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Official EU-regulated test data are provided for comparison purposes and actual performance will depend on driving style, road conditions and other non-technical factors. 2018/19 tax year. Vauxhall Motors Limited does not offer tax advice and recommends that all Company Car Drivers consult their own accountant with regards to their own tax position. Grandland X Elite Nav 1.2 (130PS) Turbo Start/Stop model illustrated (P11D of £26,885) features Topaz Blue two-coat metallic paint (£565), silver-effect roof rails (£150), Premium LED Adaptive Forward Lighting Pack (£1,100) and black roof and door mirrors (£320), optional at extra cost. 3 Day Test Drive terms and conditions apply and vehicles are subject to availability. Please call 0330 587 8221 for full details. All figures quoted correct at time of going to press (July 2018).

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# Government's ULEV targets unrealistic without incentives

Clarity over tax and extra incentives needed to make ULEVs more attractive, says leading leasing company

By Gareth Roberts

**G**overnment targets for ultra-low emission vehicles (ULEVs) have been branded unrealistic and unachievable, although the fleet sector is committed to accelerating uptake where possible. The Department for Transport (DfT) wants at least half of all new cars sold and 40% of the new van market to have to emissions of less than 50g/km of CO<sub>2</sub> by 2030.

Ensuring at least 50% of new cars sold meet the emissions threshold would require almost a 23-fold increase in uptake from the current market share of 2.2%.

The required increase in adoption rates for vans would be even higher, with just 0.3% of new van sales currently classed as ultra-low emissions.

The interim targets form part of the DfT's new Road to Zero strategy – a plan to phase out the sale of new conventional petrol and diesel vehicles by 2040.

By then, transport secretary Chris Grayling says he expects the "majority" of new cars and vans sold to be 100% zero emission and "all" to have "significant zero emission capability".

The Government wants "almost" every car and van to be zero emission by 2050. Zero emission vehicles currently hold just 0.6% market share.

Progress towards the interim target of at least 50% of the new car market and up to 40% of the new van market being classed as ULEVs – sub-50g/km – will be reviewed in 2025. If not enough progress is being made, the Government says it will look at "interventions".

It is hoping a combination of innovation, improved infrastructure and incentives – laid out in the strategy – will help deliver its targets.

The British Vehicle Rental and Leasing Association (BVRLA) has pledged that its members will increase their annual purchase of new plug-in vehicles from 17,000 today to 300,000 by 2025, going some way to fulfilling the Government's Road to Zero targets.

Two-thirds – 200,000 – will be company cars; the balance will be rental, Motability and personal lease cars, plus vans.

"Our numbers are significant and our members are committed," said BVRLA chief executive Gerry Keaney. "But the Government has an active role to play to facilitate an aggressive uptake."

He wants to see three things: the 2% BIK for EVs brought forward from 2020 to 2019; a commitment to five-year BIK rates and EV

incentives; and investment in infrastructure.

"Road to Zero is a great first step, but it's not sufficient. The Government needs to do more and we urge them to engage with us," Keaney said.

Despite the BVRLA pledge, Ashley Barnett, head of consultancy at the UK's largest vehicle leasing company, Lex Autolease, told *Fleet News* that the Government faces an uphill challenge to meet its targets.

"We'd need to see an additional 100,000 new AFV (alternative fuel vehicle) registrations each year between now and 2030 to reach the 50% target," he said. "The transition to ultra-low and zero emission transport is technically possible, but in reality, there is currently limited product availability, confusion around the current tax regime, and not enough in-life benefits to make ULEVs an attractive option."

## 'FAR BEYOND' EU TARGET

The Government revealed plans to ban the sale of new conventional petrol and diesel cars in its air quality plan last year [see [fleetnews.co.uk](http://fleetnews.co.uk)].



*"We'd need to see an additional 100,000 new AFV registrations each year between now and 2030 to reach the 50% target"*

Ashley Barnett, Lex Autolease



**50%**  
of new cars sold must be sub-50g/km by 2030

The Society of Motor Manufacturers and Traders (SMMT) said the new interim targets, published almost a year later, go "far beyond" those proposed by the European Commission. The EU wants 30% of all new vehicles to be ULEVs by 2030.

SMMT chief executive Mike Hawes said: "These new technologies, and the lengthy investment required to deliver them, cannot be fast-tracked."

"We need realistic ambition levels and measures that support industry's efforts, allow manufacturers time to invest, innovate and sell competitively, and provide the right incentives and infrastructure to take the consumer with us."

The interim van target, according to the SMMT, will be particularly tough to meet, with just 0.3% of new van sales currently classed as ULEVs.

"Achieving 40% market share would require a nearly 144-fold increase in uptake from the current position," said Nigel Base, commercial vehicle development manager at the SMMT.

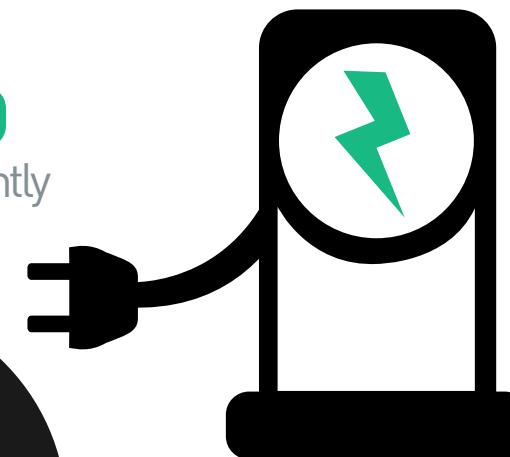
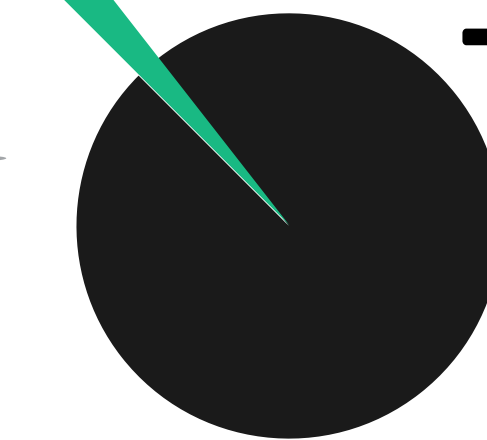
"Vans are business tools and drivers are typically more sensitive to purchase price and return on investment than car buyers, while current electric van technology, which involves large batteries, can mean reduced carrying capacity."

Countries where plug-in vehicle adoption has been high typically promote in-life benefits such as free parking and charging, use of bus lanes and cheaper annual road tax.

"All of which also contribute to a stronger second hand market, which is essential for mainstream adoption," said Barnett.

The Road to Zero strategy does commit to continue offering grants for plug-in cars, vans, taxis and motorcycles until at least 2020, and that they will be maintained at the current rates until at least October 2018. It also acknowledges that consumer incentives in some form will continue to play a role beyond 2020.

**2.2%**  
market share currently held by ULEVs



**£500**  
grant towards workplace charge points

Barnett said: "While it's positive, more clarity is needed to give drivers the confidence to opt-in."

Nick Brownrigg, Alphabet chief executive, also called for more clarity.

"The residual value risk on 300,000 EVs is £4.5 billion and circa £20bn for the car park that the BVRLA is talking about (720,000 by 2025)," he said.

"To do this, we need more certainty and one area is BIK. It is not ideal for a customer to choose a vehicle for three years today and have no idea of their BIK in the final year."

## DRIVING UPTAKE

For its part, the Government has pledged to lead by example on EV uptake by ensuring 25% of the central Government car fleet is ultra-low emission by 2022 and that all new car purchases are ultra-low emission by default.

It has committed to 100% of the central Government car fleet being ultra-low emission by 2030.

The strategy also includes a number of initiatives to boost the charging infrastructure for electric vehicles (EVs). For example, the Government says it will look to mandate charge points in newly-built homes and for new lampposts to include charging points.

It will also launch a £400 million Charging Infrastructure Investment Fund to help accelerate the roll-out of charging infrastructure by providing funding to new and existing companies that produce and install charge points.

Furthermore, a £40m programme to develop and trial wireless and on-street charging will be launched, as well as providing up to £500 for EV owners to install a charge point in their home.

There is also a proposal for increasing the grant level of the Workplace Charging Scheme from £300 per socket to 75% of the purchase and

installation costs of a charge point capped at a maximum of £500 per socket.

## ROLE FOR DIESEL

Despite the plethora of plug-in incentives, the Government insists it is taking a technology-neutral approach and there is a role for diesel, in the short term at least.

"Cleaner diesel vehicles can play an important part in reducing CO<sub>2</sub> emissions from road transport during the transition to zero emission vehicles, while meeting ever-more stringent air quality standards," said Grayling.

However, he stressed that for diesel vehicles to play their part fully, their air quality impact must continue to be reduced.

DfT also wants to promote the use of telematics and fuel-efficient driving to help lessen the impact of vehicles on the environment.

The Road to Zero strategy says it will "renew action to encourage the widespread adoption of fuel-efficient motoring by fleets, company car owners and private motorists".

This will include the creation of a taskforce with the motoring and insurance industry to promote the use of vehicle telematics technology.

Chris Chandler, principal consultant at Lex Autolease, said: "Well-managed car and van fleets have policies to realise the cost-saving benefits associated with fuel-efficient driving."

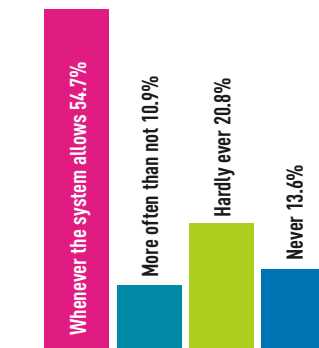
"Private motorists represent the biggest challenge here. Many already understand the principles of fuel-efficient driving, but only put them into practice when it suits them."

The report also gives backing for the increased supply and sustainability of low carbon fuels through a legally-binding 15-year strategy to more than double their use to 7% by 2032.

## FLEET FACTS AND FIGURES

### OPINION POLL

If you have a hybrid car, how often do you drive it in electric mode?



### FleetNews view:

The results of our poll suggest that more than a third (34.4%) of hybrid drivers hardly ever (20.8%) or never (13.6%) use their car in electric mode. This could impact the fuel economy figures being achieved by those drivers, resulting in higher fuel costs for fleet operators dependent on how fuel is reimbursed. Our view is hybrid vehicles are most suitable to low mileage drivers.

This week's poll: Do you think the ULEV target of 50% of new car sales and 40% of new van sales by 2030 is achievable?  
[fleetnews.co.uk/polls](http://fleetnews.co.uk/polls)

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## Car traffic hits new high but desire for ownership may be on the wane

Increased mobility services threaten to disrupt traffic patterns in the future

By Gareth Roberts

**C**ar traffic reached a record high of 254.4 billion miles in 2017, with overall traffic on Great Britain's roads up by 1.3% from the previous year to 327.1bn miles.

The newly released figures from the Department for Transport (DfT) also show that van traffic rose by 2.7% to reach a record high of 50.5bn miles over the same period.

Cycle traffic showed the greatest increase of any vehicle (in percentage terms) up by 3.1% year-on-year to 3.3bn miles.

Bus and coach traffic saw the largest decrease, falling by 3.4% from 2.5bn to 2.4bn miles, continuing an overall decline seen since 2007, while motorcycle traffic remained broadly stable.

However, traffic patterns could change significantly in the future, with mobility experts predicting a switch away from car 'ownership' to vehicle 'usage'.

Instead of using the car to get from A to B, private and business motorists will choose multi-modal options, including public transport, ride hailing firms and autonomous cars to complete their journey.

Christoph Domke, director of Mobility 2030 at KPMG, highlighted how the number of 16-to-17-year-olds applying for a provisional driving licence had halved in the past 20 years.

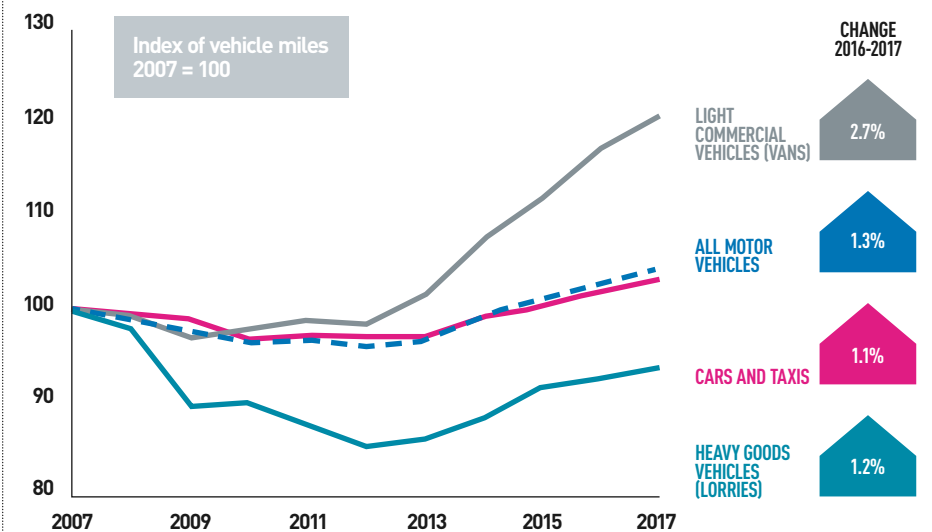
"Going forward, vehicle ownership will not be as important as it was in the past," he told delegates at the Low Carbon Vehicle Partnership (LowCVP) annual conference.

"What we are seeing is vehicle ownership declining quite significantly, while passenger miles will increase quite a lot."

The UK new car market declined in 2017, with annual registrations falling for the first time in six years to 2.5 million vehicles.

The Society of Motor Manufacturers and

### VEHICLE MILES TRAVELLED BY VEHICLE TYPE 2007-2017



Source: Department for Transport

Traders (SMMT) is predicting a similar fall this year, with car registrations ending the year 5.1% down on 2017's total at 2.4m units.

A decline in ownership will also herald a reduction in the number of vehicle manufacturers, according to Domke.

"At the moment we have 27 large OEMs (original engine manufacturers) in the market," he said. "We at KPMG predict that within the next 10 years that number will half."

Car ownership has grown significantly over the years due to the relative cost of buying a motor vehicle decreasing. For example, only 14% of British households had access to a car in 1951, but that had increased to 77% in 2016.

The DfT says there remains scope for further growth in ownership as, in 2016, 44% of households in the lowest income quintile were without access to a car.

But, Chris Perry, country lead at mobility firm Maas Global, is not so sure. He believes that as mobility as a service (MaaS) becomes more defined and affordable, manufacturers will, inevitably, sell fewer cars.

"It is perhaps not a surprise that one of the most significant investors in Maas Global is Toyota Financial Services," he said. "[Toyota is] looking to replace the revenue it would have received from selling cars to the model of the future which is one of usage and services."

Perry told the LowCVP conference that the car will still have a key role to play. "Our view is the

car is always going to be a key part of the mobility ecosystem," he said.

"For many journeys, public transport or ride share is not going to work. Most people are going to need a car for some of their journeys, some of the time, but if we can move away from owning a car then there will be growth in alternative modes [of transport]."

Maas Global launched its Whim app in the West Midlands in April, offering a multi-modal transport alternative to car ownership.

Within the first month, there were almost 3,000 downloads of the app, which combines access and payment for different transport options, including public transport, taxis and car hire.

In urban areas, factors such as road congestion and better cycling and public transport links can make car travel a less attractive option than in rural areas.

Furthermore, figures from DfT suggest that compared with using a car, reaching key services using public transport takes more than twice as long on average in rural areas, but only about 50% longer in urban areas.

Mobility providers certainly see a greater opportunity for growth by initially targeting larger cities, rather than rural areas. But, as mobility platforms develop and include a wider range of providers, their use across the country will become more widespread and could significantly change the travel patterns seen today.



*"Going forward, vehicle ownership will not be as important as it was in the past"*

Christoph Domke, KPMG



# Mercedes pilots a multi-marque telematics service for businesses

App aims to address lease company concerns over where SMR will be performed

By Sarah Tooze

**M**ercedes-Benz has confirmed it will launch a multi-marque telematics proposition, Connect Business, in quarter four this year.

Connect Business is a separate organisation set up by Mercedes-Benz's parent company Daimler and the service will be available on a subscription basis.

Head of fleet Rob East told *Fleet News* in May that the brand was "about to start the first pilot" (*Fleet News*, May 31). Now he has revealed the pilot is with a well-known London-based chauffeur company, which already has Mercedes-Benz vehicles on its fleet and has been utilising its connected car app, Me Connect.

When Mercedes-Benz launched Me Connect, a number of leasing companies declined to sign up to its terms and conditions as the app had the potential to send the driver to a franchised dealer when a service was due rather than keeping the car within the leasing company's preferred network (*fleetnews.co.uk*, June 15, 2016).

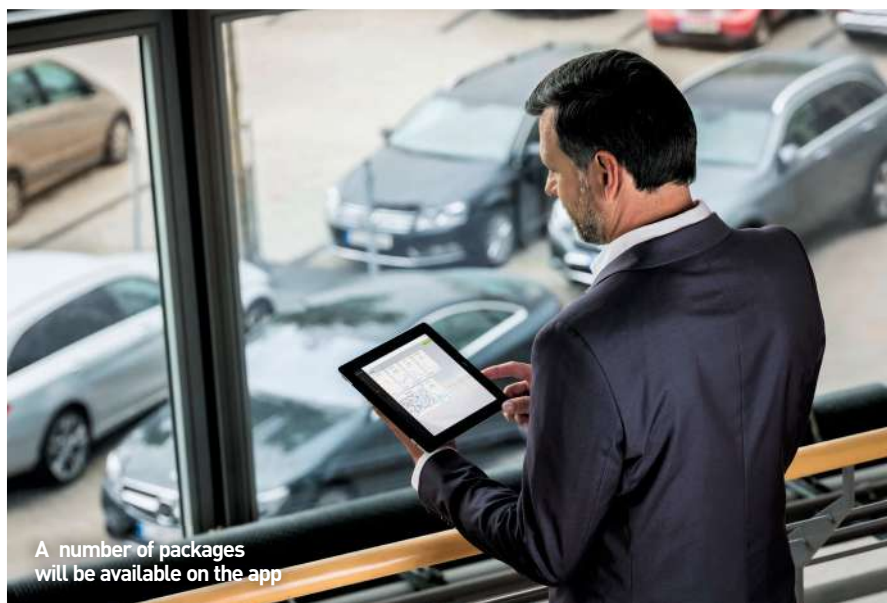
However, this has been addressed with Connect Business as the service notification will go direct to the leasing company or the fleet manager.

Rob Morris, national fleet operations manager at Mercedes-Benz, said: "When Me Connect was established it was very much a retail proposition that was tweaked for fleet usage. This solution is purely aimed at the fleet controller [leasing company] or fleet manager and supporting them to drive down costs and better manage and utilise their fleet."

He added that the leasing company would have access to the data provided that the fleet customer and company car driver had agreed to share the data.

Daimler also plans to develop a white label solution for leasing companies.

"They [the leasing companies] are aware of the pilot and those that we've spoken to said they



A number of packages will be available on the app

would be keen to see the product once it's up and running," Morris said. "There has been an initial engagement and excitement from a handful as to how this could work as a solution for their entire fleet."

An adapter is used in order to connect to a non-Mercedes vehicle, which Morris said he was "relatively confident" would work without any technical glitches as the system is already in use with a number of customers in Germany.

The chauffeur company piloting the technology in the UK will initially use it in its Mercedes-Benz vehicles and then on a multi-marque basis.

"There will be an API data feed directly into its own fleet management system and that will pull through all the service maintenance requirements for them to better manage their fleet," Morris said.



*"This solution is purely aimed at the fleet controller or fleet manager"*

Rob Morris, Mercedes-Benz

Customers will be able to choose from a number of packages such as vehicle monitoring and maintenance, safety and CO<sub>2</sub> monitor (which allows fleet managers to check how the vehicle is being driven), theft and asset management, and corporate car sharing.

A 'vehicle health' dashboard will enable customers to check the status of tyre pressures, brake pad wear, coolant, brake fluid and washer fluid and when a service is due.

