

SHAPING THE FUTURE

Policymakers, fleets and suppliers debate the challenges facing UK transport

OF SMART TRANSPORT



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07:36

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08:30

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08:59

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Warning of car price rises if Brexit ends without a deal

Leasing companies are carrying out 'frantic reviews' says boss of car check company

By Gareth Roberts

Fleets are being warned they could face price increases and longer lead times for vehicles and spare parts, if the UK leaves the EU without a deal.

MPs hope to delay Brexit beyond March 29 if the Government fails to win a majority for its deal, in an attempt to take 'no deal' off the table.

However, with European elections planned from May 23-26 and newly elected MEPs taking their place in Brussels from July 2, EU leaders will not want to extend Article 50 beyond the end of June.

It leaves the UK Parliament with less than three months to agree a way forward or face the real threat of a disorderly Brexit.

The Society of Motor Manufacturers and Traders (SMMT), which represents UK carmakers, says fleets could suffer in the event of the UK crashing out of Europe.

SMMT chief executive Mike Hawes told *Fleet News*: "A 'no-deal' Brexit would mean a very real risk of delays to vehicle and parts deliveries from the continent due to border checks, increased red tape and the likelihood of subsequent queues at ports.

"In addition, World Trade Organisation (WTO) rules would impose a 4.5% tariff on parts and 10% on finished

cars crossing into and out of the EU, which could result in an average £1,500 uplift to sticker prices, if brands and retailers were unable to absorb these additional costs."

Europe's second largest car manufacturer, PSA Group, which has Peugeot, Citroën, DS, Opel and Vauxhall brands under its ownership, says it has a "comprehensive



WTO RULES WOULD IMPOSE A 4.5% TARIFF ON PARTS AND 10% ON FINISHED CARS

MIKE HAWES, SMMT

'no deal' contingency plan" in place, but it is warning of a potential impact on pricing.

A spokesman said the carmaker was in contact with leasing companies to ensure they can carry out their business with "as much clarity and as little disruption as possible".

However, he added: "Where existing orders are concerned, our dealers will provide details of any price impacts that may result from a 'no deal' scenario."

In a memo to its fleet customers, seen by *Fleet News*, Zenith revealed Volkswagen Group UK had advised the leasing company it would reserve the right to increase prices in the event of a 'no-deal' Brexit.

Zenith managing director Ian Hughes told *Fleet News*: "Given the uncertainty that Brexit presents for UK business, Zenith is doing everything it can to update its customers. Information is shared as soon it is received and there is lots of support within our teams to handle any changes."

Zenith has created a Brexit steering committee that meets each week to review any potential impacts on our customers and drivers. That includes having information ready for distribution to customers when driving in Europe, if the UK leaves without a deal.

Hughes added: "We are committed to ensuring drivers are able to proceed with the minimal amount of disruption."

VEHICLE SUPPLY

Rupert Pontin, director of valuations at Cazana, suggests some leasing companies are "frantically reviewing" what plans they have in place should the industry find it difficult to access the supply of key brands (*fleetnews.co.uk*, February 19).

He also says there could be an issue for future forecasted values in the event of a significant overnight price increase.

"The percentage of original cost new measurement often quoted internally and externally, will drop," he said.

"This is because the same car registered the day after one at a lower cost new will not hit the used car market at a higher price just because the manufacturer lifted the new price."

£1,500

Average price rise on cars if brands and retailers aren't able to absorb additional World Trade Organisation tariff

Annual economic output by UK logistics sector

DISORDERLY BREXIT

£9.8bn

ORDERLY BREXIT

£3.1bn

Hughes told *Fleet News* there was nothing to suggest that vehicle supply would be an issue beyond that already seen from the introduction of the new CO₂ testing regime, the Worldwide harmonised Light vehicle Test Procedure (WLTP).

Mercedes-Benz, which achieved the highest true fleet sales in the UK last year, with more than 83,000 cars sold to fleets, also played down any impact on vehicle supply.

A spokesman said: "Mercedes-Benz has the clear objective of ensuring that goods can continue to enter and exit the UK in a timely manner following the UK's exit from the EU."

"We are constantly monitoring the status of negotiations, and have plans in place to ensure that our objective is met should the UK exit the EU without a transition period. These plans cover all relevant topics, (including) the supply and movement of goods, customs procedures and logistics."

GROWING CONCERN

Nevertheless, there is growing feeling among fleets that the UK's exit from the EU will result in higher fleet-related costs.

In a series of polls taken by *Fleet News* starting from a few months prior to the referendum in June 2016, to the most recent, last month, the percentage of respondents saying leaving the EU would result in higher fleet costs has almost doubled, from 39.3% to 74.5%.

In a poll held immediately after the referendum result, almost two-thirds (64%) of respondents feared price rises, while a third did not believe the UK's exit would hit their bottom line.

Two subsequent polls, taken around a year apart, echoed a similar sentiment, before the most recent suggested almost three-quarters now expect to see fleet costs increase, with fewer than one in five (18.1%) believing they will escape unscathed (see p15 for details).

STAFF SHORTAGES

In terms of the logistics sector, experts are also warning that a disorderly Brexit could result in significant staff shortages, because of immigration policy uncertainty.

New research from workforce management experts at Quinyx found that under any Brexit scenario, employers in the UK's logistics sector expect to lose, on average, 21% of their blue-collar workforce as a result of the UK's departure from the EU, with 13% saying they expect to lose 31% or more.

The study, based on economic analysis of ONS data and findings from an employer sentiment survey of 1,008 senior decision-makers, also compared the predicted growth and economic output of the work-

NEWS: POST-BREXIT

Force in the logistics sector under both a disorderly and an orderly Brexit scenario.

The study found that the increase in economic output generated by the UK's logistics workers (in manual roles) would be £9.8 billion per year by 2024 under an orderly Brexit, compared to £3.1bn under a disorderly Brexit. This equates to a 68% reduction or £6.7bn loss per year.

Mansoor Malik, managing director of Quinyx, said: "The impact that a disorderly Brexit will have on the UK's truck drivers, packers and warehouse workers as well as the logistics businesses that employ them is concerning."

"Employers, especially those in the logistics sector, need to make plans to avoid staff shortages in the future."

UK CAR PRODUCTION

The auto industry, meanwhile, has suffered extensive job losses, with thousands more workers facing the axe following Honda's decision to close its Swindon plant by 2021 (fleetnews.co.uk, February 19).

Japanese car producers, including Nissan, have said that Brexit uncertainty is not helping them "plan for the future". Nissan recently opted to build the next X-Trail model in Japan, rather than in Sunderland.

However, Honda denied its decision to close its plant in Swindon was related to Brexit, instead blaming a global restructure and a decline in demand for diesel.

A new trade deal between the EU and Japan that came into force in February will have also played its part. It will see tariffs on cars exported from Japan to Europe reduced to zero over the next 10 years.

In a recent report, consulting firm LMC Automotive estimated that more than 730,000 cars built in the UK in 2018 were for Nissan, Toyota and Honda – nearly half of all light vehicles produced.

If the UK were to leave the EU without a deal, cars made in Japan could, under the new EU-Japan trade deal, end up costing less to import into the EU than those

produced in the UK.

Hawes said: "The challenges facing Honda are not unique. The global automotive industry is facing fundamental changes: technological, commercial and environmental, as well as escalating trade tensions, and all manufacturers are facing difficult decisions."

"The UK should be at the forefront of these changes, championing its competitiveness and innovation, rather than having to focus resources on the need to avoid a catastrophic 'no-deal' Brexit."

Jaguar Land Rover (JLR) said in January that it would be cutting 4,500 jobs (fleetnews.co.uk, January 10). It said that it was facing a different challenge in the Asian market: a sales slowdown in China.

Passenger vehicle wholesales fell by 17.7% year-on-year to 2.02 million units, according to the latest figures from China's Association of Automobile Manufacturers.

VAUXHALL FUTURE

PSA Group chief executive Carlos Tavares, meanwhile, says that Vauxhall may emerge as "the survivor" of a post-Brexit car manufacturing sector in the UK.

Last year, following proposals of a restructuring of the Ellesmere Port Manufacturing Plant, where it builds the Astra, it announced almost 250 jobs would be lost this year (fleetnews.co.uk, November 26, 2017).

At the beginning of 2018, the car manufacturer announced 250 job cuts at the plant, following an initial 400 in October 2017.

Tavares said: "We may have the opportunity to be the survivor – the survivor of the automotive industry in the UK – because Vauxhall is a brand that is warm to the hearts of UK consumers, we may be the ones with the best opportunities to survive and make a good business out of it."

Reporting a €1.7bn (£1.46bn) increase in recurring operating profit in the group's first full year results since its acquisition of Opel Vauxhall, Tavares would not rule out the closure of UK plants, however.

OPINION: BREXIT SOAP OPERA

Consider switching from contract hire to finance lease to base costs on reality rather than predictions



BY PROFESSOR COLIN TOURICK, UNIVERSITY OF BUCKINGHAM

The Brexit soap opera rolls on, with daily episodes that deliver all that you might expect from a compelling TV drama. A complex plot that reels from crisis to crisis; cliff hangers; multiple sub-plots; a cast of villains, rogues and heroes (all of whom believe they're in the right) and an impending sense of doom as we move towards the end of series one on March 29. But this isn't fiction: our future prosperity, security and much more are at stake.

I say the "end of series one" because 'the deal' everyone is discussing is only the withdrawal agreement. No one knows when the final trade deal will be agreed, or what it will contain.

While we may hope for a happy ending, it seems ever-more likely that we will have a period of disruption, particularly if we crash out on March 29. We just don't know how much disruption and how long it will last.

Almost every fleet will be affected by Brexit in some way, especially a hard Brexit. Fleet costs rose when sterling fell and will rise again with a hard Brexit, probably driving more employees to opt for cash and making it harder to manage business motoring.

There will be many administrative issues too. For example, if your drivers cross the channel for work, or you have UK driving licence holders who live and drive for work in the EU, you need to familiarise yourself now with International Driving Permit and local EU licence requirements.

With uncertainty over Brexit, WLTP and benefit-in-kind (BIK) tax, it's never been so difficult for fleet managers to make decisions that work for their company and their drivers, while keeping costs and emissions under control.

Here's one (hopefully) helpful suggestion. With all this uncertainty, leasing companies will have found it even more difficult than usual to predict residual values and maintenance budgets. They are naturally cautious.

If you believe that Brexit will deliver less of a shock to the economy than some of the Jeremiahs are predicting, switch now from contract hire to finance lease to fund your fleet, and bolt on an 'actual cost' fleet management package.

That way you'll pick up the actual cost of running your cars over the next few years, rather than costs based on predictions made at this time of great uncertainty.

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[#]Fuel consumption figures are determined according to the WLTP test cycle. *CO₂ emissions figures are determined according to the WLTP test cycle however, a Government formula is then applied to translate these figures back to what they would have been under the outgoing NEDC test cycle, which WLTP replaces. The correct tax treatment is then applied. Figures are intended for comparability purposes only. The fuel consumption you achieve under real life driving conditions and CO₂ produced will depend upon a number of factors, including the accessories fitted after registration, variations in driving styles, weather conditions and vehicle load. Only compare fuel consumption and CO₂ with other vehicles tested using the same technical procedures. For more information contact your local Vauxhall Retailer. †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. 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 (February 2019).

NEWS: GOVERNMENT CONSULTATION

Fleet and leasing industry responds to WLTP consultation

Renewed calls for the Chancellor not to use the higher ratings as an excuse for extra levies

By Gareth Roberts

Fleets may have to wait beyond the Spring Statement to find out whether the Government will make changes to company car tax and vehicle excise duty (VED).

Both were the subject of a review to assess the impact of the Worldwide harmonised Light vehicle Test Procedure (WLTP), which closed last month (fleetnews.co.uk, February 15).

However, HM Treasury has refused to say whether new rules will be included in the Chancellor's statement on Wednesday (March 13). Instead, officials would only say the Government would "respond (to the consultation) in due course".

If changes are required, these would be introduced in the Finance Bill 2019-20, with draft legislation being published for technical consultation ahead of that. The alternate deadline for an announcement would be July.

The Government has previously indicated that new WLTP CO₂ values will be adopted for tax purposes from April 2020.

It leaves a matter of months for the Government to act or leave fleet decision-makers and company car drivers facing a possible tax increase.

Initial evidence provided by manufacturers suggests more than 50% of cars will see an increase from NEDC-correlated figures to WLTP of between 10-20%. Fleets have already reported increases of up to 30% between NEDC and NEDC-correlated figures, currently used for tax purposes.

At Budget 2018, the Office for Budget Responsibility (OBR) assumed an increase in revenue for the Exchequer by adjusting the VED and company car tax forecasts from April 2020. It suggested VED receipts will increase around £200 million a year

on average from 2020-21 onwards.

Company car tax receipts – through income tax and national insurance contributions – are forecast to increase £100m in 2020-21, rising to £400m in 2023-24.

Fleets have already experienced significant rises. HMRC figures show company car tax revenues increased by more than 24% year-on-year – some £360m – yet the number of employees receiving the benefit fell by 20,000 (fleetnews.co.uk, July 16).

"The Government cannot continue to treat the company car as a cash cow," said Caroline Sandall, deputy chairman of fleet representative body ACFO.

In its response to the consultation, it has called for Government to realign benefit-in-kind (BIK) tax bands to smooth the transition to WLTP or consider a 'grandfathering' of cars registered prior to 2020 to account for the rise in CO₂ emissions under WLTP testing.

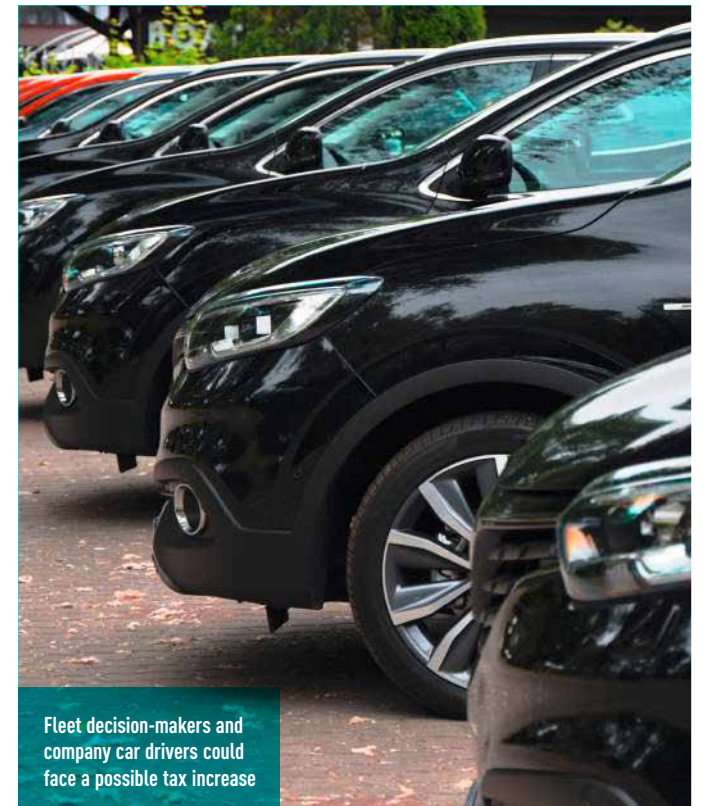
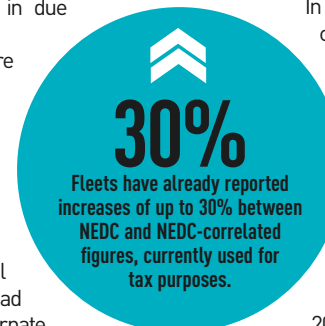
It also wants the Chancellor to implement the 2% BIK rate for cars with CO₂ emission of 0-50g/km immediately and not wait until 2020/21 as scheduled.

Sandall continued: "If the Government is to achieve its ambition to reduce vehicle emissions then it must ensure that the tax regime supports and enhances demand for company cars, the newest and cleanest cars on the roads."

More than 150 responses were submitted to the Government thanks to a campaign led by the British Vehicle Rental and Leasing Association (BVRLA) and supported by *Fleet News*.

The BVRLA says failure to support fleet with a fair and consistent tax regime will threaten the Government's 'Road to Zero' strategy.

The association used its submission to remind policymakers of the key role the company car and vehicle



**“THE
GOVERNMENT
CANNOT
CONTINUE
TO TREAT THE
COMPANY CAR
AS A CASH
COW”**

Caroline Sandall, ACFO

rental fleet has played in both buying new ultra-low emission vehicles (ULEVs) and then reselling them into the used market.

BVRLA chief executive Gerry Keaney said: "We need HM Treasury to acknowledge and support the fleet sector's role (in decarbonising road transport) by providing a fair and well-signposted tax regime."

"WLTP is designed to offer motorists greater transparency. It should not be used as an excuse to boost Treasury coffers. Without making the necessary WLTP-related vehicle tax adjustments, the Chancellor will be simply abusing his position by opportunistically raising taxes and punishing already hard-pressed families and businesses."

Like ACFO, the BVRLA has called on the Government to ensure future VED and company car tax bands account for the increase in WLTP-based CO₂ figures.

Training delays hit uptake of heavier alternative fuel vans

DfT is developing a system for car licence drivers of vans that exceed 3.5 tonnes

By Tom Seymour

Fleets are holding off procurement decisions on alternative fuel large vans because training is required to drive them and the Government hasn't actually finalised the training course.

The authorities have said standard category B driving licence holders will be permitted to drive 4.25-tonne alternatively fuelled vans, but only after completing a Government-approved training course.

This will enable vehicles to be driven on a Category B (car) licence, the same as vans up to 3.5 tonnes, rather than requiring a C1 licence (>7.5 tonnes). It also means alternative fuel van drivers are exempt from operator licensing requirements.

Fleets will then be able to switch to electric, range extender, plug-in hybrid, hydrogen fuel cell, compressed natural gas and liquefied petroleum gas vans where the weight exceeds 3.5 tonnes without having to invest in drivers getting a C1 licence.

The van must be used to transport goods and it only applies within Great Britain (but not Northern Ireland).

James Firth, head of road freight regulation at the Freight Transport Association, said the delay to introducing training courses is holding up procurement decisions.

He said: "I have put it quite bluntly to the Office for Low Emission Vehi-

cles (OLEV) that training courses should have been sorted before legislation was introduced. We now have members that are holding off buying decisions as a result."

The Department for Transport (DfT) changed the rules on licensing for alternative fuel vans because battery packs and the weight of the technology was pushing vehicles over the 3.5-tonne limit.

The Government has told the FTA it is in the closing stages of finalising a syllabus that will require five hours

of training, with a mix of practical and theory. The DfT said training will include vehicle handling techniques when driving a loaded alternative fuel van, refuelling alternative fuel types and safe loading of alternative fuel vans.

A DfT spokesman told *Fleet News* it is liaising with industry to make it easier and cheaper to own and run electric vans. "We have worked closely with training registers to develop a syllabus and are developing a system to enable drivers to prove they have completed the required training," he said.

Training will be carried out by the National Register of LGV instructors or the National Vocational Driving Instructors Register. The DfT said it will be up to fleets and drivers to satisfy themselves they are meeting the legislation's requirements.

It added that more information about training courses would be available "in due course".

Firth understands that, as well as finalising a syllabus, deciding how the qualification will be demonstrated - whether it can be added digitally as part of a licence check or whether it will be a paper certificate - is also a factor in the delay.

Firth expects the paper certificate to be the more likely option, with Category B drivers expected to present the document for inspection on request from the police.

LDV's electric EV80 van and chassis cab, as well as the Iveco Daily Blue Power and BD Auto eDucato would all be able to be driven by those that go on an approved training course.

Chris Jones, BD Auto head of sales, said the lack of DVSA-approved training courses is becoming an issue for fleets.

