FleetNews October 24, 2019

FleetNews

October 24 2019 £6.00

PRIDE IN THE JOB IS KEY FOR WREN KITCHENS ■ VAUXHALL EYES EV 'OPPORTUNITY' ■ SAVING MONEY WITH FLEET LOGISTICS ■ REDUCE TYRE-RELATED DOWNTIME ■ HOW TO SET A FLEET BUDGET ■ COMMERCIAL FLEET AWARDS WINNERS

FleetNews

October 24 2019 £6.00

INCORPORATING CommercialFleet

The future of transport and urban mobility?

Powered light vehicles could cut congestion and emissions for city distribution and travel

CommercialFleet AWARDS 2019

All the winners and pictures from an evening of celebration

CONTENTS

NEWS AND OPINION

TOMORROW'S FLEET: CLEAN AIR

IN THE SPOTLIGHT

FN200

WHY WREN DRIVERS DON'T FLY THE NEST P36

TODAY'S FLEET: OPERATIONS

IGNITION

PLVs HAVE PART TO PLAY IN MOBILITY P23

COMMERCIAL FLEET

CommercialFleet AWARDS 2019

Conflict of opinion on when UK's ICE vehicles should melt away

Labour and Lib Dems want to push for 2030 ban on new petrol and diesel vehicles

By Gareth Roberts

Fleet decision-makers are split over when the sale of new diesel and petrol cars and vans should be phased out, or whether it should happen at all.

Half (50.4%) of respondents to a *Fleet News* poll said they were against the Government introducing a ban on fossil fuels.

However, almost a third (31.2%) said they wanted a more ambitious target than the current Government's policy of making all cars and vans zero-emission capable by 2040.

Respondents were evenly split between the target being brought forward from 2040 to 2030 (16.2%) or the stricter target of 2025 (15%).

The latest sales figures, however, show the scale of the change needed to address even the less ambitious 2040 target (see panel).

Fewer than one in 10 (8.7%) of all new cars sold year-to-date are classed as alternative fuel vehicles (AFVs), according to the Society of Motor Manufacturers and Traders (SMMT).

Two-thirds (65.4%) of new car registrations were petrol, while one in four (25.8%) were diesel – down from one in three (31.7%) in 2018.

Mike Hawes, SMMT chief executive, told *Fleet News* the industry is committed to "zero emission transport for all" and the necessary investment to achieve that goal.

"This is about market transformation, however, and despite growing choice, low and zero emission vehicles still only make up a fraction of the market, underscoring the huge challenge of fast-tracking a shift to zero emission transport," he said.

"Ambition must be matched by measures that support industry allowing manufacturers time to invest, innovate and sell competitively. This includes long-term Government commitment to incentives and investment in infrastructure to accelerate the uptake of these new technologies."

In September, battery electric vehicles (BEVs) saw the biggest percentage growth of all fuel types, up 236.4% (5,414 units) as new models boosted registrations.

8.7%
of all new cars sold this year are AFVs

91.2%
of all new cars sold this year are petrol or diesel

Plug-in hybrids (PHEVs) also saw growth for the first time in six months – albeit on the back of a 22.3% decline in the same month last year.

Year-to-date PHEV registrations are now 5.2% below the same period two years ago. By comparison, popular hybrid electric and battery electric cars are up 32.4% and 125.1% on the same period.

POSSIBLE CHANGE

The Government has said it will 'look again' at plans to end the sale of new petrol and diesel cars by 2040 (fleetnews.co.uk/October 2).

Speaking at the Conservative Party Conference, transport secretary Grant Shapps told delegates that the Government must "go further to protect our environment and improve our competitive edge".

The Government had already committed to end the sale of new 'conventional' diesel- and petrol-powered vehicles by 2040, with cars and vans requiring a zero-emission capability.

However, Shapps said: "If we're to become the world-leader in green technology, we must always be looking to expand our ambitions.

"I'd therefore like to see Government look again at the 2040 target, and thoroughly explore the case for bringing this date forward.

"The Committee on Climate Change has said 2035 is a date for which we should aim.

"We will need to test the arguments and work in partnership with industry to examine how to proceed."

> WE WILL NEED TO TEST THE ARGUMENTS AND WORK IN PARTNERSHIP WITH INDUSTRY TO EXAMINE HOW TO PROCEED
>
> **GRANT SHAPPS, TRANSPORT SECRETARY**

LABOUR AND LIB DEMS

Battle lines are being drawn ahead of a possible general election, with transport, the environment and the wider roll-out of electric vehicles (EVs) high on the political agenda.

Labour says on day one of a Labour government it would consult with industry and trade unions exploring the transition from internal combustible engine (ICE) to zero-emission vehicles at "the earliest possible opportunity".

It says its objective would be to secure "a rapid, but just, transition", with a firm ambition to phase out the sale of ICE vehicles by 2030.

The Liberal Democrats also want to ban new sales of petrol and diesel cars and small vans in the UK by 2030.

Furthermore, the party has called for new ultra-low emission zones and all private hire vehicles and diesel buses, licensed to operate in urban areas, to run on ultra-low emission or zero emission fuels within five years.

It has also pledged to reform vehicle taxation to encourage sales of electric and low-emission vehicles and develop EV charging infrastructure, including universal charging points.

Rebecca Long-Bailey, Labour's shadow business, energy and industrial strategy secretary, revealed a series of measures to help people and businesses make the switch to AFVs at the party's conference (fleetnews.co.uk, September 25).

Billed as Labour's 'Electric Car Revolution', she said a future Labour government would invest £3.6 billion into the roll-out of EV charge points, offer interest-free loans to facilitate buying EVs and introduce a scrappage page scheme.

She also called on car fleets to go 100% electric by 2025 by offering the removal of the £320 Vehicle Excise Duty (VED) surcharge on EVs bought for fleet use above £40,000; installing EV charging stations in all workplaces that transition their entire fleet to EVs by 2025; and maintaining the existing schedule for company car tax for pure electric vehicles at 2% beyond 2022/23.

Furthermore, she said a Labour Government would invest £300 million to roll out community car clubs across the UK, with a fleet of 30,000 low carbon electric cars that can be rented through an app.

Long-Bailey said: "We need to accelerate the shift away from fossil-powered cars if we're to tackle the climate emergency.

"If we want our automotive sector to flourish, we need a government that is not afraid to intervene."

MOUNTING CALLS

The Government has come under increasing pressure to bring forward its 2040 target.

MPs on the Science and Technology Committee called on the Government in August to be more ambitious, wanting the ban brought forward to 2035 at the latest.

Meanwhile, in order to meet its net zero carbon target by 2050, the Government was advised in a report from the Committee on Climate Change earlier this year, to bring forward a ban on diesel and petrol to 2030.

However, recognising the current battery supply issues affecting the volume of electric cars that are currently available, the report also stated that the 2030 ban could be shifted to 2035, if needed.

Andy Eastlake, MD of the Low Carbon Vehicle Partnership (LowCVP) said: "The recently enacted 2050 net zero law implies we're going to have to bring forward the decarbonisation of road transport.

"The Committee on Climate Change has proposed that 2035 (or earlier) is needed.

"We'll require interim targets and incorporate well-to-wheel considerations as well.

"Such a target will have to be accompanied by stronger and sustainable policy signals to drive the transition."

However, he admitted: "Subsidies, tax breaks and preferential access won't be sustainable for very long as volumes grow."

EUROPEAN VIEW

Denmark, backed by 10 other European Union countries, has called for a strategy to phase out diesel and petrol cars, including a ban of sales at member state-level by 2030 to combat climate change.

The proposal came during a meeting of EU environment ministers in Luxembourg.

Ursula van der Leyen, the new president of the European Commission, wants to make Europe the first climate-neutral continent by 2050.

The Danish delegation argued that to achieve this, the transport sector needs to decrease its emissions, which is the only sector that currently is increasing its emissions.

REGISTRATIONS BY FUEL TYPE

	YTD 2019	YTD 2018	% change	Mkt share 2019 (2018)
Diesel	480,388	605,355	-20.6%	25.8% (31.7%)
Petrol	1,217,577	1,186,277	2.6%	65.4% (62.1%)
BEV (battery electric vehicle)	25,097	11,299	122.1%	1.3% (0.6%)
PHEV (plug-in hybrid vehicle)	22,773	32,144	-29.2%	1.2% (1.7%)
HEV (hybrid electric vehicle)	77,921	67,566	15.3%	4.3% (3.5%)
MHEV diesel (mild hybrid electric vehicle)	19,490	1,857	949.5%	1% (0.1%)
MHEV petrol (mild hybrid electric vehicle)	19,025	6,322	200.9%	1% (0.3%)
Totals	1,862,271	1,910,820	-2.5%	

Source: SMMT

The EU aims to cut carbon emissions in the bloc by 40% by 2030, while the Commission plans to reduce them to zero by 2050.

"We need to acknowledge that we are in a bit of a hurry," Danish climate and energy minister Dan Jorgensen told Reuters after the meeting.

Denmark made headlines in October 2018, when its government announced that it would ban the sale of all new fossil fuel-powered cars by 2030, but it subsequently scrapped the idea because this would have breached EU rules.

The warning, which could still have implications for any proposed UK ban, came in a letter to the Danish Parliament's European Affairs Committee from the Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, Elżbieta Bieńkowska.

She said any ban introduced by Denmark on the import and sale of new diesel and petrol cars from 2030 would be in breach of EU type-approval rules.

Bieńkowska has subsequently said that the commission is committed accelerating the shift to clean and sustainable transport.

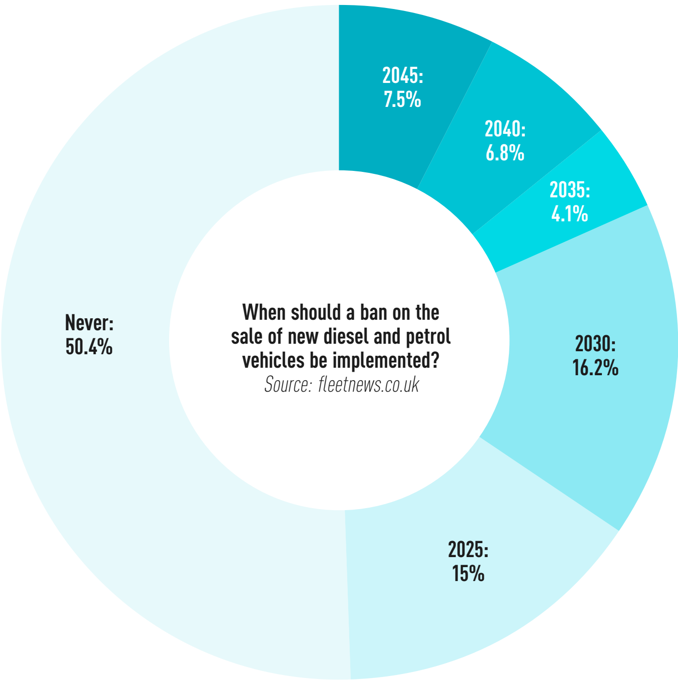
However, she added: "The commission is equally committed to upholding single market rules to the benefit of EU industry and consumers."

She said member states have the opportunity to restrict access of cars with diesel and petrol engines to urban centres based on EU emission legislation.

But, with potential bans being announced by several other countries, including the UK, France, Spain, the Netherlands and Ireland, she acknowledged that to ensure a coordinated European approach, further debate was needed.

Jorgensen said proposing to allow individual member states to ban sales on new diesel and petrol cars will hopefully put pressure on the commission to propose a complete phasing out fossil fuel-powered vehicles in the bloc in the coming decades.

He also said if the EU could not agree on a union-wide ban, it would suggest individual countries should be allowed to implement such a measure.



> "WE NEED TO ACCELERATE THE SHIFT AWAY FROM FOSSIL-POWERED CARS IF WE'RE TO TACKLE THE CLIMATE EMERGENCY"
>
> **REBECCA LONG-BAILEY, LABOUR**

Politicians plucking dates out of the air for end of the ICE age is not good enough

BY CAROLINE SANDALL,
CHAIRMAN, ACFO

Politicians are playing a 'date game' by proposing to ban the sale of petrol and diesel cars and vans earlier and earlier.

First, we had the Conservative Party setting 2040. The Government's advisory Committee on Climate Change then suggested 2030 or 2035 "at the latest", the latter the same date as MPs on the House of Commons Science and Technology Committee.

We now have Labour and the Liberal Democrats suggesting 2030 with the former advocating all car fleets should go electric by 2025.

Climate change and air quality are major international concerns, but simply advocating a ban on the sale of petrol and diesel cars and vans is daft. It is clear these politicians do not live in the real world – a world occupied by businesses employing fleet decision-makers that already typically operate the most technologically-advanced and, therefore, the cleanest vehicles available.

Simply proposing to ban the sale of petrol and diesel cars and vans earlier and earlier, or in Labour's case somehow 'force' fleets to go 100% electric by 2025 – just one replacement cycle from now for some operators – is not viable from a business perspective.

Labour's promised wish list sounds workable, but has it been accurately costed? A wholesale switch to electric vehicles (EVs) will severely impact a Government of any political persuasion's tax take from fuel duty and related VAT as the Institute of Fiscal Studies (IFS) has highlighted.

How will that 'lost' cash be replaced – will some form of road pricing be the answer as promoted by the IFS? What is certain is that it needs to be debated and an acceptable solution implemented.

But that is not all. Simultaneously, the future of motoring taxation as a whole needs to be discussed. Being based, as it is now on vehicle CO_2 emissions – company car benefit-in-kind tax, Vehicle Excise Duty and capital allowances – means it is has no future in a zero emission, electric vehicle world.

Many towns and cities are ploughing ahead with the introduction of clean air zones and low emission zones, but the individual local authority approach is disjointed and confusing.

Electric vehicle charge point companies are racing to introduce more and more in public places – but there are vast swathes of the country, notably rural areas, where they are rarer than hens' teeth. And how will car and van drivers who live in flats or homes with no off-street parking charge their vehicles?

Additionally, complexity around different charge point payment methods and motor manufacturer and charge point provider connector compatibility also need resolving.

The fleet market has both a huge potential and desire to lead the national acceleration of EV take-up, but for many it is still too difficult to make the switch in the real world.

There must be a far greater co-ordinated impetus to make the adoption of non-internal combustion engine (ICE) vehicles easier.

For political parties, of whatever colour, to simply pluck seemingly random dates out of the air to end the sale of petrol and diesel cars and vans and 'go green' is not the answer.

BT Fleet Solutions becomes Rivus after Aurelius deal goes through

New owner plans substantial investment in new and existing fleet management services

By Stephen Briers

Aurelius Group has rebranded BT Fleet Solutions as Rivus Fleet Solutions after completing the acquisition earlier this month.

The company had an agreement with BT to rebrand within 12 months, but decided to act sooner by introducing "a strong brand that will have strong recognition", said Aurelius UK managing director Tristan Nagler.

"We have a lot of confidence that we can build something of value and there's a prize to transform the business into something substantial in this marketplace," he added.

This is likely to involve further acquisitions, investment into the organisation's existing services and the introduction of new services.

High on the wish list is a move into heavy goods vehicles – all 65 workshops can handle trucks up to 7.5 tonnes, but just 28 have the facilities for heavier trucks – as well as accident management and funding.

"We will encourage strong growth (in these areas). We will start with the business as it and see if there is anything it has been held back from achieving or developing," said Nagler.

"Then it's about customer wins and, in due course, growth by acquisition. Our hope is to transform the business – in fact, I'd be amazed if there wasn't something major in this journey. We know we have to make some step changes here."

According to Henry Brace, managing director of Rivus (Latin for river), for the past three-and-a-half years, the company was constrained by its former parent because it was seen as a non-core activity.

"We were a lesser priority and we also had different (financial) payback – in years not months – so we were hamstrung," he said. "With Aurelius, we are not hamstrung."

Brace is keen for Rivus Fleet Solutions to offer customers a full suite of products and services, including access to funding. The business already facilitates funding via a broker panel; it is now considering offering its own leasing solution.

"About half the market is not available to us because we don't have a product; Aurelius will help us to have it," he said. "This is a key part of the business plan.

"We want operating and finance lease and, where it suits the customer, we want fully bundled and unbundled. And then, do we move into residual value risk and away from the broker business?

"We will be driven by what our customers want."

> WE WERE A LESSER PRIORITY AND WE ALSO HAD DIFFERENT (FINANCIAL) PAYBACK SO WE WERE HAMSTRUNG
>
> **HENRY BRACE, RIVUS FLEET SOLUTIONS**

> THERE'S A PRIZE TO TRANSFORM THE BUSINESS INTO SOMETHING SUBSTANTIAL IN THIS MARKETPLACE
>
> **TRISTAN NAGLER, AURELIUS UK**

Aurelius has a "long-term" contract to continue as exclusive fleet services provider to BT's 35,000 vehicles with service-based incentives to encourage BT to re-sign "down the track".

Brace said: "We will work closely with them to ensure they have no need to look elsewhere."

This was an important element to guarantee the retention of Rivus's other 28 customers and their 45,000 vehicles, plus the "two or three we have just won", he added.

"Their concerns were to have continued high levels of service delivery and they wanted to see a long-term contract with BT because that gives us the scale that they benefit from," Brace said.

"They also wanted the management team to transfer over to Aurelius and they wanted the garage network which they see as a key differentiator of our service, offering great compliance, service, responsiveness and flexibility.

"They were reassured that Aurelius sees this as a key part of our proposition. There is investment built into the business case to maintain and enhance our sites."

Two of those contract wins are with Kier and Highways England. Rivus is taking on fleet management responsibility for Kier's car and van fleet of 7,130 vehicles, and will manage maintenance and fleet services for Highways England's 470 vehicles, swelling its business by 7,600, taking it close to 81,000 vehicles in total.

Brace is confident that Aurelius can also improve Rivus's competitiveness through its systems and processes, including its experts in IT, procurement, marketing and HR. They will help the business to be quicker to market with new propositions as well as improving efficiency.

"We are now a core business that can be agile," he said, adding: "This year will be our biggest sales year ever. The changes we have made over the past four or five years are bearing fruit.

"We are a healthier business and now, with Aurelius, we can control our own destiny."

Road pricing is finally on agenda as fuel-based revenues face extinction

Before the country drops into a fiscal black hole, IFS also wants company car tax overhaul

By Gareth Roberts

Just over half of fleets would support replacing fuel duty with some form of road pricing, a *Fleet News* survey suggests.

Fuel duty revenues have been eroded by a combination of a decade of duty freezes and improving fuel efficiency.

With the advent of electric cars, revenue from the carbon-based fuel tax is set to disappear altogether if the Government meets its commitment to reach zero net emissions by 2050. Good news for emissions, but bad news for Treasury coffers, which currently receive £28 billion from fuel duty and an additional £5.7bn from the VAT payable on the duties.

The *Fleet News* poll found more than half (51.8%) of respondents would support road pricing as an alternative to fuel duty.

The Institute for Fiscal Studies (IFS) plots a road map for motoring taxation in its Green Budget, with road pricing seen as the ideal solution to plug the tax shortfall.

It says that a system of road pricing, where charges vary by time and location, is the best way to incorporate the costs of congestion into the prices paid by drivers. It argues that such systems are technologically feasible and are used in a number of cities worldwide.

Failing that, or as a stepping stone towards it, the IFS says the Government could introduce a flat-rate tax per kilometre driven, which would continue to raise revenue and discourage driving once alternative fuel vehicles (AFVs) replace petrol and diesel ones.

Rather than replacing fuel duty, the IFS also says that, with conventionally fuelled cars still common, the Government should move to monthly indexation of fuel duties in line with the Consumer Prices Index (CPI).

The Chancellor has repeatedly cancelled annual rises in fuel duty, which the IFS says has cost the Exchequer £5.5bn since 2010-11.

Rebekah Stroud, a research economist at the IFS, said: "The Government should set out its long-term plan for taxing driving, before it finds itself with virtually no revenues from driving and no way to correct for the costs – most importantly congestion – that driving imposes on others."

It also says that company car tax should not be linked to emissions, if the Government can set fuel taxes and the VED 'showroom tax' appropriately.

Given the availability of an emissions-based showroom tax, the IFS argues it is hard to see a role for emissions-based company car taxation.

Income tax and National Insurance contributions should be levied, at the taxpayer's marginal rate, on the value to the employee of having the use of the car for a year, it says.

That is, they should be applied to the amount it would cost the employee to lease the car for a year – which will depend on the car's emissions only in so far as the car's rental price reflects its fuel efficiency (and the tax should reflect the car's age, for example, in the same way).

The suggestions from IFS come as the Transport Committee says it will launch a formal inquiry into road pricing next year (fleetnews.co.uk, October 10).

It wants to start a national debate about the tax alternative – something that has been lacking for more than a decade since the then Labour Government's road pricing plans were abandoned, it says.

Chair of the Transport Committee, Lilian Greenwood MP, explained: "It's been almost 10 years since the last real discussion of national road pricing.

"In that time, we have become much more aware of the dangers of air pollution and congestion."

Parliament declared a climate emergency in May, and local councils have begun to do the same.

"This requires a serious response, including rethinking how we manage our road network," argued Greenwood.

"We cannot ignore the looming fiscal black hole. We need to ask how we will pay for roads in the future and in answering that question we have an opportunity for a much wider debate about our use of road space, cutting carbon emissions, tackling congestion, modal shift and how we prioritise active travel."

Issues to be considered by the inquiry will include pros and cons of road pricing including the economic, environmental, and social impacts.

It will also look at lessons that can be learnt from existing schemes at national and local levels and overseas.

Road pricing does not only mean tolls, it said, it also includes congestion charges, a HGV levy, workplace parking levy, low emission and clean air zones.

> "WE CANNOT IGNORE THE LOOMING FISCAL BLACK HOLE"
>
> **LILIAN GREENWOOD MP, TRANSPORT COMMITTEE**

SMC is exiting fleet market but says existing contracts will be honoured

Customers coming up for renewal will be directed to Derbyshire-based GKL Leasing

By Tom Seymour

Sandicliffe Motor Contracts (SMC) is pulling out of the UK fleet market due to continued pressure on profits and challenging trading conditions in the sector.

The company will no longer take on new business and will run down its customer book as existing contracts come to their end "for a number of years to come".

SMC was positioned in 37th place in the most recent FN50 figures from 2018, showing it had a total risk fleet of 3,697 vehicles.

The company's exit from the FN50 now reduces the number of dealer-owned leasing companies to nine following the exits of Inchcape Fleet Solutions on October 10 (see panel) and Bank of Ireland UK's acquisition of Marshall Leasing in 2017.

A business update letter sent to customers, obtained by *Fleet News*, saw them informed in a joint statement by Darren Bedford, SMC managing director and financial director, and Zander Cleves, SMC sales and commercial director.

The letter to customers explained: "For several years, SMC has experienced many uncontrollable market factors that have impacted the automotive industry and have contributed towards challenging trading conditions.

"In more recent years, the UK economy has also experienced much uncertainty from a variety of factors which have equally contributed towards the negative impact on the automotive industry.

"Because of these factors, our business has had to make an important decision to reform SMC and protect our loyal customers. These decisions have allowed us to strengthen and safeguard what we describe as, 'priority core services', which we will continue to provide and support for the lifetime of our customer contracts."

> THE PRIORITY OF THE BOARD WAS TO ENSURE THAT ITS CUSTOMERS CONTINUE TO BE WELL SERVED
>
> **ZANDER CLEVES, SMC**

3,697
vehicles – Sandicliffe's risk fleet (FN50 2018)

Cleves told *Fleet News* that Sandicliffe Motors, SMC's dealer-owned parent company, anticipated that the overall profitability of the UK fleet sector would slowly diminish over the coming years.

Therefore, the decision was taken to not add new vehicles to the fleet, but to continue to serve all existing customers until they reach the end of their contracts.

When asked why SMC was not sold as a going concern to a rival leasing company, Cleves said: "The priority of the board was to ensure that its customers continued to be well served and therefore the group did not want to sell SMC."

However, *Fleet News* understands that SMC was in negotiations to sell the business to multiple third parties, but these did not come to fruition.

Customers coming up for renewal will be directed to Derbyshire-based GKL Leasing for new quotes.

Cleves said GKL Leasing was chosen because it is a family-owned business like Sandicliffe and both companies share similar ethics and approach to customer care.

He continued: "We just felt it important to recommend a leasing company we believe holds the same core values as Sandicliffe.

"New quote requests can be provided from GKL but, as always, customers have the right to tender as many suppliers as they like."

SMC has also partnered with Drover to recommend previous customers to the car subscription service as an alternative to contract hire with a £50 referral credit per customer.

Cleves couldn't confirm how many staff remain at SMC to continue core functions at the business, but did say those roles related to canvassing for new customers "are no longer required". Nevertheless, the company is committed to maintaining current service levels until all customer contracts have ended.

INCHCAPE FLEET SOLUTIONS SOLD

Inchcape will sell its UK vehicle fleet management and fleet funding division Inchcape Fleet Solutions (IFS) to Toyota for £100 million.

IFS was 13th in last year's FN50, with a total risk fleet of 20,415 cars and vans. Toyota Financial Services was ranked 21st, with a risk fleet of 12,379 vehicles.

The sale follows disposals of less productive UK dealerships and retail-only disposals in Australia and China, by the group.

Inchcape Group CEO Stefan Bomhard said: "I would like to thank our IFS team for all their hard work and dedication and wish them success under Toyota, Inchcape's oldest OEM partner."

In the year to December 2018, IFS contributed revenue of £60m and trading profit of £9m. The gross assets of IFS, as included within the Inchcape Group consolidated balance sheet of June 30 were £78m.

The transaction is expected to complete in Q4 2019 and, as such, the impact on Inchcape's 2019 trading profit is expected to be minimal.

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

SEP

27

LABOUR WANTS 30,000-STRONG EV CAR-SHARING FLEET

Plans for publicly-owned community car-sharing clubs, putting 30,000 electric cars on UK streets, were revealed at the Labour Party conference by shadow business secretary Rebecca Long-Bailey.

30

HYBRID CARS BETTER THAN PLUG-INS FOR CO_2 REDUCTION, SAYS EMISSIONS ANALYTICS

Full hybrid cars offer faster and more certain emissions reductions of up to 30% than plug-in hybrids, says Emissions Analytics. It found that, if a PHEV has not been plugged in, on average it returns 37.2mpg and CO_2 emissions of 193.3g/km.

OCT

1

ŠKODA SUPERB PLUG-IN HYBRID WILL HAVE 35-MILE ELECTRIC-ONLY RANGE

Škoda has revealed details of its first plug-in hybrid model – the Superb iV – which goes on sale in the UK in January 2020. The hybrid model will be priced from £31,970 and combines a turbocharged 1.4-litre TSI petrol engine and 85kW electric motor.

2

TORIES CONSIDER 2035 BAN ON DIESEL AND PETROL

Speaking at the Conservative Party Conference, transport secretary Grant Shapps said the Government will 'look again' at plans to end the sale of new petrol and diesel cars by 2040.

7

COULD EVs ALLOW MOTORWAY SPEED LIMIT RISE TO 80MPH?

80

Government says previous concerns over the impact an increase would have on pollution could need revisiting with a rise in electric vehicle uptake.

9

GERAINT ISAAC NAMED NEW MG NATIONAL FLEET SALES MANAGER

The move, says the car manufacturer, reinforces its mid-term growth plan by furthering its presence in the fleet and local business sales market.

10

TOYOTA BUYS INCHCAPE FLEET SOLUTIONS FOR £100M

MOST SHARED

Inchcape has agreed to sell its UK vehicle fleet management and fleet funding division Inchcape Fleet Solutions (IFS) to Toyota for £100m. IFS was 13th in last year's FN50, with a total risk fleet of 20,415 cars and vans.

10

MPS TO LAUNCH INQUIRY INTO ROAD PRICING

MOST COMMENTED

The Transport Committee has announced it will launch a formal inquiry into road pricing next year. It says it wants to start a national debate about road pricing.

11

DYSON PULLS PLUG ON ELECTRIC CAR PROJECT

Dyson has cancelled its electric car project, condemning the initiative as "not commercially viable". In a statement, issued by Dyson, it was revealed that the company had unsuccessfully tried to find a buyer for the project.

14

NEW A14 BYPASS TO OPEN A YEAR EARLY

The 12-mile A14 bypass is part of a wider 21-mile scheme in Cambridgeshire, which is expected to save drivers up to 20 minutes per journey. It will also support the whole UK by boosting access to and from the country's biggest and busiest container port at Felixstowe.

15

FORD APPOINTS NEIL WILSON AS NEW FLEET DIRECTOR

Ford has announced the appointment of Neil Wilson as director, Ford Fleet, for Britain and Ireland. He replaces Owen Gregory, who has moved to the post of director, Commercial Vehicles, FCSD, Ford of Europe.

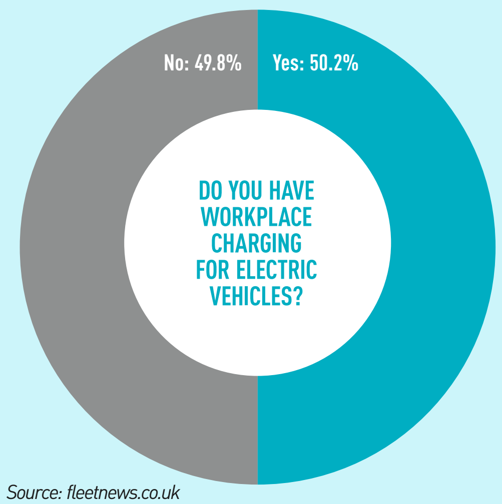
16

ADBLUE WARNING FOR HIGH MILEAGE AND POOL CAR DRIVERS

MOST READ

Most drivers will need to top up their AdBlue at least once between services, so it is important to keep an eye on dashboard warnings, particularly for high mileage fleet drivers or those who are jumping in and out of different cars in the company pool, said The AA.

FLEET NEWS POLL



Source: fleetnews.co.uk

FLEET NEWS VIEW: Half (50.2%) of respondents to our poll have workplace charging for electric vehicles (EVs), an increase on the 45.5% reported a year ago. The charging network is growing and now stands at more than 15,000 charge points, with Government funding set to double the number of rapid charge points to 5,000. However, workplace charging can help drivers make the switch, where suitable, to a plug-in car.

THIS MONTH'S POLL: How frequently do you check your tyre pressures?

THE BIG PICTURE

Having recently concluded the research for both the Fleet200 (included within this issue) and the FN50 contract hire and leasing report, out next month, it was striking to see the similarity of views on the big industry issues.

Of course, Brexit featured, but its influence over operational business strategy was largely dismissed. There was interest in mobility services, but most saw them as something for the future.

The biggest challenge by far was electric vehicles. It's easy to assume that everyone is planning their EV strategies, given the extensive column inches in this – and other – publications. But until now, that has not been the case – EVs have not even been on the radar for many.

This is starting to change, due to a combination of more affordable products, acceptable range and the significant incentive from the 0% BIK rate next year.

EVs now top the agenda for fleets and the leasing companies. They still have concerns – supply among them – but most seem eager to bring them onto fleet as soon as possible for light duty, shorter distance journey profiles.

Drivers want them, they're a perfect antidote to the rise in cash takers, the total cost of ownership sums are starting to add up – in short, the positives outweigh the negatives.

And that's even before taking into account the massive benefits for local air quality.

The technology is also improving all the time, with significant investment by global manufacturers and local start-ups alike in battery cells that will speed up charging times to 15 minutes or less, bring down prices and potentially extend range, although experts are divided on the need to go much further beyond 200-250 miles, which some cars already achieve.

Most feel that developing longer-range batteries will result in wasted capacity, higher costs, more weight and longer charging times. Given an abundance of charging options – home, work, public – a couple of hundred miles is all the range anyone will need.

This might require a change in mind-set from 'empty-full' fuelling to 'little and often', but we already have this culture with mobile phones.

Stephen Briers, editor-in-chief, *Fleet News*

HAVE YOUR SAY

LINKEDIN UK fleet managers group
TWITTER twitter.com/_FleetNews

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

EDITOR'S PICK

AIR QUALITY

Levy should take account of EVs

Gary Chippendale wrote:
Having read 'Cities and towns considering workplace parking levies' (*Fleet News*, September edition), although I can see the benefit of the charges, there will need to be some credit given to those companies that are promoting and using alternative fuel vehicle.

It could take the form of a full credit per electric vehicle parking space or a percentage credit for hybrid vehicles.

A grant per electric charging point provided as well as a grant for cycle storage that replaces parking spaces may also help.

Otherwise, there is no incentive for companies or employees to change their personal vehicle.

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

AUTONOMOUS CARS

A waste of time and money?

O. Damms wrote:
Having read 'Congestion warning from driverless car growth' (fleetnews.co.uk, October 4), no city in the world, never mind Europe, has the infrastructure to cope with fully autonomous vehicles and never will.

Making driverless cars commercially available is a massive waste of time and money in my opinion.

ROAD PRICING

Concerns over fuel duty alternative

Rosco7 wrote:
Having read 'MPs to launch inquiry into road pricing' (fleetnews.co.uk, October 10), many complex issues will need to be considered.

The first is data privacy. In order for an effective system, a database tracking vehicle movements will be required and clearly that data will be of significant value beyond the purpose of charging the motorist.

Then there is the issue of scaling it. Motorways will be the first roads to have this introduced pushing cost-conscious drivers to find alternatives, with consequences for other roads, while motorways become the highway for the rich.

Sage and Onion added:
There would have to be different rates for different types of vehicles, and with incentives for electric and other ULEVs, otherwise we are going to accuse the Government again of encouraging the take up of one particular fuel type (think diesel) only to penalise it in future years.

It also can't be difficult to collect mileage data as it's collected on the MOT certificate and with the increasing introduction of connectivity in vehicles.

Rosco7 replied:
I don't think there will need to be a differential per mile charge for EVs as diesel and petrol cars will be paying the same charge plus the fuel duty on top. What will probably be needed is different rates based on vehicle efficiency.

ROAD SAFETY

Targets should be reinstated

Edward Handley wrote:
Having read 'UK road casualty statistics labelled disgraceful' (fleetnews.co.uk, September 27), Government targets have got a bad press in recent years, and mostly for good reasons, as achieving targets has often distracted organisations from dealing with the really important issues.

However, road safety targets are different, because the road safety target actually is the important issue – reducing the number of people killed and injured on our roads.

The first step should therefore be to re-introduce clear targets for road casualty reduction.

The second step must be to increase the number of road traffic police on the roads, including marked and unmarked cars.

CONNECTED CARS

Not a fan of delivery to cars

Colin wrote:
Having read 'Volkswagen drivers can have parcels delivered to their cars' (fleetnews.co.uk, September 27) who has asked for this?

How do car insurers feel about this? Why do car manufacturers introduce systems like this? It is like 'no-key' starting and entry; why would anyone want it?

AIR QUALITY

Car-free day a 'weighty' problem

The Engineer wrote:
Having read 'Venson urges drivers to ditch the company car for the day' (fleetnews.co.uk, September 19), if the Mayor of London is available to help me lug 50kg of tools and spare parts on the bus, I am game.

Fleet News is published 15 times a year by Bauer Consumer Media Ltd, registered address Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA. Registered number 01176085.

ISSN 0953-8526.
Printing: PCP, Telford

CONTACT US

Fleet News, Media House, Lynch Wood, Peterborough, PE2 6EA.
Email – fleetnews@bauermedia.co.uk

Burning question:
What's your favourite cover version of a song?

EDITORIAL
Editor-in-chief
Stephen Briers 01733 468024
stephen.briers@bauermedia.co.uk
Stiff Little Fingers – Johnny Was (cover of Bob Marley and the Wailers)
Deputy editor
Sarah Tooze
Maternity leave
Deputy editor (interim)
Andrew Baxter 01733 468901
andrew.baxter@bauermedia.co.uk
Nina Gordon's Straight Outta Compton (NWA)
News editor
Gareth Roberts 01733 468314
gareth.roberts@bauermedia.co.uk
Nouvelle Vague's cover of Love Will Tear Us Apart by Joy Division
Features editor
Andrew Ryan 01733 468308
andrew.ryan@bauermedia.co.uk
Amy Winehouse's cover of The Zuton's Valerie
Head of digital
Jeremy Bennett 01733 468655
jeremy.bennett@bauermedia.co.uk
The album Led Zep II. Genius 'inspired by' Howlin' Wolf, Bobby Parker, Muddy Waters, the Small Faces...
Web producer
Kenneth Brown 01733 468655
kenneth.brown@bauermedia.co.uk
Run DMC's Walk This Way (Aerosmith)
Staff writer
Matt de Prez 01733 468277
matt.deprez@bauermedia.co.uk
Uniting Nations' dance version of Out of Touch by Hall and Oates.
Photos **Chris Lowndes**

PRODUCTION
Head of publishing
Luke Neal
The Scissor Sisters' version of Pink Floyd's Comfortably Numb
Production editors
David Buckley
The P.P. Arnold (or Rod Stewart) version of Cat Stevens' The First Cut is the Deepest
Finbarr O'Reilly
Jimi Hendrix's All Along the Watchtower (Bob Dylan)
Senior designer
Chris Stringer
Ryan Adam's version of Oasis' Wonderwall

Head of project management
Leanne Patterson 01733 468332
Project managers
Niamh Walker 01733 468327
Kerry Unwin 01733 468578
Chelsie Tate 01733 468338

ADVERTISING
Acting commercial director
Sheryl Graham 01733 366467
Account directors
Lisa Turner 01733 366471
Stuart Wakeling 01733 366470
Account managers
Emma Rogers 01733 363219
Lucy Herbert 01733 363218
Telesales/recruitment
01733 468275/01733 468328

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

PUBLISHING
Managing director
Tim Lucas 01733 468340
CRM & marketing manager
Joanna Smith 01733 468295
Office manager
Jane Hill 01733 468319
MD Automotive Group
Niall Clarkson
CEO of Bauer Publishing UK
Rob Munro-Hall

Subscribe to Fleet News:
www.fleetnews.co.uk/subscribe
+44 (0)1635 588495
Subscriptions@email.fleetnews.co.uk
UK: annual £85 / two years £145 / three years £195. Issue price £6
Europe and Eire: annual £135 / two years £230 / three years £315

AWARDS 2020 TIMELINE

- NOVEMBER 22, 2019 — **Entry deadline for all categories**
- DECEMBER 2, 2019 — **Initial shortlist drawn up for fleet category interviews and manufacturer judging**
- JANUARY 22, 2020 — **Judging day for manufacturer awards**
- JANUARY 23, 2020 — **Judging day for supplier awards**
- JANUARY 29-30, 2020 — **Fleet manager interviews/judging takes place**
- MID-FEBRUARY 2020 — **Shortlist revealed**
- MARCH 11, 2020 — **Winners revealed at Fleet News Awards black-tie ceremony, Grosvenor House Hotel, Park Lane, London**

FleetNews AWARDS 2020

IMPROVE BUSINESS SUCCESS BY ENTERING FLEET NEWS AWARDS

Awards provide an opportunity to say good things about your organisation, your fleet and yourself. Entry has been simplified

Fleet News is offering fleet decision-makers, manufacturers and suppliers a chance to boost their business performance and credibility, their own careers and increase staff motivation. All it takes is half an hour of your time!

Interested? Then enter the Fleet News Awards 2020.

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

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

Being shortlisted for a fleet category, for example, is about more than a pat on the back for the fleet decision-maker; it's about raising the profile of the company brand with existing and potential customers.

Organisations who take their safety and environmental obligations to their vehicle fleets seriously are ideally placed to win business – these things really matter to consumers.

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

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

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

NOW OPEN FOR ENTRIES AT:
fleetnewsawards.com

To enter the awards, head to the website now to register your interest: fleetnewsawards.com

6 BENEFITS OF ENTERING AWARDS

1. IMPROVED FINANCIAL PERFORMANCE
2. PERSONAL RECOGNITION; CAREER-ENHANCING
3. GET AHEAD OF YOUR COMPETITORS
4. A RISE IN EMPLOYEE ENGAGEMENT & MOTIVATION
5. POSITIVE PRESS COVERAGE
6. INCREASED CUSTOMER AWARENESS

ENTER ONLINE

Entries for the 2020 Fleet News Awards should be submitted via our dedicated website.

Go to awards.fleetnews.com and click on the link at the top of the page 'Awards categories and entry process' to learn more about the entries and start your journey to the awards.

Register by providing some basic information about yourself and your company as well as choosing a password. You can then start your entries.

Each time you select an awards category you will be given the entry criteria and what the judges are looking for.

When writing your submission, please pay close attention to the word count. Also note, in order to be fair to all entrants, attachments can no longer be submitted as part of any entry.

Please ensure you save your entry. It will be saved in a 'My Awards' area that you can return to at any time before submitting your entry to *Fleet News* ahead of the deadline – Friday, November 22. You have *one* month to enter.