At a later date, AdBlue levels will also be available.

Drivers, meanwhile, will benefit from a digital mileage log and will be able to switch between private and business journeys.

Morris declined to comment on the price of the subscription model, the name of the chauffeur company or the expected take-up but said that "we will recruit someone specifically to go out into the market and engage with the market on this product".

## WLTP WORKSHOPS PLANNED

Mercedes-Benz is holding a number of workshops with its retail network to educate them about Worldwide harmonised Light vehicle Test Procedure (WLTP).

Rob East, head of fleet at Mercedes-Benz, said: "I want us, as a brand, to be able to give fleet managers, leasing company and end-user drivers the right advice as we transition through what is a fundamental shift."

The whole of Mercedes-Benz UK has already been through the training and within

the product department there is a role focused solely on WLTP.

East said a "miniscule" number of vehicles were left to be tested and that issues ordering hybrid models were not as a result of WLTP but because it had coincided with some models transitioning from generation two to generation three technology.

Mercedes-Benz will launch a diesel plug-in hybrid E-Class at the end of this year, followed by a diesel plug-in hybrid C-Class next year.

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NEWS



Taking a car home means police officers can respond more quickly to incidents

## HMRC relents on tax change that penalised undercover policemen

BIK exemption for emergency response vehicles to be reviewed in 2020

By Tom Seymour

**T**he Government has performed a U-turn on introducing tax changes that would have seen drivers of unmarked emergency response vehicles being charged company car tax for journeys made while 'on-call'.

HMRC was criticised by the Police Federation and the National Police Chief Council (NPCC) after changes from its Finance Bill 2017 meant some emergency response vehicle drivers were liable for benefit-in-kind (BIK) tax based on the vehicle's P11D value, the number of days the vehicle is available for their private use and an environmental levy.

The officer's salary also determined whether they were in the basic 20%, higher 40% or additional 45% banding.

This had meant tax payment increases potentially amounting to thousands of pounds due to the fact most undercover officers use high-performance, unmarked response vehicles that have high P11D prices and high emissions.

For example, a BMW 3 Series 2.0i 184 Sport has emissions of 134g/km and a P11D value of £30,140. For a 40% taxpayer this would mean a total BIK bill of £3,255 a year or £271.25 a month. A BMW M3 would cost £8,677 in tax a year or £723 a month for a 40% taxpayer.

At the time, HMRC rejected suggestions that it was unfairly penalising undercover police officers and said it was right for commuting mileage to be taxable (fleetnews.co.uk, October 27, 2017).

Emergency police vehicles are often driven home to increase response times, rather than

*"Unfair tax could have affected officers' ability to carry out vital work"*

*Andy Fittes, Police Federation of England and Wales*



officers having to get to a depot.

After feedback from the Police Federation and the NPCC, HMRC has now extended the scope of the current BIK exemption for emergency vehicles to cover all commuting journeys.

It is also introducing a transitional period between April 6 last year until April 5, 2020, when the rules will be revisited.

The HMRC will also allow the cost of fuel to be excluded from the calculation of additional expenses when an employer has not provided

any fuel for private use; the cost of fuel for any private mileage has been made good in full; or any reimbursement by the employer is only for fuel used for business mileage. HMRC also confirmed that any tax payments made in error can be reported and claimed back.

An HMRC spokesperson: "We updated the guidance in response to suggestions from the emergency services sector. Where benefits have been payrolled during 2017-18, employers are able to report errors and the effect of the new rules should have been adjusted."

Andy Fittes, Police Federation of England and Wales general secretary, welcomed the changes and the fact HMRC and the Government had listened to concerns from the sector.

He said: "While it only involved a small number of federated officers, this was an unfair tax which could ultimately have affected their ability to carry out vital work in keeping the public safe."

"Police officers should not be penalised for effectively just doing their job and any officers who were adversely affected when the new rules came in in April 2017, can now claim the money back from HMRC."

The HMRC spokesman added: "Ordinary commuting is typically considered a private expense. Extending the 'on-call' exemption to allow for ordinary commuting in an emergency vehicle is designed to aid the provision of vital public services."

"This recognises that the emergency services require flexibility to maintain fast response times, and ensures that a tax charge will not discourage employees from taking vehicles home."

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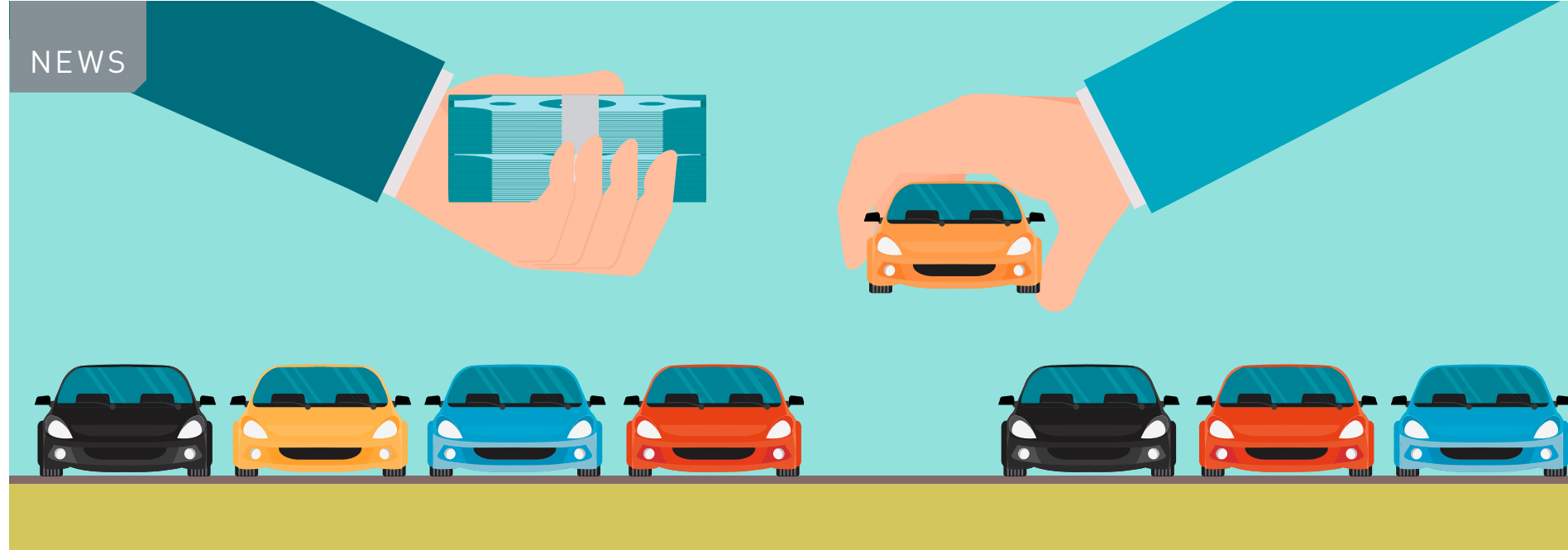


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## Cash takers will help fuel growth of PCH

Leasing giants predict more drivers will look for personal leasing deals to avoid rising BIK

By Matt de Prez

**P**ersonal contract hire (PCH) is on the rise as major leasing companies are targeting businesses to offer their employees cheap deals.

Cash takers, spurred by uncertainty around future company car taxation, are among those on the radar.

A number of FN50 leasing companies are launching PCH services that, in some instances, offer cars with monthly repayments lower than the equivalent benefit-in-kind (BIK) tax.

"For a variety of reasons the traditional company car is going to change over the next couple of years," said Nick Hardy, sales and marketing director at Ogilvie Fleet.

Hardy believes that the leasing industry has previously neglected drivers who take a cash option by not explaining the benefits of a company car and leaving them to find a vehicle in the retail market.

"The drivers are still drivers and still need transport. How they fund and use that transport to meet their personal needs is what is changing.

"Some drivers want to minimise cost, some want better cars, some want economical cars, others don't. The need to offer more choice and match transport needs to lifestyles, while still meeting the corporate needs of employers, is the trick."

He believes leasing companies have to work more closely with drivers to ensure they make the right decision to suit them financially, offering a range of solutions.

"It's a minefield out there to find a PCH deal," Hardy said.

"If a company trusts us with its fleet, why doesn't it let us go further down the line with its employee base. The offers can be promoted internally as a HR benefit and we will provide the service to all employees who want it."

Lex Autolease has offered PCH since 2012, but is currently piloting a new scheme with a number of its corporate customers who already have a company car scheme in place. The new Personal Contract Leasing (PCL) service is available to all employees and is structured to maximise discounts via affinity terms with selected manufacturers and special offers.

Unlike a salary sacrifice arrangement, in a PCH deal the vehicle is provided to the driver privately and is not classed as a benefit.

Ashley Barnett, head of consultancy at Lex Autolease, said: "It may be of particular interest to those considering opting out of their company car scheme and taking the cash alternative, with a view to leasing their own vehicle."

Arval says it is seeing a shift in large companies' attitudes towards keeping their employees mobile. It has started offering a new PCH product call Re-Lease, offering nearly new vehicles as a PCH product at a reduced rate.

Paul Marchment, SME business development director at Arval, said: "For many years companies offered a traditional company car and then, in more recent times, some have offered their employees salary sacrifice products.

"For larger companies who do offer a cash allowance to drivers, a PCH product is the next natural step. Ultimately a large organisation will require a joined-up package which it can offer to

all employees which should encompass all these funding products as well as risk products such as driving licence checking and insurance."

ALD Automotive already has several affinity and structured schemes in place and, following a successful pilot, is about to roll out a fully online solution to several customers later this year.

It offers private individuals the ability to obtain quotes, be underwritten, place an order and sign an agreement electronically. It also offers an in-life tool for the ongoing management of the agreement – offering customers an end-to-end car buying journey entirely online.

"With the introduction of WLTP on new cars, coupled with the lack of clarity on BIK rates beyond 2020, there is a growing level of uncertainty around company cars. Some drivers, particularly those in perk cars with a cash alternative rather than the essential users, are considering their options," said Mark Evans, fleet consultant for ALD Automotive.

But, Evans also predicts a shift in the private market: "PCH is particularly popular with younger people who are more detached from the emotional side of ownership and would rather have the latest model, whether that is a car or a mobile phone. With PCH, drivers have embraced the idea of having a brand new car every few years, possibly upgrading to something that they wouldn't normally be able to afford to buy, particularly if the cost is fixed and budgeted, taking away the financial risk."

Zenith launched Zen Auto in March, with a focus on offering PCH deals to the public. The company expects the consumer market, currently 80% Personal Contract Plan (PCP)

and 20% PCH, to flip in favour of PCH within the next 10 years, as millennials – with no equity – drive a new subscription economy.

Tim Buchan, chief executive of Zenith, said: "Zen Auto is designed to make it easy for drivers to find and fund their next vehicle. We think that this, along with an increasing trend in society to borrow or rent things rather than own them, and the compelling value that leasing offers for many drivers makes for a significant opportunity to grow PCH's share of the market."

According to the British Vehicle Rental and Leasing Association (BVRLA), the trade body for the vehicle rental and leasing sector, personal leasing grew by 14% in the first quarter of 2018, contrasting with a 1% overall decline in the leasing sector.

Mirroring this growth, all the FN50 top 10 leasing companies now offer some type of PCH arrangement.

Tusker, occupying 13th position in the league table, told *Fleet News* it will not be offering PCH and will instead focus on salary sacrifice.

Similarly, Venson Automotive Solutions (20th) confirmed it has no immediate plans to enter the PCH space.

However, Inchape Fleet Solutions (IFS), 14th in the FN50, is the latest company to announce a personal leasing division, called Lease-mycar.

Matthew Rumble, managing director at IFS, said: "This product launch marks an important step in our strategy to widen our product portfolio to ensure sustainable growth. We have listened to the voice of our customers and developed this product to enable wider access to the benefits already enjoyed via business contract hire."



*"The need to offer more choice and match transport needs to lifestyles, while still meeting the corporate needs of employers, is the trick"*

Nick Hardy, Ogilvie Fleet

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# Short-term tax policy makes 'zero sense' says BVRLA chief Keaney

Policy relating to electric cars 'doesn't reflect any sort of connected thinking'

By Sarah Tooze

**G**erry Keaney, chief executive of the British Vehicle Rental and Leasing Association (BVRLA), has called on Government to "get its act together" and address the "obvious failures" in its short-term tax policies for electric cars.

The current company car tax and VED rates act as "a positive disincentive" to fleet operators and that drivers who want to take an electric car at a company car, Keaney told delegates at the BVRLA's annual Fleet Technology Congress.

The company car tax band for zero emissions vehicles is currently scheduled to increase over the next two years to a high of 16% in 2019/20, before dropping to 2% the year after. The BVRLA wants the Government to accelerate the introduction of the 2% band.

"Short-term tax policy relating to electric cars today makes zero sense to anybody," Keaney

said. "It doesn't reflect any sort of connected thinking between an air quality objective, between the diesel campaign that's going on, between the tax harmonisation objectives."

He urged the Government to take action in November's Budget because "if it wants to make a difference, that is the single biggest thing it can do to accelerate the take-up of electric cars".

Once the Government has addressed its short-term tax policy it needs to look at the longer-term because as the take-up of electric vehicles grows, the tax yield from both company cars and private cars will decline rapidly, Keaney said.

"There needs to be a grown-up discussion in the UK about what is going to replace the current tax yield that comes from cars when looking to



*"There isn't the right national coverage to really support taking on electric vehicles in the way that we would recommend"*

Gerry Keaney, BVRLA

tax electricity, for example. How is electricity going to be taxed? What is the role it's going to play? How is it going to be addressed?"

Keaney repeated calls from the Fleet Industry Manifesto, put together by Fleet News, fleet operators' association ACFO and the BVRLA in 2015, for the Government to consider road pricing to replace fuel duty.

"Road charging is politically unacceptable today," Keaney said.

"But actually, as the tax yield from hydrocarbons declines, there needs to be a discussion, and we need to be part of that, on how we top up the Exchequer's coffers."

The third area which the BVRLA wants the Government to address is electric vehicle charging infrastructure as confidence in the infrastructure is one of the key things preventing greater adoption of electric vehicles, according to BVRLA members.

"Today it's inadequate," Keaney said. "There isn't the right coverage and there isn't the right national coverage to really support taking on electric vehicles in the way that we would recommend."

"There are too many obstacles in the way in terms of putting new sub-stations in place, who pays for sub-stations, who has to give the right planning approvals in terms of the implementation of sub-stations."

Danny Jones, CEO of Off Grid, which specialises in battery energy storage, agreed that there are "significant challenges" for the grid, pointing



Keaney's remarks were made to the BVRLA's Fleet Technology Conference

out that in London 10% of sub-stations are already at capacity.

Applying to the Distribution Network Operator (DNO) for an upgrade can bring challenges both in terms of costs and timescales. Jones suggested it could take months or even years, and, in one instance, an organisation was facing a £70,000 upgrade.

The alternative solution, Jones believes, is a combination of smart charging (managing power demand) and energy storage (filling a battery with energy when power demand is it at

a low level and then using that energy to top up the grid when the peak in demand occurs).

Chris Cheetham, business development manager of Pod Point, predicted that within the next two years energy providers are likely to incentivise EV drivers to charge their vehicles at certain times and in the "further future" (within the next 10 years) there will be 350kW rapid chargers, although it is likely to be "limited use" and "the energy supply has got to be there".

■ **Turn to page 21 for more on EVs from Keaney and to find out about wireless charging.**

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# THE BIG PICTURE

By Stephen Briers, editor, *Fleet News*



As the representative media brand for more than 16,000 fleet decision-makers, plus leasing companies and the fleet ops of manufacturers, we have been inundated with pleas to address the Government's seemingly relentless attack on the company car.

This requires some thought: we've no desire to launch half-baked campaigns or to lobby the Government without industry agreement on a common manifesto.

We've been here before, of course, linking arms with ACFO and BVRLA on the Fleet Manifesto prior to the 2015 general election.

We brought together fleets, leasing and rental to agree a position on key topics which was presented to then DfT transport minister John Hayes at the House of Lords.

*"Our plan now is to target the Budget with our Fleet Budget Manifesto"*

The report cascaded through the corridors of power and has helped influence Government policy, including on autonomous vehicles and reform of Highways Agency, while we understand the re-introduction of road safety targets is back on the agenda.

This year we addressed air quality alongside BVRLA, ACFO and Energy Saving Trust, meeting five city authorities charged with implementing clean air zones. Again, we found MPs were listening and willing to act.

Our plan now is to target the Budget with a Fleet Budget Manifesto which we are launching in our August issue (where we will also be celebrating our 40th birthday).

We are working in uncertain times: the impact of WLTP, no BIK thresholds post 2020/21, plus a possible Brexit no-deal.

We can't promise to influence the Brexit negotiations, but we can help the fleet sector flex its combined muscle in other ways in the lead up to the Budget.

So, this is your chance. What do you want us to focus on? How can the Chancellor make a difference to your business?

Email your thoughts in confidence to me at [stephen.briers@bauermedia.co.uk](mailto:stephen.briers@bauermedia.co.uk) or comment online. Then wait for our August 23 issue.

## YOUR LETTERS

### COMPANY CAR TAX

## Drivers being steered to more polluting vehicles

EDITOR'S PICK



#### Petrol Paul wrote:

Having read 'HMRC figures show cost of company car tax increase' (*Fleet News*, July 12), the Government needs to realise that the tax revenues will fall unless they make company car tax sustainable again.

What's needed here is balance. Government's short-term tax take is rising – largely because most company car drivers have a three- or four-year tie-in to their vehicle.

However, many (as the reducing company car driver numbers are already showing) will give up the company car at their next renewal.

Fewer company cars will see

a falling tax revenue for the Government within a couple of years with drivers who previously had new economical company cars (that helped reduce pollution and supported the UK motor industry) swapping into older, second-hand, more polluting vehicles or new personal lease or PCP vehicles where the pressure on taking a low CO<sub>2</sub> 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.

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

#### Nigel Boyle added:

The year-on-year increases in benefit in kind (BIK) is something the Government needs to stop. The car I drove last year costs no more to run this year, yet they charge me more. The argument is flawed; if it wants to increase revenue it should increase

the rate of income tax so everyone can see it. This is backdoor taxation that is very close to backfiring.

The tipping point is near.

It will not stop people driving, it will stop them having company cars and cause Government revenue to dramatically fall.

### AIR QUALITY

## Don't ban diesel engines

#### Peter Smyth wrote:

Having read 'Is the fight for clean air a fight against diesel?' (*Fleet News*, July 9), it still amazes me that an engine which emits less CO<sub>2</sub> than a petrol engine, as well as emitting fewer particulates than a new direct-injection

petrol engine is being banned. I understand the NO<sub>x</sub> problem, but shouldn't that be fixed instead of banning the diesel engine? Banning diesel because of NO<sub>x</sub>, while it emits less CO<sub>2</sub> is like fixing a broken leg while the patient is bleeding to death.

### ROAD SAFETY

## Variable speed limit worth investigating

#### Chris wrote:

Having just read 'Highways England considers variable speed limits up to 60mph in roadworks' (*Fleet News*, July 16), it is certainly worth investigating, but it should never be at the expense of human life.

I've just experienced the painful 30mph limits on the M6 where I barely saw a single worker – absurdly slow.

### MOBILE PHONES

## Not sure signs are the way forward

#### Winston wrote:

Having read 'New mobile phone detection signs trialled in Norfolk' (*Fleet News*, July 17), I've had warning signs flash me for allegedly doing more than 30mph when I was absolutely not doing so – infuriating. Will this innovation be any more accurate, I wonder.

Unless it can distinguish between the driver and a passenger, what's the point? Education, more police patrols and more prosecutions is the way forward.



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LinkedIn: UK fleet managers group Twitter: [twitter.com/\\_FleetNews](https://twitter.com/_FleetNews)

### PLUG-IN HYBRIDS

## Necessity is the mother of invention

#### The back end guy wrote:

Having read 'Today's hybrids will not comply with Government's 2040 zero emission target' (*Fleet News*, July 5).

Manufacturers have 21 years to mass-produce an all-electric or hydrogen-powered vehicle – something that many already do with the former.

