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COMMERCIAL FLEET

Relief as BIK rates are released, but concerns over anomalies

Treasury reveals two-tier tax tables with different rates based on when cars are registered

By Gareth Roberts

Government changes to company car tax rates will fail to soften the blow of an increase in CO_2 emissions triggered by the new vehicle testing regime.

The vast majority of drivers will still face a rise in their annual benefit-in-kind (BIK) tax bills, while the new tax regime could penalise one company car driver over another.

In its long-awaited response to the review of company car tax, HM Treasury announced it was binning previously published BIK rates for 2020/21, in an effort to mitigate more accurate, and as a result higher, vehicle CO_2 emissions shown in the Worldwide harmonised Light vehicle Test Procedure (WLTP).

Instead, it revealed two new BIK tables for company car drivers: one for those driving a company car registered after April 6, 2020, based on WLTP CO_2 figures, and one for those driving a company car registered before the same date, based on NEDC-correlated CO_2 figures (fleetnews.co.uk, July 9).

Despite a new eye-catching rate of 0% for pure electric vehicles (EVs) from April 2020, some company car drivers could face a year-on-year increase of more than 10%, while others could be paying hundreds of pounds more to drive exactly the same company car as a colleague.

Fleet association ACFO described the new company car tax rates as a "token gesture" in mitigating the increase in CO_2 from WLTP.

ACFO deputy chair Caroline Sandall said HM Treasury "seems to have calculated the amount of money that it wanted to raise from company car BIK tax and merely tweaked rates accordingly".

WLTP IMPACT ON CO_2

Fleets had already seen CO_2 values increase by 10% or between 10-15g/km, on average, for cars tested under the old NEDC emissions testing regime compared with NEDC-correlated figures derived from the new WLTP value, resulting in higher tax bills.

However, evidence provided by manufacturers showed that more than 50% of cars would also see an increase from NEDC-correlated emissions to WLTP values, of between 10% and 20%, when they would be used for tax purposes for cars registered after April 6, 2020.

Fleet News highlighted the discrepancy in CO_2 values and how it was impacting fleets, and drivers, in its submission to the Government company car tax review.

It also was the first to highlight the potential tax implications of the new emissions testing regime on the company car market back in 2014.

A Volkswagen Golf 1.6TDi Match, for example, has an NEDC-correlated CO_2 value of 108g/km; its WLTP value is 128g/km – up 18.5%. Today, the 108g/km car would equate to a 29% BIK tax rate or, with a P11D value of £25,640, a company car tax bill of £1,487.12 for a 20% taxpayer.

Under HM Treasury's original rates, in 2020/21 the BIK percentage would have increased from 29% to 30%, equating to a new annual charge of £1,538.40 – a 3.5% year-on-year rise.

The new BIK table for cars registered before April 6, 2020, maintains that 30% rate for the next three tax years, up to and including 2022/23.

However, if a fleet replaces that Golf with an identical model next April, the driver would incur a 32% BIK rate due to the higher WLTP-calculated CO_2 figure, resulting in a year-on-year increase of more than £150 or 10.5%.

Furthermore, two drivers could have exactly the same model registered days apart, but one would pay £102 more than their colleague during the same tax year (2020/21) thanks to the different tax rates and CO_2 emissions calculations the Government intends to employ.

The disparity would also grow year-on-year; by £153 in 2021/22 and by more than £200 the following year.

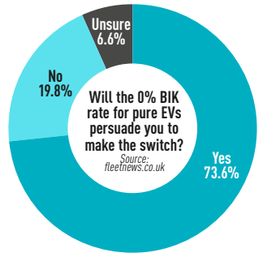
There are similar discrepancies for a 40% taxpayer; take a BMW 320d M Sport, for example. It has a NEDC-correlated value of 118g/km, with a WLTP range from 133-139g/km, almost an 18% increase at the upper end. The original 2020/21 rates would have resulted in the BIK rate increasing from 31% to 32%, equating to a new annual charge of £4,655.36 – a year-on-year increase of just over 3%.

The new BIK table for cars registered before April 6, 2020, maintains that 32% rate for the next three tax years, up to and including 2022/23.

However, replace that car with exactly the same model next April, at 139g/km (WLTP) it attracts a BIK rate of 34% and, with a P11D price of £36,370, leaving the driver facing an increase of almost 10% or more than £430, year-on-year.

Furthermore, two drivers could have exactly the same model registered days apart, but one would pay £290 more than their colleague during the same tax year (2020/21) thanks to the different tax rates.

The disparity would again grow year-on-year; to £430 in 2021/22 and to £580 the following year.



NOT TAX NEUTRAL

Sandall said: "Far from the implementation of WLTP testing being tax neutral, as the Government initially indicated, it is likely to result in the company car remaining a 'cash cow'."