"WE ARE VERY EXCITED TO HAVE WON THIS AWARD, WHICH RECOGNISES THE HARD WORK THAT HAS GONE INTO MAKING THE 3008 SUV SUCH A SUCCESS"

Martin Gurney, fleet director, Groupe PSA
Best Mid-Size SUV for 3008

THE CATEGORIES

FLEET AWARDS

Safe Fleet Award
2019 winner: Speedy Asset Services

Environmental Fleet Award
2019 winner: ALD Automotive

Best Travel and Mobility Initiative
2019 winner: ALD Automotive

Most Improved Fleet
2019 winner: Schneider Electric
Sponsored by Northgate Vehicle Hire

Fleet of the Year – up to 1,000 vehicles
2019 winner: South Yorkshire Police & South Yorkshire Fire and Rescue
Sponsored by Reflex Vehicle Hire

Fleet of the Year – more than 1,000 vehicles
2019 winner: Addison Lee
Sponsored by Zenith

MANUFACTURER AWARDS

Best Small Car
2019 winner: Ford Fiesta

Best Lower Medium Car
2019 winner: Ford Focus

Best Upper Medium Car
2019 winner: Škoda Superb

Best Compact SUV
2019 winner: Hyundai Kona

Best Mid-size SUV
2019 winner: Peugeot 3008

Best Compact Premium Car
2019 winner: Mercedes-Benz A-Class

Best Premium Car
2019 winner: Mercedes-Benz C-Class

Best Executive Car
2019 winner: BMW 5 Series

Best Zero Emission Car
2019 winner: Hyundai Kona Electric

Green Fleet Manufacturer
2019 winner: Toyota (GB)

Most Improved Fleet Manufacturer
2019 winner: Honda UK

SUPPLIER AWARDS

Leasing Company – up to 20,000 Vehicles
2019 winner: Ogilvie Fleet

Leasing Company – more than 20,000 Vehicles
2019 winner: Hitachi Capital Vehicle Solutions
Sponsored by SalesMaster

Rental Company of the Year
2019 winner: Enterprise Rent-A-Car

Customer Service Award
2019 winner: The AA

Fleet Dealer of the Year
2019 winner: TrustFord

Innovation in Mobility Technology Award
NEW FOR 2020

HEADLINE AWARDS

Fleet Supplier of the Year
2019 winner: The AA

New Company Car of the Year
2019 winner: Volvo XC40

Fleet Manufacturer of the Year
2019 winner: BMW Group (UK)
Sponsored by KeeResources

Fleet Champion Award
2019 winner: Norman Harding, London Borough of Hackney

Fleet Manager of the Year
2019 winner: Stewart Lightbody, Anglian Water

Fleet News Hall of Fame
2019 winner: Graham Telfer, Gateshead Council
Sponsored by The AA

Awards sponsored by

AA · BMW · KeeResources · NORTHGATE Vehicle Hire · Reflex Vehicle Hire · SalesMaster · Zenith

FOR MORE INFORMATION VISIT: FLEETNEWSAWARDS.COM OR CONTACT SANDRA EVITT ON 01733 395133 OR SANDRA.EVITT@BAUERMEDIA.CO.UK


ALL-ELECTRIC I-PACE
ELECTRIC HAS NEVER LOOKED SO GOOD.
JAGUAR
WINNER
2019 WORLD CAR AWARDS
WORLD CAR OF THE YEAR
WORLD CAR DESIGN OF THE YEAR
WORLD GREEN CAR
Take advantage of the latest finance benefits
The multi-award winning I-PACE is the perfect choice for your business. With the incentive of the Government Plug-In Car Grant you can claim up to £3,500 off the price of the vehicle. And as a zero tailpipe emissions electric vehicle, I-PACE is eligible for 100% first year Write Down Allowance and a P11D value starting at £64,440.
Search Jaguar I-PACE for business
Fuel consumption: N/A. CO_2 Emissions: 0 (g/km). EV Range: Up to 292 miles. EV range figures are based upon production vehicle over a standardised route. Range achieved will vary dependent on vehicle and battery condition, actual route and environment and driving style.

Powered light vehicles 'essential for future urban mobility'

With talk about future urban mobility focused largely on electric and autonomous vehicles, MCIA has urged industry not to overlook PLVs. *Andrew Ryan* reports

The future of urban mobility may conjure up thoughts of autonomous cars, electric vehicles (EVs) and mobility as a service (MaaS).

But this view overlooks a "forgotten sector which has an essential role to play in our transport future", according to Tony Campbell, chief executive of MCIA (Motorcycle Industry Association).

He is referring to the powered light vehicle (PLV), the virtues of which his organisation is plugging through its *Route to Tomorrow's Journeys* report.

PLV – also known as L-Category vehicles – is the collective term for a range of two-, three- and four-wheeled vehicles for either passenger or cargo use, and a range from mopeds to quadricycles such as the Renault Twizy.

Campbell says they are becoming increasingly relevant to fleets and drivers operating in urban areas because their compact size and light weight maximises the use of available road space, cuts congestion and, given they are predominantly powered by electricity, reduces pollution.

Campbell adds: "During his keynote speech at the launch of the Government's The Future of Urban Mobility strategy, the then minister for transport Jesse Norman stated 'we must start to think differently about the motor car, as transforming the same vehicle type as we drive today to an electric variant is not the solution'.

"These words suggest a modal shift away from single-occupancy cars and under-utilised vans towards transport modes that use less energy and take up less road space, but still offer commuters, tradespeople and the logistics industry practical solutions, while maintaining freedom of choice."

Campbell claims PLVs can play a key role in allowing people to choose the right vehicle for the right journey.

A journey of a few miles from home to work could be made by bicycle; a longer journey would suit a PLV. Rather than using a van to deliver a small parcels, a PLV could be more appropriate.

"PLVs are practical in terms of the task that is required (moving people and goods), they are efficient in terms of energy use, road space and materials and they are safe," says the report.

Toyota's i-Road will attract extra attention when it is used at next year's Tokyo Olympics and Paralympics

"With appropriate regulation and supporting policy they can fulfil a much-needed role.

"Perhaps the most important element is the need for an open mind and this may be the challenge that is hardest to overcome."

Up to now, business uptake of PLVs has been limited – at the end of 2018, for example, there were only 610 ultra-low emission quadricycles registered in the UK – and organisations which run them often use them for light duties instead of as serious workhorses.

For example, Cumbria Tourism has taken on 10 Twizy EVs to form part of its 'See More' sustainable travel programme. Under the scheme, run in association with Co-wheels Car Club, the Twizys, which all sport sheep livery, are available to hire on a pay-as-you-go basis from eight locations in Keswick and Ullswater.

"This 'flock' of electric Twizys are all about offering visitors a fun, quirky way to experience the unique Lake District landscape," says Nicola Parker, programme manager for Cumbria Tourism's See More programme.

But some fleets are taking a more serious look at PLVs, with DPD already using Paxster micro-vehicles from its 5,000sq ft all-electric parcel depot in Westminster. The Paxsters are delivering to the immediate area around the depot and carry out around 60 stops on one charge per day.

DPD started with 16 last year but intends to grow this to 26 by year-end with some deployed at the Shoreditch depot as well as other UK cities. It is also adding 10 EAV P1 cargo vehicles.

Rob Fowler, DPD general manager – CSR, says: "We're really pleased with both vehicles and they are performing well. They are incredibly efficient in the urban environment and have allowed us to make significant operational improvements."

He adds: "We're on target to achieve our aim of 139 EVs in 2019 and have plans to increase that significantly in the next few years."

MCIA hopes DPD will be just one of many large organisations to adopt PLVs, as it feels they can "solve many of the challenges we urgently face".

"PLVs provide opportunities for those looking at the last mile, the first mile and every urban mile and how they are used to service the gig economy," says the report.

CUTTING CONGESTION

As part of MCIA's research, Local Transport Project carried out a congestion study to determine the effect a modal shift from private cars to PLVs would have on congestion in Slough, Berks.

> "PERHAPS THE MOST IMPORTANT ELEMENT IS THE NEED FOR AN OPEN MIND (TOWARDS PLV USE)"
>
> **MCIA REPORT**

Seat Minimo's footprint measures less than half that of the average car

In all circumstances considered, it found adoption of the vehicles would bring significant benefits.

The analysis found replacing 5% of private cars with PLVs would reduce average journey times by 6.7%, increasing to 12% when a 10% modal shift was simulated.

Local Transport Project also looked at the impact of switching light goods vehicles to PLVs. It found that when 20% of LGVs were replaced with a mix of PLVs, average journey times fell 4.3%. If this proportion increased to 50%, delays decreased 9.4%.

"There is much discussion about electric and autonomous vehicles, but it should be considered that simply replacing a combustion-engined vehicle with a comparable electric or autonomous equivalent will not alleviate the increasing congestion issue," adds the report.

HEALTHY STREETS

The congestion impact study also examined the amount of space that could be freed up on the road if cars were replaced by smaller PLVs.

As an example of size, the Seat Minimo concept measures 2.5 metres long and 1.2 metres wide to give a footprint of 3.1 square metres. A typical car measures around 7.2 sq m.

Using baseline data, a 5% modal shift to PLVs reduced a 276 metre queue at a junction by 25 metres, while a 10% shift would provide 48 metres more space.

The MCIA report adds that with this more efficient use of space, less room is required to move the same volume of people and goods.

Authorities can transform inner cities, opening up more outdoor and safe environments.

"This space would allow local authorities to make changes to the infrastructure in line with local strategies," says the report.

Many UK cities are adopting a Healthy Streets policy, which focuses on designing streets to reduce less active forms of travel, such as car use, and encourage more active forms of travel, such as cycling and walking.

These are encouraged primarily for health benefits, but also to increase footfall for retail businesses in urban centres.

"Increased town centre retail will require frequent deliveries and PLVs can meet expectations of short delivery times without the associated congestion and emissions of full-sized delivery vehicles," says the report.

It adds: "Although the promotion of public transport, walking and cycling as the natural choice for commuters is to be encouraged, it must be acknowledged that there are some journeys where these options are not practical and alternatives must be considered and supported."

LAST-MILE DELIVERIES

The compact size and efficiency of PLVs makes them ideal for last-mile deliveries, particularly as space in urban areas becomes more restricted, says MCIA.

CAR MANUFACTURERS WELL AWARE OF PLV POTENTIAL

The potential for PLVs to address future urban mobility challenges has not gone unnoticed by a number of major car manufacturers.

Renault's two-seater Twizy electric quadricycle is perhaps one of the best known electric PLVs, having been launched and put on general sale in 2012, but Toyota unveiled its i-Road urban electric vehicle (EV) project the following year.

This three-wheeled one- or two-seater has been used as part of a mobility project which has seen it loaned to businesses and members of the public in Japan to assess its commercial potential.

I-Road has also been used by Tokyo car-sharing service Park24 and will also be used at next year's Olympics.

Toyota has followed up the i-Road with its i-Tril concept vehicle, which features a one-plus-two seating layout.

The manufacturer says this has been developed as a viable alternative to city cars, small hatchbacks, other all-electric models and motorcycles.

In February, Seat unveiled Minimo, which the manufacturer says is the "vehicle set to revolutionise mobility".

"The Minimo has been especially engineered to adapt to the mobility platforms that will shape the future of city driving, where traffic will be restricted and only a few operators will be able to offer mobility," says Luca de Meo, president of Seat.

Seating two passengers, the concept car has been developed with an integrated battery swap system, enabling full vehicle charging in only a few minutes and provides a range of more than 62 miles.

"Transport for London (TfL) has recognised the potential benefits of transferring small parcels from lorries and vans on to PLVs," says the report.

Receiving goods is an essential component of business, but these deliveries are also a large contributor to congestion and air pollution, it adds.

"Setting up logistics hubs outside the centre of major cities can help alleviate these issues," says the report.

"Parcels and other goods can be delivered to the hubs (out of peak hours) and then taken to their destination in the city centre by cycles and PLVs."

The report notes that there is some criticism about using PLVs for last-mile deliveries in relation to the number of vehicles it would take to replace the HGVs currently delivering goods.

For example, the Road Haulage Association calculated that 23 Ford Transit-sized vans would be needed to carry the same amount of goods as one full HGV.

"It could be argued that many of the vans being used are not carrying full loads, so it would, in fact, be better environmentally to consider more efficient alternatives for deliveries," says MCIA.

"The Low Carbon Vehicle Partnership (LowCVP) has noted the growing interest in light commercial use of PLVs for this in response to congestion and on-line shopping demand.

"PLVs, such as those already in use by logistics company DPD, can be safely adapted to carry goods or specifically designed for that purpose.

"Last-mile logistics hubs would be particularly well serviced by small footprint, quiet, electric PLVs, particularly where multiple parcels, bulky or heavy loads must be transported."

The report says TfL plans to incorporate rules for the safe use of commercial PLVs into the Fleet Operators Recognition Scheme.

AIR QUALITY

LowCVP says the wholelife carbon footprint of PLVs compared with conventional passenger cars is expected to be significantly lower owing to their smaller size and weight.

"The PLV Consortium study has estimated the total lifecycle energy consumption of PLVs to be, typically, 50% lower than conventional passenger cars," it adds.

"With zero tailpipe emissions, the electrification of PLVs will further improve air quality in urban areas and enable vehicular access to potentially restrictive urban clean air zones that are currently being considered across UK cities.

"PLVs with low mass and a small road footprint have the ability to offer energy-efficient driving and help reduce congestion and, as such, are a good fit with the UK's carbon reduction and other objectives."

Twizy is one of the best known PLVs and has been around for seven years

ON THE ROAD TO ZERO

Increased electric car availability next year should boost low carbon ambitions, says the Office for Low Emission Vehicles. *Andrew Ryan* reports

New launches and increased availability of battery electric vehicles (BEVs) next year will provide a boost to achieving the Government's Road to Zero targets.

The strategy document, launched last year, outlines the ambition that no new conventional petrol or diesel cars will be sold in the UK by 2040, with more than half being 100% zero emission. It also wants between 50% and 70% of new car registrations to be ultra-low emission by 2030.

"There's a long way to go," says Phil Killingley, deputy head of Office for Low Emission Vehicles (OLEV).

"Last year BEVs accounted for 2.6% of car registrations and less than 1% of van uptake, but there are promising signs. BEV sales in August were a 377% year-on-year increase (registrations 3,147; market share:3.4%), and I think the new models coming to market at scale from the start of next year will mean we will see a big increase in uptake."

Killingley explains some of the actions OLEV is taking to help achieve the Road to Zero ambitions.

TAX/GRANT INCENTIVES

The Government's announcement of new benefit-in-kind (BIK) tax rates for company cars will help accelerate take-up of BEVs, says Killingley.

The new bands will see drivers of fully electric cars pay 0% BIK in 2020/2021, 1% the following year and 2% the year after that.

"It was great to see that announcement," he adds.

"We will continue to push for that kind of longer-term certainty over the market."

Plug-in vehicle grants have also been guaranteed until 2020, he says. These cover cars, vans, taxis, heavy goods vehicles and motorcycles.

CHARGING INFRASTRUCTURE

Killingley says there are more than 20,000 public charge points in the UK, of which 2,000 are rapid chargers. There are also more than 100,000 charge points at domestic properties.

"There are also more at workplaces and we are working with local authorities to help install even more," he says.

"So far we have supported 39 councils in installing on-street charging in public car parks and by adapting lamp-posts."

Killingley says the Government is carrying out consultations for all future charge points to be smart to mitigate the impact of the mass uptake of EVs on the grid. Also, it wants charge points to be installed in all new homes with an associated parking space.

He adds: "Another thing which is particularly important is this question of how do you pay for your electricity at a public charge point?

"Do you need to have a wallet full of cards, do you rely on having apps on your phone, or can you just pay on your credit or debit card or even contactless?

"By April 2020, the Government wants all new rapid and ultra-rapid charge points to have credit or debit card payment and we are starting to see the market move in that direction, which is really positive.

"Last year's Automated and Electric Vehicles Act allows us to regulate if we don't see the market moving quickly enough and we will think about using some of those powers if we need to."

Earlier this summer, the Government also announced Project Rapid, which will look at the potential for rapid charging – 50kW and above – along key routes.

➲

Sponsored by AA GO GOODYEAR

GO ULTRA-LOW CAMPAIGN RELAUNCHED

OLEV has relaunched its Go Ultra-Low campaign to include new manufacturer brands, plus several energy companies.

Go Ultra-Low now includes Audi, BMW, DS, Hyundai, Jaguar Land Rover, Kia, Mercedes-Benz, Nissan, Mini, Peugeot, Renault, Smart, Tesla, Toyota and Volkswagen, with more manufacturers due to join.

In order to enable the campaign to "provide a more comprehensive view of EV ownership", for the first time Go Ultra-Low is also joining with a number of energy providers.

Centrica, EDF Energy, E.On, Octopus Energy and SSE Enterprise have all joined the campaign to "help consumers and organisations understand the benefits, cost savings and capabilities that EVs offer".

GREEN NUMBER PLATES

Killingley says the Government is to launch a consultation on equipping environmentally-friendly cars, vans and taxis with green number plates to promote awareness of ultra-low emission vehicles (ULEVs).

The idea was first mooted by the Government last year and the special plates, which are already used by Norway, Canada and China, could be available on vehicles such as electric and hydrogen fuel-cell cars. They are thought to encourage take-up among drivers.

As well as promoting zero emission vehicles, green number plates could help support local incentives for electric vehicles such as access to bus or low emission vehicle lanes, electric charging bays or ultra-low emission zones.

"The consultation on green number plates will emerge shortly, I hope," says Killingley.

DEALERSHIPS

OLEV has worked with the National Franchised Dealers Association (NFDA) to launch an accreditation scheme to show that dealers have expertise in electric vehicles.

The Electric Vehicle Approved Scheme includes a set of standards for electric vehicle retail and aftersales that have been established to ensure the automotive industry is ready to embrace the electrification of the UK car market.

The EVA accreditation is awarded to individual dealership locations that are independently audited by the Energy Saving Trust.

"This will allow dealerships around the country to show they've got expertise in electric vehicles," says Killingley.

"We are also working with the Institute of Motor Industry (IMI) on developing standards for EV technicians, so that in the future people will have the assurance that there are technicians who know what they are doing with the technology."

"CONSULTATION ON GREEN NUMBER PLATES WILL EMERGE SHORTLY, I HOPE"

PHIL KILLINGLEY, OLEV

THE PROMISE OF PLATOONING

Increasing levels of automation will open up new benefits to the freight industry, says Zenzic CEO *Daniel Ruiz*

We have seen some mixed messages about platooning this year. Mercedes-Benz announced it was abandoning its trials of the technology early in the year, choosing to focus on 'level-4 self-driving trucks' instead.

On the other hand, MAN recently announced that its platooning testing in Germany had shown a 3% to 4% reduction in fuel consumption.

So, what is the truth about platooning? Why does it seem so difficult to achieve?

PLATOONING PUZZLES

Truck platooning looks like it should be straightforward, and it can be frustrating when it isn't. Truck platooning involves linking two or more trucks in a convoy using wireless connectivity and automated driving support systems.

The trucks automatically maintain a set, close, distance between each other when they are connected for certain parts of a journey, for example, if they are on the motorway. The following driver needs to only manage steering and keep watching for hazards.

Mercedes' platooning trials were cancelled because the team was unable to stop the lead trucks pulling away from the following vehicles. The following trucks had to accelerate to catch-up, completely negating the fuel efficiency benefits platooning can offer.

The technological issues Mercedes faced in its trial are just a microcosm of the challenges platooning faces in general. Getting the technology for the trucks to communicate and drive in an automated manner is merely the start of the complex jigsaw of technical and regulatory issues that need to be pieced together to succeed.

As with all new technologies, platooning faces a range of concerns.

The safety of road users is key and raises a lot of questions. How will it impact other road users when platoons engage and disconnect? If there are two-to-three trucks in the slow lane and a car is trying to join the motorway – will it get blocked in? Moreover, when the platoon changes lanes will it enable other cars to join? These are just some of the issues that trials will need to solve. In the UK we have a 'can do, must do' attitude which recognises that the sooner we are able to start tackling these issues, the sooner we will benefit.

Robust and secure connectivity is also a critical part of this puzzle. Connectivity is essential to unlocking the full benefits of platooning over the coming years. Beyond the short-range systems for connecting the trucks together and sharing control inputs (accelerating, braking and, potentially, steering) trucks will also need a fast and reliable mobile internet connection, most likely a mixture of 4G and 5G, which will let trucks share their route plans with each other.

If all this data can be stored and analysed in one place, it would enable a UK-wide overview of freight movements, which could help organise platoons across the country.

Another overarching issue is how platooning will affect people's job roles. The aim is not to replace drivers but to better support drivers as they cover long distances. Clear and early communication and education will be a key factor in building trust and acceptance of these new systems.

From explaining how workflows will change to considering how drivers are trained on new systems, it is clear to see the need to also address social issues.

CAPTURING THE BENEFITS

Despite the complications, platooning offers many benefits to hauliers. Pressure on fuel expenditure, which currently constitutes 25.7% of the total cost of road haulage, could be eased by its positive impact on fuel economy. Because the trucks in a platoon move in formation at a constant speed, with less braking and accelerating, fuel efficiency increases of more than 3%, as proven by MAN, are achievable.

This decrease in fuel usage results in reduced emissions too, with the release of CO_2 dropping by as much as 10%. This can support improved operational sustainability.

The close formation of platooning could also free up valuable space on the UK's highways and possibly play a lynchpin role in reducing traffic congestion without the need to invest in road widening.

The tech allows trucks to travel without needing to allow for the thinking distance between vehicles required by humans (18 metres at 60mph) – without impacting road safety. Platooning's more efficient use of the highway works to optimise existing supply chains, without additional investment, because goods can be delivered quicker if there is less congestion on the road.

Indeed, platooning systems could play a big role in boosting road safety. By reducing driver fatigue on longer journeys, truck drivers will be more alert. Given that the majority (90%) of road traffic accidents are attributable to humans, more responsive drivers means safer roads. The adoption of self-driving vehicles could save at least 3,900 lives and avoid 47,000 serious accidents over the next decade (also further reducing congestion), and platooning is just one of the early examples of this kind of technology.

THE ROAD AHEAD

Platooning is just the first stage of a series of increasing levels of automation which will open up new benefits to the freight industry.

The potential for drivers to rest on the Strategic Road Network to start with and then expand rest time to hub-to-hub journeys is important and the end goal of fully automated deliveries could reduce daytime congestion by making night-time deliveries easier.

It is critical that platooning is developed safely, and this is dependent on rigorous testing. It's logical for early real-world platooning trials to be conducted on motorways as it reduces the geographical complexity of the test area and improves safety since motorway drivers are more regulated and predictable.

However, it's also important to consider the value of virtual testing environments which allow system designers to test thousands of potential scenarios in a totally safe way without the associated financial and time costs.

In fact, the UK is one of just a handful of countries where platooning is being tested, thanks to its world-leading regulatory environment and first-class testing infrastructure.

An example is TestbedUK, a set of virtual and real-world environments with the capabilities for the rigorous testing of connected self-driving technologies. The UK's position at the front of the pack is based on its forward-thinking local, regional and national transport authorities, collaboration between Government and industry and a war chest of £500 million reserved for connected and autonomous vehicle (CAV) research.

This is already being put to work with the £8.1m HelmUK advanced platooning trial. Funded by the Department for Transport (DfT) and Highways England, it is the first real-world operational testing of platooning on the UK's roads.

This trial spans the public and private sectors and includes the road authority, road operator and transport operator as without all three being involved in the trial from the outset, it would struggle to move forward.

Collaboration like this is embedded in the UK. Projects such as HelmUK show that it can bring stakeholders together to complete the jigsaw and realise the huge benefits connected and automated mobility can drive for the wider economy.

ABOUT THE AUTHOR

Dr Daniel Ruiz joined Zenzic (formerly Meridian Mobility UK) as CEO in January 2018, having led a 500-strong team at Dynniq UK. He now leads the UK's connected and autonomous vehicle (CAV) programme.

The Nest is the place to nurture excellent drivers

Wren Kitchens takes great pride in everything it does – just like its TV advertising says. *Stephen Briers* reports

The current TV ad campaign perfectly embodies the culture at Wren Kitchens.

In it, workers lovingly caress work surfaces and cling to units that are due to be delivered to customers over a soundtrack of the Bee Gees' 'How Deep is Your Love'. So proud and passionate are they of their work, they are reluctant to let go.

Nowhere is this pride and passion manifested more than in the health and safety attention to detail of the fleet department.

Lee Halls, transport manager at Wren's head office and manufacturing facility called The Nest, sits within a huge national fleet team of 460.

He has responsibility for all the trucks running from the Barton-upon-Humber site in north Lincolnshire, including the 24/7 delivery operation, trunking to other depots nationwide and the new granite business.

Every part of the fleet is managed in-house, from maintenance to health and safety, planning to training, giving Wren absolute control over its operations.

"We are on a massive push on training and health and safety – we are trying to change the image of transport," says Halls.

Wren has a team of four trainers at head office led by national transport H&S and training manager Tim Pearson, while every depot has its own internal trainer.

They oversee all elements of the comprehensive risk management and training programme, from new recruits to on-going driver assessments and coaching.

Potential recruits undergo driving appraisals and licence checks at the interview stage, while Wren also runs a test on the Certificate of Professional Competence (CPC).

"We want professional drivers who treat the vehicle properly and look after the customers, so 50% of the focus is on the drive and 50% on manual handling and the customer," says Halls.

But before they even get out onto the road, drivers have to carry out a pre-user check (using the R2C app – it should take 15 minutes) where the assessor gauges their knowledge of the vehicle, a key factor in ensuring the fleet remains legal and compliant.

They also go through the tachograph and do manual entries – surprisingly, many drivers don't know how to do this, according to Halls. Finally, they are given familiarisation training with the vehicle and its controls, and then the driving assessment begins.

Wren has several set routes, including motorways and urban roads, to test the drivers in the most appropriate environments. However, unlike at some organisations, issues raised during the two-to-three-hour driving assessment won't necessary see the potential recruit immediately ditched.

"It means we can see where we are starting from," Halls explains. "If they are worth working with, but have some bad habits, we will stop the assessment and give them some coaching. You can turn a good driver into a great driver."

He adds: "No one is completely rejected, but they do have to meet our standards. We deliver to homes on tight streets so they have to be able to judge the vehicle. It's about setting out our standards and expectations."

Wren's assessors can identify the causes leading up to a likely mistake, such as use of mirrors, poor road positioning or judgment, and can step in before the driver does something wrong.

They are trained by the Road Haulage Association, with refresher courses every two or three years, and their assessment and coaching services are now being rolled out across Wren's fleet to all vehicle types.

"If it's good enough for HGVs, it's good enough for vans," Halls points out.

Once a recruit passes the assessment, the next stage is a DBS (Disclosure and Barring Service) check, which records criminal convictions and cautions. It's necessary because drivers are entering customers' homes.

Then they enter the induction stage, typically three or four days' classroom learning and a day in the yard learning how to use the vehicle and its machinery, including tail lifts and box equipment.

After this, they buddy up with an experienced driver. If their main work is trunking, they will follow another driver for two or three weeks to learn the routes before going out on their own – although most drivers work in pairs for health and safety reasons.

If they are in a delivery role, they undergo Wren's 'seven steps' training, which starts with calling the customer before leaving the depot and concludes with delivery sign-off. ➲

The team of four trainers has helped cut accidents by 40% in just three years, says Wren transport manager Lee Halls

"WE ARE ON A MASSIVE PUSH OF TRAINING AND HEALTH AND SAFETY – WE ARE TRYING TO CHANGE IMAGE OF THE TRANSPORT BUSINESS"

LEE HALLS, WREN KITCHENS

On the road, they are matched with an experienced porter – the 'driver's mate' who does most of the lifting – to form a permanent two-man crew.

Wren's extensive recruitment and training programme has been in place for the past three years and evolves all the time. Drivers undergo refresher training every year with new elements added to address any issues raised between courses. Halls even goes out with drivers to observe their performance first hand.

He estimates the training team has been responsible for a 40% reduction in accidents over that time. It has also reduced product damage, personal injury and property damage, saving the company a lot of money.

Halls is nearing his two-year anniversary as Wren's transport manager having started as a van driver before becoming an assessor, with the company funding his development throughout, including the transport manager CPC. It was while in the assessor role that he discovered the ordeals of employing agency drivers.

"You have problems with smash ups and other vehicle issues, and you can never chase them up," he says. "So when I became transport manager, I got rid of all the agency drivers and started training our own people."

He added, proudly: "I have never employed an agency driver since."

In an industry struggling with an ageing workforce and a lack of new recruits, Wren is in an enviable position of having an abundance of demand for its driving positions. A recent job ad saw almost 100 applications, for example.

"There are plenty of drivers out there," Hall says. "We get applications from further afield because of our pay structure, but we try to keep it local because we don't want them driving several hours at the end of their shift to get home – that's not a responsible employer."

What's the key to its recruitment success? Wages spark the initial interest; company culture ties them to the business.

"We looked at salary and we increased it to just above the average for this area," Hall explains. "Class 1 (artics) and Class 2 (rigids) drivers are on the same rate. We have a lot of 7.5-tonne drivers on grandfather rights but we put them through their licences so we could progress their careers. By investing in them, we are able to retain them."

Wren also holds recruitment events attended by members of the transport team with fleet vehicles and kitchen products. The process is a two-way interview: it is interviewing the candidate and is itself being interviewed as a prospective employer.

"This way, they can see what's involved and can make an informed decision," says Hall. "It works."

At no time is this more important than in the couple of months leading up to December, Wren's busiest period of the year when it can take on several hundred additional drivers.

All are treated to the same intensity of training as new recruits and existing drivers to ensure they operate to the highest professional standards, both behind the wheel and in front of the customer.

COMPANY: Wren Kitchens
HEAD OFFICE: The Nest, Barton-upon-Humber, Lincolnshire
HEAD OF TRANSPORT OPERATIONS: Lee Holmes
TRANSPORT MANAGER AT THE NEST: Lee Halls
FLEET SIZE: 1,150 – 103 cars, 237 vans, 685 trucks, 125 trailers
FUNDING METHOD: outright purchase
OPERATING CYCLE: five years

Lee Halls often goes out with drivers to observe their driving first hand

Every week, Halls produces driver telematics reports looking at behavioural performance such as speeding, cornering and braking, referring the three worst scoring drivers per depot each week to the training team. Any driver incident, even if a low-speed bump, results in them coming off driving duties and submitted for training.

"People thought we were criticising them at first (by taking them off driving) but now they come to us to tell us about any infringements because they want to be successful – and they are also bonused on it," Halls says.

Wren always analyses root causes, which is where investment in Brigade Electronics camera monitoring systems a year ago really helps the investigation process.

Each vehicle is fitted with seven cameras. Internal cameras monitor the driver and stock to ensure products are loaded and handled correctly and to improve training processes. External cameras cover the vehicle blind spots, allowing the driver to manoeuvre safely.

The cameras provide recorded footage and a live feed to the transport team, which helps Wren to identify the cause of harsh events. These are measured on a sliding scale from one (minor) to five (impact). A score above two is considered harsh, resulting in the camera footage being checked – instant notifications are also sent to the transport managers.

Wren head of transport operations Lee Holmes outlines the main benefits since the Brigade cameras were fitted: "They give us an end-to-end visual which has reduced damages and enabled us to learn where we can improve. Vehicle accidents have reduced by 40% since the introduction of the cameras and they have enabled us to prove our innocence on a number of occasions."

Aligning the CCTV footage to the telematics – installed into all trucks and vans – enables Wren to investigate incidents more quickly, including public complaints and fraudulent insurance claims.

Halls explains: "Often, it isn't our driver that took off the wing mirror but previously we would have to pay for it because we had no proof. Now we can challenge the claim and prove it wasn't us. Around 30-40% of the 40% accident reduction is actually down to the alleged minor scrape claims."

Consequently, it's no surprise when he adds: "The drivers love the CCTV – originally they were against them, especially the van drivers, but now they ask when they are going to be fitted when they get a new van."

They have the same appreciation for telematics, as they receive live feedback on their performance. Improvements are reflected in their bonus with Halls having some discretion over the level of the rewards.

Wren estimates the return on the cameras, which cost £2,500-3,000 to install plus a monthly sim card fee, to be five times the investment over a five-year vehicle lifecycle.

They can also be used for missing items as Wren can now track products from warehouse dispatch to the vehicle and from the vehicle to being unloaded at the customer.

"It has also highlighted how many vehicles are uninsured by the number of people that don't want to go through insurance," Halls adds. "So we always check and they are never insured or MOT'd. It's quite shocking."

The police are also aware that Wren has high quality cameras in its vehicles so often ask to see camera footage if they are close to a major incident. The company, of course, is happy to help, yet another example of the pride it takes in its business.

"We want to be number one in everything we do," Halls emphasises. "Not just in fitting kitchens but in our fleet and the way our drivers behave on the road.

"It's about pride in being the best."

WREN ON....

In-house fleet control

Wren's approach to fleet management suggests extensive experience, honed over decades of fine-tuning.

However, the company was only launched in 2009 (by Malcolm Healey, the former owner of Hygena, which he sold to MFI in 1987) and, until five years ago, the fleet operation was entirely outsourced to third parties.

In bringing it in-house, Healey maintained his philosophy of owning everything by buying all the vehicles rather than leasing. It's quite a financial commitment, considering the company changes vehicles every five years, set against an industry average for trucks of seven-to-10 years.

Lee Holmes explains the policy: "This is mainly for brand image as we want to be portrayed as the most modern and up-to-date business in the industry."

Lee Halls adds: "Technology moves quickly so we can ensure our fleet is at the cutting edge for safety and emissions."

This includes electric when the payload and range meets requirements, and possibly natural gas for long haul journeys.

Wren has just ordered 10 Mercedes-Benz 18-tonne Actros trucks with tiny digital side cameras replacing the huge, conventional side mirrors.

"It completely eliminates the blind spot on an artic because it pans out, and it alleviates sun blindness because there is no glare," Halls says.

He adds that this buying policy is "another reason why we attract better quality drivers because they know we are investing in the vehicle as well as in them".

"THIS (CHANGING VEHICLES EVERY FIVE YEARS) IS MAINLY FOR BRAND IMAGE AS WE WANT TO BE PORTRAYED AS THE MOST MODERN AND UP-TO-DATE BUSINESS IN THE INDUSTRY"

LEE HOLMES, WREN KITCHENS

Electric is ‘an opportunity not a threat’

James Taylor says electric represents the biggest change in his 20 years at Vauxhall

Company: Vauxhall
General sales director: James Taylor
Time in role: 10 months
*Sales YTD: 137,229 (-4.5%)
Leasing 15,311 (+11.5%)
Fleet other 5,391 (-83.7%)
Motability 20,605 (-4.3%)
Rental 32,910 (+8.5%)
Captive 5,305 (-21.9%)
Private 57,707 (+50.8%)
* Data from SMMT

Sales boss James Taylor believes Vauxhall can win new customers with its EV range. *Stephen Briers* reports

Electric vehicles (EVs) could cause massive disruption in the fleet sector, as brand loyalties are broken and new unique selling points created.

That's the view of Vauxhall general sales director James Taylor, who believes the carmaker has the chance to steal a march on rivals as it begins to roll out electric, plug-in and hybrid options across core models (see panel, right).

"With electric vehicles (EVs), we have an opportunity for a step change to the brand," says Taylor. "We will have an advantage for two to three years until others catch up in terms of our range and availability of EVs.

"It will open up opportunities with new customers that have (previously) been brand loyal in fleet. It will disrupt the market."

Vauxhall's strategy mirrors parent company PSA's "no compromise" approach to EVs.

"We will have the same cars for internal combustion engine (ICE) and battery electric vehicle (BEV) with a choice of petrol, diesel and electric. This is a more efficient way of doing it," said Taylor. "It's also an easier message to communicate from a sales and marketing perspective."

Communication will play a vital role in the successful uptake of electric cars and vans. It is also one of the reasons behind PSA's decision to keep Vauxhall's fleet operation separate from its Peugeot/Citroën brands.

"It is hard to have that in-depth knowledge across so many brands and, with electric coming, you need people talking to customers on the ground," Taylor explains. He has 30 people on the road – still one of the largest teams in fleet.

"Since the early 2000s, people have been saying electric will be here. It is only happening now, but it's the start of a very different world for the company car. It's the biggest change in my 20 years here."

> “WE WILL HAVE AN ADVANTAGE FOR TWO TO THREE YEARS UNTIL OTHERS CATCH UP IN TERMS OF OUR EV RANGE AND AVAILABILITY”
>
> JAMES TAYLOR, VAUXHALL

Over the past 12 months, Taylor has seen a considerable increase in interest from fleets in electric cars. He has high hopes for the Corsa BEV, due to launch next March, thanks to its "workable" range of 200 miles and the fact its internal dimensions are identical to previous generation Astras.

"A lot of people will want to change to electric to save tax. If you have the right product, people will take that opportunity."

Vauxhall has taken 500 orders already for the electric Corsa, which, unlike some rival models, will not be constrained by supply shortages.

"It's vital because we have to sell these from a CAFE (Clean Air For Europe) perspective to avoid a fine that would be damaging for us financially and for our environmental image," Taylor says.

Vauxhall needs to sell 10,000 electric and plug-in hybrid cars in the UK next year to make its contribution to the carmaker's European CO_2 emissions target based on its diesel and petrol sales projections. The balance of these will be weighted in favour of the electric Corsa.

"Even if we need more than 10,000, we will have availability," Taylor says. "Being part of PSA has put us in a good position. Under GM, there wasn't an EV strategy; PSA has had one for a while and sees EVs as an opportunity, not a threat."

He is also confident the GrandlandX Hybrid will appeal to fleets. Vauxhall will introduce a Business Edition derivative with the same specification as the Elite Nav, but with a £7,000 list price saving.

Taylor describes it as "a lot of car for the money", adding: "It's a C-segment SUV with the lowest BIK."

Vauxhall true fleet car performance has been largely flat this year as it prepares for the launch of Corsa in 2020. However, in vans, it is ahead by 19% year-to-date, with a one percentage point rise in market share to 8.6%. And this is despite limited availability of the outgoing Vivaro.

New Combo is up more than 5,500 units year-on-year, with fleet interest piqued by its high level of safety and technology equipment, one of the key reasons it won the Centrica contract recently.

Movano is also up, by 1,000 units, in the run up to a mid-life update this month, including new engines which promise 10-15% improved real-world fuel economy and a host of new optional safety features, such as emergency brake assist, lane departure warning, rear vision camera and blind spot monitoring, plus side-wind assistance as standard.

The technology on the facelifted van is expected to appeal to bigger fleets from a duty of care perspective, giving it a sales fillip.

Alongside Combo and Vivaro, Vauxhall is confident it has "a compelling proposition" in every segment to conquest fleets.

Taylor expresses "some surprise" that 2019 has held up so strongly – he puts this down to record levels of employment, low interest rates and wages rising faster than inflation – and says Vauxhall has "a big forecast for the rest of the year".

He adds: "Brexit hasn't slowed things down. Our demand and order bank are strong."

Nevertheless, Vauxhall is planning for "every eventuality", with concerns about the implications for the economy, exchange rates and tariffs.

With question marks over the future of manufacturing in the UK, Taylor – ever the optimist – believes it could be an advantage should the UK leave without a deal. "We might have vehicles without tariffs competing with those with tariffs – that would be an opportunity," he says.

Vauxhall was among a clutch of manufacturers that planned for the original March departure date by bringing extra volume of cars into the country. It has helped to sustain the market with some strong monthly closes, although demand was stimulated by deals rather than forcing the market.

Promoted to general sales director at the end of last year, Taylor now has a more holistic view of Vauxhall sales – fleet and retail – making him better placed to "plan our allocation, scheduling and channel mix".

He is using this opportunity to drive further reductions in Vauxhall's short cycle business. Since implementing the original strategy eight years ago, Vauxhall has reduced its rental registrations by more than 20,000 to around 40,000.

Taylor now plans to cut the remaining sales potentially in half next year as he plans for the future with one eye on the CAFE regulations.

He explains his rationale: "It would be wrong to sell ICE vehicles in low margin channels that we don't know yet could be supported by BEV and PHEV. So we could be halving our volumes, but without a change in our overall UK market share."

The strategy will affect models across the range – Corsa, especially, but also Astra, Insignia, Crossland and GrandlandX. Much of the action will be taken to coincide with the introduction of new models with their electric derivatives, taking advantage of those new sales opportunities already identified by Taylor.

"We have a real opportunity with electric vehicles, but we have to position ourselves appropriately with leading vehicles sold in the right numbers and in the right channels," he says.

VAUXHALL'S EV ROLL OF HONOUR

January 2020: GrandlandX PHEV

March 2020: Corsa BEV

Mid 2020: Vivaro BEV and Vivaro Life (people carrier)

End 2020/start 2021: Mokka BEV

TBC: Astra and Insignia BEV (next model change)

Impartial ‘enabler’ helps fleets secure improved deals

Transparent pricing through a panel of funders allows millions to be saved, reports *Gareth Roberts*

Sue Branston has been involved with fleet for more than 30 years

£4.5m
customer savings generated in the past three years

11,500
vehicles under management in the UK

180,000
vehicles managed globally

COMPANY: Fleet Logistics UK
HEAD OFFICE: Birmingham
MANAGED UK FLEET: 11,500 vehicles
COUNTRY HEAD UK AND IRELAND: Sue Branston
TIME IN ROLE: Four years

No end of contract charges; no excess mileage charges, just paying what you should be paying at any point in time.

It sounds like some sort of fleet funding nirvana, but is being delivered via a ‘matrix’ leasing platform from Fleet Logistics UK (FLUK).