If someone would have told you in 1998 that you'd be seeing 1.0 engines producing 140PS with minimal emissions the chances are people would have taken a step back and queried what emissions had to do with it, before doubting the power output. Necessity is the mother of invention and never has a quote been as apt as this when referring to the motor industry.

RIP the internal combustion engine.

### EMISSIONS TESTING

## Drivers will choose cash

#### Rosco wrote:

Having read 'WLTP could prompt fleets to offer more company cars, says FleetCheck' (*Fleet News*, July 6), I have to disagree with this analysis.

WLTP will lead to more drivers choosing cash and more companies offering a cash alternative.

WLTP has been used by the Treasury to increase company car tax under the guise of targeting emissions. The Treasury has chosen to punish drivers of company cars for decisions made based on its existing rules.

Whereas the tax on the car allowance has not changed at all. Either 20% or 40% of the cash amount plus employees' national insurance.

This hasn't changed for decades.

What the WLTP changes have done is make the company car more expensive to the employee and employer, and moved the breakeven point considerably higher, so only very high mileage drivers would choose a company car.

## Contact us

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#### Burning question:

What's your favourite sport?

#### Editorial

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Over the years, it has switched between football, rugby and basketball. Today?

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## COMMENT

## FLEET OPINION

### AIR QUALITY

## Part of solution – and the debate

By Gerry Keaney

Poor air quality is now linked to an estimated 40,000 deaths in the UK every year. As an industry, we are obliged to do our part to improve the situation.

The Government has announced bold targets in this month's 'Road to Zero' strategy and acknowledged industry support is vital. We want to work with Government and local authorities in driving this move to greener, cleaner transport. It is the best way of ensuring progress delivers improvements to air quality without unfairly penalising fleet operators.

Analysis shows that rental and leasing sectors contribute £49 billion to GDP, support the employment of 465,900 people and buy 83% of vehicles assembled in the UK which are sold to domestic customers. The industry spent £30bn buying more than 1.8 million vehicles in 2017. Over the same period, an estimated 1.4 million vehicles, equivalent to a quarter of the industry's entire fleet, entered the used-vehicle market, contributing £1.7bn to UK GDP.

These credentials underline why we've been co-hosting regional roundtables with *Fleet News*, ACFO and Energy Saving Trust alongside local authorities in the vanguard of Clean Air Zone cities.

It's vital that local business and fleet operators are part of the conversation to ensure a model is created that balances the multiple needs of each community.

We've also vowed to increase the number of ultra-low emission vehicles by launching our own 'Plug-in Pledge'. We've set a target for our members' combined plug-in vehicle fleet size to surge from 50,000 to 720,000 by 2025.

In seven years' time vehicle rental and leasing companies will be buying 300,000 plug-in vehicles per year, an increase in the industry's share of annual new plug-in hybrid and pure electric vehicle registrations from 36% to 60%.

This can only be achieved if the Government offers infrastructure and tax incentives. We are asking it to: bring forward plug-in company car tax incentives now and not in 2020; provide a five-year commitment on plug-in vehicle incentives; and offer more infrastructure support for businesses looking to deploy large plug-in fleets.

*"We are asking Government to bring forward plug-in company car tax incentives now"*



Gerry Keaney,  
chief executive of  
the British Vehicle  
Rental and Leasing  
Association (BVRLA)



By Morris Kesler,  
chief technology officer  
at WiTricity

### WIRELESS CHARGING

## Switch on to concept of not plugging in

By Morris Kesler

Bloomberg New Energy Finance predicts that 559 million electric vehicles (EVs) will be on the road by 2040, while IHS Markit says that more than 33 million autonomous vehicles (AVs) – which will be electric – will be sold globally in 2040.

This future of mobility will consume more electricity than the grid has ever had to handle. However, EV batteries themselves can help alleviate this problem.

EVs can store excess energy, providing it back to the grid through vehicle-to-grid (V2G) technology. V2G allows power flow between the vehicle's high-power, high-capacity propulsion batteries and the grid. This technology can balance the supply and demand on the grid that is expected to accompany the shift toward electrified, autonomous vehicles.

Utility companies can offer monetary incentives like reductions in utility costs for consumers that provide the grid with power. However, for V2G to be successful, automakers need to provide consumers with the technology that enables a smooth transition alongside the mass adoption of EVs.

Wireless charging technology will enable the electric and autonomous future of transportation for V2G.

Wireless charging, based on magnetic resonance technology, allows EVs, no matter the type or size, to automatically and safely charge by flexible positioning over a source pad, even through materials like concrete, asphalt and ice.

The wireless charging pad can be installed above the ground or flush mounted into the floor of a garage or road. Wireless power delivers the same charge speeds and efficiency levels as traditional plug-in charging methods.

Wireless charging is an added convenience for EV drivers adopting V2G, as consumers can still give back to the grid by plugging in. For self-driving cars, without a driver to plug in or implement V2G, wireless charging becomes a necessity.

With mass adoption of electric and autonomous vehicles right around the corner, utility companies and automakers need to prepare to implement V2G – only made widely possible by wireless charging.

*"Wireless charging technology will enable the electric and autonomous future for V2G"*



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# IN SEARCH OF THE ZERO-EMISSIONS REMEDY

YAS has a goal of achieving zero emissions by 2050. But getting there might entail building a frontline ambulance from scratch. *Andrew Ryan* reports

**A**s far as challenges in the fleet sector go, replacing diesel frontline ambulances with zero emission models must rank among the most difficult.

The vehicles of Yorkshire Ambulance Service (YAS) NHS Trust weigh up to 5.5 tonnes, travel between 200 and 800 miles a day, respond to emergency calls instantly and power sophisticated medical equipment.

These demands cannot be met by any of the electrified vehicles currently available, making diesel still the best – nay only – fuel choice for the organisation.

It is a situation which frustrates Alexis Percival, environmental and sustainability manager at YAS, but one she is making great strides towards solving.

“As an NHS organisation – or any public sector organisation – if you are running a cancer-laden diesel vehicle you have a moral obligation to eliminate that from your fleet, because you are contributing to the deaths of 40,000 people in the UK each year,” she says.

“A public sector organisation should not be killing anybody.”

Her solutions to eliminating diesel emissions are ambitious and wide-ranging.

“We are looking to see if we can get some funding through an Office of Low Emission Vehicles (OLEV) grant that is coming up for

specialist vehicles and actually build a zero-emission, frontline ambulance from scratch,” says Percival.

“We are working with all the technologies, innovators and vehicle manufacturers to see if we can build it based on electric technology and then, on top, put in hydrogen fuel cells.”

This forms part of Percival’s ambition for the fleet to become zero emission by 2050, and although the aim is high, her undoubted enthusiasm, drive and recent successes demonstrate this is eminently achievable.

YAS, which has a fleet of 1,200 vehicles, has made significant strides in developing and adopting zero emission technologies.

It introduced two hydrogen-electric small vans 18 months ago and, earlier this month, it became the first ambulance service in the UK to operate a hydrogen-diesel vehicle.

One of the key partners in the initiative is the Ultra Low Emissions Mileage Company (ULEMCo), which, as part of the Innovate UK-funded HyTIME (hydrogen truck implementation) project, worked with YAS to develop the hydrogen-diesel patient transport vehicle.

This saw ULEMCo, which in March delivered the first hydrogen dual fuel road sweeper to Aberdeen City Council, remove one of the seats from a Peugeot Boxer patient transport vehicle and replace it with two hydrogen fuel cells.

The technology injects hydrogen into the engine so it is burned before the diesel,

leading to a 70% reduction in diesel use.

“That instantly gives you a reduction in carbon emissions and a 50% -to-60% reduction in NOx, so we have ended up with a cleaner running vehicle that historically did about 200 to 250 miles to a tank but can now do 400 with hydrogen being a major contributing aspect,” says Percival.

“If the hydrogen fails it just switches back to diesel, so you would not lose a vehicle at any point.”

The vehicle is initially with YAS on a one-year trial, but Percival expects this will be extended.

It has joined two vans already on YAS’s fleet which use hydrogen: both are Renault Kangoo ZE electric vans which have been converted by Arcola Symbio to run with hydrogen range-extender technology.

Funding came from an OLEV grant.

The hydrogen technology has doubled the range of the pure-electric vans to 220 miles. The recharging time from the battery ranges from four hours to 12, dependent on the power supply, while refuelling takes three minutes at a hydrogen station.

“They’ve been fantastic,” says Percival. “You can run on pure electric, you can run on hydrogen or you can run on both. They’re the next level on from a prototype and the guys who drive them think they’re fantastic.”

All three of the hydrogen vehicles operate in south Yorkshire



Alexis Percival's passion for the environment shows both inside and outside work



## FACTFILE

**Organisation** Yorkshire Ambulance Service NHS Trust  
**Environmental and sustainability manager** Alexis Percival  
**Time in role** eight years  
**Fleet size** 1,200 (including 380 ambulances, 400 patient transport vehicles and 80 rapid response vehicles)  
**Annual mileage** 40 million



so they are close to ITM Power's hydrogen fuelling station in Rotherham.

These vehicles are just the latest ground-breaking initiatives Percival has introduced to the fleet since becoming the first environment and sustainability manager in the UK's ambulance services when she joined YAS in December 2009.

Back then she was restricted by technology – "I was looking at how we could design a frontline electric ambulance in 2010, but the technologies just weren't there, and the range of 20 to 30 miles wasn't going to achieve anything" – but was still able to introduce a number of innovative initiatives.

That year, YAS became the first ambulance service in the UK to participate in the Carbon Trust Carbon Management Programme.

It was also able to significantly increase the fuel economy of its frontline ambulances by working with Leeds University on a 'green ambulance challenge'.

This coincided with the service's switch from ambulances based on box vans to van conversions and saw engineers use aerospace industry techniques to design hi-tech, low drag light bars and cut 800kg from the vehicle's weight through innovative storage. "Moving to the lighter vehicle saw us increase fuel economy from 16mpg to 20mpg," says Percival.

"Putting the lightbar on increased that by another 1mpg, so we went from 16mpg to 21mpg, a big hit when you are driving 14 million miles a year."

Other initiatives included fitting solar panels to the roof of more than 100 ambulances to keep their batteries charged, using more efficient tyres to increase fuel economy, fitting LED lighting inside and outside vehicles and adopting telematics.

A 'Make Ready' programme reduced the carry-on weight of vehicles by cutting the amount of equipment stored on them.

Soon after Percival joined YAS, the trust set itself the target of reducing overall CO<sub>2</sub> emissions by 32% by 2015.

"We hit our CO<sub>2</sub> emissions reduction target with our estates, but because the technology hasn't leapt on too fast in our fleet department, it was really difficult," she says.

"Most of our fleet is more than 3.5 tonnes and the low-emission van market hasn't been there, hence the reason we have been looking at alternative technologies to improve our fuel efficiency."

At this point in the interview, Percival produces her electric vehicle strategy. It's an

*"A public sector organisation should not be killing anybody"*

*Alexis Percival, YAS*

immaculately drawn chart, but the sheer number of arrows connecting various factors such as YAS, councils, suppliers, other stakeholders, EV charging infrastructure requirements and vehicle technology demonstrates just how complicated the



Alexis Percival has redesigned her ambulances but is keen to have a viable alternative to diesel

## ENVIRONMENTAL PASSION IS 'PENANCE' FOR DRIVING FUEL-GUZZLER AROUND WORLD

The environment is clearly a passion of Alexis Percival.

She has worked in the environment for more than 20 years, with her earlier career taking her to Mozambique, Australia and Brazil.

Percival also founded the Green Environmental Ambulance Network (GrEAN), a national network of ambulance trusts who are working to become more sustainable through carbon reduction programmes.

So where does this drive come from? "I think it's my penance," she jokes. "I once drove around the world in an

ex-military ambulance which was very fuel inefficient – about 14mpg."

Outside work, Percival is a co-coordinator of the Green Drinks Leeds networking group, where anyone interested in environmental matters can go along and find out about a variety of subjects.

She is also doing a 'plastic-free year' which sees her reducing the amount of plastic she uses.

"Sadly, I missed the Blue Planet 2 when it was on the television and to be honest I'm glad I did because the stuff I've seen on Facebook about the damage plastics

are doing is just horrendous," says Percival.

"I've got three-year-old twins that are getting loads of things that come in plastic. When you read up about it you realise that it's not just the plastic, it's about what the plastic actually does – some of it contains an awful lot of toxins."

"So I thought about what I could do to change my own habits, and every week I go through a type of product and write a blog about what I've done to reduce my use of plastic. Among the recent things I've looked at are sunscreen, plastic containers and coffee cups."

widespread adoption of EVs will be for the organisation.

However, she doesn't seem overly daunted by the challenge, with YAS already having installed charging points at a number of its sites.

"We have the potential for parts of our fleet to go fully electric," says Percival. "We haven't done it historically because of the range of EVs, but, in some cases, the range is there now and we can consider it."

"For example, our fleet of Škoda rapid response cars needs a range of 100 to 150 miles, maybe 200 which is on the cusp of the current EVs. But a lot of the time they are sitting with their engines running, so, potentially, they could be plugged in at those times."

"I'm working with partners like hospitals and care homes to see how we can interlink and I've got various meetings to find out how we can have electric charging points at their premises."

"So whether it's patient transport to the hospital or A&E, the vehicle pulls up there and could potentially be there for seven or eight hours, and that length of time charging

would be enough to carry on for the rest of the shifts."

"Getting to that point is my electric vehicle strategy. It's very complicated as you have to look at EV charging and infrastructure for the business cases to go with the vehicles, which is what any normal fleet would do, but then we have to look at every single element of our fleet."

"What is the energy demand for the equipment we carry? What battery size do we need? When and how long does it take to charge, and do we need range extension, which ties in with the hydrogen as well."

As well as the fleet department, Percival also works with procurement and estates to reduce YAS's carbon emissions.

"I'm looking at travel plans and what we can do to get staff on their bikes, car-sharing policies and developing a carbon strategy for next five years," she says.

"I'm also working on car park designs, how we can make our ICT (Information and Communications Technology) system more environmentally friendly, and even designing a garden for Doncaster ambulance station. "We are putting in a species-rich hedge,

some water features, areas where anybody who has had an incident can go and chill out, and lots of wild flowers."

It is this wider role which helps fuel her excitement of the potential of vehicle-to-grid (V2G) technology.

"I think vehicles of the future are going to be the power source of buildings," says Percival.

"We've got 1,200 vehicles that could potentially be used and if we get it right with solar panels and a system that integrates with hydrogen as well, then we could go off the grid."

"You could also have a whole business solution for charging your vehicles, charging your building battery storage, and then creating hydrogen on a smaller scale because, as we move away from diesel, what sort of bunkered fuel would we have? It'd be battery storage and hydrogen."



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



# CHARGING'S NOW SMARTER AND MORE COST-EFFECTIVE

It started out on a farm, but EO Charging is reaping the benefits of being a second generation supplier of EV charging solutions. *Sarah Tooze* reports

**O**n a farm in rural Stowmarket, Suffolk, an electric vehicle (EV) charging revolution has been quietly taking place. It was here, originally in his grandfather's pig shed, which was converted into an assembly plant, that Charlie Jardine, founder and CEO of EO Charging, started producing his first charging unit.

Jardine is a design and technology management graduate, who says he "got sold on the opportunity for EVs" while working as marketing manager at Pod Point in 2013.

He decided to go it alone at the start of 2015 after being "frustrated working for someone else" – his parents, grandfather and uncle all have their own businesses and Jardine had a number of his own while at university.

Initially, he intended for EO (Electricity Online) to only build the hardware but by September 2015 had decided to create a software platform, too, because no one was offering exactly what he wanted.

It wasn't an easy process.

"Having left [Pod Point], naively as a marketing person, I thought 'how can making a plug be so difficult?' It turned out it was difficult and that building both software and hardware is quite a big task to undertake. But the benefit of coming to

market second is we've seen what worked and didn't work with the first generation suppliers," Jardine says. "We've drawn together a team of people that have been in the market a while – everyone from engineers through to developers, through to installers – that had first-hand experience and could help feed into our development and ensure the product we were building solved a number of issues."

Today that team has grown to 25 employees – 15 based in Stowmarket, although they recently moved from the farm to a new manufacturing facility – and EO's charging points are sold in 23 countries.

Jardine suggests there is little price difference between EO's Genius charger and rival products, but there is a big difference when a business wants to expand the number of EVs it runs and, subsequently, requires smart charging infrastructure to monitor and manage energy supply.

EO's smart charging product, EO Hub, is essentially a mini computer which can connect up to 32 charging points rather than having a single hub inside each charging point. The EO Hub costs £400, whereas the latter could add £300-£400 to the cost of each EV charging point, Jardine suggests.

If a business needs to connect more than 32 EVs it simply buys another EO Hub as the hubs can be connected.

"We'll do everything from initial site survey

through to understanding the customer's requirement. If required, we'll perform DNO [distribution network operator] negotiations, putting in new suppliers and installing the kit. Once it's in the ground and connected then we can provide an ongoing operations and maintenance plan," Jardine says.

To date, EO has made almost 4,000 chargers (of which, around three-quarters have been installed in the UK). Jardine expects sales to double year-on-year for the next three years.

"That, in the grand scheme of things, is a small proportion of the market, but our business is based on profitability and actually those numbers give us what we want – a nice, sustainable business," Jardine says.

Currently, almost two-thirds (65%) of sales have been to end-user customers for home charging, with the remainder going to businesses and what EO calls "destinations" (anywhere you can park a car for an hour or more such as hotels, restaurants and shopping centres).

However, Jardine says the business side is growing and that's where his focus is. He would ideally like businesses and destinations to account for half of EO's sales.

Its customer base includes Venson (Jardine is in talks with other leasing companies), Addison Lee (25 smart charging stations at its new Heathrow Airport depot), Hampshire Police (40 smart chargers at two locations) and Leeds City Council (25 smart charging stations).

Its biggest project to date has been installing 63 smart charging stations for Gnewt Cargo as part of a two-year trial of larger electric vans for last mile delivery. This has been part-funded by Innovate UK and OLEV (Office for Low Emission Vehicles) and is supported by the mayor of London and Transport for London.

"We're providing more than just physical hardware and software. It's building a bespoke solution to manage the power supply at the site and schedule charging sessions based on how the vehicles are being used," Jardine says.

"We look at when they need charging by and we are working with Gnewt's telematics provider so we can understand the state of charge in the batteries and automate the



## FACTFILE

**Company** EO Charging  
**CEO** Charlie Jardine  
**Head office** Stowmarket  
**Fleet products** Genius, EO Hub

Charlie Jardine became frustrated working for someone else and 'got sold on the opportunity' presented by EVs

scheduling so we can charge vehicles based on when they are required to be picked up and sent out.

"The final part is working with an aggregation partner who can control the charging stations remotely and use the charging stations to help balance the grid by just simply turning them off, on, up, down. That type of project is one of very few. But, if we start thinking about the number of similar size ones that will appear in London and then the rest of the UK, that is going to have a fairly significant impact on the grid. We need to ensure this infrastructure is smart and can be controlled remotely and has the customer's needs in mind."

First year findings suggest an electric van is around £2,000 per year cheaper than its diesel equivalent for Gnewt, with the vans doing an average of 84 miles per week, and saves 1.98 tonnes of CO<sub>2</sub> per year (equivalent to planting 990 trees per year).

Jardine acknowledges it is essential the business case stacks up for fleets.

"If you are the right type of user, going electric can save you money," he says. "This is a business decision. Yes we can tick a green box and you can do a lovely press release but, actually, the majority of the world works based around numbers so, hopefully, if we can discuss with customers and present hard facts around the savings that going electric makes then I think we'll have an easier job in helping businesses and

*"Electric vehicles are not right for everyone at this point. It's got to be practical"*

Charlie Jardine, EO Charging

councils accelerate their adoption rates."

He adds: "Electric vehicles are not right for everyone at this point. It's got to be practical and, as a fleet manager, organising and running a fleet is a complicated process so introducing EVs into that mix is potentially a bit of a challenge. We're not looking at electrifying every vehicle on fleet today because it doesn't work practically or commercially."