Many company car drivers are also 'job-need', some 71.5%, according to analysis of some of the UK's biggest fleets in the Fleet 200, with little vehicle choice.

"Drivers of those vehicles, who will in many cases will be high-mileage where the diesel option is best for operational purposes and possibly lower salaried, have no cash allowance option and so a limited opportunity to reduce, or control, their BIK tax," said Sandall.

The 4% diesel supplement stays, with RDE2-compliant diesels exempt from the charge.

Fleets started taking delivery of the first RDE2 diesel cars earlier this year, with manufacturers promising that more models will follow (fleetnews.co.uk, May 1).

Claire Evans, Zenith head of fleet consultancy, said that, while with some cars the move to WLTP may result in a higher company car tax, it was important to remember the savings RDE2-compliant diesels will bring.

"Great news for businesses where diesel is still the most efficient option for drivers who complete higher mileages," she said.

Mercedes-Benz and Jaguar Land Rover have launched RDE2 models, while BMW told *Fleet News* that the new 1 Series will be its first model classified as RDE2 and Vauxhall says the new Astra will be the first of its RDE2-compliant models.

It will be plug-in drivers who will enjoy the greatest savings under the new company car tax regime, however, thanks to the new 0% tax rate for pure electric EVs in 2020/21.

EV company car drivers were already looking forward to a much reduced rate of 2% for 2020/21; the 0% BIK tax rate will now mean they pay no company car tax at all for 12 months from next April. The rate for zero emission cars then increases to 1% in 2021/22 and 2% in 2022/23.

For a 20% taxpayer, driving a Nissan Leaf 62kw e+ Tekna, with a P11D price of £39,340, their company car tax bill will fall by £1,259 from April, 2020.

The BIK rate was due to fall to 2%, before the new rates were published, so there was already a significant saving to be had by choosing a zero emission car.

HMRC statistics published days before Treasury issued the new tax tables show that in 2016/17 – the last available data set – less than 1% drove a zero emission car while 3% had a car with emissions between 1-50g/km of CO_2.

However, more company drivers are considering making the switch. FN50 data showed last year, that 3.4% of all cars that the top 50 vehicle leasing companies had on order were pure electric, and a *Fleet News* poll, taken before the new rates were announced, revealed that one-in-five respondents (21.4%) were considering a pure EV as their next company car (fleetnews.co.uk, June 3).

A further poll following the new rates announcement shows many more ➲

> "SIGNIFICANT EVIDENCE WAS NOT PROVIDED TO SUGGEST THAT WLTP WILL CAUSE INDIVIDUALS TO OPT-OUT OF COMPANY CARS"
>
> **HM TREASURY**

VW Golf 1.6TDi Match

P11D price: £25,640

	Pre-April 6 2020 reg.	Post-April 6 2020 reg.
Emissions	108g/km (NEDC-based)	128g/km (WLTP)
Company car liability* (£) and tax rate (%)	2020/21 £1,538.40 (30%)	2020/21 £1,640.96 (32%)
	2021/22 £1,538.40 (30%)	2021/22 £1,692.24 (33%)
*20% taxpayer	2022/23 £1,538.40 (30%)	2022/23 £1,743.42 (34%)

BMW 320d M Sport

P11D price: £36,370

	Pre-April 6 2020 reg.	Post-April 6 2020 reg.
Emissions	118g/km (NEDC-based)	139g/km (WLTP)
Company car liability* (£) and tax rate (%)	2020/21 £4,655.36 (32%)	2020/21 £4,946.32 (34%)
	2021/22 £4,655.36 (32%)	2021/22 £5,091.80 (35%)
*40% taxpayer	2022/23 £4,655.36 (32%)	2022/23 £5,237.28 (36%)

Nissan Leaf 62kw e+ Tekna

P11D price: £39,340

	Pre-April 6 2020 reg.	Post-April 6 2020 reg.
Emissions	0g/km (NEDC-based)	0g/km (WLTP)
Company car liability* (£) and tax rate (%)	2020/21 £0 (0%)	2020/21 £0 (0%)
	2021/22 £78.68 (1%)	2021/22 £78.68 (1%)
*20% taxpayer	2022/23 £157.36 (2%)	2022/23 £157.36 (2%)

will consider a pure EV, with almost three-quarters of respondents (73.6%) saying they were ready to make the switch.

British Vehicle Rental and Leasing Association chief executive Gerry Keaney welcomed the changes. He said recognising the "value of the company car market in supporting the transition to zero emission technology" was a "positive endorsement for our sector".

"The Treasury is giving back some of the unfair company car tax windfall it was set to receive as a result of WLTP," he said.