The Birmingham-based fleet management provider, part of a global business managing 180,000-plus vehicles, gives access to a panel of funders through a framework agreement and a multi-bid platform.

The grid, or matrix, is divided according to contract length and mileage, explains Sue Branston, country head of Fleet Logistics UK and Ireland.

“The term is across the top and mileage down the side. The term will be in three-month increments and the mileage will be in 5,000-mile increments, and every point on that grid will be filled in by the lease co. (with an appropriate rental rate).”

The process also allows customer discounts, which have been negotiated with manufacturers, to be taken into account and, following the setting up of a network of supplying dealers, there is further potential for cost saving and price reduction.

DETERMINING THE WINNER

The customer selects the size of the panel in consultation with FLUK, says Branston, while the system determines the winner.

“That then becomes the ‘bible’ for that particular car so at any point during the life of the vehicle, we can look at the mileage and the term, and if it’s not right, we can change the contract.”

Contracts are reviewed on an annual basis, which she says “negates the lease co. from having to apply a mileage excess or early termination charges – it just cuts it out”.

Interventions by the fleet management company have so far this year saved its UK customer base more than £1.3 million, rising to £4.5m over the past three years.

Meanwhile, by pitching one leasing company against another through its multi-bid platform, FLUK says it is delivering fleets a monthly saving, on average, of £35 per vehicle – an 18% increase in the past two years.

The leasing company effectively becomes the banker in FLUK’s model. “They don’t need to factor into their quotations such things as account management or other back office support functions, because it’s our customer, we service the customer,” explains Branston.

FLUK is in charge of the relationship and has its point of contact with each leasing company. Its revenue is delivered via a monthly fee charged to customers on a per vehicle basis, dependent on the fleet management services selected.

“We’re an extension of their business,” says Branston, “that’s why it’s different from the broker model.”

Branston explains that she would “never advocate” unbundling service, maintenance and repair from the lease, because the leasing companies have “very good buying power and they are spreading the cost over the term so it makes sense to keep that with finance”.

Instead, she says: “We advocate unbundling other services, which they (the leasing companies) don’t do themselves, like accident management, rental, fuel management, mileage capture and telematics.

“Contract directly with the people who are really providing the service. Our customers contract directly with the supply chain, we manage the vendor, we manage their SLAs (service level agreements) and we see all the invoices so we can validate them against the agreed tariff.

“We’re an enabler. We may not fulfil the service ourselves, but we enable it to happen. For example, we’re not a fuel card provider, but we will work with a client, we will research the market and identify the players.”

A switch in fuel card provider for one customer, facilitated by FLUK, enabled benchmark savings of £120,000.

Branston says FLUK has two key areas of focus; one is the front end that administers policy, deals with the drivers and key stakeholders and the other is the back end, the invoice validation team.

“It’s about adding value. We’re enabling; we’re policing and showing the value (to our customers) continuously,” she explains.

In the UK, the company manages 11,500 vehicles, with the lion’s share of its customers also operating cars and vans in other countries through its international fleet management division.

Its UK-only customer base currently stands at 13%, but Branston is keen to double that to a quarter of her overall fleet within the next two years.

PARTNERSHIP APPROACH

Branston believes companies need to take a longer-term view in a constantly-evolving fleet market to achieve a more sustainable future, and consider the advantages of a partner focused purely on fleet.

“Fleet is transforming and having a partner with expertise in every market your business operates in is a key factor in controlling spend,” she says.

“A fleet management company can help realise untapped potential in the fleet supply chain and work with you to develop your sourcing strategy in each market.

“Selecting the best services, to meet your business’ individual list of requirements, will improve processes and reduce admin and manage your fleet suppliers and their costs. This frees up time and resource within your business.”

Branston has worked in the fleet industry for more than 30 years, with senior roles at the likes of Velo, Autolease, Dial Contracts, LeasePlan and Masterlease, but says she has never known change like that seen in the past two years.

It is a level of uncertainty which, with fleets looking for guidance, provides FLUK with an opportunity, she says, adding: “Our methods work well with the current uncertainty and the benefits are seen in the bottom line by a business.

“By supporting our clients to tender for the best fleet supply chain, either alongside their internal teams or on their behalf, we help them select the best providers.

“This can work better than employing a ‘one-stop shop’ approach and being tied to a sole service provider for all fleet services, when not all services may continue to be cost-effective or best-in-class mid-to-long term.”

She continues: “Partnering with a fleet management supplier that is completely transparent and impartial in its dealing with your fleet suppliers, can really benefit both a business and its drivers.”

> “OUR METHODS WORK WELL WITH THE CURRENT UNCERTAINTY AND THE BENEFITS ARE SEEN IN THE BOTTOM LINE BY A BUSINESS”
>
> **SUE BRANSTON, FLEET LOGISTICS UK**

‘BUSINESS AS USUAL’

Volkswagen Financial Services (VWFS) bought a 60% stake in Fleet Logistics earlier this year (fleetnews.co.uk, February 8).

The remaining 40% of the company’s shares are held by the former sole shareholder TÜV SÜD Auto Service GmbH, headquartered in Munich, a wholly-owned subsidiary of TÜV SÜD AG.

Lars Henner Santelmann, chairman of the VWFS management board, said the “strong international focus” of Fleet Logistics complemented its own “global financial services activities”.

The shareholders agreed to maintain the brand neutrality of Fleet Logistics. Branston told *Fleet News*: “It is business as usual. We’re independent and we’ll maintain that independent stance.

“There are some synergies in Germany and I’m sure in time we in the UK will draw on their expertise that may add value to our customer base.”

Vodafone speeds growth by link-up with Geotab

Vodafone Business and Geotab have agreed a strategic collaboration to create a new fleet management tool.

The partnership combines Vodafone's automotive connectivity and service delivery capabilities and its expertise in vehicle safety and security with Geotab's open telematics platform to create Vodafone Business Fleet Analytics.

This will give fleet customers access to vehicle data and insights to monitor and enhance the safety, performance and security of their drivers.

Ric Vicari, Vodafone Automotive head of sales, Northern Europe, said: "We're effectively in the transition as a business moving from 'more than mobile' or a telecommunications company to becoming a technology company."

Vodafone Business Fleet Analytics will allow organisations to develop shared mobility solutions, where companies rent their vehicles to the public or other businesses when not in use.

Vicari said this has possibilities for fleet in a range of sectors, such as car rental and leasing, utilities, construction and heavy equipment management.

Telematics solutions can help fleets reduce fuel consumption and carbon footprint by up to 30% with driver behaviour improvements, as well as improve safety and help reduce insurance premiums.

Vodafone Business Fleet Analytics dashboards will show an overall picture of the fleet, as well as information like speed scores, road type scores, acceleration and braking scores, as well as data on time spent idle.

Telemetry information includes mileage tracking through the odometer, fuel levels and consumption, battery status on plug-in vehicles, as well as speed, revolutions per minute (rpm) and engine coolant temperatures.

Vodafone had been working on its fleet telematics offering for the past two years and after initial success in the market it looked at partnering with the right business to speed up growth.

www.vodafone.com/business/iot • salesuk.telematics@vodafone.com

Vicari says the collaboration between the two companies will see development on engineering, operations, device manufacturing and consultancy on a global scale.

Vodafone is able to offer 'plug and play' telematics solutions, as well as hardwired telematics solutions dependent on customer needs.

Vodafone already has approximately 640 million mobile customers, 89 million customers with connected IoT SIMs, 20 million of which are in connected cars. It is going to use its brand recognition and experience in industry over the past 34 years to boost growth in the fleet telematics market.

Vicari said: "We've been a leading force in the change towards connected mobility, leading the market on areas like insurance-based telematics and vehicle tracking.

"We're now looking to build our presence in the fleet analytics market and the collaboration with Geotab is the next phase of that."

Vicari said fleets are undergoing major changes, whether that's switching to electric vehicles, or changing their mix of funding options for vehicles through contract hire, rental or moving to business mobility services.

He said fleet telematics is no longer just about operational efficiencies, but about creating a platform that can address multiple mobility needs.

Vodafone Business Fleet Analytics will look for growth in the fleet market from fleets all across the board, from those with around 20 vehicles, to medium-sized fleets with up to 500 vehicles, to large corporates with thousands of vehicles.

Vicari said the collaboration between Vodafone and Geotab means that rather than having to focus on one area of the market, they can develop solutions for all sizes of businesses.

Fleets can choose a from a modular system to tailor Fleet Analytics services to meet their needs.

> "We're now looking to build our presence in the fleet analytics market and the collaboration with Geotab is the next phase of that"

This includes customisable dashboards, fleet safety and driving style reports, fleet location-based services, crash, claims and emergencies, maintenance and fleet telemetry.

Fleets can also decide if they want a plug-and-play solution, or if they want Vodafone to handle installed telematics.

Fleets can also install and manage telematics installation themselves if they prefer and manage the lifecycle online through a fleet portal interface.

He said: "With new customers it's a step-by-step process where we discuss their requirements and pain points and then we formulate what technology solutions would be best suited to help solve those issues.

"We're open for business to deliver solutions now and we're in advanced discussions with some major customers already.

"Even for those that might already have a telematics supplier, we're hoping to have discussions with fleets to discuss their requirements and how we might be able to help provide a solution best suited to their business now and in the future."

A Tier One partner to major manufacturers in Europe and Asia

Ric Vicari, head of sales, Vodafone Automotive Northern Europe

Vodafone Automotive is a leading provider of automotive products and services – including in-car telematics, stolen vehicle recovery, usage-based insurance and fleet solutions.

The company brings together unrivalled expertise, end-to-end service delivery and a comprehensive range of solutions delivering world-class connected car services and products for the automotive (both factory and aftermarket installation), fleet and insurance industries.

Operating in nine countries (China, France, Germany, Italy, Japan, South Korea, Spain, Switzerland and the United Kingdom) and employing more than 900 people, Vodafone Automotive operates through distributors, licensees and national service providers.

Customers of our stolen vehicle tracking and location-based services include insurance companies and 35 leading vehicle manufacturers.

Vodafone Automotive is a Tier One partner to the main European and Asian car, truck and motorcycle manufacturers, developing bespoke solutions: anti-theft, parking assistance and telematics systems. It is also a part of the Vodafone Internet of Things (IoT) portfolio, which enables the exchange of real-time information.

To continue to provide a best-in-class service, Vodafone has partnered with Geotab, bringing together Geotab's open fleet platform capabilities and Vodafone Automotive's expertise in vehicle safety and security, powered by Vodafone's global IoT network, operations and service delivery. As a result, Vodafone Business Fleet Analytics launched this September.

Businesses, get ready for Brexit

Prepare for Brexit at gov.uk/brexit

HM Government
ADVERTISEMENT
BREXIT 31 OCTOBER

Steps for businesses to get ready for Brexit

The UK will be leaving the EU on 31 October. This will bring important changes to doing business. Here are five things automotive companies can do now to get ready.

1 Ensure your vehicles and components are approved for sale in the UK and the EU

If you are a manufacturer and want to register new vehicles in the UK, you will need to apply to the Vehicle Certification Agency (VCA) to convert existing EU vehicle type approvals.

To sell in the EU you will also need to apply to an EU-based approval authority to transfer existing UK approvals and, if necessary, appoint an EU representative. The VCA can also provide assistance with this transfer process.

Further information can be found by searching 'vehicle type approval Brexit' on gov.uk/brexit.

2 Check you can import and use chemicals

To continue to use or import chemicals, you will need to check whether you have new obligations under UK REACH (the Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation). You will also need to check your requirements under other regimes, such as BPR (Biocidal Products Regulation) and CLP (Classification, Labelling and Packaging).

For more information, refer to the guidance at www.hse.gov.uk/brexit/reach.htm

3 Prepare for new customs and VAT procedures at the border when trading with the EU

To continue importing from and exporting to the EU after 31 October there are changes you need to make now. Make sure you have an Economic Operators Registration and Identification (EORI) number that starts with GB. It's quick, easy and free to do on gov.uk/brexit.

Find step-by-step guides to importing and exporting, as well as more information at gov.uk/brexit-traders.

4 Register for Transitional Simplified Procedures to make it easier to import from the EU

If the UK leaves the EU without a deal, you will need to apply the same procedures to EU trade that apply to trading with the rest of the world. If you do not use TSP, you will need to make full import declarations each time you buy goods from the EU.

For more information, search 'register simplified import' on gov.uk/brexit.

5 Signpost the EU Settlement Scheme

Employers can help their EU, European Economic Area (EEA) and Swiss staff get the information they need to apply for status under the EU Settlement Scheme. This will enable them to secure their rights in the UK. Applicants have until at least 31 December 2020 to make an application.

Search 'EU Settlement Scheme Employer Toolkit' on gov.uk/brexit for more information.

Further information

Speak with your lawyer and accountant or visit gov.uk/brexit for tailored business information, and you can also sign up for email updates.

Fleet 200

2 0 1 9

THE UK'S BIGGEST FLEETS

Analysis and insight into the UK's professional car and van fleet operators

Powered by Sewells actionable insight

Sponsored by ARVAL BNP Paribas Group · bp · jaama · masternaut · ŠKODA

Across almost every industry, product or service, commercial fleets are at the heart of British business. BP Fuel Cards is there to help businesses keep advancing.

Managing the complexities of a fleet, balancing costs, fleet efficiency, security and driver wellbeing is challenging even before you consider the changing technological, environmental and legislative landscape.

We care about helping businesses succeed which is why we're proud to partner with Fleet200. Working closely with industry-leading fleets helps keep our finger on the pulse of the constantly evolving challenges and opportunities in the industry.

Over the five years of partnership with Fleet200 we continue to take insight to develop our offer and help businesses grow.

As the needs of business have evolved so, too, has BP Fuel Cards, offering a full suite of services to reduce costs, increase efficiency and give businesses peace of mind.

From the UK's first mobile fuel card payment app to our BP Fuel & Charge solution for fleets transitioning to EVs, we recognise the world is changing faster than ever and we are responding to help fleets succeed. The businesses in the Fleet200 are driving change in the industry and we are there to support fleets now and in the future.

Joanna McDonnell, UK Fuel Card Manager, BP Fuel Cards

We're still experiencing an exceptional period of change in the fleet industry which means it's more important than ever for us to support our customers in reaching their fleet objectives and goals.

At Arval we are embracing the opportunities and challenges posed by the dynamic market in which we all operate.

Our Future Fleet whitepapers and webinars tackle subjects such as implementing new technology, electric and hydrogen vehicles (including options for van fleets) and how to navigate WLTP.

Expertise is one thing, but Arval's SMaRT (Sustainable Mobility and Responsibility Target) methodology pragmatically enables fleets to transition to a much greener and more sustainable situation and to measure and track the results.

We're pleased to be able to continue our sponsorship of the Fleet200. It helps us to regularly engage in meaningful two-way communications with the UK's leading business fleets, allowing us to better understand their changing needs.

Elliott, Woodhead , Deputy General Manager, Arval UK

We are proud to partner with Fleet200 and gain insight from some of the most innovative fleet operators in the country.

At Masternaut, we evolve each year to match the changing needs of the modern commercial fleet, striving to provide our customers with better fleet intelligence, based on their data. We are confident this partnership will enable us to design the technology to shape a cleaner, seamless, more efficient future.

From instant fleet visibility to better road safety, software enhancement and beyond, our solutions deliver insights that help fleets unearth their differentiators and reveal their unseen advantages. Fleet operators, business leaders and drivers alike can all benefit, operating with greater automation and clarity than ever before.

Our range of connected telematics solutions, backed with support from experienced analysts turns data inputs into a strategic fleet management plan.

And for our customers, this unseen advantage becomes visible in the figures. On average, after implementing our telematics software, speeding is reduced by 70%, and across the clients we serve, 230,000 tonnes of CO_2 are saved on an annual basis.

Jonathan Smith, UK Commercial Director, Masternaut UK

Next year ŠKODA celebrates its 125th anniversary. It's safe to say that over more than a century we've witnessed first-hand many changes in the automotive industry, but nothing compares to the revolution we are undergoing at present.

The next 12 months will see the roll-out of our highly-anticipated electric cars that will have a range capability and intuitive technology that will set us apart from competitors.

ŠKODA is perfectly poised for the emerging eMobility era and we are just months away from the launch of the ŠKODA Superb iV – a plug-in hybrid version of our flagship fleet car that has been the executive car of choice since 2015.

Ahead of the arrival of the iV, the Superb has been relaunched this autumn with key enhancements that will make the four-time winner of the Fleet News Best Upper Medium car, a luxury forerunner for years to come.

Keeping pace with the transforming motor industry will be the all-new Octavia that is due to launch in 2020. The dynamic car is a fleet-favourite thanks to its value-for-money, tech and style. The new Octavia will certainly live up to its namesake and be available in a choice of engines, including a plug-in hybrid.

With the new ŠKODA Scala making an impact on the compact car segment, ŠKODA's range can cater to every business.

Henry Williams, Head of Fleet, ŠKODA UK

Jaama is the provider of the UK's most sophisticated and requested vehicle and driver management software system. It holds Fleet News Reader Recommended status for 2020.

More than 1.35 million fleet vehicles are presently managed by Jaama's multi award-winning Key2 asset management system. That demand is due to many factors, but includes continuous investment in product development amounting to more than £2.6 million per year, ensuring that Key2 – including Jaama's 'MyVehicle App' – is at the cutting edge of fleet solutions.

The industry is undergoing potentially the most significant changes in living memory with fleet decision-makers facing an unprecedented number of 'challenges'.

That brings complexity, but also opportunities. However, to maximise such opportunities requires fleet decision-makers to have absolute visibility of vehicle and driver data allowing informed 'big decisions' to be made confidently using robust systems.

Such technology is a pre-requisite to efficiently collecting and effectively analysing data, the volume of which is increasing rapidly due to the arrival of the 'connected car'.

However, it remains the case that many companies are gambling with their fleet operations due to a failure to embrace online management technology. An ever-pressing need for companies to effectively manage costs, ensure operational compliance and deliver a competitive edge, means a holistic picture is required that can only be achieved by having good systems and processes in place.

By Martin Evans, Managing Director, Jaama

WELCOME

The UK's biggest fleets are running more vans and fewer cars than a year ago, according to the latest findings from the Fleet200.

We now have proof that the fallout from BIK uncertainty has resulted in more choosing cash if given the option: the figures tell us that 36% of staff eligible to take cash are doing so.

The company car is still a great deal if drivers want a new car – even with BIK percentage rates in the high 20s and low 30s, the monthly tax payable is similar to, or less than, the monthly finance bill on a PCP or PCH. And the company car includes maintenance and repair, VED and insurance.

But, that's not enough to persuade some people to stay – they see the rising monthly bills and opt out, in favour of a used car to save money.

Fleets are confident this will change next year with the introduction of the zero rate BIK for pure electric vehicles. Employees have the option of taking a £40k car free of charge for the first year, paying less than £100 per year for subsequent years – a 'no-brainer'.

We'd expect to see employees flooding back to the company car market come April 2020. Even plug-in hybrids offer a compelling financial case, with the least efficient – those with less than 30 miles' electric range – still coming in at 14% BIK for the next three years.

However, much will depend on availability – an issue of concern for many fleets seeking to meet CSR targets by introducing more EVs.

Local government has an issue on its hands. Growth in EVs will undoubtedly help to reduce air pollution and meet quality targets; however, the authorities face growing congestion as the number of vans on the roads increases, fuelled by demand for home delivery services.

These vans will not be electric – there are still few models on the market.

Clean air zones will help, but only in persuading fleets to invest in Euro 6 diesel – cleaner than Euro 5 but still emitters of significant NOx, particulate matter and CO_2.

City authorities will need to consider how best to shift distribution from vans (and trucks) to cleaner methods, which is why *Fleet News* is sitting on a Freight & Logistics Sub Committee, hosted by sister brand *Smart Transport*, involving national and local government, plus major fleets.

We hope solutions can be found to meet all needs.

Stephen Briers, editor-in-chief, *Fleet News*

CONTENTS

A problem-strewn 12 months, but prospects look more rosy

Top 10 fleets show sharp increase on vans and a considerable dip on cars. *Stephen Briers* reports

Brexit, CO_2 emissions, company car tax uncertainty, the new Worldwide harmonised Light vehicle Test Procedure (WLTP), clean air zones – the list of challenges facing companies operating car, van and truck fleets over the past 12 months has been extensive.

Yet, while the implications for many car operators have undoubtedly been severe, with enforced extended replacement cycles and a rise in cash uptake caused by the lack of clarity around future benefit-in-kind (BIK) tax, for many fleets it's been a case of focusing on the core business and continuing to prioritise cost efficiency, safety and the environment.

Like-for-like, the top 10 biggest operators are running a little over 2,000 more vehicles than a year ago, although there is a stark contrast between vans and cars. Driven by continued demand for home deliveries and growth in national infrastructure, particularly roads, the number of vans has risen by more than 5,500; meanwhile, the top 10 are running around 3,500 fewer cars.

Notable growth has come in the Royal Mail van fleet, part of the business strategy to accelerate its revenue from parcels as the make-up of its operation evolves. Internal pressures have already seen the business pull away from its 'empty legs' initiative, whereby it offered other operators space on its trucks; it simply no longer has the spare capacity.

Likewise, Royal Mail is now phasing out its fleet management service, a process that is expected to conclude by the end of this year. Its national network of 100 workshops is now required to concentrate on the organisation's expanding 'red' fleet, ensuring they take precedence for service, maintenance and repair (SMR).

In a sector where margins are tight, vehicle utilisation and minimising off-road times make a vital contribution to the bottom line.

A Royal Mail spokesperson said: "Royal Mail has decided to focus its fleet services divisions on its own vehicles. This means we will no longer offer third party fleet services. Our decision has no impact on Royal Mail or our colleagues."

The decision adds up when considering the rise in its van fleet: Royal Mail has added 1,200 light commercials and almost 400 trucks in the past year and further growth is anticipated as part of its investment strategy in the parcel sector which includes building three parcel hubs.

The move is part of a £1.8 billion investment in network enhancements and new ways of working. The hubs, scheduled to be fully operational by 2023, will introduce a second delivery for parcels.

SSE – formerly Scottish and Southern Energy – has jumped from seventh to fourth biggest fleet after the utility company added just over 1,500 vans taking it to 6,500, while Amey Fleet Services almost doubled its van fleet, from 1,565 to 3,000.

> EMPLOYEES COULD NOW RETURN TO THE (CAR NOT CASH) FOLD THANKS TO THE ULTRA-LOW BIK RATES AVAILABLE ON ELECTRIC AND MANY PLUG-IN HYBRIDS

Amey has also boosted its company car fleet, bringing more than 2,000 employees back into the scheme compared with a year ago (up from 750 to 3,000).

Not everyone has increased the size of their fleet. Centrica reduced its vans from 12,500 to 9,900 following a utilisation project with its funding partner.

Steve Winter, Centrica head of fleet, set a target of holding 3% of the fleet as surplus to reduce downtime due to vans off the road (hire vans tend not to meet its specifications).

Previously, it was too high, while vehicles were held centrally which was inefficient when the fleet is spread nationally.

This work, including action to put vehicles in strategic locations, has now been completed, largely explaining the reduction in van fleet size.

"Most of this has been through having a much better handle on utilisation as well as some attrition in the business in line with structure and operational plans within the group," says Winter. "Clearly we are taking every opportunity to reduce the fleet size in surplus and, in particular, the Euro 5 vehicles."

Kier has also cut its van fleet year-on-year, by just less than 2,000 vehicles.

In total, the Fleet200 – consisting of 135 organisations – are operating 126,796 cars, 187,995 vans and 25,172 trucks.

While total volume comparisons with 2018, where 167 completed the survey, are not possible, digging into the figures reveals that vans account for 61% of 2019's 305,791 car and van total, up four percentage points from 2018's 57%.

Assessing the top 100, where the majority of the companies are the same, shows some interesting trends.

In 2018, the top 100 companies had 313,399 vehicles, of which 131,280 were cars and 182,119 vans. While the number of vans operated by the 100 biggest businesses in 2019 is largely unchanged – 182,627 – the number of cars has fallen dramatically, to 122,200. In total, the top 100 are running 304,827 vehicles.

This 9,080 year-on-year drop in cars underlines the impact of more than a year of uncertainty over BIK taxation and CO2 emissions. Companies and leasing companies have been reporting that employees are drifting out of car schemes and opting for cash, particularly higher rate tax earners.

The Fleet200 seems to support this view, which was highlighted in last year's report following a *Fleet News* poll which showed 77% of companies were seeing an increase in the number of drivers opting out of cars.

This year, respondents stated that 36% of staff eligible for a company car are opting for cash.

There are exceptions, notably when funding options are widened to include salary sacrifice. Property services company Countrywide introduced a salary sacrifice scheme last year to tackle the issue of staff opting for cash and has seen an uptake of 2,000 employees, taking its car fleet from 3,800 to 5,530, while Virgin Media's car fleet has increased from 400 to 1,500 thanks to the addition of its sal/sac employees.

However, other companies report a fall in interest in their salary sacrifice schemes.

Sixty-eight companies are operating at least 1,000 vehicles; last year there were 83. Looking closer, 47 operate at least 1,000 cars and 38 have 1,000-plus vans (while 22 have at least 1,000 of both), down on last year (52 for cars and 41 for vans).

Last year, 59% of companies anticipated no change in their car fleet size for the coming year, 21% expected growth and 20% a reduction. This scenario has been broadly played out in the Fleet200 figures, albeit erring slightly more on the side of the pessimists.

However, this year, the picture is far more rosy.

While 55% of companies expect no change, 42% anticipate growth in their car fleet over the next 12 months, while 49% forecast expanding their van fleet (2018: 29%).

Companies in the transport/retail/distribution sector are most positive about cars, with 48% expecting growth; least optimistic are those in the public sector (21% growth, 78% no change).

With the Government revealing BIK until 2022/23, including the zero percent rate for pure electric cars until 2021, followed by 1% in 2021/22, confidence is returning to the market.

Employees who were wavering on opting out, and those who have previously opted out, could now return to the fold thanks to the ultra-low BIK rates available on electric and many plug-in hybrids.

Expect to see the average emissions figure of 109g/km (the same as 2018) fall as a result of the surge in interest for electric cars – but only if those models coming to market do so in sufficient numbers to meet the demand.

Transport operators are also bullish about their van fleets, with 58% predicting a rise in numbers over the next 12 months, but it's companies in the business services sector that are most confident, with 63% anticipating growth. Again, public sector lags behind, at 34%.

Fleet200 2019 suggests that Brexit is having little impact on their business growth strategies for the next 12 months.

FLEET DEMAND – PERK VS ESSENTIAL USE

Source: Sewells Fleet Intelligence

Sector	Current % of perk drivers	Current % of essential use drivers
All car fleets	29%	71%
6-25 cars	29%	71%
26-50 cars	29%	71%
51-100 cars	30%	70%
101-250 cars	33%	67%
250+ cars	30%	70%
Primary/Manufacturing/Construction	30%	70%
Transport/Wholesale/Retail/Distribution/ Information/Communication	27%	73%
Business Services	39%	61%
Other services	27%	73%
Public sector	18%	82%

FLEET200 BY NUMBERS

187,995 number of vans operated by Fleet200

135 the number of Fleet200 members in 2019

25,172 number of trucks operated by Fleet200

24% the proportion of fleets offering sal/sac schemes to staff

305,791 number of cars and vans operated by Fleet200

42% the proportion of companies expecting to grow their car fleet over the next 12 months

109 average car CO_2 emissions in g/km

63% average proportion of cars funding by contract hire

126,796 number of cars operated by Fleet200

THANKS FOR TAKING PART

Thanks to all the companies who supplied us with their fleet figures this year. Thanks also to Sewells Fleet Intelligence for collating the data and providing the tables for this report.

If you believe your company should be in the Fleet200, please email the editor, stephen.briers@bauermedia.co.uk

Position	Company	Cars and van total	Cars	Vans	Trucks	Car replacement cycle (months)	Van replacement cycle (months)	Funding method cars and vans
1	Royal Mail	47,300	4,600	42,700	6,385	48	96	OL, FL
2	British Telecommunications	31,864	4,000	27,864	1,440	48	110	OL
3	Centrica	11,900	2,000	9,900	0	48	72	OL, FL
4	SSE	9,500	3,000	6,500	220	48	60	OL
5	DPD Group UK	8,750	750	8,000	1,200	36	60	FL, ECO, OL
6	Network Rail	7,400	1,400	6,000	300	60	60	OP, OL, FR
7	Kier Group Fleet	7,130	3,441	3,689	596	48	48	OL,OP,O
8	M Group Services Plant & Fleet Solutions	6,500	3,000	3,500	200	n/a	n/a	OL, O, FR
=9	Amey Fleet Services	6,000	3,000	3,000	2,500	n/a	60	FL, ECO, OP, OL
=9	Defra Group Fleet Services	6,000	4,000	2,000	40	48	70	OL,OP
11	Countrywide	5,530	5,500	30	0	60	64	OP, OL
12	Mitie	5,360	1,992	3,368	20	48	60	OP, OL, ECO, FL
13	Balfour Beatty Fleet Services	5,200	3,500	1,700	700	48	48	OL, FR
14	Addison Lee	4,362	4,002	360	0	36	36	OL, FL
=15	Siemens	4,200	2,700	1,500	2	48	48	OL
=15	Travis Perkins	4,200	2,700	1,500	2,500	48	96	OP, OL
17	Virgin Media	4,100	1,500	2,600	0	60	48	OP,OL
18	Volkswagen Group UK	3,780	3,780	0	0	7	n/a	ECO
19	John Lewis Partnership	3,600	1,600	2,000	600	36	96	OL, OP
20	Police Scotland	3,592	2,842	750	97	60	60	OP
21	Euro Car Parts	3,564	264	3,300	164	72	78	OP, FR
22	Chiltern Transport Consortium	3,490	2,642	848	18	54	96	OP
23	Interserve	3,300	1,500	1,800	25	36	48	FL
24	E.on UK	3,221	954	2,267	22	48	60	OL
25	Engie	3,175	1,384	1,791	9	48	48	OL, FR

Key to funding method abbreviations: FL finance lease, OL operating lease, OP outright purchase,
SS salary sacrifice, ECO employee car ownership, FR flexible rental, O other

Position	Company	Cars and van total	Cars	Vans	Trucks	Car replacement cycle (months)	Van replacement cycle (months)	Funding method cars and vans
26	National Grid	3,109	2,099	1,010	58	36	84	OL, OP
27	Asda Stores	3,100	1,000	2,100	1,000	48	60	OL
28	The AA	3,000	200	2,800	300	36	48	FL, OL
=29	Anglian Water	2,800	1,000	1,800	200	48	84	OP, OL, ECO
=29	UK Power Networks	2,800	1,100	1,700	200	60	72	OP
31	Skanska	2,700	1,800	900	n/a	48	n/a	OL
32	Capita	2,500	2,000	500	40	48	48	OL
33	Laing O'Rourke	2,265	1,915	350	0	48	36	OL, O, FR
34	Galliford Try	2,250	1,900	350	0	41	48	OL, FR
35	DHL International (UK)	2,150	450	1,700	250	48	60	n/a
36	ISS UK	2,100	850	1,250	0	36	60	FL, OL
37	Kelly Fleet Services	2,050	150	1,900	31	48	60	OP, O, FR
38	Severn Trent	1,950	600	1,350	280	n/a	n/a	n/a
=39	GE Global Operations	1,900	1,800	100	0	36	48	OL
=39	Kent and Essex Police	1,900	1,700	200	5	48	60	OP, OL, O, FR
41	Babcock International	1,850	1,000	850	40	36	48	OL, FR
42	Speedy Hire	1,821	541	1,280	210	48	39	OP, OL, FL, ECO, FR
43	Ricoh	1,780	1,750	30	0	48	48	FL, ECO
44	Integral UK	1,717	770	947	0	48	48	OL, OP, FR
45	CBRE	1,700	500	1,200	0	n/a	n/a	OL
46	Howdens Joinery	1,700	1,600	100	25	48	48	FL
47	Clancy Docwra	1,675	375	1,300	164	50	60	OP, OL
48	Fujitsu	1,650	1,600	50	0	36	36	OL
49	Murphy Plant	1,607	507	1,100	120	48	72	OP, OL
50	Belron UK	1,600	200	1,400	0	35	35	OL

Position	Company	Cars and van total	Cars	Vans	Trucks	Car replacement cycle (months)	Van replacement cycle (months)	Funding method cars and vans
51	Schneider Electric	1,550	1,300	250	0	48	48	OL, ECO, FR
52	Wolseley UK	1,541	1,150	391	239	48	60	OL, OP
53	AmcoGiffen	1,500	1,000	500	1	48	48	OL, ECO, OP, FR
54	Morgan Sindall	1,470	1,020	450	20	46	40	OL, OP, FR
=55	Northern Powergrid	1,450	700	750	50	36	60	ECO, OL
=55	South West Water	1,450	450	1,000	72	48	84	OL, OP
57	Scottish Water	1,442	234	1,208	165	48	60	OL, OP
58	Milk & More (Muller)	1,350	0	1,350	12	n/a	n/a	n/a
=59	Coca-Cola European Partners	1,260	1,050	210	0	39	48	OL, FL
=59	The Salvation Army	1,260	1,010	250	0	36	72	FL, OP, O
=61	Kuehne + Nagel	1,200	1,100	100	1,500	48	24	OL, FR
=61	Yorkshire Ambulance Service	1,200	420	780	0	n/a	n/a	n/a
63	Computacenter	1,180	1,100	80	0	48	60	FL
64	Driver & Vehicle Standards Agency	1,162	1,086	76	5	36	54	OP, OL
65	London Ambulance Service	1,100	300	800	0	60	84	OP, OLL
66	Altrad Services	1,080	230	850	65	36	48	OL
67	London Underground (TfL)	1,050	50	1,000	40	60	60	OL, FR
68	Reach (name changed from Trinity Mirror)	1,040	1,000	40	0	48	60	OP, OL
69	West Yorkshire Police	989	725	264	0	n/a	n/a	OP
70	Leeds City Council Fleet Services	977	24	953	186	72	72	OP
71	South Yorkshire Police	850	600	250	40	60	60	OP, OL
72	NHBC	800	800	0	0	36	n/a	OL
73	Yodel	785	35	750	400	36	60	OL, FL
74	Aviva	770	770	0	0	36	n/a	OL
75	Arcus Solutions	750	50	700	0	60	n/a	OL

Key to funding method abbreviations: FL finance lease, OL operating lease, OP outright purchase, SS salary sacrifice, ECO employee car ownership, FR flexible rental, O other

Position	Company	Cars and van total	Cars	Vans	Trucks	Car replacement cycle (months)	Van replacement cycle (months)	Funding method cars and vans
76	Thales Group	750	608	142	0	48	48	OP, OL
77	Brandon Hire Station	726	0	726	16	n/a	36	OL, FR
78	Npower Energy Services	725	0	725	0	n/a	48	OL
79	Affinity Water	714	250	464	6	48	60	FL
80	VPS Group	710	120	590	5	60	60	OP, OL, FR
81	AstraZeneca UK	670	650	20	0	48	48	OL, ECO
82	Nobia UK	658	650	8	0	48	36	FL, ECO, FR
83	Novartis	655	650	5	0	48	60	OP, OL
84	BCA	652	614	38	1	36	n/a	OP
85	Close Brothers	650	650	0	0	48	n/a	OL, ECO
86	SCC	650	350	300	2	48	72	OP, OL
87	SIG Trading	648	520	128	497	48	60	OL, OP
88	NHS Blood and Transplant	640	430	210	96	36	48	OL, FL
89	Unipart Group	640	524	116	225	36	36	OP, OL, FL, ECO, FR
90	Northern Lincolnshire & Goole NHS Foundation Trust	620	580	40	0	36	36	OL
=91	Countryside Properties	600	500	100	0	36	48	OP, OL
=91	Novus Property Solutions	600	200	400	0	48	72	OP, ECO
93	Well Pharmacy	598	110	488	0	48	48	OL
94	Gamestec Leisure	596	498	98	0	36	36	FL, O, FR
95	East of England Ambulance Trust	590	340	250	400	36	42	OP, OL
96	Hampshire County Council	575	235	340	15	60	72	OP, OL
97	Pfizer	571	567	4	0	50	80	OP, OL
98	Innserve	570	92	478	0	48	48	OL, OP
99	Northumberland County Council	561	200	361	170	36	60	OP, OL
100	Genus	560	200	360	1	48	36	OL

Average car emissions stay same despite more accurate WLTP test

Moves to reduce air pollution stepped up as EVs increase in popularity. *Matt de Prez* reports

New emissions targets will come into force in 2021 which could result in manufacturers facing huge fines

Average car CO_2 emissions for the Fleet200 stand at 109g/km this year, exactly the same as they were in 2018.

It's a surprising result, given the challenges the industry has faced in the past 18 months, as car emissions testing underwent a total overhaul and all vehicles had to be re-homologated under the Worldwide harmonised Light vehicle Test Procedure (WLTP).

The latest Fleet200 figures are based on NEDC testing and those derived under the 'halfway house' NEDC-correlated system, as manufacturers aren't required to publish the actual WLTP value until April 2020, when it will be used for taxation purposes.

NEDC-correlated figures are higher on average by 10-20% and the full WLTP could double that increase. This should be reflected in fleets' average CO_2 emissions next year, which are likely to rise as they begin to renew their company car fleets after a self-induced pause while many waited for the Government to reveal future benefit-in-kind (BIK) taxation tables.

Not all industry sectors saw their emissions stay static year-on-year. Primary, manufacturing and construction increased by 1g/km, business services was up by 3g/km and public sector rose by 2g/km, despite best efforts to steer staff into cleaner cars.

That said, with many fleets and company car drivers holding off from replacing vehicles, it would've limited the emissions increase caused by switching from an NEDC-tested car to one with a NEDC-correlated figure.

One sector has enjoyed substantial success in reducing CO_2 emissions, however: transport and distribution, which is down on average by 9g/km to 105g/km. It is the lowest average from any industry sector.

Sixteen fleets – equating to 11.7% of the Fleet200 – are averaging below 100g/km, marginally down on last year's 19 fleets which was 12.8% of the total. Two, DPD and Calor Gas, are below 50g/km.

DPD, with half its 750 company cars on an employee car ownership (ECO) scheme, is seeing staff opt for electric and plug-in hybrid cars to maximise the benefit under the funding programme.

However, even DPD's performance pales against Calor Gas, which has average CO_2 emissions of just 25g/km. Calor also operates an ECO scheme, which accounts for 52% of its 123 company cars.

Lex Autolease, the UK's largest leasing company, financing almost 400,000 cars and vans, has seen orders for pure electric cars increase by 123% since the new BIK tax rates were announced over the summer.

> Lex Autolease told *Fleet News* that orders for pure electric cars had increased by
> **123%**
> since the new BIK tax rates were announced

Zenith reported an even bigger surge in pure EV orders, up 211%, while Alphabet and Total Motion both reported double-digit increases.

The latest Fleet Intelligence Pulse report, which supports the Fleet200 analysis, suggests that fleet operators expect the number of hybrid car models on their fleets to increase by more than any other powertrain in the next 12 months.

Predictions are weighted towards hybrid models, with 9% of fleets expecting to take more on next year. Plug-in hybrid and pure electric cars are tied, with 4% of companies forecasting they will account for a greater share of fleet next year.

Primary, manufacturer, construction fleets are the most positive about alternative fuels for cars, especialy electric vehicles, although the public sector is swaying the most towards plug-in hybrids, with 6% expecting to take on more (notwithstanding the amorphous other services companies, at 7%).

However, with hybrids accounting for just 6%

C of vehicles on company fleets, there is still a long way to go before it takes over from diesel, which currently makes up 46% of cars in the survey.

Nevertheless, the decline of diesel has been rapid thus far, with a further drop of 11% expected in the next 12 months. Despite this, manufacturers are continuing to push models fuelled from the black pump.

Volvo, a brand that previously outlined a strategy away from the fuel has just introduced a range of mild-hybrid diesel engines across its range.

Audi is also pressing on with diesel models, making the seemingly controversial decision to power its new S4 performance saloon with a diesel engine.

Another lifeline for diesel is RDE2 – a more stringent real-world emissions test. Vehicle that pass forgo the 4% diesel surcharge, bringing BIK rates to a more attractive level.

Only a handful of models have made the grade so far, however.

Looking at van fleets, fleet operators are expecting a 10% decline in the number of diesel vehicles on their fleets in the next 12 months, with hybrid, plug-in hybrid and electric models filling the void.

It's the largest fleets that expect to ditch diesel by the largest percentage (18%) and those businesses in the primary, manufacturing, construction sector.

However, uptake expectations for alternative fuel vans are lower than for cars, primarily due to the fewer options available on the market.

In fact, three industry segments expect to reduce the number of hybrids on fleet next year. Business services fleets have gone for the hat-trick, with reversals forecast on hybrids, plug-ins and pure electric vans. Meanwhile, the public sector and transport/distribution operators do not expect any change in the number of EVs they are running in the van fleets.

Moving to electric vehicles remains high on the agenda of many fleets, including the likes of British Gas and Royal Mail which are part of the UK's largest electric van trial, Optimise Prime.

It will see 3,000 electric vehicles in operation during its three-year project life, funded through Hitachi with partner UK Power Networks assessing any issues on grid capacity and demand. The findings will be shared with other fleet operators to help hasten the uptake of electric vehicles.