He explained: "We put in a lot of effort, as did many other stakeholders, into the consultation around the derogation process and it was really positive that the legislation went through last July. However, we're still waiting for details on training and we have customers and build orders waiting. It's becoming an issue for customers that want to train drivers in advance of vehicles being delivered."

The DfT decided to extend the weight limit to 4.25 tonnes on alternatively fuelled vans as a way of helping fleets make the switch away from diesel, particularly for inner city last mile delivery fleets.

Plug-in van sales are in desperate need of a boost. Latest OLEV figures show there have been slightly more than 6,000 plug-in van grant applications since its introduction in 2012. This equates to 1.7% of the total light commercial vehicle market of 357,325 units from 2018, according to Society of Motor Manufacturers and Traders data.



IT'S BECOMING AN ISSUE FOR CUSTOMERS THAT WANT TO TRAIN DRIVERS

CHRIS JONES, BD AUTO

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MOTION & EMOTION



PEUGEOT

PEUGEOT RECOMMENDS TOTAL Official Fuel Consumption in MPG (l/100km) and CO₂ emissions (g/km) for the PEUGEOT 2008 range are: Combined 39.1 (7.2) – 59.2 (4.8) and CO₂ 133 - 97 g/km. For the PEUGEOT 3008 range are: Combined 35.2 (8.0) – 56.3 (5.0) and CO₂ 132 - 102 g/km. For the PEUGEOT 5008 range are: Combined 35.2 (8.0) – 56.3 (5.0) and CO₂ 132 - 102 g/km.

The fuel consumption you achieve, and CO₂ produced, in real world conditions will depend upon a number of factors: including the accessories fitted (post registration), variations in weather, driving styles and vehicle load. There is a new test (WLTP) used to measure fuel consumption and CO₂ figures. The fuel consumption figures shown in this advert are calculated under the WLTP test. The CO₂ figures shown are NEDC equivalent (NEDCeq), calculated using EC correlation tool which converts WLTP figures to NEDC figures, however, these NEDCeq figures are based on the outgoing test cycle (NEDC**) and will be used to calculate tax for first registration. Figures shown are for comparability purposes; you should only compare fuel consumption and CO₂ figures with other vehicles tested using the same technical standard. *WLTP - Worldwide harmonized Light vehicles Test Procedure. **NEDC - New European Driving Cycle. Models shown are a 2008 SUV Allure 1.2L PureTech 110 S & S, 3008 SUV Allure 1.2L PureTech 130 S & S with optional LED headlights, optional Grip Control® and optional Black Diamond Roof, 5008 SUV Allure 1.2L PureTech 130 S & S with optional Black Diamond Roof and optional Grip Control®. Award logos relate to the following awards: 3008 SUV won Car of the Year in the Driver Power 2018 New Car Survey and Best Medium SUV in the Carbuyer 2019 awards. 5008 SUV won Best Large SUV in the What Car? 2019 awards. Information correct at time of going to print.

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Fuel consumption figures for the 18YM Civic 5 door Diesel range in mpg (l/100km): Combined 53.3 (5.3) - 62.8 (4.5). CO₂ emissions**: 109 - 93g/km. Figures shown are for comparability purposes only and you should only compare fuel consumption and CO₂ figures with other cars tested to the same technical procedures. These figures may not reflect real life driving results, which will depend upon a number of factors including accessories fitted (post-registration), variations in weather, driving styles and vehicle load.

Important information: *Contract Hire available to Business Users only, subject to status. Information correct at January 2019. Vehicles must be ordered between 1st January 2019 and 31st March 2019 with registration and delivery by 30th June 2019. Rentals exclude optional maintenance. Excess mileage and other charges may apply dependent on the mileage and return condition of the vehicle at the end of the contract. Contract Hire is provided by Arval UK Limited trading as Honda Contract Hire, Whitehill House, Windmill Hill, Swindon, SN5 6PE. For further information please contact your local Honda Dealer. **There is a new test for fuel consumption and CO₂ figures (WLTP). Figures shown however are based on the outgoing test cycle and will be used to calculate vehicle tax on first registration. You can find out more about the changes brought in by WLTP at <http://wltpfacts.eu/>

New pence-per-mile scheme offers affordable EV funding

Octopus Investments incorporates cost of vehicle, charge points and grid upgrades into single pay-on-use contract

By Stephen Briers

Companies eager to introduce electric vehicles (EVs) to their fleets but deterred by the cost of the models and concerns over infrastructure can now access a new type of funding model that promises to remove the risk and make the investment affordable.

Octopus Investments has launched a pay-on-use model which incorporates every element required to operate an EV, from the cost of the vehicle itself, to installation of charging points and even investment in local substation facilities to boost grid capacity.

It launched the pay-on-use product with Heathrow Airport in October 2018 (fleetnews.co.uk/octopus-EVs), which has taken on 25 Jaguar i-Pace cars under contract that could grow to 200, but the details of the scheme are only now coming to light.

The funding is based on a pence-per-mile fee which is calculated on the cost of the total investment, divided by the operating cycle and the anticipated annual mileage. The company pays only when the vehicle is in use, maximising utilisation, and becomes the owner of the asset once the contract period is up.

Octopus was launched in 2000 as a financial services company that has since expanded into a number of sectors, including renewable energy, healthcare and energy supply. It has access to substantial funds and works with global partners to leverage buying power and resources.

Its objective is to support a move to clean transportation by facilitating uptake of zero and ultra-low emission vehicles, from full electric and hydrogen fuel cell to plug-in hybrid and CNG, as an alternative fuel-agnostic partner.

Octopus investment director Dan Saunders said: "We can do all that

with a pence-per-mile payment. It's about cash optimisation."

Octopus will buy the vehicles, invest in the depot/office charging infrastructure and upgrade the grid where needed – or, alternatively, buy the large batteries for on-site storage of electricity.

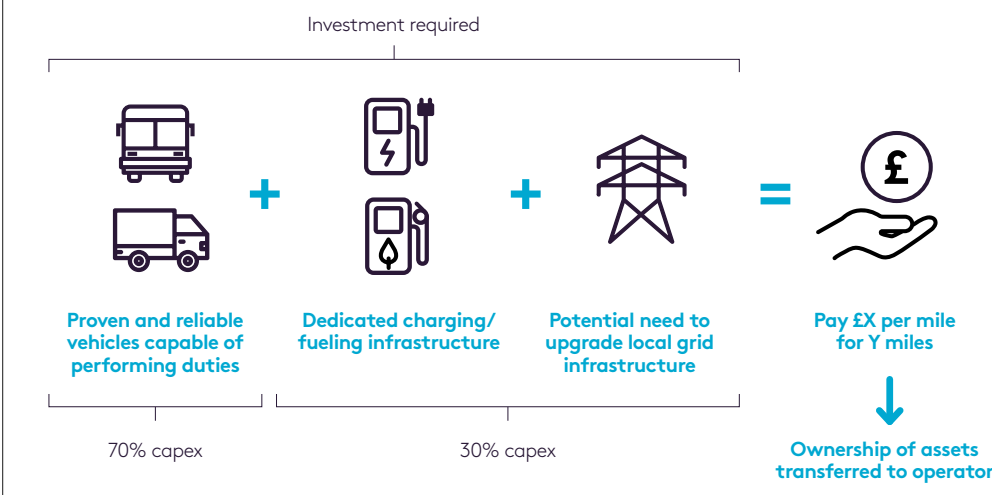
The operator has exclusive use of the vehicles and is charged a fixed fee for each mile driven based on the cost of investment and length of the finance term. Annual mileage is based on historical data and the fleet must achieve 75-80% of the forecasted figure. At the end of the contract, they own the vehicles and can choose to continue running them – "sweating the asset", said Saunders – or sell them.

The proposition is available for cars, vans and HGVs, as well as specialist vehicles such as refuse collection trucks. It can also incorporate insurance and link the funding to its energy tariff for EVs plus its renewable energy supply with long-term price hedging.

Since announcing the Heathrow contract, Octopus has seen a lot of interest among taxi firms but it is keen to engage other fleet operators. It is in talks with "four or five" but

£1bn
Octopus is targeting investment of more than £1 billion in its pence-per-mile venture

CLEAN TRANSPORT - OCTOPUS'S PAY ON USE PROPOSITION



“WE ARE
LOOKING
FOR COMPANIES
THAT WANT
TO BE AT THE
FOREFRONT,
BUT NEED
SUPPORT”

DAN SAUNDERS, OCTOPUS INVESTMENTS

wants to widen its reach, from SMEs to large corporates.

"We are looking for companies that want to be at the forefront (of EV adoption), but need support," Saunders said. "We benchmark the pence-per-mile on current costs so any premium will be minimal and based on usage. We take the risk that others don't."

He expects the majority of customers will opt for the end-of-contract ownership model, but accepts that some will prefer a traditional leasing structure where the vehicle is handed back at the end of term. Octopus will offer this option by working with the manufacturer on a residual value – it will also offer early termination fees – but Saunders believes fleets should extract maximum value by continuing to run the vehicles when the contract is paid up, benefiting from the lower maintenance costs.

Typical pence-per-mile contract terms will be five or six years for cars and vans, rising to 15 for buses. Saunders is confident the cars and vans can be run for at least 10 years.

The length of contract goes beyond the agreements generally offered by traditional leasing companies.

Octopus is targeting investment of more than £1 billion in its pence-per-mile venture.

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NEWS IN BRIEF

The past month's news headlines from fleetnews.co.uk

To view the full story go to fleetnews.co.uk/news 

FEB

14

PSA APPOINTS ALISON JONES AS GROUP MD

Alison Jones has been appointed as group managing director of Peugeot, Citroën, DS in the UK for PSA Group, effective April 1. She joins PSA from Volkswagen Group where she most recently held the position of managing director of Volkswagen Passenger Cars.



15

UK'S CITY LEADERS SIGN UP TO AMBITIOUS CLEAN AIR PLAN

Local authority leaders at the Love Clean Air Summit have signed up to a wide-ranging plan aimed at significantly cutting air pollution. Attendees discussed their concerns directly with environment secretary Michael Gove and health secretary Matthew Hancock.

18

ACFO SUBMITS ACTION PLAN TO GOVERNMENT TO PROTECT THE COMPANY CAR

The fleet decision-makers' organisation has submitted a six-point plan to HM Treasury as part of its review into the impact of the WLTP (Worldwide harmonised Light vehicles Test Procedure) on company car benefit-in-kind tax and vehicle excise duty.

19

HONDA CONFIRMS SWINDON PLANT CLOSURE

Honda has confirmed it is planning to close down its Swindon plant in 2021, leading to the loss of around 3,500 jobs. The plant is Honda's only facility in Europe, producing the Civic for European and American markets – exporting to more than 70 countries.

21

MEPs VOTE TO MAKE AEB MANDATORY

A key committee of MEPs has voted through a range of new mandatory vehicle safety standards that could apply to new vehicle models within three years. Measures include new crash testing requirements and mandatory installation of driver assistance systems including automated emergency braking (AEB).

22

VAN SCRAPPAGE SCHEME OFFERS £6K TOWARDS NEW ELECTRIC MODEL

Micro-businesses and charities in London will be offered £6,000 to buy an electric van or £3,500 towards funding cleaner alternatives such as rental. To qualify, businesses and charities will have to be registered in London or have entered the existing Congestion Charging Zone (CCZ) 52 times in the past six months and provide a certificate of destruction for a non-compliant vehicle.

HMRC PUBLISHES NEW ADVISORY FUEL RATES FROM MARCH

The rate for diesel cars with an engine of 1,600cc or less stays the same at 10 pence per mile (ppm), while those with an engine from 1,600-2,000cc and more than 2,000cc fall by a penny to 11ppm and 13ppm, respectively.

NEW DIESELS PROVEN TO BE AS CLEAN AS PETROL MODELS

The latest diesel cars emit significantly less nitrogen oxide (NOx) than the upcoming Real Driving Emissions 2 (RDE2) regulations will require, according to new research. Stringent testing by German automobile club ADAC shows that some diesel cars emit almost no NOx during on-road testing.

25

CALAMP BUYS TRACKER FOR £10M

Technology company CalAmp has bought Tracker for \$13 million (£10m). The new owners say the tracking and telematics business will be aligned with its Italian operation, LoJack Italia, helping to drive CalAmp's European expansion.

26

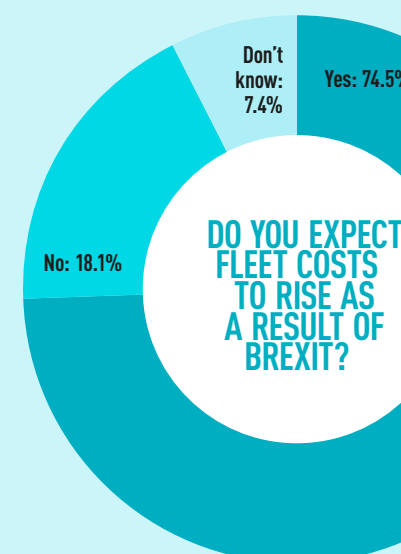
REVISED JAGUAR XE AVOIDS 4% BIK DIESEL SURCHARGE

The revised Jaguar XE will be available with an RDE2-compliant 180PS diesel engine, meaning company car drivers will not have to pay the 4% benefit-in-kind surcharge.

27



FLEET NEWS POLL



Source: fleetnews.co.uk

FLEET NEWS VIEW:

Almost three-quarters (74.5%) of respondents to our poll believe that leaving the EU will result in an increase in fleet costs. Fewer than one in five (18.1%) disagreed. A weaker pound will have already increased some costs, but until the UK's terms of departure are agreed, our view is fleet operators should be planning for every eventuality, including tariffs on vehicles in the event of a 'no deal'. For more, see page 4.

THIS ISSUE'S POLL: Do new advisory fuel rates (AFRs) reflect your fuel costs?

WE COULD
HELP IMPROVE
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Find out how our new benchmarking service could help identify areas where your fleet could be even more efficient.

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NEW MONDEO HYBRID ESTATE

The Ford logo is rendered in a stylized, blue, cursive script. It is positioned in the upper right quadrant of the advertisement, set against a background of blurred blue and white vertical streaks that suggest motion.

TOGETHER WE GO FURTHER



ENERGISE YOUR WORKFORCE

Introducing the ultra-efficient and practical New Mondeo Hybrid Estate. Featuring premium leather interior and SYNC-3 technology which keeps drivers connected on the go, this self-charging hybrid will put the spark back into your business.



Model shown is a New Mondeo Titanium Edition Hybrid Estate 2.0 TiCVT Auto with optional Adaptive Headlamps and Power Tailgate. Fuel economy mpg (l/100km): Combined 46.3 (6.1). *CO₂ emissions 113g/km.

Figures shown are for comparability purposes; only compare fuel consumption and CO₂ figures with other cars tested to the same technical procedures. These figures may not reflect real life driving results, which will depend upon a number of factors including the accessories fitted (post-registration), variations in weather, driving styles and vehicle load. *There is a new test used for fuel consumption and CO₂ figures. The CO₂ figures shown, however, are based on the outgoing test cycle and will be used to calculate vehicle tax on first registration.

VISIT: FORD.CO.UK/MONDEO-HYBRID

THE BIG PICTURE

Last year, our parent company Bauer launched a new business, Smart Transport.

The move was a reaction to a growing feeling that policymakers, industry and suppliers were operating in siloes, unaware of each other's activities, unable to share agendas, unable to work together to reach common goals.

Smart Transport brought together all those key stakeholders as a member board which meets four times a year under the chairmanship of former Campaign for Better Transport chief executive Stephen Joseph.

The meetings, held under Chatham House rules, are an opportunity to air and discuss integrated transport challenges and opportunities, with topics ranging from data ownership to electric vehicles, clean air zones to ethical policies, and mobility solutions to freight management. Many of the discussions result in further research for articles in a quarterly *Smart Transport* magazine.

Everything is tightly controlled with content viewed only by the membership, which is why Smart Transport launched its first conference, in London, last month (conference two will be at Birmingham ICC on September 18).

It gave policymakers and legislators – including future of mobility minister Jesse Norman – an opportunity to outline their aspirations and obligations, with immediate reaction from the private sector.

Many fleet decision-makers attended, mostly running large truck and van operations, although several had sizeable car fleets. They were all eager to find out about integrated transport solutions and how technology and legislation would change the way they move their people, goods and services around urban and rural areas.

This issue of *Fleet News* has a special Smart Transport report starting on page 35. We learned many things, but one take-out is that the future is not fixed; everyone is still searching for the answers. We all have a part to play in enabling accessible and easy mobility for all to become a reality.



Stephen Briers

Stephen Briers,
editor-in-chief,
Fleet News

ELECTRIC VEHICLES

EDITOR'S PICK

Fragmented infrastructure a problem for EV take-up

Sage & Onion wrote:

Having read 'ChargePoint Services installs EV rapid chargers for Havant Council' (fleetnews.co.uk, February 21), at the last count I had no fewer than six different car charging apps on my smartphone. This is what is holding back the take-up of EVs and PHEVs in my opinion.

Each app requires its own deposited funds to draw off when used. As a fleet manager, I only give my drivers two fuel cards, and that is one too many in my view. So why would I want to have the equivalent of six or more fuel cards with charging data all over the place?

The EV industry needs to get its heads together and roll out just one app that all the other chargepoint providers feed into so drivers see what the availability is and what the charging cost is at each chargepoint offered by different providers.

I speak not only as a fleet manager, but also as a PHEV driver who is seriously considering a return to diesel for his next car if the infrastructure remains so fragmented.

• THE EDITOR'S PICK IN EACH ISSUE WINS A £20 JOHN LEWIS VOUCHER

The Engineer added:

Totally agree. It's a mess. It would even be simple if all chargers just took contactless credit card payments instead of faffing with apps.



LEASING COSTS

Wouldn't poor driving have a negative impact?

Edward Handley wrote:

Having read 'Ad wrapping cars could cut lease costs by up to 90%', says Adverttu' (fleetnews.co.uk, February 22), the concept is fine, but the advertiser is not going to know where the car will be driven, let alone how it will be driven.

If the public associate the vehicle with the advert, which they will, poor driving could have a seriously negative impact and, given the collision data for company cars, the odds are that a high proportion of the wrapped cars will be involved in significant collisions each year.

Artjom responded:

Our advertisers are always aware of the location of their fleet, as wrapped cars are constantly tracked. Additionally, we install feedback QR codes on every vehicle participating in any given campaign so if any road user gets offended by the driving behaviour of an Adverttu driver, they can report them to us directly by calling the number shown on the wrapped car and quoting the vehicle registration number.

ROADS POLICING

Police need all the help they can get

Winston wrote:

Having read 'Support for long-range cameras to enforce motoring offences' (fleetnews.co.uk, February 21), anything that improves the chances of addressing poor driving behaviour should be employed wherever and whenever possible.

Like many drivers, I regularly observe mobile phone abuse, lane hogging, speeding, aggressive tail-gating and lane hopping. It's very frustrating to witness and the police need every support available to help address these issues.

HAVE YOUR SAY

CAR MANUFACTURING

Will other car makers follow Honda's lead?



Daedalus wrote:

Having read 'Honda confirms Swindon plant closure' (fleetnews.co.uk, February 19), Mr Inoue's explanation for the Swindon plant closure seems to have profound implications for the size of the car market post-electrification.

If Honda expect to be able to do without Swindon, what other manufacturers are also planning similar capacity reductions to be ready for the probable volume and ownership dynamics of a market dominated by electric vehicles?

ROAD SAFETY

Little support for speed assistance systems



Mike wrote:

Having read 'Gem Motoring Assist calls for speed assistance systems to be made mandatory' (fleetnews.co.uk, February 19), this is a terrible, authoritarian move, and one which I and many others would be vehemently opposed to.

