for including cars obtained through salary sacrifice schemes in the consultation on potential tax changes.

However, now HMRC was casting its net much wider than first thought, with the changes targeting thousands more in receipt of a cash allowance.

2018
RECORD REVENUES FOR HMRC

Analysis of HMRC figures by *Fleet News* highlighted how the Government is raising record revenues from the company car market.

It showed that the amount of cash collected by the Treasury in company car tax has increased by more than 24% year-on-year – some £360 million. However, the number of employees receiving the benefit fell by 20,000 over the same period.

The amount of national insurance contributions (NICs) paid by employers on company cars also increased. Employers paid £630m in 2016/17, compared to £600m the previous year.


Fewer paying company car tax, but Treasury takes extra £360m

'PEOPLE ARE STILL AT THE HEART OF WHAT WE DO'

The vehicles have changed over the past 40 years but fleet managers agree that relationships – with drivers, suppliers and manufacturers – remain essential to successful fleet management. *Sarah Tooze* reports

Fleet managers who were working in the late 1970s paint a picture of a labour-intensive role without the aid of sophisticated software that today's fleet manager enjoys.

Peter Bonney, former fleet controller at the Salvation Army, started his fleet career on the supplier side, working as an assistant at a leasing company.

"We had no computers to speak of, records were kept on A4-sized cards," he recalls.

It was a similar story for Larry Bannon, former national fleet services manager at NHS Blood and Transplant, who was over in Canada in the 1970s, working for a local authority.

"For me, a typical day in fleet involved administration of paperwork – post, faxes, memos," he says. This progressed to using the DOS operating system "on a green screen monitor, where you had to wait up to a minute for each action".

Graham Telfer, who was working as an apprentice at the National Bus Company, which included hire cars within its fleet, recalls Foolscape service planner sheets taped to each of the office walls detailing six-week service intervals.

"Squares were coloured in the thousands!" he says.

Stuart Wiseman, who was a transport clerk at LGH Storage, spent most of the day with his head buried in a Collins road map, planning journeys for the fleet.

Phil Clifford, who started his public sector fleet career in 1977, recalls being 'locked' in a dismal room with mountains of job cards, which needed transferring to a Cardex system.

Driver communication was through two-way radios, pagers or fax.

Those who joined fleet in the 1990s had the benefit of text messages, which "felt like a revolution", according to former fleet manager and fleet consultant Nigel Trotman.

Communication methods have changed for *Fleet News*, too. As well as the print product, we now reach readers through our events, newsletters, website and social media channels. Interviews for this feature were done through a WhatsApp group chat – an effective way to get a large number of fleet managers together, but challenging when they all type furiously at once!

FACT FILE
Name: Peter Bonney
First fleet/automotive role: assistant at leasing company
Year: 1973
Current role: retired
Year retired: 2017

"Drivers today, mainly because of the tax regime, are a lot more pragmatic in their choice"

Phil Clifford, retired

Fleet News: What was on the company car choice list in the 1970s?

Peter Bonney: Best practice was shared by only a few companies, normally ones involved in industry groups at personnel level or companies with a trade union presence, so car policies, particularly on the allocation side, were non-existent or not that sophisticated.

I had customers at both extremes. A pharmaceuticals company had a user council that determined the make and type of vehicle for each job category as well as standard/safety equipment to be supplied.

At the other end of the scale, a food retailer allowed virtually anything dependent on the chairman's say so. This led to such beasts as a Matra Simca three-seater sports car, MGBs and a Jensen Interceptor.

Stuart Wiseman: Triumph Dolomite was popular/not.

Graham Telfer: Dolomite Sprints were great cars, I still have one.

Phil Clifford: We didn't have company cars in those days. Most staff had either essential or casual use – the grey fleet parc would have looked good on Arthur Daley's forecourt.

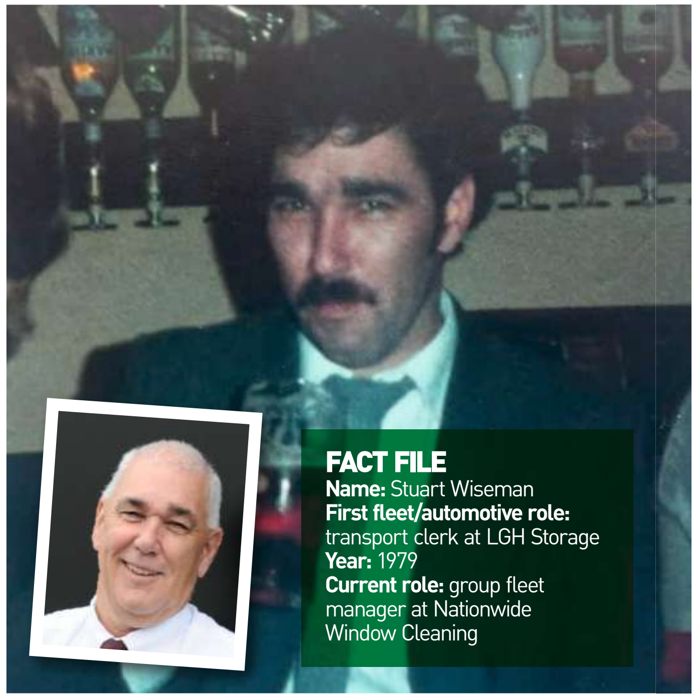
Liz Hollands: I remember my Dad worked for Boots, in the property department. He had a Ford Cortina L, senior managers had the LX. But even in those days they had a proper driver handover in the car park at Nottingham.

Fleet News: Did you all do driver handovers?

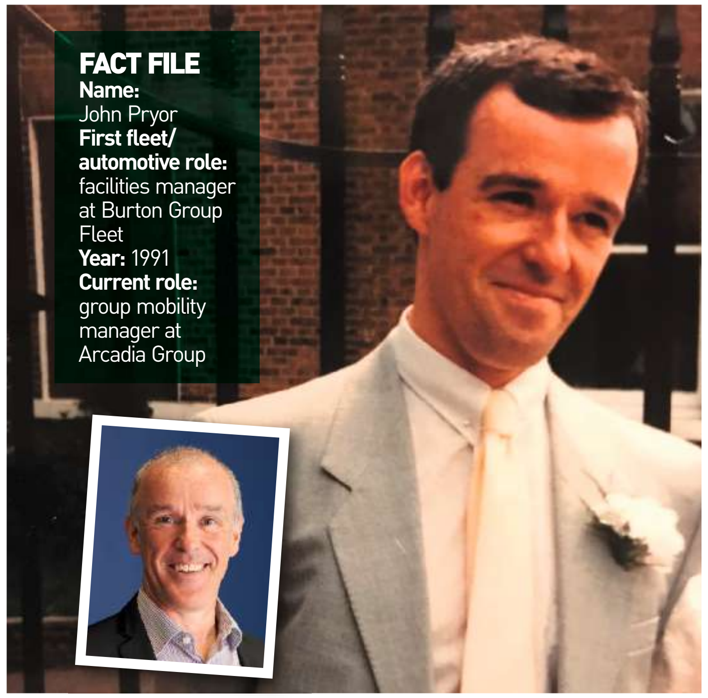
Stuart Wiseman: No, keys were on a board, sign it out, put keys back, sign it in.

Phil Redman: By the 1990s

FACT FILE
Name: Graham Telfer
First fleet/automotive role: apprentice at the National Bus Company
Year: 1974
Current role: fleet manager at Gateshead Council



FACT FILE
Name: Stuart Wiseman
First fleet/automotive role: transport clerk at LGH Storage
Year: 1979
Current role: group fleet manager at Nationwide Window Cleaning



FACT FILE
Name: John Pryor
First fleet/automotive role: facilities manager at Burton Group Fleet
Year: 1991
Current role: group mobility manager at Arcadia Group

FACT FILE
Name: Larry Bannon
First fleet/automotive role: transport manager at City of Scarborough, Ontario, Canada
Year: 1979
Current role: retired
Year retired: 2017

leasing companies were on board and they did handovers. In the 1970s, IBM had a limited choice of six cars for essential users, all from mainstream manufacturers like British Leyland, Ford, Vauxhall. There were about 40 for execs, again mostly mainstream brands with a small number from Jaguar, Mercedes-Benz and Audi.

Liz Hollands: No French and no Japanese manufacturers in those days Phil?

Phil Redman: Nope, not at that time. By the early '90s you had Renault with Laguna and Safrane, Fiat with 131 Mirafiori etc. But still nothing outside Europe.

Nigel Trotman: At Whitbread we certainly had a wide range of manufacturers in the early 90s – even Japanese but in small numbers.

Phil Clifford: During the '70s most public sector operations were still hanging on to the 'buy British' ideal. While many authorities didn't offer company cars they certainly tried to insist on British commercial vehicles. Throughout the '80s despite some politicians still wanting to buy British, it became increasingly difficult to do so particularly with the globalisation of vehicle manufacture.

Paul Holmes: At British Gas (Holmes was its fleet manager from 1998 to 2002) I placed the first order for anything other than Ford, Leyland or Vauxhall. When we brought in the Renault Kangoo with the side sliding door the reaction was mixed but over time they were well received. All 4,000 of them!

Debbie Floyde: When I started (in 1998) I think I had one of everything on the fleet – Renault Clio Sports, Mitsubishi Evo 8, several Alfas with blown engines due to lack of oil. Choice is very much restricted these days but that has been driven by emissions and taxation primarily.

Fleet News: Would you all agree that vehicle reliability has improved hugely?

Nigel Trotman: It certainly has. I remember the early ACFO Midlands meetings where there was a specific agenda item for 'vehicle defects' where the latest horror stories were shared!

Caroline Sandall: Managing defects was part of day-to-day management there were so many!

Liz Hollands: It has. But now there are other things which keep cars off the road, like a lack of spare wheels, and repair kits which don't work! Or run-flat tyres with cuts in them. Or warning lights which misbehave.

Phil Redman: Definitely. Since the 2000s there has been significant improvement in build quality and reliability, plus leasing companies have stepped up to the mark and taken ownership of issues.

Larry Bannon: We would be changing clutches at 50,000-60,000 mileages as the norm. Now it is very unusual to have one go under 100,000 miles.

> "I recall walking into fleet management offices and being confronted with mounds of paper"
>
> John Webb, Lex Autolease

Graham Telfer: Vehicle technology has improved immensely, although repairs are more expensive.

Phil Clifford: Reliability has certainly improved for cars and commercials although the biggest advance has been in anti-corrosion measures. My early years as a mechanic were spent with a welding torch close to hand, even when just servicing a car! With improved reliability, of course, came electronics and fuel injection. Early electronics were fraught with problems but ongoing developments have seen reliability improve beyond recognition.

Fleet News: What issues did you have with drivers?

Caroline Sandall: There was more colour sensitivity. I had a driver refuse a hire car as it was green.

Phil Redman: The essential users were only allowed the standard no-cost option paint colours. We had many employee discussions on that.

Stuart Wiseman: My first company car was a bright yellow Vauxhall Chevette. I didn't have a choice.

Liz Hollands: Someone once accidentally ordered a Mazda saloon with a spoiler when, in fact, it was the hatchback with the spoiler they intended to order. It looked completely daft. Can't believe now that we allowed it at the time.

Paul Holmes: I had a driver lock his keys in the boot of a Jaguar. To get them out he cut a hole in bodywork behind the rear number plate and got the keys back. He then kindly replaced the number plate hoping no one would ever find out about his cutting skills. How wrong he was!

Stuart Wiseman: God loves a trier.

Caroline Sandall: We had drivers taking out stereos as they'd paid PUC [personal use charge] so felt they owned it. And drivers chipping the car to make it go faster.

Debbie Floyde: We had chipped cars that cost us the price of a new engine at the end of the lease.

Phil Clifford: Drivers today, mainly because of the tax regime, are a lot more pragmatic in their choice. Plus a professional fleet manager can 'steer' them in the right direction.

John Webb: You've got to remember that in those days the benefits package was salary, holidays, (good) pensions and, if you were lucky, a company car. It was a more important status symbol then.

Liz Hollands: I think the choice thing is partly the difference between perk and essential user fleets though, even now. My last fleet was perk, this one is more sensible around business choices.