Questions have been raised about the availability of pure electric cars, however, with lead times potentially hampering the ability of company car drivers to take advantage of the new rates from next year.

Sandall said because "lead times are lengthy", the real value of the 0% rating will be "extremely limited".

She explained: "Most major motor manufacturers have announced plans to introduce numerous plug-in models over the next 18 months and the Government needed to take account of model launches and availability in its calculations."

Carmakers have already seen demand for alternative fuel vehicles outstripping supply and the situation may not improve anytime soon due to a lack of batteries.

ICFM chairman Paul Hollick said: "While the Government has slightly incentivised the take-up of zero emission models, it has failed to take account of the lack of availability of those vehicles in today's marketplace.

"For fleets and company car drivers to truly embrace the plug-in vehicle revolution, the Government needed to take model launches and availability into account in reviewing tax rates.

"Plug-in vehicles – and particularly zero emission models – remain a very niche product and what availability there is does not meet fleet and company car driver requirements in the majority of cases."

CAR VS CASH

The lack of long-term tax rates for company cars and the impact of WLTP have been cited by the fleet industry for more employees choosing cash over a car.

Indeed, BIK statistics released in the past few weeks show a 50,000 decline in the number of company car drivers, down from 940,000 to 890,000 (see page 9).

HMRC said initial analysis suggests a new way of reporting company car tax for some employers may have "significantly" skewed the figures.

Dan Rees, associate director, head of cars and fleet consulting at Deloitte, told *Fleet News* earlier this year, that the rate of employees/employers opting out of company cars for cash allowances was the "highest we've seen in recent times" (fleetnews.co.uk, January 28).

Furthermore, ACFO claims that, despite the new BIK rates, more employees are likely to opt out of company cars due to an increasing tax burden for the majority of drivers.

However, the Government dismissed claims WLTP was to blame. The Treasury said: "Significant evidence was not provided (from the consultation) to suggest that WLTP will cause individuals to opt-out of company cars, or that these individuals would substitute for higher emitting models in the private market."

It has also now provided a view of future company car tax rates up until April 2023.

It says that "by providing clarity of future appropriate percentages, businesses will have the ability to make more informed decisions about how they make the transition to zero emission fleets".

It added that rates beyond 2022-23 remain "under review and will be announced at future fiscal events".

"The Government aims to announce appropriate percentages at least two years ahead of implementation to provide certainty for employers, employees and fleet operators," Treasury said.

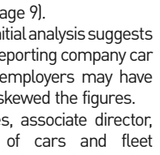
Lex Autolease head of fleet consultancy Ashley Barnett told *Fleet News:* "The lack of clarity on the long-term tax regime for company cars has severely hampered uptake, clearly reflected in the most recent car registration figures from the SMMT and the reduction in the number of people paying company car taxation."

The Government announcement on company car tax, he concluded, gives a "degree of much-needed certainty" to company car drivers and fleet managers.

For further analysis of the latest BIK statistics
See page 9

For further reaction to the changes from fleets
See page 18

"FAR FROM THE IMPLEMENTATION OF WLTP TESTING BEING TAX NEUTRAL, IT IS LIKELY TO RESULT IN THE COMPANY CAR REMAINING A 'CASH COW'"



CAROLINE SANDALL, ACFO

Cars first registered from April 6, 2020

CO_2 (g/km)	Electric range (miles)	2020-21 (%)	2021-22 (%)	2022-23 (%)
0	N/A	0	1	2
1-50	>130	0	1	2
1-50	70-129	3	4	5
1-50	40-69	6	7	8
1-50	30-39	10	11	12
1-50	<30	12	13	14
51-54		13	14	15
55-59		14	15	16
60-64		15	16	17
65-69		16	17	18
70-74		17	18	19
75-79		18	19	20
80-84		19	20	21
85-89		20	21	22
90-94		21	22	23
95-99		22	23	24
100-104		23	24	25
105-109		24	25	26
110-114		25	26	27
115-119		26	27	28
120-124		27	28	29
125-129		28	29	30
130-134		29	30	31
135-139		30	31	32
140-144		31	32	33
145-149		32	33	34
150-154		33	34	35
155-159		34	35	36
160-164		35	36	37
165-169		36	37	37
170+		37	37	37

New table cuts BIK by two percentage points. Parity with the NEDC-correlated, pre-April 2020-registered cars table will be reached in 2022/23. Details at: fleetnews.co.uk/BIK2020

FLEETS MUST WAIT FOR VED UPDATE

The Government says existing vehicle excise duty (VED) rates will stay the same from April 6, 2020, despite the introduction of WLTP values for tax purposes from this date.

In its response to the review, the Treasury acknowledged WLTP could impact the VED liability for fleets choosing a new car from April 2020.