Telematics can help assess whether an EV is feasible (EO is building an API – application programming interface – which will enable it to integrate with any telematics provider) but it's also important to consider the availability of public charging infrastructure.

Jardine recalls how his mother, who has a BMW i3, was "petrified" of public charging.

"People call it 'charging in the wild' because you have no idea where to go, and when you get there you're keeping your fingers crossed the bay is going to be available. Is it going to

be working and have you got the right card? From a practical standpoint we think although we have an app it's got to move towards contactless, no memberships, no pre-registration, just pay-as-you-go," Jardine says.

EO is about to launch a product called the EO Kiosk, which has a contactless payment reader but Jardine believes fleets still need RFID cards to track where drivers are charging and bill accordingly.

What about the issue of public charging points not working?

"As EVs become more mainstream I think companies, charge point manufacturers, network operators, won't be able to get away with having chargers that don't work because that bit of equipment is business critical," Jardine says.

Longer term, Jardine's vision is for EO to become an online utility company, removing a homeowner's dependency on the grid by using solar panels, battery storage and smart home devices, controlled by EO Hub.

He is excited by BP's recent acquisition of Chargemaster (fleetnews.co.uk, June 28) – a move he says he couldn't have imagined when he started in the EV charging market.

But then who would have thought that on the streets of Stowmarket today you can now find a Tesla Model X, Golf GTE, Vauxhall Ampera and a Renault Zoe. And an ambitious EV charging provider.

■ For an extended version of this interview visit [fleetnews.co.uk/EOCharging](http://fleetnews.co.uk/EOCharging)



EO Charging is carrying out a two-year trial with Gnewt Cargo



# WLTP.

## TOGETHER FOR A BETTER FUTURE.

In 1992, the New European Driving Cycle (NEDC for short) was introduced. Since then, this procedure has been used to determine the fuel consumption and emission values of vehicles. However, the conditions of this laboratory test are disadvantageous in determining realistic consumption and emission values. Therefore, from September 2018 all cars must have been homologated under the new WLTP (Worldwide Harmonized Light Vehicles Test Procedure) test cycle, which is designed to better replicate real-life driving conditions.



# BMW GROUP IS READY.

BMW Group has now published revised fuel economy and emissions data for its entire range of vehicles in accordance with the new test procedure (WLTP). This means the full range of BMW and MINI vehicles sold in the UK is now fully compliant with the new test regime well ahead of the deadline. Despite the more stringent test requirements, the BMW range has increased on average by just 8g/km while the MINI average increase is just 5g/km\*. BMW's market-leading electric and plug-in hybrid range performed particularly well, with the top-selling BMW 530e Saloon increasing by just 3g to 49g/km.

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\*For Spartanburg production models (X3, X4, X5 and X6), technical changes are effective from 01 August 2018. Figures correct as of 01 July 2018.



# AFVs set for rapid growth according to survey respondees

Despite arguments to contrary, the pressure remains to move away from diesel

By Stephen Briers

**A**lternative fuels are set to play a rapidly growing role on fleet policies as companies develop strategies to reduce emissions, save fuel and meet more stringent urban transport rules.

Compelled by the European Union and legal action taken by ClientEarth, cities up and down the country are assessing ways to implement clean air zones.

In addition to reducing NOx and particulate emissions, they are looking for ways to reduce congestion and improve safety.

Many are taking their lead from Transport for London, sharing best practice and new ideas through the Urban Transport Group, which counts among its members Transport for West Midlands, Transport for Greater Manchester and West Yorkshire Combined Authority. Together, its members serve a population of more than 20 million.

As fleets assess discussion documents looking at how cities can be made safer for vulnerable road users, and those same cities assess alternative ways to move people and goods around with investment in local train lines and new tram services, air quality has leapt to the top of the agenda.

Companies are having to react, often in response to demands from their customers, to demonstrate their green credentials.

Stuart Wiseman, group fleet manager at Nationwide Window Cleaning, explained: "We are being pushed into it by our clients. They all want electric vehicles (EVs) and, as 25% of my fleet works in central London, I don't have a choice. If I go with diesel, the costs are mounting and our clients are saying they don't want diesel engines."

This position is recognised by many companies which are researching alternatives to petrol and diesel, with electric powertrain becoming a favoured choice. However, many fleets believe that their company should be doing more in this area.

One-in-four fleet managers in a recent Hitachi Capital survey believe it is extremely important that they move to alternative fuels, while the same proportion believe it is quite important. Just 6% say it is not important.

Almost a quarter of fleets (23%) plan to add alternative fuel vehicles (AFVs) within the next six months, although 55% of these organisations are already operating some. A further 19% expect to introduce them within the next two years.

Interestingly, at that point – April 2020 – the BIK tax



*"If I go with diesel, the costs are mounting and our clients are saying they don't want diesel engines"*

Stuart Wiseman,  
Nationwide Window  
Cleaning

**23%**  
of survey respondees plan  
to add AFVs to fleet within  
next six months

threshold for zero emission electric vehicles drops to just 2%, from 16% in 2019/20. However, the Government has yet to reveal its taxation bands for subsequent years, leaving drivers in the dark about future tax bills.

Perhaps that explains why 41% of fleets say they are unsure about when they will introduce AFVs, although just 5% say they have no intention to introduce them.

Fleets' views on their company's movement towards AFVs is mixed. While one in three (30%) say they are taking adequate steps, 28% believe they should be doing more. A further 15% are distracted by other, more important, pressures on their business.

The number of electric vehicles has grown dramatically in the past couple of years, with all manufacturers now outlining plans to add hybridisation to their forthcoming model launches.

Graham Telfer, Gateshead Council fleet manager, said: "Ten years ago there were no electric vehicles. Manufacturers should be commended for the product that they have delivered in this time. The Achilles heel is charging: How do you get on it, have you got the right card, does the socket on my car fit the charger? We need the billing infrastructure and the charge points."

Infrastructure, as well as vehicle cost, is one of the biggest concerns for fleets for both electric vehicles and for CNG and LNG gas-powered vehicles, which are typically heavy vans and trucks.

Jacob Telemacque, fleet manager at Kings Security Systems, raised concerns about capacity versus demand as EVs become more popular.

"If the Government does invest in the infrastructure then a lot more users will take EVs," he said. "I think that will result in more people using the infrastructure and one of my main KPIs is downtime. It's about assessing how it's going to affect your business from an operational standpoint."

There are now more than 13,000 public charging points around the UK, with 2,300 of these rapid chargers capable of bringing a battery to 80% charge in just 30 minutes. At least one rapid charger can be found at 96% of motorway services.

With BP's recent acquisition of Chargemaster, the number of electric points across the UK is set to grow considerably, which should put to rest any anxiety over range and infrastructure.

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## Poll reveals need for flexible new fleet policies

Sheer volume of challenges increases need to work with the right partner

**F**leet operators are struggling to keep their policies up-to-date given all the changes happening now. That's the verdict of a new poll conducted by Hitachi Capital Vehicle Solutions in partnership with Fleet News.

Half of all respondents said their fleet policies are failing to meet the needs of employees. And more than half – 57% – lack confidence that their policies are fit for purpose in the face of two of the biggest changes taking place in



**Suzanne Phillips**  
National Fleet Consultant  
[consultancy\\_team@hitachicapital.co.uk](mailto:consultancy_team@hitachicapital.co.uk)  
Suzanne is a qualified accountant with more than 12 years' experience in fleet. She and the Hitachi Capital Vehicle Solutions consultancy team work closely with customers to review their fleet policies and redesign them for the future, as well as to find the best blend of funding methods for their fleets.

the automotive industry today: the rise of electric vehicles and the introduction of the Worldwide harmonised Light vehicle Test Procedure (WLTP).

Fleets currently face a number of significant challenges. Company car tax rates have been rising for years – and will continue to do so. Legislation last year created additional complexity for salary sacrifice, cash alternative and employee car ownership schemes. And the WLTP will change the way emissions figures are calculated, creating confusion and uncertainty over company car tax rates.

Meanwhile, fleet operators are also grappling with the need to reduce vehicle emissions: both climate-changing carbon dioxide and air-polluting nitrogen oxides.

Fleet decision-makers must also address a range of measures to encourage the switch to cleaner vehicles such as the recent tax increases for diesel vehicles, London's Ultra Low Emission Zone (ULEZ) and Clean Air Zones (CAZs) in other cities.

Going green has become an important

part of any organisation's corporate social responsibility – and fleet professionals recognise this. In a survey for Hitachi Capital's recent Future of Fuel Report, 82% said it's important to move towards alternatively-fuelled vehicles (AFV), and 42% said they plan to add new AFVs in the next two years.

To meet these challenges, it's vital organisations review and update their fleet policies regularly, to ensure they are offering employees the best vehicles in each class.

Drivers should be segmented by mileage and operational requirements, allowing solutions to be tailored to their needs.

For the long term, fleets should build a flexible framework that can keep up with changes in legislation and the market. That requires working with the right partner: one who can see new challenges coming and provide solutions that meet the travel and mobility requirements of both the organisation and its employees.

And that's exactly what Hitachi Capital Vehicle Solutions' fleet consultants do for our clients.

For more information on how Hitachi Capital Vehicle Solutions supports fleets, please visit [www.hitachicapitalvehiclesolutions.co.uk/insights](http://www.hitachicapitalvehiclesolutions.co.uk/insights) and get in touch.

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# OVERCOMING THE ULEV OBSTACLES

Organisations wanting to add electric vehicles to their fleets have traditionally faced many barriers, but these are being solved.

Andrew Ryan reports

**E**xpectations for rapid and widespread ultra-low emission vehicle (ULEV) adoption are high, with some industry experts predicting there will be 15 million on UK roads by 2035.

This is a far cry from the 160,000 which are currently registered, with fleets expected to be the biggest driver of this massive increase.

However, both organisations and private motorists are taking on ULEVs in record numbers, with Society of Motor Manufacturers and Traders (SMMT) figures showing that in June there was a 45% year-on-year increase in registrations to 15,549 (6.6% of the market).

"Over the past five years, we've seen a real mindset shift in attitudes towards electric vehicles (EVs)," says Kit Wisdom, head of technical services at Alphabet which, according to last year's FN50, was the leasing company with the highest proportion of pure EVs on its risk fleet. It now has more than 10,000 EVs and hybrids and, by this May, electrified vehicles made up 11% of its new vehicle deliveries.

"With EVs and plug-in hybrid electric vehicles (PHEVs) at 8% of our portfolio even for a business as supportive of electric vehicles as Alphabet, there are still some significant barriers and challenges," says Wisdom.

Here industry experts look at some of those obstacles and how they are being overcome.



## TAX AND FINANCIAL INCENTIVES

Tax and grants have been among the biggest factors which influence company car and van choices.

The Government currently offers a number of financial incentives to stimulate uptake of ULEVs, including favourable benefit-in-kind (BIK) tax bandings.

However, it has not yet announced BIK rates for any cars beyond April 2021, creating uncertainty for any organisation or driver looking to change vehicles, says Wisdom from Alphabet.

"What's more, there is an inexplicable 'tax cliff edge' drop in BIK for EVs from 16% in 2019 to 2% in 2020, followed by this leap into the unknown," he adds.

"At the time when EVs really need BIK tax support to take off, it's not happening until April 2020 – hence industry is pushing hard to pull this forward or stagger it to incentivise EV take-up."

"Plus we're still awaiting the decision from HMRC to recognise electricity as a fuel for mileage rates as it does for petrol and diesel."

This situation has also been recognised by fleet operators' association ACFO, which has launched an online petition calling for advisory fuel rates (AFRs) to be introduced for plug-in cars.

Grants towards the purchase of EVs and the installation of charge points at home or at the workplace are available to both organisations and the public through OLEV (the Office for Low Emission Vehicles).

The vehicle grant schemes provide up to £4,500 towards the cost of a new electric or hybrid car and £8,000 towards the cost of a low-emission van.

They run until October in their current form, although the Government has stated they will be under constant review and will 'continue in some form' until at least 2020.

Under the Workplace Charging Scheme, organisations can receive £300 towards the cost of installing a charge point, up to a maximum of 20 sockets. The Government, in its Road to Zero strategy released earlier this month, has proposed increasing this grant level to a maximum of £500 per socket.

The Electric Vehicle Homecharge Scheme provides grant funding of up to 75% (to a maximum of £500) towards the cost of installing charge points at domestic properties.

While these measures can encourage take-up of ULEVs, the stop-start nature of much of this funding is not helping longer-term planning, warns Tim Schwanen, associate professor in transport studies and director of the transport studies unit at the University of Oxford.

"Funding is often short-term, programmes are regularly abandoned or replaced by the time teething problems have been addressed, although at the moment we are seeing more stability in the EV funding landscape than we did a couple of years ago," he says.

"This is deeply problematic when we are talking about long-term transitions and attempts to accelerate them."



Kit Wisdom, Alphabet

*"We're still awaiting HMRC to recognise electricity as a fuel for mileage rates as it does for petrol and diesel"*

## VEHICLE CHOICE

In the not-too-distant past, a lack of options restricted the appeal of ULEVs for the vast majority of fleets.

Energy Saving Trust (EST) figures show that in 2011, just six ULEV models were available in the UK, mainly small cars with limited ranges.

However, the number and capability of ULEVs has increased significantly since – there will be more than 180 models available later this year, says the EST, encapsulating almost all body styles.

This number will continue to rise, says Paul Gambrell, transport consultant at EST.

"We are about to see a huge explosion in the number of ULEVs out there, whether they are fully electric, plug-in hybrid or range-extendors," he adds. "The big driver is that car manufacturers have got to meet EU emissions targets for their vehicles: by 2021 their average CO<sub>2</sub> for the range of vehicles they sell has got to be 95g/km

or below, otherwise they will be fined heavily."

The driving range of pure EVs has also increased significantly. For example, when the Nissan Leaf was launched in 2011, it had an official range of 109 miles from its 24kWh battery. In comparison, the latest Leaf, launched this year, has a 40kWh battery and a range of 235 miles.

PHEVs and extended range electric vehicles are also available, which combine a petrol or diesel engine with an electric powertrain to enable them to travel further without charging.

The number – and size – of electric vans available is also increasing, with small vans such as the Nissan e-NV200 and Peugeot Partner being joined later this year by large electric vans such as the Renault Master ZE and Mercedes-Benz e-Sprinter.

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# CHARGING INFRASTRUCTURE

Some of the biggest hurdles for ULEVs to overcome involves the charging infrastructure.

Many of these are based around the still-developing technology and network, others relate to misperceptions. For example, a survey by The AA earlier this month reported that 85% of respondents said there are not enough public charge points.

However, according to the Office for Low Emission Vehicles (OLEV), there are currently around 12,500 publically-available charge points in the UK, about 1,000 of which are rapid chargers. A further 90,000 chargers have been installed at people's homes.

"There is about one charger for every 12 cars at present," says Steve Ives, head of competitions at OLEV. "So we are not in a bad place, but there is still an awfully long way to go."

Around 340 charge points are being installed every month, while the infrastructure has also received a major boost from major petroleum companies investing heavily in the sector. Shell acquired charge point supplier NewMotion in 2017 and began installing charging points on its forecourts, while BP last month announced it had acquired Chargemaster, the UK's largest electric vehicle charging company.

These purchases will also help to address another deterrent to fleets adopting ULEVs: the time it takes to charge a vehicle.

In 2010, charge points were rated at less than 3kW, and it would take 12 hours to put 80 miles-worth of charge into a vehicle.

More powerful charge points are continually being introduced and the BP deal will see it roll-out a network of ultra-fast chargers across its 1,200 UK service stations. These 150kW chargers will be capable of delivering 100 miles of range in 10 minutes.

Another concern has been that widespread adoption of ULEVs would cause power shortages as the electricity grid would not be able to cope with the increased demand from mass charging.

However, this can be avoided through the use of smart charging, where software monitors and manages the power needed to charge vehicles to ensure the demand for electricity does not exceed the supply.

"It is easy to look at a business and say 'ok, we need 10, 20 or 30 chargers and we want them all to run at max', but that's not really the case," says Nick Chambers, business unit general manager – electrical contracting and electric vehicle charging infrastructure at Actemium.

"At the workplace, people may be there for the whole day, or through the night, whatever shift pattern they are on.

"They haven't got to be charged in an hour and gone, vehicles can be trickle charged through eight hours, which means deploying lower power across a third of the network."

The growth of vehicle-to-grid (V2G) and battery storage infrastructure will also flatten out the increased demand on the grid, as digital algorithms will be used to charge and release energy from storage at the most cost-effective time.

The National Grid expects these will play a major role in shaping the energy system by the end of the next decade.

"There is about one charger for every 12 cars at present. So we are not in a bad place, but there is still an awfully long way to go"

Steve Ives, Office for Low Emission Vehicles



## REDUCED CHARGING TIMES

Year	Power	Charging time*
2010	<3kW	12 hours
2011	3.7-22kW	1-8 hours
2012	50kW	20-30 mins
2017-2020	150-350kW	5-20 mins

\*For a range of around 80 miles  
Source: Energy Saving Trust



ScottishPower drivers reacted positively to the electric van trial

# POWER COMPANY TO USE EVs WHEREVER POSSIBLE

After trials on electric models, ScottishPower decides it will no longer replace its vans and cars on a like-for-like basis. *Andrew Ryan* outlines the thinking

ScottishPower will look to replace diesel vans on its fleet with electric models where possible following a successful trial.

The company analysed telematics data to identify the key users who would be most suitable to take part in the six-month project, which saw it run six Nissan e-NV200 and four Peugeot Partner Electric small vans to establish how electric vehicles could fit into the ScottishPower fleet of the future.

The trial concluded in April, and the company has already ordered five e-NV200s. It is also ordering 25 electric cars to go into its 56-strong pool fleet.

In addition, ScottishPower operates seven Mitsubishi Outlander PHEV plug-in hybrids and this will rise to 24 over the next six months.

"As a company, we are 100% behind electric vehicles and we want to transition as much of our fleet as possible," says ScottishPower general services director Gemma Rankine.

"For every vehicle we identify for replacement, we have to look at the telematics data, work with our business and understand what vehicles would be suitable to be replaced by an electric model.

"It is no longer that we are going to approach our replacement programme on a like-for-like basis."

During the trial, the electric vans were allocated to drivers who typically travelled less than 60 miles in a day. They were also returned to depots overnight where they were charged.

The drivers still had access to their diesel vehicles for times when they needed to make longer journeys, but fleet manager John Moore says they were asked to use the electric vehicles as much as possible.

"The upshot of that was that we were running the electric vehicles considerably, and we had some trouble getting them back from some drivers which showed we had great buy-in," he adds.

"As a company we are 100% behind electric vehicles and want to transition as much of our fleet as possible"

Gemma Rankine, ScottishPower

"To help that, we engaged with each of the individuals who would be using the vehicles to remind them that there isn't a charge point on every corner, so keep an eye on the amount of charge left in the batteries, and that they would need to plug it in and charge it overnight."

Moore says there were few operational implications while running the two-tonne vans, although payload could become an issue when the company looks to add electric 3.5-tonne vehicles in the future because of the amount of equipment they need to carry.

"Also, a lot of our engineers work from home or are on standby for emergency call-outs, so we need to look at the charging infrastructure, but, if the technology becomes available, we will hopefully be at the forefront of that."

Rankine adds: "Our engineers who use the 3.5-tonne vans also have power tools which could drain the vehicle battery, so while we have solved these problems in our combustion engine vans, there is still a long way to go on the electric ones.

"The industry and manufacturers need to think about these challenges if they want to target large engineering firms like us.

"If the technology changes, then yes, of course, we will look to add the larger electric vehicles on to our fleet, but right now I think we have to cherry-pick those vehicles that a) don't carry significant amount of equipment or use power tools, and b) are doing the shorter journeys."

Rankine says ScottishPower will also be looking at how it can introduce EVs on to its essential-user fleet – employees who typically run small hatchbacks and have company vehicles due to the mileage they do for their role.

"These individuals pay company car tax on their vehicles so they can be run for personal use as well, so we need to make EVs a feasible option so they can make the transition and feel no negative impact in their personal lives."



