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\*All in car features should be used by drivers only when it is safe for them to do so. Drivers must ensure they are in full control of the vehicle at all times.



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Volkswagen Golf GTE



BMW i3



Mercedes-Benz E 350e

# Carmakers clamour to promote electric options in future models

Petrol/diesel-only car variants will become less common, driven by EU legislation

By Simon Harris

**U**ncertainty over the future taxation of diesel cars could bring forward the 'tipping point' where plug-in cars become more cost-effective for fleets than conventional vehicles.

While announcements from manufacturers and the Government have created confusion in mainstream media, targets for average CO<sub>2</sub> emissions less than four years away are driving the launch of more cars with electrified powertrains. At the same time, improvements in battery chemistry and a reduction in costs are making them more accessible.

As the Government and local authorities tackle local air pollution issues by discouraging use of diesel cars, plug-in cars are the likely alternative.

In July, an announcement by Volvo that it would only produce cars with electrified powertrains from 2019 was widely misunderstood that it would no longer be producing cars with petrol or diesel engines ([fleetnews.co.uk](http://fleetnews.co.uk), July 5).

But Volvo already offers plug-in hybrid variants in most of its models launched since 2015, and by 2019 it will have renewed its entire line-up.

BMW revealed in August that a new flexible vehicle architecture will enable electrified powertrains on all future models, as well as confirming a pure electric version of the Mini would go into production in 2019 in the UK.

Oliver Zipse, BMW AG management board member for production, said: "Our adaptable production system is innovative and able to react rapidly to changing customer demand. If required, we can increase production of electric drivetrain motor components quickly and efficiently, in line with market developments."

By 2025, the BMW Group expects EV to account for between 15-25% of global sales.

The market for alternative fuel vehicles, which includes hybrids charged by the internal combustion engine, plug-in hybrids, pure electric cars and hydrogen fuel cell models, continues to grow, taking a record 5.5% share of the UK market in July (4.3% year-to-date).

The previous alternative fuel vehicle (AFV) market share record was set in June 2017 at 4.4%, and if registrations of diesel cars continue to decline, AFV share will grow, even if increases in outright numbers are more modest.

Manufacturers are being compelled along this route by tightening emissions rules, while infrastructure for electric vehicle charging continues to expand.

However, not all carmakers are as vocal about electric alternatives. Mazda, for example, has just reaffirmed its commitment to petrol with announcements about the Skyactive-X engine due to be launched in 2019.

The company says it is "working to perfect the internal combustion engine" which it believes will continue to power the majority of cars for "many years to come" and, therefore, will make "the greatest contribution" to the reduction in CO<sub>2</sub> emissions. It concedes that such an outcome would need to be combined with electrification technology, but it remains resolute in its belief in efficient petrol engines.

Manufacturers are shooting for European Union targets for average new car CO<sub>2</sub> emissions of 95g/km by 2021 (versus 130g/km in 2015). Low-emission cars must balance high-emission ones, or manufacturers will face fines for exceeding the limits.

They are also being awarded emissions credits for emissions-reducing technology that might not create a significant benefit in official testing, but can be verified to work in independent tests, while vehicles below 50g/km entitle the manufacturer to 'super credits', creating a greater offset for higher emission models.

Current incentives for purchasing ultra-low emission cars in the UK are set until October 2017, and offer up to £4,500 off a zero-emission car, and up to £2,500 off the best-performing plug-in hybrids up to a price ceiling of £60,000.

In July, the Government announced an aspiration to stop the sale of new pure petrol or diesel cars in the UK from 2040 and, although the current programme of incentives for plug-in cars is due to finish within months, the car industry believes they need to continue to ensure Government aspirations are met.

SMMT chief executive Mike Hawes said: "The UK Government's ambition for all new cars and vans to be zero emission capable by 2040 is already known. Industry is working with Government to ensure the right consumer incentives, policies and infrastructure are in place to drive growth in the still very early market for ultra-low emission vehicles in the UK."

The number of public plug-in vehicle charge points in the UK now exceeds 4,000, while Go Ultra Low, the Government and industry body promoting take-up of plug-in vehicles, predicted earlier this year there would be a total of 100,000 registered and in use by the middle of 2017, although this milestone was reached in May.

Meanwhile Chargemaster, a major EV infrastructure provider in the UK, believes there will be at least a million EVs by 2022, possibly "as much as 1.4 million".

Chief executive David Martell said: "Over the next five years, a significant number of new models will have a range of more than 200 miles, with a lower purchase price than their earlier vehicles. Consumers will also be able to choose from a larger range of electric vehicles, from manufacturers including Audi, BMW, Ford, Mercedes-Benz, Volkswagen and Volvo, as well as significant new models such as the Jaguar I-Pace and Tesla Model 3."



*"We expect the UK electric vehicle parc to rise to more than one million by the middle of 2022"*

David Martell, Chargemaster



## COMPARING PLUG-IN CAR COSTS WITH DIESEL

	Volkswagen Golf GTE 5dr	Volkswagen Golf GTD DSG 5dr
P11D	£30,580	£29,080
Plug-in car grant (PICG)	£2,500	n/a
Residual value (48m/40,000 miles)	£10,175	£10,400
Depreciation from P11D	51.01ppm/£20,405	46.70ppm/£18,680
Depreciation including PICG	44.76ppm/£17,905	n/a
Fuel	7.97ppm/£3,188	9.12ppm/£3,648
SMR	4.19ppm/£1,676	4.44ppm/£1,776
Running cost	56.92ppm/£22,768	60.26ppm/£24,104
CO <sub>2</sub> emissions (g/km)	38	129
BIK tax band 17-18/18-19/19-20	9%/13%/16%	27%/29%/32%
Three-year BIK tax charge (20%/40%)	£3,253/£6,506	£5,118/£10,236
Three-year Class 1A NI charge	£1,604	£3,531
Three-year VED*	£260	£440

	BMW i3	BMW 120d Sport auto 5dr
P11D	£33,015	£28,375
Plug-in car grant (PICG)	£4,500	n/a
Residual value (48m/40,000 miles)	£8,600	£9,675
Depreciation from P11D	61.04ppm/£24,416	46.75ppm/£18,700
Depreciation including PICG	49.79ppm/£19,916	n/a
Fuel	3.12ppm/£1,248	7.62ppm/£3,048
SMR	2.35ppm/£940	3.85ppm/£1,540
Running cost	55.26ppm/£22,104	58.22ppm/£23,288
CO <sub>2</sub> emissions (g/km)	0	109
BIK tax band 17-18/18-19/19-20	9%/13%/16%	23%/25%/28%
Three-year BIK tax charge (20%/40%)	£2,509/£5,017	£4,313/£8,626
Three-year Class 1A NI charge	£1,731	£2,976
Three-year VED*	£0	£420

	Mercedes-Benz E 350e AMG Line	Mercedes-Benz E 350d AMG Line
P11D	£47,995	£46,800
Plug-in car grant (PICG)	£2,500	n/a
Residual value (48m/40,000 miles)	£17,850	£18,275
Depreciation from P11D	75.36ppm/£30,144	71.31ppm/£28,524
Depreciation including PICG	69.11ppm/£27,644	n/a
Fuel	9.48ppm/£3,792	10.98ppm/£4,392
SMR	7.90ppm/£3,160	7.24ppm/£2,896
Running cost	86.49ppm/£34,596	89.53ppm/£35,812
CO <sub>2</sub> emissions (g/km)	57	153
BIK tax band 17-18/18-19/19-20	13%/15%/18%	32%/34%/37%
Three-year BIK tax charge (20%/40%)	£4,416/£8,832	£9,642/£19,284
Three-year Class 1A NI charge	£3,046	£6,673
Three-year VED*	£895	£1,400

\* VED based on 2017 values

Plug-in hybrids and fully electric vehicles are still only cost-effective in certain roles, but their appeal compared to conventional fuel alternatives continues to grow, as our examples show.

Plug-ins are more suited to urban areas with lower annual mileage than vehicles spending much of their time on motorways.

Using running cost figures on the *Fleet News* website, and taking account of the plug-in car grant to adjust the depreciation cost based on the transaction price, a number of plug-in cars offer lower running costs over four years/40,000 miles.

Also, projected benefit-in-kind (BIK) tax rates over the next three years suggest plug-ins are also more appealing for drivers to minimise tax liability.

The GTD, the Golf's best-selling derivative in the UK, has similar performance to the plug-in hybrid GTE. But the GTE, which qualifies for a £2,500 grant, is projected to offer a £1,300 saving in running cost over four years, as well as a saving in employers' National Insurance (NI) contributions of around £1,900 over the next three years – the current extent of NEDC CO<sub>2</sub> emissions and BIK tax bands.

The BMW i3 has a P11D value almost £5,000 higher than a BMW 120d Sport auto. However, the effect of a £4,500 plug-in car grant on depreciation, combined with the lower charging costs of a pure electric car compared with fuelling the 1 Series with diesel, as well as lower servicing costs, give the i3 a saving of around £1,100 in running costs over four years/40,000 miles.

NI savings for employers amount to around £1,200 over three years, while there is zero VED to pay in that period compared with £420 for the 120d.

CO<sub>2</sub> emissions on the E 350e top 50g/km but it qualifies for the plug-in grant because its range exceeds 20 miles and it costs less than £60,000.

A running cost saving of £1,200 over a similarly specified diesel E 350d over four years/40,000 miles is boosted by a £505 projected advantage in VED, while employers' NI contributions are £3,600 for the plug-in car. BIK charges for the driver are around half as much as for the diesel over the next three years.

## FLEET FACTS AND FIGURES

### OPINION POLL

Do you think banning the sale of new 'conventional' diesel and petrol cars and vans by 2040 is a good idea?



### FleetNews view:

Our poll shows that almost two-thirds of respondents were not impressed with the Government's air quality announcement. However, the devil was in the detail, with the Government acknowledging that hybrid engines using either fossil fuel will still be allowed. Considering the increasing availability, and popularity, of hybrid technology, we believe fleets will already have made the switch by 2040.

This week's poll: What will your next company car be?  
[fleetnews.co.uk/polls](http://fleetnews.co.uk/polls)

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**/ P11D: £17,240**

**/ Whole Life Cost: £413.06 per month\***

Official fuel consumption for the SEAT Leon SE Dynamic Technology 1.2 TSI 110PS in mpg (litres per 100km): urban 45.6 (6.2); extra-urban 56.7 (4.3); combined 56.5 (5.0). CO<sub>2</sub> emissions 116g/km. Standard EU Test figures for comparative purposes and may not reflect real driving results. SEAT Leon 1.0 TSI Ecomotive 115 SE Technology winner of What Car? Best Family Car £18-20k. Business users only. \*Source: CAP, June 2017 data for the SEAT Leon SE Dynamic Technology 1.2 TSI 110PS on a 36-month/60,000-mile agreement. Excludes fuel costs and metallic paint. T&Cs apply.



# Poor air readings could make cars switch to EV mode automatically

Leeds to test technology with potential to transform urban transport regulation

By Gareth Roberts

**G**eo-fencing using live air quality data could be used to enforce the zero-emission running of fleet vehicles in heavily polluted areas.

The real-time emissions control technology would trigger electric hybrid engines to automatically switch to a pure electric vehicle (EV) mode.

A trial, which is being co-ordinated by intelligent mobility experts at the Transport Systems Catapult, will be launched in Leeds later this year.

It aims to show towns and cities new ways to reduce urban air pollution without additional charges to motorists or businesses.

Called Project Accra, the trial is a collaboration between Leeds City Council, the Transport Systems Catapult, Cenex, EarthSense, Dynniq and Tevva Motors.

Principal technologist at the Transport Systems Catapult Paul Bate told *Fleet News*: "Vehicle to Infrastructure communication has the promise to transform how cities manage urban traffic control and air quality regulation."

"Project Accra is a pioneering collaboration to explore the potential of geo-fencing technology that equips vehicles to anticipate and respond accordingly when approaching or driving inside a city's Clean Air Zones (CAZs)."

The Government's recently published air quality plan gives the green light for local authorities to charge vehicles entering zones where pollution is at its worst (*Fleet News*, August 3).

In addition to the Ultra-Low Emission Zone (ULEZ) in London, Leeds is one of five other cities, including Birmingham, Derby, Nottingham and Southampton, which will have to introduce a CAZ by 2019. More councils may follow suit.

Councillor Lucinda Yeadon, Leeds City Council executive board member with responsibility for environment and sustainability, is enthusiastic about the technology's potential and keen to understand how it can best implement it in the city to help reduce air pollution.

She explained: "Improving air quality in Leeds is a huge priority for the council, and we are looking at a number of different initiatives to address the issue."

For the Leeds trial, transportation network systems developer Dynniq will develop a decision-making engine capable of taking inputs from a range of city data, such as live air quality information and real-time traffic conditions.

EarthSense will be responsible for monitoring and uploading updated local air quality levels to the interface, which will be used to trigger on-demand zero-emissions running instructions in the participating Tevva vehicles.

Simon Notley, technical lead for Dynniq, said:



*"We are looking at a number of different initiatives to address the issue"*

*Cllr Lucinda Yeadon, Leeds City Council*

"This is an exciting opportunity to create an entirely new solution to the problem of air pollution and demonstrate the huge potential for innovation that is being unlocked by modern intelligent transport systems. But most importantly it's an opportunity to improve the quality of life of everyone living, working or travelling in cities around the world."

The UK Government estimates that almost 50,000 people die each year due to poor air quality, which is driving local and national policymakers to put increasingly strict regulation on urban transportation.

However, the complexity of implementing strict emissions controls in specific areas can come with additional costs to local councils, motorists and businesses.

Steve Carroll, head of transport at Cenex – the Centre of Excellence for Low Carbon and Fuel Cell technologies – said: "Local air quality is a persistent and growing problem in urban centres across the UK and globally."