However, it said that most motorists will see tax changes that represent only a "small proportion of a car's total cost of ownership".

Equally, motorists could adjust their purchasing decision by choosing a model with lower or zero emissions.

It said: "The Government's assessment is that individuals and businesses choosing new cars are unlikely to delay their decision or choose an older model.

"WLTP results in many more unique CO_2 values, mainly due to 'model specific' testing. The current VED band structure will likely result in these differences between models not being fully recognised in the VED rates paid. This could exacerbate the current 'cliff-edges' between VED bands."

It says a call for evidence for VED will be published later this year, seeking views on moving towards a "more dynamic approach to VED", which recognises smaller changes in CO_2 emissions.

The Office for Budget Responsibility (OBR) has forecast that VED receipts will increase by around £200 million a year on average from 2020-21 onwards.

Cash bonanza: revenues rise £70m from 50,000 fewer company cars

Payroll changes skew company car number, says HMRC, but yields rise nevertheless

By Gareth Roberts

The amount of tax the Government takes, on average, from company cars has increased by 9% year-on-year, newly-released data shows.

Actual revenues from company car tax and National Insurance Contributions (NICs) only increased by £70 million year-on-year, but that was despite a 5% fall in the number of company car drivers, according to the provisional figures.

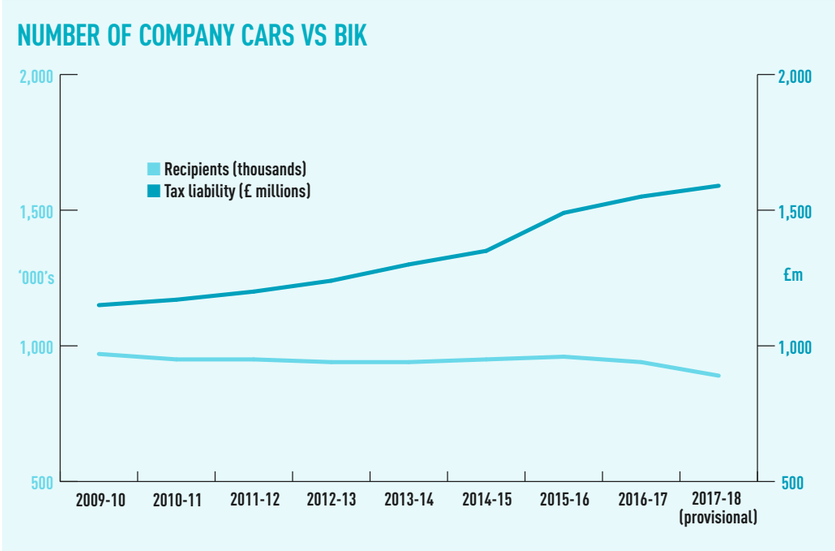
HMRC took £1.55 billion in benefit-in-kind (BIK) tax and £630m in NICs from 940,000 company cars in 2016/17. But the following year, it collected £1.59bn in BIK (an increase of £40m) and £660m in NICs (£30m more), despite HMRC reporting 50,000 fewer cars (at 890,000).

It means the amount of tax the Government yields from a company car has, on average, increased by 9% or £209, from £2,319 in 2016/17 to £2,528 the following year. The increase also follows a 7% uplift in the average yield from 2015/16 to 2016/17.

At the start of the decade (2009/10), a company car was worth, on average, £1,680 in BIK and NICs revenues to the Treasury, some £1.63bn (£620m less), when there were 970,000 company car drivers – 80,000 more than in 2017/18.

"I'M NOT CONVINCED (THE SHORTFALL IS DOWN TO VOLUNTARY PAYROLLING)"

ASHLEY BARNETT, LEX AUTOLEASE



The higher tax take between 2016/17 and 2017/18 can, in part, be explained by the increase reported in the taxable value over the same period.

The taxable value of the company car benefit was worth £4.8bn, up from £4.57bn the previous year, according to HMRC figures.

However, the vast majority of the revenue increase has been down to the annual two percentage point increase in BIK rates, first introduced in 2015-16 (in previous years there had typically been a one percentage point increase).

The higher incremental company car tax increases were decided in combination with the removal of the three percentage point diesel supplement, which was announced in the 2012 Budget and expected to take effect from April 2016.

However, shortly before it was due to be axed, the then Chancellor, George Osborne, announced he was delaying its removal until 2021 in light of 'dieselgate' (fleetnews.co.uk, November 25, 2015).

Two years later, Chancellor Philip Hammond, announced he was raising it to 4% from April 2018 (fleetnews.co.uk, November 22, 2017). He also announced that diesel cars that are RDE2-compliant would be exempt from the diesel surcharge.