Phil Redman: It was the miners' strikes of the mid-seventies that started the change to the company car culture as a perk because it was a way round the pay freezes the Government applied.

Liz Hollands: Yes, except when tax got cheaper the more business miles you drove.

Caroline Sandall: That was a crazy system! Everyone dashing around in Q1 to get their miles in!

Phil Redman: Yep, that was one of a number of tax issues that have not always been wise. When the 2,500 and 18,000 miles clip points were removed the fleet mileage reduced – strange, huh?

John Pryor: The various changes have made it (company car tax) simpler, until last year when HMRC threw it all up in the air.

Fleet News: What have been some of the biggest changes in fleet management?

John Webb: One big change has been paper records. I recall walking into fleet management offices and being confronted with mounds of paper. Even when I became a consultant in 2006 I regularly came across this. Once I was shown to two Portakabins full.

Nigel Trotman: Agreed John – especially if you leased – all those individual invoices!

Paul Holmes: Does anyone remember the monthly MI [management information] from fuel card providers? I had a bad back every month carrying the 10/20 boxes into the office. Save the trees? Not.

Caroline Sandall: Paper records were a nightmare – the time wasted filing and finding stuff. And space to store it.

Dermot Coughlan: I can't say I'm sorry to see the back of huge reams of paper for mileage capture and defect reports.

Phil Clifford: Amen to that Dermot!

Phil Redman: My final 'success' just months before I retired was moving all our driver record files to a soft copy repository which was only accessible by fleet and HR. All hard copy files were scanned and then shredded.

Caroline Sandall: I had no choice at Barclays (where Sandall was fleet manager, 2005-2017) – all mail was scanned unless it was a magazine or similar.

Fleet News: Any other big changes?

John Webb: The big changes happened when procurement category management became commonplace. I think this was for the better, but others won't.

Caroline Sandall: I think the whole concept of treating fleet like a category rather than just an operational service made a big difference. Not purely procurement influence just generally treating it (fleet) with the seriousness it deserves.

Nigel Trotman: Agreed Caroline – as long as the category manager was willing to listen to their in-house expert. I had a few challenging conversations around price (particularly stability of pricing) versus service in fleet.

Liz Hollands: Another progression is when people like you, John (Webb), joined the leasing companies and started offering consultancy advice. Contract hire as a product has come on massively since the 1990s, with any number of added services providing a one-stop shop. Sometimes the usefulness of that, particularly from a reporting perspective, is such that one doesn't procure from a number of competing suppliers, especially since some of us now have job functions other than solely fleet.

Dermot Coughlan: I think one of the most important changes in fleet and transport management since I started is the change in focus from ensuring the car or van is looked after to the primary focus being on the safety of the driver and other road users.

Phil Clifford: Data is undoubtedly the key factor in modern fleet management. The proliferation of the Internet and fleet-related software have been both a great asset and a burden (at times).

Caroline Sandall: Data is power but only if you can handle it.

John Pryor: Technology has made huge advances. It used to take one person about three weeks to do the full recharge to the rest of the Group as it all had to be individually checked. Now it takes minutes.

Fleet News: What skills does the modern fleet manager need?

Debbie Floyde: Patience.

Liz Hollands: Diplomacy.

Phil Clifford: A very thick skin!

FACT FILE

Name: Paul Holmes
First fleet/automotive role: mechanic, British Gas
Year: 1982
Current role: MD, Fleet Managers Friend (FMF)

FACT FILE

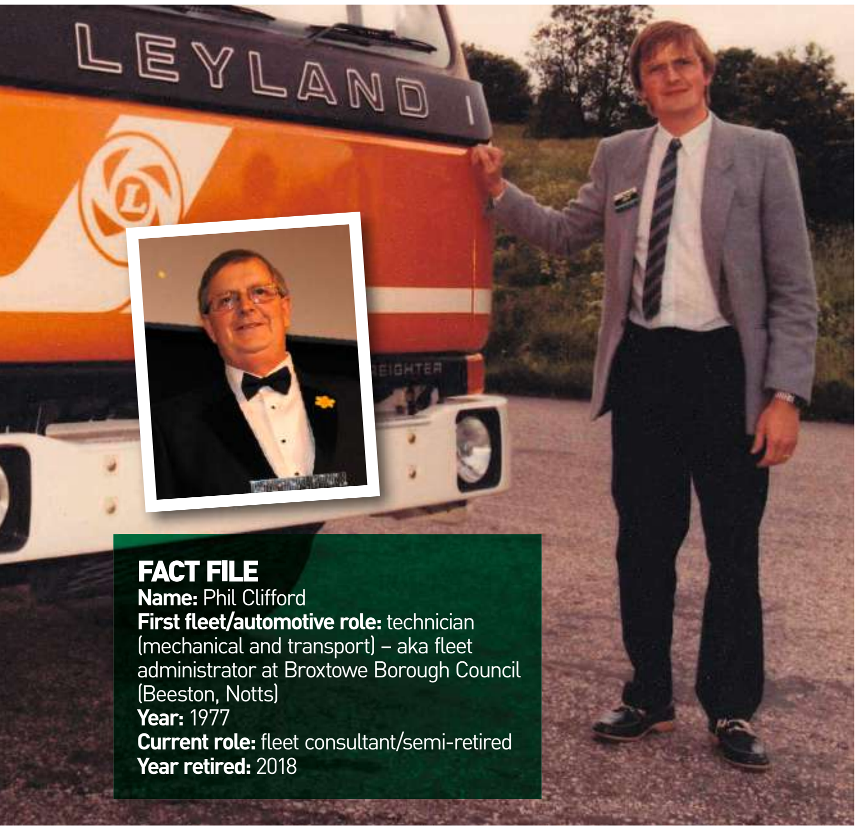
Name: Dermot Coughlan
First fleet/automotive role: fleet administrator at Kelly Group
Year: 1991
Current role: fleet director at Kelly Group

FACT FILE

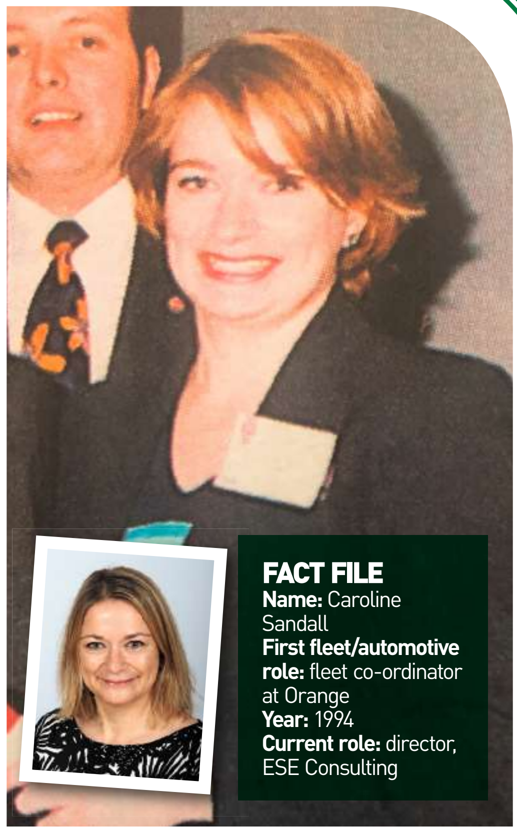
Name: Liz Hollands
First fleet/automotive role: fleet manager at DTZ
Year: 1993
Current role: executive assistant to CEO and car fleet manager at Freight Transport Association

FACT FILE

Name: Phil Redman
First fleet/automotive role: fleet manager at IBM UK
Year: 1994
Current role: retired
Year retired: 2015



FACT FILE
Name: Phil Clifford
First fleet/automotive role: technician (mechanical and transport) – aka fleet administrator at Broxtowe Borough Council (Beeston, Notts)
Year: 1977
Current role: fleet consultant/semi-retired
Year retired: 2018



FACT FILE
Name: Caroline Sandall
First fleet/automotive role: fleet co-ordinator at Orange
Year: 1994
Current role: director, ESE Consulting

FACT FILE

Name: Nigel Trotman
First fleet/ automotive role: central services manager at Whitbread
Year: 1993
Current role: retired
Year retired: 2015

FACT FILE

Name: John Webb
First fleet/ automotive role: national fleet manager at HM Customs and Excise
Year: 2000
Current role: principal consultant at Lex Autolease

FACT FILE

Name: Debbie Floyde
First fleet/ automotive role: fleet and petty cash administrator at Emap
Year: 1998
Current role: group fleet, risk and facilities at Bauer Media Group

Joking apart – literacy, numeracy, computer skills and, above all, a desire to make a difference.
Stuart Wiseman: Procurement, negotiation, communication. The list is endless.
Caroline Sandall: You need excellent analytical thinking, too. You need to be able to spot when things are going wrong, which is part experience and education. But, if you don't know what you are looking for, it's easy for costs/price to slip.
Dermot Coughlan: A good understanding of relevant legislation is really important.
Nigel Trotman: The ability to predict the future! Also the ability to mitigate the effects of decisions made by short-sighted politicians.
Debbie Floyde: Supplier management. Leasing companies have done an excellent job at becoming a one-stop shop and I agree that with many of us having additional roles we could not use multi-suppliers but we are more at risk than ever of them taking advantage of our 'busy' lives and need close management.
Phil Redman: A well-written contract, clear reporting requirements, focused KPIs and a good relationship are the keys to successful management of a supplier.
Phil Clifford: I still believe the industry should be a 'people' business and developing relationships with suppliers, manufacturers, maintenance suppliers and your drivers is the key to success.
Nigel Trotman: I agree, the people element remains at the heart of everything that we do – and suppliers neglect this at their peril.
Phil Clifford: The key to success is not necessarily knowing everything but being humble enough to ask the relevant contact for help.

Fleet News: How do you manage with the pace of change in fleet at the moment?
Caroline Sandall: It's hard as there are so many moving parts. We all need a crystal ball.
Phil Redman: My experience is that many fleets are feeling overwhelmed at present and struggling to deal with these problem items and also do their day job.
John Webb: This is where your suppliers earn their salt. Choosing the right leasing provider includes their intellectual capital and work to manage future regulatory risk.
Dermot Coughlan: There has always been change and it's up to us to be educated on what's coming up next. We all depend on industry bodies like the FTA and publications like *Fleet News* to assist.

It is that constant change and the challenge that brings which has kept many of the fleet managers we spoke to in the industry for so long.

They foresee the fleets of the future being more diverse – pure electric, hybrid and conventional diesel and petrol (at least for the near future).

The trend towards fewer dedicated fleet managers will continue but there will be a place for the mobility/travel manager.

Nigel Trotman says: "As suppliers get smarter at delivering integrated end-to-end propositions, the need to have the right supplier and the right relationship will become even more vital."

For more on this topic, visit fleetnews.co.uk/fleet-management-then-and-now and fleetnews.co.uk/tony-leigh-reflects

WORKING LIFE ON THE ROAD

From the mundane (trying to find a working phone box) to the extraordinary (seeing your car destroyed in an explosion that made national headlines), four company car drivers from the earliest days of *Fleet News* talk about the highs and lows of working life on the road. *Jeremy Bennett* reports

JOHN JOLLIFFE

John Jolliffe got his first company car in 1971. He was living in Putney when friends started the Vulcana Gas Appliances business in Crawley, (now in Haywards Heath). The post, technical representative, came with a car and his job was to sell balanced flue gas heaters, commonly used to heat schools, churches and offices.

His first car was a red Ford Cortina estate with a 1600 engine – but no radio. He had owned the 1100 model and this was a "vast improvement".

"You feel on top of the world, until you progress to something better," he said.

Jolliffe typically drove between 30,000 to 35,000 mile per year in London and Home Counties in a time before the M25 and M23 had been built. The only way to get around was using maps.

"It was normal to stop the car and have a look around to understand where you were," he said.

Communication before mobile phones was based on a strict policy.

"My instructions were to phone the office between 1pm and 2pm every day, giving them the number of the phone box for them to call you back if they had any messages."

But it wasn't always simple.