"Using real-time air quality data to automatically instruct vehicles driving into high pollution areas to switch to zero-emissions driving has the potential to transform urban transportation regulation and save thousands of lives."

The Government is keen for local authorities to employ innovative technology to drive down emissions in pollution hotspots and not simply impose charges as a deterrent.

However, developers behind a project which will enable councils to charge vehicles to drive on city roads according to their real-time emissions received a £1 million Government grant earlier this year ([fleetnews.co.uk](http://fleetnews.co.uk), April 12).

The Air Car project, led by the Tantalum Corporation and Imperial College London, wants to combine emissions data with a vehicle's location and driver behaviour, to give the "real" environmental impact of individual vehicles.

Tantalum, which owns Tracker, is recruiting fleets from the public and commercial sectors as part of a 1,000-vehicle trial starting in the autumn, to "test and fine tune" the technology.

It will run within London and the other UK cities where CAZs are to be established.

# DfT issues guidelines to protect connected cars from hack attacks

Proliferation of the use of open source components is cyber security concern

By Gareth Roberts

**N**ew Government guidance aimed at protecting connected company cars and vans from hackers has been welcomed by cyber security experts. However, they are calling for more detailed guidelines and urged manufacturers to review their use of open source components.

Furthermore, fleet operators are also being urged to ensure that fleet management software matches increased levels of data security.

Yoni Heilbronn, CMO at Argus Cyber Security, told *Fleet News*: "The reality we face today is that as vehicles become increasingly connected they are becoming increasingly vulnerable to malicious attacks.

"The Government's new guidelines requiring automakers to put automotive cyber security protections in place from vehicle development are certainly a positive step. This move, as well as recent legislative developments in the US Congress, signal to original equipment manufacturers (OEMs) that they need to take action."

The new Government guidance aims to ensure engineers developing connected cars and vans will have to toughen up cyber security and help design out hacking ([fleetnews.co.uk](http://fleetnews.co.uk), August 7).

Black Duck Software, which helps firms secure the open source code elements that make up much of today's software applications, says the principles detailed in the new guidelines follow "good security practices". They include the principle of board-level support, risk assess-

*"Components are subject to security vulnerabilities"*

Mike Pittenger,  
Black Duck Software



ments both internally and through the supply chain, and a plan for addressing vulnerabilities as they arise.

The Department for Transport (DfT) guidelines also insist the security of software is managed by manufacturers throughout its lifetime.

Mike Pittenger, vice president of security strategy at Black Duck Software, said: "A growing set of open source components is making its way into motor vehicles, channelled through countless supply chains in every part of the automotive ecosystem."

Black Duck's research shows open source components are present in 23% of automotive applications. "While this accelerates development, these components, like all software, are also subject to security vulnerabilities," he said.

"When a supplier or auto OEM is not aware all the open source in use in its product's software,

it can't defend against attacks targeting vulnerabilities in those open source components.

"As open source use continues to increase in the auto industry, effective management of open source security and licence compliance risk will become increasingly important."

Iliia Kolochenko, CEO of web security company High-Tech Bridge, added: "We need much more detailed practical guidelines with contribution from leading cybersecurity experts, practitioners and researchers, not just a set of generalised best practices.

"Moreover, a violation of the guidelines must be severely sanctioned otherwise car vendors, and especially their suppliers, will likely ignore them."

Next generation fleet software will also have to adapt to the increased levels of data security required by connected cars and vans.

Ashley Sowerby, managing director of Chevin, said: "There are many important factors businesses need to consider when managing their fleet information, the first of which should be whether their software system is adequately secure."

Official accreditations, such as ISO 27100, formally acknowledge that providers are committed to data protection issues.

"Software companies should also be striving to achieve these accreditations if they do not already have them in place," said Sowerby.

"Hierarchical user permissions within a system are also essential in order to control who has access to certain levels of data.

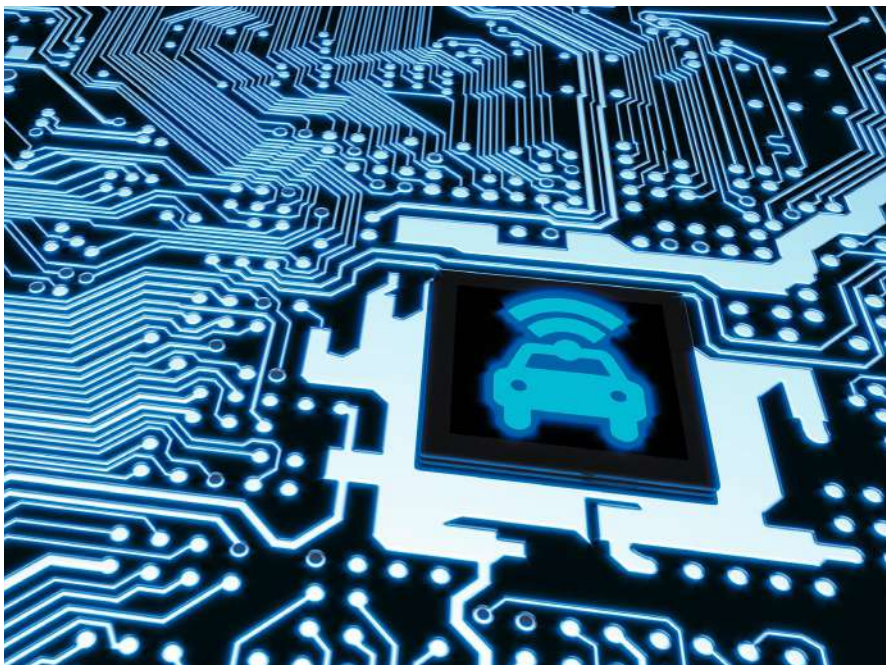
"Drivers, for example, will not need access to the same level of intelligence as fleet managers, and authorisation should depend on job role versus data sensitivity."

Meanwhile, the Institute of the Motor Industry (IMI) is urging lawmakers to focus on the technicians that work on the vehicles, too.

Research conducted by the IMI earlier this year suggested many drivers and passengers are unaware of the security risks of today's connected vehicles. Half of the people it surveyed said they were not aware that their car is open to cyber-attacks, much like a home computer, and that it could be controlled and stolen using Wi-Fi to access the onboard computer systems.

Steve Nash, IMI chief executive, said: "Computer diagnostics, vehicle programming and software updates are commonplace in the motor industry. However, with the sector currently unregulated and no national standards in place it's not always possible to track the people who may have access to our personal information.

"We are working hard to get the Government to address this area as well as the creation of systems at the manufacturing stage, so motorists have confidence they are not at risk."



Currently there are no national standards in place to protect cars from hackers





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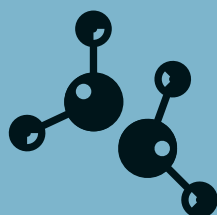
Model shown is C-HR Dynamic 5 door Coupe FWD Hybrid 1.8 VVT-i Auto at £28,085. Prices correct at time of going to print. 5 year / 100,000 mile manufacturer warranty subject to terms and conditions.



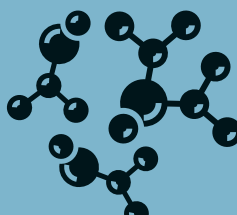
## WLTP laboratory tests for passenger cars will measure:



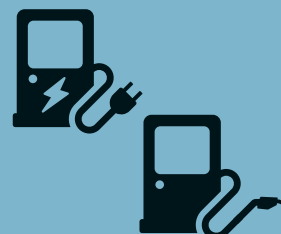
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# Fleet bodies demand to know when HMRC will base tax on WLTP data

Phase out of NEDC starts next month but no date given for switch to new regime

By Simon Harris

**F**leet operators have called for clarity on the future basis of vehicle taxation beyond the current system of CO<sub>2</sub> emissions derived from the combined miles per gallon (mpg) figure.

A working group, led by the British Vehicle Rental and Leasing Association (BVRLA), and including vehicle manufacturer representatives, data providers and fleet operators, held a workshop to discuss the IT system and data implications of the introduction of the new Worldwide Harmonised Light Vehicle Test Procedure (WLTP).

The current New European Driving Cycle (NEDC) test regime will be phased out in favour of WLTP beginning this September, when WLTP is introduced for all cars gaining type-approval from that point.

The Government has pledged to keep using NEDC CO<sub>2</sub> figures for tax purposes in the short term, which means it will be 'business as usual' for leasing companies providing vehicle quotations (*Fleet News*, February 16).

In the longer term, the WLTP test will generate a larger number of CO<sub>2</sub> values for different operational cycles and the figures for a particular vehicle will be more likely to vary according to any optional extras that are fitted.

The BVRLA claims there is still uncertainty over the way this more complex and variable vehicle manufacturer data will be shared accurately between data providers and leasing companies.

"The WLTP will have a big impact on our members," said BVRLA director of member services Nora Leggett.

"We want to work with them and their supply chain partners to help ensure a smooth transi-

*"There is little fleet decision-makers can do in the way of preparation and planning"*



John Pryor, ACFO

tion that has no negative impact on customer service," she added.

John Pryor, chairman of fleet representative body ACFO, said: "We know WLTP is coming and that it will ultimately replace the NEDC regime. However, as yet we have no clarity from HMRC as to the timescale for when WLTP CO<sub>2</sub> figures will be used as the basis for all vehicle taxation, including company car benefit-in-kind (BIK) tax.

"In addition to a timeline, as always ACFO would want announcements to be made as soon as possible so as much notice as possible is given of WLTP's introduction to enable fleet decision-makers and company car drivers to plan. ACFO also requires clarity over where CO<sub>2</sub> data in respect of WLTP should be sourced for P11D purposes – a car's V5 document or somewhere else.

"Whatever the date of WLTP's introduction for tax purposes, there will clearly be an overlap when fleet decision-makers are operating cars – and company car drivers are at the wheel of them – with taxes linked to either the WLTP or

NEDC regimes. That's because vehicle replacement cycles will straddle the date WLTP is officially introduced for tax purposes.

"ACFO, therefore, assumes that a move to using WLTP-based data will only occur following its official data for use by HMRC as new company cars are introduced. However, that also requires clarification."

Pryor says that for a time this would add an increased layer of administration for fleet decision-makers as they manage company cars linked to both the existing NEDC regime and the new WLTP system.

But it is something they would have to cope with and, importantly, alert company car drivers to the change as they may see their BIK tax position change – and possibly increase due to a car's higher CO<sub>2</sub> figure – even if their new vehicle is similar to their outgoing model.

Pryor continued: "ACFO has already held briefings at regional meetings to alert members to the introduction of WLTP. While they know it is around the corner – and some vehicle manufacturers are already publishing WLTP CO<sub>2</sub> and mpg figures for new models alongside NEDC ones – they don't know when the new system will be adopted by HMRC.

"Therefore, there is little fleet decision-makers can do in the way of preparation and planning until they receive notice from HMRC as to when the Government department will adopt WLTP for tax purposes."

Following an announcement on July 26 that the UK would be seeking to phase out new conventional petrol and diesel car sales by 2040, the calls for a detailed plan on how that would be achieved have intensified, and it is now likely there will be further details on this and future vehicle taxation in the autumn budget.

# VW offers free plug-in telematics service to company car drivers

Fuel usage and driving style can be monitored, but data won't go to fleet managers

By Tom Seymour

**V**olkswagen is offering a free plug-in telematics service aimed at company car drivers between now and the end of the year. Connect lets drivers monitor fuel consumption and driving style, and can link to an approved Volkswagen repairer to prompt alerts for servicing and issues relating to warning lights.

Volkswagen told *Fleet News* it has no plans to let fleet bosses manage data from Connect across multiple drivers and the application is instead aimed at individuals.

However, while drivers can opt out of the service booking option, for those that do not, there are fears it could disrupt servicing procedures decided by the fleet or leasing company, including using preferred repairers.

A spokesman for the British Vehicle Rental and Leasing Association (BVRLA) insisted its members would seek to retain control: "Leasing

*"The data used in Connect is already available from the car"*

David McMillan, Volkswagen



companies, as owners of the vehicles, will continue to decide servicing schedules, including where the vehicle is serviced and on what terms, whether that is an independent repairer or a franchised dealer."

He added that BVRLA members would continue to take the lead in the provision of tele-

telematics services to UK fleets and their drivers.

Connect is not mandatory, so fleets running VWs are able to choose their own telematics provider. The offer is also separate to what the manufacturer has previously offered via its commercial vehicle division in a partnership with RAC, which provides real-time telematics and fleet management data for a fee of £12.50 a month per vehicle.

When the car is due for a service, it will automatically alert the driver through the Connect app. If set up to do so, it will also contact the customer's nominated dealer, who will then call the driver to arrange a service.

Additionally, if a warning light is illuminated on the dashboard, Connect will pass this information to the dealer, who can then call the customer to discuss the car's problem. The app will also explain what the warning light means.

As a new service, Volkswagen said it could not provide any figures as to how many people it

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expects to take up Connect. It also declined to comment on whether the telematics service would roll out to its other group brands such as Audi, Škoda or Seat.

Drivers will be able to transfer their dataplug from one compatible Volkswagen vehicle to another, which was one of the deciding factors for going with a plug-in telematics option rather than hardwired.