## FLEET LIVE

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A HAT-TRICK OF  
PARTNERSHIPS  
AND SUPPORT

Three leading organisations have given their full support to Fleet Live, underpinning its position as the biggest, most important and most influential fleet exhibition and conference in the UK

The Chartered Institute of Procurement & Supply (CIPS), Greater Birmingham Chambers of Commerce (GBCC) and business magazine *Fleet Europe* have signed joint working agreements to promote Fleet Live to their members and readers, while also contributing their knowledge and expertise to ensure the event, run by the UK's leading fleet publication *Fleet News*, meets the needs of its fleet audience.

Consequently, procurement will be a cornerstone of Fleet Live in collaboration with CIPS.

Each day will feature a seminar session looking at the future for fleet procurement, with speakers to include Red Bull procurement manager David Oliver and CIPS representatives. The seminars will explore fleet procurement and supply chain best practice, including tender procedures, contract negotiations and the monitoring of service delivery.

Fleet is not only an area of high expenditure, it is also a complex field to manage, encompassing significant risks, total cost of ownership measures and the emotive issues of company cars.

Businesses and organisations will need fleet and procurement managers to work in tandem to find strategic solutions to these challenges.

As a result, the relationship between fleet and procurement within business is constantly strengthening.

Both face the major challenge of digitalisation and how it is transforming supply chains, and both are in danger of being caught up in the global risk of protectionism and trade tariffs – especially after Brexit.

CIPS said: "The movement of goods and people is vital for the success of almost every business, so Fleet Live will be extremely useful for procurement professionals to gain a deeper understanding of the challenges faced by their fleet colleagues now and in the years ahead."

Greater Birmingham Chambers of Commerce sits within a vital region for transport. Efficient transport is central to the success of the Midlands as a hub of business and industry, and the region is at the forefront of bold initiatives to explore new vehicle technology.

Earlier this year the West Midlands became the launch-pad for Whim, the UK's first Mobility as a Service (MaaS) product.

Birmingham is home to the highest number of ultra-low emission vehicles in any city in the country, while real-world tests of connected and autonomous vehicles are due to start on more than 50 miles of roads in Coventry, Birmingham and Solihull in a new £25 million project.

As part of its support package for Fleet Live,

GBCC will promote the event to its 3,000-plus member companies, which range from SMEs to large, high profile organisations such as Jaguar Land Rover and The NEC Group. GBCC will also be exhibiting at Fleet Live.

Paul Faulkner, chief executive of the GBCC, said: "We are delighted to be supporting this important event for Birmingham and the whole of the country."

"The region is at the forefront of research into new vehicle technology and the event's location at the heart of the country makes it the perfect venue for Fleet Live."

"There are few more important issues than addressing the path to zero emissions and I'm delighted that a significant amount of space will be given to the subject at Fleet Live."

The content of Fleet Live's conference is driven by an advisory board of fleet decision-makers responsible for some of Britain's best known fleets, including Royal Mail, Defra, John Lewis Partnership, Red Bull Company, Anglian Water and Skanska.

Some have interests across Europe and, in recognition, Fleet Live is working with *Fleet Europe*, the leading publication for international fleet managers.

The partnership between the two organisations is designed to attract decision-makers from across the continent to Fleet Live.

The event will address both the operational and strategic demands of running company cars, vans and heavy commercial vehicles.

"THERE ARE FEW MORE  
IMPORTANT ISSUES  
THAN ADDRESSING THE  
PATH TO ZERO  
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SIGNIFICANT AMOUNT  
OF SPACE WILL BE  
GIVEN TO THE SUBJECT  
AT FLEET LIVE"

PAUL FAULKNER, CHIEF EXECUTIVE OF THE GBCC



A prestigious line-up of expert speakers will deliver deep insight into issues such as:

- the adoption and implementation of zero emission vehicles
- the implications of WLTP emissions regulations on fleet choices
- the practical applications for connected and autonomous vehicles
- mobility solution alternatives
- commercial vehicle compliance
- and vehicle and driver safety.

A series of seminars will also address fleet responsibilities through the prisms of procurement, HR, and tax and finance.

Exhibitors at the prestigious, two-day event include almost all of the UK's major leasing and fleet management companies; major OEM fleet suppliers; and leading fleet suppliers and support companies.

Steven Schoefs, chief editor, *Fleet Europe*, said: "We are happy to partner with Fleet Live, which is a truly remarkable event; and to strengthen our partnership with *Fleet News* along the way. *Fleet Europe* and our own event, the Fleet Europe Summit, are all about learning, networking and sharing best practices. And that holds true for our partnership with Fleet Live."

Stephen Briers, editor-in-chief of *Fleet News*, said: "There's no monopoly on good ideas in fleet, so we are excited to share the best thinking and practice in the UK with our European colleagues, and, in return, learn from their ideas and experience."

EXHIBITORS  
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Abax Agility AID Fuels Group Alphabet Aquarius IT Arval Ashwoods Lightfoot AssetWorks AutoGlass  
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## FOUR

## STEPS TO INTRODUCING ULEVs

Adding low emission vehicles to a fleet can cut CO<sub>2</sub> and costs. But what does an organisation need to consider?  
*Andrew Ryan reports*

## ONE

## Identify the opportunity

The first step is for an organisation to identify which vehicles on its fleet can be replaced by ULEVs.

"For a lot of fleets we work with, it is a case of finding the right vehicles that fit the journey profile that the ULEV can do," says Paul Gambrell.

"With some companies, they really want to use ULEVs because they know they are more efficient and they are happy to modify the journey profiles to accommodate them.

"In the main, though, it is now more the case that the available vehicles are beginning to meet the journey profiles that the company needs, so they are not having to alter the way they do business, they just use a ULEV rather than an internal combustion-engined one."

However, there are still limitations to what ULEVs – particularly fully electric vehicles – can do, and Gambrell says the availability of good data on existing vehicles and the way they are used can avoid costly errors being made.

"The better the data when we are doing a review, the better we can look at what the outcomes are," he says.

"If the fleet has got telematics then great, because you can do the analysis on actual journeys, but if not then it does come down to how often you have odometer readings – whether from fuel card data or some people keep a daily log

Cost, environmental issues, city charging schemes, company ethos – these are just some of the many reasons why organisations have either introduced or are looking to add ultra-low emission vehicles (ULEVs) to their fleets.

When the right vehicles are introduced into the right roles, they do have many beneficial effects.

However, if a wrong decision is made it can prove to be an expensive mistake, having both cost and operational implications.

This makes it important that fleets do their research thoroughly before taking on ULEVs, says Katie Colledge-Price, managing director of Carpendale EV Consulting.

"Introducing new sustainable electric vehicle programmes is not something that should be done quickly," she adds.

"It has to be done on a long-term basis because EVs can completely alter the way a fleet is managed."

An organisation should be strongly committed to introducing ULEVs to get the most out of them, says Paul Gambrell, transport consultant at Energy Saving Trust (EST), which carries out reviews to help fleets adopt the technology.

"With some fleets we go to, you get the feeling they are only playing lip service to it and – surprise, surprise – that sort of fleet doesn't usually have the same success with ULEVs as the organisations that say 'we are going to do this, we are really going to commit to it,'" he adds.

"At the end of the day, businesses and organisations are not taking on ULEVs because it is a nice thing to do; it's got to be cost and operationally viable, and the fact that the numbers and types of vehicles are increasing all the time mean more and more organisations are able to take advantage, and they are."

Here we look at the four key steps fleets can take to help them make the right ULEV decisions.



*"Introducing new sustainable electric vehicle programmes is not something that should be done quickly"*

Katie Colledge-Price,  
Carpendale EV Consulting

## Advertisement feature

## Scrappage scheme essential to helping businesses fund ULEZ compliance

By Stuart Thomas, head of sales, Fleet & SME, The AA



The Government should introduce a vehicle scrappage scheme to enable businesses to fund the costs of clean air zone (CAZ) compliance, says The AA.

Businesses are under increasing pressure to future-proof their fleets to ensure they

comply with air quality targets.

Plans to extend the ultra low emission zone (ULEZ) to cover most of inner London are a radical step towards improving the city's air quality standards, but one which may leave SMEs struggling to fund the cost of environmental compliance.

The AA feels there is far too much stick and not enough carrot in plans to raise emissions standards for the capital's vehicles.

We're growing increasingly concerned that there is no support built into these plans to help businesses to comply with this looming deadline.

**"There is far too much stick and not enough carrot in plans to raise emissions standards for the capital's vehicles"**

Rigorous planning will be essential for businesses to ensure that the appropriate vehicle, with the correct equipment, goes to the right job and can travel compliantly through a range of locations to avoid fines and penalties.

Roadside emissions testing shows that the worst 10% of gross polluters cause 50% of the problem. These tend to be older buses, trucks, taxis and poorly serviced cars.

The AA believes getting these vehicles off the road first via a scrappage scheme will help to soften the deal for smaller businesses, which will find it hardest to pay the extended fees in the future.

We urge London's mayor to consider such an introduction as a priority going forward.



To find out more about The AA's services for businesses, visit [www.theaa.com/business](http://www.theaa.com/business)



## TWO

## Understand the costs

Once fleet decision-makers have identified opportunities where vehicles could be replaced with ULEVs, they should carry out a wholelife cost analysis of the prospective vehicles against the petrol or diesel models that would typically be used in that role.

Generally, ULEVs carry a P11D price premium over their petrol or diesel counterparts, but fleets can make significant savings in fuel and service, maintenance and repair (see table, which compares the costs of running diesel, plug-in hybrid and fully-electric Golfs).

Nottingham City Council, for example, replaced eight diesel vans with fully-electric Nissan e-NV200 small vans in December 2015 and found they were 80% cheaper to run when comparing vans of a similar size, even taking electricity into account.

Another example is Leeds City Council, which is expecting to save more than £40,000 after taking on 41 e-NV200 vans to replace diesel models.

Its financial case is based on the total cost of ownership – price, maintenance and fuel. While the purchase price was higher than for the diesel alternative, fuel and SMR costs are significantly lower, netting an overall saving of £1,000 per vehicle over five years, based on 10,000 miles a year and a 60-mile range versus 40mpg for the diesel van.

Traditionally, residual value setters expected EVs to suffer heavy depreciation, but this has not been the case as used car buyers have become more confident about the reliability of the technology, with fears over areas such as battery degradation proving unfounded.

One example of this is Cornwall-based C&C Taxis, which runs Nissan Leafs and e-NV200s. It has run a number of its vehicles to 150,000 and 200,000 miles – beyond the normal lifetime of a diesel or

petrol car – with no significant battery degradation.

“The batteries are proving incredibly resilient – the battery argument is redundant,” says Tom Callow, director of communications and strategy at Chargemaster.

“The other issue which is driving strong RVs is the lack of volume in the used market which means the values are really strong at the moment. We don’t see any sign of that stopping.”

The Leaf is a perfect example of this. In 2016, the number of Leafs returned to Nissan as leases came to an end numbered 500. Last year this rose to 3,000.

“The volume went through the roof,” says Karl Anders, national EV manager at Nissan. “However, if you took a 12-month term Cap HPI value for the old 30kW model in January, it was just more than £10,000.

“Halfway through the year we announced the new 40kW car, so you would think the RVs would soften, but that same figure in December was more than £15,000. The values went up significantly.

“If you compare the old car to the new one, there is a £4,000-to-£5,000 uplift. The RVs are increasing because although the

*“Batteries are proving incredibly resilient – the argument is redundant”*

Tom Callow, Chargemaster

supply is going up, the demand is advancing much faster.”

The cost of installing any necessary chargepoints should be considered, as should the availability of grants which are aimed at encouraging take-up of ULEVs.

These include plug-in vehicle grants which provide up to £4,500 towards the cost of a new electric or hybrid car and £8,000 towards the cost of a low-emission van.

They run until October in their current form, although the Government has stated they will be under constant review and will continue in some form until at least 2020.

Employers are also able to receive £300 towards the cost of installing chargepoints, up to a maximum of 20 sockets. The Government has proposed increasing this to a maximum of £500 per socket.

COST COMPARISON:  
PLUG-IN HYBRID VS DIESEL VS PURE ELECTRIC

	Golf 1.6 TDI 115 SE Nav	Volkswagen Golf GTE 1.4 TSI PIH Advance	e-Golf
P11D	£22,440	£32,545	£32,675
CO <sub>2</sub>	106g/km	40g/km	0g/km
VED	£165 then £140	£0 then £130	£0
Class 1A NIC	£805	£584	£586
RV	£7,125	£12,750	£10,375
SMR cost	2.54ppm	3.82ppm	1.73ppm
Fuel cost	8.62ppm	8.13ppm	3.14ppm
Running cost	36.69ppm	44.94ppm	42.04ppm

■ figures for 36 months/60,000 years Source: KeeResources

## THREE

## Operational considerations

If, after the first two steps, a fleet decision-maker has found that ULEVs are both viable and cost-effective alternatives to petrol or diesel models, then there are some operational matters to consider.

These involve deciding when and where to charge, as well as whether the vehicle’s duty cycle should be changed, possibly through route optimisation, to get the best out of the new technology.

“Charging is the big issue,” says Gambrell. “For example, if you have electric vans and the driver takes the van home at night, the first question is: does the driver have off-road parking and, if so, are they happy to have a charge point installed?”

“Unfortunately, in a lot of urban areas

where an electric van makes huge sense, economically and environmentally, one of the issues we often face is that there is no off-road parking and no security of electricity supply.

“There is so much more public charging infrastructure around now so sometimes it is possible to use that, and there is increasingly a focus of putting some form of on-road system of charging for residential areas, but it does remain a challenge.”

He adds: “If you move over to cars, in our view a plug-in hybrid should not be given to a driver if they haven’t got the opportunity to charge it at home, because it is all too easy to drive it around and never charge the battery which can actually be worse than

*“The issue we often face is that there is no off-road parking and no security of supply”*

Paul Gambrell, Energy Saving Trust

giving them a petrol or diesel car.”

If vehicles return to work premises overnight, then the organisation has to make sure that it has sufficient charging facilities.

The development of smart charging, where software can manage when and how quickly vehicles are charged to ensure the demand on the local electricity network does not exceed its capacity while at the same ensuring they are fully charged when next needed, is expected to become more widespread in the near future.

Dependent on the nature of their operations, some fleets may need to consider installing rapid chargers which are more expensive than traditional fast chargers.

## FOUR

## Driver acceptance

Winning driver buy-in is key to ensuring ULEVs are successfully integrated into a fleet.

For car drivers, an effective way to do this is by highlighting the cost-savings they can make through both benefit-in-kind (BIK) tax and fuel, says /katie Colledge-Price.

“Make sure you demonstrate this to drivers, because one of the biggest reactions is ‘I can’t believe how much



*“On day one, they [the drivers] had charge point anxiety, but they got used to it very quickly”*

Terry Pycroft, Leeds City Council

money I am saving on fuel,” she adds.

Data from KeeResources shows that, for example, a diesel Volkswagen Golf 1.6 TDI 115 SE Nav costs 8.62 pence per mile in fuel. In comparison, a fully-electric e-Golf costs 3.14ppm. Over 10,000 private miles, this means the driver will save £548.

The e-Golf driver (20% taxpayer) will also save £317 in BIK tax each year.

It is important to encourage employees to experience ULEVs first-hand and over a decent period of time so they can get used to the different technology.

“If you go to a dealer you may get half-an-hour for a test drive and that is not enough time,” says Colledge-Price.

“If possible, drivers should be able to use a car for two-to-four days so they get used to driving it around town, on the motorway,

charging it and going out and doing their shopping in it.

“It gives them time to really get a feel for what a car is like.”

Often organisations introduce a limited number of ULEVs on a trial basis to help win driver acceptance, an action that Leeds City Council took.

“On day one, they had charge point anxiety which was partly perception because of the different gauges in the vans, but they got used to it very quickly,” says Terry Pycroft, head of fleet services at Leeds City Council.

“Now they love them and I have more drivers chasing me for their own electric vans. They love the way they drive, the vans themselves, the lack of engine noise and the fact it changes the way they drive. We’ve had no negatives.”



# NEW 'CLEAN' DIESELS CLOUD AIR QUALITY DEBATE

Fleets should not be too quick to write-off new diesel models on environmental grounds.

*Simon Harris* reports

Confusion over the environmental impact of diesel engines would lead to worse air quality as car owners keep older diesels for longer or switch to petrol. Conflicting reports on the impact of diesel emissions fail to take account of the latest developments in technology, say industry commentators.

This uncertainty has had an impact on diesel sales, with registrations down by more than 30% for the first half of 2018 and no turnaround is in sight.

Registrations of alternative fuel vehicles (hybrids, plug-in hybrids, battery electric and hydrogen) continue to rise, but with registrations at less than a fifth of a shrinking diesel market share during the first six months of 2018, it would be difficult to perceive any benefit in overall emissions.

Society of Motor Manufacturers & Traders (SMMT) chief executive Mike Hawes is calling for the Government to do more to support new diesel technology, ensuring consumers are choosing the best car to suit their needs rather than assuming they would be better off choosing an electrified vehicle.

He adds: "Given these cars still represent only one in 20 registrations, they cannot yet have the impact in driving down overall emissions that conventional vehicles, including diesels, continue to deliver. Recent Government statements acknowledging the importance of petrol and diesel are encouraging."

Nick Molden, chief executive of Emissions Analytics, says some of the confusion has arisen from older data being presented by the media as new research. He points to changes in diesel emissions performance in the past 12



*"Petrol engines often produce higher particulates than the latest diesel engines"*

*Nick Molden, Emissions Analytics*

months that would be too recent to have made an impact on the data. "Much has changed in the past year," he tells *Fleet News*. "According to our tests, currently about 20-30 cars meet the Euro 6.2 regulation (which all cars must meet from September onwards)."

Molden explains that the International Council on Clean Transportation (ICCT) recently produced findings based on older data, which claimed that all new diesel cars fail EU NOx emissions standards in real-world driving.

However, he says the roadside remote measurement used would have been unable to register the impact of newer, cleaner diesels because there were so few on the road.

"While these studies correctly describe the past, I feel strongly that it's not a true reflection of the present," he says. "And these studies are working against the need to dispel the confusion over diesel emissions."

Media reports of the ICCT study led to a rebuttal by the European Automobile Manufacturers' Association (ACEA).

"The claims from the new study are misleading for consumers," said Erik Jonnaert, ACEA secretary general.

"EU policymakers will be equally disappointed that there is no acknowledgement that the latest Euro 6 diesel cars complying with the new RDE legislation are very clean."

He says the claims made in the study are based on 'remote sensing' results collected between 2011 and 2017.

He adds: "As all cars tested as part of this 'true' initiative were pre-Euro 6d vehicles, the fact that they do not meet emissions requirements that only became mandatory after they were put on the market is not surprising."

Molden adds the impact of these reports appearing in the news is that consumers are worried about replacing their car with another diesel, and they are holding on to older diesels or switching to petrol, which leads to other problems.

"Petrol engines often produce higher particulates than the latest diesel engines," says Molden. "The latest generation of particulate filters is only on direct injection petrol engines, as there is no requirement to fit them on indirect injection engines."

"If you compare like-with-like on a Ford Mondeo, switching from diesel to petrol leads to a level of particulates four to five times greater, with a 16-18% increase in CO<sub>2</sub> emissions."

He says it only adds to the confusion in this transition period between NEDC and WLTP protocols, where some cars are still tied to the older figures, while newer models appear to perform worse.

Dale Eynon, director – Defra fleet services, began to remove diesel cars from the Government department's 4,000-strong fleet around a year ago, after studies painted a pessimistic picture about the effects of diesel emissions on air quality.

The department's policy is to be neutral when it comes to fuel type and assess it based on its emissions performance. Using Emissions Analytics rating system, the only diesel cars that met the department's NOx thresholds were premium-badge models that were not offered on the fleet.

Eynon said he replaced around 15-20% of the existing fleet with petrol or hybrid cars, and brought forward the replacement of Euro 5 diesel cars that had between six months and two-and-a-half years left in their lifecycle.



*"It was pleasing to see in the recent Road to Zero report that there will be a place for clean diesel as we move toward zero emissions"*

*Dale Eynon, Defra*

But he said if the same exercise were performed mid-way through 2018, many would now be replaced with the latest generation of clean diesels.