For now, vehicle choice remains a challenge for LCV operators wanting to switch to electric.

There are few electric vans available to buy and none offers the flexibility and practicality of a diesel vehicle. Batteries are heavy and you need a large one to get a decent range, especially if you factor in using the vehicle fully-laden.

But, a heavy battery affects payload and while it offers a longer range, the weight equally penalises the maximum amount of miles the van can travel.

It's even more difficult for HGV operators, where electrification is unlikely to happen anytime soon. Instead, operators are looking for alternative ways to cut emissions.

The John Lewis Partnership will switch from diesel-powered heavy trucks to 100% renewable biomethane-powered versions by 2028, cutting its HGV emissions by more than 80%.

Once converted, the fleet of 500 Waitrose & Partners and John Lewis & Partners delivery trucks will save more than 49,000 tonnes of CO_2 every year – equivalent to the carbon footprint of just over 6,000 UK households.

Justin Laney, partner and general manager of central transport, John Lewis Partnership, says: "We have been pioneering the adoption of long-distance biomethane trucks in the UK. Scaling this up to our entire heavy truck fleet will deliver significant environmental and operational benefits.

"Five biomethane trucks produce the same emissions as one diesel lorry and they are also much quieter, helping reduce not only greenhouse gas emissions and air pollution but also noise pollution in our cities."

Moving to electric vehicles is high on the agenda of many Fleet200 companies

AVERAGE CARS CO_2 2018 VS 2019

Sector	Average CO_2 cars 2019	Average CO_2 cars 2018
Primary/Manufacturing/Construction	110	109
Transport/Wholesale/Retail/Distribution/Information/Communication	105	114
Business Services	112	109
Other services	111	N/A
Public sector	109	107
Fleet200 average	109	109

FORECAST CHANGE IN CAR AND LCV FUEL TYPES

Sector	Petrol		Diesel		Hybrid		PHEV		Electric	
	Car	LCV	Car	LCV	Car	LCV	Car	LCV	Car	LCV
Primary/Manufacturing/Construction	-7%	-3%	-12%	-15%	10%	10%	4%	3%	5%	4%
Transport/Wholesale/Retail/ Distribution/Information/Communication	-4%	4%	-11%	-4%	10%	-1%	3%	1%	3%	=
Business Services	-4%	=	-5%	-3%	5%	-4%	=	-4%	4%	-1%
Other services	-5%	=	-10%	-10%	5%	-1%	7%	7%	3%	2%
Public sector	1%	=	-18%	-3%	9%	2%	6%	1%	2%	=
Fleet200 average	-5%	=	-11%	-10%	9%	4%	4%	2%	4%	2%

Operating lease is the funding method way out in front

Residual value risk warning during 'uncertain economic' times. *Gareth Roberts* reports

Three-quarters (74%) of the cars operated by the Fleet200 – some 91,600 vehicles – are lease funded, according to 2019 analysis.

Less than one in five cars (19%) is bought outright; around one in 20 (6%) is financed via an employee car ownership (ECO) scheme.

Operating leases dominate, funding 63% of cars compared with finance leases, which account for 11% of the fleet.

An operating lease is akin to renting, with no residual value (RV) risk for the fleet. That means the lease payments are treated as operating expenses and the asset does not show on the balance sheet.

However, a financial lease is more like a loan. Here, asset ownership is considered by the lessee, so the asset appears on the balance sheet and the residual risk sits with the fleet.

Funding expert, Professor Colin Tourick, from the University of Buckingham, believes that amid the economic uncertainty, "naturally cautious" leasing companies will have found it more difficult than usual to predict RVs and maintenance budgets.

> I DO NOT BELIEVE FINANCE LEASE IS THE RIGHT FUNDING OPTION AT THIS TIME IN THE ECONOMIC CYCLE
>
> **IAN HILL, ACTIVA CONTRACTS**

As a result, for those thinking Brexit will deliver less of a shock to the economy than some are predicting, Tourick says they should consider switching from contract hire to finance lease to fund their fleet, and bolt on an 'actual cost' fleet management package.

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

However, Ian Hill, managing director of Activa Contracts, reminds fleets that the funding method is not risk-free. Unlike contract hire, finance lease sees lessees take on the RV risk.

"Contract hire provides certainty for fleets in uncertain times," he says. "Our customers want certainty and company boards want to know how much it costs to run their vehicle fleet all-in on a monthly basis. Contract hire inclusive of maintenance and other services, if desired, delivers that certainty. I do not believe finance lease is the right funding option at this time in the economic cycle."

Hill explains that for most organisations fleet is non-core. "Just as businesses outsource other non-core activities such as office cleaning and security so they do fleet provision because they want costs to be predictable," he says.

"Vehicle residual values along with maintenance costs are the huge fleet unknown with Brexit and in times of economic uncertainty."

RVs are also facing increasing pressure from air quality legislation and NextGear Capital, a provider of stock funding plans for dealerships, suggests that diesel used values could be hit hardest.

Almost a third of car dealers surveyed by the business, as part of its sentiment survey, said they have seen a reduction in demand for used diesels, while a fifth expect demand to fall even further in the next six months.

Pam Halliday, NextGear Capital sales and marketing director, explains: "Until recently, the decline in demand for diesel in the new car market has been largely defied by the used car market. However, the latest sentiment survey results indicate that the used car market is now starting to catch-up.

"With the volume of diesel vehicles coming into the market diminishing and buyers switching to petrol or AFVs (alternative fuel vehicles), it is inevitable to see such market adjustment."

RESIDUAL VALUE RISK

Fleet operators take the RV risk against one in three cars (30%) – some 37,100 vehicles – with 13,600 (11%) funded via a finance lease and 23,500 (19%) outright purchase in the Fleet200.

Owning the asset and taking that RV risk has always been a funding route of choice for a majority of fleet operators in the public sector. Fleet200 data shows that remains the case, with the end-user fleet taking the residual value risk for almost two-thirds (65%) of the cars they operate – 5% are financed via an operating lease, with the remaining 60% outright purchase.

In terms of industrial sectors, the most risk averse, according to 2019 analysis, is the transport, wholesale, retail, distribution, information and communication sector. Respondents reported just 5% of cars were outright purchase and 11% were funded via finance lease.

They will be grateful not to suffer the exposure to RV risk others are currently facing, following a tumultuous year for used values.

Pricing experts at Cap HPI reported that average used car values for three-years/60,000 miles models fell by 2.3% in April, 3.1% in May and 2% in June.

Average diesel car values also dropped by more than petrol.

Cap HPI reports used car values fell by 1% in August, the smallest fall since March. However, it was still the biggest drop in August since 2011.

Derren Martin, head of UK valuations at Cap HPI, explains: "Except for January, each month this year has seen a drop in excess of the same month in the previous three years."

However, he stresses data suggests a more stable period ahead as "demand and values are more closely aligned".

"Diesel values are not dropping off a cliff, but they are under more pressure than they were last year and more than petrol cars," he says.

BLENDED APPROACH

In 2018, the vast majority of Fleet200 organisations – some three-quarters (74%) – chose one funding route for their cars. This year that has fallen to 60% of operators, funding some 72,246 cars, as more decide to opt for a blended approach.

Analysis of those fleets that take a single route to funding shows the vast majority (70%) use an operating lease to fund their cars.

Almost one in five (19%) say they outright purchase all of their cars, 8% finance lease and just 3% (two respondents – Northern Powergrid and the Volkswagen Group) said they funded all cars through an ECO scheme.

In 2018, just 8% of respondents said they operated an ECO scheme, today that has doubled to 16% of the Fleet200.

> DIESEL VALUES ARE NOT DROPPING OFF A CLIFF, BUT THEY ARE UNDER MORE PRESSURE THAN THEY WERE LAST YEAR
>
> **DERREN MARTIN, CAP HPI**

11% of cars are funded via a finance lease

63% of cars are funded via an operating lease

60% of public sector cars are outright purchase

Schneider Electric, named Most Improved Fleet of the Year at this year's Fleet News Awards, won the title thanks to the way it combines ECO and company car schemes.

The move to an ECO offer has required education for some drivers along with a healthy dose of 'myth busting', according to fleet manager Mandi Nicol.

She says: "It's quite different to a traditional company car where the relationship is between the employer and the lease company.

"With ECO, it's a relationship between the lease company and the driver, because it's held together by a credit sale agreement and the ownership of the vehicle transfers to the driver from day one."

Drivers who have an unsuccessful credit check are offered a company vehicle via contract hire instead.

That's also the same for those employees filling roles within the business – often project-based – that do not meet the mileage criteria, but still require a car.

Some 70% of the company's 1,300 cars are now funded through its ECO scheme, with the remaining 30% funded via an operating lease.

Further Fleet200 companies may follow Schneider Electric's lead by employing an ECO scheme in the future.

In the meantime, salary sacrifice remains a funding choice for a similar, small number of fleets, with 14% of employers choosing the funding method to operate collectively some 4,625 cars.

PROPORTION OF FLEETS USING THE FOLLOWING METHODS TO FUND CARS

Sector	Outright purchase	Contract hire/ operating lease	Contract hire/ finance lease	Flexible rental	Other
Primary/Manufacturing/Construction	26%	69%	11%	23%	9%
Transport/Wholesale/Retail/Distribution/ Information/Communication	24%	76%	21%	18%	6%
Business Services	45%	72%	14%	21%	0%
Other services	0%	50%	50%	0%	33%
Public sector	83%	61%	6%	0%	11%
Fleet 200 average	37%	70%	16%	16%	7%

Fleets warned cash at odds with duty of care, sustainability goals

Curb the dash for cash – company cars offer firms increased control, reports *Gareth Roberts*

A little less than four out of five fleets (77%) offer employees a cash alternative to the company car, according to 2019 analysis.

Fleet200 operators report that, on average, more than one in three eligible employees (36%) was choosing money over a motor.

Cash allowances have risen in popularity thanks, in part, to benefit-in-kind (BIK) uncertainty, while the growing availability of personal contract purchase (PCP) and personal contract hire (PCH) schemes has also fuelled the dash for cash.

The data shows that the proportion of employees choosing cash over a car varies widely between those operators that currently offer the alternative. Asbestos removal specialists Rhodar, at just 2%, has the smallest proportion of eligible employees opting for cash, while real estate and investment firm CBRE had the highest with all of its eligible employees choosing a cash alternative.

Two years ago, Countryside Properties says that 40% of employees who were eligible for a company car chose to take the cash allowance. That had risen to 50% by October last year, and has since crept towards a 55% uptake on cash.

Countryside Properties group facilities and fleet manager Chris Connors says a 55:45 split is in "no way disastrous but, when we consider our car policy is part of our recruitment and retention tool, it is quite a worrying trend".

Mike Moore, tax director at professional services firm Deloitte, can understand why employees have chosen to make the switch from car to cash, when company car drivers have seen tax rates rise significantly.

The 55:45 cash to car split at one company "is quite a worrying trend"

However, he warns: "The one thing to bear in mind when talking about moving to cash is that you cannot dismiss the fantastic benefit a company car is. The type of car an employee is provided with can make them feel valued while, from an employer's perspective, a company car scheme enables it to provide a harmonised benefit for any particular grade and job need, it moves away from the personal circumstances and they have control over what they provide to their employees."

Company cars also ensure employers fulfil their duty of care responsibilities as they are providing vehicles that are safe and well maintained.

They also help with an organisation's wider corporate responsibilities as the incentives for choosing greener vehicles are greater for company car drivers than private buyers.

"Too many businesses view company cars as a cost and not a benefit, but some policies have become too restrictive," says Ashley Barnett, head of fleet consultancy at Lex Autolease.

"Fleet managers have the ability to take back control, promote company cars as a reward and give employees the responsibility to select the car they want. We could then see an increase in company car take-up.

"Company cars should be valued because they provide a hassle-free comfort blanket for employees, particularly in terms of maintenance and insurance."

New company car tax rates may also make some employees think again.

The Government announced in July that employees choosing a pure electric vehicle (EV) will pay no BIK tax in 2020/21.

In its long-awaited response to its review of WLTP and vehicle taxes, it created two new BIK tables: one for those driving a company car registered before April 6, 2020; the other for those driving a company car registered after April 6, 2020, with the majority of rates reduced by two percentage points.

Importantly, it also gave BIK rates for future years, allowing employees and employers to better understand their exposure to tax.

Claire Evans, head of fleet consultancy at Zenith, says having "certainty" on tax has brought "much-needed confidence back into the fleet sector".

36%
of employees, on average, opt for cash rather than a company car

> "COMPANY CARS SHOULD BE VALUED BECAUSE THEY PROVIDE A HASSLE-FREE COMFORT BLANKET FOR EMPLOYEES"
>
> **ASHLEY BARNETT, LEX AUTOLEASE**

A fright at the OpRA! Sal/sac has lost much of its funding appeal

But upcoming improved BIK rates for ULEVs may restore popularity, reports *Andrew Ryan*

It's not that long ago that salary sacrifice was hailed as potentially the next big thing in car funding and employee benefits, offering people access to new cars at beneficial rates.

But tax changes introduced by the Government under the Optional Remuneration Arrangements (OpRA) in 2017 have reduced its appeal to many employees.

Before the changes, drivers obtaining a car through salary sacrifice were taxed on the benefit-in-kind (BIK) value of their car and, dependent on the choice of vehicle, were able to make income tax savings by paying for it out of gross salary.

The reduction in taxable pay also reduced the national insurance contributions (NIC) employers had to make.

However, the current rules mean that anyone who now enters a car salary sacrifice agreement pays income tax on the greater of the taxable value of the vehicle or the salary being sacrificed for the car.

Employers also have to pay NIC on this amount, meaning they do not enjoy the same savings as before.

Industry estimates at the time suggested the change could cost drivers up to an £240 more a year than the old rules.

"Our salary sacrifice scheme has diminished – it's become too expensive," says Monica Guise, director of facility services at the University of Birmingham.

"We know from looking at our trends that it appeals more to support and admin staff, and at its peak we had an uptake of 2% to 3% (80 vehicles), but now it's down to less than 1%."

"AT ITS PEAK WE HAD AN UPTAKE OF 2% TO 3% BUT NOW IT'S DOWN TO LESS THAN 1%"

MONICA GUISE, UNIVERSITY OF BIRMINGHAM

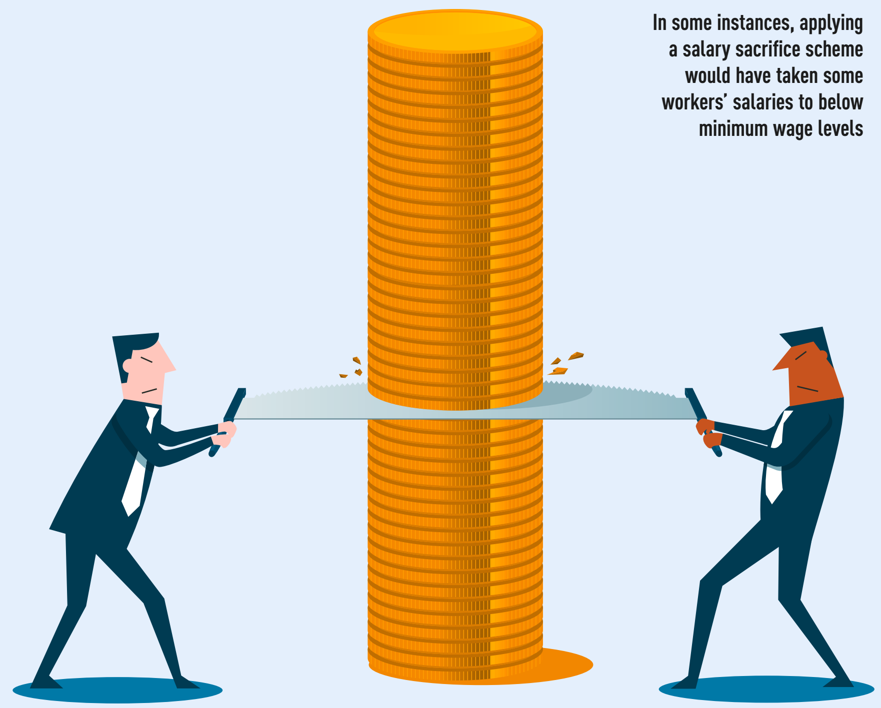
There are some exceptions to the tax changes. Any car with CO_2 emissions lower than 75g/km is still treated under the old rules, and the University of Birmingham decided to reflect this by setting a CO_2 cap at this level.

However, this "priced it out of the market because this meant the vehicles cost £20,000-plus", says Guise.

Travis Perkins launched its original salary sacrifice scheme in 2016 and earlier this year replaced it with a new car benefit scheme.

"Our salary sacrifice scheme proved very successful and we had a huge amount of interest with several hundred cars ordered through the scheme. The OpRA regulations have made the scheme less attractive for both employees and the company, and interest had reduced," says Paul Nelson, reward director at Travis Perkins.

"That coincided with us thinking about the overall applicability of the scheme given that we have quite a high proportion of our workforce who are lower earners, and with salary sacrifice that ruled anybody out who was at, or near, minimum wage because that would take them below that level."



In some instances, applying a salary sacrifice scheme would have taken some workers' salaries to below minimum wage levels

The result was that Travis Perkins relaunched its car benefit scheme based on a personal lease arrangement, which meant it was open to employees based on affordability rather than on a minimum wage calculation.

"What we were looking for was an approach with some clear flexibility," adds Nelson. "At the moment the salary sacrifice route isn't very advantageous for anybody unless they order an ultra-low emission vehicle (ULEV), and affordable options for this group of car is currently relatively limited. Next year when the improved BIK rates for ULEVs are introduced I think salary sacrifice will be quite an interesting option for people again."

Travis Perkins's new scheme is through SG Fleet and is based on personal lease which allows the vehicles to be novated to the company car, under a salary sacrifice arrangement.

"This means that when there are vehicles that people want that work well in that salary sacrifice environment we can do it, but certainly for the majority at this point that doesn't work."

Out of the 117 respondents to the salary sacrifice section of the Fleet200 research, 29 (24%) of the organisations offer salary sacrifice, providing a total of 4,625 cars.

Flexible rental on the rise as contracts become more fluid

But leasing remains the preferred funding method among fleets and outright purchase has strong following. *Andrew Ryan* reports

The number of organisations using flexible rental to acquire light commercial vehicles (LCVs) has grown significantly in the past 12 months, but leasing continues to be the preferred funding method for fleets.

This year's Fleet200 research found that 60% of respondents use operating lease as a funding method, with 19% funding vans through finance lease. This compares to last year's figures of 53% and 21%.

Outright purchase remains popular and is used by 52% of research respondents, up from 47% in last year's report.

The biggest change, however, is that in this year's report, 24% of fleets say they use flexible rental, up from 13% last year.

Morgan Sindall funds 95% of its 450 vans through flexible rental because of the flexibility its name suggests, says fleet manager Paul Taylor.

"Our business is contract-led and as well as contracts being varied in their length – they may be 18 months, they may be five years – the requirements of that contract may change," he adds.

"You might say at the start of the contract you need 50 vans, but that number will vary as that contract develops.

"It's not just about numbers, it's about types of vehicle as well. At the start you may need 30 car-derived vans, some 3.5-tonners and some tippers, but by the end your requirements might be completely different.

"With flexible rental I can pick and mix as the contract develops and not have vehicles parked up that I don't need as I can send them back at no cost. Flexible rental is the only funding method which allows me to do that."

The remaining 5% of LCVs on Morgan Sindall's fleet have been purchased outright and these include the electric vans it operates as part of a service contract at Heathrow Airport.

Taylor says: "We purchased these vans because it made sense. We've been in there for 15 years and we are contracted for the next seven.

"There's also very little in the way of electric vans on the rental market."

Morgan Sindall sits in the primary, manufacturing and construction sector in the Fleet200 research, in which 32% of organisations use flexible rental.

In this sector, the most popular funding method is operating lease (53%), followed by outright purchase (47%), flexible rental and finance lease (21%).

Operating lease (67%) is also the most used by business sector fleets, followed by outright purchase (63%), flexible rental (30%) and finance lease (19%).

The order of funding method popularity is slightly different in the transport, wholesale, retail, distribution, information and communication sector: 71% use operating lease, 40% outright purchase, 29% finance lease and 20% flexible rental.

LCV FUNDING METHODS USED

Sector	Outright purchase	Contract hire/ operating lease	Contract hire/ finance lease	Flexible rental	Other
Primary/Manufacturing/Construction	47%	53%	21%	32%	3%
Transport/Wholesale/Retail/Distribution/ Information/Communication	40%	71%	29%	20%	3%
Business Services	63%	67%	19%	30%	0%
Other services	17%	50%	17%	17%	0%
Public sector	82%	41%	0%	12%	6%
Fleet200 average	52%	60%	19%	24%	3%

Network Rail, the fourth largest van fleet in this sector and six biggest overall in the Fleet200 with 6,000 LCVs, earlier this year awarded a £136 million fleet management contract to Hitachi Capital Vehicle Solutions.

Part of this agreement sees Network Rail's road fleet transitioning from an owned to a leased model.

The contract also includes service, maintenance and repair (SMR) of all road fleet vehicles, as well as driver training, vehicle compliance, vehicle insurance and claims management, and end-of-life vehicle management among other services.

Willie Crawford, head of road fleet for Network Rail, said: "This is a significant change for Network Rail, which will provide the platform for us to more effectively manage our road vehicle fleet across Britain and is tailored to our unique requirements."

The four-year contract, which runs until July 31, 2023, with the option of a one-year extension, includes the urgent replacement of older vehicles and will see Hitachi Capital Vehicle Solutions add 8,000 new contract hire vehicles to its fleet over the next five years.

Across the sectors, fleets responding to the funding question collectively operate 187,955 vans with 55% using one funding method, 35% two, 8% three and 2% four.

Funding methods shift fairly significantly the larger the fleet is. For example, for organisations with up to and including 499 vans, the proportion of fleets which use outright purchase is 51%, operating lease 49%, finance lease 24% and flexible rental 22%.

For fleets of 500 vans and above, however, 74% use operating lease, 52% outright purchase, 26% flexible rental and 12% finance lease.

There is also a sharp divide in the way private and public sector organisations fund their vans.

The most popular funding method among private sector fleets is operating lease (63%), followed by outright purchase (47%), flexible rental (26%) and finance lease (23%).

The vast majority of public sector fleets use outright purchase (82%) to acquire vehicles, securing excellent discounts on their framework agreements, followed by operating lease (41%) and flexible rental (12%).

Chiltern Transport Consortium (CTC), which is a police fleet shared service for Bedfordshire Police, British Transport Police, Cambridgeshire Constabulary, Civil Nuclear Constabulary, Hertfordshire Constabulary and Thames Valley Police, acquires all its vehicles through outright purchase.

Sam Sloan, head of CTC, says: "Due to the way the police service is currently funded, using capital as it is available to us is currently the most cost-effective way to purchase our vehicles.

"It also gives us flexibility. For example, changes in policing can increase mileages, we may also choose for operational reasons to extend the life of certain vehicles to provide temporary cover for special operations or new units.

"Owning the vehicles gives us total flexibility."

Sloan says outright purchase also avoids the issue of potential end-of-life charges which could be incurred if the vans were leased.

TRUCK/HGV FUNDING

Outright purchase, as in 2018, is the primary channel for fleet funding for trucks/HGVs, with 69% of respondents selecting it as a funding mechanism.

However, contract hire is used by 52% of fleets, 13% use finance lease and 13% employ flexible rental.

This year's survey saw responding fleets collectively operating a total of 25,172 trucks above 3.5 tonnes with 63% having one funding method, 28% two, 7% three and 2% four.

The buying of trucks is most popular in the public and business services sectors – 92% and 69% of vehicles respectively – followed by primary, manufacturing and construction (68%), and transport, wholesale, retail, distribution, information and communication (53%).

Of the 26 fleets with 200 or more trucks, 54% used operating lease as their main funding method, with 31% favouring outright purchase. Finance lease accounted for the remaining 15%.

In contrast, fleets with 199 trucks or fewer overwhelmingly used outright purchase (61%) as their only or major funding method, followed by operating lease (30%) and finance lease (7%) and flexible rental (2%).

Across the analysis of 25,172 trucks operated by 73 organisations, 27% are bought, 52% are funded via operating lease, 19% through finance lease, and 2% on flexible rental.

He adds: "For example, the marked/response fleet covers high mileages, has many drivers and due to the nature of the role the vehicles can have a very hard life, which can mean high upfront lease costs or being hit with additional costs at the end of the agreed period."

Sloan says the cost of outright purchase is benchmarked against major lease and rental suppliers. "To date it has shown our method of funding to be the most cost-effective over our current lifecycles and vehicle roles," he adds.

For the Fleet200 organisations which provided a breakdown of their funding methods, the actual overall number of vans they operate are funded this way: 89,875 operating lease; 55,582 finance lease; 27,188 outright purchase; and 3,806 flexible rental.

TRUCK FUNDING METHODS USED

Sector	Outright purchase	Contract hire / operating lease	Contract hire / finance lease	Flexible Rental	Other
Primary/Manufacturing/Construction	68%	41%	14%	14%	0%
Transport/Wholesale/Retail/Distribution/ Information/Communication	53%	76%	6%	18%	0%
Business services	69%	56%	31%	13%	0%
Other services	n/a	n/a	n/a	n/a	n/a
Public sector	92%	33%	0%	8%	0%
Fleet 200 average	69%	52%	13%	13%	0%

Drivers taking on a new car will not know the tax implications for the vehicle's whole operating cycle

Company cars are still the preferred method of travel

Trends remain similar to 2018 despite clarity for BIK rates

Average replacement mileage falls while annual business mileage stays largely unchanged. *Andrew Baxter* reports

In July this year, the Government released the long-awaited response to its review of WLTP and vehicle taxes, publishing benefit-in-kind (BIK) figures through to 2023.

While both ACFO and ICFM welcomed that the changes mean company car drivers choosing a pure electric vehicle will pay no BIK in 2020/21, both described the overall announcement as a missed opportunity.

ACFO chair Caroline Sandall says: "The freezing of company car benefit-in-kind tax rates from 2020/21 for the vast majority of employees that already have a company car – or will be taking delivery of a new one prior to April 6, 2020 – is a token gesture.

"For employees taking a delivery of a company car from April 6, 2020 the two percentage point reduction in rates in 2020/21 and the one percentage point reduction in rates in 2021/22 before they equalise out in 2022/23 is unlikely to compensate for higher CO_2 emissions as a result of WLTP testing.

"Indeed what might occur is that fleets and company car drivers may defer vehicle replacement for the remainder of 2019/20 and wait for the new, lower tax rates to be introduced on April 6, 2020."

In its submission to the Government's consultation on BIK rates, ACFO called for a four-year view of company car BIK tax thresholds to give employers and drivers certainty over future bills. But the new figures cover only up to April 2023.

Sandall adds: "Amid a trend for longer vehicle replacement cycles, it is disappointing that the vast majority of drivers selecting a new company car today do not know what their tax bills will be for the whole operating cycle of the vehicle."

At first glance it might appear that the Fleet200 findings for 2019, which show average replacement cycles and annual business mileage have fallen, contradicts ACFO's view of longer replacement cycles.

However, it should, of course, be noted that making direct comparisons with data from previous years is difficult given the number of fleet decision-makers supplying information varies from year-to-year and the composition of the businesses responding also changes.

The average age replacement cycle for company cars of the 118 leading UK fleet respondents is 3.8 years (46 months). This is down slightly on last year's 3.9 years (47 months), and on a par with 2017.

At the highest end is a replacement cycle of seven years (84 months) by Calor and Gateshead Council. At the lowest end it's just seven months, at Volkswagen Group UK.

Across all sectors, the average car replacement mileage is 83,155 (down from 90,041 in 2018 and down by 17.3% from 2017's average of 100,600).

At the top end of the curve with an average car replacement mileage of 150,000 are Calor, Murphy Plant, VPS Group, Police Scotland and South Yorkshire Police.

As you might expect with an average age replacement cycle of seven months, Volkswagen Group UK's average car replacement mileage is a much more modest 8,500 miles; or 94.3% less mileage than that amassed by the organisations at the top end of the replacement mileage scale.

Average annual business miles for 2018 across the 100 survey-responding fleets is 17,518 – markedly down on last year's figure of 22,316, suggesting drivers are travelling far fewer work miles. In 2017 the figure was 18,691 and for further comparison, the average annual business miles from 2014-2017 were between 18,000 and 19,000.

Gamestec and Addison Lee have the highest average mileage of 35,000. For Gamestec, this is comfortably under its contracted mileage of 40,000, while Addison Lee is bang on its 35,000-mile annual target.

They are two of seven fleets to average more than 30,000 business miles per year per car, joined by Gilead on 33,000 and Kelly Fleet, Kent & Essex Police, South Yorkshire Police and Thera Trust, all on 30,000.

Volkswagen Group UK's cars clock up the least mileage, at an average of just 4,000 miles.

In terms of comparison by sector, within the private sector, business services has the highest average replacement mileage at 89,240, with an average replacement age of 3.9 years (46 months).

This compares with an average replacement mileage of 80,758, kept over the same 3.9 years, for primary, manufacturing and construction.

For transport, wholesale, retail, distribution, information and communication, the figures are 79,600 miles, also replacing at 3.9 years.

"THERE IS A LOT OF DISCUSSION ABOUT MOBILITY SOLUTIONS AT THE MOMENT AND OUR RESEARCH SHOWS THAT INTEREST IS HIGH"

SHAUN SADLIER, ARVAL

Within the public sector, the average car replacement age hits its highest mark at 4.3 years (52 months), with a maximum age of seven years (84 months) and a minimum of three years.

The average annual mileage for public sector cars is 17,444, with a maximum recorded of 30,000 miles and a minimum of 7,000.

Exploring replacement cycles by fleet size, the data for this year's survey shows that, generally, the bigger the fleet, the shorter the replacement cycle.

For fleets up to 249 cars, the average replacement age is a little over four years (49 months), while the average replacement mileage is 92,074.

For fleets of between 250-499 cars the average replacement figures are 3.9 years (47 months) and 81,250 miles.

The next band up in fleet size, of between 500-999 cars, recorded an average replacement age of 3.6 years (43 months) – the lowest overall – and an average replacement mileage of 78,524.

For fleets of 1,000-plus cars, the average replacement age is slightly higher at 3.8 years (46 months) with an the average replacement mileage of 80,183.

This equates to a differential of 14.8% in replacement mileages between the smallest fleets surveyed (up to 249 cars), at 92,074 miles and the largest fleets (1,000-plus cars) at 80,183 miles.

The consistency in the figures between 2019 and 2018's findings shows that the impact of alternative forms of fleet, or mobility management, have yet to take notable effect.

It comes as little surprise that company cars are still the preferred method of travel by the majority of companies that operate fleets.

In its latest Mobility Observatory, Arval asked businesses whether they would fully or in part give up their vehicle for a range of alternatives.

The survey found that just 7% would "probably" or "certainly" opt for car-sharing, 9% for ride-sharing, 8% for a mobility budget, 11% for a private lease vehicle and 7% for mid-term rental.

Shaun Sadlier, head of Arval Mobility Observatory in the UK, says: "There is a lot of discussion in corporate circles about mobility solutions at the moment and our research shows that interest is high. What is clear, though, is that the company car looks set to remain the core transport method for the foreseeable future.

"While decision-makers and employees in organisations are interested in mobility solutions, it appears the vast majority see them as supplementing or being a partial alternative to the traditional fleet.

"A mixed provision model is one that we have been saying for some time is the most likely to develop in the majority of businesses, where a range of mobility solutions are used alongside company cars with employees using the most appropriate form of transport for each journey.

"Our belief is that, over the next few years, as more and more fleet managers become mobility managers, one of the most interesting developments will be the process that businesses undergo in learning how to use mobility options in the most effective manner."

CAR REPLACEMENT CYCLES

Sector	Average car replacement cycle – months	Average car replacement cycle – mileage
Primary/Manufacturing/Construction	46	80,758
Transport/Wholesale/Retail/Distribution/ Information/Communication	46	79,600
Business services	46	89,240
Other services	38	71,000
Public sector	52	93,111
Fleet200 average	46	83,155

Sponsored by ARVAL bp jaama masternaut ŠKODA

Annual van miles increase, but replacement cycles remain static

Average excess mileage charges show a significant reduction. *Matt de Prez* reports

Vans are being made to work harder, according to the Fleet200 survey

UK businesses continue to work their commercial vehicle fleets harder as this year's Fleet200 uncovers further growth in the average mileage covered by van operators.

Last year's survey revealed a sharp rise in the average annual mileage of vans, to almost 26,000, and the upward trend has continued with the figure peaking again – at 27,579 – in 2019.

Despite this increased usage, van replacement cycles remain largely unchanged among the 114 organisations that provided data. The average fleet operator, according to the survey, replaces their vans every 4.8 years (58 months).

This broadly matches the results from 2016 and 2017 Fleet200, suggesting there has been little to influence the status quo among the country's largest fleets.

Average replacement mileage has dropped by a modest amount to 103,464, when compared with the 104,306 recorded last year. It continues the downward trend in average replacement mileage since 2017, when it peaked at 119,600. This year's figure is more aligned to that of 2016, where the average replacement mileage was 103,110.

The fact that not all fleets responded to all the questions makes comparisons with previous years difficult and the make-up of the fleets responding has also changed.

With the average van covering some 27,579 miles, vehicle replacement should be occurring every 3.7 years (45 months) if replacement cycles are being adhered to. Otherwise, despite the small drop in replacement mileages, the data suggests fleets could be facing significant excess mileage charges.

Data from the 2019 *Fleet News* FN50 report on the UK's contract hire and leasing sector, confirms that van excess mileage charges are rising. Vans, according to the report, incurred an average charge of £484 for excess mileage, up from £345 a year earlier.

Additionally, the proportion of vans subject to the charge rose to 22%, up from 20% in 2018. Given industry evidence would suggest that more vans than ever are equipped with telematics technology and fleet managers say their focus is very much on cost management, it would seem some companies are still not fully benefitting from greater analysis of their real-world business mileage to leasing mileage agreements.

That requires careful management and possible relocation of vans undertaking higher mileage tasks with those travelling fewer miles. Not all companies have the necessary in-house expertise to allow that type of fleet rebalancing but it is becoming a more prominent factor as clean air zones (CAZs) begin to pop up around the country.

More than half of the vehicles currently operating in planned CAZs do not comply with pending emissions standards, research has found.

It is believed operators of non-compliant vehicles will face charges of £400 per van, per year.

LCV AND HGV REPLACEMENT CYCLES

Sector	Average LCV replacement cycle – years	Average LCV replacement cycle – mileage	Average HGV replacement cycle – years	Average HGV replacement cycle – mileage
Primary/Manufacturing/Construction	59	101,839	76	113,125
Transport/Wholesale/Retail/Distribution/Information/Communication	56	98,071	81	401,545
Business Services	52	106,913	71	210,778
Other services	62	109,167	0	0
Public sector	65	113,222	101	154,143
Fleet200 average	58	103,464	81	214,023

Average replacement mileage for trucks has grown considerably in 2019

Vehicles are only exempt from charges and restrictions if they meet Euro 6 diesel, Euro 4 petrol or are battery electric vehicles.

London's Ultra-Low Emission Zone (ULEZ) is the first urban centre in the UK to levy a charge on non-compliant vehicles and CAZs are being introduced in 2020 in Birmingham and Leeds. Similar schemes will follow by 2021 in other cities and towns mandated by Government to tackle local air quality issues.

Coupled with theses challenges, operators have expressed concerns about the switch in vehicle emissions monitoring.

As a result of the upcoming regulations, operators sought to replace vehicles earlier to avoid potential complications or delays.

The van industry is a year behind the car industry when it comes to emissions legislation and in September 2018 there were significant delays on new models and many cars were not available to be ordered due to a backlog at testing centres meaning they didn't have homologation.

Van registrations have boomed in the months leading up to September with August recording record figures.

September dropped back, though, as new Real Driving Emissions testing came into play, possibly restricting supply of some models.

There has been an increase in older vans coming through into the used market, suggesting fleet operators are looking to offload older models in favour of newer ones.

Centrica has one of the largest LCV fleets in the Fleet200 with 9,900 vans.

But, only half of its fleet is Euro 6-compliant, so a vehicle replacement programme is high on the agenda.

British Gas currently leases its vans for six years but this is under review based on the timing of new product and the likely introduction of electric vehicles (EVs). It sources model replacement information from manufacturer partners to work into its own replacement cycles.

> WE DON'T WANT TO BE TIED INTO A SIX-YEAR LEASE IF A LOT OF NEW PRODUCT IS COMING IN THE NEXT TWO-TO-THREE YEARS
>
> **STEVE WINTER, CENTRICA**

"We don't want to be tied into a six-year lease if a lot of new product is coming in the next two-to-three years," says Steve Winter, head of fleet at British Gas parent company Centrica.

"Hitachi has been creative on our lease lengths. Residual values are important and we have some early termination written into the contracts to allow flexibility."

Public sector fleets hang on to their vans for the longest, with average replacement cycles of 65 months or 113,000 miles. These fleets also have the lowest annual mileage, covering around 21,000 miles per year.

Those in the transport, wholesale, retail, distribution, information and communication category cover the highest mileages overall (29,935) but aim to replace their vehicles before they reach 100,000 miles, on average.

The largest fleets are more likely to have longer replacement cycles (59 months on average). In contrast, those with fewer than 250 vehicles replace their vans at 55 months. However, average replacement mileage is similar irrespective of size.

HGV REPLACEMENT CYCLES

Average HGV replacement cycles are 81 months and 214,000 miles, according to the 2019 analysis of professional fleets.

The data would suggest average truck replacement mileage across 43 reporting fleets has grown significantly from last year's 131,100 miles. However, a number of fleets have reported replacement mileages of more than 500,000 miles in 2019 whereas the highest recorded in 2018 was 150,000.

A sector-by-sector analysis reveals trucks are operated for the longest time in the public sector (8.4 years) with the transport, wholesale, retail, distribution, information and communication sector at 6.75 years (81 months). The shortest age-related replacement cycle is in the business services sector – 71 months.

However, trucks operated by transport, wholesale, retail, distribution, information and communication businesses clock up the highest mileages before being replaced, on average, at almost 401,500 miles during their lifetime. These vehicles also record the highest annual mileages at more than 60,000 miles per year.

No utility fleets provided data so the results are difficult to compare with previous years.

Royal Mail has the largest HGV fleet in the Fleet200. By implementing a new asset management system, it is now able to monitor the lifecycles of its vehicles more closely. It takes into account maintenance data, environmental data and buying data from the past 15 years then works out which vehicles should be replaced and when.

"We might buy 100 vehicles intending to keep them for five years, but actually sell them after three because the market tells us it is the optimum time to sell for residual values," says Paul Gatti, fleet director at Royal Mail.

EVs and CAZs dominate the 2020 list of fleet challenges

The deadline to phase out ICE vehicles is still 20 years away – or is it? *Stephen Briers* reports

The wall-to-wall media coverage of global environmental issues fronted by 16-year-old Swedish activist Greta Thunberg is increasing the pressure on national governments to speed up their action to tackle climate change.

The UK Government, facing the on-going threat of lawsuits from Client Earth, has introduced stimuli to encourage the uptake of ultra-low and zero emission cars through grants and benefit-in-kind (BIK) incentives, but it has handed on responsibility to the regions for enforcing more vigorous change via regulatory means, including clean air zones (CAZ).

CAZs (plus the ultra-low emission zone in London) have had a difficult and protracted birth. Five cities were mandated by Government four years ago to introduce a zone by 2020. Two – Derby and Nottingham – have since decided they can meet air quality standards without one, while Southampton has opted for a non-charging zone by introducing alternative measures.

Just Leeds and Birmingham have gone for a full charging zone for non-compliant vehicles (Euro 6 diesel and Euro 4 petrol are exempt): the former will target buses, trucks and taxis; the latter adds vans and cars.

Other towns and cities around the country are now also required to consider air quality measures that may or may not include a CAZ. Bath, Bristol, Cambridge, Liverpool, Leicester, Sheffield and York are considering introducing a zone over the next year or two, while Oxford has opted for a zero emission zone next year in the city centre during certain hours.

There is a clear direction in the build-up to the Government's 2040 deadline, after which sales of new pure diesel/petrol cars and vans will be banned in England – although pressure is rising to bring the deadline forward to 2032 in line with the date Scotland intends to "phase out" diesel/petrol.

UK businesses recognise the winds of change. Fleet200 companies are formulating plans to add electric vehicles (EVs) to their car and van fleets, but they see the introduction as their biggest challenge over the next 12 months.

For some fleets, the difficulty is in analysing their operations to establish how they might best integrate EVs. For others, already convinced about the opportunities, the problems run deeper, principally the (lack of) availability of vehicles and public charging points.

Galliford Try is eager to reduce its carbon footprint but, says head of fleet Alan Baker, "vehicle availability in any numbers is poor".

With several manufacturers due to launch EVs over the next couple of years, plus the new zero rate BIK from April 2020, Red Bull procurement manager David Oliver poses the question on the minds of many: "Should we buy new internal combustion engine (ICE) vehicles now or wait for new EVs in 2020/21 and extend or opt for flexi-rent to bridge the gap?"