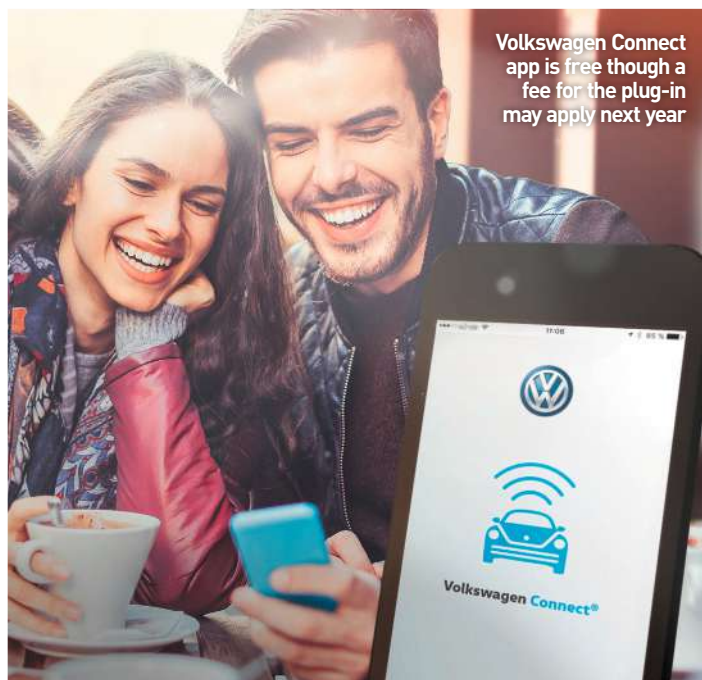
David McMillan, Volkswagen digital service product manager, said: "The data used in Connect is already available from the car and so we wanted to push it to a smartphone app allowing customers to access it and make use of it."

Connect is available now for all new cars, fleet and retail, as well as any of Volkswagen's models already on the road built after 2008 (excluding Touareg and Phaeton due to compatibility issues).

The Connect dataplug goes into a car's diagnostics port, usually located under the steering wheel.

Volkswagen told *Fleet News* the dataplug is simple to fit in just 10 minutes. Connect can then be activated by drivers after downloading the smartphone app.

With the dataplug and the Connect app linked through Bluetooth, the car will send the user's



smartphone a burst of information at the end of each journey.

Volkswagen said any personal data which is processed as part of Connect is subject to applicable data protection laws and will not be sold to third parties.

However, the data will be used by VW its dealer

network and "authorised third party processors".

It said all functionality from Connect is available free, forever and it will continue to develop the app with new features.

From the start of next year, the app will continue to be free but VW says it is still in the process of deciding whether there will be a "nominal charge" for the dataplug. This is likely to be less than £50.

A trips function can record information about each journey, including the miles driven and the average fuel consumption measured in miles per gallon (mpg).

This works with the fuel monitor to give a figure for the cost of each journey by comparing the mpg figure with the cost of the fuel in the car. That information can be downloaded from the app to a computer for those looking to process expenses for mileage.

As well as indicating how much fuel has been used, the dataplug will send information to the connected smartphone about the way the car was driven.

This data can then be used to give driving style advice to help save money on fuel.

The fuel level can be checked remotely, while Connect also records the exact location of a car when it's parked so it can be easily located.



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# THE BIG PICTURE

By Stephen Briers, editor, *Fleet News*



FCA Group's rebranding of its leasing division as Leasys UK is the latest move by a manufacturer to open up its captive finance house to multi-marque lending and motability services.

The template was set by BMW-owned Alphabet and has since been mirrored by Free2Move (formerly Peugeot Contract Hire and Citroën Contract Hire). Meanwhile Mercedes-Benz Financial Services created an additional brand – Daimler Fleet management – and Volkswagen Financial Services opted to simply cast its net beyond Volkswagen Group vehicles.

You could argue that it gives each leasing company an opportunity to convert (or at least introduce) fleets to their parent brand models, although none would admit to this.

*“Mobility is a hot topic, even if many fleets are unsure about what it actually means”*

However, they are all keen to be mobility providers, as manufacturers prepare for the changing landscape by maintaining their grip over the end-user fleet and driver.

Alphabet again heads the pack, with rental, car share and mobility management apps creating opportunities for fleets to use a variety of BMW/Mini-based options to move people from A to B.

Free2Move has expressed its desire to become a leading mobility provider, while Leasys intends to import such services from its Italian parent company.

Mobility is the hot topic, even if many fleets are unsure about what it actually means. Ultimately, it comes down to flexibility.

Many mobility options do not require car ownership by the individual or the company – but they still involve cars.

That's where the manufacturers see their future, and where their leasing operations can help.

The goal? To ensure their models become the mobility solution, rather than allow a competitor leasing company, perhaps an independent or bank-owned, to control those decisions.

## YOUR LETTERS

### DAMAGE CHARGES

## Outdated practices could harm customer loyalty

EDITOR'S PICK



**Rob Chisholm from Applewood Vehicle Finance wrote:**

Having read 'Charge now, repair later policies called into question' (fleetnews.co.uk, July 31), if the rental industry adopted Smart repair costings it would be fairer for all involved, and the customer wouldn't feel so aggrieved.

While they cling to outdated practices they will come under increasing pressure, and they will continue to have difficulty maintaining customer loyalty.

The British Vehicle Rental and Leasing Association (BVRLA) should be taking more of a lead in this matter.

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

**Andrew Costello added:**

It is the lack of a commonsense approach to the damage recharges that frustrates fleet operators. Most of the damage will never be repaired prior to going to auction.

when the customer's credit card declines; if they dispute charges with their credit card companies or simply cancel the cards, it will likely push up the costs in other areas.

**John added:** Good luck trying to chase an overseas customer for charges after the vehicle has been repaired.

The extra cost involved in pursuing charges via third party collectors

**Dave added:** They don't mention multiple charges for the same damage. Typically smaller rental companies try to hide previous damage when signing out cars and they note it as chargeable damage again when it returns.

### ROAD PRICING

## Motivated by money, not pollution

**Derek Webb wrote:**

Having read 'Fleets face 90% hike in charges under road pricing scheme, Conservatives claim' (fleetnews.co.uk, August 1), it is just about raising money

to continue the massive infrastructure spend London has enjoyed over the past 10 years.

If it was about pollution they would ban buses and trucks from central London.



## AIR QUALITY

# Avoid imposing more misery on business

### Iain wrote:

Having read 'Transport safety organisation asks Government to consider safety in air quality moves' (fleetnews.co.uk, August 1), speed humps and other so-called traffic calming measures are widely overused and, apart from the increased vehicle emissions they cause, they are also responsible for vast amount of damage to vehicles.

We also constantly hear about pedestrians and other 'vulnerable' road users. However, how many of them are actually responsible for accidents? For example pedestrians stepping out in front of an oncoming vehicle or cyclists running red traffic lights or pulling up alongside an HGV turning left.

Let's think long and hard about real root causes and then make informed decisions as to how to proceed sensibly, without bankrupting the country or imposing more misery on the travelling public and business.

## MOTORWAYS

# 'Dumb' not 'smart'

### Dan the fleet man wrote:

Having read 'Highways England trials new-look 'orange' smart motorway emergency area' (fleetnews.co.uk, July 17), so what happens when your car breaks down 100 yards past the orange layby?

It is going to be great to see how these smart motorways result in more traffic in breakdown situations and become 'dumb motorways'.

## CONNECTED CARS

# Data ownership issue is overcomplicated

### Michael Heenan wrote:

Having read 'Fleets face missing out on potential gains from connected car data, says FleetCheck' (fleetnews.co.uk, August 2), ownership of data on connected cars I think is being overcomplicated.

The technology is out there to obtain the information that can be gained via a smart OBD2 port plug-in device with WiFi access to anywhere you want, if it's your OBD2-provided plug-in.

If the manufacturers will not provide the access then bypass them; if you own the car you own the data within. I think in time they will offer the data as part of the car service regime for a nominal cost – they are just trying to weigh up its value and what they can charge for it.

### It was him replied:

You say that if you own the car, you own the data. So where do the driver/users fit in? The data is being generated by the users and could identify them, so surely the data belongs to the driver?

It is complicated and data ownership needs to be defined legally so permission to retain and/or use data is absolutely clear.

With vehicles increasingly not owned by the driver but by lease companies, who does own the data is the biggest question. Who gives permission to release and use the data? Nobody is going to sue an individual for misuse of data, but an organisation such as a vehicle manufacturer is a big target for litigation under general data protection regulation (GDPR). You can understand their caution.

## CLARIFICATION

In the Big Picture (Fleet News, August 3), the editor stated that Volvo would continue to sell cars fuelled by petrol and diesel alone after 2019. While that is correct for existing models, it will only launch new cars with some form of electric/PHEV/mild hybrid. These cars will not be petrol or diesel only, although some will be predominantly powered by petrol or diesel with mild hybrid support.

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### Burning question:

What is your favourite or most useful driver aid?

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**Rear parking sensors. I have never hit anything while reversing, but it's amazing how quickly you rely on them**

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**Photos** Chris Lowndes

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**I'm wondering how I ever survived without air-con – an aid to calm, road rage-free driving**

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**It would have to be the sat-nav, it's the only driver aid my car has**

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## FLEET OPINION

## FLEET MAINTENANCE

## Let predictive analytics take strain

By Jennifer Roubaud

“ Predictive maintenance can have profound positive effects on fleet management. By detecting impending failures that could never be seen by human eyes, safety across manufacturing, aerospace and automotive industries can improve drastically.

Our eyes cannot see small defects such as micro cracks in machinery, but predictive maintenance, combined with the internet of things (IoT), can alert us to these problems. The amount of downtime is also drastically reduced which, in turn, minimises costs.

First and foremost, predictive maintenance can help with safety in fleet management. By predicting when a machine or vehicle will malfunction, managers can take appropriate steps to ensure this does not happen while the machine or vehicle is in use.

Fleet managers can use real-time insights to make actionable decisions.

The cost savings are important as well. Fleet managers can use predictive maintenance on an asset-by-asset basis to utilise traditional maintenance methods when needed.

The automation that predictive maintenance allows opens up resources once bogged down by menial tasks. This automation frees up time and resources that can help improve fleet efficiency.

For example, Traffilog America utilised predictive maintenance to monitor driver safety, track trends, as well as how a driver drives a truck. By monitoring pedal position, the company saved a bus fleet 30% on fuel. For another company, they reduced brake pad replacement by 30%.

Traditional maintenance techniques no longer work as, inevitably, repair costs drive up expenses.

Furthermore, these techniques are not improving safety overall. Traditional maintenance does not provide an overall assessment of how a piece of machinery performs which is why equipment breaks down unexpectedly.

Companies that use outdated legacy systems should consider updating their technology and investing in a system that can predict failure, instead of having to react when a failure occurs.”

*“First and foremost, predictive maintenance can help with safety in fleet management”*



**Jennifer Roubaud**  
UK and Ireland country  
manager for Dataiku



**Edward Kulperger**  
vice president Europe  
at Geotab



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opinion](http://fleetnews.co.uk/opinion)

## VEHICLE DATA

## It's important to formulate strategy

By Edward Kulperger

“ Around the world, there are millions of connected vehicles in operation, including mega fleets, government service vehicles and small/medium fleets across a wide spectrum of industries. Modern transportation and mobility without data insights has become unthinkable. Every transportation company must have, or must consider creating, a digital transformation team.

At a recent British Vehicle Rental and Leasing Association (BVRLA) event, I presented data insights which fleet vehicles provide. With more than 750,000 connected vehicles, these real world insights were safety focused and paramount to the future health and safety of our communities.

Beyond safety, these insights provide information to assist communities, ensuring our roads are less congested and safer while minimising fuel use and emissions.

However, access to mobility and fleet insights cannot be taken for granted. It is important to understand the nature of access to vehicle data, remain aware of the threats and formulate a strategy to preserve these and future insights.

Dirk Schlamm at Geotab has articulated some bedrock principles for fleets to ensure future competitiveness:

- Access to real time data is essential to remain relevant.
- Vehicle owners must state their expectation to have access and control of their operational data.
- Interoperability is key to enable direct, real-time access to data (via the OBD port).
- Ensure utilisation of a telematics platform which offers high data quality, variety and availability.
- Security is the foundation of data access and connected mobility.
- Mobility solutions must consider driver privacy.

Fleet data insights are important to ensure safety, open and fair competition and innovation, including connection to a host of B2B services, financial services, smart city infrastructure, and new mobility strategies such as car sharing.

In all use cases, driver privacy must be considered. Industry and government must evolve privacy policies that conform to laws and good privacy practice. The digital transformation is upon us.”

*“Insights provide information to assist communities, ensuring our roads are less congested”*

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# WE WANT TO BE 'BEST IN CLASS'

VPS Group fleet manager Steve Mulvaney has big ambitions for his first full-time fleet role. He reveals some of his plans to *John Maslen*

**F**or any fleet manager taking on a new role, the 'to do' list can be daunting, but Steve Mulvaney hasn't been deterred from setting his sights at the highest level.

He took over as the new head of fleet at the end of last year for an expanded VPS Group after it acquired Evander Glazing and Locks. VPS is a specialist provider of vacant property and site security solutions.

In his new role, Mulvaney was challenged with integrating two separate fleets with disparate policies, creating a cohesive new strategy for its 607 vehicles, assessing the fleet, which was spread throughout the country, while also reviewing manufacturers, leasing providers and a range of service companies, in addition to managing day-to-day fleet issues.

But in his first meeting with one of his key suppliers, Fleet Service Great Britain (FSGB), Mulvaney left no doubt about his ambitious approach to the new role.

He says: "I was asked where I saw the VPS fleet going and I said we want to be the best in our industry. We want to be able to sing from the rooftops to customers about how this fleet is looked after, with the most cost-efficient, cleanest vehicles and the safest drivers. I want to have the greenest, safest fleet, with the best trained drivers, the best-looking vehicles and overall a 'best in class' fleet."

Despite this being his first full-time fleet role, Mulvaney's previous job as an operations director meant he was responsible for a 70-vehicle van fleet.

He relished the chance to have a more hands-on approach to running a fleet. This hadn't been possible when it was just part of a wider role.

Mulvaney hasn't wasted any time in making changes. He has already developed a three-year strategy which has been submitted to the board and approved, kick-starting a comprehensive fleet renewal programme.