£2,528 average tax yield on a company car

890,000 company car drivers recorded

COMPANY CAR DECLINE

Coupled with sweeping changes to salary sacrifice through the introduction of new Operational Remuneration Arrangements (OpRA), a lack of clarity over the future tax treatment of company cars and the impact of the WLTP (Worldwide harmonised Light vehicle Test Procedure), fleet decision-makers have warned of a growing move away from company cars to cash.

A *Fleet News* poll last autumn suggested that three-quarters (74.8%) of respondents were seeing an increasing number of employees choosing cash rather than a company car.

The dramatic decline in company car drivers could therefore be seen as sign of the increasing complexity of the fleet market.

But, HMRC said the figures do not include any estimate of the impact of voluntary payrolling, which could account for a "significant proportion" of the decline in reported numbers.

Voluntary payrolling was introduced in 2016 to ease the reporting burden of BIK, with employers

74.8% of respondents said they were seeing an increasing number of employees choosing cash

87% of company cars emitted 134g/km of CO_2 or less according to latest available figures

moving away from submitting P11D returns to collecting tax on company cars through payroll.

However, employers were not able, or required to, submit detailed information about company cars when using the new regime.

This changed from 2017-18, when employers payrolling car benefit were able to provide more detailed data about the cars being provided through their FPS (Full Payment Submission). But, HMRC said that providing this data was not mandatory until 2018-19.

As such, detailed information about the recipients of company cars through voluntary payrolling was not provided by many employers during the period covered by these statistics. Tax revenues from those cars are, therefore, not identifiable and are not included in the HMRC figures.

The expectation is that next year's BIK statistics will include these company car recipients and their tax liabilities.

However, while insisting the 50,000 decline was 'significantly' down to the payrolling anomaly, an HMRC spokesman could not give a figure to back up this claim.

Lex Autolease head of fleet consultancy Ashley Barnett is sceptical. "I'm not convinced (the shortfall is down to voluntary payrolling)," he said.

Barnett points to statistics that sit behind the HMRC figures, such as new car registrations, where numbers have declined.

However, this could simply be due to employees and companies keeping cars for longer as they awaited BIK clarification, rather than a reduction in company cars.

LARGE DECLINE PREDICTED

Prior to these new company car figures being published, Barnett predicted a large decline in company car drivers (fleetnews.co.uk, December 12, 2018).

He suggested a 2% decrease for 2017/18 (to 921,000 company car taxpayers), before falling 5% in 2018/19 to (875,000) and a further 5% in 2019/20 (to 832,000).

Alongside tax changes over recent years, Barnett also blames how decisions around the company car are being driven within companies.

He explained: "More recently, it has become a procurement decision rather than an HR-led one."

Perk fleet customers see cash as an easier, cheaper option, but Barnett says the difficulty is they "struggle to find the cash allowance cost".

In Lex Autolease's experience, he says that considering the discounts fleets negotiate, cash will normally cost more.

"It's about getting back to understanding what the purpose of the car is in terms of reward and some people have lost sight of that," he said.

CO_2 EMISSIONS FALL

Even the fact that company car drivers are choosing cars with lower CO_2 values has failed to thwart the increase in revenues.

In 2016/17, the last year for which figures are available from HMRC, 87% of company cars emitted 134g/km of CO_2 or less, an increase from 83% of cars in 2015-16.

More than a third (37%) of company drivers ran a car with emissions of 104g/km or less, up eight percentage points from the previous year.

There is an established strong trend in emissions reduction.

In 2002-03, 58% of company cars had CO_2 values in excess of 165g/km; in 2015-16 this had fallen to 1%.

However, it remains to be seen what impact WLTP may have on average emissions.

All newly type-approved car models have been subject to the test since September 2017, while all other new cars had to be rehomologated by last September.

WLTP replaced NEDC (New European Drive Cycle), which had been criticised for failing to represent real-world fuel consumption.

The more accurate test has resulted in higher CO_2 values, which will have a knock-on effect where average emissions will be concerned.

Tax rates clarity is welcome, but the Government must not stop there

MATTHEW WALTERS, HEAD OF CONSULTANCY AND CUSTOMER DATA SERVICES AT LEASEPLAN UK

Finally, the Government's response to the review of the Worldwide harmonised Light vehicles Test Procedure (WLTP) and vehicle taxes has been announced. It's welcome news for many, demonstrating ministers' commitment to lower taxes for low emission vehicles.

While some may feel it doesn't go far enough, this is a milestone moment. Certain company cars will pay no tax at all, following the announcement that zero emission vehicles, along with hybrids that have an all-electric range of 130 miles, will have their taxes scrapped. Not only that, we now have clarity on the tax years of 2021/22 and 2022/33, as well as the notable reduced rate at which the increase will occur – 1% per annum.