Mitie doesn't want to wait. It has ambitious plans to transform its fleet, having committed to move one-fifth of its vehicles to pure electric by the end of 2020 and achieve a fully electric fleet by 2030.

However, fleet and procurement director Simon King says: "Given the volume we're looking to procure, the availability of suitable vehicles remains a significant challenge in the short-term, while in the longer term we need to see more solutions to replace our light commercial vehicles – particularly the larger vans – if we are to achieve these targets."

BT Group also raises issues regarding the volume of vehicles, but adds that "availability of charging points" is another major concern, preventing faster uptake of EVs on its fleet. It has ambitious plans to phase out diesel and petrol models after adopting carbon targets for 2030.

"Due to availability of product for a complex engineering fleet, we see 2020 and 2021 as being the key years for commercial EVs coming onto fleet," says Henry Brace, managing director of BT's fleet management partner Fleet Solutions.

The public charging infrastructure is expanding as more organisations begin installing points around the country. The focus is now on ultra-fast chargers, with the likes of BP Chargemaster activating its first 150kW chargers on a fuel court in London over the summer. These can charge vehicles in less than 30 minutes.

It's the first in a planned roll-out of 400 ultra-fast charging points by the company over the next two years. Included are 100 units at 50 sites by the end of 2019.

Tufan Erginbilgic, chief executive of BP's Downstream business, says: "Convenient and reliable ultra-fast charging will be critical in driving the wider adoption of electric vehicles in the UK."

The company also operates Polar, the largest EV charging network in the UK, with more than 7,000 public charge points.

According to Zap-Map, there are 9,662 public charging locations. The number of devices at those locations is 15,369 and the total number of connectors within these devices is 26,246. And the roll-out is accelerating with 434 new devices added to the Zap-Map database over the past 30 days, equating to 859 new connectors.

Given that the UK car parc for electric and plug-in hybrid totals 200,000, the current charging network numbers mean a ratio of 7.6 vehicles to every one connector.

Compare that to diesel cars, at a ratio of around 221 to every pump (13 million cars and 8,400 sites averaging seven refuelling stations per site).

Offsetting this favourable ratio is the time to charge – a few minutes for diesel rising to 30 minutes or more for EVs dependent on the charger.

Nevertheless, based on a 'little, but often' charging strategy, rather than 'empty full', fears ➲

Birmingham will have a full charging zone targeting buses, trucks, taxis, vans and cars

"COMPLICATIONS WITH ADMINISTRATION OF ZONES IF OUR FLEET CANNOT BE REGISTERED ON ONE PORTAL"

DERMOT COUGHLAN, KELLY FLEET SERVICES

"NOW WE CAN ADAPT OUR TCO MODEL, WHICH MAKES ELECTRIC VANS MORE COMPETITIVE"

STEVE WINTER, CENTRICA

"I'M WONDERING IF BREXIT WILL ADVERSELY AFFECT THE AVAILABILITY OF VEHICLES AND PARTS"

SAM SLOAN, CTC

"IMPLEMENTATION OF GDPR CONTINUES TO BE A CHALLENGE RELATING TO DATA HELD ON DRIVERS"

SIMON GRAY, SSE

"CONVENIENT AND RELIABLE ULTRA-FAST CHARGING WILL BE CRITICAL IN DRIVING WIDER EV ADOPTION"

TUFAN ERGINBILGIC, BP DOWNSTREAM

"WE COULDN'T JUST SELL INTRODUCING EVs ON EMISSIONS; IT HAD TO STACK UP FINANCIALLY"

TERRY PYCROFT, LEEDS CITY COUNCIL

C over current infrastructure appear unfounded.

One of the catalysts to an electric future is the roll out of the ultra-low emission zone in London and clean air zones elsewhere. It shows a direction of travel, starting with moves to Euro 6 vehicles but ultimately resulting in zero-emission vehicles.

However, the zones are already "causing additional cost to operate" over and above investment in Euro 6 diesel vehicles, according to BT.

A spokesperson explains: "The clean air zones, in particular, are a problem as the individual councils set the parameters which means there is a lack of consistency in what makes a vehicle compliant or not. As a result, vehicles may be compliant in one city but not in another and, with our fleet often covering large work patches, this is likely to cause operational issues."

BT isn't the only one nervously watching the creep of CAZs across the UK.

Thera Trust facilities and business services manager Julie Furnival is concerned that "each city appears to have unique priorities", creating a lack of uniformity, while Kelly Fleet Services fleet director Dermot Coughlan foresees complications with the "administration of zones if our fleet cannot be registered on one portal".

The British Vehicle Rental and Leasing Association (BVRLA) has been involved in discussions with the Government's Joint Air Quality Unit (JAQU) about a centralised clean air zone portal that is under development for launch in January 2020.

This included a demonstration of the vehicle checker web tool that will allow drivers to enter a vehicle registration number to determine if they will incur a charge for entering a CAZ.

Network Rail is looking for "bigger responses and positive contributions from the Government" to facilitate more rapid uptake of EVs, while Gnewt Cargo and Howdens Joinery are waiting for EVs to become more affordable.

"THE AVAILABILITY OF SUITABLE VEHICLES REMAINS A SIGNIFICANT CHALLENGE IN THE SHORT-TERM"

SIMON KING, MITIE

"WE SEE 2020 AND 2021 AS BEING THE KEY YEARS FOR COMMERCIAL EVs COMING ONTO FLEET"

HENRY BRACE, FLEET SOLUTIONS

P11D pricing is deterring some, but comparing EVs on a wholelife cost basis can change the picture, according to experienced operators.

Take Leeds City Council, which operates around 100 electric vans. Terry Pycroft, Leeds City Council head of fleet, says: "It was a financial business case based on price, mileage, use of fuel – a total cost of ownership (TCO) calculation. We couldn't just sell it on emissions; it had to stack up financially given we are a public body."

Centrica head of fleet Steve Winter agrees. "When we set the TCO model in 2014, we thought the SMR cost would be 60% of a diesel van; it's actually nearer 25%," he explains.

"The only changes have been tyres and brakes; we've not had any battery or motor problems. Now we can adjust our TCO model, which makes electric vans more competitive."

Range is an additional concern for some companies, specifically related to vans rather than cars. With organisations such as BT required to carry heavy kit and equipment, the stated range can reduce quickly.

Away from EVs and CAZs, a number of Fleet200 companies highlighted additional challenges they are wrestling with.

Chiltern Transport Consortium (CTC), which manages the fleets for five police forces covering Thames Valley, Bedfordshire, Cambridgeshire, Hertfordshire and Civil Nuclear Constabulary operates five workshops. It is worried about recruiting skilled technicians, particularly as the fleet starts to take on electric vehicles which require new capabilities.

Head of CTC Sam Sloan was one of a handful of fleet managers to mention Brexit and whether it would affect availability of vehicles and parts. Similar concerns were raised by Kelly Fleet Services, Kings Security Systems and Momentum Instore.

Safety is an ever-present on the fleet agenda, illustrated by Mitie's priority to continue reducing accident rates.

"While we have made significant progress, achieving a 30% reduction in the past three years, maintaining this reduction continues to be a focus over the next 12 months," says Mitie's King.

"We're looking at how we can further analyse and influence driver behaviour to achieve this, both in LCVs and company cars."

Influencing driver behaviour is a growing focus for several fleets.

Network Rail emphasised "the change in people and their behaviours" as one of its priorities, while ambulance and patient transport services operator Falck UK raised concerns about drivers' "professional behaviour" and the need to put in place processes to tackle unreported damage and accurately measure private/business mileage.

"People only show their true identities when they are behind the wheel," said Michael Duda, Falck UK fleet operations manager.

He is also mindful of crash for cash, which is "on the rise at the moment".

Many fleets would be sympathetic to the isolated challenge raised by Gamestec fleet manager Peter Kowalczyk. His issue? "The sheer number of rental suppliers, fuel card suppliers and telematics suppliers who insist on bombarding fleet managers with sales calls."

The new General Data Protection Regulation was barely mentioned, but the experiences of utilities company SSE might encourage more organisations to consider its ramifications.

Head of fleet and travel Simon Gray explains: "Implementation of GDPR continues to be a challenge relating to data held on drivers. Now they are starting to understand where they can challenge such things as disciplinary processes – so policies need to be robust and owned within the business, whether that is fleet or HR."

"SHOULD WE BUY NEW INTERNAL COMBUSTION ENGINE VEHICLES NOW OR WAIT FOR NEW EVs IN 2020/21?"

DAVID OLIVER, RED BULL

The economic outlook may look bleak, but fleets predict growth

Only a small percentage are predicting that they will be running fewer vehicles next year. *Gareth Roberts* reports

Two in five fleets are planning for growth, while more than half say they expect vehicle numbers to stay the same.

The figures, from a Sewells survey, show a 'business as usual' approach from fleets, despite economic and political uncertainty.

In fact, just 3% of the 500 fleet decision-makers who took part said they expected to be running fewer vehicles next year.

In terms of cars, 55% of respondents said numbers would stay the same this financial year, while 42% anticipated an increase.

A slightly higher margin of respondents (44%) said they expected to increase the number of commercial vehicles (CVs) they operate, while 54% expected them to stay the same.

The positive outlook for company cars will be welcomed, especially as the survey was conducted before the Government announced new company car tax rates.

HM Treasury published the new rates for 2020/21, 2021/22 and 2022/23 in July, including a new zero percentage rate for pure electric vehicles (EVs).

The absence of future benefit-in-kind (BIK) rates, and uncertainty over how the tax regime would adapt to the new emissions test – the Worldwide harmonised Light vehicle Test Procedure (WLTP) – had been blamed, in part, for falling company car numbers.

61% of fleets operating between 51-100 cars said that they expected their car fleet to grow

BIK statistics, published by HMRC in the summer, showed the number of company car drivers had fallen by 50,000 year-on-year. However, tax officials said initial analysis suggested a new way of reporting company car tax could have skewed the figures.

HMRC says it did not include any estimate of the impact of voluntary payrolling, which could account for a "significant proportion" of the decline in reported numbers.

Since 2009-10, the number of company car users had remained relatively stable (at just under a million). But, the latest data indicated a 5.3% fall from 940,000 in 2016/17 to 890,000 in 2017/18.

Another company car market indicator, fleet and business sales, shows registrations down by 3.6% so far this year, according to the latest data from the Society of Motor Manufacturers and Traders (SMMT).

However, that could simply be due to employees and companies keeping cars for longer as they awaited BIK clarification, rather than a reduction in company cars.

3% of fleets said they expected to be running fewer vehicles next year

In fact, Lex Autolease has reported orders for pure electric cars had increased by 123% since the new BIK rates were announced. Zenith reported an even bigger surge in EV orders, up 211%, with overall company car orders for the leasing company increasing by 45%.

David Bushnell, principal consultant at Alphabet (GB), says: "We're seeing businesses and drivers react (to the new rates) by placing increasing numbers of orders to lease battery electric and plug-in hybrid vehicles.

"As well as the 0% company car tax rate for EVs which grabbed the headlines, the clarification on BIK liability for all company vehicles until April 2023 was extremely welcome."

The most optimistic outlook for car fleet growth comes from those organisations operating from 51 to 250 cars, according to Sewells.

Almost three in five (61%) of fleets operating between 51-100 cars said they expected their car fleet to grow; 35% said they expected company car numbers to stay the same, while 4% said they expected to see a decrease.

For fleets operating between 101-250 cars, a similar proportion (60%) expected an increase in their car fleet; more than a quarter (27%) said numbers would stay the same, while one in seven (14%) predicted the number of company cars they operate would fall.

Large fleet operators, those running 250-plus cars, were the most pessimistic about the potential for car fleet growth. One in five (20%) respondents said they expected to see a reduction in their car fleet and a third (33%)

predicted an increase. Less than half (47%) said numbers would stay the same.

Breaking down the numbers by sector meanwhile, shows some sectors have a more cautious outlook in terms of cars and vans.

Just one in five fleets (21%) in the public sector expected their car fleet to grow and one third (34%) believed they would be operating more commercial vehicles by the end of the financial year – both substantially below the overall fleet average of 42% and 44%, respectively.

The greatest growth in cars – some 6% higher than the overall fleet average – was predicted in the transport, retail and distribution sector, with almost half (48%) of respondents expecting an increase.

Just 1% in the sector said they expected car fleet numbers to fall.

Meanwhile, 6% of respondents operating vehicles in the primary, manufacturing and construction sector said they expected to see a decrease in their car fleets – the highest across all sectors.

The primary, manufacturing and construction sector (40%), along with business services (38%) and 'other' services (37%), were all below the fleet average in terms of the proportion of fleets predicting car growth.

However, in terms of increasing the number of commercial vehicles they operate, almost two-thirds of fleets (63%) in the business services sector – the highest recorded – said they expected to be running more vehicles by the end of 2019/20. No fleets in this sector said they expected to be running fewer CVs.

The public sector and other services sector also had no fleets predicting a decrease in commercial vehicle fleet size.

The highest proportion of fleets expecting to see commercial vehicle numbers fall – 5% of fleets – was reported in the primary, manufacturing and construction sector, reflecting the sector's car fleet outlook. Less than a third (32%) said they expected CV numbers to increase.

> "THE CLARIFICATION ON BIK LIABILITY FOR ALL COMPANY VEHICLES UNTIL APRIL 2023 WAS EXTREMELY WELCOME"
>
> **DAVID BUSHNELL, ALPHABET (GB)**

The latest economic data, compiled by IHS Markit, shows the pressure this area of the economy is under.

IHS Markit reports "severe downturns" in manufacturing and construction, where output continued to fall at rates among the fastest since 2012 and 2009 respectively, to suggest both will have contracted sharply again in the third quarter, pushing both sectors into recessions.

Only the service sector remained in expansion, according to the latest economic data, but even here growth almost stalled.

So far this year, the services economy has reported its worst performance since 2008, with particular weakness seen in transport, financial services, hotels and restaurants, and business-to-business services.

Forward-looking indicators continue to hint at the malaise persisting or even intensifying in coming months.

Fleets operating in the transport, retail and distribution sector, had a more positive outlook than the overall fleet average, with more than half (58%) of respondents to the Sewells survey predicting an increase in their commercial vehicle fleet.

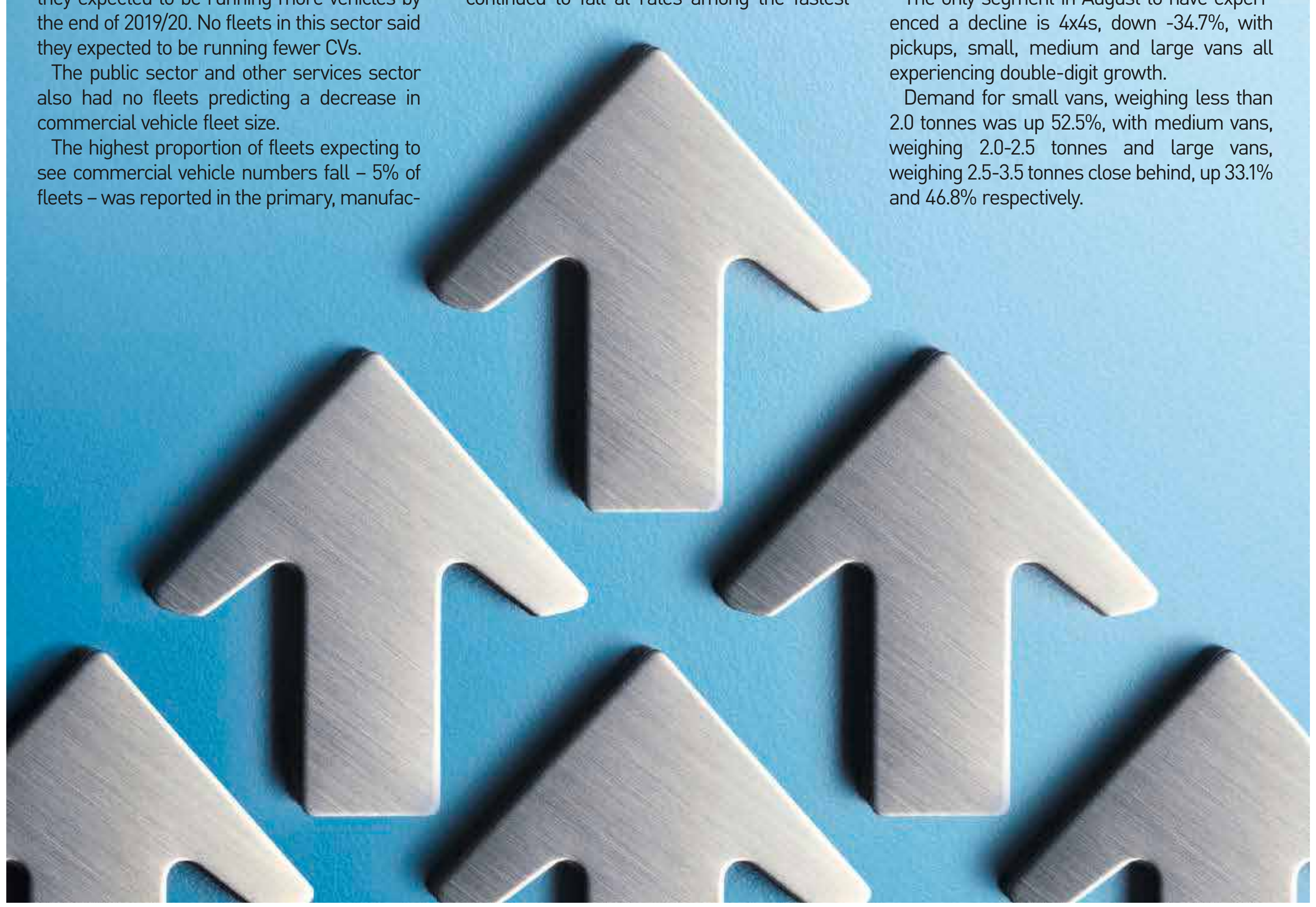
The strength of fleet demand for commercial vehicles is reflected in the latest data available from the SMMT.

The UK new light commercial vehicle (LCV) market increased by 41% in August, with 23,120 new vehicles registered for use on UK roads. Year-to-date the market is up 11.3% to 245,400 units (although September fell by 23%).

The market has grown in every month of 2019, as operators respond to air quality restrictions, such as London's ultra-low emission zone (ULEZ).

The only segment in August to have experienced a decline is 4x4s, down -34.7%, with pickups, small, medium and large vans all experiencing double-digit growth.

Demand for small vans, weighing less than 2.0 tonnes was up 52.5%, with medium vans, weighing 2.0-2.5 tonnes and large vans, weighing 2.5-3.5 tonnes close behind, up 33.1% and 46.8% respectively.



Royal Mail has opted to discontinue its Empty Legs initiative which involved using up spare capacity in its vans and trucks

Common challenges facing fleets irrespective of size, composition

From tackling the impact of clean air zones and electric vehicle adoption, to cost savings and tax efficiencies – hurdles new and old unite fleets, reports *Andrew Baxter*

Of the 115 leading private sector UK fleet respondents in this year's FN200, 39 sit within transport, wholesale, retail, distribution, information, communication; 38 are within primary, manufacturing, construction; 31 are within the business services sector; and seven sit within 'other services'.

Between them, they operate 286,053 cars and vans, with an average fleet size of 2,487 vehicles.

Collectively, the transport, wholesale, retail, distribution, information, and communication sector accounts for 141,820 cars and vans, with an average fleet size of 3,636 vehicles.

Primary, manufacturing and construction accounts for 90,406 cars and vans, with an average fleet size of 2,379.

Business service's stake is 46,681, with an average car and van fleet of size of 1,506; while the respondents within other services have a combined fleet of 7,146 cars and vans with an average of 2,100 vehicles.

The organisations included within this latter category are ISS UK, CBRE, The Salvation Army, Gamestec Leisure, Thera Trust, Ashfield Healthcare and Falck UK.

Once again, Royal Mail tops the table with a combined car and van fleet of 47,300 vehicles, up 9.7% from last year (43,100).

In second spot is British Telecommunications, with a combined car and van fleet of 31,864, down 1% from last year's total of 32,214 vehicles.

This year has seen big changes for both Royal Mail and BT.

In August, it was announced BT Group had sold BT Fleet Solutions to private equity group Aurelius Equity Opportunities for an undisclosed sum.

> WITH ECO, THE RELATIONSHIP IS BETWEEN THE LEASE COMPANY AND THE DRIVER, HELD TOGETHER BY A CREDIT SALE AGREEMENT
>
> **MANDI NICOL, SCHNEIDER ELECTRIC**

It was also announced earlier this year that Royal Mail had stopped its fleet management and SMR service two years after launch and was no longer pursuing the Empty Legs initiative of offering space on its trucks to other companies.

Change is facing all operators, regardless of scale or sector. Responding to, and where possible anticipating, changes in legislation around air quality and emissions, including managing the impact of clean air zones (CAZs) and ultra-low emission zones (ULEZs); plus other contemporary issues such as electric vehicle (EV) availability and implementation, alongside perennial challenges such as fleet utilisation, cost savings, tax efficiency and greater choice for drivers.

An innovative approach to a number of these challenges has been taken by Schneider Electric, ranked number 51 in this year's Fleet200. Its blended Employee Car Ownership (ECO)/company car scheme utilises tax efficiency, savings to the company and choice for drivers. The scheme is fully compliant with HMRC regulations and, due to Schneider's fleet size and four-year change cycle, is set to deliver significant annual savings.

Mandi Nicol, fleet manager UK&I for Schneider Electric, says: "It's quite different to a traditional company car where the relationship is between the employer and the lease company. With ECO, the relationship is between the lease company and the driver, held together by a credit sale agreement and the ownership of the vehicle transfers to the driver from day one – essentially it's their personal car – that's how HMRC view it."

Because Schneider's lease company, Hitachi, takes on the risk of the finance, FCA regulations stipulate that employees must undergo a credit check. There is an underlying indemnity from Schneider to Hitachi while that employee remains with the company. The potential risk therefore comes should that person leave and retain the vehicle.

Schneider underwrites the cost of the scheme and the employees' costs are funded by driver contributions and tax/NIC free mileage allowances.

The mileage allowances are capped and paid as appropriate to offset the employee's actual motoring expenditure. Any unrelieved mileage allowances are rolled forward each month and used to satisfy the practical issue of variable mileage claims throughout the tax year.

Average CO_2 across the car fleet is 133g/km, with Nicol tasked to reduce this by 10% a year. To help this reduction, the company launched a 12-month ULEV pilot in June this year. As with the internal combustion engine (ICE) fleet, it's an open market. However, as Nicol acknowledges "the choice from the market is quite restricted from an affordability point of view and also availability".

The adoption of EVs is a hot topic among fleet decision-makers within all sectors, but it is also proving to be an increasingly important consideration for drivers – and not just due to the BIK incentive.

According to a survey of fleet drivers by Mitie (ranked 12 in the 2019 Fleet200), helping the planet is the most common reason for drivers wanting to switch to EVs.

Having committed to switch 20% of its car and compact van fleet to electric by 2020, Mitie undertook a survey of its drivers that registered an interest in switching to an EV.

> **38%**
> of fleet drivers said that helping the planet, including improving it for future generations, was the top motivator for wanting an EV

The results showed that helping the planet, including improving it for future generations, was the top motivator for those wanting an EV, with two-fifths (38%) of fleet drivers stating this as their primary reason.

Financial savings followed closely behind, with almost a third (32%) of respondents mostly motivated by potential savings.

This was also reflected when fleet drivers were asked what excited them about their new EV, with the environmental benefits and financial savings again coming first and second (31% and 28% respectively). However, the survey also showed Mitie fleet drivers are keen to stand out from the crowd – the third most popular response being that employees were excited to pioneer the cause by 'having something a bit different'.

Mitie drivers are not just motivated by tax savings when they choose an EV

> IT'S GRATIFYING TO SEE THAT FOR MOST EMPLOYEES AN AMBITION TO HELP THE PLANET IS DRIVING THEIR VEHICLE CHOICE
>
> **SIMON KING, MITIE**

Simon King, fleet and procurement director at Mitie, said: "As pioneers in large-scale electric vehicle uptake, this survey offered us a rare opportunity to gain insight into our fleet drivers' motivations to further improve our EV strategy.

"While it's often cited that finances are the main factor for fleet decisions, it's gratifying to see that for most employees an ambition to help the planet is actually driving their vehicle choice.

"With ambitious plans to switch our entire fleet to electric by 2030, we hope these insights will help not only Mitie, but also other businesses, take more employees on the journey to electric."

The rise in grey fleets also continues. According to research by Europcar Mobility Group UK, almost one-third of employers expect their staff to use their own cars for business

Its latest insight paper – *Is the evolving mobility agenda supporting businesses today?* – says more companies are increasingly relying on grey fleet as 'cash for car' schemes become more popular.

The Fleet200 data mirrors these findings. Across the private sector as a whole, 86% of businesses offer cash allowances to their company car drivers and, on average, 36% of their eligible company car drivers opt for a cash allowance.

The sectors with the highest take up of a cash allowance are Transport, Wholesale, Retail, Distribution, Information, Communication. On average they see 44% of drivers take a cash alternative.

Of the five respondents within the category of 'Other' services, 38% of their eligible company car drivers opt for a cash allowance.

Within Primary, Manufacturing, Construction, 34% of eligible company car drivers take a cash alternative. This is slightly higher than found within Business Services, which sees 31% take cash instead of a car.

By way of a comparison, within the public sector, of the 13 organisations which responded to this question, only 1% of eligible company car drivers opted for a cash allowance.

Public sector fleets respond to the changing landscape

The sector has a key role to play in reducing vehicle emissions. *Andrew Baxter* reports

Ambulance services are hitting more targets thanks to the use of telematics

Twenty public sector organisations feature in this year's Fleet200. Their fleets range in size from 6,000 cars and vans, to just 52. However, regardless of size, the fleets operate in an environment of achieving targets by continually realising efficiencies and savings.

This year's public sector survey respondents operate a collective fleet of 25,698 cars and vans.

They include several bluelight fleets from police forces and ambulance trusts, five local councils, two higher education establishments and a couple of Government agencies.

The top four are all consortiums. Defra Group Fleet Services consists of the Environment Agency as well as smaller agencies within the Department for Environment, Food and Rural Affairs. Its fleet has grown as more bodies come into the fold, from 3,649 in 2015 (the year before it was created) to 6,000 today, a rise of almost 500 on 2018.

All Defra's fleet growth over the past 12 months has been in vans; the number of cars on the fleet has actually reduced year-on-year.

Police Scotland, the second biggest public sector fleet, is an amalgamation of all the forces north of the border. Like Defra, it has increased its van fleet but reduced car volumes.

Chiltern Transport Consortium, which manages vehicles for five police forces including Thames Valley and Hertfordshire, has added both cars and vans, while Kent & Essex Police has removed 100 cars and 50 vans as part of a utilisation and efficiency programme.

Of the eight public sector fleets that were also present in last year's Fleet200, seven have increased their fleet. The biggest growth is London Ambulance Service, up from 750 to 1,100, primarily on the back of an additional 300 ambulances.

Within the public sector, the average car replacement age is 4.3 years (52 months), with a maximum age of seven years (84 months) and a minimum of three years. Average annual mileage is 17,444, with a maximum recorded of 30,000 miles and a minimum of 7,000.

Of the 12 respondents who provided CO_2 emissions data, the average was 109g/km, with a minimum of 93g/km and a maximum of 125g/km.

This puts the public sector on a par with the private sector average.

Regardless of which strata these public sector organisations operate within, innovative practice is often at the heart of their strategies to realise the targets placed upon them by central government.

A particularly resonant example of this is the adoption of ultra-low emission vehicles (ULEVs) and electric vehicles (EVs).

NHS organisations and local authorities are being urged to consider taking on electric or hybrid vehicles to improve air quality in a new draft quality standard guidance.

In *'Air Pollution: outdoor air quality and health'*, the National Institute for Health and Care Excellence (Nice) says air pollution can be cut if public sector organisations consider replacing high-polluting vehicles with low-emissions ones.

The organisation also recommends public bodies ensure their suppliers identify how they will reduce emissions from their vehicle fleets.

Other recommendations in the document highlight that training drivers in techniques such as smooth acceleration and braking, not over-revving the engine, efficient gear changing, no idling when stationary and ensuring tyres are inflated to the correct level can help to improve fuel efficiency and cut emissions.

Professor Gillian Leng, deputy chief executive and director of health and social care at Nice, said: "The public sector has a key role to play in reducing the emissions from its vehicle fleet.

"Promoting an efficient driving style can not only reduce the amount of air pollutants, but also save money through reduced fuel consumption.

"Organisations should make low vehicle emissions one of the key criteria when making routine procurement decisions. This could include selecting low-emission vehicles, including EVs."

What's clear, however, is that many public sector organisations are already embracing this approach to their fleet management and mix.

According to the most recent *Fleet News* benchmarking survey, public sector fleets are at the forefront of the move to EVs, with 43% of survey respondents operating pure electric cars and 29% running PHEVs, albeit many of these are on trial.

Additionally, more public sector fleets have installed charging points than any other business sector, at 62%, with 19% due to invest shortly. Many of them also offer public access for charging.

As Graham Telfer, fleet manager at Gateshead Council, explains: "Taxpayers and local businesses want to see that their money is being spent wisely and it is through the operation of environmentally-friendly vehicles that we can show costs are being reduced. Gateshead Council is committed to the challenge of achieving a cleaner environment with the belief that is it essential to work with the public in both an advisory and partnership role."

Further north, Scottish Fire & Rescue Service (SFRS) has ordered 45 Renault Zoe electric vehicles to support its frontline operations.

The world's fourth largest fire and rescue service will use the cars as general pool vehicles, with each covering at least 10,000 miles a year.

Scott Roberts, fleet manager at SFRS, says: "The best way to deal with an emergency is to prevent it happening, and the Zoes will play a vital role in how we engage with communities and deliver our crucial safety messages.

"Introducing them has been a major step in our future direction and, while we have previously adopted hybrid technology with a handful of vehicles, they felt more like a box-ticking exercise and never really worked on a practical or financial basis. With the Zoe, we can see that having environmentally-compatible electric vehicles is a viable business model."

The Zoe models have replaced traditionally-fuelled hatchbacks and now account for nearly a quarter of the SFRS pool car fleet.

Examples of best practice to realise environmental and financial benefits abound within the public sector.

Kent Central Ambulance Service, for example, is meeting its NHS target for patient delivery, after installing the Webfleet fleet management solution.

With a fleet of 28 specialised vehicles, Kent Central Ambulance Service provides non-emergency transport for high dependency patients attending hospital for outpatient clinics, operations or life-saving treatments.

The Webfleet system provides irrefutable evidence of journey times, with 'on-time' arrivals against NHS targets increasing from 68% in June 2018 to 97% in July 2019.

Nigel Patton, managing director of Kent Central Ambulance Service, says: "The traffic alerts enable our drivers to avoid congestion and deliver our VIP cargo as quickly as possible.

"There is always a lot of road building and development around Kent, but the live map updates keep our drivers ahead on time."

The service is also using Webfleet's integral OptiDrive 360 functionality to monitor the efficiency and safety of employees' driving style on the road.

"We get immediate notifications in the office if a driver is speeding, braking or cornering too harshly so we can address the issue straight away. We've seen a definite reduction in speeding tickets for our fleet as a result," said Patton. "It's made all our drivers think greener and safer."

PUBLIC SECTOR FLEETS

Company	Total car/LCVs	Cars	LCVs	Truck/HGVs
Defra Group Fleet Services	6,000	4,000	2,000	40
Police Scotland	3,592	2,842	750	97
Chiltern Transport Consortium	3,490	2,642	848	18
Kent and Essex Police	1,900	1,700	200	5
Yorkshire Ambulance Service	1,200	420	780	0
Driver & Vehicle Standards Agency	1,162	1,086	76	5
London Ambulance Service	1,100	300	800	0
West Yorkshire Police	989	725	264	0
Leeds City Council Fleet Services	977	24	953	186
South Yorkshire Police	850	600	250	40
NHS Blood and Transplant	640	430	210	96
Northern Lincolnshire & Goole NHS Foundation Trust	620	580	40	0
East of England Ambulance Trust	590	340	250	400
Hampshire County Council	575	235	340	15
Northumberland County Council	561	200	361	170
Gateshead Council	500	50	450	200
South East Coast Ambulance Service NHS Foundation Trust	450	250	200	0
London Borough of Hackney	310	12	298	131
University of Birmingham	140	60	80	0
Cambridge University	52	6	46	0

Sponsored by MICHELIN

REDUCE TYRE-RELATED DOWNTIME

Tyres have an essential part to play in maximising vehicle uptime and running an efficient fleet. *Ben Rooth* reports

Downtime is a dirty word for most fleet decision-makers, as a vehicle off the road has a negative impact on a business operation.

Verizon Connect research found vehicle off-road costs amount to an average of £6,000 a year for small- and medium-sized organisations, with 31% of fleet decision-makers losing sleep over these costs.

And tyre issues are a significant contributor to downtime: they are responsible for generating the second largest volume of roadside assistance call-outs to the RAC, after battery failure.

But there is no one simple solution.

An 18-month Highways England project across the West Midlands saw more than 1,000 pieces of tyre debris from motorways analysed by Bridgestone, which found:

- 56% of tyres failed due to road/yard debris penetration
- 18% failed due to poor inflation
- 8% failed due to poor vehicle maintenance
- 1% failed due to manufacturing defects
- 1% failed due to excessive heat
- 16% couldn't be attributed to one particular problem.

Paul Collier, key account manager at Michelin, says: "Most fleet managers would like to eradicate downtime altogether, but part of the bid to achieve that means paying close attention to tyre choice and routine tyre maintenance."

Overleaf, we look at key areas which influence tyre-related downtime and what fleet decision-makers can do to reduce the risk.

TYRE PRESSURES

More than 50% of cars run on tyres which are below recommended pressures, according to research by Michelin.

"This is a staggering statistic when you consider the impact this can have on a vehicle's steering, handling and braking, let alone causing additional wear and tear and increased fuel consumption," says Collier.

When tyres are over- or under-inflated, the tread area in contact with the road is reduced: over-inflated tyres will make more contact with the road in the centre, while under-inflation will make more contact with the outer edges.

Both are bad news as they cause irregular wear, while traction will also be reduced, meaning tyres are less effective at gripping the road surface and bringing the car to a halt: factors which mean tyres may need replacing more often, as well as increasing the possibility of a collision.

"At Michelin, we encourage drivers to check tyre pressures at least once a month and before every long journey to help deliver long-lasting performance," adds Collier.

REGULAR TYRE WEAR CHECKS

As well as pressures, tyres should be regularly checked for wear and damage such as bulges in sidewalls, early detection of which can reduce the risk of unnecessary vehicle downtime.

"Key things to look out for include uneven tread wear, low tread, stones or nails, and any damaged areas on the tyres, including missing valve caps," says Collier.

David Morris, head of UK fleet at Goodyear, says checking tyres once every two weeks or at least once a month is essential to ensuring your vehicle is running efficiently.

"If you're carrying out high mileage, checks should be carried out more regularly," he adds.

For many van fleets, the vehicle check – including tyres – is a daily requirement for drivers, with some refusing to assign employees their first job of the day until the check has been completed.

"Ensuring fleet driver safety should always be at the top of the agenda for any business, but it's easy to overlook how important regular checks are," says Gil Kelly, operations director of Venson Automotive Solutions.

"IF YOU ARE CARRYING OUT HIGH MILEAGE, CHECKS SHOULD BE CARRIED OUT MORE REGULARLY"

DAVID MORRIS, GOODYEAR

The wrong inflation in a tyre – over or under – will lead to increased wear

Opinions differ on what the minimum legal tread depth should be – currently it's 1.6mm

Having a mobile fitter visit your premises can also help to reduce downtime

"These should be at the core of any tyre management policy, with staff trained to frequently carry out necessary checks, including tyre pressure, tread depth and damage.

"Written reports by drivers or the use of an online app detailing defects should be mandatory, alerting the fleet team or their fleet management provider of any issues.

"Once an issue is highlighted, appropriate action needs to be taken immediately."

TYRE REPLACEMENT POLICY

The current legal minimum tread depth is 1.6mm, with Kwik Fit saying the majority of companies have policies that tyres will be replaced at 2mm for safety and compliance reasons.

However, this means fleets replace tyres more frequently than they legally have to, increasing downtime while new tyres are fitted, as well as extra cost.

"We believe replacing car and van tyres at 1.6mm is the right way to go," says Collier. "There have been calls from parts of the automotive industry to increase the minimum tread depth to 3mm, but there is no statistical link between tyre tread depths at 1.6mm and an increase in accident rates.

"Changing the legal limit will just lead to higher running costs and more frequent trips to the tyre dealer, impacting on fleet productivity and the environment.

"If you fit a premium tyre that is designed to deliver long-lasting performance, and you maintain it correctly, it will be safe down to 1.6mm."

However, Kwik Fit points out that in the wet at 70mph, the stopping distance of a car fitted with new tyres – 8mm of tread – is calculated to be almost 100m; with 3mm this increases to 150m and with 1.6mm it is 200m – double that of a vehicle fitted with a new tyre.

TYRE PROCUREMENT

The different ways in which fleets buy their tyres can have a great impact on vehicle downtime.

Therefore, fleet decision-makers should take this into account when considering their procurement method .

When vehicles are leased with the tyre maintenance included then a leasing company is likely to have a preferred deal with a service provider, usually one of the high street retail chains.

If this preferred fast-fit is not located close to an employee's workplace or home – and they have to travel a considerable distance to reach one – then there will inevitably be downtime.

Fleet decision-makers have the right to choose where tyres are sourced from, although the leasing company is likely to specify the terms and conditions of having the vehicle back with the same brand of tyres and tread depth.

If vehicles do not have a service agreement in place – and it's possible to have service agreements which exclude tyres – and tyres are bought by the fleet, then there could be an opportunity to reduce downtime by utilising a local fast-fit or mobile tyre fitting service.

MOBILE TYRE FITTING SERVICES

For site-based employees, time taken driving to a fitting centre to have tyres replaced could be time spent working.

Using mobile fitting services which come to

SPONSOR'S COMMENT

By Pierre-Louis Dubourdeau, sales director, Michelin Tyre plc

With winter fast approaching, one of the most positive impacts you can have as a fleet manager starts with selecting the right rubber for your cars and vans.

Our Fleet News Award-winning MICHELIN CrossClimate range means customers can now operate on a single set of tyres perfectly suited to the British weather – be it hot, cold, dry, wet or even snowing. So, if you're looking to run a fleet on tyres that reduce your replacement costs, save on fuel and help maximise safety all year-round, there is no more obvious choice than the MICHELIN CrossClimate.

Indeed, two years after rolling out a MICHELIN CrossClimate policy, a major private hire taxi firm reduced its annual tyre bill by 20% after unlocking longer lasting performance – pushing back tyre replacement intervals and reducing incidences of damage, along with the associated downtime.

That's why Michelin encourages all fleets to look closely at their own tyre performance data because it can help them make a more informed choice.

Other ways to improve efficiency include ensuring your drivers pre-book an appointment when they need new tyres.

In the past decade, the number of product lines in Michelin's car and van tyre range has doubled, as new technologies are introduced and the number of models requiring specific load and speed ratings increases.

This means drivers who arrive unannounced at fast-fit suppliers, or try to book same-day mobile appointments, can be inconvenienced. It's become unrealistic to think every tyre dealer will have every single tyre line in stock. Unless drivers give advance warning, they could jeopardise their chances of getting their first-choice tyre – or worse, have to return later.

And, lastly, don't forget the importance of tyre pressures. An under-inflated tyre will wear out far quicker than a correctly inflated one and is more susceptible to damage. If reducing vehicle downtime and running costs are a priority, be sure to keep on top of your tyre pressures.

your premises and carry out the work without any disruption to the driver can be a more effective solution.

"If it isn't managed carefully, tyre-related downtime has the potential to cost more than the price of the replacement rubber," says Collier.

"Minor delays for the driver or, worse, a missed meeting or appointment can be the biggest sign to a customer or prospect that you are unable to deliver."

Companies which offer mobile fitting services also often provide on-site tyre checks to employers, highlighting any issues before they become a serious problem.

"In terms of tyre checks – which are a critical part of our vehicle health check programme – a visual inspection is followed by a more in-depth check with tread/pressure levels taken and findings recorded," says Andy Fern, fleet sales director at Kwik Fit.

"Authorisation will then be obtained for any rectification work to be carried out.

"Tyre inspections on cars and vans are typically carried out in company car parks when employees are busy at their desks – and that means no working time is lost."

BOOKING AHEAD

An ever-increasing number of tyre brands, sizes and types means company vehicle drivers should not simply turn up at a fitting centre unannounced, expecting their particular tyre to be in stock.

In 1997, 19 tyre sizes accounted for up to 90% of company car tyre fitments, but today this proportion is accounted for by 120 tyre sizes.

The remaining 10% comprises 1,030 different sizes.

"Tyre choice is rising by around 10% each year as vehicle manufacturers increasingly fit bespoke tyres to their new vehicles," says Fern.

"Taking into account the choice of summer, winter and, increasingly, all-season tyres and the option of premium, mid and budget brands across a wide range of sizes, it is possible that a customers preferred choice of tyre may not be in stock."