This involved a substantial tender for commercial vehicle suppliers that saw all the major suppliers reviewed and a new manufacturer introduced to supply the 488-strong van fleet.

The separate fleets had both run Ford vehicles but, during an extensive tender process, Mulvaney introduced Peugeot as its panel van provider, supplying Partner, Expert and Boxer models, with Ford remaining as the provider of tipper.

He said: "Peugeot had a good offering when we looked at total cost of ownership with FSGB. Engineers love them as they are fitted with air conditioning and satellite navigation, all the equipment a driver really wants, and that was part of a competitive deal.

"The feedback on the vans is very good. They are new on the road, so it's early days, but there have been no issues. We will roll them out and see how we get on."

The fleet now operates on a five-year,

150,000-miles replacement cycle, historically used by VPS Group but longer than the four years/100,000 used at Evander, so as part of the supply arrangement, VPS Group agreed extended warranties and breakdown cover.

Manchester-based VPS Group secures more than 50,000 properties and employs 1,500 staff in locations across the UK and mainland Europe, many of them in urban areas, so the review also included an assessment of low-emission zones and potential diesel bans during the life of the diesel-fuelled fleet.

Mulvaney says: "The research I have seen indicates that diesel is still the best option for the next five years, particularly when you include the impact of AdBlue. However, this does mean training the drivers so they understand it and what they need to do.

"As low-emission zones come into force, we may need to swap vehicles around to take legacy vans out of London, but we have that on the radar."

A review of the car fleet has brought fewer changes, as both companies had a broadly similar approach when it came to brands. Drivers are offered models from Audi, BMW, Ford, Mercedes-Benz and Volkswagen dependent on grade.

For Mulvaney, the key is ensuring vehicle grades reflect the diverse needs of the workforce. A new policy provides a range of vehicle types per group, chosen with wholelife costs and P11D in mind.







Steve Mulvaney is revelling in his first full-time fleet role. Previously he had fleet responsibilities but as part of a wider remit



## FACTFILE

**Head of fleet** Steve Mulvaney  
**Cars** 79  
**Commercial vehicles** 488  
**Plant and machinery** 40  
**Funding** Outright purchase (vans)/contract hire (cars)  
**Replacement cycle** Five years/150,000 miles  
**Van brands** Ford, Peugeot  
**Car brands** Audi, BMW, Ford, Mercedes-Benz, Volkswagen

## DATA LEADS THE WAY IN DRIVING DOWN COSTS

Data is driving savings on the VPS Group fleet with vehicle performance insights informing actions that bring down costs.

Using the FSGB Achieve programme, data from a variety of sources is fed into a central database.

This includes data from a driver app that supports employees by ensuring a weekly vehicle check is undertaken.

Driver performance data comes from a variety of sources including telematics, details of any fines and accident history.

Steve Mulvaney, head of fleet at VPS Group, says: "The driver app benefits VPS by allowing us to carry out full vehicle inspections both scheduled and ad-hoc at the touch of a button.

"This information is uploaded into the customer portal for immediate review. Additionally, drivers can now book service, tyres and glass requests direct on the app. It is excellent technology,

seamlessly delivered.

"VPS is now able to manage its driver-influenced costs through Achieve. We are receiving some excellent information on all aspects of the fleet."

At the same time, the company is using data to closely monitor service, maintenance and repair (SMR) costs, which, combined with a strong risk management policy, is pushing down the pence per mile cost of running vehicles.

All VPS vehicles have SMR work undertaken through FSGB's nationwide independent garage network.

When FSGB took over maintenance management of the fleet in 2015, the pence per mile operating costs on a sample of 176 vans was 5.12p per vehicle. That figure is now 5p per vehicle per mile across a sample of 196 vans – a 2.3% cost reduction, through better purchasing and reduced servicing requirements.



He says: "We try to offer a range of cars for different lifestyles, so an Audi A3 S Line might be offered for some employees, while a Ford Mondeo estate caters for people with families in the same banding.

"We have a base specification which includes leather for durability and cleaning, satellite navigation and Bluetooth."

VPS Group historically bought all its vehicles. But, following the acquisition, it has adopted Evander's policy of purchasing vans and leasing cars, albeit with a new supplier – Lombard Vehicle Management, under a policy led by the finance department.

There is also a small grey fleet where drivers have opted for a cash allowance, typically because employees don't cover enough business miles.

As part of the business review, Mulvaney has analysed the impact of the new optional remuneration arrangements introduced this tax year that see company car tax charged on the higher of the benefit-in-kind value of the car or a cash option (when offered), to ensure there are no problems.

He also has policies in place so grey fleet drivers' licences are checked and that the

*"We want to be able to sing from the rooftops to customers about how this fleet is looked after"*

Steve Mulvaney, VPS Group

business has a copy of their business insurance and MOT. If there are any omissions, the issue is brought straight to him.

VPS Group has expanded its business partnership with FSGB that began two years ago to include accident and risk management.

This is in addition to support with vehicle maintenance, rental management and services related to taxation and fine payment.

FSGB's Achieve driver management system is the hub of VPS Group's work-related road safety programme, which measures driver performance and compliance, including

driving licence and vehicle checks.

On the road, vehicles are monitored using telematics, which assists with driver management and for some parts of the fleet provides route planning and supplies customers with accurate waiting times for engineers, based on the vehicle's location.

VPS Group fitted all cars and vans with telematics, while Evander only equipped commercial vehicles with tracking devices, but Mulvaney is keen to establish a common approach.

He says: "Moving forward it will be fitted to all our vehicles. It is a valuable tool for training and guidance. If you look at drivers who are in the worst 20% of performers, it tends to be car drivers, rather than van drivers, when it comes to speeding, harsh acceleration and braking.

"We can then use this data for education. For example, we can show that speeding in urban areas just doesn't work. The only thing that happens is you make it to court quicker to lose your licence.







Steve Mulvaney put an order for 75 vehicles out to tender and some manufacturers didn't even bother to attend the meetings

## TENDER AN 'EYE-OPENER' TO DIFFERING SERVICE LEVELS

**In the search for a new supplier, some companies were just not interested in winning business from the 600-vehicle fleet, according to Steve Mulvaney, head of fleet at VPS Group.**

**During the search for a new manufacturer, some contacts simply failed to turn up for arranged meetings to discuss their proposition, leading to them being struck off the choice list.**

**He says: "I was surprised at the lack of interest from some manufacturers. It was eye-opening. We had a couple of meetings arranged with suppliers where they just did not turn up.**

**"It gives you an idea that they really don't care. It was an order for 75 vehicles, but there were potentially 600 on offer. As a result, I have never gone back to them."**

"Hard braking and acceleration just increases emissions and stores up higher service, maintenance and repair costs further down the road. It is not Big Brother, just assets being looked after and educating drivers about vehicle use."

Education extends to tackling distractions in vehicles, particularly hand-held mobiles.

He adds: "We take a zero-tolerance approach to hand-held mobile phone use, from the managing director down. We don't want to see any notices of intended prosecution and we will discipline people who don't follow this rule."

If the company receives a complaint from a member of the public, a formal investiga-

tion is carried out, with Mulvaney acting as an independent participant separate to any management structures.

He says: "Improving the safety of all our drivers and the fleet is a key priority for VPS with driver education critical to safety and cost management."

The next step is to consolidate the legacy telematics systems that provide driver insights. There are currently a total of five suppliers across the different company fleets. A data analyst works through the separate feeds to generate consolidated reports.

Mulvaney adds: "Our ultimate goal is for all the data to filter through the FSGB platform to give us a complete overview of our fleet performance."



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

# 'OUR CHALLENGE IS TO PUSH TODAY'S FORD', SAYS FLEET OPERATIONS BOSS

Long-running market leader is happy everyone is very familiar with its cars and vans. But there can be no resting on laurels. *Stephen Briers* reports



Every manufacturer has distinct challenges. Some are battling to overcome historic perceptions of poor quality; others are looking to boost

brand awareness; a few are wrestling with rapid growth that has outstripped their infrastructure capabilities.

Ford has none of those issues. UK market leader in cars since 1977 (and vans for more than half a century), there can't be a single person of driving age who hasn't heard of the company and can't name multiple models current and past.

However, such ubiquity creates its own complications, according to UK director of fleet operations Owen Gregory.

"Our biggest challenge is to understand what people are thinking about when they think about Ford," he says. "Is it the latest models, the latest technology, our ST models? Or are they thinking about Grandma's 20-year-old Ford that they learnt to drive in?"

"Our challenge is to push 'today's Ford'. Part of this will be technology, our ST Line executions, our Vignale executions – they are the things that people will be surprised by."

Ford is rightly proud of its UK market leadership, regularly issuing press releases reminding everyone how long it has held on to top spot in cars and vans. However, it lost its leadership in the true fleet car sector a while back and last year finished sixth, behind the likes of BMW and Volkswagen, according to figures from the Society of Motor Manufacturers and Traders (SMMT).

Not that this particularly concerns Gregory. He believes Ford has achieved a good balance of business across key market

sectors in recent years and while he has growth aspirations, these are likely to be in line with market trends and with an emphasis on sustainability.

So far this year, Gregory reports a solid first quarter across cars and vans in fleet (Ford has regained second spot in true fleet, trailing only Mercedes-Benz), with a "softening" in the second quarter. He predicts the rest of the year will be broadly flat, as will 2018, with some fluctuation dependent on market channel. True fleet, for example, was "quieter" in Q2, but rental was "slightly stronger than expected".

Like many of his competitors, and a fair few leasing and rental companies, Gregory is grappling with the concept of mobility – what it is and what it means for his company and his customers.

Ford recently opened a new office in east London to investigate 'smart mobility', although Gregory declines to expand further on the announcement in the press release which stated the company would "target the near term development of smart mobility technologies while focusing on the specific requirements of European cities".

He'll only add: "We will have lots to talk about in 12-18 months, not yet."

Gregory is a little more forthcoming on the topic of autonomous vehicles, potentially a key pillar in the build up to intelligent mobility solutions. Ford is investing heavily in the technology, although he has concerns over the roadmap from today's assisted technology to full-scale autonomy.

"There is question over what level of autonomy is actually helpful. Features to help avoid accidents, such as AEB, anti-collision and lane keeping are helpful," he says.

"But we have concerns about the area between that and full autonomy (known as

## FACTFILE

**Company** Ford  
**Director of fleet operations** Owen Gregory  
**Time in role** one year  
**Car registrations** 2017 YTD total/fleet 141,221/77,560  
**Market share** total/fleet 12.19%/13.16%  
**Van registrations** 2017 YTD total/fleet 47,732/43,622  
**Market share** total/fleet 32.34%/38.16%

ST Line executions, such as here on the Kuga, will surprise people, says Gregory

One year into his fleet operations role Owen Gregory continues to improve his understanding of the market







level three where some autonomy is possible]. The issue is what happens when the driver has to take control, i.e. re-engage with the vehicle?

"We are doing a lot of testing in North America and the experience of our engineers is that the time it takes to re-engage is too long to be safe because they can get so relaxed when the car is in autonomous mode even when they are trying to stay alert. If that's their experience, then for the average driver that's a real concern."

Consequently, Ford's priority is to develop real-world assistance for the driver on convenience and safety, with an ultimate objective of enabling full autonomy only at the point at which the steering wheel and pedals can be removed from the car.

"That's our long-term vision for autonomy," says Gregory.

Until then, he has more immediate priorities, such as the launch of the new Fiesta – still the UK's biggest selling model.

Demand for the outgoing model has remained strong, which has ensured a smooth run-out of the final few cars. Gregory predicts that the new Fiesta will mark a "step-change" in technology.

"As far as I can tell, it is the most technologically advanced small car in the world," he says, aware that such a claim risks slipping into hyperbole.

"The technology that was optional on large cars 10 years ago and was optional on medium-sized cars five years ago will be optional or standard on the Fiesta. There will be more active aids to prevent an accident from occurring and the interior will move into the iPad generation in terms of user interface."

He also plans to step up the marketing message on SUVs. It might be the fastest growing part of the car market, but Gregory

*"Don't forget that the vehicle supplier can often add helpful insight. Call on us – there's not much we haven't seen before"*

*Owen Gregory, Ford*

believes much of that is down to retail rather than fleet.

"A lot of fleet managers still have no SUV policies or they have a perception that because of CO<sub>2</sub> objectives, they can't be part of the model mix," he says.

"We are communicating that these products are consistent with balancing driver wants and needs with environmental objectives."

One year after his appointment, Gregory has had time to reflect on the fleet business. He says he is "pleasantly surprised" by the breadth of support across the various channels, from salary sacrifice to driving schools to corporates.

Major strengths include the van sector where good decisions on the latest models backed with strong support from dealers have solidified Ford's position and reputation in the market. It's something Gregory is "incredibly proud of".

Where there is work to be done is in getting across key messages about some of Ford's less well-known models, such as Kuga, Edge and Mustang, plus the fleet-targeted ST Line range.

Ford also has an opportunity to get closer to its customers by supporting them throughout the purchasing decision-making process – potentially treading into an area more commonly associated with leasing and fleet management companies.

"We can help our customers through the purchase process more than they currently allow us to. Because of the breadth of our scale, there are few industry sectors we are not involved in. So we can bring informative points of view about how they can operate their business in a way that goes beyond product and price," Gregory says.

"This is interesting at a time when companies are increasingly seeking outside guidance from consultants and fleet management companies. My message is 'don't forget that the vehicle supplier can often add helpful insight. Call on us – there's not much we haven't seen before.'"

Does he believe this growing demand for external support is part of a trend for companies to outsource fleet management, dispensing with the services of an in-house fleet manager?

"We do see more outsourcing," he replies. "But, I've had as many conversations with companies with a fleet manager that want to outsource some or all as I do with businesses that have outsourced and are now looking to bring it back in."

"So it's hard to see a net trend although it's clear that there are more stakeholders involved in decisions than there were a few years ago which makes the process more complicated."