We're starting to see real reform when it comes to prioritising EVs and this announcement shows the important role company car drivers play in reducing emissions. With the increasing prevalence of other measures being introduced to encourage greener motoring, coupled with impressive miles-per-charge, growing infrastructure and the associated cost savings of switching to electric, implementing EVs into a fleet is starting to look like a viable option for many.

While the Government is taking action, we're still going to see higher CO_2 figures on traditional fuels as we move to WLTP.

It's essential that businesses work with their fleet providers to understand not just the costs involved, but the future fleet make-up and strategy – which will undoubtedly mean exploring low emission vehicles.

The recent tax changes, as well as the growing number of clean air zones, are designed to encourage drivers to adopt greener vehicles. But at LeasePlan, we're seeing demand for EVs outweigh supply by about 4:1. Granted, in the past few years manufacturers have produced more electric vehicles, but there still aren't enough.

The Government could take inspiration from other countries, such as the Netherlands, which registered the highest EV share in the EU last year. The tax incentives offered to manufacturers to supply EVs is clearly working – our Government must incentivise, in some way, the supply of EVs in the UK to meet demand.

It's imperative that leasing providers expand their range of services to adapt to changing behaviours towards vehicle ownership. Ultimately, there will still be a need for company cars, but drivers will have more options available to them.

The industry is changing, and fast, so fleet managers must adapt. For example, businesses have always grouped employees into grades to determine which level of vehicle they're entitled to; businesses now need to group drivers based on their driving behaviour, e.g. motorway driving versus city driving.

There are now other areas to look at. For example, the complex issue of leasing disallowance. We'd now urge the Government to look at abolishing special rate pools, or even go as far as resetting the CO_2 level to 130g/km (from 110g/km), to recognise the impact of WLTP. This could go a long way towards easing the burden on businesses and drivers.

Road safety action plan includes alcolocks and tougher penalties

Government proposes 74 measures in crackdown to cut road deaths and injuries

By Andrew Baxter

A raft of new safety measures is being considered by the Department for Transport (DfT) in an effort to reduce the number of people killed and injured on the UK's roads.

Road users of all ages, from fleet drivers and private motorists, to older drivers, young adults and children, are targeted in the proposed measures.

The driver safety action plan builds on a number of projects in the Road Safety Statement, published in 2015, which saw increased enforcement for drug-driving and doubling of penalties for using a handheld mobile phone at the wheel.

Under the proposed plans, failure to wear a seatbelt could result in penalty points as well as fines. This is one of 74 actions being considered.

Others possible measures include the use of 'alcolocks' – devices which measure the alcohol in a driver's breath and stop the vehicle starting if that level is too high – and a greater focus on roads policing in a two-year project with the Home Office and National Police Chiefs' Council.

The focus on seatbelt use follows a report from the Parliamentary Advisory Council for Transport Safety (PACTS). It analyses which drivers and passengers are least likely to wear seatbelts, what prompts this behaviour and the best interventions to reduce casualties.

> "IT'S UNUSUAL TO FIND A ROAD SAFETY MEASURE WITH SO MUCH BENEFIT AND NO DOWNSIDES"
>
> **DAVID DAVIES, PACTS**

David Davies, executive director of PACTS, said: "We are pleased the Government will consult on penalties for not wearing a seatbelt. The research that PACTS undertook, in association with Direct Line, showed how badly this is needed. The examples of Ireland and Northern Ireland, where penalty points and enhanced enforcement have been introduced to great effect, show how effective this could be in Great Britain.

"It's unusual to find a road safety measure with so much benefit and no downsides."

PACTS is also undertaking a study of drink-driving in partnership with the University of Stirling. It is funded by a road safety grant from the DfT.

According to PACTS, around 14% of all road deaths involve a drink-driver over the legal limit "and the number of deaths appears to be increasing".

The Government's plan also finds favour with ACFO, which supports increased punitive measures alongside extra driver education.

Caroline Sandall, deputy chair of ACFO, said: "ACFO welcomes this initiative to improve road safety in key areas. I think most would be astounded by the percentage of deaths linked to lack of seatbelt use and a course of action using increased fines coupled with awareness campaigns across all ages is a positive step.

"We also welcome the measures taken for children and young drivers, with the aim of instilling positive attitudes towards road safety, in particular the initiative to broaden experience for young drivers (night time driving as an example).

"We can, and should, improve our road safety record for the benefit of all and I hope strong investment into appropriate awareness campaigns, education, policing and appropriate penalties will continue to be heavily supported by Government.

"I hope fleets will support these campaigns through internal employee communications channels and initiatives to help deliver the message."

Reducing accidents and fatalities are the main aims of the new proposals

As yet, no targets are being set on the reduction of people killed and injured on the UK's roads. Instead, as part of the road safety action plan, the DfT is "conducting a review of research on road safety performance" to assess whether target setting would have a positive impact.