John added:

Mandatory fit won't make the slightest difference as those that need it will turn it off. Only mandatory non-overrideable operation will do it.

A lot of collisions result from excessive speed for conditions – not for limits. How is intelligent speed assistance (ISA) going to help? It won't.

More rubbish written by well-meaning, but clueless, Eurocrats; the info on speed relative to collisions is rarely related to speed limits so ISA is not relevant.

LINKEDIN UK fleet managers group
TWITTER twitter.com/_FleetNews

EMAIL fleetnews@bauermedia.co.uk
COMMENT ONLINE fleetnews.co.uk

AIR QUALITY

New diesel technology isn't the problem

Paul Gauntlett wrote:

Having read 'New diesels proven to be as clean as petrol models' (fleetnews.co.uk, February 25), the article proves the point that it's old diesels we need to get off our roads – not all diesels.

As a long distance traveller I also use the train fairly frequently but the environmental credentials of that are sometimes let down by getting into an old minicab at the other end.

Local licensing laws need to prevent diesels older than five years being used as taxis and the Government would do well to bring back more aggressive scrappage schemes, which will hopefully also give the new vehicle market the boost it needs.



CONTACT US

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Burning question:
What was the most recent app you added to your mobile phone – and why?

EDITORIAL

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Magnifying glass for when I'm out without my glasses. Works a treat

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Terrapinn – it was the app for a mobility conference I went to

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American Express – I've just got an air miles card

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Wowcher, because I want to ride a horse through a shower of toilet rolls, just like the advert

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Star tracker – a mobile sky map

Photos Chris Lowndes

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Luke Neal
A GPS speedometer app to measure my top speed while skiing

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David Buckley
I was taking a hire car to places I had never driven before so I added sat-nav. Worked well once I managed to actually get the sound going!
Finbarr O'Reilly
The Barclaycard app to check my balance

Senior designer

Chris Stringer
FaceApp – to see what I look like bald.
App and evidence then deleted

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Telematics has 'forced a change in attitude to safety'

Kate Wilson is a 'fix world in one go' person, but realised this wouldn't be possible in fleet, reports *Stephen Briers*

FLEET MANAGER Kate Wilson
TIME IN ROLE three years
FLEET SIZE 1,720: 973 vans, 720 cars, 27 HGVs
OPERATING CYCLE vans up to 120,000 miles; HGVs four years
FUNDING vans/trucks leased; cars leased and salary sacrifice

In July 2015, Kate Wilson was asked to support a fleet audit at Northumbrian Water Group by its parent company CKI.

The compliance expert, who had just passed two decades with the utility company, made a simple recommendation: employ a fleet manager. The operation had for years been outsourced to fleet management company Vehicle Lease and Service (VLS), a joint venture between Northumbrian Water Group (NWG) and Northern Powergrid, with no internal expert.

"We needed to have joint responsibility rather than leaving everything to VLS," says Wilson.

She helped write the job description, and liked the look of it so much she decided to apply. She was appointed two months later.

It was, by her own admission, a steep learning curve – "I didn't know a lot about vans" – and required a change in her usual business approach.

"I'm a 'two-feet-in' person; I try to fix the world in one go," Wilson says. "However, it became obvious that I wouldn't be able to do this in fleet. I had to break it down."

She decided to consolidate the data into three key reports: financial performance/outlay, short-term hire and O-licence (see panel overleaf).

She also enrolled on a transport manager Certificate of Professional Competence course, recognising that while she only uses it in "1% of my role, I know where to look if I have to".

PRAISE FOR THE FTA AND FLEET200

Networking has helped to build her fleet knowledge and she praises Freight Transport

Association (FTA) for its support and the *Fleet News* Fleet200 executive club as an opportunity to discuss issues with other like-minded fleet managers.

VLS also remains an important part of the fleet mix: NWG places great value on all its supplier relationships and relies heavily on their knowledge. Consequently, Wilson spent a lot of time in her early days meeting suppliers to understand the service they provided.

She also recognised from her original audit the importance of ensuring NWG senior management know about corporate governance. "Did they understand their obligations on risk management and safety? They do now," she quips.

Wilson has set up two executive groups that meet every quarter, one consisting of van drivers who raise any concerns or issues, the other an O-licence fleet group which discusses compliance. Both provide a vital flow of information back into the business.

Her fleet, which sits within procurement, consists of 1,000 vehicles, of which 973 are vans, the rest HGVs. NWG also has 720 cars but they sit with HR and payroll.

"From a fleet perspective, we try to run our vans like our HGVs. We don't treat drivers any differently, which is important," Wilson says. "That's one reason why we went for Van Excellence, so van drivers could see that we put the same level of importance on them."

Wilson is also considering applying for the new DVSA Earned Recognition scheme. "It will give us a tick to say our drivers are good at their jobs," she explains.

The new NWG driving policy went live a year ago, covering everything from grey fleet to

HGVs. It sets out guidelines, legal responsibilities, driving issues, accident policy – NWG operates a 'golden hour rule' for reporting – and mini case studies, such as what is telematics and how NWG uses the data.

"It's everyone home safe and if our drivers see that we mean it, they are more willing to support us," Wilson says.

DRIVERS CHECKING VEHICLES

Among her many challenges – ones that will be familiar to fleet managers across the UK – is getting drivers to check their vehicles. It took two years to implement a solution, including many discussions with the unions who questioned why drivers should spend half an hour before they start work on vehicle checks.

"There are three things they have to check in the morning: lights, wipers and tyres. Everything else can be done during the working day," Wilson says.

NWG and VLS worked with software supplier Jaama to develop a defect reporting app which feeds information to the maintenance provider who can book in the vehicle for any necessary repair work. The app went live at the start of the year and, in addition to speeding up the process and ensuring compliance, it saves NWG £10 on each defect book.

Drivers can also see the maintenance history which gives them confidence that anything they report is acted on.

The process is supported by the introduction of FTA gate checks, which have almost eradicated the defects previously identified during spot checks.

Wilson tangled again with the unions on

Kate Wilson helped write the fleet manager's job description and liked it so much she decided to apply

THREE STEPS TO FLEET GOVERNANCE

Kate Wilson has divided fleet management into three sections to give clarity to her business priorities.

STRATEGIC:

focus on fleet leasing and ensuring line of sight of fleet activities, O-licence compliance and motoring overall fleet, with performance based on KPIs.

OPERATIONAL:

focus on Fleet Excellence Group for vans and O-licence Fleet Group for trucks, while also engaging wider business stakeholders.

DRIVERS:

focus on communications and telematics. In addition, Wilson also focuses on managing NWG's relationship with VLS, manufacturers and other key suppliers.

Fleet utilisation is Kate Wilson's major project for 2019



Telematics: she wanted it, they didn't. The compromise was to introduce a system with an app which gave drivers full access to their data.

NWG installed Ctrack telematics last year and within the first six months had lopped £220,000 off its fuel bill, while reducing category three speeding events (where drivers exceed the speed limit by 10-20% – significant for a business that restricts its vans to 62mph).

Penalty Charge Notices (PCNs) have also halved, as drivers become more careful not only about how they drive, but about where they park their vehicles.

"Everyone, from the chief executive officer to operations managers to drivers, has telematics in their vehicles (including cars) and the management had it first," says Wilson.

LEAGUE TABLE

She publishes a directorate league table, but only Wilson and the line manager can see an individual's performance data. Nevertheless, it has generated friendly competition with staff checking and comparing their results.

And there is an additional incentive: all drivers achieving a certain score have their name entered into a monthly draw for £100.

"At the moment, it is still fairly new, but we are definitely seeing a change in driver behaviour with telematics," says Wilson. "In fact, it's the one single thing that has forced a change in attitudes to safety."

She has worked hard to get drivers to appreciate their own importance, too. "We asked drivers 'what is the most important thing in the van?' Most said a piece of kit. We said 'no, it's you,'" she says.

"We want them to feel they have a voice so we involve them in the vehicle specification process – that becomes a powerful engagement tool.

WE ASKED DRIVERS WHAT IS THE MOST IMPORTANT THING IN THE VAN? MOST SAID A PIECE OF KIT. WE SAID 'NO, IT'S YOU'

KATE WILSON, NORTHUMBRIAN WATER GROUP

"The van is the most expensive tool they have so how it's racked, where we put the kit, is it something they use every day? – these things make a difference to our costs. Without their support, we would never know."

REDUCED VEHICLE SPECIFICATIONS

Driver input was also fundamental to a project undertaken to reduce the number of vehicle specifications. NWG used to have 240; now it has around 20 after working with VLS and its bodybuilders. It will enable the company to swap vehicles within the fleet in order to balance out any mileage differences.

Wilson's major project for 2019 is to look at fleet utilisation by identifying vehicles that travel fewer than 40 miles per day, or fully racked out vans that only travel from home to work. "I need to drill in on the inefficiencies," she says.

Telematics will play a key role in establishing how vehicles are being used. The objective is to make sure NWG has the right vehicles in the right mix and that it isn't wasting money on unnecessary short-term hires.

Wilson anticipates the project will result in a reduction in fleet size and in hire days. It might also lead to a review of business practices. "It's about looking after the pennies," she says.

Operating a clean fleet is also high on the NWG agenda (see panel right), although trials have revealed payload issues with electric vans.

"The fleet sector is behind the curve, but so is the infrastructure," says Wilson. "We decided to take the lead because we can all work too much in silos."

Each year, NWG hosts an innovation festival, bringing together more than 500 companies to discuss potential solutions to common problems. At the 2018 event, held in July, one core topic focused on the future of transport for business, assessing fuels and ownership models.

As a result of the discussions, Northumbrian Water is looking to see how it can support the development of some compressed biomethane refuelling stations.

"We want people to tell us where they should be," says Wilson. "If we work as a fleet community, we will start to get things done."

WILSON ON...

Zero emissions after 2024

No two days in fleet are the same, according to Kate Wilson, which is one of the reasons why she loves working in the sector. And the variation is increasing as technology develops.

"Now, we are in the most interesting time in transport we will ever be in because of the transition to alternative fuels," she says. "We don't know what we will be driving in the future – hybrids, EVs, Dysons. I believe hydrogen is the future for CV fleets but the stop gap is compressed biomethane until the infrastructure is in place."

"As a business, we have an aspirational target that we buy no vehicles that are not zero emissions after 2024. So we are going down the compressed biomethane plant route for our heavies and that investment will hopefully bring in more investment, for example, electric vehicles and hydrogen."

Wilson also has a watching brief to track new fuels. With 80% of the workforce travelling from home, it brings additional challenges, not least because many are on stand-by, so need to be able to respond quickly.

"We need to win hearts and minds because employees and managers want traditional fuel vehicle. So, now our focus is on trialling and demoing new fuel technologies."





Mark Pickles admits he is “still on a learning curve” three months after taking up the MD role

‘We want to GROW by 30%’

New MD Mark Pickles expects a big boost from renewals and conquests this year and sees ‘huge potential’ for Free2Move Lease UK. *Sarah Tooze* reports

BRAND: Free2Move Lease UK
MANAGING DIRECTOR: Mark Pickles
TIME IN ROLE: three months
RISK FLEET SIZE (FN50, 2018): 62,915

In his previous role as UK marketing director at Peugeot, if Mark Pickles wanted to boost awareness of a product he would simply shoot an ad and pay for a prime time slot on TV.

It's a different proposition as managing director of Free2Move Lease UK, the brand that was formed two years ago from the merger of Citroën Contract Motoring and Peugeot Contract Hire and is part of Free2Move – PSA Group's mobility brand.

“The way we will build awareness is by growing our sales so by being present in more parts of the market and by growing our sales in that market,” Pickles says. “We’ll build reputation and we’ll build new services and products over time.”

Pickles joined Free2Move Lease UK as commercial director in September and was appointed MD when Duncan Chumley left to pursue other interests in December [see [fleetnews.co.uk](https://www.fleetnews.co.uk), December 17, 2018]. He admits he is “still on a learning curve” with the brand.

“It was too good an opportunity to pass up,” he says. “While I can't pretend I'd got to the bottom of the sales and marketing, I could see the potential in the business and I could see, above all, the team and the progress that had been made in rebranding, which is a brave thing to do for an established business.”

“Coming in two years into that journey I can see some immediate opportunities.”

Pickles is currently reviewing how Free2Move Lease UK “attacks the market” and where its strengths lie.

“At the moment I'm testing everything as anyone new to a business does,” he says.

“I go and say, ‘show me, do we do this? Don't tell me we do this, show me. Do we do it well? We've got lots of KPIs and indicators, lots of customer satisfaction data, which is very strong and positive but show me the things we don't do well, show me the opportunities.’

“It's exciting when you do that because you think

‘OK, these are the results we're achieving today and if we can attack these 10 things better wow, what is the potential for the business?’ And it's huge.”

Pickles anticipates growing the number of new vehicle contracts Free2Move Lease UK sells this year by 30% compared to 2018 (a mixture of renewals, conquests and growing its penetration with existing customers), followed by further growth of 15-20% in both 2020 and 2021.

Those predictions are based on the market remaining stable and a “soft and sensible Brexit”. If a ‘hard’ Brexit occurs, Pickles believes “the rate we fall by should be less than the market”.

His confidence comes on the back of a “strong” start to the year with sales in January up 35% year-on-year, although January 2018 was “slightly weak”.

Pickles says January 2019 saw pent-up demand, where people who had deferred ordering a new car while the new WLTP fuel testing regime was introduced, came back into the market, although he acknowledges there is still uncertainty about how

WLTP will apply to company car tax from April 2020.

He believes growth this year will come through the dealer network and wants to focus on the core business i.e. captive finance and the immediate opportunities there before expanding Free2Move Lease's multi-marque proposition.

Multi-marque is currently a “small but growing part” of the business, although Pickles declines to reveal numbers.

“In terms of the priority, it's a lower priority, but it's not a case of ‘if’ we'll grow that business, it's more a case of ‘when,’” he says.

“We've got lots of opportunities on the captive side of our business which are huge. Therefore, I want to make sure we exploit all of those before I go fishing in the next pond which is bigger, but has perhaps got many more predators in it.”

Pickles says that Free2Move Lease is “sensible” in its approach to multi-marque and has no desire to be “the biggest leasing company on the planet”.

He is sticking with Chumley's aim of 10% of the

“AT THE MOMENT WE'RE QUITE TRADITIONAL, BUT OUR GROWTH POTENTIAL IS IN THOSE TWO WORDS – FREE AND MOVE”

MARK PICKLES, FREE2MOVE LEASE UK

volume being multi-marque in three years' time but “won't live or die by” that number and will review it every year and decide whether to accelerate it or not.

“We're not going to go out and buy that business at huge cost because it doesn't make sense strategically. To get to a scale on multi-marque that would give us a massive competitive advantage it is way more than 10%, it would have to be 50% to 60% of our business, and that's not very realistic in the next three years.”

However, 10% is achievable in Pickles' view.

“If I look at our medium and large corporate customers, most of them will have at least 10% of their cars or vans with someone else. Therefore, if we can do a good job with those people and provide that service, there's your 10% straightaway,” he says.

“Let's say I've got a customer who may operate a medium or large fleet of Peugeot or Citroën vans and we've been trading with them for many years. However, the senior management team or the owner of that business drives a Range Rover, a Mercedes or a BMW. In the past we weren't able to offer those products. Today we can and we are able, therefore, to simplify the procurement process for that business. That's an example of one of the strategic sides of our multi-marque business. So, at the moment, it's more of a defence strategy than an attack strategy.”

OPPORTUNITIES IN GOING ELECTRIC

Pickles believes one of the biggest opportunities lies in electrification, with all PSA Group's UK brands (Peugeot, Citroën, DS and Vauxhall) expected to bring out new plug-in hybrid electric vehicles (PHEVs) and pure battery electric vehicles (BEVs) over the next two years (see [fleetnews.co.uk/psagroup](https://www.fleetnews.co.uk/psagroup)).

“We're not new to electric, we've had electric vehicles (EVs) before, but the scale of them and the amount of our sales that will be electric – either hybrid or full electric – is going to accelerate very rapidly,” he says.

However, first he believes there is a need to educate fleet customers, particularly SMEs, about total cost of ownership rather than focusing on the headline rental.

Pickles is also keen to overcome drivers' concerns about range.

“For some customers, EVs will meet 95% of their mobility requirements but there will be that ‘I want to take my summer holiday in the south of France and I like to drive,’” he says.

“That's going to take a few days in an EV if you're going a couple of hundred miles then recharging so we will build extra product and service around that. We can solve that problem through short-term

rental or through a car sharing agreement or whatever that might entail.

“I know a lot of people have already been out into market with products and withdrawn them or found them very expensive or very hard to make money from, but we're looking at all of those.

“Those will give us a real opportunity to emphasise the Free2Move brand. The clue about what we will do is in the title: we're not just providing you with a car, we're providing you with freedom and mobility.”

At the moment Free2Move is largely European-focused with car sharing schemes in Paris and Madrid, and a Free2Move mobility-as-a-service app which has yet to be marketed in the UK.

But Pickles believes there will be opportunities in the future. “At the moment we're quite traditional, but our growth potential is in those two words – free and move,” he says.

TELEMATICS KEY TO GROWTH

Free2Move Lease's telematics offering, Connect Fleet, which launched last year (see [fleetnews.co.uk](https://www.fleetnews.co.uk), April 27, 2018) is a “big part” of Mark Pickles' growth plan.

Free2Move Lease is able to take data, such as maintenance alerts, fluid levels and speed, direct from Peugeot, Citroën and DS vehicles, enabling a proactive approach to maintenance and mileage management. Customers can also choose to have a telematics box fitted to non-PSA vehicles.

Servicing, MOT and excess mileage reminders, and a servicing booking line are standard, while for £6 (plus VAT) Free2Move Lease UK will book and manage mileage, servicing and MOTs to help avoid excess mileage/missed servicing charges. It will also act as a point of contact between the driver and the dealership and customers can receive regular reporting on the maintenance status of their vehicles.

For £10 a month, the fleet management pack adds the ability to monitor fuel consumption and mechanical alerts and to view vehicle usage reporting based on hours/timings. The eco driving pack (£11 a month) monitors the eco performance of drivers and suggests how it can be improved. The highest level (Geolocation for £12 a month) allows customers to locate vehicles in real time and receive point of interest notifications when a vehicle enters or exits a defined zone.

‘The mobility budget will become huge in the UK fleet sector’

In the next five-to-10 years, giving staff a mobility budget for business travel instead of a perk car will become the norm, says Fleetondemand CEO Justin Whitston – and he wants his platform to power the change. *Sarah Tooze* reports

How much did your perk car drivers spend on trains and taxi fares last year for business travel? For one company, the answer was an eye-watering £184,000 – in addition to the cost of the cars.

That company is now working with fleet technology provider Fleetondemand to replace its perk cars with a mobility budget, using Fleetondemand's new Mobility as a Service (MaaS) platform, Mobilleo, which allows users to find, book and pay for their entire business journey (including car hire, car clubs, taxis, buses, trains, flights and accommodation) through one transaction on one device.

Mobilleo launched last October after more than five years of research and development and has since secured 52 corporate customers who, collectively, have more than 2,000 users.

The basic technology is free to corporates although it comes at a price as a white label solution or if the fleet's requirements are complex.

Three major UK fleet providers are set to white label the system in quarter two, while one customer is using the platform API to build its own mobility solution.

It will be also used in two pan-European research projects – IMOVE and MaaS4EU – which are being funded by the European Commission's Horizon 2020 programme, with the aim of helping local authorities to get consumer and business customers using public transport rather than cars, as well as testing that MaaS will work across different territories. Research participants Transport for Greater Manchester will pilot a white-labelled version of Mobilleo in April.