So how does he sum up his time in fleet so far? "It has taken me a year to solidify my understanding of the marketplace. I thought I understood it six months ago; now I think I understand it, but that might change again in another six months' time!"

# BULLISH FLEETS CONSIDER GROWTH POTENTIAL, FUNDING OPTIONS AND ELECTRIC VEHICLES

CVO Barometer gives insight into industry views on future, according to Arval

By Stephen Briers

**F**leet operating cycles have settled down to an average of around 54 months (4.5 years) for cars and vans, shortening for larger fleets (43 months) and lengthening for SME fleets (59 months).

However, the UK lags far behind mainland Europe where the average is almost 71 months (56 for large fleets), according to the Corporate Vehicle Observatory (CVO) 2017 Fleet Barometer supported by Arval. It surveyed 3,847 fleets earlier this year, including 300 in the UK.

The reason is down to cultural differences. In the UK, the car is more of an emotional factor, connected to a job as part of a benefits package. Employees, even those with job-need vehicles, are not prepared to keep their cars for much more than four years and companies, eager to recruit and retain the best staff, are willing to acquiesce.

It's not as clear-cut in mainland Europe where the company car is a less mature market, more commonly associated with job need, not perk. Ownership models generally are often longer in other European countries, so the notion of keeping a car for five years-plus is more readily accepted.

There are variations within UK fleets, as well. Bigger fleets keep vehicles for less time than small ones. Shaun Sadlier, head of consulting at Arval, believes some of this is explained by funding choices.

"Bigger fleets have a larger proportion of their business as contract hire so they tend to have less flexibility [on a decision to suddenly increase or decrease how long they keep the car]. Manufacturer support terms will also impact the length

## FLEET SIZE KEY

 1-9 VEHICLES

 10-49 VEHICLES

 50+ VEHICLES

of time, i.e. higher discounts so they keep cars for less time," he says. "They are also more likely to have done total cost of ownership modelling to find the optimum period for the contract."

FN50 data backs this theory. Average operating cycles for fully-funded cars among the UK's 50 biggest leasing companies has averaged around 37 months for the past three years.

However, while conventional wisdom suggests keeping cars for longer (in good condition) reduces leasing costs, could fleets lower their replacement cycles to benefit from the latest safety technology and fuel-efficient engines?

The Environment Agency thinks so and is currently investigating reducing its cycle from 4.5 years to 3.5. It could go even further thanks to the size of the discounts it commands, according to head of fleet Dale Eynon, although the public tends to take a dim view of public sector organisations changing their cars too regularly – even if it saves taxpayers' money.

Sadlier says: "The benefit of new technology is a bit of an unknown. It's part of the conversation we are having with fleets to reduce operating cycles, although few have gone down that route at present."

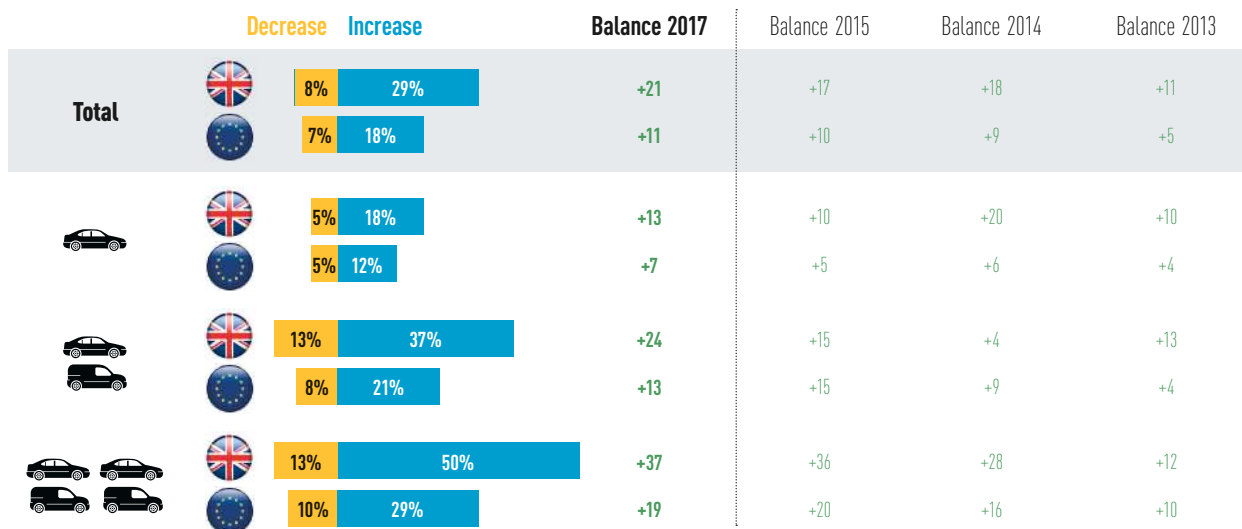
Shorter operating cycles could have an additional benefit in an uncertain economic climate by improving the flexibility of fleets to dispose of cars should they face a shrinkage in their workforce.

However, far from the gloom-laden forecasts of some economists, fleets are generally upbeat about their medium-term prospects.



## 1 FLEET GROWTH POTENTIAL BY FLEET SIZE

% WHICH THINK THE TOTAL NUMBER OF VEHICLES THEIR COMPANY OPERATES WILL...



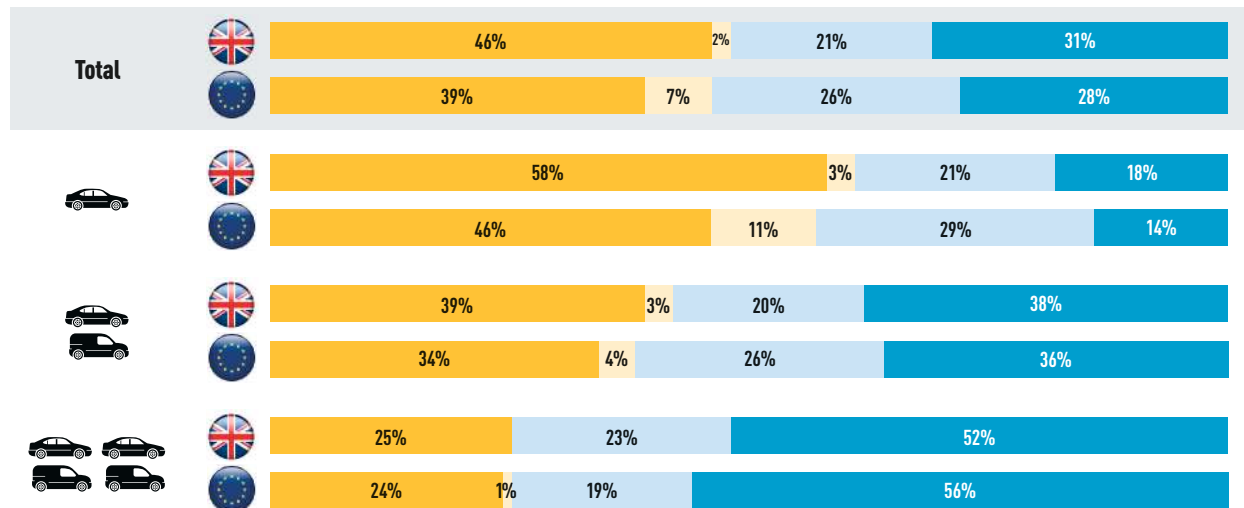


## 2 MAIN FINANCING METHOD

### METHODS USED TO FINANCE COMPANY VEHICLES

Self purchase\* Car credit Finance leasing Contract hire

\*Self purchase = outright purchase + credit (other than car credit)



## 3 CASH ALLOWANCE

The hottest topic of 2016 was undoubtedly the Government changes to the tax treatment of salary sacrifice and cash allowance.

While concerns around sal/sac were largely resolved following industry lobbying which saw the most efficient cars removed from the new rules, the implications for staff who are offered a company car or cash alternative remain potentially significant.

To recap: staff offered a cash or car option will now be taxed on the higher benefit of the two. It means that should they choose a tax efficient car with a low benefit-in-kind (BIK), but they could have opted for a generous cash option, they will now be taxed on the higher benefit – which could be a disincentive on the car.

Of the UK fleets responding to the CVO

survey, 14% offer all drivers a cash option, while 21% offer some drivers the choice. The majority – 39% – offer only a company vehicle and will be unaffected.

Asked whether they now intended to change their policy, 43% said no, 47% said they had not made a decision and 9% said they would – rising to 18% among the largest companies.

With typical cash options in the £4,000-£7,000 bracket, fleets might not be as affected as first thought, believes Arval.

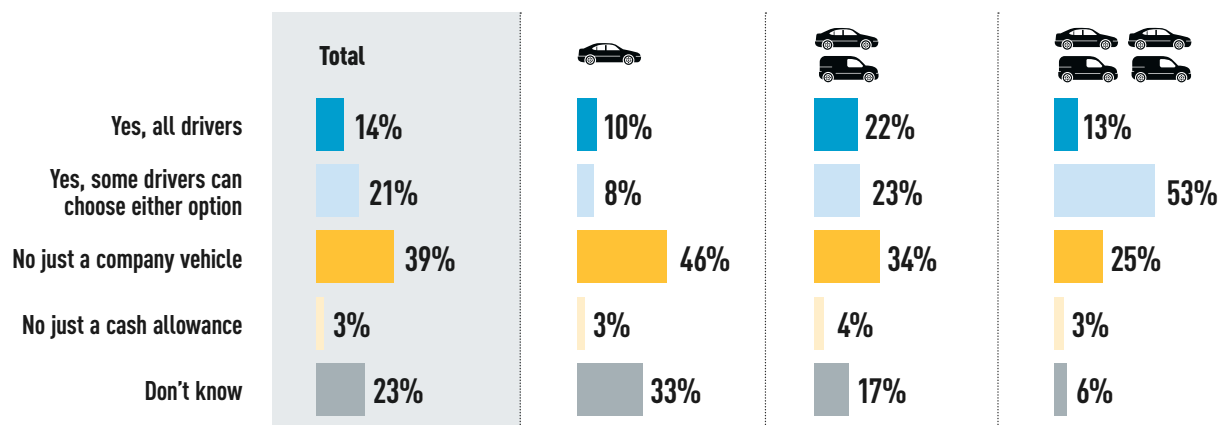
Arval's Shaun Sadlier says: "In the majority of cases for fleets reordering today, there is very little change for the driver in the tax they pay, perhaps a £5-£10 a month increase. We have seen a link between the cash offer and the car offer so it is not a major issue on the benefit."

One outcome of the new tax treatment could be that companies are less likely to review cash allowance levels – they could stay the same for longer. "Even if the car goes up and BIK goes up, the cash allowance could remain consistent," Sadlier says.

He also conceded that employees were less likely to trade down to smaller, more efficient cars if they had no tax incentive to do so, putting an end to many companies' green policies in this area.

However, Sadlier raised a concern that the Government had yet to clarify the new rules fully. "If the cash offer increases while an employee has a company car, perhaps because they have moved division, would they still be hit with the [new, higher] cash benefit or would they have grandfathering rights? We don't know."

### DO COMPANIES GIVE THE CHOICE TO DRIVERS BETWEEN COMPANY CARS AND CASH ALLOWANCE?





Asked for their view of the total number of vehicles their company will operate over the next three years, 29% believe it will increase; just 8% expect fleet size to fall.

The net balance of +21 is noticeably up on 2016's +17, 2015's +18 and 2014's +11. The bullish view is greatest among the largest fleets, with half forecasting growth for a net score of +37.

Compare that to fleets in mainland Europe, where just 18% on average expect to grow (+11), rising to 29% for the largest fleets (+19).

Another element which could affect future operating cycles is a potential swing towards contract hire.

Currently, 31% of fleets use contract hire, with a further 21% opting for finance lease (see graph on page 31). Among smaller fleets, the proportions are 18%/21% and for the larger corporates, they are 52%/23%.

However, asked about their intention to introduce contract hire, 6% said they 'definitely' planned to and 20% said they 'probably' would. The percentages were fairly even across fleet size, rising slightly for the biggest companies.

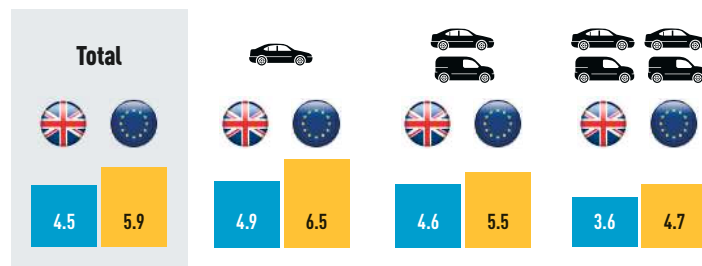
"We are seeing an evolution, especially for SMEs – in 2013, 67% were self-purchase; now it's 58%," says Sadlier.

"SMEs have had concerns about contract hire but who would want to take the risk on residual values given the current marketplace? All the leasing companies are looking

## 4

## HOW LONG THE COMPANY KEEPS ITS VEHICLES BEFORE SELLING/DEFLEETING THEM

## AVERAGE IN YEARS



at the way they go to the second-hand market and we have experts [to do this]. If you have a fleet of 20 or 30 vehicles, it is hard to look at all the alternative ways to sell your car.

"But with around 20% now considering introducing contract hire as a solution, perhaps they recognise the market risks."

## 5

## ALTERNATIVE FUELS

Just in excess of a quarter of UK fleets (26%) responding to the CVO survey have introduced alternative fuel vehicles to their fleets, while 56% are considering adding them over the next three years.

The proportion rises substantially for the largest fleets, where 52% have introduced and 78% are considering (either adding some for the first time, or adding more).

Not surprisingly, hybrid is the most popular choice, with 22% of fleets operating them, followed by plug-in hybrid (15%) and full

electric (10%). One-third of fleets will consider adding full EVs over the next three years.