Saul Jeavons, director of road safety consultancy The Transafe Network, said he has seen the impact road safety targets can have on measuring progress towards a goal within a public sector context whle in the private sector, as anyone in fleet safety knows, the setting of some form of key performance indicators is usually a precondition to success – the old adage of 'what gets measured gets done' is a wise one," he added.

"There are examples where road safety targets have not necessarily delivered success and instances where success has been achieved without them. But, in general, I would welcome the return of road safety targets as a hugely important tool in measuring the success or failure of road safety policy."

JUN

19 — **NEW PEUGEOT 2008 REVEALED WITH ELECTRIC E-2008 VERSION**

Peugeot has revealed an all-new 2008 compact SUV and confirmed an electric e-2008 will be launched. The new model will arrive early next year, offering a range of petrol and diesel engines alongside the electric model.

24 — **NISSAN REVEALS PRICING FOR 239-MILE LEAF E+ ELECTRIC VEHICLE**

Nissan's new Leaf e+ Tekna electric vehicle, which offers a range of up to 239 miles, has gone on sale priced from £35,985 (including £3,500 Government grant).

27 — **HMRC BIK STATISTICS SUGGEST DRAMATIC COMPANY CAR DECLINE**

MOST COMMENTED

New benefit-in-kind statistics published by HMRC suggest the number of company car drivers has fallen by 50,000 (see page 9). However, tax officials say a new way of reporting company car tax will have skewed the figures.

JUL

1 — **IDLING DRIVERS FACE LARGER PENALTIES IN AIR QUALITY CRACKDOWN**

The Government will launch a new consultation this summer with the intention of increasing the penalties for vehicles left idling.

2 — **CRESWICK NAMED NEW MD OF JCT600 VLS**

Ben Creswick replaces Paul Walters as the new managing director of JCT600 Vehicle Leasing Solutions (VLS), moving into the top job a year after joining the business.

8 — **CENTRICA, SSE AND MITIE TO SWITCH FLEETS TO ELECTRIC BY 2030**

Energy suppliers Centrica and SSE and facilities services company Mitie have committed to switch their vehicle fleets to electric by 2030, as part of international non-profit The Climate Group's global EV100 initiative.

9 — **NO COMPANY CAR TAX ON ELECTRIC VEHICLES, SAYS GOVERNMENT**

MOST READ

The Government has created two new BIK tables for company car drivers: a table for those driving a company car registered after April 6, 2020, and one for those driving a company car registered before April 6, 2020, with pure EVs paying no BIK next year.

11 — **GREY FLEET AND MOBILE PHONE POLICIES PUT DRIVERS AT RISK**

MOST SHARED

One in six at-work drivers say they have been involved in an accident when taking a call from a colleague, new research suggests. The study was commissioned by Driving for Better Business (DfBB).

15 — **GOVERNMENT CALLS FOR CONTACTLESS PAYMENT ON NEW EV RAPID CHARGE POINTS BY 2020**

All new electric vehicle rapid charge points should provide debit or credit card payment by spring 2020, under a new Government ambition outlined today.

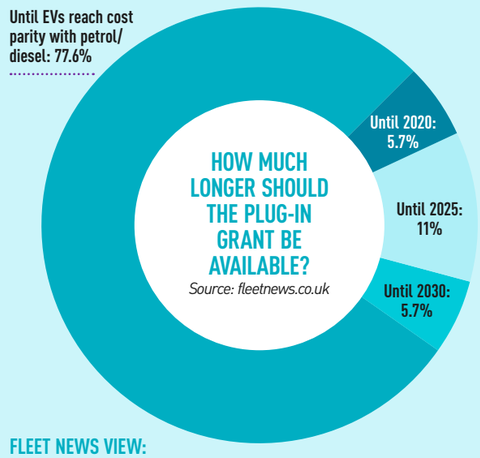
16 — **GOVERNMENT REVEALS PLANS FOR ALL NEW-BUILD HOMES TO BE FITTED WITH EV CHARGE POINTS**

The proposals aim to support and encourage the growing uptake of electric vehicles by ensuring all new homes with a dedicated car parking space are built with an electric charge point.

17 — **DRIVING LICENCE PENALTY POINTS PUT 80,000 DRIVERS AT RISK**

Newly-released driving licence data shows that 80,855 driving licences have nine points – three away from a totting-up ban if incurred within three years.

FLEET NEWS POLL



FLEET NEWS VIEW:

Our poll shows that more than three-quarters of respondents (77.6%) say the plug-in grant should remain until electric vehicles reach cost parity with their diesel or petrol equivalents (thought to be around 2025). The Government is expected to make an announcement in the autumn. Our view is support should be maintained until cost parity if Government wants to achieve its Road to Zero target.