This means tyre replacement centres are unable to carry the levels of stock needed to guarantee a fit first time, and, as a direct consequence, drivers risk making wasted journeys and increasing tyre-related downtime.

For this reason, drivers are encouraged to plan ahead and book an appointment.

SPARE WHEELS AND PUNCTURE REPAIR KITS

Tyres account for 13% of all breakdowns attended by the RAC – its second biggest single cause for call-outs.

The motoring organisation says that more than half of new cars come with a tyre repair kit rather than a spare wheel which means a significant number of call-outs are classed as "puncture, no spare" jobs.

"Tyre-related problems represent one of the major causes of vehicle breakdown and with many of today's company cars and vans either having a space-saver spare wheel or a temporary puncture repair kit, downtime can be impacted," says Fern.

"When drivers can't easily change a wheel or use a temporary puncture repair kit, it results in vehicle downtime – a recovery patrol must be summoned before that vehicle is subsequently taken to a fast-fit centre."

If a new car does not have a spare wheel supplied as standard, fleets are often able to specify one is added as an optional extra when ordering the vehicle. Note, this might affect the car's CO_2 rating and, therefore, its tax band.

ALL-SEASON OR WINTER TYRES

One way fleets can help to reduce the risk of vehicles being off the road through collisions in the colder, wetter months is to use either dedicated winter tyres or the new generation of all-season tyres.

These provide greater traction in difficult conditions than standard tyres, making it less likely collisions will occur.


Many of today's cars no longer carry a spare tyre


The switch to winter tyres can mean increased peace of mind, but also more downtime

Ian Foster, sales manager for car fleets at Continental, says: "Continental encourages drivers to consider changing their tyres when the temperature falls below 7C.

"At this temperature, winter tyres provide better grip and traction on snowy, icy roads. For those who experience milder winters, an all-season tyre is a suitable alternative."

Many fast-fits offer a 'tyre hotel' service which allows fleets to store their standard tyres when the winter ones are in use, but Collier says this policy creates its own downtime when tyres are switched over, as well as extra cost.

"(All-season tyres) put an end to the costly process of switching tyres as the seasons change – a process which can impact heavily on vehicle availability when it affects an entire fleet," he adds.

NOVEMBER TOPIC: MANAGEMENT INFORMATION FOR REPORTING TO THE BOARD

Q: WHO WILL ADMIT THAT THEY ARE A BAD DRIVER?

A: Next to no one – that's why regular driver assessments are vital, says DfBB's *Simon Turner*

Driving is one of the things people find really hard to accept criticism about. If an incident happens, it is always someone else's fault. If you ask a room full of drivers which of them thinks their standard of driving is above average you'll be looking out on a sea of raised hands. However, they can't all be above average.

Ensuring driver competence is an essential part of reducing work-related road risk, improving driver safety, minimising collisions and reducing business disruption.

Driving for Better Business (DfBB) research shows that only 38% of companies formally evaluate driver competency, either through online or on-road driver assessment.

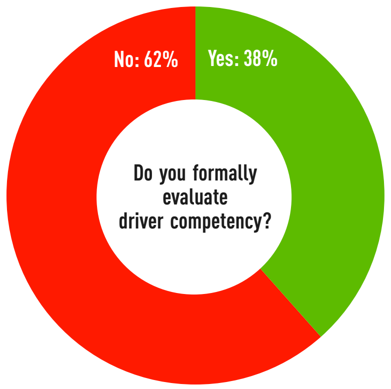
Some 55% of companies pay additional attention to those drivers aged under 25 while 72% provide training for those driving specialist vehicles or are required to tow.

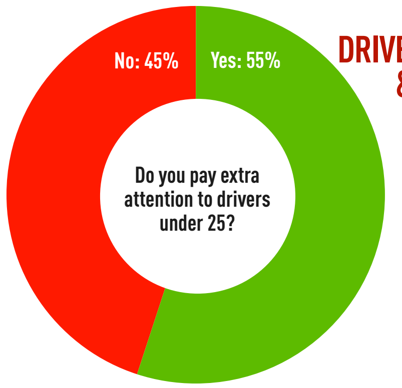
It's arguable as to which is more concerning: that only 38% of companies assess competency generally, or the fact that 28% don't evaluate driver competency for specialist vehicles that very clearly are out of the ordinary and require specialist training to operate safely.

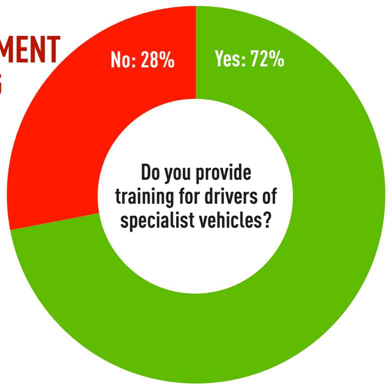
One of the challenges in comparing what your business might do with others is that every business is different – they have different driving risks, different ways of identifying which drivers are exposed to a higher risk than others, and the interventions can be radically different dependent on the types of driving they do.

Here are some examples of how DfBB Champions assess and train with regard to driver competency when managing complex levels of work-related road risk including company cars, commercial and specialist vehicles as well as grey fleet.

DRIVER ASSESSMENT & TRAINING







TARMAC: IDENTIFYING HIGH RISK DRIVERS

High risk drivers must complete the Tarmac Risk Excellence Programme – online training designed to develop driver skills and behaviours. High risk drivers fall into the following categories:

- 25,0000+ miles per annum
- Specialist vehicle drivers, for example crew buses or 4x4s
- Probationary driver (under 25s)
- Previous disqualification
- 8+ points

Additionally, Tarmac adheres to the 16 Life Saving Rules of parent company CRH whose guidance is intended to provide a consistent safety message across all its sites. Rule 5 requires all employees who drive on a public road on company business to be assessed as to whether refresher training is required. Personnel driving in excess of 10,000 miles per annum on company business have refresher training at least every three years.

AMEY: DRIVER AWARENESS WORKSHOPS

Amey Fleet and Plant has a bespoke 90-minute driver awareness training session including hazard prevention, rules of the road and fitness to drive with thousands of drivers completing the training. Driver awareness roadshows include use of a bespoke fatigue simulator which uses virtual reality to train drivers on the effects of driving tired. There is also a series of driver safety training films to be used at an operational level including 'Responsibility of a Professional Driver'.

McLAREN AUTOMOTIVE: PERMIT TO DRIVE

To support the driver safety policy, all people who drive on business, whether in their own car, a hire car, or a McLaren vehicle, must first undergo an individual driver assessment in order to get a McLaren Driving Permit. Grey fleet and hire car drivers complete online driver assessments, while employees required to drive McLaren cars must undergo a full on-road assessment.

The on-road assessments, carried out by qualified coaches, look at the driver's general disposition behind the wheel as well as vehicle handling skills and also focuses on the driver's reaction to pressure, stressful driving scenarios, hazards and their driving environment.

If a driver fails one of these assessments (and some have) for whatever reason, they are not permitted to drive for work on behalf of McLaren Automotive unless they undertake coaching, retake the assessment and subsequently pass to the required level.

CLANCY GROUP: MAXIMUM USE OF DATA

Clancy uses online risk assessment, forward-facing cameras and telematics/black box technology. A full-time fleet safety data performance analyst collects, collates and distributes data from all systems allowing the Fleet Safety Management & Compliance team to create data-driven performance improvement KPIs and training interventions for the wider business.

By using a combination of claims statistics and utilising DfBB in-vehicle forward-facing cameras, the company then produces its own data-driven video toolbox talks based on collision trends.

The data is translated into strategy and subsequently into accountability and ownership by line managers. This provides them with the insights and skills to manage their fleet properly and understand the influence they have on the behaviour of their drivers and the general safety culture. Behavioural-based coaching programmes have been developed for both drivers and managers.

ASSESSMENT DURING RECRUITMENT

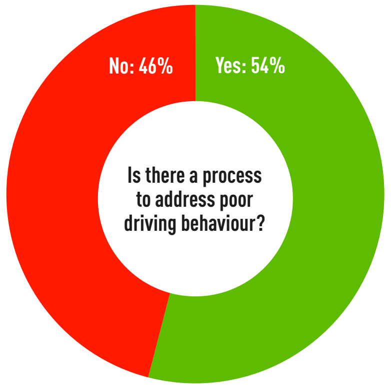
As well as assessing existing drivers, many employers look to determine competency at the recruitment stage, putting prospects through assessments to determine the best candidates. Of course, on-road assessments can be inconsistent due to varying traffic conditions, and drivers may well act on their best behaviour with an instructor – masking some of their poor driving traits.

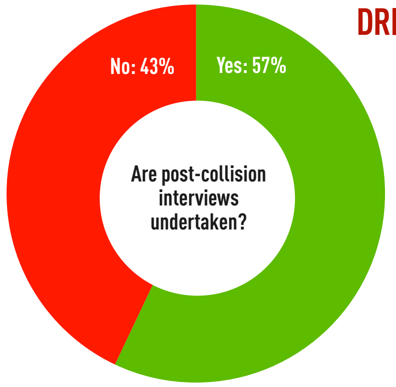
Lisa Dorn, associate professor of Driver Behaviour at Cranfield University and research director for DriverMetrics, believes employers need to look harder at how drivers will instinctively react to typical work driving pressures.

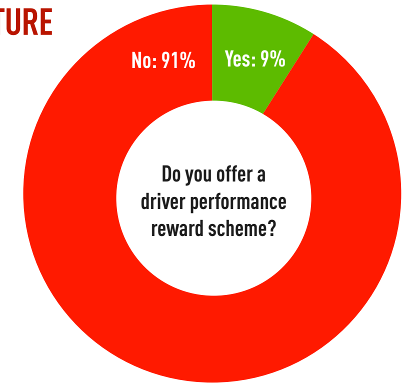
"For most organisations there are three selection criteria for driver recruitment. These include whether the driver has a clean valid licence, passes an assessment drive and performs well at interview, but these selection methods will not necessarily identify whether the driver has all the competences required for safe driving," she says.

"A more objective and valid method for selecting drivers is the use of a psychometric assessment to determine driver competencies such as staying calm and relaxed when held up in traffic; looking out for potential hazards and staying alert even when under stress; avoiding the need to take risks when under time pressure; employing safer driver coping strategies and demonstrating low levels of vulnerability to driving fatigue."

DRIVING CULTURE CHANGE







Hannah Gregory, DfBB Champion Programme manager and former driving and road safety manager at DfBB Champion McLaren Automotive, says context is critical when looking to improve driver competency and compliance.

"Improving driver knowledge and competency will reduce incidents related to lack of understanding or skillset. But driver ability is only a piece in a much more complex puzzle and, in isolation, will have limited effect on frequency or cost of incidents, Gregory says.

"The most important aspect of all journeys is the context. A context that involves an unrealistic delivery schedule and tricky manoeuvring at the customer address, creates pressure for the driver that may lead them to doing the manoeuvre in the quickest, rather than the safest, way. Not because they don't know the safest way, but because they are trying to make up time. If these shortcuts are a response to the company's work practices and management is known to turn a blind eye in a misguided pursuit of productivity, any positive benefit from training will disappear very quickly, with the training investment wasted, as drivers revert to poor behaviours."

DfBB research shows many companies probably aren't thinking in this way as just 57% of employers claim to conduct post-crash interviews. These are vital opportunities to understand whether the problem is indeed a lack of driver competency, and something that training can help with, or whether it's something rooted deeper in the company's culture and working practices that will require greater effort to fix.

If the problem does turn out to be cultural, driver training is unlikely to work on its own. Some of the most effective cultures operate strong driver incentive schemes with rewards and recognition for good driver scores and fewer incidents, and possibly even financial penalties for crashes such as contributing to insurance excess payments.

Surprisingly, just 9% of employers operate schemes to reward high standards of driving. This seems like a great opportunity for business improvement as companies that run good established schemes are highly regarded with strong reputations for high standards of service and professionalism. The key behind any kind of sustainable improvement is good data – knowing which data is important, and acting effectively on that data to improve both competence and culture – something DfBB Champions all focus on to achieve significant business benefits.

TO GET THE MOST OUT OF AN INVESTMENT IN DRIVER TRAINING:

■ Risk assess the driver's role to identify the pressures and dangers. Work with your training provider to build a bespoke course to specifically address these risks.
■ Remove operational pressures where possible to enable drivers to put into practice what they have learnt in training.
■ Continually engage with drivers to confirm safety is the priority and learn from them if there are any additional or new risks that need to be addressed.

You can read the case studies on these pages in greater detail at www.drivingforbetterbusiness.com

SHEDDING LIGHT ON *dark art* OF BUDGET SETTING

ICFM director *Peter Eldridge* walks fleet managers through the main considerations when drawing up financial projections

5 TIPS TO KEEP ON TOP OF YOUR FLEET BUDGET

1. **Approach budgeting in a proactive and strategic manner and acknowledge that effective control will only come from a good understanding of the trends and influences.**
2. **Don't go it alone – work with other fleet-responsible stakeholders within your business to share the load, obtain their expertise and develop your confidence.**
3. **Benchmark your fleet budget against previous periods to assess progress on long-term goals and observe trends as they occur.**
4. **Maintain diligent control over actual expenses and income relating to the original budget projections on a regular basis.**
5. **Take particular care to study the annual to monthly budget performance information and apply a pragmatic approach to revising any budget lines early if required.**

The vehicle fleet budget is an essential inclusion in the fleet manager's range of responsibilities.

However, for many, the concept of budgetary control is something of a 'dark art' that does not naturally blend in with their other fleet-related activities.

This is not simply a case of lack of financial awareness, it is driven by a combination of inexperience plus what appears to be a general stance within many finance departments not to communicate anything more than 'need to know' snippets of financial information.

It is vital for all fleet-responsible stakeholders to work in unison, particularly the fleet and finance teams. This will enhance the strategic and successful management of fleet and travel activities in 2020 and beyond.

Fleet manager involvement with budget setting and control is easier than you might think and this article will give you a few tips regarding fleet budget strategies.

THE FIRST STEP IS BUDGET PLANNING

Budgeting is an iterative and systematic process designed to produce an integrated set of plans expressed in financial and quantitative terms, that meet company objectives regarding profitability, return on capital employed and cash flow.

It encompasses all aspects of the business and is especially important in the vehicle fleet operation, since it enables the forecasting of expenditure in key areas such as:

- Fuel
- Service, maintenance and repairs (SMR)
- Licences and taxes
- Leasing and fleet management
- Insurance and accidents
- Grey fleet business expenses
- Vehicle depreciation
- Vehicle disposal
- Interest charges
- Safety-related costs

Providing assistance to create the budget is an important part of the fleet manager's job, since it assists the critically important activity of steering business planning regarding the fleet operation to support long-term growth for the business.

Naturally, any deviation from the budget plan can have a significant effect and this, of course, underlines the main point that budget planning activity is far more than just number crunching and that important business decisions are heavily dependent on the process.

The process essentially has two steps:

- The consolidation of departmental budgets (in this case, fleet) into functional budgets.
- The functional budgets then integrate into the overall company budget.

To be completely effective, the assumptions made in the functional budgets should be closely integrated. For example, production budgets, product volumes and associated costs must share the same assumptions made in developing the sales budget. These assumptions must, in turn, dovetail with the forecasts developed by the marketing function within the business.

It is normal practice for the overall budget to be sanctioned at board level and the fleet manager should appreciate it is not uncommon for a budget to be 'knocked back' because of concerns regarding the anticipated level of overall profitability.

As a general principle, it should be accepted that budgeting can never be an exact science, so the fleet manager should ensure that budget calculations are based on realistic assumptions and recognise that the outcome may not be as originally anticipated.

That said, the budget must be realistic, but not overly conservative. Adopting a stimulating budget target approach is the best position.

THE BASIC PRINCIPLES

There is a strong case for limiting budget activity to only those expenses that the fleet manager can directly control and influence and leave the broader conventions of budgeting to the finance team.

This is where good stakeholder interaction pays dividends, since the outcome is more likely to promote better financial awareness, improved communication regarding targets and, overall, a more harmonious working relationship.

There are many advantages that budgetary involvement on the part of the fleet manager can produce and these include:

- The early identification of areas where corrective action is required, i.e. overspend with departmentally controllable expenses.
- Improved levels of understanding regarding departmental and product group profitability.
- Improved clarity regarding each stakeholder's budget responsibility.
- Increased efficiency within the fleet operation, which will contribute towards reducing the levels of working capital required.
- Enhanced kudos for the fleet manager within in respect of perceived financial awareness.

NEXT, BUDGET CONTROL

There are a number of ways to approach the subject of budget control, but for the purposes of this article we will cover the following:

Annual to monthly budget breakdowns

The main benefit of utilising a monthly budget breakdown is simply that actual performance can be compared each month with the expected budget figures and, if required, corrective action can be taken early to prevent any significant negative impact during the annual financial reporting period.

Any overspend identified in, say, month three of the financial period, may well initiate the amendment or even cancellation of planned expenditure for the remaining nine months, so early recognition of such fluctuations is vital.

Breaking down annual figures into monthly ones is known as 'calendarisation' and is usually organised into budget centres (the fleet operation being one of them).

The budget set for each of these centres should define the expected financial results involving income, expenditure and resources involved for that particular area.

Maintaining budget centre control

To assist identification, each budget centre should be allocated with a unique identification code and this will enable all income and expenditure for that area to be analysed in precise detail.

The proficient fleet manager will use the identifiers allocated to their department to monitor and control the performance of the areas under their watch and check actual expenditure against the targets on a progressive year-to-date basis.

Fleet managers have the added benefit of utilising telematics and other smart technology to obtain information and optimise key areas of vehicle fleet expenditure.

All data involved can then be aggregated from each individual budget centre to arrive at figures for the fleet department in particular and the company as a whole – 'budget interlocking'.

Functional and master budgets

The budgets set for individual areas are known as 'functional' budgets and the overall company budget is normally referred to as the 'master', which is designed to forecast the Profit & Loss, Balance Sheet and Cash Flow position for the forthcoming 12 months. Proficient control of fleet vehicle operational costs at a functional level, will have a positive impact on achieving cost savings and adherence to the forecasted 'Master' budget.

Capital and revenue budgets

Capital budgeting is the process in which a business determines and evaluates potential large expenses or investments. These expenditures and investments include projects such as building a new plant, vehicle acquisition or investing in a long-term venture. One of the primary goals of capital budgeting investments is to increase the value of the business to the shareholders.

Capital expenditure plans require careful integration into the budget for revenue activities and the date of introducing new capital equipment has a significant effect on the amount of labour and other resources utilised.

By utilising the regular monthly financial reporting produced by the finance team for each budget centre, the fleet manager should keep a watchful eye on any capital or revenue expenditure 'spikes' and take proactive responsibility for correcting/revising the areas in question, so the budget is not negatively affected.

Flexible budgeting

A flexible budget (also called a variable budget), is one that adjusts or flexes with changes in volume or activity. The flexible budget is more sophisticated and useful than a static budget, as in the latter the amounts remain unchanged from the time that the static budget was created.

With the flexible budget, a variable rate per unit of activity instead of a fixed total is applied and this is a particularly useful tool for measuring a manager's efficiency.

Flexible budgets are often used to predict best and worst case scenarios for the forthcoming accounting period and provide a 'what if' look at the company's future financial performance.

Incremental budgeting

With this simple method, a flat increase (4% or 5% for example) is added to historical expenses across the board and these figures are used to predict the expenditure for the forthcoming period. This method is easy to understand, but it also has shortcomings.

- Firstly, an ever-expanding budget forecast does not contribute positively towards incentivising fleet managers to cut costs and it may actually contribute to overspending.
- Furthermore, this approach doesn't assess whether the previous year's spending was necessary or appropriate and, as such, future forecasting may be grossly inaccurate.

As a budgeting technique it may serve small businesses or new ventures in a start-up situation, but in real terms it is not well suited to forward thinking and growth-driven businesses.

Fleet finance, including budgeting, is a large subject and in this article we have only covered a brief outline of the related elements.

- **For information about ICFM leadership and management training, go to www.icfm.com**

MOTABILITY PROPS UP Q3 AS RENTAL, TRUE FLEET FALL

Vauxhall remains on course with withdrawal from rentals strategy, *reports Stephen Briers*

Vauxhall is holding true to its promise. After a rise in rental registrations over the first half of the year, general sales director James Taylor told *Fleet News* the company would be pulling back in Q3 and Q4 ahead of a much bigger withdrawal next year.

Subsequently, Vauxhall slashed almost a third of its rental registrations in the third quarter, according to data from the Society of Motor Manufacturers and Traders (SMMT), taking it to 6,678. Despite this, it is still up overall year-on-year, by 8.5%, and it remains the biggest contributor to the short-term hire channel, on track for 40,000 units by year-end. That could change in 2020 as an electric vehicle (EV) launch plan enables Vauxhall to adjust its sales mix.

Taylor explains: "It would be wrong to sell ICE (internal combustion engine) vehicles in low margin channels that we don't know yet could be supported by BEV (battery electric vehicle) and FEV (full electric vehicle). So we could be halving our (rental) volumes, but without a change in our overall UK market share."

Vauxhall continues its tactical withdraw from courtesy cars, resulting in a reduction in sales to the fleet other sector. This has been partially offset by successful trading in leasing, with registrations up by 11.5% over the course of the year, albeit they slipped slightly in Q3.

Strong registrations in the private sector – registrations are up by more than 8,700 units to 20,887 in Q3, with big contributions from Combo Life and Corsa – have also enabled Vauxhall to exit low profit contracts without too big an impact on its total market share.

Across the market, rental registrations fell away in the third quarter by 2.5% although year-to-date (YTD) they remain up by 3.5%, or 5,568, at 179,538 units following rises in Q1 and Q2. Rental, which now accounts for 9.6% of total registrations (up half a percentage point from 2018's 9.1%), is one of just two segments to rise year-on-year, with the fastest growth in Motability, up 8%.

In contrast, private sales are down 2.3% (but level in Q3) and fleet other has slipped by 14.4%. Leasing was up 3.2% in Q3 after two quarterly dips and is now flat year-to-date. Consequently, true fleet – as a measurement of leasing plus fleet other – is down 7.5%, or 48,103 cars.

The rental gap between Vauxhall and second place Ford narrowed considerably in Q3, after the latter increased its rental registrations by 90% to end just shy of 5,500 – only 1,100 behind. Over the course of the year to date, Vauxhall is still ahead by 12,000 cars, although the position will change if it makes good on its promise to potentially halve sales next year.

True fleet sales Q3 (YOY)

1	Mercedes-Benz	22,639	(-6.4%)
2	Audi	16,175	(10.7%)
3	Volkswagen	17,545	(0%)
4	BMW	13,643	(-21.8%)
5	Kia	10,368	(-10.8%)
6	Ford	10,086	(-16.6%)
7	Toyota	9,615	(17.4%)
8	Hyundai	7,765	(-13.5%)
9	Volvo	7,433	(4.7%)
10	Vauxhall	7,080	(-58%)

Rental registrations Q3 (YOY)

1	Vauxhall	6,678	(-30%)
2	Ford	5,495	(+90.5%)
3	BMW	4,027	(+7%)
4	Hyundai	2,878	(-26%)
5	Toyota	2,612	(+13.5%)
6	Mercedes-Benz	2,594	(+113.7%)
7	Kia	2,495	(+16.6%)
8	Volkswagen	2,447	(+59.3%)
9	Renault	2,169	(-6.3%)
10	Volvo	1,780	(+7.9%)

After a measured Q1, where it cut rental by 22%, Ford has now undergone two successive quarters of growth.

However, Q3's increase was more about rephasing after a low 2018, according to the company.

A spokesman for Ford said: "This was solely down to 2018 Q3 Focus supply, which was unable to fulfil the rental demand. Q4 2019 is back on track, rather than reflecting growth/higher prioritisation."

Nevertheless, Q3, which included the important September plate-change, didn't produce sparkling figures for Ford, which saw reversals in leasing and fleet other, plus a small dip in private sales.

Fiesta, C-Max and Mondeo have been hit particularly hard this year, but Focus provided a bright spot with fleet sales up by a third as supplies freed up.

The fact that, overall, Ford was largely flat in Q3 was primarily down to its rental registrations, which accounted for 9% of total sales, up from 4.8% a year ago.

Year-to-date, Ford, which has just appointed a new fleet director, Neil Wilson, is running at 10.8%, a percentage-point above the industry average.

The premium manufacturers are on very different strategies when it comes to the short-term market.

Audi, guilty of pressing too hard in years past, has made a decisive move to limit its rental business. In Q3, it registered just 224 units, down 80%, almost slicing its YTD number in half, at 2,273. Rental now accounts for just 2% of its total volume YTD and that decision largely explains the fleet registrations reduction seen by its two biggest sellers, the A3 and A4, this year.

Some of that volume has migrated to the Motability sector (sales are up 88% in Q3), which, while lower profit, does at least operate a stable three-year replacement cycle with a well-managed remarketing strategy to control residual values. And, while the carmaker is struggling in the private market, leasing is up by almost 2,000 units at 9,877, marking a turnaround from the first half of the year.

REGISTRATIONS BY CHANNEL, QUARTER 3, 2019 (YOY)

Fleet captive: 31,385 (+0.95)

Rental: 40,762 (-2.5%)

Motability: 60,080 (+18.7%)

Fleet other: 98,303 (-12.4%)

Leasing: 98,902 (+3.2%)

Private: 263,576 (-0.6%)

In contrast to Audi's rental reversal, BMW and Mercedes-Benz rental sales continue to rise. In BMW's case, back-to-back quarterly increases have seen 5.3% more cars go to the short-term market so far this year.

At almost 11% of total sales, it is slightly above the market average – and the highest among the three German premium marques.

Rival Mercedes-Benz, while striking hard at rental in Q3 with a doubling of registrations, is currently running at 9.2% of business over the first nine months of the year. However, rental and Motability account for almost all of Mercedes's 2% total sales increase this year.

After a first half of rental reductions, Volkswagen made a large contribution in Q3 with a 59% near-1,000-unit increase.

Despite this, the carmaker remains down YTD, with rental just 6% of its channel mix. But, with reversals in leasing, fleet other, private and captives, the only sector it is up in so far this year is Motability, following a 35.8% rise.

The fortunes of the French trio are markedly different.

Citroën has continued its approach of registering the majority of its rental business in the first half of the year, only in greater volumes as it ended the first six months up almost 42% at 5,587 – however, that was in line with targets.

In Q3, it pulled back year-on-year by 58% to 378, although the actual saving is comparatively low, at just 521 units.

Some 14% of its sales now go to rental, up from 11.7% a year earlier, as weakening performance in private and leasing knocked overall registrations. Citroën did enjoy some late quarter success in leasing, though, with Q3 up almost 22% on 2018, helping to mitigate some of the decline in the first half of the year. C3 Aircross and Berlingo MPV has been the biggest successes.

> "WE COULD BE HALVING (RENTAL) VOLUMES WITHOUT A CHANGE IN MARKET SHARE"
>
> JAMES TAYLOR, VAUXHALL

Come the end of the year, Martin Gurney, PSA director of fleet and used vehicles, says the rental mix as a percentage of total sales will return to close to the industry average of 9.6%, suggesting almost no rental business for the rest of the year (last year it only registered 591 in Q4).

PSA partner Peugeot has continued to put more vehicles into rental after its third consecutive quarterly increase this year, this time by 46%, taking YTD rental volumes to 8,582, just over 13% of its total sales.

Peugeot has also consistently placed cars into Motability in greater numbers, resulting in a YTD increase of 37%. Like Citroën, it is now selling more cars via Motability than in leasing, according to the SMMT data.

Renault is the Gallic manufacturer enjoying the greatest success in 2019. Leasing registrations ➲

MERCEDES-BENZ SPRINTS INTO FIFTH PLACE

The LCV fleet market is up year-to-date by 4.24% with five manufacturers enjoying double-digit growth.

However, September was down 26%, blamed by the SMMT on regulatory changes (primarily the introduction of real driving emissions testing for all new registrations) and economic uncertainty due to Brexit.

Overall, Mercedes-Benz led the way with an increase of 45.5% thanks to strong performances by the Sprinter, up 56% to 14,709, and Vito, up 41.5% to 2,425. Citan, meanwhile, is down by 27.5% at 1,038 units, registering barely a third of the co-developed Renault Kangoo, which sits on 2,714, up 44.5%.

It puts Mercedes-Benz on 18,701 vans for the year so far, overtaking Citroën to move into fifth place in fleet. It is also enjoying a successful retail year – overall Mercedes is now the third biggest van manufacturer in the UK behind Ford and Volkswagen, despite a 42% reversal in September.

Vauxhall also had a substantial boost in fleet registrations, with a 40% rise year-to-date, thanks to Combo and Movano. It was one of the few manufacturers to also register an increase in September, up 8.5% on 2018.

Kangoo isn't Renault's only success so far; Trafic and Master are also up, helping the company to a 32.6% rise in fleet registrations, although it took a Q3 hit to the tune of 52%, close on 1,000 units down on 2018.

Fiat and Mitsubishi are the year's other big winners. Fiat, with a 12.6% rise in registrations to 3,399, thanks to growth in Fiorino, Doblò Cargo and Ducato, and Mitsubishi with a 19% rise to 5,712 (no model data available).

Top 10 van manufacturers in fleet (YTD)

1	Ford	84,501	(-4.3%)
2	Volkswagen	25,243	(-4.79%)
3	Peugeot	23,004	(+5.93%)
4	Vauxhall	19,492	(+39.97%)
5	Mercedes-Benz	18,701	(+45.47%)
6	Renault	14,834	(+32.6%)
7	Citroën	14,039	(+6.11%)
8	Nissan	9,393	(-5.67%)
9	Toyota	6,023	(-16.74%)
10	Mitsubishi	5,712	(+19.17%)

SPONSOR'S COMMENT

By Jon Lawes, managing director, Hitachi Capital Vehicle Solutions

Despite a modest growth in registrations in September, the past three months have seen a continuation of many of the trends that have come to define a turbulent year for the industry.

We are, however, seeing the seeds being sown for an eventual transition to alternative-fuelled vehicles (AFVs), underlined by the success of models such as the Hyundai Ioniq, and manufacturers now offering a wider range.

September saw good news for battery electric cars in particular, with the category posting the biggest percentage growth of all fuel types, up 236.4% as new models boosted registrations.

For fleets to truly adopt AFVs, the Government must review current policies, implement long-term incentives and introduce the necessary infrastructure.

The sector as a whole has struggled over the course of the past three months, but the September surge offers some encouragement for the rest of the year.

While the leasing sector has looked largely flat, manufacturers, including Renault, have seen notable growth although weak confidence and uncertainty is preventing many fleets, businesses and consumers from committing to big ticket purchases.

Overcoming Brexit uncertainty will be critical to building momentum. But, along with better petrol and diesel options, which still have a role to play, we're already seeing how the new BIK rates, combined with our experience of introducing and running electric vehicles, provide a great opportunity to accelerate demand as we head into 2020.

hitachicapitalvehiclesolutions.co.uk
01225 569 450

Hitachi Capital (UK) PLC Vehicle Solutions

FLEET REGISTRATIONS: QUARTER 3, 2019

	Fleet Captive			Fleet Motability			Fleet Other			Leasing/Contract hire			Rental			Private			Total		
	2019	2018	%	2019	2018	%	2019	2018	%	2019	2018	%	2019	2018	%	2019	2018	%	2019	2018	%
Ford	2,815	3,308	-14.9%	9,719	9,530	2.0%	6,764	7,535	-10.2%	3,322	4,559	-27.1%	5,495	2,885	90.5%	32,220	32,745	-1.6%	60,335	60,562	-0.4%
Mercedes-Benz	2,739	2,648	3.4%	3,721	2,485	49.7%	11,837	14,016	-15.5%	10,802	10,178	6.1%	2,594	1,214	113.7%	15,801	15,883	-0.5%	47,494	46,424	2.3%
Volkswagen	2,484	3,262	-23.9%	4,830	2,658	81.7%	6,457	5,318	21.4%	11,088	11,803	-6.1%	2,447	1,536	59.3%	18,843	19,722	-4.5%	46,149	44,299	4.2%
Vauxhall	1,775	1,455	22.0%	6,245	5,697	9.6%	1,869	11,288	-83.4%	5,211	5,601	-7.0%	6,678	9,555	-30.1%	20,887	12,110	72.5%	42,665	45,706	-6.7%
BMW	4,775	3,723	28.3%	2,504	3,393	-26.2%	288	6,007	-28.6%	9,355	11,450	-18.3%	4,027	3,763	7.0%	16,936	15,580	8.7%	41,885	43,916	-4.6%
Audi	4,382	4,367	0.3%	1,370	728	88.2%	6,298	6,610	-4.7%	9,877	7,995	23.5%	224	1,160	-80.7%	9,974	13,978	-28.6%	32,125	34,838	-7.8%
Toyota	661	370	78.6%	3,345	2,528	32.3%	5,417	5,238	3.4%	4,198	2,949	42.4%	2,612	2,302	13.5%	13,964	15,956	-12.5%	30,197	29,343	2.9%
Hyundai	292	1,034	-71.8%	3,285	2,482	32.4%	4,675	4,626	1.1%	3,090	4,350	-29.0%	2,878	3,884	-25.9%	8,533	8,381	1.8%	22,753	24,757	-8.1%
Nissan	325	621	-47.7%	4,914	5,067	-3.0%	4,346	5,642	-23.0%	1,818	1,616	12.5%	1,184	1,067	11.0%	9,677	11,606	-16.6%	22,264	25,619	-13.1%
Peugeot	326	245	33.1%	3,011	2,099	43.4%	2,424	2,682	-9.6%	2,599	3,115	-16.6%	1,223	835	46.5%	10,609	11,621	-8.7%	20,192	20,597	-2.0%
Land Rover	1,749	1,639	6.7%	0	0	-	3,791	3,373	12.4%	2,922	2,098	39.3%	931	1,467	-36.5%	9,228	10,295	-10.4%	18,621	18,872	-1.3%
Mini	1,138	833	36.6%	1,098	860	27.7%	1,980	1,256	57.6%	2,322	1,910	21.6%	1,377	1,174	17.3%	9,578	9,267	3.4%	17,493	15,300	14.3%
Škoda	1,668	1,726	-3.4%	795	899	-11.6%	3,041	3,372	-9.8%	3,867	2,995	29.1%	1,099	968	13.5%	6,836	5,748	18.9%	17,306	15,708	10.2%
Seat	950	1,007	-5.7%	2,895	1,205	140.2%	2,141	1,759	21.7%	4,631	3,746	23.6%	203	505	-59.8%	6,397	6,372	0.4%	17,217	14,594	18.0%
Renault	113	68	66.2%	1,968	2,036	-3.3%	2,920	2,174	34.3%	1,771	857	106.7%	2,169	2,315	-6.3%	6,932	7,691	-9.9%	15,873	15,141	4.8%
Volvo	671	534	25.7%	416	441	-5.7%	3,081	2,683	14.8%	4,352	4,415	-1.4%	1,780	1,650	7.9%	4,059	4,178	-2.8%	14,359	13,901	3.3%
Citroën	342	207	65.2%	2,367	1,225	93.2%	1,997	2,028	-1.5%	2,142	1,760	21.7%	378	899	-58.0%	5,870	7,089	-17.2%	13,096	13,208	-0.8%
Mazda	313	351	-10.8%	616	674	-8.6%	2,540	2,007	26.6%	1,564	1,549	1.0%	0	0	-	6,848	6,234	9.8%	11,881	10,815	9.9%
Honda	870	1,090	-20.2%	1,009	1,519	-33.6%	2,149	4,563	-52.9%	957	346	176.6%	46	0	-	6,066	7,001	-13.4%	11,097	14,519	-23.6%
Jaguar	1,274	1,094	16.5%	0	0	-	1,458	1,725	-15.5%	1,685	1,546	9.0%	202	762	-73.5%	4,997	5,396	-7.4%	9,616	10,523	-8.6%
Suzuki	69	185	-62.7%	992	1,409	-29.6%	2,883	2,852	1.1%	1,010	564	79.1%	0	0	-	4,440	6,876	-35.4%	9,394	11,886	-21.0%
Fiat	34	32	6.3%	261	284	-8.1%	2,616	3,355	-22.0%	640	644	-0.6%	1	400	-99.8%	3,569	4,521	-21.1%	7,121	9,236	-22.9%
Kia	485	644	-24.7%	2796	2,306	21.2%	4,943	5,138	-3.8%	5,425	6,487	-16.4%	2,495	2,139	16.6%	10,809	10,506	2.9%	6,953	27,220	-1.0%
Lexus	185	108	71.3%	0	0	-	1,303	1,000	30.3%	1,158	707	63.8%	304	23	1221.7%	2444	1,902	28.5%	5,394	3,740	44.2%
Mitsubishi	0	0	-	738	421	75.3%	1,223	1,309	-6.6%	841	1,462	-42.5%	86	830	-89.6%	849	1,505	-43.6%	3,737	5,527	-32.4%
Porsche	130	70	85.7%	0	0	-	716	395	81.3%	94	15	526.7%	0	0	-	2,275	1,279	77.9%	3,215	1,759	82.8%
Jeep	74	51	45.1%	405	445	-9.0%	377	399	-5.5%	263	99	165.7%	20	0	-	502	404	24.3%	1,641	1,398	17.4%
Alfa Romeo	61	43	41.9%	24	9	166.7%	235	293	-19.8%	312	195	60.0%	10	25	-60.0%	301	325	-7.4%	943	890	6.0%
Subaru	28	126	-77.8%	2	0	-	280	346	-19.1%	0	2	-100.0%	0	0	-	371	567	-34.6%	681	1,041	-34.6%
Total																			571,697	581,339	-1.7%

are up 69% year-to-date, at 4,595, thanks to a 106% surge in Q3.

Meanwhile, after a big Q1 in rental, Renault has started to reduce its exposure with consecutive negatives, including a 6.3% drop in Q3.

It has benefited from a strong uplift in Zoe sales, partly buoyed by the electric version, and renewed fleet interest in Clio.

Demand for EVs from fleets is accelerating with most manufacturers enjoying success.

Excluding the Mitsubishi Outlander PHEV, which isn't separated out in the SMMT data, the biggest increase year-to-date in fleet registrations was the BMW i3, at 2,014, overtaking the Nissan Leaf (down 5% to 1,839) to become the UK's second biggest selling electric car (combined pure electric and range extender) this year.

Topping the table is the Hyundai Ioniq – available as pure electric, plug-in and hybrid – with fleet registrations up 16% at 5,762. It marks a successful year in fleet, so far, for Hyundai with increased sales in leasing (albeit, Q3 was down YOY) enabling it to reduce its exposure in rental by 32%, or 4,375 units, to 9,196.

The announcement of the benefit-in-kind (BIK) tax tables for the next three years from April 2020 will help to give some certainty to the market, allowing fleets to select the best models for their choice lists and advise company car drivers on their options.

Quarter four figures are likely to be strong compared with 2018, but the biggest increase will come next year when the new tax tables take effect, reducing BIK for a pure electric car from 16% today (£213 a month on a £40,000 car for a 40% taxpayer, according to Deloitte figures) to zero for tax-year 2020/21.

The option of having a car for nothing – or for potentially £100 per month for a plug-in hybrid; half that for a 20% taxpayer – should prove irresistible to any employee wavering about whether to take car or cash.

AUDI Q5 TFSIe

Audi turns its attention to plug-in hybrids – Q5 TFSIe is the first of six available to order this year

By Matt de Prez

There's been no shortage of new Audis this year. From the A1 to the SQ8, the expansion and renewal of the brand's model range seems unrelenting.

There has been, however, a noticeable lack of low-emission plug-in hybrid models to suit company car drivers, but that is about to change rather rapidly.

The new Q5 TFSIe is the first of six new plug-in hybrid models that will be available to order before the end of the year.

With low CO_2 emissions of 49g/km, the plug-in hybrid is not only the most efficient and cost-effective Q5 model, it is also one of the best performing.

Two versions are offered, the 50 TFSIe and the 55 TFSIe, offering power outputs of 299PS and 367PS. Both use a new 2.0-litre turbocharged petrol engine and electric motor, pushing power through a Quattro all-wheel drive system.

A 14.1kWh battery ensures a zero-emission range of up to 26 miles and Audi quotes a combined fuel economy figure of 113mpg.

Similar powertrains will shortly be offered in the new A3, A6, A7, A8 and Q7, with clear benefits for fleet drivers.

The Q5 50 TFSIe is priced from £49,680, making it £8,000 more than the equivalent 40 TDI diesel model. But, according to our running costs data, over a four-year cycle the plug-in model will be £7,700 cheaper to operate.

Company car tax is also significantly cheaper, costing 40% taxpayers just £265 per month.

There is little to distinguish the TFSIe from its more conventional counterparts.

A keen eye will notice the charging flap on the rear nearside wing – a mirror image of the petrol filler flap on the other side.

With the Q5 already an established favourite in the SUV sector, adding an electrified powertrain has done little to limit its appeal. The boot is a tad smaller, but crucially the battery does little to impact the usable space – although you will have to factor in storage of the bulky charging cables.

Setting off in typical electric car silence, the Q5 plug-in majors on refinement. It has light controls, comfy seats and a soft ride.

We were impressed by the hushed petrol engine, often relying on the instruments to confirm which powertrain was actually running.

Our test model was fitted with the more potent powertrain, which provides a healthy shove of power and can reach 60mph from rest in 5.3 seconds.