Arval's Shaun Sadlier says: "We are finding that fleets that were diesel only are letting petrol or hybrids in, and some also plug-ins. Enquiries about alternatives to diesel peaks after negative national press coverage. Diesel will reduce as EV and plug-in increases – that's a natural reaction."

"However, we have done modelling with diesel and petrol on wholelife costs and also with a variant if Government increases duty

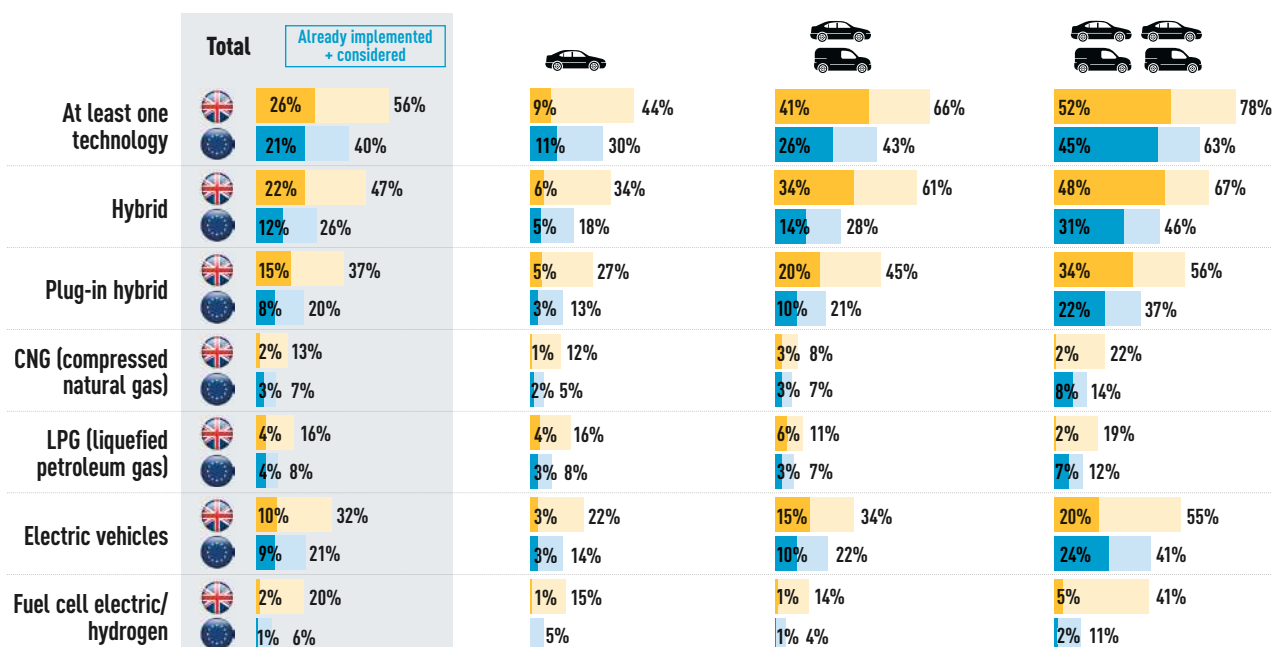
on diesel. Now it's a 2p per litre differential, but go to 10p per litre and diesel still stands up well against petrol."

The modelling was based on annual mileage of 20,000-30,000, of which 50-70% was business; it's where the majority of Arval's fleet sits.

"We have seen some movement, with 7-8% variance in diesel penetration on our fleet, mainly a move to petrol as fleets widen their selection lists, but diesel will be part of the fleet choice for some time," Sadlier adds.

## DEVELOPMENT POTENTIAL OF NEW ENGINES OR TECHNOLOGIES

Already implemented Considered in next three years







# Suzuki drives ahead with the all-new Swift and Business Charter

- Latest generation of the Swift supermini joins the model line-up for corporate users
- Suzuki unveils its new Business Charter to help keep fleets on the move

**L**aunched in June of this year, the all-new Swift supermini is the latest car to join the Suzuki entire “fit for fleet” product line-up and has since received great acclaim.

With a P11D value starting from only £10,249, it has been lauded as being great to drive thanks to its agile handling and fun persona. Swift is powered by a suite of highly efficient

and powerful Dualjet petrol and turbocharged Boosterjet engines offering a combined fuel economy of up to 65.7mpg, while the addition of Suzuki’s clever SHVS mild hybrid system delivers ultra-low CO2 emissions of just 97g/km and a BIK band starting from 18%.

Swift comes complete with a comprehensive specification, with the latest technology on offer to help drivers keep in touch. This is DAB radio with hands-free Bluetooth connectivity for smartphones and easy-to-use touchscreen controls. The safety of those driving on business is paramount, and the stylish supermini is equipped with a tyre pressure monitoring system (TPMS), ABS with EBD function and driver and passenger airbags all as standard.

The latest supermini joins a series of award-winning, reliable\* and great value models in the range spanning the nimble Celerio City car to the flagship S-Cross crossover which recently won the Best Budget 4x4 at this year’s prestigious Tow Car Awards.

Also new for 2017 is the Suzuki Business Charter which has been introduced by the vehicle manufacturer to ensure the seamless and efficient operation of any size of Suzuki fleet. Businesses have access to a dedicated in-house team at Suzuki which fields a number of experts who bring a wealth of experience of the fleet sector. And, just as importantly, they understand the individual and diverse needs of today’s corporate users. They will always respond to an e-mail within an hour and answer and answer the phone within four rings during the working week.

Equally, with a UK-wide network made of up of more than 150 sites, every dealer is on-hand to support specific requirements and keep company car drivers on the move with a replacement vehicle.

The Suzuki Service Promise lies at the heart of the network’s philosophy to guarantee a consistently high level of care and workmanship, regardless of location.



**For more information on the Suzuki “Fit for Fleet” product line-up and the Business Charter, please call 01908 336130, e-mail [businesscars@suzuki.co.uk](mailto:businesscars@suzuki.co.uk) or visit [cars.suzuki.co.uk/business](http://cars.suzuki.co.uk/business).**

# Essential advice to prepare for changes in fleet management

Initiatives on taxation, legislation and the environment are just some of the new challenges facing fleet managers. FML event will aim to provide many answers

## Who should attend?

Fleet managers  
HR Professionals  
Finance  
Procurement Managers  
Risk management  
Transport managers  
Corporate mobility managers  
SMEs

**F**leet managers are facing the most complex industry environment for a generation as a series of major events reshapes the industry's future.

Businesses have to adapt to challenges and changes ranging from taxation and legislation to environmental issues and shifting economic and social patterns.

With change becoming the 'new normal', the way fleets respond in the coming months will make a significant difference to business performance for years to come.

For example, while a proposed ban on fossil fuel-only cars is decades away, there is already an urgent need to review choice lists for current purchases, as they will typically remain on fleet for four to five years.

The Government's air quality plans give the green light for local authorities to impose charges on cars and vans entering zones where pollution is at its worst and encourage the uptake of ultra-low emission vehicles (ULEVs).

If measures are not sufficient, local plans could include restrictions on vehicles preventing more polluting models from using particular roads at certain times.

Councils will need to set out initial proposals by the end of March 2018, followed by their final plans by the end of December 2018.

In addition to the Ultra Low Emission Zone (ULEZ) in London, there are five other cities – Birmingham, Derby, Leeds, Nottingham and Southampton – which will have to introduce Clean Air Zones (CAZs) by

2019. It may be that other locations will also decide to set up CAZs where charges could be introduced.

Many fleets will be operating the cleanest Euro 6 vehicles which should be exempt, but some – especially van fleets with longer replacement cycles – may fall foul of the new rules given the timescales involved.

The Freight Transport Association (FTA) says clarity is urgently needed to identify which vehicles will be affected.

Many businesses will now be locked into lease agreements which extend beyond the 2019 deadline and will be costly to get out of, the association warns.

Fleet Management LIVE, which takes place on October 3-4 at the NEC in Birmingham will provide an

essential environment where fleets can obtain advice and information about the changes ahead, while also securing a clear overview of the suppliers that can assist with fleet development.

More than 100 industry suppliers from every sector will be present, along with dozens of expert speakers who will offer their insights into how fleets will have to adapt in future.

Chris Lester, event director, said: "Fleets are facing the most complex industry environment for a generation and Fleet Management LIVE has been designed to provide the answers and support they need going forward.

"The event has been designed by the industry, for the industry, to ensure businesses make the right fleet decisions in the coming years."

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

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# FLEET MANAGEMENT LIVE

Headline sponsor



## OCTOBER 3-4, 2017 NEC BIRMINGHAM

### The role of technology in driving an efficient fleet

Telematics is fast becoming a standard part of fleet managers' toolkits.

It enables them to obtain extensive data about vehicles and identify opportunities to reduce risk, manage cost and drive efficiency.

For Rhys Harrhy, telematics product manager at ALD Automotive, the reason is clear, as it provides an array of benefits for fleet managers and drivers.

He said: "With HMRC issuing hefty fines to businesses that are found to have submitted inaccurate mileage claims – the record fine reportedly being £4.1 million – this is where telematics can provide extra peace of mind."

This is in addition to the traditional benefits of

telematics systems such as tracking the precise location of fleet vehicles, which can be used for everything from pinpointing the right vehicle and employee to send to a call-out or for recovering stolen vehicles.

But before fleets act to introduce telematics, they need to consider a number of key issues.

These include being clear about their objectives and expected outcomes from the introduction of telematics and considering their requirements from any providers.

ALD Automotive will be sharing its detailed advice on telematics during a best practice session at Fleet Management Live at the NEC.

Harrhy said: "Fleets attending the FML session

on telematics will better understand the purpose of telematics and the benefits for businesses wanting to improve cost reduction, risk management and operational efficiency within their fleets.

"They will also identify the important things to consider before deciding on a telematics solution and hear how other businesses are employing telematics to help them achieve their objectives."

The session is one of a number of added-value best practice sessions taking place at the event, covering issues ranging from funding to risk management and legislation.

For details, visit the Fleet Management LIVE website on [www.fleetmanagementlive.co.uk](http://www.fleetmanagementlive.co.uk) and click on Agenda.



### BEST PRACTICE SESSIONS – SHARING GREAT IDEAS

- How can vehicle rental help my business be more efficient?
- How telematics can save you money while making vehicles and drivers safer
- Cost-effective decision-making for vehicle procurement
- Making the right choice when funding vans and trucks
- Be safe – how to minimise business risks from drivers and vehicles
- What vehicle rules do I need to comply with and why?
- Understanding and implementing new mobility solutions through connected services



## SPONSOR COMMENTS

For decades Mercedes-Benz has held a reputation for providing company car drivers with prestigious executive saloon models.

The Mercedes-Benz E-Class is no different. With its sleek styling and low CO<sub>2</sub> emissions on the E200d – it's a popular choice for LeasePlan drivers.

Effortlessly combining style with safety, the model comes with automatic braking, alarms and immobilisers as standard. Under the bonnet, an efficient engine delivers a smooth and economical ride.

The E-Class has seen a comprehensive revision and its interior doesn't disappoint – with electric driver seats as standard, adequate storage space and a large capacity boot.

Not only will the E-Class get drivers from A to B as safely as possible – with the Garmin Pilot Satellite navigation as standard on many models, it will also get them there swiftly.

For LeasePlan, this vastly improved model truly is a worthy winner of the Fleet News Award for Company Car of the Year.



It's easier to leaseplan



## WINNER: MERCEDES-BENZ E-CLASS

# Easy to consider, easy to buy from, easy to stay with

In addition to retaining its place as number one premium brand these are the priorities for Mercedes' fleet boss

By Matt de Prez

**A**ccolades don't come much higher than Fleet News New Company Car of the Year, especially for a business which aims to put fleet at the heart of what it does.

Mercedes-Benz launched the all-new E-Class in spring 2016. It marked a huge step forward for the brand in the executive car sector, bringing new levels of comfort, technology and efficiency to market.

Company car drivers can choose between diesel, petrol and plug-in petrol hybrid variants, as well as saloon or estate body styles.

Rob East, Mercedes-Benz head of fleet, said fleet sales of the E-Class are up by 26% this year, with 4,296 saloons and 1,112 estates shifted since January.

A new 2.0-litre diesel engine, available in 150PS and 195PS power outputs, has been designed for future real-world emissions regulations. It contains features to ensure NOx treatments work efficiently even after cold starts or when ambient temperatures are low.

The driving environment in the new E-Class differs to the conventional set-up in the executive car sector. Two 12.3-inch screens create a 'wide-screen cockpit' containing virtual instruments in the direct field of vision of the driver as well as an infotainment display above the centre console.

Driver assistance systems set the E-Class on the path to autonomous driving. Assistance from the steering is available with the optional Drive Pilot, as well as camera-detected speed limits feeding into the adaptive cruise control.

Safety systems can also take evasive action in various situations to reduce the likelihood of crashes, or reduce the severity of impact.

**Fleet News: Why should fleets consider the E-Class?**

**Rob East:** Market response to the car has been phenomenally positive. I think it's like a tour de force in terms of technology. We held a fleet event recently and we demonstrated some of the active safety systems, which received high praise. While the exterior design is evolutionary, the interior is a real step forward. It's got a real sense of occasion. Customer feedback has been positive and I think it's an aspirational product.

**FN: How is Mercedes-Benz perceived in the fleet market?**

**RE:** We made a statement to become the number one

premium car brand (Daimler global sales) and we achieved it four years ahead of plan.

In the UK we've been on a journey. Our compact car range has never been stronger. It signifies and demonstrates the huge shift of where we've come from to where we are today.

We invested in 'brand sharpening' to make the brand much more appealing to a wider audience. We were admired but not necessarily desired. We were premium but perhaps appealed to an older audience.