"You had to find a telephone box that either hadn't been used as a toilet or hadn't had the handset ripped out. It proved to be one of the biggest challenges, typically when you had an urgent message."

After the Cortina came a Ford Escort, British Leyland Maxey, two Volvos including one that was secondhand and the other with a belt drive that kept breaking down.

Eventually the company started running cars in the Toyota range, in the late '70s and early '80s which were by far the most reliable.

"Good performance was rewarded with better cars and that to me was epitomised by increasing levels of comfort. I managed to convince the company to give me automatics which made a vast difference when you were on the road a lot."

"It was normal to stop the car and have a look around to understand where you were"

The biggest advance in car technology since the 1970s for Jolliffe has been in reliability and safety.

"My employers were reluctant to change to running Japanese cars, but they were so reliable it paid a company to do so in the long run."

His final company car was a top of the range Volkswagen family car with a built-in telephone in 1994.

"All the reps had them in their cars and we always talking to each other. Before, it was quite a lonely life because the only people you came into contact with you hoped to do business with."

JOHN EVITT

Lunch from a lunch box in a layby, on good days supplemented by milk from a parlour on one of his customers' farms, was the norm for John Evitt, a delivery man for Lord Rayleigh's Farms and later David Brown Tractors.

His company car in that period working for these Chelmsford-based firms from the late 1970s – and his first as a company car driver for more than 30 years – was a Triumph Herald.

The petrol manual car, carrying agricultural spares and parts, Evitt remembers, had an exceptional turning circle: "I was lucky to be given it. It was very modern for its time."

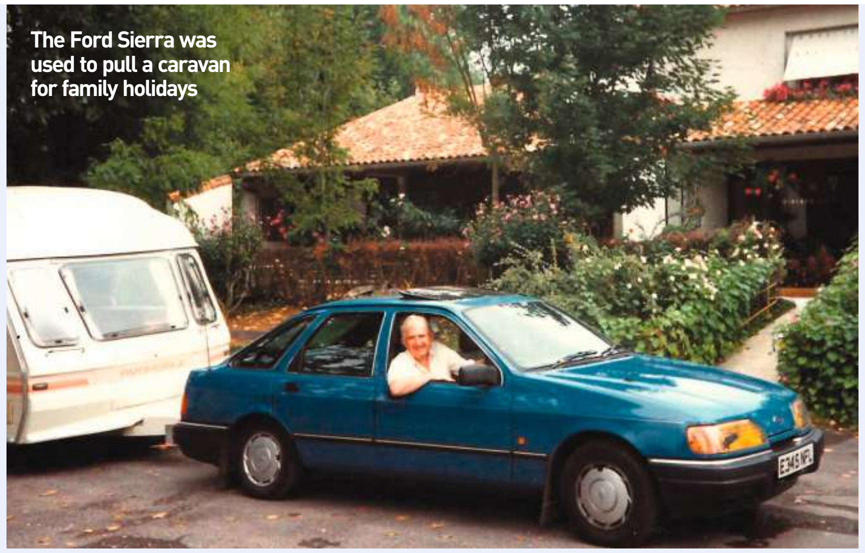
Before the days of service stations, breaks in his day visiting farms were unsophisticated.

"It was normal to sit by the side of the road or in a layby to eat. If I was lucky I would be given fresh milk from a milking parlour at one of my dairy customer's farms."

A high point of the job was going to Chelmsford Cattle Market with notebook in hand taking orders from customers certain to be at the weekly event.

Contacts he made at Castrol on the road, led to a job offer and a career at the oil firm lasting 32 years, selling to garages and agricultural contractors in East Anglia, always in a Ford, from Cortina to Granada ("it felt as if I was driving a Rolls-Royce").

Evitt took early retirement in 1991 aged 56, but then accepted a job for Engineering & Factory Supplies in Wisbech. He drove a van on business, but was given a company car. His last one before fully retiring in 2001 was a Ford Sierra.



The Ford Sierra was used to pull a caravan for family holidays

"It was normal to sit by the side of the road eating from a lunchbox"

ALLAN TURNER

Turner (centre in tie) with the severely damaged Jaguar in the background

Allan Turner is a car enthusiast who had to suffer the pain of seeing his pride and joy, a Jaguar XK, destroyed in a tragic event in Peterborough in 1989.

He had been on the road since the early 1970s as a field administrator for appliance maker Hotpoint. His first car was an orange Morris Marina. "It wasn't too bad, despite how it may look now," he said. "We'll look back in 10 years to the cars we drive now and wonder how we coped."

He left Hotpoint to join City Electrical Factors (CEF) in Peterborough in August 1976 where his career started to take off. Within a year of starting as a sales rep he was promoted to branch manager. "We worked like crazy, all the hours we could to develop the business and as it got bigger and better, then so did my car," Turner said.

As a branch manager, his area of responsibility took in Solihull, Stratford-upon-Avon, Redditch and Rugby.

His first car at CEF was a 1973 Ford Escort 'inherited' from a colleague, and an "absolute dog". It hadn't been cleaned in the intervening years and was a "rust bucket". He later took over the branch manager's car, a Ford Cortina 2000E, an improvement even though its silver paint began to flake off. Then it was on to a Ford Granada, a Rover SD1 (Turner had seen TV presenter Cliff Michelmore drive one and been tempted), before he got a gold Jaguar XK Sovereign. "It had been my dream car. You've got to have a Jag. It's the ultimate car."

"It had been my dream car. You've got to have a Jag. It's the ultimate car"

On March 22, 1989, a van carrying detonators to a nearby firework factory pulled off the road to ask for directions at a business opposite Turner's branch. The van caught fire and after the fire brigade arrived and got everyone out of the CEF offices, Turner was standing outside when someone shouted at him "it's going to explode". Moments later 800kg of high explosive detonated.

The explosion blew Turner across CEF's forecourt. A fireman was killed by shrapnel and more than 100 people were injured. The Jaguar was parked partly behind a brick wall. The wall didn't come down, but the shockwave severely damaged it.

Several months after the explosion a man rang to ask Turner if the Jaguar had kept "pulling to the left, onto the pavement" when he'd owned it. Before the explosion it was fine, said Turner. "But I had to explain it had been less than 100 metres away from nearly a ton of TNT going off, leaving every panel on the car bent and the leather interior shredded. He had more to worry about than the steering."

Turner was able to replace the gold Jag, this time with a maroon one. But it was problematic, having three prop shafts, the cylinder heads were decoked and four aerials replaced as they would stick halfway down. His head was then turned by the company owner's Lexus LS400.

"It was like a magic carpet ride compared to other cars of its time. The owner said I should have one and I kept my first Lexus for about four years, before getting another.

"It was faultless. Lexus remained his brand choice until 2002 with his last company car an LS430. "It was silent and had acres of power, but expensive to service as most cars of that quality were."

ROY PEACOCK

Today, Roy Peacock is a desktop services team leader at *Fleet News*' parent company Bauer Media.

But in 1985 he became one of three field service engineers for a company in the IT sector. His territory stretched from Portsmouth to Birmingham and west to Cornwall and mid-Wales providing support for companies with mainframe computers. He was 21 and his first company car was a year-old 1.6 manual petrol Vauxhall Astra estate, passed on from a previous engineer.

He was doing 50,000 miles a year with cars on a three-year operating cycle.

"My controller had a strange understanding of geography. The office would page us and I would find a phone box. One time I was in Swindon and he called me to say 'I've promised you'll be at another customer's today. They're in Edinburgh'. I wasn't home for three days as after going there I was sent to Newcastle and Liverpool."

Often he would be sent to businesses that wouldn't normally let their location be known, since they were used for secure computer storage. They typically wouldn't have signs on the outside and providing support to the MoD meant being escorted through two-feet thick doors to rooms containing the location maps of the UK's nuclear submarines.

Doing that many miles, Peacock saw or was involved in "two to three accidents a year".

There was little consideration given to driver wellbeing, covering that much mileage. "It was the job. If you couldn't hack it, you quit."

He was happy until "my car got written off with me in it" three years later. He was in a Camry, overtaking a tractor on the A34 near Newbury when it turned right when he was 20-30 yards away. The impact was at 60mph.

"The car was wedged under a trailer of cows, the rear axle was broken in three places, the steering column hit my knee as the engine was pushed into the passenger compartment. It took me years to be able to drive again."

"The car was wedged under a trailer of cows, with the rear axle broken in three places"

HOW ACCURATE IS OUR CRYSTAL BALL GAZING?

Many of the predictions made 20 years ago in *Fleet News* were on the ball. Can editor Stephen Briers show similar prescience about where fleet will be in 2038?

Twenty years ago, when *Fleet News* was half its current age, we confidently predicted technology would "change the face of driving for fleets".

How right we were, although not always in quite the way we anticipated. The piece, by former *Fleet News* reporter Natasha Rosset, was written at a time when the internet and vehicle technology were at embryonic stages, but great things were forecast.

Consequently, the article refers to the onset of "telematics, in-car technology and zero-emission engines". Most prescient.

Less so was the suggestion that people would pick up PCPs at their local supermarket while they waited for their shopping to be delivered to their electric trolleys. (With all the advances in technology, why do we still have manual trolleys with a life of their own?) Or that drivers would be greeted at the fuel station by robotic arms which recognised via a chip in the vehicle the fuel type and who was paying the bill, then automatically filled up for you.

Rosset accurately prophesied that cars would be able to drive themselves in certain situations, that "moving maps" (i.e. sat-nav) would become a reality, and that aviation technology, such as head-up displays, would filter into vehicles. In 1998, there were only radio controls on the steering wheel, while now a multitude of functions can be selected.

Finally, credit is due for predicting the growth of zero emissions technology and for stating that if uptake was not quick enough, drivers would be charged to drive into city centres.

So, picking up the baton, what might we see 20 years from now? We believe that, while the past two decades saw technology begin to permeate the business of fleet management, the next 20 years will see it revolutionise fleet both conceptually and operationally.

It will also mean changes for *Fleet News*, with less emphasis on the management of car, vans and drivers, and more of the business of moving goods, equipment and people about. This, clearly, is not necessarily through conventional means.

In fact, it may not require any movement, as video conferencing, Skype and homeworking become more readily accepted by business.

Nevertheless, with the growth in home shopping, there will continue to be demand to get products to the home. And there will continue to be a need for maintenance-type services for home, business and transport infrastructure.


Technology will change the face of driving for fleets

What does the next 20 years have in store for company car drivers? NATASHA ROSSET predicts the future

How Natasha Rosset's predictions were presented 20 years ago

SO WHAT DO WE EXPECT TO SEE BY 2038?

That date is two years before the Government timeline for banning the sale of internal combustion engine vehicles (and six years after the Scottish Government's deadline), although we now know that diesel and petrol cars that have some form of hybridisation will still be allowed.

The majority of vehicles registered will, therefore, be electric – full and plug-in – with growing demand for hydrogen fuel cell as the price comes down.

Note we say registered: the number of cars 'sold' will be dramatically reduced as more people opt for shared services, such as pay-on-demand car clubs, subscription services that give access to a range of transport options – from car to bus to bike – and dial-a-ride.

To smooth out peak times, working hours will change from the traditional 9-to-5; flexible working (as well as homeworking) will also be a tool used by companies to encourage more mothers back into employment as demand rises for skilled employees.

Population growth in urban areas will drive change, where alternatives are preferable as the car becomes taxed and priced beyond many people's reach. Equally, the 'subscription generation' will now be the ones making the decisions and they will only want to pay for cars when they actually use them. No more car parks crammed with vehicles for the best part of the day.

Real-world electric vehicle (EV) ranges will have extended to 400 miles or more, giving the majority of people all the mileage capacity they need for single journeys. Plus, charge times will be less than five minutes.

That'll be just as well, as non-EVs will not be allowed in most urban areas. In fact, all vehicles over a certain size will be charged for entering the city during peak times to eliminate congestion. Night-time deliveries, aided by silent-running EVs, will become the norm, removing many trucks from city streets during the day.

To counter the inevitable drop in BIK revenue – due to fewer company cars and the elimination of CO_2 emissions – the Government will have introduced road charging with fees based on miles travelled, time of day and type of road.