"We still have some Euro 6 diesels on our fleet, and we will always look for improvements in all fuel technology and see how they could fit into our strategy."

"And it was pleasing to see in the recent Road to Zero report that there will be a place for clean diesel as we move toward zero emissions."

Vehicle manufacturers should also be making progress in improving the emissions performance of diesel vehicles in future.

Bosch, a component and technology supplier to major vehicle manufacturers, announced a significant development for diesel in April 2018 that it claims would reduce NOx emissions significantly under RDE testing.

The company says it has been achieved by refining existing technologies, so there would be no dramatic increase in costs.

Florian Flaig, Bosch spokesman for mobility solutions, said: "The new kind of RDE tests speeded up progress. But for such tests to become reality, a new technology capable of measuring vehicles' emissions in road traffic was needed."

"A reliable portable emissions measurement system (PEMS) for passenger cars has only been available since 2013. And only since then have we had a detailed picture of where we have to focus our engineering work and what driving situations are especially challenging. The road tests served as a catalyst for development."

"Bosch assumes the cost of the powertrain will be roughly comparable with a modern diesel powertrain equipped with a selective catalyst reduction (SCR) AdBlue system."

"Significantly, the new diesel powertrain was premiered in a compact vehicle. Bosch believes the broad mass of vehicles using the new diesel technology will have a displacement of up to 1.6 litres. The system can, of course, be upscaled for larger vehicle classes such as SUVs."

Eynon encourages vehicle manufacturers to produce their own real-world fuel economy and emissions figures where possible, if it helps create more realistic expectations, and welcomes the work by Emissions Analytics in creating its database of real-world test results.

"By this time next year, I think the vast majority of our cars will be electric or plug-in hybrid," he says.

"If the price of electric vehicles continues to fall along with improvements in range, and the grants continue, they'll have much stronger appeal and people will be able to choose them for all the right reasons."

Molden says its Equa Index of vehicle emissions is based on real-world driving on the roads, and is independent.

"In that way, you could compare it with Euro NCAP, which is independent and car manufacturers are happy to use results in their marketing material," he says.

"People don't want to poison cities and increase health risks when choosing their next vehicles, and they can select vehicles on that basis using the Equa Index."

"Emissions Analytics has been vocal when criticising manufacturers for emissions in the past, so we have credibility when we highlight good behaviour. The solution is there, and people need to realise it's a big problem that won't go away."

**16-18%**  
increase in CO<sub>2</sub> emissions  
switching from diesel to  
petrol on the Ford Mondeo

**15-20%**  
of Defra fleet replaced  
with petrol or hybrid cars



# EV DEMAND IN FLEETS COULD TREBLE WITHIN THREE YEARS

Corporate Vehicle Observatory research has identified growing demand for alternatives as diesel falls out of favour, says Arval

By Stephen Briers

**T**he number of UK fleets running full electric vehicles could treble over the next three years, according to Corporate Vehicle Observatory (CVO) research, published by Arval.

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

Fleets of all sizes expect to add electric vehicles, with those running fewer than 10 vehicles making most progress: currently just 4% have EVs; in three years' time 30% expect to have them. At the other end of the scale, 68% of companies with more than 50 vehicles will have EVs within three years, up from 35% today.

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

As manufacturers launch more electric vehicles over the next couple of years, ranges extend to make them more suitable for a broader compass of fleet requirements and the infrastructure expands, so EVs will become readily accepted by more people.

In addition, in 2020, benefit-in-kind taxation for electric vehicles drops to just 2% (currently 13%), which will accelerate their appeal in the company sector.

However, it isn't the only alternative gaining interest from fleets. Hydrogen fuel cell, while still in its infancy with just a handful of models available to lease, could see a seven-fold rise over the next three years.

Just 3% of UK fleets (nine companies in the survey) have

## WHAT IS THE CORPORATE VEHICLE OBSERVATORY?

Arval launched the CVO in 2003 and it now operates in 15 countries, primarily Europe including UK, Germany, Italy, Netherlands and Spain, but also Brazil. Every year, CVO generates research in the shape of a detailed Barometer covering all aspects of fleet management. The 2018 report surveyed 3,718 fleet managers, including 300 in the UK.

them today, but 22% expect to be using them by 2021. The proportion is greatest among large fleets, with 31% predicting they will be running hydrogen fuel cell vehicles.

Despite the bullish views of fleets on alternative fuels, Arval has yet to see this reflected in its forward orders book. However, it has seen a marked decline in diesel demand.

"Most of this is being picked up by petrol. Diesel cars are now only 50% of our orders, with petrol at 40% and alternatives at 10%, of which EVs are 1%," Shaun Sadlier, Arval head of consulting and CVO, says. "Two years ago, diesel would've been 70%-plus."

"As long as you practice wholelife cost, the introduction of alternative technologies works. They will sit where they should regarding grading and costs. We have done work with clients that were diesel-only and seen petrol and alternatives as viable choices."

Nowhere is this change better illustrated than on Arval's own fleet of almost 170 cars. It used to be 75% diesel, now it is 20%.

Sadlier believes the proportion of fleets willing to consider hydrogen is high, given the lack of existing infrastructure.

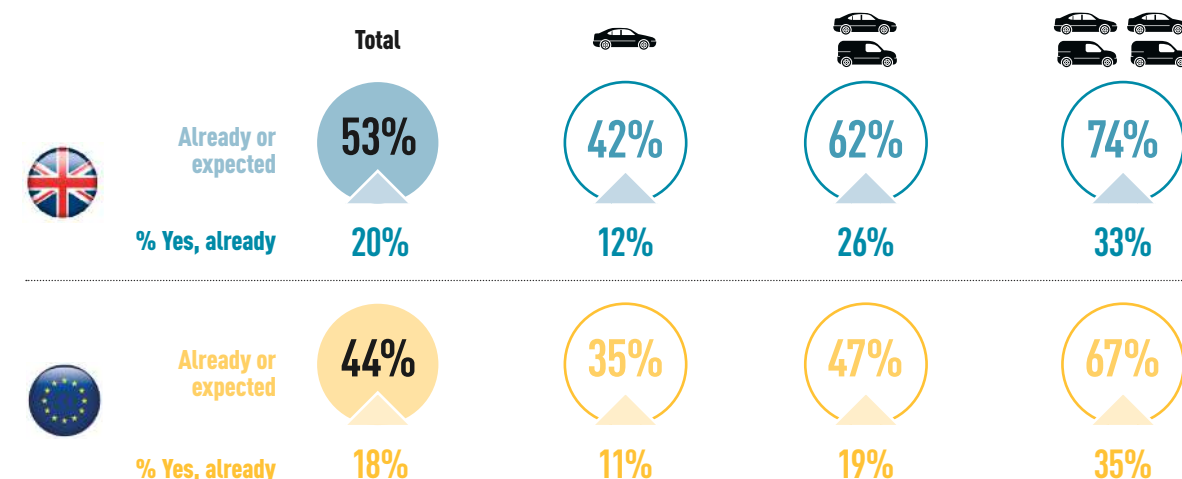
"But our research shows that there is sufficient interest for it to be taken seriously and our tax regime is also pushing people down that route," he adds. "Fleets have to consider that the taxation of vehicles is an important part of Government revenues – they need to stay ahead of the wave."

One big unknown is the new Worldwide harmonised Light vehicles Test Procedure (WLTP) fuel and emission testing regime, with many cars still going undergoing testing ahead of the September deadline.

Fleets are already feeling the effect, with a fifth saying it is

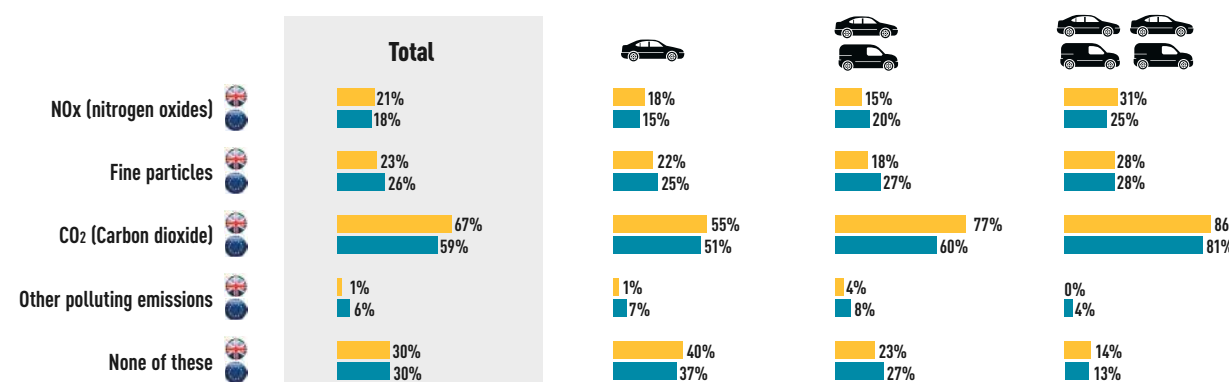
## IMPACT OF THE WLTP TEST

### PROPORTION OF COMPANIES ALREADY OR EXPECTING TO BE IMPACTED IN THE NEXT THREE YEARS BY THE NEW WLTP TEST



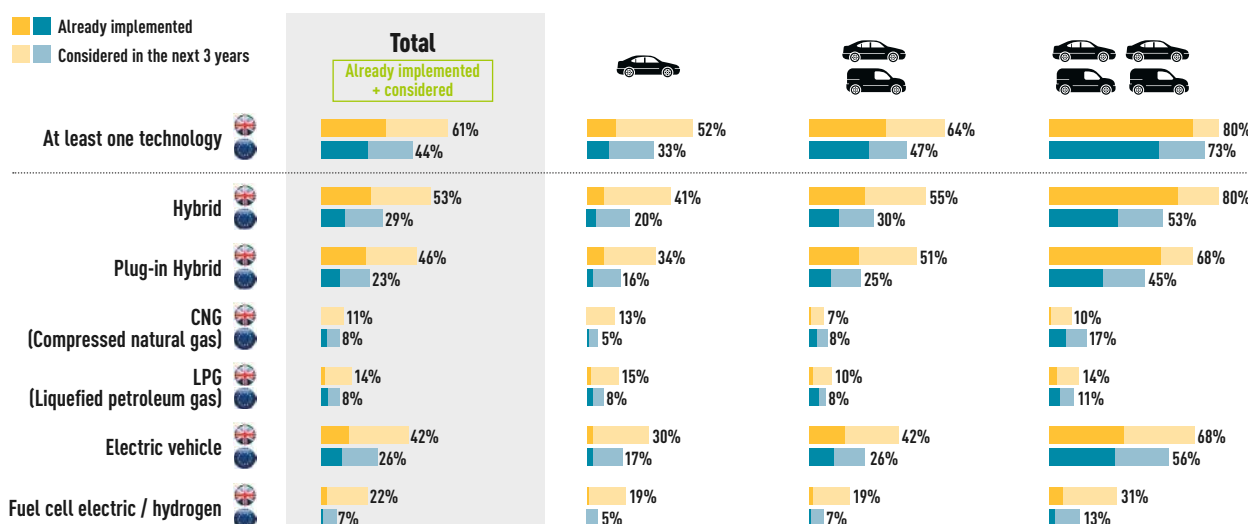
## EMISSIONS IN THE CAR POLICY

### PROPORTION OF COMPANIES TAKING INTO ACCOUNT THE FOLLOWING POLLUTANT EMISSIONS IN THEIR FLEET POLICY



## DEVELOPMENT POTENTIAL OF NEW ENERGIES OR TECHNOLOGIES

### PROPORTION OF COMPANIES WITH OR CONSIDERING ADDING NEW FUEL TECHNOLOGIES TO THEIR FLEET



impacting on their operations. A further third believe it will affect their fleet policy within the next three years.

The proportions increase the bigger the fleet; a third of those running more than 50 vehicles have been affected, with another 41% anticipating an impact over the next three years.

"We have fleets with CO2 caps that are seeing the new ratings throwing cars out of their bandings," Sadlier says. "We have one client, where driver satisfaction is important, taking a step to increase their CO2 bands by 10-15g/km as a stop-gap measure. They understand that the car is not throwing out any more CO2 in reality, or using any more fuel, they just have a more accurate theoretical number."

Arval is undertaking a major study to assess the effect on wholelife costs of using the more accurate WLTP figures and the NEDC-correlated values. It anticipates the impact will be greater on hybrid and plug-in vehicles than petrol and diesel.

One outcome of the dieselgate scandal in 2015 was the fact that air quality, NOx and particulates, started to work their way into fleet (and public) consciousness.

While CO2 emissions remain the major driver of fleet policy, due to their implications for taxation, a growing proportion of fleets is also considering NOx and other particulates.

## FLEET SIZE KEY

**SMALL FLEET**  
1-9 VEHICLES

**MEDIUM FLEET**  
10-49 VEHICLES

**LARGE FLEET**  
50+ VEHICLES

On average, 21% say they take NOx into account, rising to 31% for the largest fleets, while 23% keep an eye on fine particles (large fleets: 28%).

Sadlier believes it is more of an awareness than an active driver of fleet policy. He says: "We are increasingly asked for this type of information. It's more about data gathering, and it is generally the larger corporates – it's hard to say they are taking action as a result."

Those with an obvious vested interest, such as the Department for Environment, Food & Rural Affairs (Defra), have changed their fleet policy as a result of NOx emissions, moving away from diesel in favour of plug-in hybrid and full electric. And, according to its head of fleet Dale Eynon, the financial figures stack up when calculated on a wholelife cost basis.

However, some fleets admit to not taking any emissions data into consideration when selecting their vehicles – even CO2 isn't omnipresent.

On average, 30% ignore emissions data, peaking at 40% for the smallest fleets. Even 14% of large fleets claim to not have an emissions-based choice list.

"It's surprising," says Sadlier. "We rarely see it, but it does happen every so often."



## MOBILITY AS A SERVICE IS NOT DEATH OF COMPANY CAR

The company car remains the preferred form of mobility with only a minority of fleets paying attention to the alternatives.

Just 2% of companies say they would 'definitely' give up all or some of their company cars in favour of car sharing (a multi-use car such as a pool car), while 6% say 'probably'.

Another 2% would 'definitely' give up cars for ride sharing (more than one person sharing a car, such as taxi, pool car or own car), with 7% saying 'probably'.

However, it should be noted that this is up on last year, where just 1% said they would give up cars in favour of car or ride share.

The message is clear: company cars are here to stay, according to those making the decisions on fleet and travel policy.

That's not to say that companies aren't employing such services – 26% use car share (up from 20% in 2017) and 38% use

*"We don't have integrated transport solutions yet"*

Shaun Sadlier, Arval

ride share (up from 33%). But only another 8% are likely to consider introducing car share over the next three years, with 10% planning to take a look at ride share.

"This is low future uptake for services that are in their infancy," says Shaun Sadlier. "There is an issue of what mobility means to a car fleet. The car fulfils the role for the majority of us; it comes down to need."

What of the much talked about 'next generation' of employees who, it's claimed, are less likely to want a permanent car?

"We see 20-year-olds allocated a car for

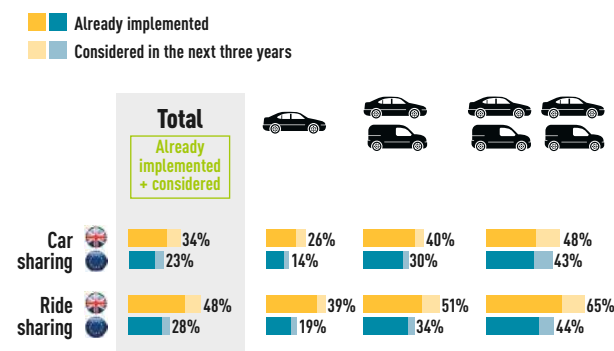
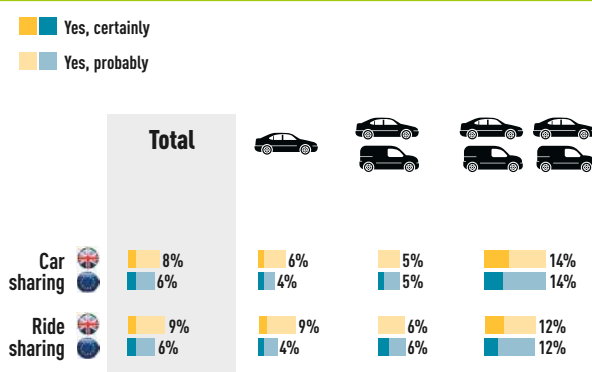
the first time who think it's Christmas," says Sadlier. "They still really want it."

In the UK, mobility remains a car-related topic, whereas other European countries have more readily adopted non-car forms of travel, such as trains, buses and bicycles, partly due to their integrated transport and payment systems.

"With our clients there isn't a great deal of noise. We simply don't have integrated transport solutions yet," Sadlier says.

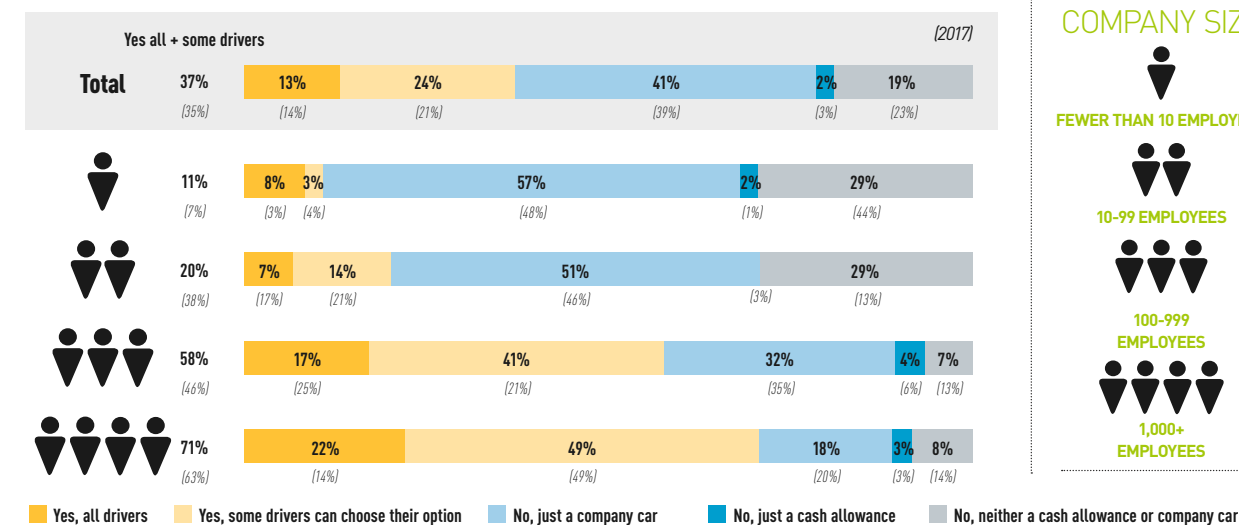
However, staff are being given the option to choose alternatives, particularly at larger companies. Almost three-quarters (71%) of businesses with more than 250 employees give all or some drivers a cash option, with just 18% only offered a company vehicle.

Compare that to smaller organisations where more than half of drivers have the option only of a company vehicle, up a few percentage points on last year.