Fleetondemand CEO Justin Whitston plans to launch Mobilleo in Europe later this year, after securing a £5 million investment from BGF – Business Growth Fund (see fleetnews.co.uk, October 9, 2018).

Multi-lingual developers and service delivery staff will be based in the UK, with local sales staff on the ground in Amsterdam, Barcelona, Brussels, Paris and Munich. Whitston had planned the

launch for July but pushed it back as he is in the middle of an acquisition. Should the deal complete, Whitston believes it will “shock the market” and give Fleetondemand “a big book of customers”.

It would also accelerate his plans to achieve a turnover in excess of £50m by January 2022 (the run rate for this year is in excess of £15m).

Employee numbers at Fleetondemand's offices in Leeds and Saltaire are set to grow to 100 by the end of this year (up from 40 at the end of 2018 and just two when Whitston launched Fleetondemand back in 2012).

Acting as an advisor to Whitston is fleet industry entrepreneur and one of the original founders of Zenith, Andrew Cope, who joined the board as non-executive chairman in November (see fleetnews.co.uk, November 26, 2018).

Cope and Whitston have known each other for 15 years – Cope even considered buying Whitston's first business, Nexus Vehicle Rental (which Whitston exited in 2008 to set up Fleetondemand).

“We were always going to do something together, it was just that this was the right time,” Whitston says. “We're similar – do we see ourselves as part of a 500-person corporate animal? No, we're mavericks but, equally, one thing we've both not done is scale something outside the UK.”

Cope believes the potential for Mobilleo is “absolutely ginormous”.

“There is nothing stopping it being worldwide,” he says. “Why not a company from Yorkshire? No one thought Silicon Valley was particularly well connected 20, 30 years ago. It was just a place near San Francisco. So why not a place near Leeds or Bradford?”

BUILT WITH CORPORATE IN MIND

Cope suggests that what makes Mobilleo different to other MaaS platforms is that it has been built with the corporate customer in mind (although it can be used by consumers too – Mobilleo has 358 individual user accounts active).

“Justin and Fleetondemand come from a back-

ORGANISATION:
Fleetondemand
CHIEF EXECUTIVE OFFICER AND FOUNDER:
Justin Whitston
HEAD OFFICE: Saltaire
PRODUCTS: Mobilleo, Fleetondemand Rental



“WHY NOT A COMPANY FROM YORKSHIRE? NO ONE THOUGHT SILICON VALLEY WAS PARTICULARLY WELL CONNECTED 20, 30 YEARS AGO”

**ANDREW COPE,
NON-EXECUTIVE CHAIRMAN**

ground of doing bespoke work with corporates,” Cope says. “It's been designed and developed in such a way that you can use it in lots of different ways; it's not one dimensional.”

He adds that it is “far more commercial” than other systems as it “started out as a billing platform rather than a mobility idea”.

Cope believes Mobilleo will allow a fleet boss to “be less a fleet manager and more a mobility manager”.

“Lots of companies struggle to link travel and vehicles together and Mobilleo is a classic solution,” he says. “This will simplify a fleet manager's world.”

Whitston says Mobilleo is different to travel management companies' systems because, although it uses global distribution systems (GDS), such as Travelport, it has direct relationships with suppliers too.

“If you look at car rental, we are a global distribution system,” he says.

“We have our own direct relationships and integrations into the global supply chain so we bypass GDS and we also power the rental companies themselves (Fleetondemand's rental platform is used by three of the biggest car rental providers) so we're in a unique position when it comes to automotive versus what a typical travel management company can do.”

He adds: “Building a global, transactional, find, book and pay mobility platform is very difficult to do.” And that, along with the demands of the corporate customer, accounts for why it has taken so long to bring Mobilleo to market (a ‘soft’ launch took place in February 2016).

“Corporates want an invoice, they want reporting, they want compliance, they want policy, they want to pay on account or card or different mechanisms and they want the user experience to be seamless – that's very difficult to do.”

Mobilleo integrates with consumer-facing aggregators such as Booking.com, Kayak, Skyscanner and Trainline, and taxi aggregators ☑

SPOTLIGHT: FLEETONDEMAND

C and providers such as Cabfind, Karhoo and Sixt mydriver, as well as car clubs, bike schemes and major bus operators such as National Express and Stagecoach. Whitston admits "there are gaps" such as First Bus and Arriva.

"We see the bus operators as being the last bastion of integration," he says. "They're more on your consumer MaaS side. But now we've started to penetrate that side, that's bringing those suppliers to the table."

Equally, fleet operators can bring their own deals to the table.

"We have a large corporate customer who we are implementing MaaS with whereby they already had a corporate rate deal with Gett for black cabs," Whitston says.

"All we do is load that contract ID into the platform and therefore the rate shown in Mobilleo is the corporate's own deal."

Businesses can load their fleet of vehicles into Mobilleo and even input grey fleet vehicles so an employee can compare using their company car/own car to other modes of travel, including walking if they wish, when searching for a journey.

"It will tell you the different CO₂ outputs and cost permutations and tell you the cheapest, fastest and most productive option," Whitston says.

Incentivisation is also being built into the system to help drive the right behaviour, such as offering employees a free cup of coffee en route if they use public transport.

The system factors in fuel costs (based on average pump prices), AMAP rates and other costs to the business such as the London congestion charge as well as live traffic information. Electricity cost if a driver were to use a pure electric vehicle is not currently calculated although Whitston says a pure electric strategy will commence in quarter three, whereby pure EV service providers will be added alongside charge point location data.

THE FOUR PILLARS OF MOBILITY

Justin Whitston believes the flexibility of the Mobilleo platforms means it can cater for different parts of the market and their differing 'versions' of mobility. The blueprint for Mobilleo is what he terms 'the four pillars of mobility':

- 1 Connected automotive assets: anything to do with the car – contract hire, car rental, car sharing, car clubs, ride hailing. This is how manufacturers, leasing companies and rental companies view mobility.
- 2 Total cost of mobility (TMC): this is about bringing fleet and travel costs together and is the corporate customer's version of mobility.
- 3 Mobility as a service (MaaS): a single app and single ticketing solution for urban transportation. This is consumer-led.
- 4 Big data and intelligence: this powers all of the above.

Customers are able to turn travel options on and off dependent on their objectives and preferences. For instance, a local authority is unlikely to need flights as an option, so can turn this off.

"We determine the travel preferences first which means the technology performs better because we're crawling less content and giving more meaningful results to the user," Whitston says.

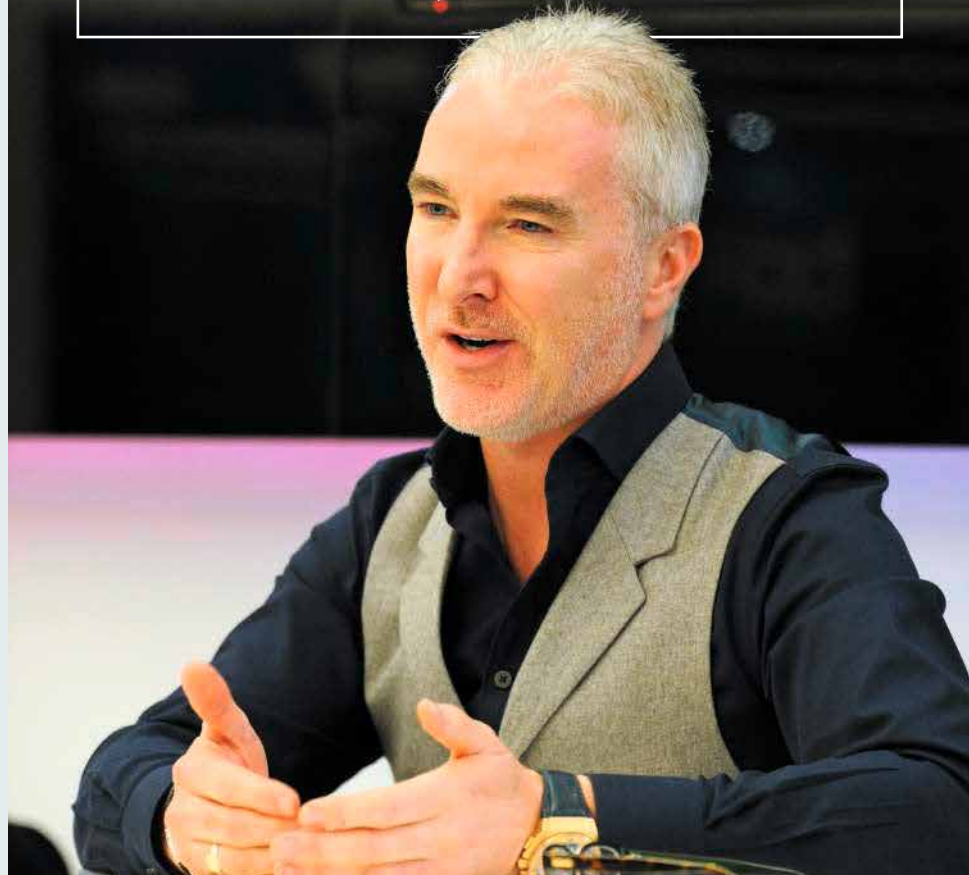
A Mobilleo card, which works on the Visa/Mastercard platform, will launch towards the end of this year. A mobility budget is loaded onto the card and the card captures all ancillary spend and expenditure around mobility that happens outside the Mobilleo platform (for instance a Tube journey that has not been booked through Mobilleo) and deducts it off the total mobility budget.

It means that when a fleet manager runs reports on mobility spend they have a true picture and can act on that data.

"For the first time, corporates will be able to get real visibility and make informed decisions on the basis of the business objectives and employee objectives," Whitston says. "If the system shows that by just using car clubs and car hire and removing the need for that vehicle the business would save X, that's a better product for them."

BUILDING A GLOBAL, TRANSACTIONAL, FIND, BOOK AND PAY MOBILITY PLATFORM IS VERY DIFFICULT TO DO

JUSTIN WHITSTON, CHIEF EXECUTIVE OFFICER



Whitston believes a growing number of businesses will look to replace perk cars with a mobility budget, driven by the uncertainty around benefit-in-kind tax and clean air zones.

Businesses will also want to offer it to employees not entitled to a car as a recruitment and retention tool, he says.

"You won't take cash for car any more, you won't take a perk vehicle, you'll take a mobility budget and you'll use our application to move and fulfil the needs of your role. That's going to become huge in the UK fleet sector in the next five-to-10 years," he says.

However, Whitston recognises that at the moment the mobility budget isn't right for everyone and is more suited to those operating in big urban zones, such as within the M25.

In the future, cars will still play a role. Whitston is already looking at how the platform could incorporate autonomous and connected vehicles.

"We want to be the first player to make that content available, bookable and payable to a corporate business," he says.

A pipe dream perhaps or a realistic ambition for a maverick entrepreneur from Yorkshire?

■ For the full interview, visit fleetnews.co.uk/fleetondemand

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The Grosvenor Group combines Grosvenor Leasing and Interactive Fleet Management.

Established for almost 40 years, we're one of the largest fleet sector companies to have resisted the temptation to adopt a process-driven, call centre culture – instead offering organisations with vehicle fleets, in both public and private sectors, a level of attention and support that leads to ongoing cost savings and heightened driver mobility.

As a group, our proposition uniquely combines two distinct offerings.

With Grosvenor Leasing, customers enjoy an award-winning contract hire specialist providing all forms of vehicle funding and outstanding client and driver support.

Interactive Fleet Management is a fleet management specialist dedicated purely to managing fleets. Irrespective of funding method, it's best described as 'your very own' fleet department, managing all vehicles, drivers and suppliers whether you contract hire or own your vehicles.

Many leasing customers choose a combination of both.

This results in a holistic approach whereby the Interactive Fleet Management team manages everything for you, with Grosvenor Leasing providing the contract hire.

SPONSOR PROFILE



OZone, experts and technology – three ingredients that make the Grosvenor Group so appetising

Given it has been around since 1981, you'd expect the Grosvenor Group to offer an established contract hire and fleet management proposition.

In fact, its offering is unique in many ways, which is why companies such as Weetabix, 2 Sisters Food Group, Tata Steel, Domino's Pizza and Glenmorangie Whisky all choose it.

The group's offering begins with it having both a contract hire business (Grosvenor Leasing) and a separate fleet management team (Interactive Fleet Management).

While they often support customers independently, many clients choose to use a combination of both – often with Grosvenor Leasing providing the funding and the Interactive Team becoming the outsourced fleet management department, managing all aspects of vehicle, driver and supplier management.

But there are other mouth-watering aspects to Grosvenor's proposition, too.

OZone

OZone is the Grosvenor Group's award winning, and unique, solution to help companies navigate their way smoothly towards ultra-low emission vehicles (ULEVs) and electric vehicles (EVs).

It offers companies with cars and light commercial vehicles an assessment of their environmental impact and defines a clear pathway to convert the fleet, over time, towards ULEVs and EVs.

"The OZone team offers advice in reaching timely decisions about when your green strategy should begin," explains Mark Gallagher, who heads up

the green solution. "This includes tailored budgeting, forecasts and help with the financial implications of choosing EVs and ULEVs. We also develop low emission vehicle policies and provide practical advice on the steps required to move smoothly towards EVs and ULEVs."

The OZone team also assists with plug-in and hybrid demonstration vehicles (subject to availability), the cultural change involved in encouraging drivers into a new era of company vehicle, green fleet reviews and grey fleet reviews.

Panel of experts

For key issues such as compliance, CO₂, taxation, legal, technical, policy, health and safety and many others, the Grosvenor Group's expert panel is just a phone call, email or LinkedIn message away from answering any question a customer may have.

As another industry-first, Grosvenor put its panel of experts together having



Andy Reed, Mark Gallagher (right) and Mary Dopson-Taylor



"The OZone team offers advice in reaching timely decisions about when your green strategy should begin"

Mark Gallagher

recognised that the level of professional advice required by its clients was growing.

"We have always had expertise in the business and have also always been here for our customers to give them advice and support," said Mary Dopson-Taylor, customer services director, who sits on the expert panel.

"However, the complexity of operating a vehicle fleet is growing and we decided that it would be advantageous for customers to have access to a dedicated panel, offering greater clarity of who to speak to regarding each topic.

"Similar to law firms, who have partners and solicitors with particular skill sets, we believed the same was needed in fleet, which is why we based our panel on the law firm model with pen portraits of each of our experts on our web site."

Technology

In-house software development began at Grosvenor back in 2009 when the group foresaw that technology would play an ever-pivotal role in contract hire and fleet management.

It brought development in-house having

anticipated the need for greater integration of fleet management software into its proposition, and not having to rely on off-the-shelf standard industry programmes.

As a result, OSCAR was born – the Grosvenor Group's own online fleet management platform which recently won the best fleet management system in the 2018 BusinessCar techie awards.

Today's version, called OSCAR365, offers a whole new experience for customers, making it quick and simple to see key information across their vehicle fleet in an easy-view format.

"There is a lot of data involved in running a fleet, and it can be quite overwhelming if its not brought together in a usable format," said operations director, Andy Reed.

"Recognising this, we've developed visually appealing, easy-to-understand dashboards and reporting so companies

can see the profile of their fleets in an instant, and where any potential issues may lie.

"The whole user experience of OSCAR365 is designed around priorities for fleet managers. With our in-house software development team, we asked the question 'What is it that fleet managers need to see' and 'How can we present that in a format that's quick to digest and understand'?"

"In launching the latest release of our fleet management system, we believe we have taken reporting to a new level, and the feedback from clients so far has been exceptional."

Offering what many believe is the most sophisticated suite of fleet technology available, the Grosvenor Group's on-going investment and in-house development are producing industry-leading systems and apps that are complimentary to all fleet management customers.

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TOMORROW'S FLEET: SMART TRANSPORT

Shaping the future of smart transport

Government, policymakers, fleets and suppliers debate the big topics and challenges facing the UK transport sector

W

hat does the future of transport and travel look like? That's the key question being debated by policy-makers, suppliers and fleet decision-makers across the UK as they grapple with rapidly evolving technology and cultural change.

Last month, *Fleet News* parent Bauer held its first Smart Transport conference, giving a platform to Government ministers, fleets, suppliers, local authorities and policy influencers looking to create integrated transport solutions. This special report is based on those discussions.

Smart Transport brings together the public and private sector. Members meet four times a year to debate key issues, chaired by former Campaign for Better Transport CEO Stephen Joseph.

For details, go to www.smarttransport.org.uk.

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INTEGRATED APPROACH KEY TO MOBILITY

Joined-up thinking from Government and business required to shape the journeys of the future. *Stephen Briers* reports

It's a simple enough question: what is transport for? The answer, according to deputy mayor of London Heidi Alexander, is similarly simple: to allow us to live our lives.

However, the legislation, strategies, facilitators and solutions that will achieve the objective are where it gets complex and challenging – not least when addressing the differences between urban and rural regions. And the biggest challenge is to have a transport policy that caters for everyone; that gives all people the same ability to get about. That's where 'smart transport' comes in.

"Transport shouldn't be run to suit the producers, for example. Transport for London (TfL), buses and taxis," says Alexander. "It should be run for the users – and not just the well-off or able-bodied, but everyone."

Jesse Norman, future of mobility minister, called on Government and business leaders to work together to "reimagine the business models" in order to "create new transport solutions and a better world".

Autonomous transport was one such solution, but he conceded that the opportunities – and challenges – were still barely understood.

"The potential is vast: for the partially-sighted, a not very mobile grandmother becoming very mobile, a car meeting you at the train station and taking you home. Further than that, parking spaces will become available – what do we use them for, urban housing?" Norman asks.

However, there were also the energy costs of autonomous vehicles to consider, plus the impact on neighbourhoods and high streets.

"It's not hard to imagine dystopia – hundreds of pods travelling at 4mph centimetres apart," he says. "How do we embrace technology; how do we feel about sharing vehicles and mixing with other people? What do we want from emerging vehicle technologies?"

With more questions than answers, Norman urged his colleagues and industry to move from "silo thinking" to an integrated approach when considering future mobility options.

BALANCE AND FAIRNESS

"Transport is not just transport; it's better connected cities, combating loneliness, society, culture and better business," he says. "What balance and fairness do we seek? Inclusivity, cleaner air, productivity and sustainable growth? How do we bring technology to market?"

"We are at a point where we will have to do some long-term thinking. Ours is focused on the future of mobility strategy; it's right at the core of Government thinking for the future."

London has already done a great deal of thinking; the capital is the focal point for other UK cities that are unclear about the way forward. However, many issues are at a local level and, therefore, require local transport solutions.

For example, London faces an ageing population, a growing population (8.9 million now; 10 million by 2030), inequality – 27% of people are living in poverty while 10,000 have houses worth more than £10 million – and an activity crisis.

These changes have to be solved by the transport service to prevent stifling the growth opportunities.

"The only way we can accommodate growth is to deliver an integrated, flexible transport solution," says Alexander.

Mayor Sadiq Khan's transport strategy centres on healthy streets and healthy people, good public transport experience, and accommodating new homes and jobs.

By 2041, he aims to increase the proportion of trips carried out by walking, cycling and public transport from 63% today to 86%, which would remove an estimated three million car trips every day. Over that time, the number of daily trips is expected to rise from 26 million to 33 million due to population growth.

However, the most pressing issue is in outer London boroughs, where half of trips are undertaken by car, compared with 5% in central London.



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FLEXIBLE TRANSPORT
SOLUTION**

**HEIDI ALEXANDER
DEPUTY MAYOR, LONDON**

"We have to focus on the parts of London that extend beyond zone two," Alexander says.

It's a problem of even greater concern to other cities and regions, which have the same commuting demands but with a much reduced public transport infrastructure. Consequently, the likes of Liverpool Manchester and Oxford, among others, are investing heavily in various approaches, including extended rail and tram services, and cycle routes.