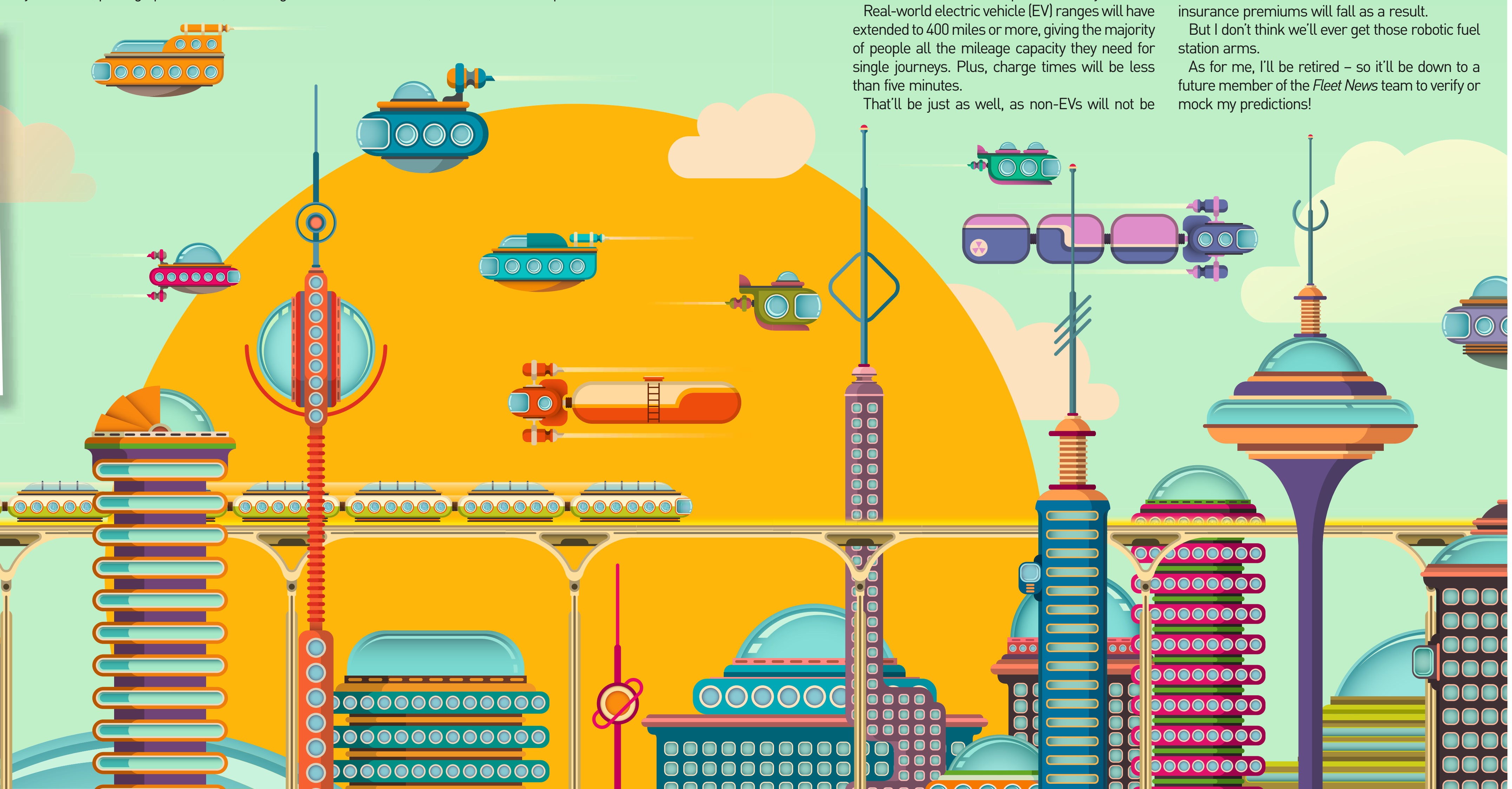
Unscheduled breakdowns will be a thing of the past, as connectivity means vehicles are in constant touch with leasing and fleet management companies or repairers to give early alerts about imminent faults. Cars will book themselves in for service.

They will also talk to each other and to the road infrastructure, smoothing traffic flow and making congestion a distant memory. Consequently, average speeds will rise significantly as will productivity.

We will also be living in the age of autonomy. Level five autonomous vehicles will be widely available, although it is unlikely that the Government legislative framework will allow full usage on the road network, limiting 'driverless' functionality to motorways and still with an insistence that the driver remains alert and ultimately in control. Nevertheless, there will be far fewer crashes and insurance premiums will fall as a result.

But I don't think we'll ever get those robotic fuel station arms.

As for me, I'll be retired – so it'll be down to a future member of the *Fleet News* team to verify or mock my predictions!



WHAT ELSE WAS HAPPENING IN 1978?

IN ENTERTAINMENT

- *Night Fever* by the Bee Gees was the second biggest-selling single of the year although younger Gibb brother, Andy, outsold them with *Shadow Dancing*. Among other iconic singles from the year was *Wuthering Heights* by Kate Bush.
- Perhaps unsurprisingly, the biggest albums of the year were from films *Saturday Night Fever* and *Grease*, topping the charts for a combined 31 weeks.
- The Sex Pistols played their last gig together.
- Who drummer Keith Moon died.
- *Evita* was staged for the first time in London and on BBC Radio 4 *The Hitchhiker's Guide to the Galaxy* began airing.

IN SPORT

- In football, hosts Argentina beat Holland 3-1 (after extra time) in the World Cup Final. Liverpool beat Brugge 1-0 with a Kenny (now Sir Kenny) Dalglish goal. Nottingham Forest were First Division champions and Ipswich Town won the FA Cup (after narrowly beating Bristol Rovers in a 5th round replay – editor's first match as a spectator!).
- Boxing saw Leon Spinks take the world heavyweight crown off Muhammed Ali before losing it back to him later in the year, making Ali the first boxer to win the title for a third time.
- In golf, Jack Nicklaus won The Open and great friend and rival Gary Player won The Masters.
- Formula 1 champion was Mario Andretti (the last American to do so) with Lotus team-mate Ronnie Peterson second and Carlos Reutemann third. Peterson died during the championship after a crash at the Italian Grand Prix.

1978 COSTS

Averages for the London area with today's money equivalent in brackets.

- House price: £17,288 (£97,159); today £430,749
- Salary £3,269 (£18,372); today £34,473
- Car price £2,760 (£15,511); today £20,000
- Litre of fuel £0.17 (£0.95); today £1.23

"With the imminent introduction of clean air zones and the ever-increasing congestion on UK roads, employers must view travel in a different way"

John Pryor, ACFO

TOMORROW'S WORLD

We contacted leading figures to ask where they believe fleet is heading over the coming 20 years. All expect MaaS to become widespread, reports *Andrew Ryan*

Just as technological advances and changes in legislation have made today's fleet industry barely recognisable from how it was 40 years ago, the same is likely to be true in 20 years' time.

That's the view of Matthew Walters, head of consultancy and customer data services at LeasePlan UK, one of a number of experts we asked for their predictions for the future of the fleet sector.

While flying cars and hoverboards were not on the agenda, all agreed that connected cars and mobility will play a major role in 2038 – as will the fleet manager, albeit it in an evolved form.

The changes the fleet sector will undergo in the next 20 years will be shaped by six trends, says Walters: environmental regulations, cost pressures, emerging markets, technology, connectivity and the car, and the impact on manufacturing.

"Although each individual trend may not represent a significant shift, their overall effect could revolutionise attitudes to motor vehicles and mobility more broadly," he says.

"With new developments and innovation in vehicle technology, international company mergers, centralised procurement, telematics and a growing focus on driver behaviour, as broader environmental considerations, the landscape is set to evolve dramatically.

"Add to this the global shift to digital, and increased popularity of click-and-collect style mobility solutions, and it's clear to see the fleet sector is in a state of perpetual motion."

All our experts shared the view that mobility as a service (MaaS) would become widespread, with the fleet metric changing from vehicle numbers and data to factors such as journey success rates, timings, attendance rates and annual cost.

These journeys may involve using a company-owned vehicle, or just as likely a rented, leased or shared vehicle, or public transport.

"We are starting to see that with the imminent introduction of clean air zones and the ever-increasing congestion on UK roads, employers must view travel in a different way," says John Pryor, chairman of ACFO.

He believes the idea of an individual always making a journey in their own company car will become outdated, as will employees at specific job levels receiving a remuneration package with a company vehicle.

"Instead, if employees are required to make work-related journeys, they will be given a corporate 'mobility card' with a pre-set value reflective of the anticipated cost of journeys made," adds Pryor. "Therefore companies must become more confident in MaaS as a mechanism for moving employees around."

Gary Smith, managing director of Europcar UK Group, feels customer convenience will continue to dominate the landscape, with on demand, app-based solutions that deliver total efficiency for the consumer becoming further embedded into all elements of the mobility mix.

"Much advancement has already taken place in this regard, but truly integrated MaaS platforms are set to grow significantly," he says.

"Where we currently see tech platforms that make it easier to access car share, ride hailing and other mobility services, self-service innovation is bound to evolve exponentially in the next two decades. It's hard to imagine what won't be self-service via an app in 20 years' time."

This is supported by Paul Hollick, chairman of the ICFM, who adds: "Employees will be able to book their travel – all modes of travel and easily expense it – all within corporate travel policies via tomorrow's version of smartphones, watches and vehicles."

The growth of MaaS will also change the ownership model of fleets in the future, with the sector becoming more focused on vehicle usership rather than ownership.

However, this depends on the function of the fleet, says Claire Evans, head of fleet consultancy at Zenith. "In the UK, fleet vehicles from cars to HGVs play an essential role in providing vital goods and services within the UK economy, and, as such, there will always be a core fleet element that will be leased, mainly through contract hire, by businesses to ensure productivity and cost efficiencies," she adds.

However, the move away from the current model of ownership will not happen immediately, says Nick Brownrigg, CEO of business mobility company Alphabet. "Over the next 10 years, I think the majority of the business we do will remain similar to how it looks today, being focused on a 'single use' asset. But over the next decade, meeting the needs of that increasing minority of businesses – those journey solutions delivered via multiple assets – will be critical because these are the 'adopters' who will be leading the path where the market is going in the long-term."

POWER TRAINS OF FUTURE WILL BE A REAL MIX

The electrification of fleet vehicles will be widespread by 2038, although pure EVs may not be the default choice.

"Drivers will be travelling around in a cross-section of autonomous and hydrogen-powered vehicles with a smattering of other power trains, including diesel, petrol and electric," says Paul Hollick, of ICFM.

However, Peter Golding, of FleetCheck, feels the core company car of the future will probably be a petrol-electric hybrid.

Elements of connected car technology and automated driving will be commonplace, says David Fulker, BBM marketing manager for Bosch UK. He says: "This will help improve driver safety, through technology such as traffic jam assist, automated emergency braking, lane assist, parking assist, as well as real-time navigation and road surface data. On-board diagnostics will give managers flexibility to connect with and optimise the efficiency of their fleet, anytime."

COMPANY VEHICLES AND FLEET MANAGERS WILL STILL HAVE A FUTURE

The rise of mobility as a service (MaaS) will not herald the end of the company vehicle, says John Pryor. "In terms of job-need car drivers – such as service engineers required to carry tools and other equipment to jobs – and light commercial vehicles, it is difficult to envisage anything much different from the current model," he says.

Peter Golding, managing director of FleetCheck, agrees as the lack of investment in public transport means private transport solutions will continue to be the core of corporate travel.

"There will probably be a move towards greater use of mobility services, but there is nothing on the horizon that looks as though it will match the car for cost-effectiveness and flexibility," he says.

As well as the company vehicle surviving, so will the fleet manager – but their job function will evolve.

"The role of the fleet manager is not dead," says Pryor. "But, a bit like a regenerating Dr Who, it is changing into a different face but with the same ideals and objectives: managing the movement of people and goods as cost-effectively and as safely as possible according to business need."

This is also a view held by other industry experts, and Zenith head of fleet consultancy Claire Evans adds: "The trend to the outsourcing of fleet services will continue and increase.