DEVELOPMENT POTENTIAL  
FOR MOBILITY ALTERNATIVESPROPORTION OF COMPANIES ALREADY USING OR CONSIDERING TO USE  
IN THE NEXT THREE YEARS THE FOLLOWING MOBILITY ALTERNATIVESPROPORTION OF COMPANIES READY  
TO GIVE UP ALL OR SOME OF THEIR  
COMPANY CARS FOR ALTERNATIVE  
MOBILITY SOLUTIONS

## CASH ALLOWANCE BY COMPANY SIZE

## DO YOU PROVIDE DRIVERS WITH A CHOICE OF TAKING A COMPANY CAR OR CASH ALLOWANCE?



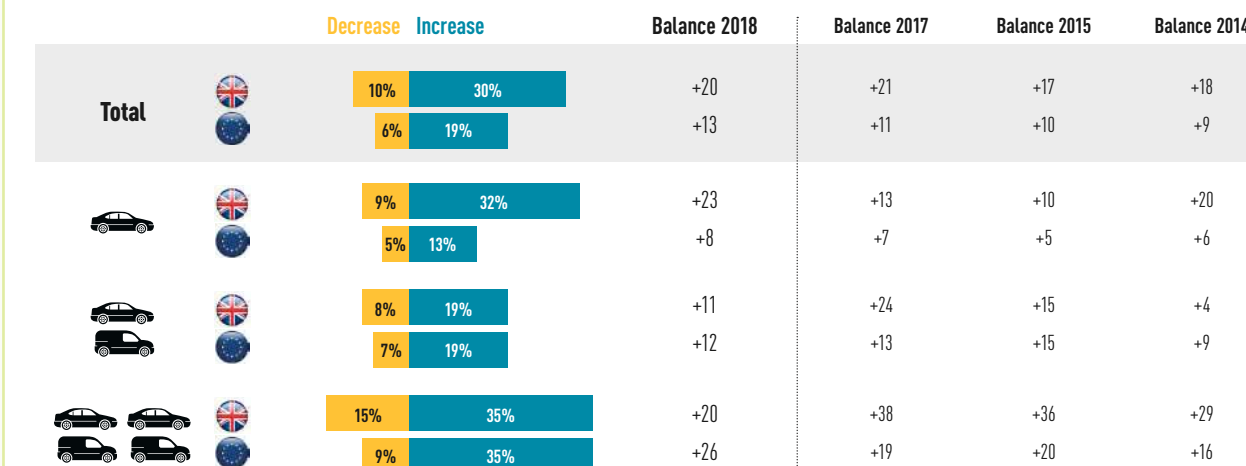
## COMPANY SIZE



## 'BIG ISSUES' HIT LARGE FLEET OPTIMISM

## FLEET GROWTH POTENTIAL

## % WHICH THINK THE TOTAL NUMBER OF VEHICLES ON THEIR COMPANY FLEET WILL INCREASE OR DECREASE



The Arval CVO research questioned fleets about their general optimism as well as operating cycles and found a clear point of difference between the largest and smallest fleets.

All the optimism is among the small fleets, with a net 23% anticipating growth in their fleet size (32% increase; 9% decrease), up from 13% in 2017. Compare that to the largest fleets, whose balance of 20% is substantially down on 2017's 38%. It's the lowest net figure for more than five years.

"Smaller fleets see 'business as usual' but the larger companies are more concerned about Brexit and the big issues affecting fleet operating costs so that affects their opinions," says Shaun Sadlier.

"A lot are looking to run leaner. It has been on the agenda, but in the past six months we have more large corporates and international clients pressing us to come up with cost-savings on their fleet."

Small fleets are looking at driver behaviour

for their cost reduction strategies, but for the bigger organisations "nothing is off the table; they are open to looking at everything", Sadlier adds.

Despite some uncertainty and a new drive to reduce costs, operating cycles have been largely untouched over the past year. UK fleets remain out of kilter with their mainland European counterparts, averaging 3.9 years (Europe: 5.7) for all vehicles.

Interestingly, the averages are inverse dependent on size: the smallest UK fleets keep vehicles for 3.9 years rising to 4.2 years for the largest; on the Continent, the smallest fleets keep them for 6.2 years, falling to 4.8 for the largest.

"Key to change is what your peers are doing, as cars are still seen as a recruitment and retention tool," says Sadlier, although he adds that there is minimal financial gain to moving much beyond four years.

"From four to 4.5 years, there is less than a 2.5% differential. From four to five years, the

total cost of ownership differential is around 3%," Sadlier says. "However, this calculation doesn't take into account big one-offs such as improvements in technology or fuel savings."

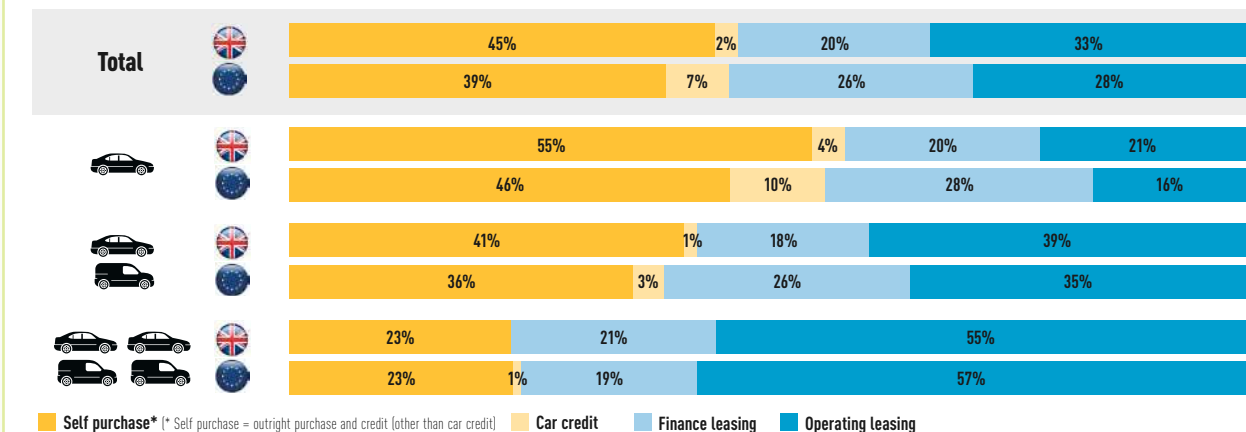
Similarly static are the finance methods fleets use to fund their vehicles. There has been a slight move to leasing across most fleet sizes, at the expense of outright purchase, although the latter still dominates for the smallest (sub 10-vehicle) fleets at 55% (2017: 58%).

Leasing is the preferred option for large fleets, accounting for 55% of vehicles (up from 52% in 2017), followed by outright purchase at 23% and finance lease at 21%. However, almost a third say they intend to move more vehicles to contract hire over the next three years.

"This is most likely because of Brexit and uncertainty of residual values," explains Sadlier. "Leasing companies are taking risk across lots of cars and fuel types so our ability to mitigate that risk is better than a single fleet."

## MAIN FINANCING METHOD

## PROPORTION OF COMPANIES USING THE FOLLOWING SOLUTIONS AS THEIR MAIN FINANCING METHOD FOR THEIR FLEET VEHICLES







*"Production and distribution of hydrogen will be scaled up pretty quickly"*

Jon Hunt, Toyota

WINNER: **TOYOTA**

# The market is 'coming around' to Toyota's way of green thinking

When Prius was introduced 21 years back people thought company had lost its marbles. It doesn't look so crazy now

By Sarah Tooze

**N**eil Broad, general manager Toyota & Lexus Fleet Services, has an air of optimism around him. He has experienced record interest from fleet decision-makers in the brands' hybrid vehicles at this year's Company Car in Action event and hybrid residual values are improving month-on-month. The market is, he says, "coming round to our way of thinking".

He might well have added "finally" for it's been a long road for the Japanese manufacturer – a commitment recognised by the Fleet News Awards' judges when naming Toyota green fleet manufacturer of the year.

"Twenty-one years ago, when we started with Prius, people didn't think we had our marbles. Now our global sales of hybrid are 12 million. We're proving the case and, as we're seeing, the market is coming round to our way of thinking," Broad says.

"That's the beauty of being a well-capitalised firm, you can invest in the future for doing the right thing."

As part of 'doing the right thing' Toyota has set itself six environmental challenges for 2050:

1. Zero CO<sub>2</sub> emissions in new vehicles.
2. Zero CO<sub>2</sub> emissions throughout a vehicle's lifecycle.
3. Zero CO<sub>2</sub> emissions from all production facilities.
4. Minimising and optimising water usage.
5. Establishing a recycling-based society and systems.
6. Establishing a future society in harmony with nature.

Broad points out that few businesses would plan that far ahead but Toyota likes to set itself "a peak target".

"Our ultimate goal is to build cars that are good for the environment, that clean the air as they drive through them with zero emissions," he says. "That goes right through the manufacturer and retail side of it as well so every single aspect of that supply chain we're looking to drive down [emissions]."

"We believe in a multi-fuel future. It's complex for the customer at the moment between petrol, diesel, electric, plug-in, mild hybrid, full hybrid, hydrogen and we believe in something for all angles."

Jon Hunt, manager alternative fuels at Toyota,

adds: "In terms of diesel, it's an absolute fact that within certain applications currently at scale and at the right cost there isn't any other alternative."

However, on the passenger car side Toyota is moving away from diesel. Currently, diesel accounts for 1.4% of Toyota's retail sales and 7% of its fleet sales. By Q3 the only Toyota passenger car being sold with diesel power will be Land Cruiser, which makes up around 2% of Toyota's supply mix.

Within the next five years, Broad predicts that alternative fuel vehicles will make up more than 75% of Toyota's sales (up from close to 60% currently).

**Fleet News: Toyota plans to have 10 pure EVs by the 2020s, at what point will they be in the UK?**

**Neil Broad:** We don't have the finite details yet. It's chicken and egg. We want to bring to market the right product at the right time as opposed to being first to market with limitations. So, as and when we are fully confident that what we're producing is viable for the marketplace, then we'll bring them in. I don't think a pure electric future at the moment is viable due to battery availability, battery scale and grid infrastructure so that's where the multi-fuel view comes from.

**FN: How does hydrogen fit in?**

**NB:** Hydrogen, in our view, is the most virtuous of fuel choices because it's a plentiful aspect of the environment. It's storable and transportable. It can be created through electrolysis from water and if that electrolysis is taking place with green sources and harnessing some of the waste from the grid you've got additional fuel for zero cost.

**FN: How viable is hydrogen at the moment?**

**Jon Hunt:** We've got more than 70 Mirai on the road and a range of different users. We deliberately chose what you would describe as 'heavy users' so taxi firms doing 25,000 miles or more a year and the Metropolitan Police using them for response vehicles.

**NB:** The infrastructure needs to be there to make it a genuine viable solution for people's normal journeys. Shell now has hydrogen under canopy for the first time at Beaconsfield off the M40 and that's the first commercial publicly accessible 'normal', if you like, fuel station for hydrogen. So advancing that through and linking the dots



Neil Broad (back row, centre) celebrates the green win with members of the team

starts to make it properly viable for us to then commit to more models, more volume, more scale and it becomes a self-fulfilling prophecy.

**JH:** The broader picture is hydrogen being used for industrial purposes – heat and power as well as carbon capture means that the production and distribution of hydrogen will be scaled up pretty quickly.

**NB:** There are industrial fuel cell applications that can power the factory that builds your hydrogen cars. That's where you get our 2050 vision of zero emissions from manufacturer to use.

**FN: Have you got any supply issues with vehicles undergoing WLTP (Worldwide harmonised Light vehicle Test Procedure)?**

**NB:** We're quite far through our WLTP processes and we don't have any supply constraints. We've worked our way through all of the new homologations through our model line-up and we're not going to have surplus product going into September when you're obliged to be below 10% inventory so we're in a privileged position at the moment.

It's business as usual for us. There were a couple of bumps in the road as you go through it, but I think we've planned well and executed it well over the past few months.

When it finally kicks in, diesel is probably hardest hit, petrol second and hybrid third so we are confident in our own figures coming out the back end of that.

**JH:** C-HR's CO<sub>2</sub> emissions were actually slightly down versus the previous cycle. That is the latest generation of platform in terms of the vehicle design and the latest hybrid in the Toyota range so that's giving a view as to what the new hybrids will be able to achieve.

**FN: Prius Hybrid's emissions increased from 70g/km to 78g/km meaning it is no longer exempt from the London congestion charge. What impact has that had?**

**NB:** It was a very base model with certain size wheels

(15-inch), and most of the cars we were selling were above that threshold, anyway. We don't see it as a massive impact.

**JH:** In the reverse, we never saw a huge number of sales because it was [exempt]. We'd sell [Prius hybrid] all over the place.

**FN: Do you think the increase in CO<sub>2</sub> emissions and the resulting rise in benefit-in-kind tax will damage fleet registrations?**

**NB:** In an ideal world the Exchequer and the environment side of things would have aligned. I think it's the doubt more than anything else that is the impact.

Ultimately, I still think a company car is a sensible choice and economically will remain a sensible choice irrespective of 1% or 2% extra BIK. There is that convenience aspect to it as well – a company car is easy, someone else takes the issue of maintenance, servicing, insurance and everything. You have a number to ring and it generally looks after itself.

**B**road believes long-term partnerships – be they with leasing companies, brokers, Toyota's own dealer network or those in the mobility space such as ride-hailing firms (Toyota recently bought a stake in Southeast Asia's Grab) will be the key to growth.

Toyota's new concierge service for leasing companies, which it launched at the same time as a localisation strategy (whereby fleet sales are allocated to the nearest dealer), is helping to develop partnerships.

Broad points out that localisation also makes "absolute sense from a green perspective".

"Delivering our car once as close as we can get to the customer cuts down the amount of miles that are done. That, in itself, is a green ethic," he says.

What else would you expect from the green fleet manufacturer of the year?

## FACTFILE

General manager Toyota & Lexus Fleet Services Neil Broad  
Manager alternative fuels Toyota Jon Hunt  
Fleet sales 2018 (to end June) 25,323  
Fleet market share 2018 (to end June) 3.74%  
Fleet sales 2017 47,240  
Fleet market share 2017 3.58%

## JUDGES' COMMENTS

Toyota's commitment to environmental issues has been frequently dismissed over the years, but the company was brave and stuck to its guns. It was the right thing to do. The environment is ingrained within the company – it's part of its ethos. Toyota's holistic approach covers every part of its business as it relentlessly seeks to drive down CO<sub>2</sub>, NO<sub>x</sub> and particulate emissions. True substance over style, said the judges.



## HYUNDAI KONA

Hyundai adds two diesel and two electric versions to increase Kona's offering

ELECTRIC PREMIUM SE  
AND 1.6 CRDI 115 PREMIUM

Telltale signs – the  
diesels have open grilles ...

## COSTS

Hyundai Kona Electric 204 Premium SE
P11D price £36,240
BIK tax band (2018/19) 13%
Annual BIK tax (20%) £942
Class 1A NIC £650
Annual VED £0
RV (4yr/80k) TBC
Fuel cost (ppm) TBC
AFR (ppm) TBC
Running cost (4yr/80k) TBC

## SPEC

Power (PS)/torque (Nm) 204/291
CO <sub>2</sub> emissions (g/km) 0
Top speed (mph) 104
0-62mph (sec) 7.6
Range 300

## KEY RIVAL

BMW i3 S eDrive auto
P11D price: £36,925
BIK tax band (2018/19) 13%
Annual BIK tax (20%) £960
Class 1A NIC £662
Annual VED £0
RV (4yr/80k) 11,900/32.9%
Fuel cost (ppm) 3.55
AFR (ppm) n/a
Running cost (4yr/80k) 69.43ppm

EV figures calculated at four years/40,000 miles

By Simon Harris

Hyundai has become a big player in the UK car market in the past 10 years, making its presence felt in both fleet and retail sectors. But its investment in alternative fuels is perhaps more significant, relative to some brands with larger market shares.

In 2015, it put the world's first mass-produced hydrogen fuel cell car, the ix35 FCEV, on sale.

Two years ago, it launched the Ioniq, which offered customers the choice of a hybrid, plug-in hybrid or fully electric version of the same car.

Last year, it introduced the Kona – a rival for the Nissan Juke and Vauxhall Mokka X – with a petrol engine, and it

is now ready to add diesel and electric versions to the line-up.

Customers will get the choice of two diesel and two electric power outputs.

The diesel is a new-generation 1.6-litre CRDi that complies with the forthcoming, more stringent EU6.2 emission rules.

It's available with 115PS or 136PS, the former with a six-speed manual transmission and the latter with a seven-speed dual-clutch auto. Both are front-wheel drive and offer CO<sub>2</sub> emissions between 111 and 114g/km.

The diesel works well, with 280Nm of torque from 1,500rpm, and engine noise is never intrusive. Also, while the Kona wouldn't be the first choice of car to set lap records at the Nürburgring, it coped very well with a twisty part of the test route, slightly numb steering aside.

It is capable of good comfort on the motorway as well as an agile nature around town.

When the Kona was launched at the end of 2017, the range included a 177PS 1.6-litre turbocharged petrol version, but this is no longer the fastest version of the car.

From the end of August, the Kona Electric will be offered with a 39kWh version producing 136PS (from £29,495 on the road, excluding plug-in car grant), or a 64kWh variant producing 204PS.

Hyundai believes the higher power variant will have the greatest appeal, offering longer range as well as acceleration from 0-62mph of 7.6 seconds.

The only other compact electric cars with such swift performance are the BMW i3 – which is very slightly more expensive than the Kona Electric – and the Opel Ampera-E, which wasn't made available in right-hand drive so there is no Vauxhall version.

The 39kWh version is more in the mainstream of EVs with cars such as the Nissan Leaf and Volkswagen e-Golf, but they are in the mould of a traditional hatchback whereas the Kona is a crossover.

Of course, it's the diesel that will have the broadest appeal, but the Kona Electric is a good fleet option in its own right.



Gear selection is via buttons in the electric (above) while the diesel set-up is more conventional



... while the grille on the electric version is blanked off to improve the aerodynamics

*"It's the diesel that will have the strongest appeal, but the Kona Electric is a good fleet option in its own right"*

The 39kWh Kona Electric has a maximum range of around 194 miles on a full charge, with the 64kWh offering a potential 300 miles, hence Hyundai's inkling that the more expensive version will be the most popular plug-in.

The Kona Electric's design differs from models with an internal combustion engine. The radiator grille is blanked off for improved aerodynamics, while the centre console is 'floating'.

Gear selection is via buttons with separate ones for P, R, N and D, and there is an electronic parking brake.

The Kona Electric feels very quick under acceleration, and even in the worst conditions for the battery, the 64kWh version should achieve a 200-mile range.

The battery warranty is for eight years/100,000 miles, while the rest of the car has a five years/unlimited mileage warranty. The Kona Electric also qualifies for the £4,500 plug-in car grant.

Equipment grades of both diesel and electric Konas reflect the rest of the range with SE as the entry point, and Premium and Premium SE above. The 64kWh Kona Electric isn't available in the SE grade.

Hyundai moved swiftly years ago to offer diesels as good as the European manufacturers, and now invests to maintain their competitiveness. It is also big in alternative fuel cars, and the fact that the Kona range has such breadth is testament to what a major player the brand has become.

## COSTS

Hyundai Kona 1.6 CRDi 115 Premium
P11D price £20,830
BIK tax band (2018/19) 27%
Annual BIK tax (20%) £1,125
Class 1A NIC £776
Annual VED £165 then £140
RV (4yr/80k) TBC
Fuel cost (ppm) TBC
AFR (ppm) 11
Running cost (4yr/80k) TBC

## SPEC

Power (PS)/torque (Nm) 115/207
CO <sub>2</sub> emissions (g/km) 112
Top speed (mph) 114
0-62mph (sec) 10.7
Fuel efficiency (mpg) 67.3

## KEY RIVAL

Ford Ecosport 1.5 TDCi 125 Titanium
P11D price: £21,240
BIK tax band (2018/19) 27%
Annual BIK tax (20%) £1,147
Class 1A NIC £791
Annual VED £205 then £140
RV (4yr/80k) £6,100/29.9%
Fuel cost (ppm) 9.25
AFR (ppm) 11
Running cost (4yr/80k) 32.04ppm

Diesel figures calculated at four years/80,000 miles

## THINKING CAP



By Martin Ward, manufacturer relationships manager

cap hpi

**Tuesday** The annual Mercedes-Benz Van Experience was staged at Millbrook and, as usual, it was well attended. It's big event, spread over six days, with more than 250 people there each day. Attendees include those from fleets who buy millions of pounds worth of LCVs per year through to Bob the Builder and all in between.

Mercedes made the new Sprinter with both rear- and front-wheel-drive available to steer around the test tracks.

It also had the handsome X-Class Pick-up which we took off-road. Although the sun had dried the usually muddy and slippery slopes, the X-Class handled the lumps and bumps with ease. This well-appointed and comfortable five-seater is smooth, quiet and refined.