Meanwhile, the England's Economic Heartland transport forum recommends investment across a geographical scope that runs from Swindon through Oxford and Milton Keynes and on to Cambridge, and from Northamptonshire to Hertfordshire.

Its objective is to improve access to the city, reducing pollution levels and congestion, while addressing safety concerns.

DON'T FEAR FAILURE

David Oliver, procurement manager, Red Bull, called on local authorities to "let the people decide" and not be afraid for some failures.

"Central Government should look to understand the options that work and then the regions can decide which ones are right for them, rather than the regions doing all the work," he says. "We see different solutions in different cities, but time is not elastic. We have to move fast and understand the best solutions without wasting investment."

Darren Bell, fleet and compliance director of the DX Group logistics company, also put the emphasis on central Government to establish clear ground rules and timelines.

"There are lots of good ideas but there is no meaningful body that can lobby Government at a senior level to have one solution," he says. "There is no political will regarding capital investment;"

“There’s a lack of commitment until Brexit goes through.”

He adds: “Where’s the path, the milestones to reach the objectives? There are no clearly defined timelines.”

NEW THINKING REQUIRED

The issue of smart transport and mobility requires a new way of thinking, according to Alexander. “For too long we have focused on the symptom and not the disease – we’ve focused on congestion by trying to speed up car journeys,” she says.

“But we can’t replace one type of traffic jam with another. Over the next five years, TfL will spend £2.3 billion on making transport better with cycle routes, making junctions safer, giving pedestrians priority at lights. We are determined to make sure every Londoner has a good public transport service.”

It will be a challenge, though, with the number of daytime journeys forecast to rise by one million within the next two years, resulting in further tube and bus overcrowding. In

addition, demand has been growing quickest in the outer boroughs, increasing the pressure on limited resources.

“We have to use the road more efficiently and enhance the bus service with a cleaner service,” Alexander says.

“We have to deliver homes with good connections, close to local services to reduce travel needs. The best option is active, efficient and sustainable travel.”

The Ultra-Low Emission Zone (ULEZ) which comes into force in London in April, will be a major driver of change, particularly when it extended to the north and south circulars in 2021.

Alexander explains: “At that point, the zone expands to where people aren’t used to having a charge levied. This is the moment when they will have to think about how to change their journeys;

it’s a moment to promote walking and cycling.”



“THE STREETS ARE NOISY AND POLLUTED. WE CLING TO OUR DESIRE TO OWN A CAR. THERE IS NO NEED FOR IT”

DARREN SHIRLEY, CAMPAIGN FOR BETTER TRANSPORT

TfL is stepping up its efforts by bringing together manufacturers and operators with its own people to discuss future regulations, concerns and possible solutions.

“TfL does have a convening power to bring operators and manufacturers together to look at providing a better door-to-door service. And there are solutions in other parts of the world,” Alexander says.

“Technology has a huge role to play; we have to enable people to have the information at their fingertips to be able to plan their journeys and know their options.”

With TfL some way ahead of other cities in its planning and preparation for new-generation transport solutions, Alexander had some clear advice for other local authorities following in its footsteps: “Be bold in your ambition to tackle air quality. It’s a national problem and it needs tackling with the same degree of vigour. But you have to build support with the local population to do that.”

WHERE DO VANS SIT?

Fleet operators are uneasy that much of the rhetoric from TfL centres on car usage, when their businesses are more reliant on the use of vans to deliver goods or carry out services within the capital (as well as other cities). Here, solutions are harder to uncover.

Alexander responded to those concerns by insisting that freight and logistics was also high on the agenda.

TfL will be launching a freight and service action plan shortly with one priority being last mile deliv-

eries, looking at areas such as consolidation centres, timing of deliveries, electric vehicles and use of rail and river.

However, her comments failed to satisfy some fleets, who point to the level of expectations many people had when it came to deliveries.

Alison Moriarty, fleet risk director at Arriva, explains: “The bigger picture of people expecting deliveries within two hours is not being considered enough. It’s a major part of our economy.”

“We have moved to instant delivery. We don’t need it. But, unless we have some regulation, if one business moves away, two or three others will move in – it’s a competition issue.”

Jerry Ward, manager legal operations (transport) at John Lewis Partnership, agrees: “With home deliveries, there is only so much expectation you can manage and, if you don’t, then someone else will move in and fulfil it. Consolidation centres work for some businesses but not others. TfL struggles to understand the needs of business.”

Despite those concerns, change is coming. The transport model of the early 21st century is no longer fit for purpose, according to Darren Shirley, chief executive at the Campaign for Better Transport.

“If we started from scratch, this isn’t the solution we would design. So who is going to step forward and create the solution?” he asks.

TO SHARE OR NOT TO SHARE?

Vehicle sharing – multi-occupancy rather than single use by many people – is often suggested as a solution to crowded roads, offering greater utilisation of vehicles that can spend the majority of their time parked up.

However, there are cultural challenges to overcome before people willingly get into another vehicle with two or three strangers, especially if that vehicle is autonomous; it is not the same as catching a bus where there is ‘safety in numbers’.

Jesse Norman believes the obstacles can be overcome by using financial incentives and social assurances. In fact, he believes they have to be overcome.

“If transport changes just replicate the same number of people to vehicle as now, it will be hard to be sustainable or efficient,” he says. “What will change it? Think holistically. We expect to see nudges within car-sharing apps by introducing economic incentives, for example, discounts on fares. But the counterpoint is a shift in the norms (views on sharing).”

Norman referred to the so-called ‘macro norms’, how people feel about the sharing technology in general, and the micro norms, if it feels more like a friendly bus than a car with users having shared interests, you feel more relaxed.

The way goods and services move around the country has changed over the years, from canals to railways to trucks and vans.

It has shaped communities and cities, but the system now needs to be adapted to meet the needs of the people.

“The streets are noisy and polluted – it’s unacceptable,” Shirley says. “Single occupancy cars – in the face of all logic, we cling to our desire to own a car. There is no need for it.”

“We have a culture that is averse to change. We have a transport sector that harks back to the past. We have an opposition to new technology.”

EMBRACING NEW MODELS

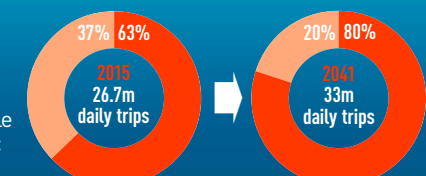
He criticised Government policy that froze fuel duty and allowed rail fares to rise which promoted the wrong behaviour, adding: “We need to reframe the problem; we have to break out of silos with public and private sector. We can’t think in modes, we have to embrace new models.”

Car scrappage schemes were, Shirley says, the wrong approach. Instead, funds should be used to subsidise bus travel, car clubs and other mobility solutions.

“We have to base investment on the society we are going to have, on the needs of the future, not the past. We have to pick some winners; what will our legacy be?”

DELIVERING THE TFL VISION

By 2041 the aim is for 80% of trips in London to be on foot, by cycle or using public transport



Walking, cycling and public transport Car/taxi/PHV

IN TUNE WITH CUSTOMER NEEDS

Rental firm boss sees parallels between transport and music development. *Sarah Tooze* reports

THREE-POINT FORMULA TO CHANGE THE FACE OF TRANSPORTATION

Khaled Shahbo outlines what policymakers need to do to bring about change in transport.

- 1 Reduce the cost of ultra-low emission vehicles and invest in infrastructure to support electrification.
- 2 For the Department for Business, Energy and Industrial Strategy, the Department for Transport, the Department for Environment, Food and Rural Affairs (Defra) and local government to align with transportation providers, private and public sector and other commercial partners to discuss the real world implementations of clean air zones.
- 3 To introduce incentives and guidance to help transition change and change consumer and commuter behaviours because punitive measures alone, where there is no viable alternative, simply aren't as successful.

Understanding customers – be they users of the road network, public transport, car clubs or other modes of transport – must be at the heart of any short- or long-term planning for private and public sector organisations.

Technology can act as an enabler for change (for example, an app which allows consumers to choose between different modes of transport), but it will ultimately be the customers who will determine how quickly things evolve in the fleet and transport sectors.

Khaled Shahbo, UK and Ireland managing director at Enterprise Rent-A-Car, likens it to the music industry over the past 30 years which evolved from customers listening to music on vinyl to cassette tapes, CDs, MP3 players and, more recently, streaming and subscription models.

"Technology enabled the change, but consumers determined the adoption and the direction of that change," he says. "It was driven by people making choices that suited their needs."

Similarly, people choose the mode of transport

that best suits them. Shahbo says that "at no point during music's evolution were consumers forced down one particular path; all formats of music were allowed to co-exist and still do".



"AT NO POINT DURING MUSIC'S EVOLUTION WERE CONSUMERS FORCED DOWN ONE PARTICULAR PATH. ALL FORMATS WERE ALLOWED TO CO-EXIST"

**KHALED SHAHBO,
ENTERPRISE RENT-A-CAR**

Therefore he believes that in transport all modes should be "accessible, affordable and integrated to allow users the power of choice".

Martin Tugwell, director of England's Economic Heartland, a sub-national transport body which aims to realise the economic potential of the Oxford/Milton Keynes/Cambridge corridor and surrounding areas, believes that policymakers can sometimes be guilty of forgetting that it is the user that drives change.

"We've got to get better at being able to understand the user's needs," he says.

"We're investing in a new series of tools to help us understand how behaviours change with age so if I'm looking at 30 years for transport strategy, people who are 20 will be 50 and they will have gone through various stages of their life. Their needs, their travel requirements, will have changed many times."

Highways England, which is responsible for managing the nation's motorways and A roads, has established a set of key performance indicators (KPIs), based on the quality of service it wants to give

customers, looking at day-to-day activities such as average delay and time taken to clear incidents on motorways as well as longer term goals such as a 40% reduction in the number of people who are killed or seriously injured on the network by the end of 2020.

It plans its activity in five-year cycles and is currently in the 2015-2020 cycle. A key change has been focusing more on customers, communities and environment, which has included creating or improving 79 cycle paths and footpaths since 2015.

"It's really important that we're delivering more than basic tarmac, we're delivering things that improve the lives of people around the network," says Elliot Shaw, executive director of Highways England.

"We're ramping our focus on those designated funds over the next 18 months or so."

Highways England has also carried out scenario work as it recognises that "there are different futures potentially out there", Shaw says.

Its Connecting the Country document, which was published in December 2017, attempts to predict what the network may look like in 2050.

"For us, as a road operator, there is a clear

future of everyone whizzing around in electrified autonomous pods," Shaw says. "But the real question and challenge for us is what do we do in the next three-to-five years that will move things on in a positive, incremental way that enables us to get to that transformational state."

As a result, Highways England will be looking at three areas:

■ **Digital customers:** providing better information to customers via their smartphones in the short-term or directly to vehicles. Technology trials are taking place along the 'connected corridor' on the A2/M2 in Kent. "We've seen that if only 7% of the vehicles on that corridor are connected and you communicate directly with them and influence their behaviour, that has real positive impacts in terms of congestion and flow on that stretch," Shaw says.

■ **Digital design:** such as using technology to design road schemes (what Highways England calls its 'rapid engineering model') and autonomous construction.

■ **Digital operations:** joining up traffic management systems to manage the network in a seamless way.

Tugwell believes digital infrastructure, not just

transport infrastructure, is "fundamental" to England's Economic Heartland's vision of "connecting people and places with opportunities and services".

"It's about understanding how we access and use connectivity to run our daily lives," he says.

Planning in the short-term to deliver in the long-term requires a national policy statement for strategic infrastructure, specifically for the Heartland, in his view, as it would provide certainty, investment and help accelerate delivery.

He says it can take too long to deliver key pieces of infrastructure, citing the East-West Rail project, which is likely to be finished by 2022/2023 – 25 years after a consortium was formed.

"We need to get better at delivery," he says.

But nothing can be achieved without proper collaboration.

"We have to collaborate, this is about public and private working in partnership," he says.

Shahbo adds: "Innovation will not come from a single source. We need to come together to form a consensus on what is important to individual consumers, commuters, businesses, society and governments to then agree what we can do next."



FleetNews

By David Morris, Business Account Manager - Fleet, Goodyear Dunlop Tyres UK Ltd

AWARDS 2019

Goodyear is the proud sponsor of the Travel and Mobility Initiative Award at this year's Fleet News Awards. Travel and Mobility is at the heart of the Goodyear brand, and the constantly changing mobility eco-system throws many challenges into the industry every month. Goodyear strives to be at the forefront of innovation and focuses on four key areas, Fleet, Autonomous, Connected and Electric.

Goodyear believes that the biggest changes will come from these four areas and for the last four years the company has been focused on delivering products and solutions to answer the needs of this changing eco-system.

Recently Goodyear expanded its ongoing work with autonomous vehicles, which includes being named the exclusive tyre supplier for a leading autonomous passenger shuttle.

Goodyear has teamed with Arizona-based Local Motors to conduct tyre testing with an Olli, the brand name of an eight-passenger autonomous shuttle. Local Motors has also selected Goodyear tyres for exclusive fitment on its Olli vehicles.

Adding the vehicle to its testing fleet allows Goodyear to use it for advanced mobility evaluation.

The work on autonomous vehicle projects, such as the Olli, is another mile marker on Goodyear's journey to future mobility solutions.

The test work with autonomous vehicles allows Goodyear to study the operation and maintenance areas that need to be addressed when there is no driver at the controls. This includes future tyre technology options for such vehicles.

Additionally, Goodyear is outfitting three autonomous shuttle buses in Luxembourg. The vehicles, operated by bus company Sales-Lentz, will shuttle up to 14 passengers per ride on a variety of local routes.

On the three shuttles, Goodyear tyres are equipped with sensors to collect operational data in the real-world application, which Goodyear engineers and data scientists can use this to map predictive maintenance and other performance benefits.

Travel and Mobility is changing and celebrating the innovations of others in this field via the Fleet News Awards is very fitting.

Goodyear Tyres for every fleet.

New Goodyear Vector 4Seasons Cargo tyre means reduced cost of ownership.

If you're fleet is more Sprinter than C-Class then the new Goodyear Vector 4Seasons Cargo may be more fitting.

The Vector 4Seasons Cargo is a fuel-efficient, all-season tyre, offering excellent performance and extended mileage compared to the previous model.



Drivers will feel safer on both dry and wet roads, thanks to shorter stopping distances and the improved stability and handling of the new tyre. Light trucks equipped with these new tyres can also benefit from reduced costs, as drivers and fleet managers no longer have the inconvenience or cost of switching tyres between seasons.

New Vector 4Seasons Cargo tyres deliver more miles than its predecessors, and the reduced rolling resistance saves on fuel expenses - features that combine to reduce the cost of ownership.

This new tyre expands Goodyear's light truck vehicle product portfolio, which already includes the EfficientGrip Cargo summer tyre, Cargo UltraGrip 2 winter tyre and the new UltraGrip Cargo. The Vector 4Seasons Cargo is the successor of the all-season Cargo Vector 2 and it records even shorter braking distances on both dry and wet roads, along with improved steering on snowy and icy surfaces.

New Eagle F1 Asymmetric 5 combines luxurious comfort with superior wet braking and dry handling performance, perfect for fleets.

EAGLE F1 ASYMMETRIC 5



Goodyear has been renowned for producing award-winning tyres for over 120 years. This year sees the introduction of the Eagle F1 Asymmetric 5 into its ultra-high performance range. The tyre succeeds the Eagle F1 Asymmetric 3 which was very popular with fleets and performed well in tyre tests across Europe since its introduction in 2016. Now, three years on, the Eagle F1 Asymmetric 5 provides the next level of performance for vehicles such as the Volkswagen Golf, BMW 3 series or Mercedes C-Class.

Answering the needs of fleets across the UK, the tyre provides innovative technologies which unlock significant improvements in wet braking and dry handling without compromising ride comfort or road noise. These characteristics are essential for fleets looking to use a tyre which is suitable for high-mileage and many hours on the road.

Key to the tyre's breadth of ability is Goodyear's development of a highly-refined compound that combines wet weather capabilities without sacrificing endurance or dry handling performance. Thanks to a contact patch designed to

extend when braking, the tyre's contact with the road increases to a level more usually associated with a track tyre, resulting in wet stopping distances



which are a significant 4 percent shorter compared to the Eagle F1 Asymmetric 3^[1].

Goodyear's efforts to optimize performance focused on reducing flex in the tread pattern as lateral forces are transmitted. The resultant crisp, precise turn-in, higher grip levels and efficient, clean acceleration facilitate an improvement in dry handling. Feedback through the steering is also enhanced, providing a more communicative and confidence-inspiring driving experience.

[1] Compared to predecessor, based on internal testing

SMART TRANSPORT MUST HAVE CLIMATE AT ITS CENTRE

The achievement of cleaner air is everyone's responsibility – not just that of the transport industry. *Andrew Ryan* reports

Fleets, politicians and policymakers must work together to make urban areas cleaner, healthier and more prosperous in the future.

Poor air quality is estimated to contribute to more than 40,000 premature deaths across the UK each year, with many cities either introducing or investigating the implementation of clean air zones (CAZs) to tackle this.

However, to accelerate an improvement in air quality and a reduction in CO₂ emissions, action should be taken to intensify the adoption of zero

emission electric vehicles (EVs), says Caroline Watson, programme director at C40 Cities, which is a network of 94 cities across the globe who are committed to addressing climate change.

"If we are going to have smart transport, it is really going to have to have climate at its centre, otherwise it isn't smart transport," she says.

"My key message for any policymaker is that science is telling us that every single policy decision we make needs to be in the context of how it can accelerate our transition to zero emission vehicles.

"We can't just have climate change as an add-on

issue that we talk about on Friday, but we haven't even thought about it on Monday, Tuesday, Wednesday and Thursday. It needs to be at the heart of every policy decision.

"In a similar message to the private sector, every investment decision made needs to consider how it protects their business in a zero emission future.

"For example, if a business has just bought a new fleet of diesel vehicles, what are the residual values going to be like in a few years' time when they are trying to sell them? It's a serious business consideration about how they are investing their funds.

"But there is also a moral question: how can you be part of the solution and not the problem?"

The C40 cities, which include London, Manchester and Oxford, have committed to transform their streets into greener, healthier and more prosperous places to live.

To meet these aims, Transport for London (TfL) has set up a Healthy Streets for London initiative, with its approach embedded in all the London mayor's statutory strategies.

This includes reducing traffic, pollution and noise to create more people-friendly streets, and, while the widespread adoption of EVs will help, much more needs to be done, says Lucy Saunders, who developed Healthy Streets for London.

"Is the electric vehicle the silver bullet that will solve all of the problems that are posed and the issues that we face? It's not, unfortunately, but there isn't one," Saunders says.

"It is part of the solution though. So I think it is really important we remember the valuable role that EVs play in this conversation, but that we also very quickly move on to the much broader conversation of all the other ways in which technology can help to support the Healthy Streets vision."

Saunders adds: "It's not that cars or vans or lorries or buses are a problem, how we choose to manage the way they are stored and moved around our streets is the issue that underpins the health issues we are facing.

"It's not the single, exclusive role of the transport sector to deliver our vision, because how our streets look and feel, how they function is a multi-stakeholder task and it requires a whole load of people to work together towards a shared vision.

"Our overarching principle is that we are trying to deliver a street environment that works well from everyone's point of view and to try to get there as fast as we can.

"The way we get there is about working with industry about what is feasible, when it's feasible and what support is needed to make some changes happen.

"Our approach is not an idealistic panacea that every street in London is going to be like paradise in five years' time and we are going to do that by completely ignoring the fact that the city needs to function and people need to move things around."

One of the developments which could have a significant change in the way people and goods move around is the dawn of mobility as a service (MaaS).

This includes moving away from personally-owned modes of transport towards using mobility solutions, such as train, bus, bicycle, taxi or walking, which are used as a service.