"Already the fleet management community is embracing the era of big data. And we can expect in 20 years' time for fleet managers to further concentrate on combined mobility objectives, working in tandem with their leasing provider who will manage the day-to-day administration of fleet."

Editors' comments

We've been in touch with previous editors of *Fleet News*, to ask them to recall some memories from their time in the hot seat and how they made an impact. *Simon Harris* reports

CLIVE FRUSHER
1984-1986

I was appointed editor of *Fleet News* and *Fleet Facts* (a glossy) in October 1984 at a salary of £15,500.

I stayed with the business for about 10 years, working out of offices in Park Road, Peterborough, and the Orton Centre. During that time I covered a multitude of motor shows including our own Fleet Show.

One memory of *Fleet News* is that we were allowed to smoke (I had an occasional Hamlet cigar and my publishing director Peter Peskett used to chain-smoke cigarettes).

I don't think I made a huge impact and can't remember any challenges, but I stayed with publishing until I retired at 65.

I am 74 now ... and still enjoy a Hamlet.

ROB BARROWMAN
1986-1989

I was editor/editor-in-chief of *Fleet News* in the late '80s.

We were strong on our campaigns and so we were ahead of the curve in calling for lead-free petrol, which we won awards for. Many fleets were up in arms by our stance as they claimed it would wreck the engine valves – some citing the example of what lead-free fuel did to Spitfire valves during WWII!

We launched Britain's Safest Fleet campaign before safety was even a twinkle in the eye of car manufacturers' marketing departments. We were told fleets only cared about how fast a car will go round a corner rather than if the occupants would still be in one piece after the manoeuvre. Happy days.

My fondest memories have to be some of the great car launches and the sheer fun of driving some great (and some awful) vehicles along with fleet managers, some of who didn't know the front from the back of a car. They were good on running costs, which was by far the most important skillset!

Launching the Fleet News Awards also comes to mind, which, after some 30 years, are still going strong. My only mistake was not agreeing a share of the profits over those decades!

> *"Some fleet managers didn't know the front from the back of the car"*
> *Rob Barrowman*

MIKE GUNNELL
1989-1994

I remember the date I started on *Fleet News* as deputy editor, rather than editor, as it was 08/08/88 – all the eights!

Not quite the sign of the devil – but not a million miles away and an auspicious date to begin a working relationship that was to last another eight years!

When I joined, *Fleet News* had just moved from being a monthly magazine to becoming a weekly newspaper. My task when I became editor was to ensure it was filled with meaningful copy about the world of fleet.

From the outset, I wanted to bring a little controversy to the publication and to make it more noticed, while always batting on the side of the fleet manager. That meant frequently challenging the established order, notably the vehicle manufacturers.

I remember a front-page story about a leading fleet manufacturer raising its prices. And I knew it had hit the spot when the fleet director and fleet marketing manager made a special journey to Peterborough to complain about their treatment.

As we were reliant on advertising sales for revenue, one of the biggest challenges was to tread a fine line between reporting what was happening in the market and not annoying our advertisers sufficiently that they would cancel their advertising. It did happen occasionally, but they always came back – well mostly!

> *"The fleet director and marketing manager made a special journey to complain"*
> *Mike Gunnell*

ASHLEY MARTIN
1994-2001

I joined as deputy editor in May 1991, and was appointed editor in November 1994, a position held until leaving in October 2001.

Two memorable stories come to mind for different reasons. Soon after joining I interviewed a professor leading a team developing a hydrogen car. It was going to be the future of fleet – almost 30 years later we are still waiting!

The Rover 600 was to be the company's big fleet car and we obtained a 'world exclusive', publishing the first photos and details. Rover's fleet chief was delighted, but its PR director less so as we had beaten consumer magazines to the story.

After the office banter and manufacturers' new launch trips, the fondest memory remains the people in the industry. Some have passed on to the great fleet industry in the sky, but others remain as friends and contacts.

Perhaps the most significant change during my editorship was the emergence of the worldwide web and *Fleet News* editorial content appearing on the internet. It was the start of things to come.

Incorporating late-breaking news stories was always a challenge, particularly 'holding the front page' to ensure coverage of the Government's Budget was always included in that week's issue.

JOHN MASLEN
2002-2005

I edited *Fleet News* from 2002-2005. The best stories I covered were related to the launch of CO_2-based company car tax and its impact on the fleet sector.

Our close links to industry and the Government put us at the heart of the story. We were so close, and trusted, I even remember writing ministers' introductions for some of our reports to speed up the production process.

Other major stories included the impact of the internet on fleet management, the official focus on work-related road safety and the LPG blip.

My fondest memories are of the people throughout the industry. I met so many inspiring people and have seen them shape the industry over the years.

Our campaigns focused heavily on fleet safety, work-related road risk and how professional fleet management can make a difference. If fleet managers save lives, they save money.

The key focus was being an impartial guide for fleets. I recall a manufacturer pulling all its advertising because of a story we ran, but, as a journalist, my job is to be independent and serve our readers.

MARTYN MOORE
2005-2009

I'd spent 18 years writing about photography, motorbikes and old cars and fancied a shot at 'real' journalism. When I became editor in 2005 *Fleet News* came out every week and had a team of reporters. It was about serious stuff.

I intended to stay for about a year, make some new contacts and then move on, so it shows how much I enjoyed myself that I stayed for four years and loved (almost) every day.

Most of the stuff I wrote involved the emerging science of telematics and doom-mongering over corporate manslaughter legislation. To be honest, I avoided writing, preferring to pioneer concepts like industry podcasts that nobody listened to!

I was pleased to report on the appointment of Julie Jenner as chair of fleet operators' association ACFO. To me she was a breath of fresh air in a rather stuffy organisation.

A big challenge for a weekly, tabloid-sized print product was the role of the internet in the news distribution game. It was hard for print journalists to view their own website as anything other than a threat and a content-hungry monster that was going to massively increase their workload. Their fears were well-founded.

JONATHAN MANNING
2001-2002

More than 17 years on since I started as editor, my memories have merged into a blur of adrenaline and paranoia, the thrill of a breaking story and the fear of missing it.

Weekends were spent wired to political programmes and scouring newspapers for any lead that might upset the front page for Monday's deadline.

Fleet News was weekly at the time and I led the redesign from broadsheet to tabloid. The transition coincided with an attempt to amplify the voices of fleet managers, who seemed endangered by 'outsourcing'.

Without doubt the biggest story we covered was the change in company car tax rules from a system based on business mileage discounts to one founded on CO_2 emissions. It was clear diesel held all the answers – who knew?

My favourite story involved a company called Fagomatic, which claimed in a VAT case that its Lamborghini Diablo was effectively a van that had no private use. The firm insisted it needed a supercar (it had upgraded from an Aston Martin) to park in VIP spaces outside London nightclubs, in order to refill their cigarette machines.

The biggest challenge in editing *Fleet News* was identifying the genuinely new in a world that had changed little since the 1970s, beyond the introduction of variable-speed windscreen wipers and airbags.

Best practice in purchasing, driver management and operational control remain very similar today, albeit with different tools. But the mobility future? Now that's a challenge.

THE PAST 40 YEARS OF FLEET CAR HITS AND MISSES

1978
BEST-SELLING FLEET CAR FORD CORTINA 1600GL

The Ford Cortina was already in its fourth generation by 1978. Topping the fleet sales chart was the 1600GL model, which had a list price of £3,423 (£18,669 in 2018). Drivers enjoyed luxuries such as a radio, halogen headlights and intermittent wipers. Chrome exterior trim and a wooden dash panel incorporating a Quartz clock also made sure the GL stood out against lower-spec models.

1982
FORD SIERRA

In response to the Cavalier, Ford launched its all-new Sierra in 1982. It was a total re-invention of the Cortina, offering front-wheel drive and a hatchback. High-spec models featured an electronic trip computer. Its futuristic 'jelly mould' body was one of the most aerodynamic available. Not all drivers were convinced though; a facelift saw a more conventional design, which helped the car overtake the Cavalier by 1987.

1992
FORD MONDEO

Another revolution from Ford came in 1992 when it ended Sierra production and launched the Mondeo. Available as a saloon, hatchback or estate, the spacious family car introduced efficient 16-valve engines across its line-up. Safety was a priority and a driver's airbag was fitted as standard, together with ABS on higher-spec models.

1979
VAUXHALL ASTRA

With a name badge that is likely to still appear on most fleet choice lists today, the Astra was born in 1979. It was Vauxhall's first front-wheel drive model, replacing the Viva. A choice of petrol engines ranging from 1.2-to-1.8 litres combined with its practical hatchback or estate body style meant the car quickly became one of Britain's best-selling models.

1980
FORD ESCORT MK3

A total overhaul of the Escort in 1980 saw a new front-wheel drive platform launched. Its contemporary design remained largely unchanged until the '90s, by which point it had established a place at the top of the sales charts.

1981
VAUXHALL CAVALIER

With class-leading fuel economy and performance, the Mk2 Cavalier was built to unsettle the Ford Cortina as the most popular company car. With a 1.8-litre engine powering the range topper, the Cavalier enjoyed tax breaks its rivals could not offer at the time.

1980
MORRIS ITAL

The 'all-new' Morris Ital was actually nothing more than a mildly facelifted Marina. It failed to match the Marina's sales record, as build quality issues and more interesting rivals saw fleet buyers look elsewhere. Within four years the Morris badge had disappeared.

1983
TALKING CARS

Austin fitted the new Maestro with a voice synthesis warning system that could alert the driver to issues such as low fuel or an over-heating engine but the technology never caught on. Renault revived the concept on the 2001 Laguna but, again, it was short-lived.

1984
VW GOLF MK2

Another car that is still topping the sales charts today is the Golf. Following the success of the original, the Mk2 was the carthat bought VW into the mainstream. Reliability, build quality and practicality were of the highest order. The line-up offered something for everyone, including a diesel.

1987
BMW 5 SERIES E34

Tempting execs out of their Rovers and Jaguars, the BMW 5 Series has become recognised as a benchmark for its sector. It began with the third-generation E34 model, which offered excellent driving dynamics and a range of powerful and smooth six-cylinder engines.

1994
VAUXHALL CORSA

Following on from the Nova, Vauxhall had to up its game as the small-car sector began to demand higher-quality models. The newcomer unsettled the Ford Fiesta and has continued to fly high in the sales rankings ever since. It also spawned a second success story, the Combo compact van.

1995 AUDI A4

Unlike its German rivals, the BMW 3 Series and Mercedes C-Class, the A4 was less boxy and more modern in the mid-90s. It became a credible alternative, featuring Volkswagen's frugal 1.9-litre diesel engine and reputation for rock solid build quality. Quattro all-wheel drive was available to enhance the package and the A4 has continued to be a successful fleet choice right up to the present day.

1996 EURO NCAP ESTABLISHED

The European New Car Assessment Programme has been critical in driving forward safety standards in the automotive industry. Car manufacturers have been striving to achieve the organisation's coveted five-star rating ever since.

1997 TOYOTA PRIUS

Just as diesel cars really started to gain traction in the UK, Toyota bought the Prius to market. The petrol-hybrid promised lower emissions and better fuel economy and came packaged in a shell that favoured aerodynamics over style. While the first models didn't really catch on, the Prius was the grandfather of the technology that is being adopted by almost all the world's car manufacturers today.

1998 BMW 3 SERIES E46

As the country enjoyed a period of prosperity, BMW launched a car that caused a seismic shift in the fleet market. The affordable new 3 Series pushed mainstream manufacturers down the sales charts as company car drivers flocked to the 'ultimate driving machine'. The frugal 320d was born, with a boot badge that has become the 'go-to' model for drivers.

1996 VAUXHALL VECTRA

No list of fleet vehicles would be complete without the Vauxhall Vectra. Launched to battle Ford's Mondeo, the British-built Vectra offered a super-frugal 1.7-litre diesel engine alongside a range of 16v petrols. Its running costs and practicality made it a fleet success.

1998 FORD FOCUS

Ford's aging Escort had been a success but was becoming dated. The Focus was revolutionary in its design. It offered performance, safety and practicality in levels never seen before in the sector. Keen handling helped the model secure its place as a class-leader for many years.