We've changed that dramatically with the new A-Class and I think we are now seen as a really cool brand.

Sales have grown by 124%. In 2010 we sold 75,000 cars (fleet – 35,914). Last year we sold 168,414 cars (fleet – 93,128) in the UK.

**FN: How has the fleet team changed since you joined in 2009?**

**RE:** We got some feedback that we could be inconsistent and quite difficult to deal with. Arguably we didn't have the most competitive product from a fleet perspective either. We've worked really hard to be more consistent and be easier to do business with.

Fleet has become an ever more important part of our mix and we think there is now more convergence between the fleet and retail channels than ever before.

Moving forward we've got four priorities. At the centre is maintaining our position as the number one premium brand, a position we have held for the past 25 months (all fleet channels). We want to be easy to consider, easy to buy from and easy to stay with.



Mercedes-Benz Cars UK head of fleet Rob East (left) collects the Best Executive Car award from Elliot Scott, fleet director of Thrifty Car & Van Rental





Mercedes-Benz Cars UK head of fleet Rob East (left) collects the New Company Car of the Year award from LeasePlan managing director Matt Dyer

**FN: Do you think fleet and retail customers get the same level of service?**

**RE:** We are mindful that fleet customers don't always get the experience that the retail customers do, even though they expect the same level of customer service.

We want to use customer experience as a differentiator, it's very much work in progress but we want to deliver what is absolutely the best level of service.

There are multiple owners of a fleet customer, be it fleet manager or leasing company, and we will take those stakeholders on the journey with us.

We want to make sure fleet customers and drivers aren't the forgotten customer.

**FN: Have you seen a shift away from diesel?**

**RE:** For Mercedes-Benz 'E-Mobility' is a priority. There is a considerable shift in consumer demand towards electric. Certain cities are banning diesels and countries are becoming much more sensitive.

In the UK market, there has been a significant shift. Market share is only 4% but accounts for more than 90,000 vehicles.

The product development shows no signs of slowing down and battery technology is improving by the day.

Our current portfolio has a suite of electric products in it. We have battery-electric B-Class and the new Smart electric range.

Our plug-in hybrid variants will increase with GLC shortly and every new car we launch from now will have a plug-in hybrid variant.

In 2018 we are launching a diesel plug-in hybrid which will give fleet drivers all the benefits of plug-in along with the fuel economy of diesel.

**FN: Will there be developments of connected technology?**

**RE:** There is lot of discussion and speculation around this technology – we were early to market in 2014. We recognised that customers wanted to interact with their car in new ways. The leasing industry was nervous when we launched, but that is changing.

Shortly we will launch a Mercedes me connect business proposition. It will offer a much broader telematics suite, addressing some of the requirements for an end user and a fleet manager. We believe connectivity will form the basis for all our mobility solutions.

**FN: Are you concerned the exclusivity of the brand will be affected by higher volumes?**

**RE:** The growth reflects two things: a much broader product portfolio and the fact the market has shifted towards premium brands.

Finance products such as PCP have helped to fuel that growth.

I'm not concerned about exclusivity I think our growth just reflects a broader spread of product and a fundamental shift in the market.

**FN: Has it been a challenge to protect the residuals?**

**RE:** For us it's all about having a balanced and sustainable channel mix. If you look at our overall volume rental is less than 7%. We are showing growth this year but we do 80% of our rental volume in the first half of the year.

Motability is an incremental opportunity. We see no risk because across their 600,000 car portfolio the amount of Mercedes in context is pretty small. We have less than 8,000 in Motability.

The really important message is about managing the sales channels effectively and making sure we don't over-heat any particular channel.

**R**etention forms a big part of East's plan for the future of Mercedes-Benz fleet.

"We've got a lot of work to do. One of the key priorities for us is for every time fleet customers touch the brand it is exemplary," he said.

"We need to show that fleet customers get this really consistent brand experience. The Holy Grail for us is that when they come to replace their car it's a no brainer to stay with us. We see it as a real differentiator, if we get that whole customer focus piece right that will be ideal for us."

## FACTFILE

Best selling fleet model: A-Class  
True fleet sales last year: 82,455  
E-Class fleet sales YTD: 4,296  
E-Class percentage of fleet volume: 18%

## JUDGES' COMMENTS

Innovative technology ensures the E-Class offers low real-world emissions, while comfortable seats and a smooth ride make it perfect for long distances. With refined drivetrains, low running costs and high residuals, the cavernous estate tips the balance in favour of the E-Class.

# KIA STONIC

Super Stonic 'has all it takes to be the next big thing for us' says Kia's UK chief

By Maurice Glover

**S** mash-hit success with SUVs is tipped to give Kia a flying start in an emerging sector for more compact all-purpose cars when its latest model reaches the showrooms later this year.

The fast-growing Korean firm believes the reputation it has won with the Sportage and Sorento in the medium and large SUV segments should pave the way for a strong market introduction for the Stonic, its new challenger for crossover utility vehicle sales.

"This part of the new car market has shown the biggest growth in the past three years and all forecasts point to further expansion," said Kia Motors UK president Paul Philpott at the model's unveiling.

"It makes sense for us to compete and we feel we can make significant gains.

"It's clear that in this sector, both private and fleet customers place high priorities on appearance, drivability and practicality and I think this car has all it takes to be the next big thing for us," he told *Fleet News* at the preview event in Amsterdam.

Developed at the firm's design centre in Frankfurt and based on the platform of the Korean-built Rio model, the B-segment Stonic will rival the popular Nissan Juke, Renault's Captur and the Vauxhall Mokka.

## ENGINES

According to Kia Motors Europe chief operating officer Michael Cole demand for diesel power from Rio customers fell from 52% in 2015 to 48% last year and further predicted declines mean petrol dominates the Stonic power choice. The line-up will start with a four-cylinder, 83PS, 1.25-litre engine with a five-speed gearbox, followed by a 99PS, 1.4-litre version with six speeds and culminate with a turbocharged three-cylinder unit developing a sporty 119PS. The single 1.6-litre diesel offering will develop 109PS.

By the end of June next year, it is expected that seven-speed automatic DCT transmission will be offered with the 119PS unit and a lower output version of the three-pot engine will come on line, along with a higher efficiency 1.6-litre diesel of around 135PS to meet the next stage of Euro 6 legislation.

*"This part of the new car market has shown the biggest growth in the past three years and all forecasts point to further expansion"*

## EXTERIOR

Stretching to 4.14m in length and 1.76m wide, the Stonic is almost identical in size to the Juke but its 1.52m height gives it a lower stance, despite a 43mm higher ground clearance than the Rio. With a blend of clean horizontal lines and sculptured surfaces, it has striking bodywork that shows the latest interpretation of the tiger nose frontal treatment that has become a familiar Kia feature. More drama is added to the car's appearance by a Targa-type roof, which lends itself to colour customisation, and a choice of five roof finishes means 20 two-tone combinations will be available.

## SAFETY

Advanced high strength steel makes up more than half the materials used in the Stonic and electronic stability control and vehicle stability management will be standard, with options including autonomous emergency braking with pedestrian recognition and forward collision alert, blind spot detection with rear cross traffic alert, lane departure warning, high beam assist and a driver attention warning system. Lane-keep assist – a system to bring the car back into position if the driver loses concentration and another feature reflecting moves toward autonomous driving – will be added to the options list next year.







#### INTERIOR

Smart packaging delivers a neat, light and airy cabin with class-leading shoulder room and impressive headroom – 13mm more than the Rio in front and 11mm more in the rear – providing ample space for four adults. Behind the 60/40-split rear seat is a square, 352-litre boot with a handy false floor. Total load volume extends to 1,155 litres with the backrests folded to provide a flat cargo area.

#### EQUIPMENT

The Stonic will be marketed as one of the smartest cars in its class, providing drivers with infotainment technologies designed to bolster comfort and convenience. Standard-fit features will include Apple CarPlay and Android Auto, delivering smartphone functionality to the seven-inch colour touchscreen mounted centrally on the dashboard. In addition, optional features will include heated front seats, cruise control and keyless entry.



## THINKING CAP



By Martin Ward, manufacturer relationships manager

cap hpi

**Tuesday** Down to AutoXP near Banbury.

I guarantee many fleet companies and journalists will have come into contact with AutoXP and perhaps not realised it. AutoXP delivers demo cars and commercials for 18 manufacturers, and has full UK coverage. Its 100-plus drivers travel around seven million miles per year, and deliver and collect more than 30,000 vehicles. There is an on-site bodyshop and paint booth, and also a wheel refurbishment department. AutoXP also has a training workshop, an EV section, an events team and more. The operation and logistics is slick and professional – a bit like Amazon, but it delivers vehicles instead of parcels.

*"It (Subaru XV) went up and down hills you couldn't scale even on hands and knees"*

**Wednesday** After driving the Tesla Model X last week, we saw the Jaguar E-Pace make its first appearance in London and what a first impression – a full barrel role that caught the headlines. But the real headline is just how good it is, and the price is unbelievable good value. It is pure-electric and Jaguar says it will have a range in excess of 300 miles and prices start at less than £30,000. Think it's time for Tesla to start looking over its shoulder.



#### Thursday/Friday

To Vienna for an early drive of the all-new Subaru XV.

I'm sure many will say, is there a current Subaru XV? Yes, there is, and this new model is so much improved.

Many items have been adjusted. Among them: a new platform; cabin noise has been reduced; a new 2.0 Direct Injection petrol engine; it is slightly longer and wider with more leg and headroom; new interior and a revised exterior, though not that different.

We took it on an off-road course. It went up and down hills you couldn't scale even on hands and knees. Due in the UK early 2018, it should be considered more by fleets.

# FleetNews PORTFOLIO

WHAT WE DO IN YOUR INDUSTRY

## Fleet News magazine

The leading business publication for the fleet sector, offering insight, analysis, best practice and in-depth profiles of fleets and suppliers every fortnight. But don't take our word for it: 96% of readers say *Fleet News* is the most useful fleet publication (*Fleet News* reader survey). Every issue is packed with information that helps companies to run efficient and effective fleets – and our readership of 16,000 is restricted to named decision-makers, running fleets of 10-plus vehicles.

## Commercial Fleet magazine

*Commercial Fleet* offers insight into the world of light commercial vehicles and trucks to provide operators with detailed analysis on key topics such as operations, safety, remarketing and the environment. Case studies in every issue provide best practice advice to help you to improve your efficiency. The magazine is supported by the [commercialfleet.org](http://commercialfleet.org) website and events.



## Fleet events

*Fleet News* events are the biggest and best in the sector. Our annual awards night attracts more than 1,500 people; the FN50 Dinner sees 950 leasing, manufacturer, rental and supplier companies networking and *Commercial Fleet* Summit provide insight into key areas of fleet operation; monthly roundtables enable 10-15 fleets to discuss issues and share solutions.



## Driving Business magazine

This quarterly magazine is sent to managing directors and finance directors at 25,000 small to medium enterprises (SMEs) that are running fewer than 50 vehicles. Focusing on the key elements of running cars and vans, *Driving Business* provides practical advice to reduce cost and improve safety with a minimum of time and effort.

## Websites and newsletters

The *Fleet News* website is an extensive library of best practice advice, fleet case studies, news and tools. Compare car and van running costs, check how much tax employees will pay and find out which models use the least fuel with our easy-to-use tools. We also send *Ignition*, a monthly newsletter which contains car reviews and interviews not included with our print magazine.

## Fleet Leasing magazine

*Fleet Leasing* provides insight and analysis to board level executives, senior management and regional sales staff at contract hire and leasing companies. Its objective is to inform and educate about fleet trends, new models and technological developments, once a quarter, supported by a website regularly updated with the latest leasing news.

## Bespoke publications

Magazines, supplements, brochures and digital products are produced for commercial partners. These bespoke publications inform fleets about companies and topics relevant to their business. They include manufacturer and supplier reports, in which *Fleet News* journalists interview key personnel to unearth the developments of interest to fleet operators.



# VOLVO XC60

Manufacturer is confident XC60 will establish itself in the premium SUV segment

The Volvo XC60 offers many plus points within its attractive and compact shell



By Matt de Prez

**V**olvo had a lot of success with the original XC60. In fact it became the brand's best-selling model, remaining largely unchanged for nine years. Aiming its new SUV squarely in the premium sector could prove detrimental to fleet sales, where models like the Nissan Qashqai and Seat Ateca shine. But Volvo is confident that its customers want more upmarket models and, as such, has given the XC60 a heavy dose of prestige.

We drove the all-new model a few months ago in Europe, with a D5 engine (June 22), but now we've been behind the wheel of the more frugal D4 in the UK.

Volvo expects the D4 to account for more than half of all XC60s sold, with R Design trim making up the bulk of those sales.

The range kicks off at £37,205 for base Momentum trim. R Design costs £39,705.

Emissions from the D4 engine are rated at 133g/km meaning a 40% company car driver will pay benefit-in-kind (BIK) tax of around £344 per month. Those tempted by the sportier R Design will pay £37 more.

Each XC60 has all-wheel drive as standard, along with an eight-speed automatic gearbox.

Compared to rivals it's either cheaper or more frugal, giving a company car tax advantage. Only the Mercedes GLC 220 CDI offers a more attractive package, on paper, but it comes with a 20PS deficit.

D4 models use the same twin-turbocharged 2.0-litre diesel engine as the D5, but lack the innovative Powerpulse feature which provides faster turbo response.

It still develops 190PS which is enough for an 8.4-second 0-62mph dash and keeps it in line with the BMW X3 (190PS), Audi Q5 (190PS) and Land Rover Discovery Sport (180PS).

As in the Volvo S90, the D4 engine is a little on the loud side when being worked hard – something the transmission is keen for you to do when pressing on.