This does not yet exist in the UK, says Matt Dale, head of consultancy, fleet consultancy services at ALD Automotive.

"We have mobility on demand, we have taxis, we have trains, we have buses," he says. "What we can't do is walk out of our house in the morning, tell an

app where we're going, and the person driving down the road pulls over and gives us a lift to the station. We would then get off the train at the other end, and share a taxi or car with somebody we may not know, but is going to the same place.

"That really doesn't exist yet, so while we can focus on it for the future, we have to be a little bit careful how we talk about it and implement it."

He adds: "We need to change our reliance on cars. At the moment we have a lot of ideas, but we still need a major shift in social attitude to bring some of these ideas to reality."

This responsibility for a shift into cleaner transport modes falls on everyone's shoulders – businesses, politicians, policymakers, residents, families and communities – says Watson.

"We've seen what the science says, we know what the urgency is, all we really need is the political and personal will to make this happen," she adds.

"It really is a virtuous circle of us all working together, of us all taking responsibility.

Too often we hear excuses why something can't be done, and it really needs to be all of us demanding it of each other."

IT IS REALLY IMPORTANT WE REMEMBER THE VALUABLE ROLE THAT EVs PLAY IN THIS CONVERSATION

LUCY SAUNDERS
HEALTHY STREETS FOR LONDON



INTELLIGENT MOBILITY 'WILL CHANGE EVERYTHING'

TESTING TIMES FOR CAVs

There are six consortia test beds in the UK, supported by Meridian:

- Midlands Future Mobility, looking at smart infrastructure (www.midlandsfuturemobility.co.uk).

- Millbrook Culham, testing CAVs on semi-controlled but realistic environments (www.gtr.ukri.org/projects?ref=104033).

- Trusted Intel CAV with MIRA and Coventry University, testing vehicles to their limits.

- Applus Idiada, looking at highways and rural testing at Bruntingthorpe.

- Smart Mobility Living Lab, testing city driving (www.smartmobility.london).

- ConVex with Bosch and Jaguar Land Rover, on connected vehicle data sharing.

There are challenges to address, but connected and autonomous vehicles will revolutionise transport and travel. By *Stephen Briers*

The language of connected and autonomous technology has shifted over the past 12 months from "could and should" to "will happen", yet the legislative framework is still dragging behind the pace of technological change.

That's the forthright view of Ella Taylor, head of future of mobility at the Department for Transport's Centre for Connected and Autonomous Vehicles (CAVs).

"It was hypothetical. We said combined technologies could transform cities and towns, it should mean safer roads, it should remove car parking," Taylor told a packed Westminster

Energy, Environment and Transport Forum session on next steps for intelligent mobility.

"This year, we can say that it will happen. There will be more autonomy and greater granularity of choice in transport modes."

Yet, the UK is lagging behind other markets, both in legislation and in culture change, which could stifle progress towards smart cities where integrated transport options bring about reduced congestion, lower air pollution, greater ease of access and safer streets.

"Car sharing has not taken off in the UK – we are reluctant to share – but it has elsewhere in the world," Taylor says, adding "electric scooters, skateboards and hoverboards are challenging the way we look at transport", but at the moment they cannot be used – "you'd be breaking the law".

"As part of our regulatory review, specifically into automated vehicles (AVs), we're looking at the range of options that we would have as a policy toolkit, to make sure that with the fast development and the capabilities of these vehicles, we are reviewing their impacts," Taylor says.

"We're updating our legislation and we are

updating our code of practice (for trialling AVs), to evolve with the technology. We know the technology is pushing that boundary, and so we're reviewing the code of practice to say these now are the steps you need to take to make it safe."

The Government Office for Science was responsible for the delivery of the recent Future of Mobility report which provides insight into how technology and data can improve people's lives over the long-term, looking out to 2040.

However, it isn't just technology which is changing travel behaviour; it's also societal. A good example is the dramatic growth in online shopping over the past decade, which has fuelled a massive rise in home deliveries. In addition, home- and flexible-working are on the rise.

Societal changes combined with technology is transforming how and why people travel.

Understanding the user is crucial when determining which types of technology will be successful, and these vary dependent on location.

In cities, mobility as a service (MaaS) solutions will dominate; for towns, autonomous public transport could prove the winner, offering effi-

ciency and cost benefits; rural areas will need to gravitate towards digital services, such as on-demand and sharing.

"Whichever geographical lens we look through, a smart transport system underpinned by data will require harmonised local, regional and national standards," says Jonathan Keating, senior transport and infrastructure adviser, Government Office for Science.

Keating stresses the need to consider freight transportation and the intelligent mobility of goods. It is, he says, often overlooked in planning.

"In the past 15 years, we've seen a sharp rise in van use. So vans will be key going forwards. But, data is sparse and this makes long-term planning difficult," he adds. "Interventions that balance freight alongside passenger transport and land use will be needed, and I think the National Infrastructure Commission's on-going freight work (interim report – www.nic.org.uk/publications/3730/) will provide interesting insights into this space."

The Government Office for Science has developed four plausible transport futures looking to

2040 which consider critical uncertainties around users' willingness to share data and adopt new technologies and the extent to which transport will be shared or exclusively used.

FOUR TRANSPORT SCENARIOS FOR 2040

'Trends unmodified' is a scenario where the Government is reactive to change, limiting the benefits of technology to transport.

Here, private car use hits record levels, with limited public transport and car share.

"In 'greener communities', social environmental aspects of mobility are given priority over new technology and choice," Keating says.

This results in car clubs and ride-share overtaking the number of trips in privately-owned cars by 2035, with road charging the norm and nationwide MaaS available. Only blue-badge holders can use autonomous vehicles privately.

In 'individual freedoms', the public demands control, freedom and independence over their transport but are concerned about data privacy. Here, long distance travel has fallen but local travel has increased due to trust concerns,

with car ownership reaching record levels.

"In 'technology unleashed', there's been a deregulation in transport and related industries, while rapid technological progress is dominated by the private sector," Keating says.

Technology unleashed predicts 80% of journeys by AVs, with parcel deliveries by drones in rural areas and an obesity problem due to inactivity caused by AVs, which hit the road in 2021.

The four models reveal the conflicting choices faced by legislators, service providers and the public, which may require some compromises.

Many questions remain, such as how tightly data use is constrained, should sharing behaviours be incentivised, should there be a national provision for the transport system, how should new technologies be introduced and what happens if demand is flat.

"How do we ensure the benefits are felt by all citizens, avoiding winners and losers, and how do we consider users, freight and land use in the same system?" asked Keating.

"Now is a time of unprecedented change. There is a window of opportunity to move towards a ☞

“better transport future, learning lessons from the past and shaping the future, and so now is the time for decision-makers to act.”

Nowhere will the changing environment be felt more keenly than by the companies operating fleets. They are having to come to terms with a new era of automation, robotics, computing, digital intelligence and connectivity in the build-up to smart cities. And quickly.

There is widespread disruption coming from new entrants and private sector innovation. There are new business models, for example, car-makers shifting to service provision. But there are also many definitions of what makes a smart city, as well as the role of the various stakeholders, such as Government, infrastructure providers, service providers, local authorities and the public. These challenges need to be addressed, according to Wolfgang Schuster, technical director, Intelligent Mobility, at Atkins.

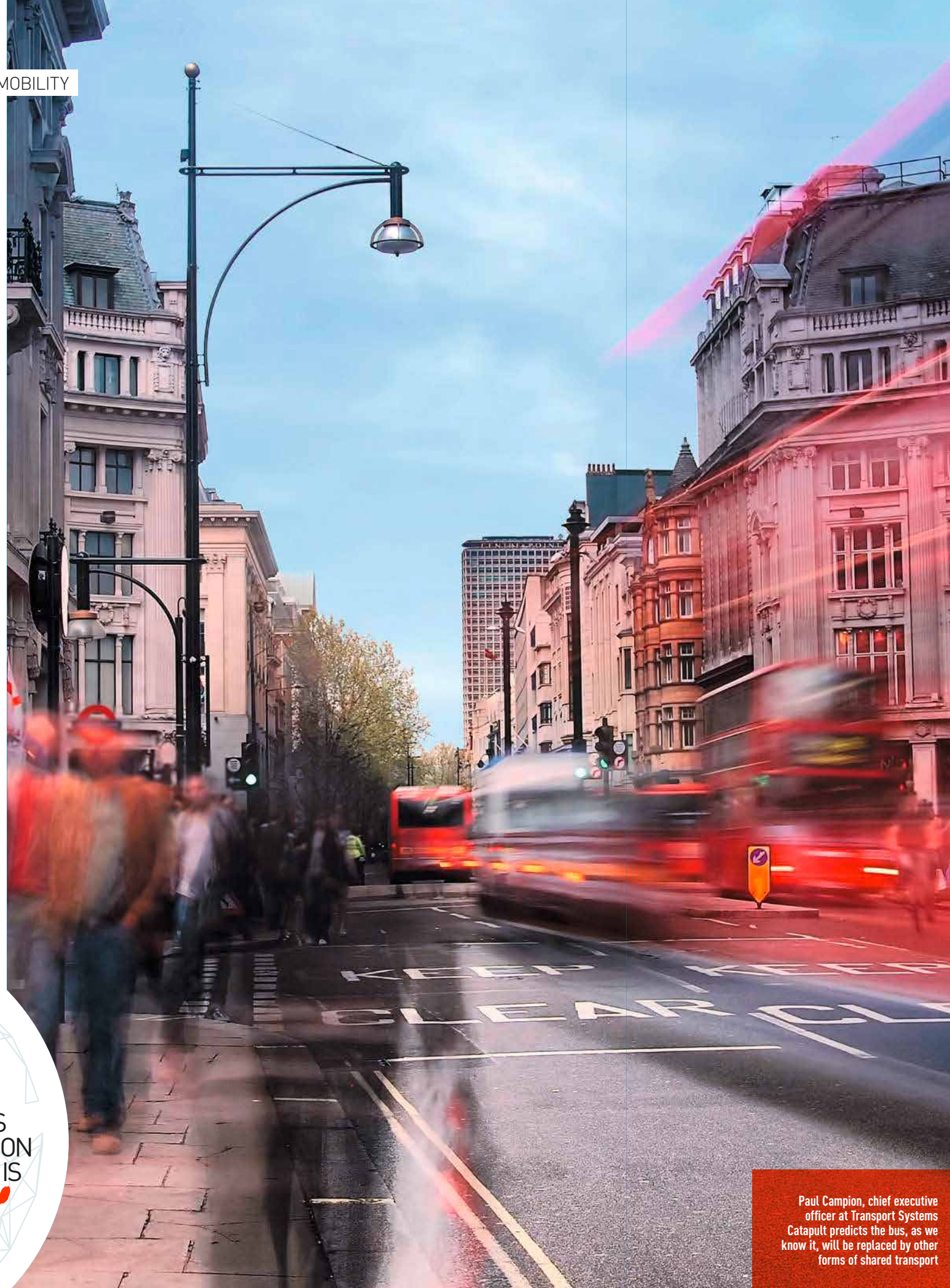
“There is an economic growth challenge, for example, multimodal, on-demand services versus increased congestion, and we’ve seen that already through the Uber-effect in London. There’s a key challenge about when to start regulating without stifling innovation,” says Schuster.

“There’s a question around social acceptance, balancing quality of service versus privacy and trust. There’s a challenge around inclusivity, the many complex user requirements versus the real needs of users and wider society. How do we achieve the correct balance between the two?”

“There’s a challenge around standards and interoperability, for example, whether we should centralise data or whether we should use a decentralised approach; there’s a key question of how to ensure interoperability and accessibility to this data when it is needed.

“And then there’s a challenge around resilience. How do we ensure resilience in a digitally connected world where many functions of society, including safety critical functions, will be dependent on the availability and integrity of the data between stakeholders that have potentially very different levels of security requirements?”

Local authorities need to be preparing now for intelligent mobility, so that it evolves as an integral part of the city rather than in isolation. It relies on developing a robust ecosystem which optimises



“THE NEXT FEW DECADES WILL SEE THE DEMOCRATISATION OF SEAMLESS TRAVEL: THAT IS THE FUTURE OF MOBILITY”

PAUL CAMPION, TRANSPORT SYSTEMS CATAPULT

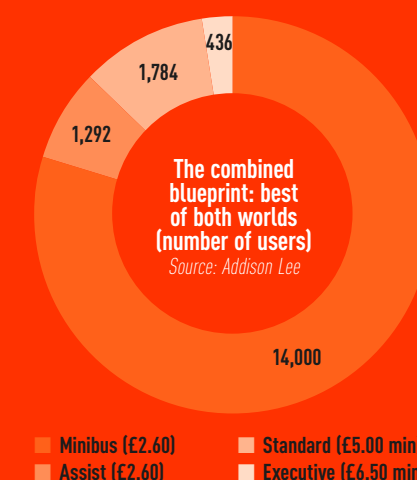
Paul Campion, chief executive officer at Transport Systems Catapult predicts the bus, as we know it, will be replaced by other forms of shared transport

RIDE-SHARE WILL CUT TRAFFIC, FINDS ADDISON LEE

Last year, Addison Lee led a consortium looking into attitudes and business models for ride-sharing. These are its findings.

The project introduced four levels of service:

- 1 The minibus, a low-cost flat fare (£2.60), similar in price to the tube.
- 2 The assist, a low-cost flat fare (£2.60), for people requiring services related to disability where there would be some kind of steward on board to provide assistance.
- 3 The standard (£5 minimum), similar to the private hire model with a minimum fare and an additional cost per kilometre.
- 4 The executive service, a higher minimum fare (£6.50) for a more luxurious vehicle and shorter waiting times as well as the ability to have solo trips.



Those services were applied to three blueprints:

- 1 The accessibility blueprint – low cost transport for all. Demand was high with 31,500 passenger journeys per day, mostly short trips. The only two services that worked were minibus and assist because they had to be low-cost transport. However, it drew too much demand away from public transport, particularly buses.
- 2 The convenience blueprint – greater convenience at a higher price. Addison Lee removed the minibus service and added the standard and the executive. Demand fell to 9,000 passenger journeys per day, primarily because of the higher cost of usage.
- 3 The combined blueprint brought accessibility and convenience together. The cost of the minibus increased by 90p to try to prevent drawing demand from public services. Passenger journeys rose to 17,500.

Addison Lee’s conclusion was that the

combined blueprint was the best option, with journey times falling by around 53%. It also modelled a higher cost of parking which resulted in a 38% reduction in trips, saving space equivalent to 61 tennis courts.

The taxi/courier company added in some autonomous vehicle (AV) modelling, which found that 85% of people were willing to use an AV. There was lots of confidence in the technology and the regulatory and insurance frameworks.

However, there was much less willingness to share an AV with others. Just 46% of people were willing to share, with women least willing. But when a steward was introduced, that willingness to share increased.

EVs will play a crucial role with AVs, according to Addison Lee head of regulatory and external affairs Andrew Wescott.

“If we don’t deliver AV and EV simultaneously, we might find that road congestion and emissions increase and that wouldn’t be desirable,” he says.

the entire transport system to avoid potential disruptions and modal siloes.

It’s about transformation change, which means everything changes, says Paul Campion, chief executive officer at Transport Systems Catapult.

“If, and when, autonomous vehicles arrive, they will change everything,” he says.

However, the most important element of CAVs right now is the C – connectivity. Most new cars have an IP address; for others, the moment someone gets in with a smartphone, the car becomes connected. In Campion’s view, this will generate the most change.

Forget modes of transport, they simply fulfil journeys. He predicts the death of the bus, as we know it, replaced by other shared transport.

“Shared transport, multi-occupancy vehicles, are fundamental to our future, we need more of that not less of it, but words like ‘bus’ potentially constrain our thinking,” Campion says.

The near-future of mobility will not be delivered by spending money on infrastructure. The £28 billion allocated to road investment will touch less than 1% of the 250,000 miles of roads over the next five years.

The same is true of vehicles: it will take a decade or two to convert the UK vehicle parc to electric, for example.

“It’s about the services: how we use this stuff to deliver services,” says Campion. “That’s the thing we can affect in the next three-to-five years. And over the longer term it’s data; that’s the thing that enables us to make the biggest difference.”

He adds: “The 20th century saw the democratisation of transport outcomes. One hundred years ago, very few people could afford to travel the way that we all do now.

“The next few decades will see the democratisation of seamless travel: I want the complexity to go away. That is the future of mobility.”

SMART TRANSPORT 'MUST BE ACCESSIBLE TO ALL'

Local authorities must engage with business providers to ensure mobility as a service is an ethical solution that meets everyone's needs. *Stephen Briers* reports

One of the key challenges that smart transport needs to meet is the concept of mobility for all, regardless of wealth and physical capabilities.

However, there is a danger of it operating outside of the usual regulatory norms because the technology is evolving at a rate that the regulators cannot keep up with.

Jonathan Bray, director at the Urban Transport Group, criticises the romantic notion of technology as a clean, limitless, less constrained, better enabler.

"This is illusory; technology has real and material impacts and shouldn't sit outside of normal ethics and regulation," he says.

"It's not 'in a cloud'; it's in a huge data factory!"

Bray's concern is that the main focus for mobility as a service is "non-disabled, tech-savvy people with high incomes that can afford a car". The debate needs to be broader, and cities need to take several elements into consideration:

- Support mode shift
- Complement public transport system
- Accessible and inclusive
- Enable faster switching to cleaner technology
- Create safe and attractive streets
- Use space efficiently
- Share data and knowledge to improve planning of the overall system.

"Mobility has to be about access; sharing is key," Bray says.

He cites the example of Washington DC which boosted the use of taxis in the city by bringing in an app to allow those on lower incomes to access them at a lower price. Or another app which enabled disabled people to create a profile about their particular needs to inform staff.

"The way we use technology will change our world, but we have to put people first," he adds.

That's exactly what HCT Group does.

The social enterprise runs buses for profit which it reinvests into social necessary transport such as dial-a-ride,

social care services and special education needs.

"We do it because we believe that access to transport is a human right," says HCT head of social impact Tracey Vickers.

"When we talk about smart transport, we want to make sure it starts with a solution that includes everyone."

Questions that need to be considered when it comes to mobility options include:

■ Smart inclusion: for example, does it take cash, can you use it on a smartphone and does it work in rural regions?

■ Smart design: is it franchised, place-based, integrated? Does it address the systematic reduction in rural bus services?

■ Smart commissioning: is it profit-share, are the incentives aligned?

HCT set up a bus service on Jersey which allowed residents to design the type of system they wanted, including the routes, the name and the livery. Users can pay contactless or with cash (or it's free for qualifying people), you can take bikes on board, you can track the bus on an app, they have low floors for wheelchair access and drivers are given disability awareness training.

"We also train people with learning

difficulties to use public transport – it's a life changing service," says Vickers.

Since launching the service in 2012, passenger numbers have risen by 35%, while the number of car journeys has fallen.

However, offering such a service is not without its challenges. HCT has to bid for routes against commercial operators. The social value act, which was introduced in 2012 to force local authorities to take into account the social value of a contract, not just cost, doesn't include transport.

Another barrier is European legislation which could, says Vickers, "jeopardise the entire community service".

She explains: "If you take a fare, you are commercial so you have to operate all the same regulations as a big bus company – even though those companies don't want to operate these services."

Transport minister Jesse Norman, also future of mobility minister, acknowledged the issues faced by community operators.

"We are trying to find a way to respect the law and also to sustain that vast range of transport solutions," he says. "We are aware of the problem."

While technology could pave the way towards 'total transport', there are failings in many areas with organisations failing to engage. The NHS and local authorities is one example, according to

Darren Shirley, chief executive officer at Campaign for Better Transport.

"There is a disconnect where local authorities are cutting bus services to save £1.5 million but that increases NHS costs by £1.8m because they have to put on more patient transport services," he says.