A well put together day, interesting and informative. I look forward to next year.

*"Toyota told us it expects to stop selling diesel cars in the next couple of years"*

**Thursday/Friday** Down to Barcelona for a Toyota Europe Fleet meeting and to have a catch-up on progress. Toyota told us that in Europe, EV and hybrid now account for 4.7% of sales and since the launch of its hybrid it has sold more than 12 million globally, with very few failures, proving ultra-reliable.

Toyota also told us it expects to stop selling diesel cars in the next couple of years and, with its petrol hybrid, that seems the right thing to do.

We were shown the all-new Camry, a large saloon, not dissimilar in size to a VW Passat, which will complete head-to-head with Ford Mondeo, Škoda Superb and Mazda6, to name just a few, when it arrives in the UK mid-late 2019.

It is 14 years since we have had a Camry in the UK and this new one is so much better in every respect. It is fitted with the latest generation hybrid system, a 2.5-litre petrol that produces around 218PS. It will be available in limited numbers, but I'm guessing it will be in demand from fleets.





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FIRST DRIVE

ACTIVE X 1.0 ECOBOOST 125

## FORD FIESTA

Active is for those who seek a hatchback with SUV looks but without the extra costs



Ground clearance is 18mm higher  
than on a standard Fiesta

By Simon Harris

**S**uch is our appetite for the rugged looks of an SUV, we even want conventional hatchbacks to look like they are ready for adventure.

Announced last year alongside the latest Fiesta, the Fiesta Active has now gone on sale, appealing to those who feel a standard small car looks too timid, but who don't want the extra running costs associated with an SUV.

In any case, Ford has a compact SUV (albeit 2WD only) in the Ecosport. So car manufacturers are now really catering for niches within niches.

The market for these taller hatchbacks already exists. Hyundai launched an i20 Active three years ago, while Volkswagen will soon introduce the T-Cross, which will be the Fiesta Active's competitor based on the Polo.

Ford will be rolling out Active variants of other models. The Ka+ Active has also gone on sale, while the new Focus will also be given this treatment based on both the hatchback and the estate.

There would appear to little practical benefit in the Fiesta Active compared with the standard hatchback, with the exception of a higher entry point to the car, making it easier to get in and out.

Ground clearance is 18mm higher than the standard Fiesta, while the track width is 10mm wider.

Ford also talks about "more confident urban and highway driving", which is also a matter of debate. How can we really see better around all the SUVs if everyone seems to be driving them.

But the Fiesta Active has a few hidden talents. There is a choice of three modes on six-speed manuals: normal, eco and slippery.

The latter adjusts stability and traction control settings for increased confidence on snow and ice, helping reduce wheel-spin and maintain control when cornering or changing lanes in slippery conditions by delivering small adjustments to the throttle and brakes to prevent excessive under- or oversteer.

### COSTS

<b>P11D price</b>	£20,575
<b>BIK tax band (2018/19)</b>	23%
<b>Annual BIK tax (20%/40%)</b>	£946/£1,893
<b>Class 1A NIC</b>	£653
<b>Annual VED</b>	£165 then £140
<b>RV (4yr/80k)</b>	£5,550/27%
<b>Fuel cost (ppm)</b>	10.25
<b>AFR (ppm)</b>	11
<b>Running cost (4yr/80k)</b>	33.42ppm

### SPEC

<b>Power (PS/torque (Nm))</b>	125/170
<b>CO<sub>2</sub> emissions (g/km)</b>	113
<b>Top speed (mph)</b>	121
<b>0-62mph (sec)</b>	10.4
<b>Fuel efficiency (mpg)</b>	58.8

### KEY RIVAL

<b>Fiat 500L 1.4 T-Jet Cross</b>	
<b>P11D price:</b>	£19,090
<b>BIK tax band (2018/19)</b>	32%
<b>Annual BIK tax (20%/40%)</b>	£1,222/£2,444
<b>Class 1A NIC</b>	£843
<b>Annual VED</b>	£515 then £140
<b>RV (4yr/80k)</b>	£4,550/24%
<b>Fuel cost (ppm)</b>	13.73
<b>AFR (ppm)</b>	11
<b>Running cost (4yr/80k)</b>	36.18ppm

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



The Active has the Ford  
Sync voice control system

Active is available with four variants of the three-cylinder 1.0-litre Ecoboost petrol engine, ranging from 85PS to 140PS, and two versions of the 1.5 TDCi diesel offering 85PS and 120PS. The lowest CO<sub>2</sub> emissions for the petrol engine are 113g/km with a low of 103g/km for the diesel.

There are three grades: Active, Active B&O (with upgraded Bang & Olufsen audio) and Active X.

The Fiesta Active shares the safety and convenience features available on other Fiesta models, including autonomous emergency braking, pedestrian protection, traffic sign recognition and automatic high-beam, to name a few.

It also has the latest Ford Sync voice control system for infotainment, and is compatible with Apple CarPlay and Android Auto.

Driving the Active feels little different from the standard model, with no adverse effects from a higher centre of gravity in normal driving. It still feels part of the Fiesta family, with its fun-to-drive characteristics, and the 125PS Ecoboost we tried had plenty of poke.

Designed to appeal to small car buyers who might want something a bit different, the Fiesta Active does the job, and adds greater depth to an already impressive Fiesta range.



VOLKSWAGEN  
E-GOLF

Life with our Volkswagen e-Golf couldn't be going any more smoothly – both in its day-to-day operation and in the way it drives.

Over the 1,534 miles I've been behind the wheel so far, the electric powertrain and automatic gearbox have made it a hassle-free experience as well as exceptionally quiet: its refinement levels are excellent, a quality hammered home when I borrowed a 'noisy' diesel SUV for a couple of days.

The e-Golf's range has also seen me settle into a comfortable routine. As I wrote in my last report, the 75-mile round trip to work is taken in its stride, usually with an estimated 65 miles of range left. I then plug it into my home Pod Point charge point for a few hours, and it's fully charged and ready to go again.

Range-wise, its biggest challenge so far has been taking it to our two-day Company Car in Action event, held at the Millbrook Proving Ground in Bedfordshire.

This was a 134-mile round trip: 10 miles more than the real-world range Volkswagen gives for the e-Golf, although its official NEDC range is 186 miles.

My previous experiences had suggested this was well within the capabilities of the car, but still led to slight range anxiety before I set off.

For these journeys, I selected 'eco' mode, which limits the car's top speed to 72mph and reduces the motor output from the standard 115PS to 74PS. It also reduces the output of the climate control.

A further Eco+ mode is also selectable which limits the top speed to 56mph and the power to 74PS.

At the end of the first day, I still had an estimated 18 miles of range remaining, with 22 miles left on the second, suggesting 150 miles easily achievable.

Any range anxiety was again misplaced, making the transition to driving a full EV more straightforward than I had considered it would be.

**Andrew Ryan**



Fuel economy on the Koleos lives up to its billing

## RENAULT KOLEOS 1.6DCI SIGNATURE NAV

Air-con controls leave us cold, but much else to admire

## COSTS

<b>P11D price</b>	£30,085
<b>BIK tax band (2018/19)</b>	30%
<b>Annual BIK tax (20%)</b>	£1,805
<b>Class 1A NIC</b>	£1,246
<b>Annual VED</b>	£205 then £140
<b>RV (4yr/80k)</b>	£8,625
<b>Fuel cost (ppm)</b>	9.69
<b>AFR (ppm)</b>	9
<b>Running cost (ppm)</b>	41.67

## SPEC

<b>Engine (cc)</b>	1,598
<b>Power (PS)</b>	130
<b>Torque (Nm)</b>	320
<b>CO<sub>2</sub> emissions (g/km)</b>	128
<b>Manufacturer mpg</b>	57.6
<b>Real-world mpg*</b>	50.3
<b>Test mpg</b>	51.1
<b>Max speed (mph)</b>	115
<b>0-62mph (sec)</b>	11.4
<b>Current mileage</b>	8,740

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

TEST TIMELINE (SIX MONTHS)

Start End

By Sarah Tooze

**W**e have been much impressed with the level of standard technology on the Koleos, but there has been one tech feature that I would have gladly swapped for a traditional button or switch: the air conditioning fan speed.

To control it you have to turn on the touchscreen multimedia system, choose air conditioning and then alter it by pressing plus or minus, which can't always be jabbed precisely, particularly when travelling along country roads.

The twists and turns of the country roads have also highlighted the degree of body roll the Koleos has and its 1.6-litre diesel engine is a tad noisy at low speeds.

It's much more at home as a motorway cruiser.

Average fuel economy when we returned the Koleos to Renault after nearly 9,000 miles had reached 51.1mpg (only 6.5mpg below the official combined figure of 57.6mpg).

That slightly exceeds the real world Equa Index figure of 50.3mpg and is up from 48mpg in June and around 40mpg when we began running the Koleos in December.

During our six-month test, the Koleos's decent-size boot (579 litres with the seats up and 1,795 litres with rear seats folded) helped our staff writer Matt de Prez move house (see *Fleet News*, May 31).

However, it's worth pointing out that key rival the Škoda Kodiak offers 700 litres (with five seats in place, 270 litres on the seven-seat version) and 2,065 litres with all seats folded.

It also had the edge on running costs (see *Fleet News*, April 5).

But we found plenty of features we liked, such as the hands-free key card system, which locks the car automatically when you walk away. Plus the fact that safety technology, such as blind spot warning and lane departure warning, is standard (helping the Koleos secure a five-star Euro NCAP rating), and the quality of the interior is excellent.

*"The twists and turns of the country roads have also highlighted the degree of body roll the Koleos has and its 1.6-litre diesel engine is a tad noisy"*

## FORD FIESTA

1.0 ECOBOOST 125 ST LINE

New Fiesta looks like being well worth the wait



The Fiesta in ST Line trim

## COSTS

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

## SPEC

<b>Engine (cc)</b>	998
<b>Power (PS)</b>	125
<b>Torque (Nm)</b>	170
<b>CO<sub>2</sub> emissions (g/km)</b>	111
<b>Manufacturer mpg</b>	60.1
<b>Real-world mpg*</b>	45.8
<b>Test mpg</b>	42
<b>Max speed (mph)</b>	121
<b>0-62mph (sec)</b>	10.0
<b>Current mileage</b>	500

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

TEST TIMELINE

Start End

By Matt de Prez

**W**e've been waiting patiently for our new Fiesta long-term since April. The car has taken 14 weeks from order to delivery, as Ford is enjoying strong demand for the all-new model.

The outgoing Fiesta held the title as the UK's best-selling car for eight years, so we looked forward to finding out if the new one can live up to the reputation.

When choosing our car we faced a choice of 17 versions, two bodystyles and 10 engine and transmission options.

We plumped for Ford's expected best-seller, the sporty ST Line with five doors.

It comes packed with standard kit, including: automatic headlights and wipers, lane-keep assist, a heated windscreen and keyless start.

In addition to the basic specification, 18 options are available to enhance the Fiesta further. We added parking sensors (£350), a rear-view camera (£250), blind-spot monitoring (£475) and the Driver Assistance Pack (£400) which

includes adaptive cruise control.

The Moondust Silver paint (£450) has not been a popular choice with colleagues, but the Fiesta still looks great in ST Line trim with its larger (17-inch) alloy wheels and subtle body-styling kit.

Diesel Fiestas are the most frugal, but petrol versions promise the best balance of running costs. We decided on the mid-range 125PS version of Ford's 1.0-litre Ecoboost petrol engine with a manual gearbox.

This bought the total price of our car to £20,405 OTR.

According to Ford, we can expect average fuel consumption of 60.1 mpg – which equates to CO<sub>2</sub> emissions of 111g/km.

Since taking delivery, the Fiesta has achieved an average of 42mpg – close to the Equa Index figure of 45.8mpg – but we will need to let the engine bed in before we can make further comment on the economy.

Performance from the three-cylinder turbocharged engine is great. The extra 25PS is noticeable when compared to the entry-level 100PS version. Zero to 62mph takes 10 seconds and the Fiesta delivers strong in-gear pace with 170Nm of torque.

ŠKODA KAROQ 1.6  
TDI SE TECHNOLOGY

The Karoq is not an exciting car. I recently had opportunity to drive the Seat Ateca Sport, a long-termer with sister magazine, *AM*.

The Ateca shares its platform with the Karoq, but, by comparison, the Ateca has sharper styling and a firmer ride.

It's altogether more sporty and more youthful.

The current Škoda range has a more 'grown up' appearance with its large 'moustache' grilles. It seems like the design team may have taken some styling cues from the older characters in Disney's animated movie, *Cars*.

Also, the Škoda reputation of old, which I thought had long since been forgotten, still survives.

This was confirmed during a recent conversation with a friend who started retelling Škoda jokes from 30 years ago.

There may still be some badge snobbery when drivers are considering a Škoda.

But none of this means the Karoq isn't a good car. Far from it. What it lacks in excitement it makes up for in practicality and useability.

Two small things have really impressed me from day one.

The first is the auto on/off handbrake. It is excellent. Why aren't all electric handbrakes automatic?

The other is the centre armrest which adjusts for height and reach – fantastic for a high mileage driver.

Škoda has also introduced a 'Simply Clever' range of other additions to make the Karoq more useful. These include an ice scraper in the fuel flap, a built-in umbrella under the seat, elastic straps in the door pockets for paperwork and a pair of locking picnic tables for rear seat passengers.

**Luke Neal**

## AT A GLANCE – THE REST OF OUR FLEET



VAUXHALL  
INSIGNIA  
GRAND SPORT  
1.6 CDTI SRI  
VX-LINE



VOLVO S90 D4  
INSCRIPTION



MERCEDES-  
BENZ E220D  
AMG LINE  
PREMIUM  
PLUS



## CHRIS MILLER

COUNTRY MANAGER ABAX

Since Miller was introduced to the world of business at a go-kart track when aged 14, working has been his big focus. But an afternoon trip to the golf course is also very welcome

**The three vehicles I would like in my garage are some track day cars. I think that the D Type Ecosse is one of the greatest looking cars of all time. I am a big fan of how single seaters handle and would love something like an F3 or older Formula Ford car to race.**

**My hobbies and interests outside of work are my family. That is the number one priority. I am also studying for an MBA but still try to get out onto the golf course if I have a free afternoon.**

**My favourite film is *Into the Wild*. If you ever want to get away from it all, this guy did it. It is accompanied by a fantastic soundtrack from Eddie Vedder.**

**My pet hate is people who spend hours comparing their life with people they see on social media. Life through lens looks very different to reality.**

**The pivotal moment in my life was becoming a dad. You are no longer your biggest priority.**

**A book that I would recommend others read is *Football Manager Stole My Life: 20 Years of Beautiful Obsession*. Anybody who played the virtual game in the late '90s or early 2000s will identify with this book.**

**My first memory associated with a car was being in the back of a Fiat Uno with my mum when she drowned it under a flooded bridge in Leicester.**

**If I were Prime Minister for the day I would have to call in sick and disappear to the golf course. I have never had any interest in doing that job.**

**The advice I would give to my 18-year-old self is to enjoy yourself and get involved with as much as you can while you are still young.**

**I want to be remembered as the man who put a smile on the face of everyone he met.**

**First fleet role** I worked at Mitsubishi Electric Automotive as a placement year during my degree. I was fortunate enough to be working as a supplier into Aston Martin and JLR as a 20 year old.

**Career goals at Abax UK** It's important for the ambitions of employees and the business to align. Everybody at Abax is working hard to make the company the leading provider within the telematics cloud by 2020.

**Biggest achievement in business** Being part of a small core team that helped to build the profile of Abax in the UK has been my biggest achievement. However, I always prefer to look forward in business.

**Biggest career influence** I have been lucky to have worked under two influential managing directors in Chris Swann and Frank Ystenes. Both had fast paced and assertive attitudes towards how business should be done and achieved great success with their style.

**Biggest mistake in business** Never assume. Always take a little extra time to get more of the facts and make an informed decision.

**Leadership style** It is important to promote and facilitate those around you to make their own decisions and feel comfortable in doing so. A well communicated mission statement and a strong culture embedded within the business contributes a lot towards success.

**If I wasn't in fleet** Motorsport was a big part of my teenage years and led me to a degree in motorsport technology. It is an incredibly demanding industry to work in and requires total commitment.

**Childhood ambition** I lacked ambition as a child. I never really knew what I wanted to do or how to apply myself in order to achieve good results. At 14, I began working at a local go-kart circuit and working became a focus for me.



The top-of-the-range Focus Vignale estate has a unique front grille and body styling

## All-new Focus variants are packed with features

The all-new Ford Focus range comprises seven variants from launch – Style, Zetec, ST-Line, ST-Line X, Titanium, Titanium X and Vignale.

Focus Style has standard 16-inch alloy wheels, air conditioning, digital radio with Bluetooth and Emergency Assist, electronic parking brake, autonomous emergency braking, tyre pressure monitoring, Hill Start Assist and Lane-Keeping Aid.

Zetec models boast Ford's acclaimed SYNC3 with a 6.5-inch touchscreen and Apple CarPlay/Android Auto functionality, cruise control with speed limiter,

front fog lights and QuickClear heated windscreen.

Titanium models add features including front and rear parking sensors, heated front seats, dual-zone climate control, keyless entry and start, eight-inch colour touchscreen, satellite navigation and FordPass Connect wireless connectivity.

Titanium X adds partial leather trim, power-adjustable driver's seat, privacy glass and 17-inch alloy wheels.

For sporty drivers, the ST-Line's body styling includes unique upper and lower grille, rear spoiler and polished twin tailpipes. Inside are a flat-bottomed steering

wheel, black headlining, aluminium gear-knob, alloy finish pedals and red stitching.

The ST-Line X adds 18-inch alloy wheels, red brake calipers and many of the luxury features found on the Titanium X model.

At the top of the all-new Focus range, the luxurious Focus Vignale features a unique front grille and body styling with 18-inch wheels and LED headlights and tail lights.

Inside, are leather upholstery, head-up display, rear view camera, heated steering wheel and 675-watt 10-speaker B&O Play Premium Audio System, which is also available as an option on Titanium, Titanium X and ST-Line X models.

### CYLINDER DE-ACTIVATION SYSTEM LEADS TO IMPROVED FUEL ECONOMY

Ford's industry-first cylinder de-activation system for three-cylinder petrol engines, which can automatically stop one of the engine's cylinders when full capacity is not needed, ensures excellent fuel economy.

It also means improved CO2 emissions, with a five-door petrol-engined Focus delivering from just 107g/km. With a 100PS version of the

1.0-litre Ford EcoBoost petrol engine and six-speed manual transmission, on 16-inch wheels, Focus returns 60.1mpg combined.

A five-door Focus with 95PS 1.5-litre Ford EcoBlue diesel engine and six-speed manual transmission, on 16-inch wheels, returns 80.7mpg combined, while a five-door model with 120PS diesel engine and eight-

speed automatic transmission, on 16-inch wheels, returns 67.3 mpg, with 0-62 acceleration in 10.2 seconds.

This new EcoBlue engine delivers 300 Nm of torque and CO2 emissions from 91g/km for the five door model, and meets the latest Euro 6.2 emissions requirements without the need for a urea-based treatment system such as AdBlue.

Next issue: Matt Johnson, managing director, Handsfree Group



Go Further



# ALL-NEW FOCUS

TOGETHER WE GO FURTHER



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Ford Business Centre: 0345 723 23 23 | [flinform@ford.com](mailto:flinform@ford.com)

### P11D

£28,630 - £17,730

### BIK

28% - 22%

### CO<sub>2</sub>

123 - 91g/km

### COMBINED MPG

55.4 - 80.7



Official fuel consumption figures in mpg (l/100km) for the All-New Ford Focus range: urban 45.6-74.3 (6.2-3.8), extra urban 62.8-85.6 (4.5-3.3), combined 55.4-80.7 (5.1-3.5). Official CO<sub>2</sub> emissions 123-91g/km.

The mpg figures quoted are sourced from official EU-regulated test results (EU Regulation 715/2007 and 692/2008 as last amended), are provided for comparability purposes and may not reflect your actual driving experience. Information correct at time of going to print.