2004 ABS BECOMES A STANDARD REQUIREMENT

Anti-lock brakes might be something we all take for granted now, along with air conditioning and electric windows. But, ABS was an option on many fleet cars until it was mandated by the EU in 2004.

2001 MINI

BMW helped to re-write the small-car segment with the Mini. It was the first time a small car had offered a premium package and, despite higher prices than mainstream rivals, the Oxford-built hatch was a resounding success. Customisation was a key part of the car's appeal and more than three million have been made since launch.

1997 DAEWOO LEGANZA

Daewoo set out to produce its own cars in the late '90s and the Leganza was one of the first. It was unrefined, uncomfortable and, despite being penned by Giorgetto Giugiaro, pretty ugly. Within a few years, the brand stopped selling cars in the UK altogether.

2005
MG ROVER

British Leyland was a major player in the fleet market in 1978, but by 2005 its evolution to MG Rover saw the final collapse of the brand. An influx of models from abroad throughout the '80s and '90s saw Rovers slip further down the sales charts. Despite throwing everything it had at the Rover 75 in 2000, the brand's profitability never recovered.

2013
MERCEDES A-CLASS

It took Mercedes three attempts to get the A-Class right but it was worth the wait. Its first two generations were favoured by retirees rather than company car drivers so Mercedes re-wrote the formula. The A-Class quickly became the brand's best-selling fleet model and helped Mercedes become the biggest premium car manufacturer.

2014
TESLA MODEL S

Confidence in electric cars received a boost in 2012 when Tesla launched the Model S, with a range of more than 300 miles. It took two years to come to the UK, where its high prices made it only suitable for senior managers and company directors. In 2019, the Model 3 is expected to cost half as much with the same range, showing how fast the sector is evolving.

2007
NISSAN QASHQAI

Perhaps the most defining vehicle of the decade, Nissan launched the Qashqai at a time when SUV sales had taken a beating from rising oil prices and environmental campaigns. It offered SUV looks and practicality, but with the running costs of a hatchback. The crossover segment is now the largest and fastest-growing in the UK.

2013
MITSUBISHI OUTLANDER PHEV

Successful but controversial, Mitsubishi dominated plug-in sales with the Outlander PHEV. It launched as SUV sales started to boom and diesel cars were being hit by increasing taxes. Company car drivers, spurred on by significant tax savings due to its low official CO_2 emissions, flocked to order, but few charged them, resulting in high emissions.

2018
HYUNDAI KONA ELECTRIC

Nothing better defines the development of the fleet sector over the past 40 years than the Kona Electric. It is a compact SUV that costs less than a Ford Mondeo, has zero emissions and features the latest semi-autonomous driving aids. At its core, it still offers the same key package that makes a great fleet car – comfort, efficiency and style.

2011
SAAB

Having enjoyed buoyant sales in the '90s, Saab's desire to over-engineer its vehicles ultimately led to its demise. Under the ownership of General Motors investment in Saab was limited and its restricted model line-up failed to win over BMW and Audi drivers, despite often offering superior levels of comfort and safety.

2018
BEST-SELLING FLEET CAR: VW GOLF

While the Kona defines the future of the fleet sector, the Golf is very much the current champion. Diesel models can achieve up to 80mpg, while petrol models support the market's switch back to petrol with lower running costs. An all-electric e-Golf offers zero-emissions, while the ultra-desirable GTI is both more efficient and faster than ever.

FleetNews PORTFOLIO

WHAT WE DO IN YOUR INDUSTRY

Fleet News magazine

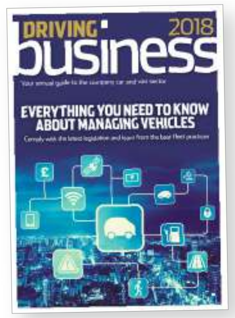
The leading business publication for the fleet sector, offering insight, analysis, best practice and in-depth profiles of fleets and suppliers every fortnight. But don't take our word for it: 96% of readers say *Fleet News* is the most useful fleet publication (*Fleet News* reader survey). Every issue is packed with information that helps companies to run efficient and effective fleets – and our readership of 16,000 is restricted to named decision-makers, running fleets of 10-plus vehicles.

Commercial Fleet magazine

Commercial Fleet offers insight into the world of light commercial vehicles and trucks to provide operators with detailed analysis on key topics such as operations, safety, remarketing and the environment. Case studies in every issue provide best practice advice to help you to improve your efficiency. The magazine is supported by the commercialfleet.org website and events.

Fleet events

Fleet News events are the biggest and best in the sector. Our annual awards night attracts more than 1,500 people; the FN50 Dinner sees 950 leasing, manufacturer, rental and supplier companies networking and *Commercial Fleet* Summit provide insight into key areas of fleet operation; monthly roundtables enable 10-15 fleets to discuss issues and share solutions.



Driving Business magazine

This annual magazine is sent to managing directors and finance directors at 25,000 small to medium enterprises (SMEs) that are running fewer than 50 vehicles. Focusing on the key elements of running cars and vans, *Driving Business* provides practical advice to reduce cost and improve safety with a minimum of time and effort.

Websites and newsletters

The *Fleet News* website is an extensive library of best practice advice, fleet case studies, news and tools. Compare car and van running costs, check how much tax employees will pay and find out which models use the least fuel with our easy-to-use tools. We also send *Ignition*, a monthly newsletter which contains car reviews and interviews not included with our print magazine.

Fleet Leasing magazine

Fleet Leasing provides insight and analysis to board level executives, senior management and regional sales staff at contract hire and leasing companies. Its objective is to inform and educate about fleet trends, new models and technological developments, once a quarter, supported by a website regularly updated with the latest leasing news.

Bespoke publications

Magazines, supplements, brochures and digital products are produced for commercial partners. These bespoke publications inform fleets about companies and topics relevant to their business. They include manufacturer and supplier reports, in which *Fleet News* journalists interview key personnel to unearth the developments of interest to fleet operators.

VAUXHALL INSIGNIA

Forty years on the most noticeable difference is with safety measures

By Simon Harris

Our current long-termer, the Vauxhall Insignia, is, objectively speaking, one of the best large family cars on sale today. Brimming with safety and convenience features in this SRi grade, along with a handful of desirable options, anyone driving it as their company car would want for little.

But how would a company car from Vauxhall produced 40 years ago (when *Fleet News* was born) measure up? We thought it would be fun to 're-test' the Vauxhall Cavalier, which was introduced in 1976, essentially a replacement for the Victor.

Based on the Opel Ascona, the Cavalier's front end was taken from the Opel Manta to give it a Vauxhall identity (at the time Vauxhalls and Opels were sold alongside each other across Europe).

The Cavalier was initially produced in Antwerp, Belgium. It arrived at a crucial point in the timeline of company cars.

Ford's Cortina Mk 3 was looking tired and dated, and the then recently partly-nationalised British Leyland had spent the decade in crisis.

The Cavalier was an instant hit and, from 1977, production was expanded to Luton.

We got behind the wheel of a Luton-built 1980 Cavalier 2000 GLS saloon – effectively the range-topping engine and equipment grade combination – and this beautifully-preserved example in the Vauxhall heritage collection has just 36,000 miles on the clock.

Finished in royal red paint and with a luxurious black vinyl roof, it certainly looks the part in isolation, but is dwarfed alongside the Insignia.

The Cavalier is 4,445mm long, 1,651mm wide and 1,384mm high, riding on 13-inch Rostyle wheels; the Insignia is 4,897mm long, 1,863mm wide and 1,455mm high with 17-inch alloys.

Some of the highlights of the Cavalier's spec include a rev counter, a clock, push-button LW/MW radio, a four-spoke steering wheel, velour-covered seats and fully-upholstered doors.

Its 2.0-litre engine produced 100PS which, combined with four-speed manual transmission, allowed the Cavalier to sprint from 0-60mph in 10.5 seconds. The six-speed Insignia produces 135PS and reaches 60 in 9.9 seconds with much better fuel consumption – 65.7mpg compared with the Cavalier's meagre 28mpg.

I spent around 140 miles behind the wheel of the Cavalier, and it was largely smooth and comfortable even by today's standards.

Engine refinement was good, although there was little done to suppress noise intrusion to the cabin in the 1970s.

2017 Vauxhall Insignia Grand Sport 1.6 CDTi 136 SRi VX-Line	1980 Vauxhall Cavalier 2000 GLS

Sizing each other up – the modern day Insignia and the 1980's Cavalier

Just a four-speed manual gear shift in the old Cavalier

The rev counter was showing 3,000rpm plus at 60mph in top gear, which we had all forgotten about in these times of six-speed gearboxes and modern turbocharged petrol and diesel engines.

No power steering makes the Cavalier harder work around town and to park.

The Insignia not only has power steering, it can also steer itself into a parallel or perpendicular parking space, and while this and other convenience systems such as the head-up display, sat-nav and Wi-Fi show the march of technology across seven generations of car, the improvements in safety are mind-boggling.

The Cavalier has front seatbelts and that's pretty much all there is to say about it with regard to safety.

The Insignia has sophisticated brakes with ABS, electronic stability control, and sensors that warn the driver to intervene during a collision risk, with the car applying the brakes itself as a last resort.

These warning messages are repeated in the head-up display, including when a pedestrian or cyclist is detected ahead to ensure the driver has spotted them.

There are airbags everywhere and seatbelts in the rear. Sensors and cameras read speed limit and other traffic signs help keep the Insignia within its lane markings and maintain a safe distance from the vehicle in front when in cruise control.

"The Cavalier has front seatbelts and that's pretty much all there is to say about it with regard to safety"

Warning lights in the door mirrors alert the driver of approaching vehicles in the blindspot, while these same sensors can also warn of approaching traffic or people when reversing out of a parking space.

The advance in vehicle safety features during the lifespan of *Fleet News* has no doubt saved the lives of many company car drivers, or at least reduced the severity of injuries.

These features in the Insignia, competing in a sector of the car market that's around 80% fleet, is doubly comforting considering *Fleet News* has been at the forefront of campaigning for improved safety over the years.

FORD FIESTA

Fiesta has doubled up on weight and price over the years, but remains a delight to drive

By Matt de Prez

Two years before the first issue of *Fleet News* landed on the desks of fleet decision-makers, Ford had launched its all-new Fiesta in Europe – with UK sales beginning a year later in January 1977.

Built as a result of the oil crisis, demand for a small, economical front-wheel drive car was high.

The progress of the Fiesta since has been unstoppable. Three years after its launch one million Fiestas had been sold and in 2014 it became the UK's best-selling car ever.

It's easy to see why people love the Fiesta. It's stylish, compact and great to drive – but more importantly, it's inexpensive.

The chances of seeing an original Fiesta on the roads now is pretty slim, but Ford does have an original model housed at its "holy grail" storage facility in Dagenham.

Nesting between a Ford GT and a Sierra Cosworth is a 1977 Fiesta L with just 44,000 miles on the clock.

For some, the opportunity to drive a 1977 Ford Fiesta would seem a nostalgic look back at the "good old days" of motoring. For me – whose parents were barely teenagers in 1977 – it was like stepping into another realm.

"Watch the brakes," was the only advice I was given before setting off in this time warp classic.

Of course, setting off isn't as easy as it is today. In our new Fiesta you simply push the 'start' button. In the classic Fiesta you have to engage the choke first. The 957cc engine took a few turns to start but, once it burst into life, it was idling as happily as our 2018 Ecoboost-powered model.

What surprised me was just how easy the original Fiesta was to drive. Sure, it doesn't have power steering or even a radio, but the controls were light and precise and visibility was excellent.

It quickly became apparent that no matter how good a new car is, nothing quite manages to capture the character of something from four decades ago.

You do feel more vulnerable in the older car though. Its brakes really do take an age to stop it and you sit much lower and closer to the road than in most modern cars.

In 1978, the Fiesta cost less than £2,000 – around £10,500 in today's money.

In mid-range L specification, Fiesta drivers enjoyed luxuries such as chrome exterior trim, a reclining seat, heated rear window and halogen headlamps.