Concerns have been raised over the move to a cashless society and the reliance on smartphones to access services. While the vast majority of people have a smartphone, a much lower proportion have roaming ability. And the level of penetration falls for older people.

Bray suggests phones could be given free to those who need them, but he also calls into question ownership and sharing of the data, including the ability of local authorities to understand and manage it properly.

"Who controls the app, the gateway to payments? Traditionally it was the transport authority; increasingly it's walled gardens," he says. "But are they motivated to encourage you to, for example, walk? Or do they encourage you to do the things that they can monetise, such as taxis."

Bray adds: "We need more regulatory freedoms for local authorities. We have to find a way of data sharing on both sides – this is part of a legislative review we need."

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TOMORROW'S FLEET: FIRST/LAST MILE

In association with **SMART
TRANSPORT
CONFERENCE**

CONVENIENCE OF CARS IS BARRIER TO CHANGE

Cycling, walking, car clubs, autonomous vehicles and EVs all have a part to play in first and last mile journeys. *Sarah Tooze* reports

Shifting short journeys away from the car to other modes of transport is a huge challenge facing local authorities.

Conor Walsh of the shared mobility organisation CoMoUK suggests that "convenience dictates people's choice of travel" and part of the problem for cities is that the car offers "a high level of convenience".

Half of all trips in Greater Manchester (GM), for example, are less than 2km (1.2 miles) and of those, 38% are by car.

To help change behaviour, Transport for Greater Manchester (TfGM) has introduced a range of initiatives, including investing in electric bikes and charging infrastructure, and teaming up with Olympic gold medallist Chris Boardman to promote cycling.

Rafael Cuesta, head of innovation at Transport for Greater Manchester (TfGM), says that having a champion like Chris Boardman is key for any transport innovation project in order to make ideas a reality and to increase the speed of change.

TfGM has an aspiration to invest £1.5 billion in cycling and walking infrastructure. It has already secured £160 million of its £500m Transforming Cities Fund for walking and cycling.

"It's a huge investment that we've never seen in GM," Cuesta says. "It has given us the opportunity to really bring solutions."

Cuesta also highlights the importance of

improving the digital experience for users to change behaviour and TfGM is taking part in two European projects: IMOVE and MaaS4EU, using Fleetondemand's technology (see page 26).

Shared mobility is a "key part of the toolbox" for first- and last-mile journeys, according to Cuesta. TfGM plans to expand the city's car club as it has

the potential to remove a number of private cars from the city's roads. Equally, autonomous vehicles have an important part to play in first/last mile. TfGM has a project linking Stockport station to Manchester Airport and is partnering with Salford University to operate an autonomous vehicle first on campus and then on public roads in the next year to 18 months, subject to regulation.

TfGM believes autonomous vehicles could also be used in the future in conjunction with the tram network to take commuters from a tram stop to a neighbouring business park.

The knock-on effect of reducing private car trips and congestion is that freight and delivery journey times are more reliable.

TfGM has been brainstorming solutions for logistics movement as part of its Triangulum project on the Oxford Road Corridor.

Cargo bikes, provided duty of care obligations are met, are one solution as trials suggest that they could be a more efficient delivery option than vans in congested city centres.

Telematics can also be used to speed up deliveries in city centres through better routing and understanding of the data generated, and global projects are underway.

Geotab, for example, is working with Amazon and OEMs to understand the kind of data that comes from electric vehicles (EVs) fitted with telematics as well as range anxiety and how the EVs can be used in urban environments to get goods to people faster.



**"IT'S A HUGE INVESTMENT
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OPPORTUNITY TO REALLY
BRING SOLUTIONS"**

**RAFAEL CUESTA
HEAD OF INNOVATION, TfGM**



ALL TOGETHER NOW – MAJOR PLAYERS MUST COLLABORATE

Old legislation, regulation and organisation must be restructured if transport infrastructure is going to be fit for purpose in the future. *Andrew Ryan* reports

The UK's road transport system is in the midst of a revolution, with cars, taxis, cycles and buses either being – or set to be – joined by ride-sharing, mobility as a service (MaaS) and connected vehicles.

But the infrastructure – including legislation, regulation and organisational structures – which may have been designed decades ago may not be fit for purpose for the future.

Experts agree that collaboration between industry, government and academia is vital for this to change to ensure the smooth adoption of new transport modes.

But how can this be done? Here are five lessons Michael Hurwitz, director of transport innovation at Transport for London, has learned through collaboration with public and private sector organisations.

1. BE PREPARED TO HAVE DIFFICULT CONVERSATIONS

Bike sharing company Ofo came to the UK in 2017 and, at its peak, had around 6,000 bikes across London, Norwich, Sheffield, Oxford and Cambridge.

However, the business, which allowed people to hire bikes and leave them wherever they liked for the next user to take, ultimately failed in the UK.

"Ofo came and Ofo went because [bike sharing] is a volatile market," says Hurwitz.

"We created a space for something that went through the core of our strategy about healthy streets, making people active, and creating environmentally friendly ways of getting around.

"But we had to make sure it was done in the right way, so there had to be engagement with the operator and with the boroughs to write a code of practice.

"If [a mobility company] thinks it is coming to London, it should speak to us before it comes to market so if we find a centre ground we can find some space for it.

"Do not, whatever you do, put your head in the sand and avoid engaging in what might be difficult conversations."

2. UNDERSTAND THE ROLE OF THE CITY VERSUS THE OPERATOR

City authorities have to realise they may need to decide between being a transport operator and regulator, says Hurwitz.

"At TfL, we are big enough that if a [mobility] company wants to come to talk to us about regulation, they talk to the regulation team," he adds.

"I need to create a sense of space where we can talk about what they are planning or what they are intending to do.

"I can't give them a leg up because we have to treat the market equally, but we do need to really understand what the role of the city is versus the role of the operator, because the lines are getting blurred."

3. THINK BEYOND TRANSPORT

TfL's work to electrify taxis, buses and promoting electric vehicle (EV) rapid chargers has highlighted that not all mobility issues can be treated as a transport problem.

"Transport does not often make money," says Hurwitz. "A really good example of this is the EV charging infrastructure.

"Costs may include reinforcing the grid, buying, installing and maintaining the kit, paying for the electricity itself and maybe a parking space.

"If you treat it as a transport service then your revenue is what is paid in parking, and that creates a huge disparity.

"However, you can combine it with other sources of income, so you can have a freight drop zone, ancillary services for vehicles, or shared usage between buses and freight vehicles, for example.

"In this situation, who is going to be the driving force? It could be the transport authority, but it is more likely to be the land owner or the energy companies because they are the ones that have the most obvious revenue.

"So to collaborate, get out of transport."

4. GET YOUR TIMEFRAME RIGHT

"A key thing is to learn what you need at the right time," says Hurwitz. "In London, we are trying to work out what the communication requirements will be in a world which is increasingly connected and automated.

"We need to be operationally ready for trials and then we will use that to learn about what the policies should be.

"For example, we desperately do not want autonomous pods cruising around empty waiting for us – that would be a disaster.

"Maybe if the pods are empty, we need to put that into congestion charging because we need to make sure things are done in the right order – get your timeframes right."

5. GIVE SMEs A ROUTE TO MARKET

Any small organisation in the private sector who has tried to deal with the public sector knows that it can be really clunky, says Hurwitz.

"We've done a lot of hackathons which feel cool and you get a lot of energy in the room and come up with an app in the end, and that is where it ends," he adds.

"However, you have to engage with SMEs if, and only if, you can give them a route to market.

"We are now taking an approach that we have taken with big data companies.

"We are trying a way of partnering with people without financial exchange to see if we can prime the market in the right way that will evolve products that can help us all, not just commercial objectives, but city objectives."

COLLABORATION FROM A PRIVATE SECTOR PERSPECTIVE

Global energy giant BP is keen to enter partnerships to help it realise its strategy of providing integrated mobility solutions for a future world.

"We realise that we are just one actor in a very broad value chain, so if we are to be successful we are going to have to work with partners," says Jo Dally, global head of city partnerships for BP's advanced mobility unit.

"We are far from the only company that has realised this and it is really exciting to see the range of partnerships that is now emerging across the mobility ecosystem, whether that is BMW and Daimler for their mobility joint venture, Ford and Volkswagen coming together for electric vehicles, or Toyota and Panasonic investing in battery technologies.

"Just like those corporates, partners are really important to us and are key to enabling us to deliver on our strategy.

"It is not just big players we work with, we are interested in working with partners of various shapes and sizes, whether that is start-ups, OEMs, mobility technology accelerators or cities."

BRINGING GOVERNMENT, INDUSTRY AND ACADEMIA TOGETHER

The global connected and autonomous vehicle (CAV) industry is forecast to be worth £907 billion by 2035, and collaboration is key to ensuring the UK is among the leaders in this sector.

Meridian Mobility UK brings together industry, government and academia in a collaborative partnership, to influence the partners through encouragement and funding (it has so far channelled around £160 million into projects) to develop new CAV solutions.

Daniel Ruiz, CEO of Meridian Mobility UK, says: "The mobility revolution is taking place and we have to be with it.

"The only way the UK can really benefit from it is collaboration, exploiting the fact that one of our USPs which we are known for is our ability to work together, to be smarter, to make a small country with limited resources punch above its weight."

NAVIGATING CHANGE IN 2019

From bikes to cars, vans, trucks and trailers, Zenith has innovative and intelligent vehicle solutions to meet all needs and fleet sizes. Whatever your funding method, we can help.

We put our customers at the heart of everything we do. Our dedicated team, supported by our industry-leading technology, go the extra mile to deliver outstanding, personal customer service.

Our independence means we provide unbiased advice and can always be trusted to do what's best. We have the freedom to invest in the best people and to develop award-winning systems. Everything from real-time reporting, to online blended funding, to data analysis, all designed to help us see the big picture and ensure fleets are performing at their peak in an ever-changing landscape.

That's what sets us apart.

ARE YOU GEARING UP FOR CHANGE?

Economic, environmental and political pressures, and the rapid development of technology, are impacting every type of fleet in 2019.

When preparing for the future, the transition to cleaner fuels, reaping the benefits from connected and autonomous vehicles, and enhancing travel options through all-employee solutions are key considerations. To maximise the positive impacts, it's crucial that in 2019 fleets gear up effectively. Zenith is here to help fleet operators navigate these changes.

ARE YOU ON THE ROAD TO A GREENER FLEET?

It's time to look ahead and make the move to a cleaner, safer fleet.

That means developing a policy that is fit for purpose today and in the future. Understanding daily travel needs is key to help the roll-out and secure the benefits of electric vehicles in the future. It's no longer good enough to look at annual business miles. Fleet operators need to ensure they have the data and resources available today to identify the daily travel requirements of their fleets, so they can decide which fuel type is best for which group of drivers.



WHEN DESIGNING YOUR POLICY FOR A CLEANER, SAFER FLEET, THERE ARE LOTS OF POINTS TO CONSIDER, INCLUDING:

- ▶ Does your policy include sections on eligibility for an electric vehicle?
- ▶ Does it explain how fuel will be reimbursed?
- ▶ Does it inform the driver of charging responsibilities?
- ▶ Do you have a policy that supports effective workplace charging (if offered)?
- ▶ Do you link with a charge point provider to evaluate how on-site and depot charging would work for your commercial and business-only use vehicles?
- ▶ Does your policy include wording to pass responsibility for costs of non-compliant grey fleet vehicles and cash takers travelling into Clean Air Zones in their own cars?

Working closely with your leasing supplier and manufacturers will keep you informed about future vehicle releases. This allows you to put in place trials of electric and alternative fuel cars, vans and trucks to know where these can work, and what the real-life savings opportunities are.

It's also important to plan now to ensure that RDE2 compliant diesels can be easily identified and brought onto policy to avoid the 4% diesel Company Car Tax supplement. During 2019, we're likely to see more and more RDE2 compliant diesels released.

Also, watch out for the release of the findings from the WLTP consultation to understand how the government plans to adjust for the move to basing Company Car Tax and VED on full WLTP CO₂ emissions. For vans transitioning to WLTP by September 2019, the impacts are more likely to affect the availability of vehicles, so it's important to recognise your requirements and work closely with manufacturers so you don't get caught out.

2019 is the time for fleets to gear up for change

ARE YOU READY FOR CLEAN AIR ZONES (CAZs)?

With the introduction of CAZs, it's key to know the intentions of the local authorities in areas where fleets operate.

For the majority of car and van fleets on typical three to four year replacement cycles, there will be no impact. Most cities bringing in CAZs are excluding cars and vans, and by the time the zones are introduced these asset classes will be Euro6 diesel and Euro4 petrol – the minimum standard to avoid charges. Although your company fleet may be compliant, cash takers and employees who own their personal cars may be looking for leasing solutions, adding to the attractiveness of all-employee car options.

HGV operators should look at their replacement cycles and understand their travel logistics throughout the UK, as most CAZs will be charging up to £100 a day for HGVs (Leeds already has approval for a £50 charge, while Birmingham and other cities have submitted similar proposals), and many HGVs on longer-term replacement cycles will not meet the minimum standards.

ARE YOU OFFERING ALL EMPLOYEES FLEXIBLE CHOICES?

When setting a car policy fit for the future, consider the driver's BiK costs.

How much are they prepared to pay for their company car? Employees might not want to pay for the highest specification levels or could be willing to consider a broader range of manufacturers outside of those traditional premium brands.

Offering clean and safe cars through all-employee car options has become an ever-increasing feature in 2019. Employees are looking to their employer's reward package to help them with their next car choice. Fleet operators should offer a variety of options to suit their employees, which could be a salary sacrifice scheme or personal contract hire.

ARE YOU TUNED IN?

In an ever-changing fleet landscape, it's essential that you have a way to tune in to government announcements.

Understanding the future agenda will help to steer direction when putting in place longer-term strategic plans. At Zenith, we work closely with industry bodies and government departments to ensure our fleet customers have the knowledge they need to maximise efficiencies in this evolving fleet environment.

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MAZDA3

From the tactile switches to the more dynamic sound system, the attention to detail by the designers has created one of the best Mazdas ever, maybe *the* best, reports *Stephen Briers*

Know that feeling when you replace a lid on a pen? The satisfying click that tells you the lid is in place? That's the feeling Mazda is trying to recreate with the switches on the new Mazda3.

The descriptive narrative from Mazda's designers and engineers encapsulates their obsessive attention to detail as they look to surpass the expectations of existing and potential customers in a highly competitive market.

Ask programme manager Kota Beppu for the three things that will make these people – particularly those currently in premium cars – consider the fourth generation Mazda3 and he waxes lyrical about design, seats and the sound



system. "It marks a new era for Mazda," he says.

So, the design. The new Mazda3 will be available as hatchback (from launch) and saloon (in Q4); they are different, sharing only the front windscreen, bonnet and headlights. In Mazda marketing-speak, the hatchback has the sporty, emotional personality, the saloon is sleek and elegant.

Both are handsome, and eschew the trend for panel creases in favour of curves intended to cast light and shadow across the surface.

The interior features high-quality materials and those tactile switches. The layout is simple and uncluttered, with heater controls below the sat-nav screen, and a rotary control between the seats surrounded by four short-cut buttons, handbrake button and volume control. It's a minimalist and stylish architecture.

The seats are exceptional. Mazda studied the spine position when a person walks and mirrored the natural S-shape in its seat design, with added pelvis support. It will, claims Beppu, result in less fatigue and greater driving enjoyment. We agree; those travelling long distances will do so in absolute comfort with no stress on the body.

Mazda has created a quiet car, isolated from road and wind noise. The sound system is class-leading, thanks to extensive evaluation about the way people perceive noise. Mazda found that not

only are people sensitive to volume, they are also affected by the direction it comes from.

Consequently, it moved the speakers to new positions to produce a far more dynamic sound.

OK, that's all great for the driver experience, particularly as Mazda has set its sights on user-choosers, but what about the fleet operator?

Here, there's more good news. Mazda promises low running costs from an anticipated increase in residual values (RVs) and excellent safety thanks to a host of standard-fit technology.

The car is launched (orders open now, first deliveries May) with two new engines.

The 122PS 2.0-litre Skyactiv-G petrol has correlated NEDC emissions from 117g/km (full



*2019/20 figures	FLEET PICK MODEL 2.0 SKYACTIV-G SE-L LUX	ENTRY-LEVEL MODEL 2.0 SKYACTIV-G SE-L	DIESEL MODEL 1.8 SKYACTIV-D SE-L LUX
SPECIFICATIONS			
P11D Price	£21,470	£20,370	£23,270
CO ₂ emissions (g/km)	117	117	107
Monthly BIK tax*	27%/£97	27%/£92	29%/£112
Fuel efficiency (mpg)	55.3	46	59
Fuel cost (ppm)	TBC	TBC	TBC
Annual VED*	£170 then £145	£170 then £145	£150 then £145
Class 1A NIC*	£800	£759	£931
RV	TBC	TBC	TBC
AFR (ppm)	14	14	11
Running cost	TBC	TBC	TBC

RIVALS

*2019/20 figures	RIVAL 1 FORD FOCUS 1.0T ECOBOOST 125 TITANIUM	RIVAL 2 KIA CEE'D 1.6 CRDI 3	RIVAL 3 PEUGEOT 308 1.2 PURETECH 130 ALLURE
SPECIFICATIONS			
P11D Price	£21,700	£21,735	£21,550
CO ₂ emissions (g/km)	107	103	119
Monthly BIK tax*	25%/£90	28%/£101	27%/£97
Fuel efficiency (mpg)	58.9	70.6	54.3
Fuel cost (ppm)	£9.24	£8.29	£10.02
Annual VED*	£150 then £145	£150 then £145	£170 then £145
Class 1A NIC*	£749	£840	£803
RV	£5,825/27%	£5,750/26.4%	£4,525/21%
AFR (ppm)	11	10	11
Running cost	32.77	31.78	34.85

WLTP will be 136g/km) with fuel consumption of 55mpg; the 116PS 1.8-litre Skyactiv-D diesel offers 107g/km (WLTP: 130g/km) and 69mpg (and doesn't require AdBlue, saving money).

Both are refined – the diesel especially so – but they are also underpowered and, for the diesel, efficiency falls a long way short of the best.

Mazda won't be too concerned about the diesel performance – it will account for just 8% of sales, although most of those will go to fleet.

The carmaker will play its trump card at the end of the year when it introduces its much-vaunted Skyactiv-X engine, which features Spark Controlled Compression Ignition (fleetnews.co.uk, March 13, 2018) and a new mild hybrid system. Emissions are expected to be 20% lower than a conventional petrol, which suggests sub-95g/km.

The 2.0-litre 'X' will top the range, offering a more muscular 181PS, and will be priced £2,500 more than a same-spec Skyactiv-G.

In the first year, fleet will account for 23% of Mazda3 sales, although this proportion could rise next year with the Skyactiv-X.

Safety comes as standard, including the introduction of kit such as driver monitoring, which recognises if a driver becomes drowsy or if they take their eyes off the road (even at night or if they are wearing sunglasses), front cross

traffic alert and cruising/traffic support, which offers acceleration, steering and braking assistance in traffic. Every model also gets cruise control and head-up display.

Mazda has worked hard to get cost of ownership down. It anticipates higher RVs compared with the outgoing car – buoyed by putting no cars into short-term rental – and a good insurance ranking, leading to lower premiums.

Oddly, the one element not talked up by Mazda at the media launch is arguably the crowning glory: the driving performance. It's outstanding, a match for the best in the sector.

Handling is exquisite, while the firm chassis glues the car to the road – albeit with a slight trade off on smoothness over potholes. Whether negotiating bends or relaxing on motorway straights, the Mazda3 doesn't miss a beat. It's both great to drive and easy to drive.