Nonetheless it carries the weight of the car well and has more than enough power for ferrying kids and dogs around

## COSTS

<b>P11D price</b>	£36,950
<b>BIK tax band (2016/17)</b>	28%
<b>Annual BIK tax (40%)</b>	£4,138
<b>Class 1A NIC</b>	£1,428
<b>Annual VED</b>	£200 then £140
<b>RV (4yr/80k)</b>	£12,925
<b>Fuel cost (ppm)</b>	9.48
<b>AFR (ppm)</b>	11
<b>Running cost (4yr/80k)</b>	44.66ppm

## SPEC

<b>Power (PS)/torque (Nm)</b>	190/400
<b>CO2 emissions (g/km)</b>	133
<b>Top speed (mph)</b>	127
<b>0-62mph (sec)</b>	8.4
<b>Fuel efficiency (mpg)</b>	55.4
<b>Real world mpg</b>	* 39

## KEY RIVAL

<b>BMW X3 xDrive20 SE Auto</b>
<b>P11D price:</b> £37,015
<b>BIK tax band (2016/17)</b> 29%
<b>Annual BIK tax (40%)</b> £4,294
<b>Class 1A NIC</b> £1,481
<b>Annual VED</b> £200 then £140
<b>RV (4yr/80k)</b> £11,750
<b>Fuel cost (ppm)</b> 9.67
<b>AFR (ppm)</b> 11
<b>Running cost (4yr/80k)</b> 46.17ppm

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

\* Data supplied by Equa index



The portrait-shaped touchscreen builds on the best of the XC90

the countryside at the weekend and putting in the miles on the motorway during the week.

When we first tested the car in Europe only models with air suspension were available (£1,500 option) but in the UK we were able to drive the conventionally sprung XC60 alongside its air-riding counterpart.

There is no doubt the latter offers a silky-smooth ride – with the option to raise the ride height for off-road excursions. But the standard suspension gives a more dynamic feel especially in R Design models which offer a stiffer ride more akin to German rivals.

Overall the XC60 is just as we expected. It takes the best from the 90 series cars – portrait touchscreen, autonomous driving technology and Thor Hammer LED lights – and mounts them in an attractive compact shell.

It's not the last word in driver engagement, but then that isn't exactly what a Volvo is all about. It's clean, simple and, most importantly, safe.

The premium SUV segment is growing and offers plenty of choice from the rugged Discovery Sport to the performance-focused Porsche Macan. The XC60 slots in the middle, offering an interesting alternative to the Q5 or X3. Overall... well done Volvo.

## HONDA CIVIC 1.0 VTEC TURBO SR



I keep getting in trouble with our Honda Civic. On more than one occasion I've released the electronic parking brake and set off without first hitting the foot brake, which results in a lady with a posh accent politely scolding me: "Please depress the brake pedal to release the parking brake."

It's the first time I've been verbally told off by a car. Normally, a warning sign might appear on the instrument cluster so I was a little taken aback when the Civic 'spoke' to me.

But I think that she has given up on reforming me. The last time I forgot to press the brake a pedal sign simply flashed up on the dash.

*"I think that she has given up on reforming me"*

Another issue that has cropped up is the inconsistency of the traffic information. On a 100-plus mile journey to Newbury, the sat-nav diverted me due to a road closure but 15 minutes into my new route it changed its mind and sent me back the way I'd come. When I checked online there was no evidence that the road had been closed. Then on the return journey it informed me that there were no traffic problems when I had come to a standstill and the queue stretched as far as the eye could see.

But on the positive side, the seats proved comfortable on the long journey, helped by the fact that, despite the Civic's sporty looks, it is not a firm ride.

Honda has focused on the driving dynamics of the new Civic with a variable-ratio steering rack which tightens up when turning on twisty country roads.

The six-speed manual gearbox is one of the best I have tested. Gear changes are smooth and I appreciate the positioning of the lever in the centre console.

**Sarah Tooze**



Our test model has lowered suspension, larger alloys and more aggressive styling

## BMW 5 SERIES

520D M SPORT

### Extras can easily take fleets into higher rate VED

#### COSTS

<b>P11D price</b>	£39,620
<b>BIK tax band</b>	24%
<b>Annual BIK tax (40%)</b>	£3,804
<b>Class 1A NIC</b>	£1,312
<b>Annual VED</b>	£160 then £140
<b>RV (4yr/80k)</b>	£13,150
<b>Fuel cost (ppm)</b>	8.01
<b>AFR (ppm)</b>	11
<b>Running cost (ppm)</b>	47.07
*price as tested £45,250	

#### SPEC

<b>Engine (cc)</b>	1,995cc turbo diesel
<b>Power (PS)</b>	190
<b>Torque (Nm)</b>	400
<b>CO<sub>2</sub> emissions (g/km)</b>	114
<b>Manufacturer mpg</b>	5.6
<b>Real-world mpg*</b>	48.6
<b>Test mpg</b>	40.4
<b>Max speed (mph)</b>	146
<b>0-62mph (sec)</b>	7.5
<b>Current mileage</b>	5,100

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

By Matt de Prez

**B**MW says the seventh generation 5 Series is more refined than ever, but this is a car that has always been championed for its driving experience. So is the 5 Series still the 'ultimate driving machine'?

The new model has two trims: SE or M Sport. Both are well equipped but the latter adds lowered suspension, larger alloy wheels and more aggressive styling.

Around 60% of fleet customers are expected to make the £3,000 upgrade, so we've chosen this model for our 520d test car.

It does increase the 2.0-litre diesel engine's CO<sub>2</sub> emissions from 108g/km to 114g/km, which results in a £500 premium for the driver's annual BIK tax (£3,804 per year for a 40% taxpayer). But, crucially, its costs are almost perfectly aligned with the Mercedes-Benz E220d AMG line – its biggest rival.

Standard equipment includes digital instruments, a 10.2-inch infotainment screen with connected services and a leather interior.

Our car is fitted with the Technology Package (£1,495) which includes Display Key. This smartphone-like device can show the remaining fuel range and

activate the climate control system. The pack also features Gesture Control, allowing operation of the infotainment system by simply waving your hands in front of it.

We've also got the Comfort Package (£1,995) which adds electric seats, reversing camera, keyless entry and folding door mirrors.

As the 5 Series promises to balance driver engagement with refinement, Variable Damper Control (£985) should give us the best chance of experiencing both characteristics.

The car also has sun protection glass (£345), folding rear seats (£335) and an advanced speaker package (£395), bringing the total price to £45,250 – enough to attract the higher rate VED.

One box which remained un-ticked was the Driver Assistance Plus package, which offers a semi-autonomous driving ability. At £2,250, it's expensive – considering similar technology is standard on the Volvo S90 – and we want to get to grips with the 5 Series without intervention.

Having only covered a few hundred miles in the car I'll save my analysis for the next report.

First impressions are positive; the car has averaged just more than 40mpg so far and managed 60.4mpg on my first commute.

#### TEST TIMELINE



End



# FIAT TIPO

1.6 MULTIJET LOUNGE

## Only washer fluid needed a top up in 10,000-mile test



The Tipo has a simplicity about it that will appeal to those who don't relish a techno overload

### COSTS

P11D price	£18,620
BIK tax band	21%
Annual BIK tax (20%)	£782
Class 1A NIC	£540
Annual VED	£120 then £140
RV (4yr/80k)	£3,900/21%
Fuel cost (ppm)	6.88
AFR (ppm)	9
Running cost (ppm)	29.67
*price as tested £19,170	

### SPEC

Engine (cc)	1598
Power (PS)	120
Torque (Nm)	320
CO <sub>2</sub> emissions (g/km)	98
Manufacturer mpg	76.3
Real-world mpg*	56.4
Test mpg	51.5
Max speed (mph)	124
0-62mph (sec)	9.5
Current mileage	11,500

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

\*Data supplied by Equi index

By Matt de Prez

**L**et's clear something up from the start. The Tipo hasn't broken down, failed to start or fallen to bits. Wherever I took the Italian hatch I was often met with disapproval from those who'd long lost faith in the brand. But I'm pleased to say the old adage 'Fix It Again Tomorrow' no longer applies.

We covered just shy of 10,000 miles during the past six months and the Tipo has required nothing more than a top-up of windscreen washer fluid.

The car has split opinion in the *Fleet News* office: while I have been championing it, the rest of the team has been less enthusiastic.

Perhaps it's because I'm overwhelmed by bigger sister, the Alfa Romeo Giulia, or the fact I have an Alfa at home and understand that a car with flaws is a car with character.

You have to remember this is Fiat's first attempt in the sector for more than 10 years and it has gone in at the lowest price point.

It lacks flair when it comes to cornering, but makes up for it with power. Seriously, our long-term Renault Megane – which emits just 2g/km less of CO<sub>2</sub> – feels like its towing a trailer full of bricks compared to the Tipo.

Drive it in a less exuberant manner and you'll find it's very comfortable, very quiet and easily returns more than 50mpg.

Any criticisms I can think of for the Tipo can be countered by either its price or its space.

But my main gripe is its gearbox, which has a shorter throw for second, fourth and sixth – meaning you never quite feel like you've fully engaged a cog when shifting.

Also, for reasons I can't fathom I regularly activated the main beam when trying to indicate left.

These minor indiscretions aside, I'm a fan of its simplicity. There is a proper handbrake, a proper key and a proper volume knob on the radio. For those who don't quite dig the monumental adoption of technology in cars then the Tipo could be right up their street.

## MAZDA 6 2.2D SE-L NAV



The Mazda 6 proved a family saloon can be fun to drive when it was put through its paces on a 400-mile return trip to the Lake District.

On the motorway, it delivered a comfortable, relaxing ride, helped by new engine noise reduction technology and no shortage of passenger space.

The 2.2-litre Skyactiv-D engine, with emissions of 107g/km, was able to cruise effortlessly at 70mph, while returning a not too shabby 58mpg against a claimed 78.3mpg.

But, perhaps unusually for a family four-door saloon, it was equally at home on the national park's winding roads.

The ride was firm and it cornered really well for such a large car, thanks in part to some new tech from the Japanese manufacturer. Called G-Vectoring Control (GVC), the system gives you much more confidence when cornering as it momentarily reduces the amount of torque delivered to the front wheels, thereby transferring a fraction more weight onto the front axle which allows the front wheels to turn more precisely.

However, all that fun did come with an expected fall in fuel economy. Negotiating the park's more rural roads returned 39mpg against the official urban figure of 56.5mpg – a 30% shortfall.

Nevertheless, that was still impressive, when the combined fuel economy has been hovering around the 46mph mark against a claimed combined of 68.9mpg.

Mazda hopes this extra focus on sportiness will pay dividends and judging by this latest outing for our test car, the Japanese manufacturer could be right.

Gareth Roberts

### TEST TIMELINE



## AT A GLANCE – THE REST OF OUR FLEET



Renault  
Megane  
1.5 DCI  
Dynamiques  
S-Nav



Vauxhall  
Zafira  
Tourer  
1.6CDTi  
SRI Nav



Ford  
S-Max 2.0  
TDCi AWD  
Titanium

# RICHARD BROWN

MANAGING DIRECTOR, LICENCECHECK

After more than 30 years in the motor trade Brown decided nine years ago to set up a licence checking company. He now campaigns to improve the lot of those afflicted by dyslexia

**My hobbies and interests are keeping myself fit and healthy. I love to play squash and cycle as they are an outlet for my daily stresses. Exercise gives me time to think and reflect. I've thrown myself into working with The Dyslexia Association, a local charity in Nottingham, which I'm now chair of. I'm committed to helping children and adults get the right support in school or in the workplace.**

**The advice I would give to my 18-year-old self is to take advantage of my younger years! Invest in myself and enjoy the freedom and the opportunity that comes with being 18.**

**It would be wonderful if people remembered me as a role model. For those people that have been affected by dyslexia, I would like to be remembered for making a difference with my work with The Dyslexia Association.**

**I would recommend that everybody read Richard Branson's business biography; it is great for anyone in business. People make a difference – not a spreadsheet.**

**The three vehicles I would like in my garage are a Tesla, Ferrari and a Lotus Elite for a bit of fun!**

**The most pivotal moments of my life have been watching my children being born. I'm a very proud father and grandfather – I have seven grandchildren who keep me on my toes.**

**My pet hate is dishonesty and lack of integrity. I haven't got time for people that cannot be honest.**

**If I were made Prime Minister for the day I would look to make changes within education, improving the provision of expert support for children with special needs and extending specialist services.**

**My favourite films are from the Jason Bourne franchise. I enjoy the intrigue and the action. I also liked *10 Years a Slave* and *Schindler's List*. Brilliantly made, but also real reminders of how evil humans can be.**

**My first memory associated with a car was my 1960s Mini with a push button start, hand-painted bright blue. I loved it...until the engine popped.**



**First fleet role** After leaving school I trained as a motor mechanic and carburettor and injection specialist. I progressed to a role in parts and then to parts manager.

**Career goals at LicenceCheck** To expand Davis (Driver and Vehicle Information Solutions) across the fleet and corporate risk sectors. Fundamentally, I want our business to make compliance easier for our partners.

## **Biggest achievement in business**

Taking the leap from being employed to setting up my own business and growing that business. I have learnt a huge amount about myself in the process and receiving great feedback from customers while being supported by a fantastic team. It gives me the focus and the desire to do more each day.

## **Biggest mistake in business**

Employing people I knew personally, including friends and family. That has had its downfalls.

**Leadership style** I enjoy watching people flourish. I appreciate honesty and I will not tolerate any sort of blame culture.

**If I wasn't in fleet** MI5 as an undercover agent – it really appeals.

**Childhood ambition** To simply get through school and get a job! School was tough and I was hindered by my (then undiagnosed) dyslexia so I was thankful to have been given a career opportunity.

*"I enjoy watching people flourish. I appreciate honesty and will not tolerate any sort of blame culture"*

**Next issue:** Adam Walsh, business director, The Right Fuelcard Company



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