Like our new Fiesta, the original uses a 1.0-litre petrol engine. It develops just 45PS, but weighs less than 750kg. In contrast, the new Ecoboost engine has one cylinder fewer and makes 125PS. It does have to carry double the weight of the original car, however.

It also costs double the price. With a few 'goodies', our test model costs £20,500.

Driving the two cars back-to-back showed just how far the car industry has evolved in 40 years. On the motorway, the new Fiesta is quiet and refined. It has autonomous braking, adaptive cruise control and a little light in the door mirror to alert you of a car in your blind spot.

The original car has one door mirror and it relies on the driver much more. You get a raw feeling of being in control, something that new cars lack.

1977 Ford Fiesta L	2018 Ford Fiesta 1.0 Ecoboost 125 ST Line

The shape has evolved over the years – Fiesta in 1977 and 2018 modes

FleetNews AWARDS 2018

"It makes it much easier for a customer to know exactly what they are getting and it makes it much easier for a leasing company to know exactly what they are quoting on"

Peter McDonald, Seat

WINNER: SEAT UK

Keep it simple – Seat is easing up on the confusing choices

Four years ago, Seat sat outside the top 20 for true fleet; now it's in the top 10. Peter McDonald explains his quiet revolution

By Andrew Ryan

Seat is a fleet manufacturer on the up: registrations in the sector are at an all-time high, while its range of cars is broader than ever.

In the first six months of this year, its registrations in fleet rose year-on-year by 27% (from 16,285 to 20,595) and in true fleet by 45% (from 7,561 to 10,987), despite the two markets declining 7% and 8% respectively.

"As a brand we have moved from being outside the top 20 in true fleet four years ago to now being in the true fleet top 10 and we have full expectations we will continue to grow," says Peter McDonald, head of business sales.

Such has been the demand for Seat cars in the UK that the manufacturer has made a conscious decision to avoid pushing vehicles into short-cycle markets purely to achieve volume, but to instead concentrate on sectors which have wider benefits.

"We have a 4.2% market share in true fleet, but we have only a 1% share of the rental market and are the 19th biggest manufacturer there," adds McDonald.

"Avoiding short-cycle markets means we are optimising our residual values, which means we can give leasing companies confidence that we are managing our sales channel mix the right way."

Part of Seat's sales success is due to the freshness and scope of its car range. Last year, it launched a new Leon lower-medium car and Ateca mid-sized SUV, while this year has seen the introduction of a new Ibiza supermini and Arona small SUV. These joined the Mii city car and Alhambra MPV.

"The SUV segments are growing very quickly and being able to offer Arona and Ateca has helped give us greater product depth and made us much more relevant in the fleet market," says McDonald.

"The big, institutional fleet customers want to work with a relatively small number of brands, have good, deep relationships with them and buy more than one product.

"Our SUVs are part of that and growing our product portfolio has helped open more corporate relationships with us, and we've grown a lot in the major corporate end-user space."

Fleet News: One of your big successes has been the introduction of the four-day test drive with customers taking more than 1,500 since it was launched last year. Why did you introduce it and how does it work?

Peter McDonald: If you look at the fleet customer buying process, they have a number of interactions with the manufacturer and the test drive is probably the biggest one of those. We recognised that the company car driver really does struggle to get a test drive and we didn't think we – or the industry generally - had a great solution for making sure they were accessible.

We looked at different ways of solving that problem through incentivising or improving processes within our dealerships. However, we wanted to turn it on its head and do something about that, and that is where the four-day test-drive concept came from.

It makes life easier for a company car driver because they can just go to our website or call a number. There are some checks in place, but they are relatively simple and we will give a car – as close to the engine and specification as possible – to a driver for four days. We launched it on the Ateca and it was really successful, so we've broadened it to the rest of the range. It's been a commercial success, but we also want to be easier to work with and find tangible ways of doing that.

FN: You've also launched an 'Easy' initiative which simplifies the range and options available to fleet customers. How does this work?

PMcD: The next extension of being easier to work with was our Easy offering. If you are a leasing company there are probably a total of 14,000 or 15,000 derivatives in the marketplace: that's an awful lot of data to quote on. It's also quite complex for a customer to choose the right vehicle.

As part of the decision-making process, once a customer has decided on the segment of car and the make they want, there is then usually a vast number of options to choose from. We wanted to make that simpler, so, when we developed Arona, we looked at what options customers were ordering and, for example, 80% ordered metallic paint, so we included that in the price.

Peter McDonald (seated in middle on settee) is joined by colleagues to celebrate Seat's most improved fleet manufacturer award

This meant Arona was launched with six simple trims and no options. So for the customer, it is 'which trim do I want, which engine and transmission do I want, and then what colour'. There is none of that anxiety over decisions such as going for a certain paint because it is £500 less than a metallic alternative. It makes it much easier for a customer to know exactly what they are getting and it makes it much easier for a leasing company to know exactly what they are quoting on. Also, it will help keep things simple in 2020 when another level of complexity comes into the industry when the options will have to be taken into account under WLTP. The feedback we've received from customers and leasing companies has been positive, so our intention is to roll out Easy across all our models by the end of the year.

FN: What work have you done to improve the service delivered to fleet customers?

PMcD: As a brand, we made a conscious decision about four years ago to put the right infrastructure into our fleet offering. We want to offer great service to end-user customers and you really need to do that by having good people that are dedicated to fleets and we believe we have a team that does that.

You also need the right dealer network, so we invested to improve their expertise and infrastructure for fleet. Within true fleet there are a variety of sub-channels and customer types, but we segment it for our dealer network in two different ways. One is the local fleet customer who would have less than 40 vehicles. They are looked after under our local business development manager (LBDM) programme, which has 25 dealers in it. They each have a dedicated LBDM who is placed through an accredited training programme and given coaching by a Seat development manager to improve dealer capability in managing small fleet customers. We also have a Fleet Excellence programme to support the major fleet dealerships that have significant relationships with fleets of 40 or more vehicles. We will have a direct relationship with them as a brand, we will have end-user terms with those customers and manage a relationship with them. We then need the support of the dealer network to help manage those customers and facilitate sales.

Seat will launch its first car with an electrified power train next year – a plug-in hybrid Leon – with a fully electric model arriving the following year.

However, as air quality becomes a bigger issue for fleets, it has already seen a significant shift in fuel mix. In 2017 YTD, its diesel:petrol ratio of fleet registrations was 51:49. This year, it is 32:68.

"We saw a dramatic move last year when we launched new Leon and new Ateca which had low CO_2 petrol options," says McDonald. "This changed some of the wholelife cost modelling, so in the past where there was typically a natural response for a fleet customer to always choose diesel, in some instances the petrol cars had lower wholelife costs, so there was a decision to be made.

"It made fleets realise that the fuel choice depends much more on what my drivers need and the distances they are travelling. The fuel mix shift has now started to stabilise and there are still significant advantages for high mileage drivers to take diesel product."

FACTFILE

Head of business sales Peter McDonald

Fleet sales 2018 YTD (2017) 20,595 (16,285)

Fleet market share 2018 YTD (2017) 3.42% (3.32%)

True fleet sales YTD (2017) 10,987 (7,561)

JUDGES' COMMENTS

Seat's engagement with fleets and leasing companies has greatly improved. It's been helped by the launch of some excellent new models, but it has also restructured its account management team and introduced new initiatives. Seat wants to listen, learn and improve its service and it has worked hard to ensure it offers the right terms to fleets.

BMW X4

X4 will appeal to drivers seeking an SUV that stands out from the crowd

BMW has put in a real effort to give the X4 its own identity

	FLEET PICK MODEL XDRIVE20D M SPORT	ENTRY MODEL XDRIVE20D SPORT	RANGE-TOPPER XDRIVE30D M SPORT X
SPECIFICATIONS			
P11D price	£45,030	£42,330	£51,925
CO_2 emissions (g/km)	146	142	156
Fuel efficiency (mpg)	50.4	52.3	47.1
BIK	34%/£3,062	33%/£2,794	36%/£3,739
Annual VED	£515 then £450	£515 then £450	£830 then £450
Class 1A NIC	£2,113	£1,928	£2,580
Fuel cost (ppm)	11.78	11.36	12.61
Running cost (4yr/80k)	55.53ppm	51.32ppm	64.05ppm
AFR (ppm)	11	11	13
RV (4yk/80k)	£15,550/35%	£14,675/35%	£16,525/32%

FLEET PICK RIVALS

	MERCEDES-BENZ GLC220D 4MATIC COUPE AMG LINE	VOLVO XC60 D4 R DESIGN AUTO	ALFA ROMEO STELVIO 2.2TD Q4 SPECIALE
SPECIFICATIONS			
P11D price	£42,975	£41,000	£42,820
CO_2 emissions (g/km)	163	148	149
Fuel efficiency (mpg)	45.6	48.7	49.5
BIK	37%/£3,180	34%/£2,788	34%/£2,912
Annual VED	£830 then £450	£515 then £450	£515 then £450
Class 1A NIC	£2,194	£1,924	£2,009
Fuel cost (ppm)	13.03	11.78	12.09
Running cost (4yr/80k)	53.26ppm	50.46ppm	56.34ppm
AFR (ppm)	11	11	13
RV (4yk/80k)	£16,025/37%	£14,400/35%	£12,800/30%

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

By Simon Harris

The proliferation of well-priced and efficient SUVs has given the company car user-chooser unprecedented choice.

And, as premium brands have come to rely on them for growth while seeking to remain 'exclusive', there have been increased efforts to differentiate one closely related model from another.

The new BMW X4 is a case in point. The first BMW X4 – one of those SUVs with a coupé-like cabin profile – appeared mid-way through the lifecycle of the previous X3.

It was broadly similar to the X3, about the same size, but with a different body shape. However, it was relatively short-lived because its underpinnings, along with the X3's were due for updating this year.

For the new X4, despite the obvious different silhouette from the X3, BMW appears to have gone to greater efforts to give it its own identity, which is a more difficult claim for its rival, the Mercedes-Benz GLC Coupé to make.

Six-cylinder versions would rival the Porsche Macan, AMG-engined versions of the GLC Coupé and high-end Jaguar F-Pace.

Although it shares the same wheelbase as the new X3, the X4 is longer than its sibling and is 81mm longer than its predecessor. It's 10mm wider than the X3 and 37mm wider than the old model.

There is a choice of four-and six-cylinder diesel versions, all fitted with an eight-speed automatic transmission, and a high-performance diesel M40d and petrol M40i top the range. But the majority of UK sales will be in the 190PS 2.0-litre 20d versions.

The entry-level model is the Sport, but the M Sport is likely to be more popular in the UK, while there is also an M Sport X variant with slightly more rugged styling.

While the X4's dashboard design is identical to the X3, the X4 comes with heavily bolstered sports seats and the rear compartment has three full-size seats.

Rear passengers have an additional 27mm of legroom over the previous model, while the boot has a capacity of 525 litres with the rear seats in place, expanding to a maximum of 1,430 litres to roof height by folding down the sections of the rear backrest, with its standard 40:20:40 split. The X3 offers 550 litres and 1,600 litres respectively.

The X4 also has the option of an extended storage pack, comprising additional hinged compartments, USB ports and 12V sockets, as well as hooks and lashing rails in the boot.

All X4 models come with BMW's xDrive rear-biased four-wheel drive system, and a ground clearance of 204mm.

Also standard is the latest version of the iDrive interface, centralising navigation, communication and infotainment functions.

Its dashboard display now takes the form of a freestanding monitor with a 6.5-inch screen, while the high-resolution display that comes with the Professional Navigation System measures 10.25 inches and includes touch-screen functionality and a semi-digital instrument display (standard on M Sport, M Sport X and M Performance models).

The voice control system has also been improved and there is the option of using BMW gesture control, allowing certain functions to be operated with simple movements of the hand or fingers, which are registered by a 3D sensor in the centre console and translated into the relevant commands.

The X4's dashboard design is the same as that on an X3

The body on the X4 is longer and wider than on the previous model

Another option is the new-generation head-up display, with a 70% larger projection area.

The X4 is equipped as standard with cruise control with braking function as well as collision and pedestrian warning with city collision mitigation. The optional semi-autonomous active cruise control with traffic assistant function is capable of braking the vehicle to a halt and setting off again automatically.