P11D pricing starts at £20,370 for the SE-L petrol, although the majority of fleet sales are expected to be for the highly equipped SE-L Lux, Sport Lux and GT Sport, priced £21,470-£24,370 (petrol, manual). GT Sport Tech tops the range; all trims have auto and manual transmission options.

The Mazda3 is unarguably one of the best Mazdas ever; with the forthcoming Skyactiv-X engine, it could be the very best.



THINKING CAP

By Martin Ward, Cap HPI manufacturer relationships manager

This month I've been...
...driving the Toyota Corolla

The all-new Toyota Corolla is the replacement for the C-Sector Auris so why has the name gone from Corolla to Auris, and back again? Dependent on who you asked at Toyota, you seem to get a different answer. But, after listening to all the versions, I thought, does it really matter? It is the car that is important.

There will be a British-built hatch and touring sport (push for estate) and a saloon built in Turkey. All are up to a very high standard, with good levels of equipment. The five-door hatch will take the lion's share of sales, estate in second place, and I feel the saloon, as pretty as it is, will be a lowly third.

... thinking about Honda's announcement

It was no real shock to hear Nissan will not now be building the new X-Trail in the UK. It never has built it here, so why should it in the future?

But it was a shock about the Honda factory closing in Swindon, especially to those in the town.

So what happens now? Does it carry on making cars until the bitter end, in a couple of years? Will the staff start looking for new jobs now, leaving the plant empty of workers, as the robots can't do everything? Will there be a gradual shutdown, and does that leave them open for mistakes in production to be made, potentially creating sub-standard cars? I doubt that very much.

Do all the workers hang on for maximum redundancy, or bail out as soon as possible? Do suppliers start looking for new contracts elsewhere, and abandon Honda?

There is so much uncertainty for everyone involved over the next few months. The good people at Honda have done absolutely nothing wrong, but they are the ones who will suffer. Makes you wonder who is next.

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IGNITION FIRST DRIVE



LEXUS ES

Greater refinement at a price that makes it more accessible to drivers

By Matt de Prez

Lexus is aiming to woo fleet customers with its new ES model that boasts low CO₂ emissions and a high specification.

Replacing the GS in the brand's UK line-up, the ES is a front-wheel drive rival to the BMW 5 Series. It has just one engine – a self-charging hybrid.

CO₂ emissions start at just 100g/km, which combine with a starting price of £35,150 to offer significantly cheaper company car tax bills than the class-leading diesel models.

The base model, known as ES, comes equipped with sat-nav, Bluetooth, parking sensors and heated front seats – just like its rivals. But, it also gets keyless entry, adaptive cruise control and a sunroof, giving it a distinct price advantage.

With sportier styling, F-Sport models are predicted to be popular starting at £38,150. Features include leather sports seats, 19-inch alloy wheels and a clever new adaptive suspension system.

FLEET PICK MODEL LEXUS ES 300H PREMIUM

SPECIFICATIONS	
P11D price	£38,460
BIK	21%
Class 1A NIC	£1,115
Annual VED	£135 then £130
RV (4yr/80k)	£10,025/26%
Fuel cost (ppm)	10.61
AFR (ppm)	22
Running cost (4yr/80k)	48.96
CO ₂ emissions (g/km)	103
Fuel efficiency (mpg)	52-59 (WLTP)



Quality materials make a cabin
that matches the best in class

A range-topping Takumi version is also available, packed with features such as electric reclining rear seats and a 17-speaker Mark Levinson stereo. It costs £45,650.

The 2.5-litre petrol hybrid engine is all-new for the brand. It develops 218PS and is mated to a CVT gearbox.

Lexus has made refinement a top priority and the ES features more sound deadening than any of its previous models.

The results are noticeable. Wind and road noise are barely perceptible making the ES a fantastic long-distance cruiser.

We have no complaints about the comfort levels and there are plenty of high quality materials to give the ES a cabin that matches the best in class.

Compared to previous Lexus hybrids, the new powertrain is more refined and more responsive. While the electric-only range is still limited to just a couple of miles, Lexus says that during real world driving the electric motor is actually powering the car for around 45% of the time.

The four-cylinder engine lacks the torque of its diesel rivals, so acceleration is more progressive than aggressive. The 0-60mph benchmark takes 8.9 seconds.

Under WLTP testing, the engine returns 52-59mpg – which, again, is inline with diesel counterparts.

While handling isn't the car's party-piece, the adaptive suspension on F-Sport models does provide an excellent balance of comfort and rigidity when combined with the ES's sharp steering.

The standard model feels less sure footed but still delivers a silky-smooth ride.

Compared to a BMW 520d M Sport, the ES 300h F-Sport is more than £100 a month cheaper for a driver (40% taxpayer) and more than 1p per mile cheaper for a fleet over four years/80,000 miles.

The ES is a worthwhile addition to the executive car segment and offers a low-CO₂ alternative to segment leaders. Unlike plug-in hybrid models, its low price makes it accessible to more drivers.

TOYOTA RAV4

The fifth-generation Rav4 offers company car drivers a tempting all-round proposition, reports Andrew Ryan

Toyota's fifth-generation Rav4 has all the key ingredients to be a hit in the company car sector. Launched into the ever-growing SUV market, its petrol-electric hybrid powertrain – no pure petrol or diesel engines are available – gives it a low CO₂ emission figure, leading to a sizeable benefit-in-kind (BIK) tax advantage over many of its mainstream rivals.

For example, the Rav4 2.5 Hybrid Design AWD-i, which has CO₂ emissions of 103g/km, has a P11D price of £31,000: in the 2019/20 tax year a 20% taxpayer will receive an annual company car tax bill of £1,366.

In comparison, the Volkswagen Tiguan 2.0 TDI 150PS Match 2WD DSG diesel will cost the same taxpayer £2,116. The equivalent petrol model – the 1.5 TSI 150PS Match 2WD DSG – carries a £1,677 bill.

Employees opting for the Honda CR-V Hybrid AWD, which has CO₂ emissions of 126g/km, will face a BIK tax bill of £1,656.

While these BIK figures may be among the first things to grab the attention of an interested



The dash has easy-to-use design and high build quality

company car driver, Toyota's D-SUV also has much else to commend it.

It is available with just one powertrain – a 2.5-litre petrol and 88kw electric motor hybrid – which produces 221PS in front-wheel drive models and 225PS in all-wheel drive versions.

CO₂ emissions range from 102g/km to 105g/km, with official combined fuel economy of 47.8mpg to 50.4mpg.

The Rav4 also looks much more striking than before and, despite being 5mm shorter (at 4,600mm), its 30mm longer wheelbase gives it interior space comparable with the best in class. Boot space also grows by 79 litres to 580 litres.

The dashboard is typically Toyota in its easy-to-use design and high build quality, with an eight-inch infotainment screen among the highlights.

Available in four trim levels, the range begins with Icon, rising to Design before it diversifies to two range-topping equipment grade – sporty Dynamic and more luxury-focused Excel.

Toyota expects 50% of registrations to go to fleet, with Design being the most popular, taking

35% of registrations. Standard equipment on this variant includes 18-inch alloy wheels, satellite navigation, front and rear parking sensors, LED headlights, digital radio and power tailgate.

Dynamic adds projector LED lights, blindspot monitor and rear cross traffic alert, front heated sports seats, power-adjustable driver's seat, bi-tone metallic paint and gloss back bumpers, wheel arches and door mirrors.

In addition to Design, Excel offers projector LED lights, full leather seats, heated steering wheel and headlight washers.

Toyota's Safety Sense 2 suite of safety technologies is standard on all variants.

The Rav4's improvement over its predecessor continues on the road. It has greater driver appeal, comfort and refinement are high, and revisions to the model's CVT gearbox and engine mean it is more responsive with greater lower-down urge than before.

Overall, the Rav4 is an accomplished, practical package, which offers company car drivers a tempting all-round proposition.

SPECIFICATIONS	
P11D Price	£31,000
CO ₂ emissions (g/km)	105
Monthly BIK tax	22%
Fuel efficiency (mpg)	64
Fuel cost (ppm)	10.46
Annual VED	£135 then £130
Class 1A NIC	£941
RV	£12,050/39%
AFR	22
Running cost	38.49

FLEET PICK MODEL:
Q3 S-LINE 35 TDI
150 S TRONIC



P11D
£35,490

TAX

BIK
33%



CO₂
127g/km



MPG
58.9

AUDI Q3 S-LINE

By Matt de Prez

It may only look like a facelift, but this Audi Q3 is all new. As Audi's best-selling SUV, it's easy to see why the manufacturer has stuck with a seemingly winning formula.

The Q3's sharper styling is more apparent on second glance; it's wider and longer, but also has a lower roofline – giving a more aggressive stance.

Audi has overhauled the interior, adding digital instruments and a high-resolution infotainment screen.

Engines include a 1.5-litre petrol (35 TFSI) and a 2.0-litre diesel both with 150PS (35 TDI). For more power, there is also a 2.0-litre petrol with 190PS (45TFSI) and a 190PS diesel, with all-wheel-drive.

The 35 TDI is the most efficient, achieving 60mpg and 127g/km of CO₂.

Fleet customers will have to carefully consider the numbers when choosing between the diesel or its petrol



Audi's Q3 has sharper styling than its predecessor

counterpart. Benefit-in-kind tax for the 35 TFSI is cheaper by around £200 per year, but the diesel will return much better fuel economy.

In the 35 TFSI, we struggled to better 38mpg. The petrol unit also feels strained and offers little pulling power at lower revs.

A clever cylinder deactivation system engages on light throttle, but we didn't see fuel consumption anywhere near

the claimed 48.7mpg figure. The torquey diesel is the better drive.

While the interior quality is high, the cheaper Volvo XC40 is a nicer place to be. Driveability is a strong point though as the Q3 handles well.

We have no doubts that user-choosers will lap up the Q3 in droves. However, we must point out that mainstream brands do offer much better value products with few compromises.

FLEET PICK MODEL:
VOLVO V60 CROSS
COUNTRY D4 AWD



P11D
£37,700

TAX

BIK
35%



CO₂
135g/km



MPG
47.9

VOLVO V60 CROSS COUNTRY

By Matt de Prez

Crossovers may be financially viable for company car drivers who want the looks of an SUV, but what about those who require the functionality of a proper off-roader?

Well, the Volvo V60 Cross Country could be just the ticket.

It sits 60mm higher than a regular V60 and comes fitted with additional plastic body panels to protect the paint.

The running gear uses Volvo's 190PS D4 diesel engine and all-wheel-drive system, mated to an eight-speed automatic gearbox.

It has CO₂ emissions of 135g/km and can achieve 47.9mpg. The £3,000 price hike and increase in emissions over a regular V60 D4 means company car drivers should expect to pay around £220 per month in tax (20% taxpayer).

Specification is based on the entry-level Momentum trim, so you get sat-nav, LED headlights, a host of safety technology, plus the addition of front parking sensors and an off-road driving mode.

There are no direct rivals for the V60 Cross Country. Vauxhall offers the Insignia



The V60 Cross Country is impressive both on- and off-road

Country Tourer in a lower price bracket and Mercedes-Benz only gives its larger E-Class the all-terrain treatment.

We were impressed by the V60 Cross Country both on- and off-road. It has a beautifully smooth ride, thanks to its softer suspension and larger tyres.

Handling is also impressive and, while it feels less dynamic than some regular

estates, compared to an SUV it's far more compliant.

The relaxing cabin makes it perfect for longer journeys, yet show it a dirt track and it is equally adept.

With more than 500 litres of boot space, the V60 Cross Country provides a cost-effective SUV alternative with a great driving experience.

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IGNITION: OUR FLEET



By Matt de Prez

When I first drove the Volkswagen Arteon at its European press launch over a year ago, I thought it would be an excellent car to live with on a long-term basis.

After three months and more than 4,000 miles behind the wheel of our test model, I'm pleased to say that I was right.

It's just such an easy car drive. From its ErgoComfort seats, which make long journeys a pleasure, to its standard-fit adaptive cruise control and lane-keep assist – the whole package is just perfectly suited to modern-day motoring.

The R Line trim gives the Arteon a sportier

edge, without ruining the ride comfort.

It's not as adept in the corners as a BMW 3 Series, but, given the car's extra bulk, maybe that would be an unfair benchmark.

The infotainment system is the one that appears across the VW range. It's easy to use and provides good sound quality.

It offers live traffic updates via an online connection and you can link the car to VW's smartphone app, which logs each journey and can pinpoint the car's location on a map.

Since taking delivery of the car, it has averaged 48.9mpg which is in-line with the WLTP figure of 48.7-50.4mpg. On longer trips it's easy to exceed 58mpg.



By Gareth Roberts

CO₂ emissions for the Volvo V60's two diesel powertrains are giving company car drivers the choice of 26% more power for less than £5 extra in tax per month.

The more powerful D4 engine delivers 190PS compared with the 150PS from the D3. There is also an extra 80Nm of torque, helping it get from 0-62mph two seconds faster (7.9 vs. 9.9).

However, with P11D prices virtually identical and emissions of both engines on a par, figures from the Fleet News Company Car Tax Calculator show how little extra the more powerful powertrain will cost.

The entry level Momentum in Pro trim –

expected to be popular with business customers – has a P11D price of £34,400 for the D3, with the more powerful D4 priced at £35,400.

CO₂ emissions, however, are identical at 117g/km, putting both models in a benefit-in-kind (BIK) tax bracket of 28% (2018/19). For a 20% taxpayer, that would equate to £1,926 per year for the D3, but just £56 more a year (£1,982) for the D4.

Meanwhile, for the employer, Class 1A NICs for the D3 would be £1,329, compared with £1,368 for the D4 – a difference of £39.

Running costs are also almost identical, with the D3 costing 44.06p per mile (ppm) and the D4 44.75ppm.



AUDI A6 40 S LINE

By Stephen Briers

As we move into our fifth and penultimate month with the Audi A6, we have hit a new high for fuel efficiency.

On a 112-mile trip back from Heathrow Airport, we topped 60mpg for the first time – 61.2mpg to be precise – helped by several sections of 50mph contraflow on the motorway.

Compared to the official combined correlated NEDC of 62.8mpg, that's a solid performance, and it's comfortably above the full WLTP figure of 50.4mpg which manufacturers are now required to publish.

Interestingly, this level of consumption was achieved with no attempt at efficient driving; just keeping to speed limits and my natural style. I suspect the car has even more to give, with a feather right foot.

Nevertheless, over the duration of the test, efficiency has averaged in the 50s (also above WLTP), according to the detailed on-board computer.

The data is easily accessible within the expansive multimedia system which, while slow to launch first thing (see February review), is an outstanding piece of connected technology. It can be configured for personal use to remember your preferences.

The sat-nav, featuring Google Maps satellite images, is clear with accurate traffic jam warnings and addresses can be inputted by keyboard or by drawing the letters with a finger on the lower screen. The latter – only accessible when the car is static – can be problematic when the system tries to distinguish between Z and 2, and O/O; default position is the letter, even in a postcode.

Journey times are precise and the directions clear, with options to replicate the map on the driver's binnacle (Virtual Cockpit) to minimise the time your eyes are off the road. Everything is accessed via touchscreen or controls on the steering wheel, for maximum ease of use, resulting in clean and pleasing design aesthetics.



THE LAST WORD

MARK STAMPER

GROUP MANAGING DIRECTOR, CAMERA TELEMATICS

As *Star Wars* fan Stamper watched the development of vehicle tracking technology, he sensed there was a business opportunity and decided to pursue it. He believes The Force is still with him

The advice I would give to my 18 year-old self is to go for it! Don't hold back and follow your dreams. Invest wisely in your own time and have fun on the way.

The song I would have on my driving playlist is AC/DC's *Back in Black*. It gets my blood pumping and my body ready to face whatever is front of me that day. Love it!

My first car-related memory is heading off on the family holiday as a kid to Bude. We would all get up in the middle of the night and head off to miss the traffic. The excitement as a young boy with my sisters was incredible.

Favourite movie quote? "May The Force be with you" from Han Solo in *Star Wars*. The Force – it's there but you can't see it. It's inside you. I tried to move things around my parents' home, using The Force. It never worked, but I believed.

If money was no object, the cars I would own are an XR2 with pepperpot wheels, an AC Cobra, Audi R8 and a Range Rover Vogue.

A book I would recommend others read is the only one I have ever read – *The BFG*!

My hobbies and interests are snooker, pool and spending time with my two sons Charlie and Theo. Cars – fast, slow and ones I couldn't afford when aged 18.

My pet hates are lateness and being unprepared in work and socially – mobile phones have made it easy to text, 'I'm running late'. Plan to be early and be prepared.

If I were made Transport Minister for the day I would take the railways back under British Rail and deliver a valued, world-leading service again.

Why fleet?

While working in the insurance industry in 2007-2009, I was lucky enough to get exposure to vehicle tracking and the benefits it could deliver. As I watched the development of technologies, it started to make sense that there was an opportunity to bring my business knowledge and the available technology together as a fleet solution.

How I got here

Starting off in retail management in the early '90s, I gained a good grounding for people management and reactive sales. I moved into frontline sales for a dot.com business which started my interest in technology and fleets. In 2015, vehicle camera technology started using connected services via the mobile networks and changed the way we developed our technology.

Latest products, developments and achievements

Our latest product is the 1080 FHD, 4G Street Angel which has been integrated with international partners. We are also working on some exciting developments to further enhance the technology and help deliver benefits for our customers. Opening the UK office was an exciting step forward for us.

My company in three words

Focused, dynamic and knowledgeable

Career influence

My business partner Stephen Kennedy has been a great mentor over the past seven years, but my parents always supported me and have been a great sounding board.

My definition of a good MD

Be a team player and empower the people across your team to do what they do best. Taking advice from them can help with difficult decisions.

Advice to fleet newcomers

Understand your marketplace and challenges being faced by fleet managers. These can vary and having that initial knowledge will help open doors and ears to your offering.

14:00

IT KEEPS GOING.

You've refuelled after lunch but with 58.9 mpg, the 320d is still going strong.

14:30

IT THINKS AHEAD.

ConnectedDrive prompts you to leave for your big client meeting early when traffic is heavy.

15:10

IT ASSISTS.

When you're bumper to bumper, optional Traffic Jam Assist*, exclusive to M Sport models, steps in – keeping you a safe distance from the car in front.

15:15



IT UNDERSTANDS.

Optional Gesture Control** rejects incoming calls with a wave of your hand. You don't need any distractions before the big pitch. (Only available in M Sport models.)

17:30

IT WELCOMES.

As you bid farewell to the client, it greets you on the street, illuminating a path to your door.

18:00

IT ENERGISES.

Exclusive to the M Sport models, the Vitalise programme adjusts everything from mood lighting to music, re-energising you after a long day.

20:30

IT SEES.

With over 500m range, optional BMW Laserlights adapt to every bend, getting you home safely.

22:45

IT NEVER SLEEPS.

Constantly monitoring your route to tomorrow's five-a-side, so you're not late. Again.

Next issue: Alison Bell, marketing director, Venson Automotive

WHATEVER BUSINESS DEMANDS, THE NEW BMW 3 SERIES RESPONDS.



Model shown is the 3 Series 330i M Sport.



SEARCH: NEW BMW 3 SERIES.

BMW Fleet & Business Sales

Fuel economy and CO₂ results for the new BMW 3 Series range: mpg (l/100 km): Combined 38.7 (7.3) to 58.9 (4.8), CO₂ emissions: 134–109 g/km. Figures are for comparison purposes and may not reflect real life driving results which depend on a number of factors including the accessories fitted (post registration), variations in weather, driving styles and vehicle load. All figures were determined according to a new test (WLTP). The CO₂ figures were translated back to the outgoing test (NEDC) and will be used to calculate vehicle tax on first registration. Only compare fuel consumption and CO₂ figures with other cars tested to the same technical procedure.



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