During normal driving, the car doesn't feel particularly responsive though. It takes a fairly heavy right foot and some time for the engine to spool up before things really get going.

While the all-wheel drive system provides plenty of grip, the weight of the battery pack and overly-light steering dampens any excitement in the bends.

Regular charging should enable drivers to complete most short journeys on electric power alone. Our experience of the car on longer trips saw 50mpg with a charged battery and around 30mpg without.

Q5's interior remains quiet thanks to refined powertrain

FLEET PICK MODEL
Q5 50 TFSIE S-LINE

SPECIFICATIONS	
P11D price	£49,680
Class 1A NIC	£1,097
Annual VED	£0 then £445
RV (4yr/80k)	£16,650/33.5%
Fuel cost	N/A
AFR	14ppm
CO_2 (g/km)	49
Running cost (4yr/80k)	47.26ppm
Combined fuel economy	113mpg
Monthly BIK (20%)	16%/£265

NISSAN JUKE

Efforts to improve interior quality have paid off although exterior looks less radical

By Phil Huff

Nissan's bold claims about inventing the B-SUV segment might be a little wide of the mark, but it's certainly true that the diminutive Juke kick-started the inexorable rise of the undersized faux-off-roader.

It's distinctive bug-eyed style divided opinion but helped sales, and Nissan is keen to continue the Marmite theme with the new Juke. It looks less radical than the outgoing model but is likely to be every bit as divisive as before.

The same can't be said of the interior, which is now as conventional as could be. Addressing the criticisms of the old model, there's been a noticeable effort to improve on perceived quality. Gone are the cheap, brittle plastics, replaced with soft surfaces, while a bold eight-inch infotainment screen sits on top of the centre stack.

Nissan is making a big deal of its new connectivity options, with the Nissan Connect app now able to work with Google Assistant. You can ask Google about how much fuel you have in the car, or if the tyre pressures are okay, for example.

The new Juke is longer and wider than before, which transforms the interior. Gone are the cramped rear seats, replaced with a bench that has enough headroom for all but the tallest of passengers, and an increase of almost 6cm in knee room. The same is true of the boot, enlarged to accommodate 422 litres of luggage, which is more than you'll find in a Volkswagen Golf. The split/fold rear seats can be pushed down to increase that capacity to 1,305 litres.

While the Juke looks like an SUV, there's a lot of Renault Clio in the chassis which means there's no space lost to accommodating four-wheel-drive. There's also no fleet-friendly diesel option, although it has been designed to accommodate a battery pack so there's a hybrid on its way.

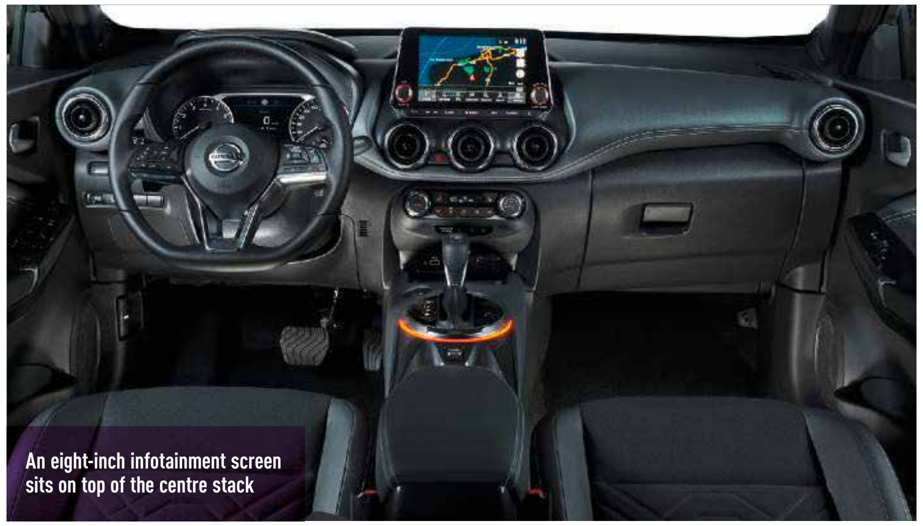
For now, you'll be limited to the 1.0-litre three-cylinder petrol engine. This produces 118PS, which is enough to keep up with traffic.

It's not going to win any performance awards, but then it's a B-segment SUV so it's going to spend most of its time battling through urban areas, and it's plenty good enough for that.

Spending some time driving the Juke as it's meant to be driven resulted in just more than 40mpg, which compares well to the official WLTP economy figure of 45.6mpg. The automatic model is a little thirstier, but not by any significant amount.

The entry-level model registers 110g/km of CO_2, rising to 118g/km for the Tekna+ with larger 18-inch wheels. Each Juke will, therefore, fall into either the 26% or 27% BIK bracket, keeping company car costs in check.

Depreciation has always been relatively low on the Juke, which should keep leasing costs down.



An eight-inch infotainment screen sits on top of the centre stack

FLEET PICK MODEL
JUKE 1.0 DIG-T 117 N-CONNECTA

SPECIFICATIONS	
P11D price	£20,770
Class 1A NIC	£745
Annual VED	£170 then £145
RV (4yr/80k)	£6,975/33.6%
Fuel cost	12.32
AFR	12ppm
CO_2 (g/km)	112
Running cost (4yr/80k)	32.94ppm
Combined fuel economy	47.1mpg
Monthly BIK (20%)	26%/£1,080

MINI CLUBMAN

Lower driving position may not suit all, but low centre of gravity improves handling and stability

By Matt de Prez

A mid-life facelift has enabled us to re-acquaint ourselves with Mini's mid-size, and rather unique, six-door model, the Clubman.

Sporting its signature barn doors at the rear, the Clubman aims to combine the driving enjoyment of a regular Mini with the refinement and practicality of a larger VW Golf-sized car.

The combination works well and gives company car drivers a slightly more exciting alternative to the regular crop of hatchbacks, without losing valuable boot space.

Mini has stripped back the range for the new Clubman to make it as simple as possible. There are two core versions, the Cooper and the Cooper diesel. Then there is the more potent Cooper S and a new range-topping John Cooper Works model.

The Cooper uses a 1.5-litre petrol engine, which develops 136PS and emits between 120 and 129g/km of CO_2.

It is likely the petrol motor will take the bulk of sales, returning a reasonable 50mpg while giving decent performance.

The Cooper D is the most efficient though, achieving upwards of 64mpg and emitting 111-114g/km of CO_2. It also packs more punch with 150PS on tap, giving a 0-62mph time of 8.9 seconds.

Both engines carry similar tax penalties, so drivers will need to assess which engine suits their requirements best.

We found the petrol motor works best when paired with a manual transmission, although the optional seven-speed auto is more efficient on paper. It's £1,600 price negates any company car tax benefit, however.

Switching to the diesel and it's the opposite. The eight-speed auto (also £1,600) offered here is a better suited to the oil burner and gives an effortless drive – great for those who cover long distances.

While we're on the subject of mile-munching, the Clubman is a great motorway car. Its lower driving position may not appeal to those that have converted to crossovers and SUVs but the upshot is vastly improved handling and stability as a result of a low centre of gravity.

Interior quality is high and all models feature sat-nav as standard along with a permanent online connection that provides remote services via an app.

Prices start at £21,200 for the Clubman Cooper in entry-level Classic trim. Each model is available in Classic, Sport and Exclusive flavours. These can be enhanced with the optional Comfort pack.

All versions get automatic headlight and wiper activation, LED headlights and alloy wheels.

The Sport adds John Cooper Works branded parts such as a sports steering wheel, sports seats and larger alloys. Exclusive models provide a more luxurious feel with leather upholstery.

As with all Minis, there are plenty of ways to customise the Clubman with optional features and accessories including a Harman Kardon audio system, bonnet stripes, various alloy wheel designs and adaptive cruise control.

Interior quality is high and all models feature sat-nav

FLEET PICK MODEL
COOPER CLUBMAN EXCLUSIVE

SPECIFICATIONS	
P11D price	£24,625
Class 1A NIC	£985
Annual VED	£170 then £145
RV (4yr/80k)	£6,550/26.5%
Fuel cost	13.15
AFR	14ppm
CO_2 (g/km)	127
Running cost (4yr/80k)	39.31ppm
Combined fuel economy	44.1mpg
Monthly BIK (20%)	29%/£119

RENAULT ZOE

Zoe delivers on many fronts – it just needs to deliver on lead times

By Andrew Ryan

Much has changed in the battery electric vehicle (BEV) sector since Renault launched its Zoe in 2012.

The market has become much more crowded, with an ever-growing number of manufacturers launching their own BEVs with ever-increasing ranges, dwarfing the usability of the early models.

However, regular updates have kept the Zoe supermini competitive. And now this new version has moved it back to the top of the class.

On sale now with first customer deliveries due in January 2020 – Groupe Renault UK managing director Vincent Tourette told *Fleet News* the BEV would have lead times "comparable to ICE engines" – the updated model offers a range of up to 245 miles on a single charge, up 32% from its 41kWh predecessor.

Other changes include heavily revised interior and exterior styling, including standard LED headlamps, revised bumpers and a more sculpted bonnet.

As with earlier versions of Zoe, customers can either buy the vehicle and opt to pay a monthly battery lease (expected to start from around £50), or buy it at a higher price, but with the battery included.

Renault said in the past fleet customers have overwhelmingly opted to buy the car with the battery included and it expects this to continue.

The new model comes with either an R110 (107PS) or a new R135 (134PS) electric motor and three trim levels are currently available: Play, Iconic and GT-Line.

For customers who opt to lease the battery, the range has a starting P11D price of £22,115 for the R110 Play, rising to £25,065 for R135 GT-Line. With the battery included, P11D prices go from £29,115 to £32,065.

Note, a lease at £50 per month works out at £2,400 over four years, much less than the P11D jump.

All models are eligible for the Government's £3,500 plug-in car grant.

Iconic and GT-Line models are also available with optional 50kw rapid charging (£750), which can add around 90 miles of range in 30 minutes.

As standard, all models have 22kw AC charging capability, meaning a car can be charged from empty to full in three hours.

We drove a GT-Line spec car on the press launch and it immediately impressed. The interior is a noticeable step up in quality and design from the previous version, making it feel less of an economy-focused model and more upmarket.

Its 9.3-inch portrait-style infotainment touchscreen – standard on GT Line but part of an £800 Technology Pack on Iconic – is a noticeable highlight.

On the road, Zoe rides well and offers a refined and smooth driving experience: there is a murmur of road and wind noise, but none of the intrusive sound of a petrol or diesel engine.

Tourette described the new Zoe as "wonderful asset and a key weapon in the fleet sector" and it's easy to see why he is so full of confidence about it.

Overall, it's an impressive package and given the upcoming 0% benefit-in-kind tax band for zero emission cars, if the lead times live up to Tourette's expectations, then it would be no surprise to see Zoe prove to be a big hit among fleet customers.

The portrait-style infotainment screen is a highlight of the GT-Line model

FLEET PICK MODEL
ZOE ICONIC R135

SPECIFICATIONS	
P11D price	£31,065
Class 1A NIC	£686
Annual VED	£0
RV (4yr/80k)	£7,425
Fuel cost	5.10
AER	4ppm
CO_2 (g/km)	112
Running cost (4yr/80k)	36.92ppm
Range	245 miles
Monthly BIK (20%)	16%/£83

BMW 320D
M SPORT SALOON

By Stephen Briers

Our 320d is an excellent car – we'd almost agree with BMW corporate sales manager Rob East that it's "all the car you need", as he told us at this month's *Fleet News* Fleet Live show.

Almost agree, because while the performance, driving experience, interior quality and technology are all outstanding as noted in previous tests, our model is no longer the car for fleets. At least, not from April next year.

Registered today, the 320d has correlated NEDC CO_2 emissions of 112g/km, putting it in the 30% tax bracket; from April 2020, the WLTP figure kicks in, and the official emissions surge to an eye-watering 142g/km. Then a taxpayer will have to pay benefit-in-kind (BIK) at 37% – the maximum.

That means our £36,190 long-term test car will attract monthly BIK for a 20% taxpayer of £223 – or £2,678 a year – an annual rise of £500 compared with the pre-April 2020 figure (or £1,000 for a 40% taxpayer).

A £40,000 330e would cost a basic rate taxpayer just £80 a month, saving £1,718 a year – a 40% taxpayer would save £3,436.

No wonder, Rob East expects the 330e to account for 60%-plus of corporate sales. Filling the gap between diesel and full electric, this really could be all the car you need.

VAUXHALL COMBO
LIHI

By Trevor Gehlcken

Is our test van the best specced vehicle ever to come out of the PSA stable? We'd say yes, looking at the list of standard and extra goodies that came with our Combo.

It's simply dripping with extras that would have been unheard of even 10 years ago and shows how quickly technology is advancing. Even in standard format the Combo is a pretty impressive package.

In addition to all the stuff that is legally needed now, such as airbags, ABS brakes and traction control, the Combo boasts an array of goodies such as metallic paint, alloy wheels, air-con, an eight-inch touchscreen which controls the music functions and sat-nav, rear parking sensors, cruise control, hill start assist and other features that would just about fill this page if I listed all.

But our van also gets parking pack (£700), sight and light pack (£225), head-up display (£300), safety pack (£570), flex cargo pack (£510), electronic climate control (£200), winter pack (£150) and wireless charger (£80), bringing the total to a hefty £22,840.

Fleet managers should be careful when choosing options as they may end up speccing things which prove unnecessary. Do your drivers really need heated seats? Probably not.

We'll be reporting later on what we think of some of these extras and whether we believe they are a good idea for fleet buyers.

VOLVO XC40
D3 INSCRIPTION

By Andrew Baxter

I've now clocked-up around 1,000 miles in the XC40 and it's easy to see why it won the coveted Fleet News Award for New Company Car of the Year 2019, voted for by fleet-decision makers.

Low running costs, high-spec levels and renowned levels of safety, make for a compelling proposition. Add funky good looks and you've got a winning combination.

The 1,000-plus miles involved a combination of long motorway trips and shorter urban journeys and have shown the XC40 to be an accomplished all-rounder. The comfortable seats and excellent driving position mean you arrive at your destination feeling refreshed and ready to go; while its compact dimensions and 360° Surround View parking camera make negotiating even a tight space straightforward.

One of my early misgivings, however, has also proven itself over the course of these journeys: that of the gearbox and engine combination.

The eight-speed automatic transmission is slick and a joy to use. The stubby selector falls easily to hand and makes gear selection a quick and simple process. It is not, though, in my experience, particularly well suited to the D3's 150PS engine.

Whether it's a lack of torque, turbo lag, a quirk of the gear ratios of the auto 'box, or a combination of some or all of these I'm not sure. But, under some driving conditions, performance is lacking.

The issue comes to the fore when you back off the accelerator in preparation to apply the brake – say when approaching a roundabout for example – and instead of needing to slow down further, you then start to accelerate again.

In these situations there is often a lack of power. The revs and noise rise, but a 'laggy dead-spot' means this isn't matched by the levels of forward motion you're expecting, or need.

It also happens when you apply the brakes to scrub some speed off and then need to accelerate smartly. This could be remedied with a 190PS D4 under the bonnet as the extra torque (400Nm vs 320Nm) would prevent any disharmony between the engine and gearbox.

MERCEDES-BENZ E300
DE AMG

By Matt de Prez

Is there anything not to like about the E300 de? It has proved its worth as a sound choice for both business and driver, it delights with its blend of refinement and performance and hasn't put a foot wrong in the past five months.

No car is perfect though, and our long-term E-Class does have a few downsides.

While saloon cars aren't the most practical, Mercedes' decision to stick a whacking great 13kWh battery in the boot of our plug-in hybrid model doesn't make things easier.

The two-tier boot floor makes securing cargo tricky and when I went on holiday earlier this month, I only just managed to get two medium suitcases in.

Luckily, there is an estate model for those that need a bit more load-lugging capability.

My other disappointment relates to the car's standard equipment.

Given the car's focus on long-distance fleet use – and £55k price tag – the lack of adaptive cruise control and lane-keeping assist is a bit of an oversight.

To get them you'll have to add the £1,695 driver assistance pack. If you do, you won't be disappointed. We've experienced the system in other models and it's one of the best out there.

PEUGEOT 508 ALLURE BLUEHDI 130

By Gareth Roberts

The fastback appearance of the Peugeot 508 provides bags of kerbside appeal, but it comes at a price when you climb inside.

Rear passenger headroom is curtailed by its coupé-like roofline, making it difficult to squeeze in if you're 6ft-plus.

Upfront you don't feel so constrained, despite the imposing dash, but rivals such as the Volkswagen Arteon and Kia Stinger are more generous, especially when it comes to rear passenger head- and leg-room.

In terms of the boot, the 508 again struggles against other cars in its class. It offers a 487-litre capacity when the rear seats are raised; fold them down and it increases to 1,537 litres.

That is comparable to the Vauxhall Insignia (490 litres), but doesn't look too good against the Ford Mondeo's 550 litres or the 563 litres offered by the Arteon.

The estate version, the 508 SW, while offering a larger carrying capacity, doesn't fare much better. It has a luggage area of 530 litres, which increases to 1,780 litres when the seats are lowered.

The 508 hatchback does have some advantages, however. The tailgate opens wide, allowing bulky items to be more easily loaded.

In fact, it opens so wide, if you are on the short side, the electronic boot opening would be a worthwhile option.

THINKING CAP

By Martin Ward, Cap HPI manufacturer relationships manager

This month I've been on…

A quick flight up to Edinburgh, then onto Knockhill Circuit near Fife for the new Mitsubishi L200 action-packed press event. More than 4.7 million L200s have been sold since its 1978 launch, and this new Series 6 builds on 40 years of heritage. It has new exterior design, a new quite luxurious interior and a new 2,268cc 150PS diesel engine, available with either six-speed manual or six-speed auto.

We took this pick-up on a variety of adventures, including a tough off-road section, the mixed surface rally-cross course, did a bit of towing and then onto the local roads.

This vehicle is a transition between car and truck. It is so comfortable, yet tough and go anywhere.

Prices for this all-new L200 range from £21,515 to £32,200

Then…

Another quick flight to Amsterdam for the European Press launch of the Volkswagen Transporter T6.1.

It's called the 'Point-1' because it is an updated version of the T6, which has been on the market in the UK since September 2015. VW has sold more than 12 million 'T' series vans since the iconic TI in 1949. The Point-1 has received many improvements including: new technology, safety and convenience innovations and digital cockpit.

The T6.1 is great to drive, whether it is a standard van, drop-side or the executive bus. We visited a nerby beach and thought I could happily drive it to a beach in Southern Spain. It would be a pleasure, but I wasn't sure if VW would miss one.

T6.1 is due in the UK early 2020.

Does anyone else get upset…

with rental companies when abroad? You rent and pay for insurance when you book in the UK, get to the rental desk to be told it really isn't valid and you still have to pay a large deposit. If anything happens to the car, you have to pay for it on your credit card, then claim back on the insurance you took out when you booked. And this is at a time when you are normally in a rush to fly home. I have found the best way is to pay the additional insurance when collecting the car. Expensive, but probably worth it.

FORD FOCUS
1.0 ECOBOOST 125 ST-LINE X

By Andrew Ryan

A new feature on our Ford Focus sprang into life in the past month – the FordPass Connect app and modem. An in-car notification alerted me that this function was available so, following the prompts on the infotainment system, I downloaded the app and signed in.

This was a simple process involving entering a few details such as the car's VIN. Now, using the app, I can lock or unlock the Focus, locate where it's parked and see a range of vehicle data. Sitting at my desk, I can see that it's done 8,550 miles, it has 435 miles of fuel in the tank, and its oil life is at 56%.

It also allows you to view the owner's manual, a weather report and local points of interest, as well as call for emergency help, book a service or hire a Hertz 24/7 Ford Transit. It also provides live vehicle data.

It may sound a little gimmicky, but the app has so far proved interesting and useful: perhaps its best moment was when it notified me that the Focus's tyre pressures had dropped and the tyres needed to be pumped up, which I duly did.

Our Focus is also fitted with a FordPass Connect modem feature which turns the car into a mobile hotspot, allowing up to 10 devices to be connected, with wireless speeds of up to 4G LTE.

VOLKSWAGEN T-ROC
1.6 TDI SE

By Luke Neal

According to 2018 SMMT (Society of Motor Manufacturers and Traders) figures, white is the UK's third favourite car colour behind grey and black.

Rewind 10 years and white doesn't appear in the top five.

Perhaps it's all down to the Apple iPod, but white seems to be becoming the new black, meaning a colour that previously would have been hard to re-sell is now one of the most popular.

The T-Roc is available in 10 colours, the 'pure white' paint on our test model is a £360 option but drivers can choose Urano Grey for free.

While the car has a relatively conservative look in the more popular colours, its design comes alive when painted in Orange, Yellow or Electric Blue.

An optional coloured roof gives the car a more unique appearance, which is all part of VW's strategy to give the model appeal to a wider audience.

The SE grade interior is a little drab, with lots of black plastic and black cloth seats. Stepping up the Design trim adds a splash of colour to the interior trim and seats.

Our car has stronger residuals though, retaining 30% of its value after four years and 80,000 miles.

The 1.0-litre petrol model achieves a stronger result (33%), but lacks the long-distance fuel economy that the diesel manages.

NISSAN QASHQAI
N CONNECTA

By Sarah Tooze

The Qashqai's new 1.3-litre petrol engine, which replaced the 1.2-litre and 1.6-litre units last October and was developed in collaboration with Daimler, is proving popular with fleets.

As well as the 140PS manual we're testing, it's available as a 160PS six-speed manual or a 160PS seven-speed DCT.

Year-to-date fleet sales of the Qashqai are in the diesel's favour (14,059 versus 13,765, as at September) but it's a different story looking at September alone.

That month, there were 4,973 fleet registrations of the Qashqai and the majority were petrol (3,453 compared with 1,520).

A year ago, just prior to the new petrol engine's launch, it was the diesel which was more popular (2,123 fleet sales versus 1,911).

But is petrol really the best choice for company car drivers and fleet managers?

Pitting our 140PS version against the 115PS 1.5-litre diesel, using the company car tax calculator on the *Fleet News* website, over four years and 80,000 miles brings up some interesting numbers.

The employee is better off from a tax perspective in the petrol. It costs a 20% taxpayer in England £1,463, while the diesel costs £96 more (£1,559).

For a 40% tax payer, the saving in the petrol is £192 (£2,925 versus £3,117).

The employer saves £66 in Class 1A National Insurance with the petrol (£1,009 versus £1,075).

For depreciation, the petrol again has the edge (21.19p per mile compared with 23.19ppm).

Service, maintenance and repair (SMR) costs are also a fraction lower in the petrol (3.76ppm versus 3.85ppm).

However, there is, unsurprisingly, a greater difference in the diesel's favour for fuel costs. It costs 2.66ppm (£2,128 over 80,000 miles) more to be in the petrol rather than the diesel.

That makes the diesel the best option for overall running costs with a total cost of £30,712 over four years and 80,000 miles compared with £31,165 in the petrol.

CommercialFleet

Van excellence
Official Media Partner

Winners all! Who took the plaudits in the CF Awards

Top efforts rewarded at *Commercial Fleet's* big night

PLUS: COLLABORATIVE LOGISTICS AT FEDEX • CONVERSIONS AND RACKING • RENAULT C8X4 TESTED

The three stages of a package's lifecycle – airfreight, trunk routing and the last-mile delivery

Every mile counts

Last-mile delivery isn't just a small part of the equation – it's all important, says Edward Clarke, managing director operations, FedEx Express.

By Andrew Baxter

FedEx is the world's largest logistics network, connecting 99% of the world's GDP and delivering more than 15 million shipments every single day.

It has 90,000 motorised vehicles connecting these millions of parcels, along with a fleet of 660 jet aircraft servicing 700 airports; meaning it is also the world's largest cargo airline.

With an operation of this size, improvements in the efficiency of its fleets can have profound effects on both its environmental impact and its bottom line.

Indeed, connecting the world responsibly and resourcefully is 'an essential part of the FedEx approach to sustainability'.

The corporate approach taken to what it calls 'practical sustainability' is underpinned by a 'reduce, replace, revolutionise' (three Rs) strategy.

However, Edward Clarke, managing director ground operations, FedEx Express Corp and FedEx UK recognises that in order for this strategy to realise its potential, it must be part of a collaborative approach with stakeholders outside of the business.

Speaking at the recent Smart Transport conference, Clarke said: "The business we do day in, day out and the global network in which we operate means we're acutely aware of our responsibilities to the environment and the change we can effect.

"Meeting the challenge our sector faces is not just about replacing aged assets, it requires close collaboration with policymakers and partners … issues around sustainability and the environment are bigger than just ourselves."

The lifecycle of a typical FedEx package consists of three stages: the long-haul airfreight, trunk routing and the last-mile delivery to the customer.

With transportation fuel accounting for 92% of its emissions footprint, it comes as little surprise that Clarke said "it's difficult to overstate the relentless focus we have on fuel use within FedEx".

An internal innovation programme called Fuel Sense has managed to save 670 million litres of aviation fuel in one year alone, but the trunk routing and last-mile stages of the delivery process are also subject to intense security.

In 2008, FedEx subsidiary TNT Express launched 100 Smith Electric-built battery-powered 7.5-tonne 'Newton' delivery trucks. At the time it was the world's largest fleet of zero-emission electric vehicles. However, due to a number of reasons, including a lack of charging infrastructure, "they weren't viable at that point".

A lot has changed in those 11 years as Clarke explained: "FedEx is now looking at the potential of EVs in our road network with renewed vigour; enabled in part because we now are a much bigger company than we even were just a few years ago and we are well positioned to invest in the resources in getting this right."

At the end of 2018, FedEx's global EV fleet consisted of 2,100 vehicles. In America it is "at the top of the waiting list" for 20 Tesla semi-trucks. But, as Clarke pointed out, "cleaner doesn't always mean smarter. Swapping out combustion engines for EVs reduces emissions but it doesn't solve congestion. The two are closely linked, but they represent separate challenges for the logistics industry".

One area FedEx is exploring is how to be "smarter with rail connections between airports, city hubs and out-of-town depots".

This smarter use of rail, said Clarke, has potential to take trucks off the road and get more packages to the middle of cities faster.

Earlier this year, FedEx began research and scoping projects to create a modular approach to city centre logistics in Europe.

Amsterdam, Frankfurt, London, Madrid, Milan and Paris were chosen with the aim of encountering "as many different challenges and urban dynamics as possible based on regulation, congestion levels, customer numbers, city make up, range, and what transport modes are available".

Milan is a testbed for the smarter rail connection concept.

Clarke explained: "Road congestion, access and parking represent massive challenges for vans trying to get into the city centre. The infrastructure is well set up for this with a rail link from Malpensa airport to the city centre, where parcels could be collected directly by e-bike, or e-scooter, from a satellite depot at the station.

"Our very early estimates show that as many as 95% of the city centre deliveries could be fulfilled by e-bikes, which reduces road and parking space, congestion charges and parking tickets.

"For us, the possibility of working with the rail companies, to find the means to open up passenger rail capacity for cargo space, especially in the bigger cities, could have huge potential. The right links could mean fewer trucks or vans needed in our city centres and goods efficiently taken much closer to our customers."

> MEETING THE CHALLENGE OUR SECTOR FACES IS NOT JUST ABOUT REPLACING AGED ASSETS, IT REQUIRES CLOSE COLLABORATION WITH POLICY-MAKERS AND PARTNERS
>
> **ED CLARKE, MANAGING DIRECTOR GROUND OPERATIONS, FEDEX EXPRESS CORP AND FEDEX UK**

The final stage in the typical FedEx package journey is the last-mile delivery to the customer.

With the objective of delivering "as many parcels as cleanly and efficiently as possible", it is this stage of a package's lifecycle which is likely to undergo the most radical changes. "This means, eventually, almost universally replacing diesel or truck journeys with other modes of transport, such as e-bikes, cargo bikes, lightweight e-vehicles, foot transport, or even, at the moment in Venice, we use gondolas," said Clarke.

The impact that smaller, cleaner vehicles, cycle and foot deliveries will have on last-mile delivery are clear. However, the bigger challenge is how do these light, low and zero emission vehicles start and end their collection rounds?

"How do you organise them cleverly, and where do they meet the larger vehicles that are bringing the items in from the motorways and airports," Clarke added.

Long term, the ambition is to create different types of satellite hubs from which e-bikes, lightweight e-vans, or foot couriers can collect and recharge; and, in some areas, these hubs will act as a customer collection depot.

As radical as these inner city solutions may be, Clarke is keen to point out that a holistic approach must be adopted in order to realise both FedEx's ambitions and address wider, environmental issues.

He said: "In today's world of e-commerce there's a lot of focus on the need for environmental consideration and the final mile. For FedEx, mitigating the environmental impact for the final mile makes sense on many levels; however, it requires a lot more than a business just investing in EVs or sending couriers out on bikes.

"We mustn't forget that the last mile, though being the visible part, is a small part of the overall equation. It gets a lot of focus at the expense of the other parts and there are some massive opportunities elsewhere, so it's all important, and that's something that often gets missed."

FTA ADVICE

By Ray Marshall, senior transport advisor, FTA

Q If a driver informs their line manger that they have lost their driver card, but finds it after a replacement has been applied for (but not yet arrived), what should they do?

A In this case, the driver should destroy the card that they have found.

However, any outstanding data that is held on the card should be captured prior to the card being destroyed.

The driver can then continue to drive on printouts for up to 15 calendar days while waiting for the replacement to arrive.

Q We carry out home deliveries and have been asked to deliver a helium canister that is used to blow balloons up at home, can you clarify whether we are allowed to deliver this canister?

A The standard sized helium tank for home use is 8.9 cu ft, (UN1046 compressed helium). This does not come under the full provisions of ADR however; the vehicle would still need a 2kg dry powder fire extinguisher in the cab and the driver should be given basic awareness training regarding this product.

There is also a 333kgs maximum threshold that helium canisters can be carried under the exemption of full ADR regulations.

We would advise that no other dangerous goods are carried with this product.

Q Could you confirm if ABS is a mandatory requirement on Light Commercial Vehicles (LCVs)? I can see it became mandatory on EU cars in 2004, but I cannot see any information relating to LCVs.

A ABS on LCVs (N1 category) was introduced in 1998 for new type approvals. Since then, all manufacturers phased ABS into existing models.

Available information implies that vehicles first used on, or after, January 1, 2010 are required to be fitted with ABS. From an MOT point of view, ABS cannot be removed or disabled from vehicles first used on, or after, that date.

Q What are the rules for displaying the operator's licence disc on the windscreen of the vehicle? If the disc is damaged or missing can the vehicle still be used and would it attract any fines or penalty points on a DVSA Roadside Check?

A Operator licence discs are required to be displayed in the windscreen. However, if a disc has been lost or damaged, the vehicle can still be used on the road without attracting fines or penalty points at roadside; provided the vehicle is listed on the operator licence. We would advise that the driver carries evidence that a replacement disc has been applied for, otherwise a verbal warning would be given by DVSA Enforcement if stopped at road side.

If you have a vehicle on hire for less than 28 days, there is no need to add this to the operator licence and, therefore, no disc would be issued. If you know you will have the vehicle for longer than 28 days, we advise that the vehicle is added to the licence immediately.

Motorway and trunk road traffic updates from Highways England

The rise of technology has resulted in smartphones surpassing email alerts as the fastest, and most reliable, way to communicate planned road works or scheduled closures.

As a result, Highways England offers a free mobile app, which can use GPS to provide traffic and travel information specific to a driver's location and current journey within England.

Recently, Highways England National Traffic Information Service also launched Traffic England: a free website available 24/7, 365 days a year providing up-to-date information on current and forecasted traffic conditions.

For further information on how to sign up to Traffic England, or for information on additional alert services offered by Highways England (e.g. its email subscription service and RSS feeds), please visit **https://www.gov.uk/government/organisations/highways-england**.

highways england

Defect rectifications

The Vehicle Defect Rectification Scheme (VDRS) has been used by police across England, Scotland and Wales since the mid-1980s and gives the opportunity to avoid prosecution by getting defects fixed and examined.

VDRS – which covers a wide range of vehicles including trailers or caravans towed by relevant vehicles – is used to deal with relatively minor defects, like cracked light lenses, blown bulbs, worn tyres or illegal number plates.

As the driver you're responsible for making sure that any vehicle you are driving is maintained in a roadworthy condition and free of defects. It's not enough to rely on the annual MOT test alone; it's only a check of the vehicle's condition at the time of the test and does not guarantee that the vehicle will stay defect-free and roadworthy until the next test.

You should carry out regular safety checks and are expected to make sure that any vehicle you drive is in a safe and roadworthy condition before you drive it; it is not a defence to claim that you were unaware of a particular defect.

Police use of VDRS is voluntary and could be used alone, or together with a fixed penalty notice. Under the VDRS you'll have to get any police-noted defect fixed as soon as possible and provide suitable evidence within 14 days that you've done it. Without providing evidence, you'll face the prospect of prosecution, points on your licence and a fine.

In the event of severe defects, the police can issue a prohibition notice stopping you from using the vehicle. Major defects are those which present a serious safety risk to both you and other road users. Driving a vehicle in a dangerous condition is a serious offence and could again leave you at risk of a substantial fine, points on your licence or prosecution.

CommercialFleet AWARDS 2019

Overdrafts, Blood Bikes and deserving winners – awards night had it all

More than 500 fleets, manufacturers and suppliers from the van and truck sector gathered to celebrate the best people, vehicles and companies at the annual Commercial Fleet Awards this month.

During an evening of glitz, excitement and networking, hosted by Kate Thornton, 28 winners collected their well-deserved trophies, while the Freight Transport Association presented its Van Excellence Driver and Young Driver of the year awards and recognised the latest recipient of its Lifetime Contribution.

Guests raised more than £2,500 for 2019 awards charity Leicestershire & Rutland Blood Bikes, which was nominated by Reflex Vehicle Hire. They were then treated to entertainment from Andrew Ryan (the comedian, pictured above right, not the *Fleet News* features editor), including a memorable – and helpful – sketch on how to stop your bank contacting you about late overdraft payments.

Thanks to our awards sponsors for their support and to the events team, especially Kate Howard and Sandra Evitt, for putting together a fantastic, smooth-running awards, ably assisted by our production company Eclipse.

MEET THE JUDGES

Christopher Macgowan, OBE, CHAIRMAN
Brian Cooper, Ernst & Young, AUDITOR
Stephen Briers, Commercial Fleet, ALL CATEGORIES
Mark Cartwright, FTA, FLEET CATEGORIES
Phil Clifford, Fleet News Hall of Fame, FLEET CATEGORIES
Matt de Prez, Commercial Fleet, MANUFACTURER CATEGORIES
Andy Picton, Glass's, MANUFACTURER CATEGORIES
Ken Brown, Cap HPI, MANUFACTURER CATEGORIES

Lorna McAtear, National Grid, MANUFACTURER CATEGORIES
Steve Winter, Centrica, MANUFACTURER CATEGORIES
Paul Kirby, LeasePlan, MANUFACTURER CATEGORIES
Mark Karkeek, South West Water, MANUFACTURER CATEGORIES
Dale Eynon, Environment Agency, SUPPLIER CATEGORIES
Simon Gray, SSE, SUPPLIER CATEGORIES
Rory Morgan, Iron Mountain, SUPPLIER CATEGORIES
Cliff Lewis, Interserve, SUPPLIER CATEGORIES
Ellie Barnes, E.ON, SUPPLIER CATEGORIES

Sponsored by Alphabet, Northgate, Reflex Vehicle Hire

AWARDS FINALISTS

FLEET CATEGORIES

APPRENTICE OF THE YEAR
- Brad Timmins, Go Plant
- Helayna Winfield, GovPlanet UK
- Daniel Bloor, Venson Automotive Solutions
- Will Denton, Hexagon Leasing

ECO INNOVATOR OF THE YEAR
- Gnewt
- Milk & More
- Oxford County Council
- Royal Mail

MOST IMPROVED FLEET OF THE YEAR
- Altrad Services
- Brandon Hire Station
- JN Bentley
- Networks
- Walker Fire UK

PUBLIC SECTOR FLEET
- Oxford County Council
- University of Birmingham

PRIVATE SECTOR FLEET
- Ad Bly
- Arclid
- Eric Wright
- JN Bentley
- John Lewis Partnership
- Princebuild
- Royal Mail

SAFETY INITIATIVE
- Altrad
- JN Bentley
- Princebuild
- Speedy Asset Services

BEST USE OF TECHNOLOGY
- John Lewis Partnership
- Nagel Langdons
- Speedy Asset Services

COMMERCIAL FLEET MANAGER OF THE YEAR
- Allan Eyre, Calor Gas
- Anthony Marcou, JLA
- Gavin Crittenden, A-One+
- Matthew Hammond, Altrad
- Stuart Conway, Brandon Hire Station
- Tyrone Lanaway, Nagel Langdons
- Tom Ford, Walker Fire

SUPPLIER CATEGORIES

FLEET CUSTOMER PARTNERSHIP AWARD
- Northgate Vehicle Hire
- RAC
- Reflex Vehicle Hire
- SHB Hire

INNOVATIVE NEW PRODUCT OF THE YEAR
- eDriving
- Microlise
- Octopus Group
- Smart Witness
- The AA
- Wheely Safe

CONVERTER OF THE YEAR
- Gentili
- Qi Van Systems

LCV/TRUCK RENTAL COMPANY OF THE YEAR
- ACL Hire
- Avis Budget Group
- Day's Rental
- Europcar Mobility Group
- Northgate Vehicle Hire
- Reflex Vehicle Hire

TRUCK LEASING COMPANY OF THE YEAR
- Asset Alliance Group
- Go Plant Fleet Services
- Hexagon Leasing
- Hitachi Capital Vehicle Solutions
- Prohire
- SHB Hire

LCV LEASING COMPANY OF THE YEAR
- Free2Move Lease
- Grosvenor Group
- Hitachi Capital Vehicle Solutions
- LeasePlan UK
- Prohire

FLEET SUPPLIER OF THE YEAR
- ARI
- Fleet Partnership Solutions
- Jaama
- Manheim
- MV Commercial
- Reflex Vehicle Hire
- The AA

MANUFACTURER CATEGORIES

SMALL VAN OF THE YEAR
- Citroën Berlingo
- Ford Transit Connect
- Peugeot Partner
- Vauxhall Combo
- Volkswagen Caddy

MEDIUM PANEL VAN OF THE YEAR
- Citroën Dispatch
- Ford Transit Custom
- Peugeot Expert
- Renault Trafic
- Toyota Proace
- Volkswagen Transporter

LARGE PANEL VAN OF THE YEAR
- Ford Transit
- Iveco Daily
- Mercedes-Benz Sprinter
- MAN TGE
- Renault Master
- Volkswagen Crafter

PICK-UP OF THE YEAR
- Ford Ranger
- Isuzu D-Max
- Mitsubishi L200
- Nissan Navara
- Toyota Hilux

ZERO EMISSION LCV
- LDV EV80
- Nissan eNV200
- Peugeot Partner Electric
- Renault Kangoo ZE33
- Renault Master ZE

NOTABLE CONTRIBUTION
- Renault

VAN OF THE YEAR – READER VOTED
- Ford Transit
- Ford Transit Connect
- Ford Transit Custom
- Mercedes-Benz Sprinter
- Peugeot Partner
- Volkswagen Transporter

TRUCK OF THE YEAR – READER VOTED
- Daf CF
- Daf LF
- Mercedes-Benz Trucks Actros
- Scania R Series
- Scania S Series
- Volvo FH

VAN MANUFACTURER OF THE YEAR – READER VOTED
- Ford
- Mercedes-Benz
- Nissan
- Peugeot
- Vauxhall
- Volkswagen

TRUCK MANUFACTURER OF THE YEAR – READER VOTED
- Daf
- Iveco
- MAN
- Mercedes-Benz Trucks
- Scania
- Volvo Trucks

Sponsored by Alphabet ARI NORTHGATE for all vankind Reflex Vehicle Hire


University of Birmingham director of faculty services Monica Guise is joined by interim director, hospitality and accommodation services, Paddy Jackman to collect the award from Neil McCrossan, sales and marketing director of award sponsors Northgate Vehicle Hire (right)

PUBLIC SECTOR FLEET OF THE YEAR

Sponsored by Northgate Vehicle Hire

WINNER: University of Birmingham

WHAT THE JUDGES SAID

University of Birmingham has introduced some excellent initiatives, including an impressive sustainable travel plan, which is encouraging staff to drive less. It is a pioneer for alternative fuels, but also has very strong controls on cost and is making big improvements in safety levels. The university fleet operates in an unusual environment, but it is a class act and continues to build on a very strong base.


Princebuild executive manager, fleet & facilities, Jonathan Brown is handed the award by Lisa Spong, sales director of award sponsors Reflex Vehicle Hire

PRIVATE SECTOR FLEET OF THE YEAR

Sponsored by Reflex Vehicle Hire

WINNER: Princebuild

WHAT THE JUDGES SAID

Princebuild shows tangible results. It is punching above its weight as a smaller fleet and a family-run business. A comprehensive and holistic entry with improvements and initiatives across all parts of the operation. Judges particularly liked the driver induction scheme and the introduction of mental health first aiders.