The Driving Assistant Plus safety package offers enhanced safety features in one cluster.

The X4 is offered with parking assistance for the first time, and includes 'top view', 'panorama view' and '3D view' functions, which combine to depict a 360° image of the vehicle and the surrounding area on the dash screen.

The 'remote 3D view' function additionally gives drivers the ability to call up a three-dimensional live image of their vehicle and its immediate vicinity on their smartphone.

The X4 feels more involving on the road than its X3 sibling, thanks in part to its wider stance and lower centre of gravity, and always feels responsive when overtaking.

It won't be everyone's cup of tea and isn't as practical as an X3, but the X4 has its own identity, and has appeal for driving enthusiasts after the image of an SUV that stands out a little from the crowd.

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

THINKING CAP

By Martin Ward, manufacturer relationships manager

cap hpi

Wednesday My copy of *Fleet News* arrived so I put on the kettle, got out the dark chocolate digestives and started reading it from cover to cover.

I was sort of glad when I got to my column near the back of the magazine because it offered a bit of light relief. What I had read up to that point hadn't been particularly easy reading.

Some heavy stuff – from BIK, the demise of diesel, WLTP, insurance problems and woes associated with the fleet industry in general.

But *FN* does sum it up well and put it into layman's words – even I could understand the topics. Combined, this means the motor industry and, in particular, fleet is going through a tough old time, likely to get worse and more complicated before it gets better.

"Who said the estate is dead and customers only want SUVs?"

Thursday Just over an hour's ride up to Richmond to drive the all-new Volvo V60.

Volvo started building cars in 1927, but it wasn't until 1958 that it produced its first real estate, the PV544 Duett. Since then the maker has been a world leader in building estate cars.

Volvo does not just build cars, it also produces buses, coaches and, in 2016 was the second largest producer of heavy trucks.

The V60 is available initially with a 2.0-litre petrol or 2.0 diesel, with T6 Twin-engine and T8 Plug-in hybrid due within a year we believe.

Volvo also builds pretty good SUVs – the XC40, XC60 and the huge XC90. But all have a high boot lip, and not easy for your old Labrador to jump in and out.

This estate oozes quality. It's so comfortable and a pleasure to drive. Prices start from £31,810 OTR. Who said the estate is dead and customers only want SUVs? After driving the V60, this theory has been well and truly disproved.

FIRST DRIVE

HYUNDAI NEXO

Hyundai makes progress in hydrogen fuel cell cars with the Nexo

The Nexo is almost as long as the Santa Fe SUV

By Simon Harris

Hyundai was the first manufacturer to put a hydrogen fuel cell car into mass production in 2015.

The ix35 FCV packaged fuel cell technology into a medium SUV and probably would have sold more had there been any hydrogen refuelling infrastructure worthy of note available.

This has been a 'chicken and egg' situation: manufacturers have been reluctant to roll out hydrogen fuel cell vehicles due to a lack of infrastructure; supply companies have been shying away from significant investment in hydrogen refuelling sites given so few vehicles need them.

Three years ago, Toyota launched the Mirai fuel cell vehicle in the UK, with a monthly lease package that included maintenance and fuel to make the cost more manageable.

Procurement remains localised to areas within reach of a hydrogen refuelling point, but there has been interest from public sector fleets, and London's Metropolitan Police has recently taken delivery of several as it seeks to reduce its reliance on diesel vehicles.

Next year, Hyundai will introduce its second-generation mass-produced hydrogen fuel cell car in the UK.

The Nexo is a model in its own right as opposed to installing the technology into an existing vehicle.

Introducing a completely new model means Hyundai can take advantage of the latest technology in the powertrain as well as safety and convenience features that customers expect on a car with a likely £60,000 price tag (before grants and other qualifying incentives).

Hyundai has worked harder on aerodynamics and the materials used to help reduce the Nexo's impact on the environment.

The model is almost as long as the Santa Fe large SUV. Its new powertrain is lighter and more efficient, with a driving range of up to 414 miles on the WLTP combined cycle.

The electric motor produces 163PS and 395Nm of torque. The powertrain is guaranteed for 10 years/100,000 miles.

The Nexo is smooth and silent on the road, with brisk acceleration and responsive behaviour.

Inside, the upper half of the dashboard looks cutting edge with a large central touchscreen and digital instrument display, but the floating centre console (which allows storage space beneath) is awash with buttons for audio and climate controls.

They are clearly marked and are of high quality, but it gives this part of the Nexo the feel of a Lexus from around 10 years ago.

The Nexo is clearly up-to-date with other technology. Autonomous emergency braking, lane-keeping assistance, blindspot alert and remote parking assistance are all available.

The Nexo is another big step toward making hydrogen a viable option for organisations running vehicle fleets with something meaningful on the road rather than a box-ticking exercise.

The floating centre console is awash with buttons

FLEET PICK MODEL
HYUNDAI NEXO

SPECIFICATIONS	
P11D Price	£60,000 (est)
BIK	13%/£1,560 (est)
Class 1A NIC	TBC
Annual VED	£0
Power (PS)	163
0-62mph (secs)	9.2
Top speed (mph)	111
Running cost (4yr/80k)	TBC
CO_2 emissions (g/km)	0
Range	414

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

OUR FLEET

VOLVO S90

D4 INSCRIPTION

Fuel consumption miles better than previously reported

The S90 gets top marks for comfort and practicality

COSTS

P11D price £37,000
Additional options £5,950
BIK tax band (2018/19) 25%
Annual BIK tax (20%) £1,875
Class 1A NIC £1,294
Annual VED £160 then £140
RV (4yr/80k) £11,900
Fuel cost (ppm) 8.82
AFR (ppm) 11
Running cost (ppm) 46.35

SPEC

Engine (cc) 1969
Power (PS) 190
Torque (Nm) 400
CO_2 emissions (g/km) 116
Manufacturer mpg 64.2
Real-world mpg* 38
Test mpg 41.3
Max speed (mph) 140
0-62mph (sec) 8.2
Current mileage 8,366

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

By Stephen Briers

I may have done Volvo a disservice.

In a previous review, I commented on the S90's 55-litre fuel tank and the maximum range of 470 miles after fill up. Having now done some sums, that equates to 39mpg. At the time, the car was averaging 43mpg.

Since, I've done two things. First, calculate the actual fuel used rather than rely on the trip computer. Second, use the car in its most natural environment, higher speed journeys on main A-roads and motorways, to gauge peak performance.

The former resulted in a discrepancy of around 2mpg, with the car returning 45.7mpg against a claimed figure of 47.6mpg.

On a 322-mile family journey to Glasgow, the S90 took on a whole new character when it came to fuel efficiency. Immediately after fill-up, it registered the usual range of 470 miles. After travelling around 40 miles, range had extended to 650 miles. It peaked at 710 miles after 76 miles, giving a hypothetical range of 787 miles, which would equate to 65mpg.

At the time, the car was showing 55.1mpg, although that rose later in the journey to 57.2mpg – a new personal record and just 4.2mpg off the correlated NEDC figure. Though we didn't hit the theoretical range, we did cover around 680 miles.

The round trip, which came shortly before the S90 returned to Volvo, also gave a perfect opportunity to assess the car's family appeal.

The S90 gets top marks for comfort and practicality. Two adults and two (almost) full-size children have ample space in relaxing seats, the boot has room to spare and privacy glass offers protection from the sun's glare during the heatwave.

Meanwhile, front-seat occupants have the choice of seat heaters or cooling fans (currently the latter), dependent on weather conditions.

The ride prioritises comfort over sportiness, while the S90 is easy to drive, despite its size. Handling is firm at high speed but light for low-speed manoeuvring.

When you get comments from the back seat such as "that journey went quick" or "are we here already?", you know the car is doing its job!

TEST TIMELINE
Start End

VOLKSWAGEN E-GOLF

Confession time: I haven't been 100% faithful to our Volkswagen e-Golf long-termer.

When it arrived I intended to put range anxiety to one side and use it regardless of journey length.

If it was a round trip longer than its range, I was prepared to divert to find a public charge point and wait until it took sufficient power on.

However, my resolve to do this disappeared when the reality of doing it all the time dawned on me.

I switched to a diesel for a friend's stag weekend in Dublin.

We flew from Birmingham and could easily have made it there from my Norfolk home on one charge, but I took a diesel for two reasons.

Firstly, there are charge points at the airport but I didn't want to occupy one all weekend, thus stopping anyone else from using it. Secondly, I felt that after we landed back in Birmingham, my passenger and I would want to get home as quickly as possible and not wait hours for the car to charge sufficiently.

The other reason has been simplicity when it came to claiming business mileage reimbursement.

As I charge from home I pay for the electricity, but Bauer Media has had no policy on how to reimburse pure EV drivers for business mileage.

In the end we settled on using a formula suggested by The Miles Consultancy (see page 17), which involves calculating the actual cost based on the e-Golf's battery size, range, and my electricity tariff.

This took some time to agree, so it has been easier to take a petrol or diesel car and claim mileage in the traditional way.

However, as the HMRC has now announced AFRs for pure EVs (see page 16), this obstacle to using the e-Golf for business has disappeared.

Andrew Ryan

AT A GLANCE – THE REST OF OUR FLEET

Mini Countryman PHEV

Ford Fiesta

Škoda Karoq

Mercedes-Benz E220D

Vauxhall Insignia

MATT JOHNSON

MANAGING DIRECTOR, HANDSFREE GROUP

Live music fan Johnson started the Handsfree Group back in 2004 and he and business partner Scott Cassell form 'a great team' which has helped develop a 'respectable' business

The pivotal moment in my life was meeting and marrying my wife Anne-Marie. She has supported me massively in my life journey and we have three amazing sons that mean the world to us and challenge me like nothing else. Keeping up with my children nowadays is becoming tricky as they get faster and smarter.

I want to be remembered as living life to its fullest limits by pushing hard and breaking through. I want people to remember me for contributing to the greater good.

The advice I would give to my 18-year-old self is that the world is your oyster. Seize every single moment and make every day count.

My hobbies and interests are playing sport with my kids, especially BMX and mountain biking, skiing, wakeboarding and water skiing.

My favourite film is *Rocky*. I love the story of the underdog that never gives up and wins.

The three vehicles I would like in my garage are an MVL Augusta Brutale motorcycle and my Redline Pro XL BMX. I am lucky enough to have a very special Land Rover Series 2A, we call "Rufus the red beast". This belonged to my best friend's dad, who has been one of the biggest influences in my business life.

My pet hate is lack of attention to detail and failure to see things through fully. Don't just take the path of least resistance, it's not always the best route.

A book I would recommend others read is The *Good to Great* by Jim Collins. The book's focus is on being the best rather than the biggest.

My first memory associated with a car was jumping the hump back bridge at Fradley Junction, Lichfield

If I were Prime Minister for the day I would search No. 10 for secret passages.

First fleet role After graduating from university, I stepped into my first automotive role working for Enterprise Rent-A-Car. I was the Northwest training manager responsible for the development and performance of all management levels in sales, customer service and business management.

Career goals at Handsfree Group? I want to add more value to both our customers and employees, by further organising Handsfree Group to make it ever more efficient. A priority for me is to continue helping fleet and transport managers see success through our product solutions.

Biggest achievement in business The biggest achievement is having grown from a start-up into offering services and repeating our sales cycle again and again, across the emergency services, major fleets and companies internationally.

Biggest career influence A few key people have had a big influence in my life, none more than my business partner Scott Cassell. We're a great team, I bring new business through and develop our existing core, while Scott makes everything happen. The father of my best friend from school had a big influence on me, too. He was a great role model, who was a very successful entrepreneur with a large workforce.

Leadership style I like to lead by example. I lead from the front by taking action, demonstrating what needs to be done, and keeping my team organised to make sure we're all on the same page.

If I wasn't in fleet I would love to work with up and coming bands that are trying to break through because I enjoy listening to live music.

Childhood ambition My chief ambition in life was to play for Manchester City. This was never going to happen.

Next issue: Andrew Ellis, transport manager, Hampshire Transport Management