Highly commended:
Royal Mail


JLA group fleet manager Anthony Marcou (centre) collects the award from sales and marketing director Jason Chamberlain of award sponsors ARI

COMMERCIAL FLEET MANAGER OF THE YEAR

Sponsored by ARI

WINNER: Anthony Marcou, JLA Group

WHAT THE JUDGES SAID

Anthony Marcou has made a very impressive impact within two years at JLA. He has looked at risk and made big changes, but also demonstrated good management of cost with significant savings. Shares his successes with peers and is keen to mentor newcomers to the fleet sector.

Highly commended:
Stuart Conway, Brandon Hire Station
Tyrone Lanaway, Nagel Langdons

Speedy Asset Services head of transport & logistics Mark Woodworth (second left) is joined by road risk manager Gareth Jones to collect the award from judge and member of the *Fleet News* Hall of Fame Phil Clifford (right)

GROUND-BREAKING SAFETY INITIATIVE

WINNER: Speedy Asset Services

WHAT THE JUDGES SAID

Speedy demonstrates an ongoing commitment from an organisation that is steeped in road safety. It is constantly looking to adopt further measures and new technology to improve safety performance and has worked with the supplier to ensure the systems benefit its own needs, which, ultimately, benefits the whole industry.

Highly commended: *Princebuild*

John Lewis Partnership partner and general manager Justin Laney (centre) picks up the award from judge and member of the *Fleet News* Hall of Fame Phil Clifford (right). Looking on is JLP head of transport Doug Kay

INNOVATIVE USE OF TECHNOLOGY

WINNER: John Lewis Partnership

WHAT THE JUDGES SAID

An innovative use of alternative fuels by bringing biomethane into its fleet with 85 trucks using the fuel already and a commitment to have all 600 trucks on it by 2028. John Lewis is investing in further innovations with aerodynamic trailers and electric fridges on its trailers to replace dirty diesel engines. The company also works with academics at Cambridge and Westminster Universities to shape and develop these new efficient technologies.

Royal Mail fleet commercial director Duncan Webb (centre) collects the award from *Commercial Fleet* editor-in-chief Stephen Briers

ECO INNOVATOR OF THE YEAR

WINNER: Royal Mail

WHAT THE JUDGES SAID

A holistic and comprehensive approach to environmental initiatives. Royal Mail is focusing on every vehicle size, from the largest trucks to e-trikes, and shows a willingness to work with suppliers on the development of new initiatives and share its best practice with others. It leads from the front and is keen to bring others along with them on the journey.

Highly commended: *Milk & More*

Sponsored by Alphabet NORTHGATE for all vankind Reflex Vehicle Hire

Brandon Hire Station fleet manager Stuart Conway is joined by colleague Sarah Webber of fleet compliance to pick up the award from *Commercial Fleet* editor-in-chief Stephen Briers

MOST IMPROVED COMMERCIAL FLEET OF THE YEAR

WINNER: Brandon Hire Station

WHAT THE JUDGES SAID

Brandon has achieved impressive results at a difficult period when merging two fleets in a short space of time. Built its own internal software systems to manage the fleet efficiently and effectively, with demonstrable performance improvements across the operation. Also showed good awareness of the next areas of the business to tackle.

Highly commended: *Altrad Services*

Brad Timmins collects his award from *Commercial Fleet* editor-in-chief Stephen Briers

APPRENTICE OF THE YEAR

WINNER: Brad Timmins, Go Plant

WHAT THE JUDGES SAID

A close decision between the winner and highly commended, with both showing outstanding skills and knowledge as they embark upon their automotive careers. Brad edged ahead because of his excellent problem-solving skills, ability to deal with specialist kit and his awareness of the necessity for team working.

Highly commended: *Helayna Winfield, GovPlanet UK*

Judge Rory Morgan, head of logistics support – Western Europe, Iron Mountain (right), presents the award to SHB Hire commercial director Nicky Simpson (holding trophy) as Heathrow Airport's category manager Sonal Chauhan looks on

FLEET CUSTOMER PARTNERSHIP AWARD

WINNER: SHB Hire (with Heathrow Airport)

WHAT THE JUDGES SAID

The judges were impressed with SHB's outstanding collaboration with Heathrow, especially on the environmental side. It is working to meet Heathrow's targets and has adapted to the customer's requirements by creating a complex and flexible solution. Also displayed money-saving initiatives – ticking all the boxes. A true partnership.

Highly commended: *RAC (with G4S)*

Sponsored by Alphabet · Northgate for all vankind · Reflex Vehicle Hire

Daf Trucks fleet sales director James Stewart picks up the award from *Commercial Fleet* editor-in-chief Stephen Briers

TRUCK OF THE YEAR

Reader voted

WINNER: Daf LF

WHAT THE JUDGES SAID

The LF retains its title from last year. It is versatile, spacious and backed by Daf's excellent customer service via its extensive dealer network. The LF remains the driver and fleet favourite.

Daf Trucks fleet sales director James Stewart picks up the award from *Commercial Fleet* editor-in-chief Stephen Briers

TRUCK MANUFACTURER OF THE YEAR

Reader voted

WINNER: Daf

WHAT THE JUDGES SAID

Daf reclaims its title as truck manufacturer of the year after another strong 12 months in which sales accelerated and new technology features were introduced. The company continues to prioritise safety and environmental efficiency, ensuring its trucks combine an excellent driving experience with competitive cost of running.

Groupe Renault national corporate sales and leasing manager Peter Horton collects the award from *Commercial Fleet* editor-in-chief Stephen Briers

NOTABLE CONTRIBUTION

Judges' award for a van or manufacturer that deserves special mention

WINNER: Renault

WHAT THE JUDGES SAID

The judges decided to recognise Renault for its environmental credentials. The company is looking at how it can support various industry sectors with electric vans across the range and sizes. It is forward thinking, but doing it now, with a clear commitment to electric. The judges also felt it was important to acknowledge the support offered to fleets via its Pro+ network.

Sponsored by Alphabet · NORTHGATE for all vankind · Reflex Vehicle Hire

Nissan Motor Company LCV & sports category manager Andrea Patti picks up the award from Jo Ewen, general manager, direct sales, of award sponsors Alphabet (GB)

ZERO EMISSION LCV OF THE YEAR

Sponsored by Alphabet (GB)

WINNER: Nissan eNV200

WHAT THE JUDGES SAID

The eNV200 has favourable total cost of ownership compared with diesel rivals. It has a strong warranty, fast speed of charging and residual values are strengthening as more come into the used market. Established as a viable electric van.

Highly commended:
LDV EV80
Renault Kangoo ZE33

Richard Chadwick, head of Alphabet Partner at award sponsors Alphabet (GB) (centre) presents the award to Ford of Britain's head of national accounts and direct sales James Cooper

LCV OF THE YEAR

Reader voted

WINNER: Ford Transit Custom

WHAT THE JUDGES SAID

The Transit Custom is packed with practical features to help operators accommodate odd-size items as well as innovative technology, including Sync 3, to improve communications. The latest safety technology helps protect drivers while it is also available as a plug-in hybrid following successful trials. Safe, innovative and efficient – it has something for every fleet operator.

Ford of Britain's head of national accounts and direct sales James Cooper collects the award from *Commercial Fleet* editor-in-chief Stephen Briers

LCV MANUFACTURER OF THE YEAR

Reader voted

WINNER: Ford

WHAT THE JUDGES SAID

Back-to-back wins for Ford, which finds favour with fleets for its extensive dealer network, a wide range of vans and van variants and – of course – the ubiquitous Transit. It's the UK's most popular van maker for good reason, according to readers.

John Kendall, LCV PR consultant, Peugeot & Citroën (right), is handed the award by judge Andy Picton, chief commercial vehicle editor at Glass's

MEDIUM LCV OF THE YEAR

WHAT THE JUDGES SAID

Best in class payload, some of the lowest emissions available, excellent fuel economy and a wide range of variants make the Dispatch and Expert the clear winners in this category. They are both proactive in the fleet market and customers benefit from good back-up from the dealer network.

WINNER:
Citroën Dispatch and Peugeot Expert

Volkswagen Commercial Vehicles head of fleet Claire English picks up the award from judge Paul Kirkby, head of commercial vehicles UK at LeasePlan

LARGE LCV OF THE YEAR

WHAT THE JUDGES SAID

The Crafter has a broad payload range, high level of specification, excellent safety equipment and strong residual values, adding up to outstanding total cost of ownership. Volkswagen has been very proactive with its Engineered to Go programme and is able to meet most fleets' needs at its production plant in Poland.

WINNER:
Volkswagen Crafter

Highly commended:
Mercedes-Benz Sprinter

Isuzu UK managing director William Brown (centre) collects the award from judge Paul Kirby, head of commercial vehicles UK, LeasePlan

PICK-UP OF THE YEAR

WHAT THE JUDGES SAID

Class-leading warranty, non-AdBlue option, best off-road capability, best capacity in class, best for towing – the D-Max is simply the best pick-up on the market. The fleet service charter is also an important factor for fleets.

WINNER:
Isuzu D-Max

The joint winners (from left): Octopus Group investment director Daniel Saunders; award presenter Simon Gray, head of fleet and travel at SSE; Graham Johnson, head developer, Microlise; Blake Willis, senior site reliability engineer at Microlise and Paul Jurevicius, Microlise business development director

INNOVATIVE NEW PRODUCT OF THE YEAR

JOINT WINNERS:

Microlise

Octopus Group

WHAT THE JUDGES SAID

Microlise approached a major problem faced by many with an innovative solution. Technologically, it is outstanding and addresses safety issues for drivers and the public, saving huge sums. Microlise adds intelligence to route mapping and sat-navs.

Octopus has launched an innovative and alternative approach to promoting the use of EVs in the wider market. For many companies, it gives them access for the first time through its pay per mile funding solution.

Manheim director of commercial vehicles Matthew Davock is handed the award by *Commercial Fleet* editor-in-chief Stephen Briers

SUPPLIER OF THE YEAR

WINNER:

Manheim

WHAT THE JUDGES SAID

Manheim has changed its operating model to the benefit of fleet customers and the environment, especially with its increasing focus on online sales. It has outstanding industry knowledge and works in partnership with customers offering them insight and data. The judges noted the strong customer testimonials.

Highly commended:

Jaama

Richard Hughes, LCV director, Vauxhall (right), collects the trophy from judge Andy Picton, chief commercial vehicle editor at Glass's

SMALL LCV OF THE YEAR

WINNER:

Vauxhall Combo

WHAT THE JUDGES SAID

Responsiveness of Vauxhall to fleet requirements puts the Combo in first place. Class-leading safety features (including electronic parking brake), low emissions from the RDE2 Euro 6 engine, strong specification and good payload add up to the ideal fleet proposition.

Highly commended:

Citroën Berlingo

Peugeot Partner

Hitachi Capital Vehicle Solutions managing director Jon Lawes picks up the trophy from judge Lorna McAtear, fleet manager at National Grid

TRUCK LEASING COMPANY OF THE YEAR

WINNER:

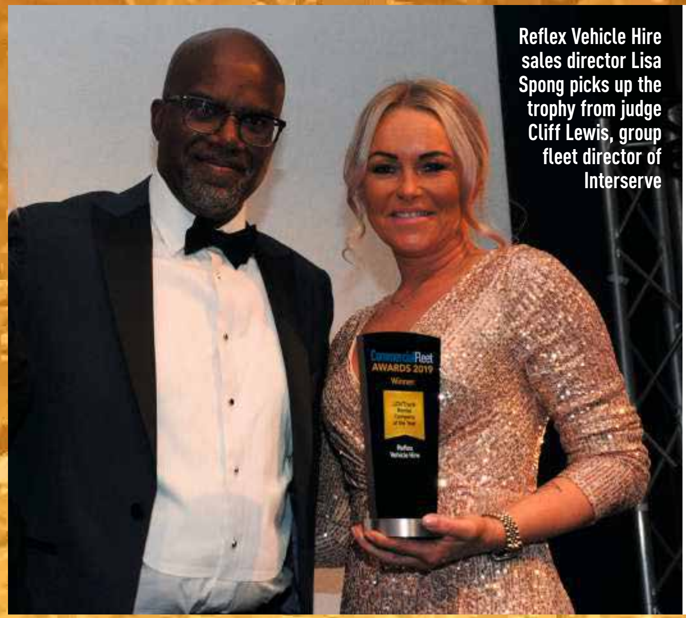
Hitachi Capital Vehicle Solutions

WHAT THE JUDGES SAID

Hitachi offers a wide range of services with particular growth in specialist vehicles. It has embarked upon a huge programme to trial and test EVs in the marketplace. Judges were also impressed with its lone worker app, its strength in fleet utilisation and its willingness to build prototypes for customers.

Highly commended:

Hexagon Leasing



Reflex Vehicle Hire sales director Lisa Spong picks up the trophy from judge Cliff Lewis, group fleet director of Interserve

LCV/TRUCK RENTAL COMPANY OF THE YEAR

WINNER:

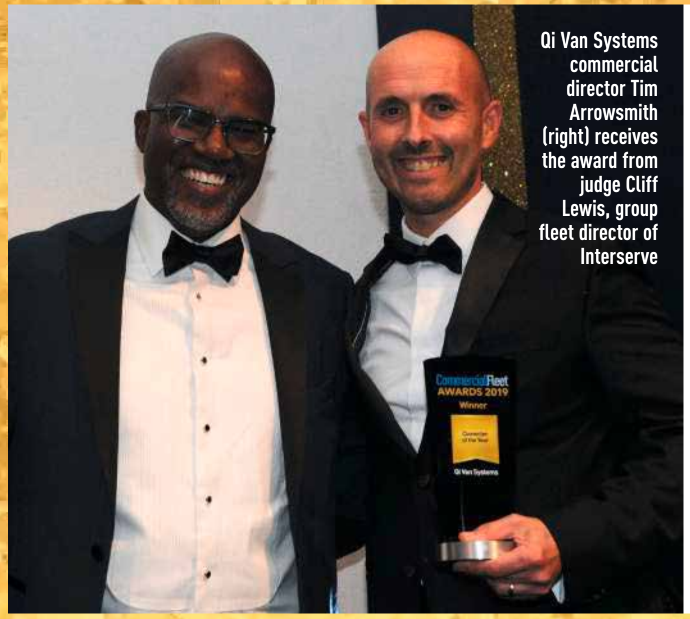
Reflex Vehicle Hire

WHAT THE JUDGES SAID

Reflex has a major focus on safety with speed restrictions on vans, excellent testimonials, good tolerances on excess mileage and an innovative approach to rechargeable damage. They all add up to an outstanding service across a wide range of vehicle options.

Highly commended:

Northgate Vehicle Hire



Qi Van Systems commercial director Tim Arrowsmith (right) receives the award from judge Cliff Lewis, group fleet director of Interserve

CONVERTER OF THE YEAR

WINNER:

Qi Van Systems

WHAT THE JUDGES SAID

Qi has a comprehensive service. It has made significant improvements to the business, which is bearing results with its highest customer order bank for 35 years. The customer journey with planning and scheduling is excellent while the customer forums provide an opportunity for feedback that benefits fleets. The lightweight product trials show innovation and a good outlook for the future.

Rental Company hat-trick for Reflex

This year's event was a brilliant outcome for the team at Reflex Vehicle Hire.

One of our charitable partners, Leicestershire & Rutland Blood Bikes were picked as the supported charity. The event saw them take home an amazing £2,500 in donations.

It was also a hat-trick for us winning **LCV/Truck Rental Company of the Year**. It is an honourable achievement and one that we are so proud to have picked up for the third consecutive year.

Leicestershire & Rutland Blood Bikes is a charitable organisation ran solely by volunteers.

The group is one of around 30 operating in the UK affiliated with The Nationwide Assocation of Blood Bikes (NABB).

They help to provide a free-of-chare, out-of-hours courier service to our NHS running during the night with 24 hour weekend and bank holiday coverage.

Blood Bikes transport blood products, donated breast milk, patient notes, medical tools and anything else the hospitals may require.

Getting to their destinations safely is vital, which is why Reflex Vehicle Hire decided to support the group by providing them with a brand new free van to help with their life saving deliveries.

Recently, one of our suppliers - Avon Tyres have also made a generous offer to supply the group with free tyres for all of the motorcycles and the van that Reflex provide.

Donations like this from businesses and the public is what the Blood Bikes rely on to keep functioning.

LEICESTERSHIRE & RUTLAND BLOOD BIKES

AVON TYRES

0345 609 2345
sales@reflexvehiclehire.com
www.reflexvehiclehire.com

Sponsored by Alphabet NORTHGATE for all vankind Reflex Vehicle Hire

Chris Black, commercial director, LeasePlan UK, picks up the trophy from judge Lorna McAtear, fleet manager at National Grid

LCV LEASING COMPANY OF THE YEAR

WINNER:
LeasePlan UK

WHAT THE JUDGES SAID

LeasePlan has been building its presence in the van sector for a few years now and has introduced a number of innovations to strengthen its business proposition. Judges were impressed with its electric vehicle 'try before you buy' offer, downtime management and staff training programme. A company where collaboration has become second nature.

Highly commended:
Hitachi Capital Vehicle Solutions

Alex Tilley of Moy Park (left), and Chris Shenton, Asda (right), collect their awards from Mark Cartwright, head of vans, FTA

Van excellence Managed by FTA

VAN EXCELLENCE DRIVER AND YOUNG DRIVER OF THE YEAR

WINNERS:
Chris Shenton, Asda, and Alex Tilley, Moy Park

Steve Bridge, managing director, Mercedes-Benz Vans UK (right) collects his award from Mark Cartwright, head of vans, FTA

Van excellence Managed by FTA

VAN EXCELLENCE LIFETIME CONTRIBUTION AWARD

WINNER:
Steve Bridge, managing director, Mercedes-Benz Vans UK

WEIGHING IN WITH SYSTEMS THAT ALLOW BIGGER LOADS

Every kilo saved on racking counts in the quest to steer clear of breaking load rules, reports *John Lewis*

Racking that looks smart, is unobtrusive and weighs as little as possible is in great demand

Weight is what matters where load area racking systems are concerned, says Jerry Lane, business development manager at Modul-System; and that is especially the case at 3.5 tonnes. "Weight is the most important thing, then price," he says.

A steady rise in unladen weights in recent years thanks to the arrival of everything from air-conditioning systems to AdBlue reservoirs means that every kilo saved counts.

Fail to pay attention to this requirement and you may be left with next to no payload capacity if you want to remain below the 3.5-tonne barrier.

"Payload is a real issue," Lane comments.

The penalties for miscalculating can be drastic, and Lane knows of one operator who got it catastrophically wrong. Having had shelving and binning installed along with a large quantity of ancillary equipment – a generator, a hand-wash system, and so on – he was left with a legal payload capability on a 3.5 tonner of just 60kg once its crew was on board.

That need not happen, however, if you specify everything that is fitted carefully and continually watch its weight.

"For example, we've been fitting a lightweight, but strong, composite bulkhead to vans used by some of our customers in the parcels industry that saves 40kg," he says. "The average weight of each of the parcels they transport is 6kg, so that means they can carry getting on for seven more."

> WE'VE BEEN FITTING A LIGHTWEIGHT, BUT STRONG, COMPOSITE BULKHEAD THAT SAVES 40KG
>
> **JERRY LANE, MODUL-SYSTEM**

Saving weight does not necessarily mean having drawer units, cupboards and other items made out of aluminium rather than mild steel.

Modul-System makes extensive use of ultra-high-strength steel. It is more expensive than mild steel, but at least four times stronger, which means far less of it has to be used.

Furthermore, it is more robust than aluminium, although the latter, of course, does not corrode.

As Modul-System's composite bulkhead indicates, other types of material are increasingly being deployed. Sortimo's fold-away FlexRack shelves make use of composite material too, and Modul-System has come up with a strong, but lightweight, workbench that employs an extruded polystyrene and fibreglass reinforced polyester sandwich.

It is said to be around 60% lighter than an equivalent made from timber.

A 1.5m-long workbench constructed using this type of material and complete with an aluminium edge-protector tips the scales at 7kg, says Modul-System. A wooden one of the same length weighs 19kg, it adds.

Robustness and all-round durability matter if you are aiming to have your shelves switched out of an old van that is being de-fleeted and put into its replacement.

Some fleets have third and even fourth life racking units.

Switching from one make and model of a van to another is not usually a problem provided they are both the same size. Suppliers usually change all the fitting brackets anyway.

So, how long should a system last before it has to be scrapped? "In our case, it's usually around eight years," Lane replies.

It may be possible to re-use some of the old racking and introduce some fresh features if a fleet's requirements have changed.

System Edstrom took this approach earlier this year when it kitted out Solihull Community Housing's 60-plus vans. It has worked with SCH since 2013.

There is no reason why a judicious mixture of materials should not be used in order to bring down weight.

Bodybuilder VFS is now marketing a range of shelves, racks and drawers made by Italy's Baggio de Sordi from a mix of high-strength steel and aluminium. On the other hand, fellow Italian manufacturer Gentili makes its Infinity racking solely out of extruded anodised aluminium, pointing out that as well as saving weight, it is easy to recycle.

"When it's time to dispose of it, you simply have to separate the plastic supports from the aluminium frame," says the company. "Furthermore, the fact that no paint has to be used makes it environmentally-sound."

Weight can be saved by looking more closely at the design of storage equipment, and modifying it accordingly. Qi Van Systems makes the point that a carefully-designed package may enable an operator to downsize to a smaller van that is more economic to buy and operate without any loss of onboard storage capacity.

Sortimo's latest generation of SR5 racking is supported by a single aluminium side profile at each end of a run of drawers and shelves plus lashing points embedded in the floor rather than a complex framework. It saves space as well as weight, says the company, and means installations can be completed more quickly.

It is also shaped in line with the contours of the van's interior, which means it takes up less room. A panel van's sides are not vertical.

The drawers and storage boxes that are provided can be complemented by a foldable workbench with a vice, and gas cylinders can be lashed to the alloy side profiles. The workbench is integrated into one of the standard shelves, with no need for it to be supported by a separate aluminium up-stand.

Employing strong telescopic slides, some of the drawers can accommodate pieces of equipment weighing up to 100kg.

The majority of mainstream racking suppliers can produce proof that their products have been crash-tested – proof that fleets should always insist on seeing – and are working more closely with van manufacturers.

Ford's QVM (Qualified Vehicle Modifier) programme embraces Bott, Sortimo, System Edstrom and Vanliners, for example, while Renault's list of approved converters includes Bri-Stor.

Over the years, racking companies have broadened their product portfolios into areas such as sign-writing, invariably using adhesive vinyl.

System Edstrom's work for SCH included designing the graphics for its vans. The process was complicated by the need to include warning signs to comply with safety legislation because they may have to carry flammable substances, gases and other hazardous materials.

"What was a simple livery on the vans became a half-wrap and a new corporate identity for them," says System Edstrom UK managing director Peter Corderey.

Racking firms regularly equip van load areas with an electrical system which can be used to power work lights, for example.

Italian bicycle manufacturer Pinarello, whose racing bikes have been ridden by the likes of Bradley Wiggins, Geraint Thomas and Chris Froome, has had a UK-based Mercedes-Benz Sprinter 3.5-tonner converted into a mobile workshop by Bott.

As well as providing lighting and power, the electrical system that has been fitted to the van allows batteries for e-bikes to be recharged en route.

> "OUR ENGINEERING TEAM CREATED BESPOKE FIXINGS TO SUIT THE BIKE FRAMES AND THE VEHICLES PINARELLO IS USING"
>
> **NEIL ROBSON, BOTT**

Other features include custom-built racks for up to 20 bikes, storage facilities for promotional gear and display equipment, and an offside awning.

Bott updated the vehicle's graphics too.

The Sprinter is regularly accompanied by three Mercedes Vitos with a second row of seats and room for up to four bikes apiece.

"Our engineering team created bespoke fixings to suit the bike frames and the vehicles Pinarello is using," says Bott business development manager, Neil Robson.

Modul-System has come up with Modul-Connect. It is a plug-and-play wiring and control system which uses a unique digital signal to control all the electrical items connected to it.

This allows various items to be powered and switched along the same cable simultaneously.

"The way it is designed means it can be installed quickly and safely, without the need for experienced electricians or complex programming," says vice-president, Thomas Johansson.

"The time saved will differ between specifications, but it is not uncommon to save up to 40% on installation time compared with traditional wiring," he adds.

Is any weight saved?

"It has allowed us to lower the wiring weight from 25kg to 5kg for one of our largest utility fleet customers," he replies.

Install a workshop electrical system in the load area of an electric van and there is a risk that it will deplete the battery pack.

In response, System Edstrom has fitted out an electric Renault Kangoo Van ZE with a separate 100 amp-hour lithium-ion battery which can be used to drive tools.

It can be recharged through a 230v port and receives an average 8amp trickle charge from a solar panel mounted on the vehicle's roof.

Some specialists in the sector have developed their own compact electric light commercials.

With a top speed of 28mph, Sortimo's ProCargo CQ1 can be used to transport one of the company's demountable sContainers.

Suitable for the storage of tools and parts, the lockable container can be left on a construction site so its contents can be used by trades people, then collected once they have completed their tasks.

Fitted with scooter-type controls, and a possible candidate for last-mile delivery work, the little four-wheeler is equipped with lithium-ion phosphate batteries which give it a range of just under 40 miles between recharges.

Modul-System makes the point that the gradual roll-out of electric vans will oblige racking fitters to adopt a different approach to installation if they have not already done so.

Drilling into a van's floor to fix racking is best avoided in conventionally-powered models if possible because of the risk that the resulting hole will lead to rust and invalidation of the vehicle's body and paintwork warranty, unless suitable anti-corrosion measures are taken.

With electric vans such drilling will become impossible and potentially dangerous because of the presence of batteries and high-voltage wiring.

Modul-System's solution is a separate aluminium floor with rails to which equipment can be fixed. Installed in a similar way to parquet flooring, it is glued into place and can be left there when the van is sold.

If rails have to be positioned along the van's sidewalls then they, too, can be glued into place. Modul-Floor is on average around 20% lighter than a plywood floor, the company claims.

Demand for load bay storage packages is strong at present, says Lane, in line with soaring light commercial registrations year-to-date.

"As far as we're concerned it's a booming market," he comments.

It is a boom Cartwright Conversions, among others, is determined to capitalise on with the establishment of a large new centre on a 26-acre site at Belton in Lincolnshire.

As well as installing racking it carries out a wide variety of other conversion work. Recent projects include building more than 130 patient transport vehicles for Falck Ambulance UK.


The best racking systems can be shaped in line with the contours of the van's interior


Choosing the right metal for the job is an important consideration when installing racking

WLTP INTRODUCTION HAS CREATED LACK OF CLARITY AMONG CONVERTERS

The advent of WLTP (Worldwide harmonised Light vehicle Test Procedure) has significant potential implications for van conversion specialists.

Fit shelving, drawer units and so on and the additional weight they impose should mean that the WLTP figure will change. The problem is that the manufacturer portals and the data required to make the necessary calculations have yet to be put in place all across the industry and many converters admit to being confused about what they should do.

"There are grey areas and a distinct lack of clarity and everyone is in the same boat," says Peter Clarke, head of customer relations at Qi Van Systems. "Some of the manufacturers have been proactive and we have access to the portals they have put in place, others less so, and some don't appear to be doing anything."

Modul-System's Jerry Lane says: "In theory everything should have taken off on September 1, but it didn't, and we've been contacting vehicle manufacturers to find out what they've got in place. We understand that some of them have websites ready to go, but don't have all the data required available.

"There are websites in place in other European markets that have yet to be triggered in the UK," he adds. "I reckon it will be another year before it's all sorted out."

In the meantime, Modul-System is continuing to kit out vehicles in the way it has done previously. "As far as we're concerned, it's business as usual," Lane observes.

According to Volkswagen Commercial Vehicles specialist sales manager Nick Axtell there is no need for racking companies or their customers to panic. At least, not yet.

As things stand, he says, the existing N1 Enhancement scheme which covers storage equipment fixed to the load area will remain in force until the end of 2020.

What this means in practice, says Axtell, is that the weight it imposes is treated as payload, and does not affect the WLTP figure. "There is no mechanism for reporting it anyway," he observes.

So should everybody sigh with relief and move on? Not quite, says Axtell.

The situation could change after 2020 and converters should engage with the Vehicle Certification Agency and the Society of Motor Manufacturers and Traders (SMMT) to ensure they are kept abreast of any developments, he advises. That is especially the case given that a van's WLTP figure could affect its Vehicle Excise Duty rating in future, he points out.

So are the portals that have been created (VWCV, for example, has one, as does Toyota) pointless at present as far as racking and related equipment are concerned? Not entirely, says Axtell.

"You can have a situation where a fleet wants to ensure the CO_2 emissions of each of its vans do not exceed 150g/km because that happens to be its corporate policy," he explains. "The portal can be used to calculate the CO_2 impact of fitting particular items and add and subtract them until the right figure is achieved.

"As a guide, every 25kg you add means an extra gramme of CO_2," he says.

What is to stop fleets getting their vans registered first, then having shelf units and flooring installed afterwards?

On the face of it, nothing. Off-the-peg racks can be bought online – the supplier's website may have a facility which enables you to configure a suitable layout on-screen – and fitted in a local (possibly non-franchised) workshop. Doing so is not illegal.

Compliance issues would make Modul-System wary of any direct involvement in such a post-registration arrangement however, says Lane. It's a view shared by Clarke.

"Our customers are heavily into health and safety, compliance and duty of care," Clarke observes. "We wouldn't want to do anything to compromise that."

What buying off-the-peg units would not do is provide a fleet with a purpose-built storage system tailor-made to meet the requirements of its mobile engineers or trades people.

So, such an approach could quickly breed inefficiency and end up being counterproductive.

> "OUR CUSTOMERS ARE HEAVILY INTO HEALTH AND SAFETY, COMPLIANCE AND DUTY OF CARE"
>
> **PETER CLARKE, QI VAN SYSTEMS**

FORD TRANSIT PHEV

The new Custom PHEV is first van in its segment to offer a petrol-electric powertrain

By Andrew Baxter

Ford's new Transit Custom Plug-In Hybrid (PHEV) offers a 35-mile zero-emission NEDC driving range, and 310 miles total range using a 1.0-litre EcoBoost petrol engine range extender.

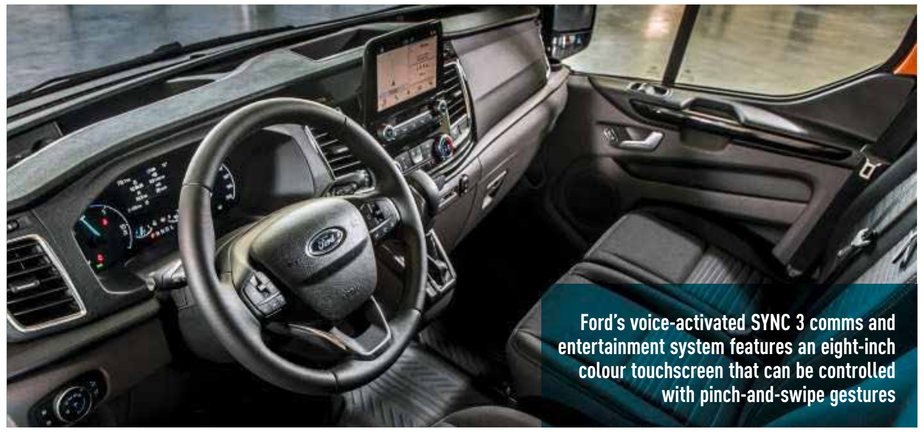
This impressive range is combined with claimed economy of 91.7mpg and CO_2 emissions of just 60g/km (NEDC).

This is achieved by a 92.9kW electric motor driving the front wheels, which is powered by a 13.6kWh lithium-ion battery pack. Thanks to the underfloor location of the battery, the one-tonne PHEV offers an unchanged net payload of 1,130kg and 6m³ load volume.

It's efficient, too. According to Ford, the Custom PHEV can be charged in 4.3 hours using a domestic 240-volt 10-amp power supply, or 2.7 hours using a commercial type-2 AC vehicle charger. For added peace of mind, the battery is covered by Ford's eight-year/100,000-mile battery pack warranty.

Additional energy is captured through regenerative charging. To further aid range, four selectable modes allow drivers to choose how and when to use the available battery charge. They are:

	MODEL TESTED TRANSIT CUSTOM PLUG-IN HYBRID
SPECIFICATIONS	
OTR price	£39,145
Power/torque	120PS/355Nm
Payload	1,130kg
Gross vehicle weight	3,400kg
Load volume	6cu m
Fuel cost	N/A
SMR	N/A
Running cost	N/A
Combined fuel economy	91.7mpg



Ford's voice-activated SYNC 3 comms and entertainment system features an eight-inch colour touchscreen that can be controlled with pinch-and-swipe gestures

- EV Auto is intended to provide the optimum blend of performance and efficiency.
- EV Now prioritises stored battery energy for emissions-free driving, deactivating the range extender until battery levels reach a minimum state of charge.
- EV Later prioritises the range extender.
- EV Charge uses the range extender to power the van and top up the battery for when further EV Now travel is needed.

Drivers can also choose the degree of energy recovery and braking assistance from the regenerative charging system by selecting either Drive or Low on the gear selector.

To further increase the Custom PHEV's city centre compliance, in spring 2020 a new geofencing module will be available to automatically switch to zero-emission driving EV Now mode when entering a low-emission zone.

As with all good technological and engineering solutions, the operation and user experience is seamless. The Transit Custom PHEV simply does what you want it to do, when you want it to do it and instils confidence from the moment you get behind the wheel.

In the absence of engine noise, a green van symbol on the dashboard reminds you the vehicle is primed and ready. Select drive on the six-speed automatic 'box and you silently hit the road.

The Custom PHEV is the result of extensive real world trials with fleets in London – and it shows. Driving dynamics, ride quality and its all-round capability are first class. During the year-long trial, 20 prototype Transit Custom Plug-In Hybrid vans covered more than 150,000 miles.

Prices for the plug-in hybrid Custom start from £39,145 (excluding VAT). This compares with £22,295 (excluding VAT) for the 2.0L EcoBlue Custom.

According to Iain Brooks, product marketing manager, Transit/Transit Custom, Ford of Britain, fleet operators should see this differential made back in four to five years.

However, the payback period could be significantly reduced. He explained: "We are working with OLEV at the moment to get the vehicle included on the list of eligible vehicles. Emissions and pure electric range satisfy their requirements, so we are just waiting on whole vehicle type approval."

Once this is achieved, fleets should be looking at "a payback cycle of two-to-three years".

RENAULT C8X4

Hookloader has excellent driveline and plenty of space in the lofty cab

By Tim Campbell

As we all know, there are many aspects to off-road transport, from muck-away to aggregates, cement mixers to hookloaders and all things in between.

This creates a dilemma for truck manufacturers when looking to provide the key features needed for each operation given that, in many cases, they may be completely at odds with each other.

Take a 'muck away' operation where chassis strength and the ability to take shock loadings are a prerequisite, resulting in a heavy chassis weight to ensure reliability and durability. This is at odds with an aggregate operation where in most cases a high payload and fast turnaround are the operational requirements.

But a manufacturer has to cater for all.

As a result, we end up with two if not three basic types of offering for the multi-wheeler operators. Renault Trucks is no different in this matter. It offers two very diverse ranges, the C and K ranges.

The K could be best described as the heavy end of the construction sector, with operators looking for a strong chassis usually working in the logging, mining and muck-away sector.

The C is more your everyday truck, walking the fine line between high payload (and therefore high earnings) and reliability/durability that is the norm in this sector.

In fact, to meet the needs of this diverse market, Renault Trucks even has two C ranges, one is a two- and three-axle range featuring the narrow 2.3m D range cab and then a two/three and four axle range featuring the much higher and wider 2.5m T range cab.

For our road test, we are looking at the latter four-axle C range with the T cab and this was complete with a hookload system by Boughton Engineering.

The big cab C range features the familiar group engines in the shape of the DTi11 and DTi13. Both have three power ratings, meaning the power ranges from 385PS to 527PS.

Our vehicle had the middle power setting on the six-cylinder 10.8-litre DTi11 model, with a rating of 430PS provided between 1,700-1,900rpm. The torque is 2050Nm and developed between 1,000-1,400rpm, all under the Euro VI standards.

Behind the 11-litre engine sits Renault's Optidriver ATO2612 automated gearbox with auto clutch and overdrive top gear, cased in an aluminium housing for light weight.

Importantly for an off-road operator, the power take off (S81) features a splined hollow shaft capable of providing 1,000Nm of torque with 0.9/1.14 ratios.

Braking for the C range starts with the Optibrake, having a power rating of 300kW at 2,300rpm which works in conjunction with the exhaust brake and valve compression braking linked to the service brake which comprises ventilated disc brakes all round. The electronic braking systems feature all the standard items you would expect of a vehicle going on and off road such as hill start aid, wheel anti-spin regulation (ASR), brake pad wear balancing (discs) wheel anti-lock braking system (ABS) and emergency braking assist (AFU).

The four-axle rigid features two leaf springs on the front two axles with stabiliser bars and the rear suspension has air suspension and stabiliser bars as well as rear shock absorbers, with the system controllable via a remote pad. The front axles are rated at eight tonnes each and the rear bogie at 21 tonnes and it's limited to a gross vehicle weight of 32 tonnes.

The wheelbase, measured from the centreline of the front axle to the centre of the third axle, is 5,100mm, although a more realistic wheelbase is 5,775mm, where the centre of the rear bogie is taken into consideration. This allows for a minimum body length of 7,499mm to a maximum 10,890mm.

As explained, the C series has two cabs from two and three axles, but the four-axle variants all have the larger 2.5m wide cab. There are a number of cab variants from a day cab with a standard roof to a sleeper cab with a high roof. Our vehicle had the normally specced day cab for this type of operation and it sits on a four-point cab air suspension with ride-height control system.

This is a big cab and, judging by the four steps (including cab floor) necessary to get in, it's a tall one. Entering the cab and having a quick look round immediately confirms that impression.

The dashboard is a semi-wrapround design and combined with a slight engine hump it means across cab access is limited, but, in many situations, that's not an issue.

Renault Trucks has a great range of trucks to offer multi-wheeler operators and the C430.32 is an ideal hookloader vehicle with excellent driveline and great space in the cab.

	MODEL TESTED C430.32 8X4
SPECIFICATIONS	
Price as tested	N/A
Chassis kerb weight (kg)	10,621kgs
Engine	DTI 11
Output (PS)	430
Torque (Nm)	2,050Nm
Payload (kg)	N/A
Warranty	2 years

THE LAST WORD

STEVE BEATTIE

HEAD OF BUSINESS SALES, VOLVO CARS UK

Football fan Beattie looks forward to the day he can put an autonomous car on his driveway. He would also reintroduce car grant for plug-in hybrids if he was Transport Minister

The advice I would give to my 18-year-old self is to travel before you get into your career.

The song I would have on my driving playlist has to be anything by Abba, given I work for a Swedish car company.

My first memory associated with a car is of my dad's Vauxhall Astra GTE with the digital dash, playing Kenny Loggins' *Danger Zone* from the Top Gun movie soundtrack.

My favourite movie quote is from the *Wolf of Wall Street*: "Without action, the best intentions in the world are nothing more than that: intentions." It speaks for itself.

The car I would have on my driveway is the Volvo 360c autonomous drive concept. It may be a concept, but a car that could give me back all the time I currently lose behind the wheel would be a godsend.

The book I would recommend others read? I am a child at heart, therefore the first Harry Potter book, *Harry Potter and the Sorcerer's Stone.*

My hobbies and interests include football, running and playing FIFA.

My pet hate is people taking longer than they need to get something done.

If I were made Transport Minister for the day, I would reintroduce the plug-in car grant for plug-in hybrids. I believe these cars are a critical stepping-stone for many people to move from petrol or diesel to alternative fuelled vehicles.

Why fleet?
When I was offered my first role in fleet, I relished the opportunity to get involved in how businesses mobilise their people and get products and services to their customers. I love nothing more than having direct interaction with customers.

How I got here
I have had several managerial roles in fleet sales, including a 12-year stint at Vauxhall, where I nurtured my passion and drive for delivering an exceptional customer experience. This rings true in my current position where I am responsible for overseeing all of Volvo's UK fleet sales.

Latest products, developments and achievements?
We have set out a number of bold ambitions; including the aim for all new cars we sell to be electrified by 2025 and for 50% of these to be pure electric. The recent addition of mild hybrid powertrains on the XC60 and refreshed XC90 marks the start of the roll-out of this technology across our entire model range.

Sum up your company in three words
Integrity, sustainability, personal. Alongside our environmental and fuel efficiency credentials, the safety reputation of Volvo's cars is second to none.

Career influence
My previous fleet directors at Vauxhall. Maurice Howkins influenced how I build customer relationships, while James Taylor showed me the importance of strategic planning.

What makes a good head of business sales?
A healthy mix of enthusiasm, drive and optimism, paired with being open to ideas from your team.

What advice do you have for fleet newcomers?
Always put the customer first. If an internal decision affects a customer, work together to find a solution that best meets the customer's requirements.

If I wasn't in fleet? I would be a football agent. Not only would it involve the sport I love, along with negotiation and sales... but I might also earn some serious money!

Next issue: Wayne Warburton, head of mobility services, Siemens