THIS ISSUE'S POLL: Do new BIK tax rates make a company car more or less attractive than cash?

THE BIG PICTURE

In the relieved words of one fleet: at last! The Government has finally announced the new BIK tax tables, which make (some) concessions to the impact on CO_2 of the new testing regime (WLTP) from April 2020.

First, the good news: a new 0% rate for electric cars. It should bolster interest in EVs, particularly with a 1% BIK in 2021/22 rising to 2% in 2022/23. The savings will run into the thousands of pounds over diesel alternatives.

Also, RDE2 diesel models will remain exempt from the 4% surcharge, potentially increasing their appeal to company car drivers.

The three-year sight of BIK rates came as a pleasant surprise; Treasury had been indicating something shorter. What wasn't a surprise was the non-inclusion of vehicle excise duty (VED) in the realignment of values. A call for evidence will be issued later this year as they are also affected by higher emissions calculated by the WLTP test.

Now the bad news: cars registered before April 2020 are on a different table to those registered from April 2020, with BIK two percentage points lower for the latter.

Why is this an issue? Cars registered before April 2020 have CO_2 emissions calculated on NEDC-correlated; post April 2020 they are on full WLTP. But NEDC emissions are lower than WLTP by 10-20% for most cars.

As a result, the two percentage-point saving for WLTP-rated cars doesn't offset the rise in CO_2 emissions over NEDC-correlated cars.

Therefore, drivers of WLTP cars will pay more than colleagues driving identical cars registered pre-April 2020, despite a BIK rate that is two percentage points lower.

And the gap widens further in 2021 when the BIK gap drops to one percentage point, and again in 2022 when the two tables merge.

That's both unfair and worrying as drivers consider opting out of company car schemes.

Nevertheless, we now have clarity and certainty for the next three years and fleets can begin their planning. And the message from Government is resounding: if you want to save money, start choosing electric.

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

HAVE YOUR SAY

EDITOR'S PICK

BENEFIT-IN-KIND TAX

A shot in the arm for EVs

Paul Gauntlett from Lex Autolease wrote:
Having read 'No company car tax on electric vehicles, says Government' (fleetnews.co.uk, July 9), on the whole this is fantastic news. Clarity and certainty for planning and evaluation, when before there was only frustration and uncertainty.

This is a shot in the arm for EVs and sends a very clear message on the direction of travel that corporate fleets should be taking where possible.

On that point, every company car driver with a renewal coming up needs their head testing if they don't want a full EV or plug-in-hybrid. That, of course, will cause fleet managers a real challenge as availability simply does not correspond.

Fleet managers will also realise that not every driver is suitable for plug-in vehicle – although there are some excellent online tools to help fleet managers evaluate driver suitability.

This is good news and, while the manufacturers will need a bit of time to catch up with demand, we are genuinely now on a fast-track road-to-zero revolution.

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

Glenn Ewen added:
I would contend that anyone who can make use of a pure electric car probably doesn't do enough miles per year to warrant having one. Either that or their job is limited in range. It encourages perk cars more than job needs. Still, cart before horse, as no proper infrastructure in place yet. Strikes me as a simple virtue signalling exercise with no real structured plan for the future.

The Engineer continued:
Due to the mess with WLTP, lack of revised vehicles available and tax clarity, I have deferred and deferred ordering a replacement vehicle until I just could not wait any longer – I am currently driving a very tired and high mileage vehicle that has increasing issues and desperately needs replacing.

When my new vehicle arrives in September, I will now find that in six months' time colleagues taking an identical vehicle will pay less BIK tax than me until 2022/23.

How is WLTP, the manufacturers and the Government being so unprepared my fault? Why am I being penalised?

The new tax table should be retrospectively applied from when the new WLTP derived figures became applicable in September 2018.

HAVE YOUR SAY

ENGINE IDLING

Idling rules need to consider vehicle operation

Bob Ritchie wrote:
Having read 'Idling drivers face larger penalties in air quality crackdown' (fleetnews.co.uk, July 1), I fully support the principles of what is being suggested as, in the main, engine idling is unnecessary. However, I would suggest that much of it will happen off-road and will therefore be difficult to legislate.

Another factor which will need to be considered when drafting legislation, speaking as a local authority transport manager, is where idling is a necessary part of the vehicle operation, for example, tippers, gully emptiers, tower wagons, etc. that need to idle to operate the power take-off.

VEHICLE EMISSIONS

Manufacturers 'build what they can sell'

Edward Handley wrote:
Having read 'Carmakers delay electric vehicles to cash-in on SUVs' (fleetnews.co.uk, June 25) it is easy, but simplistic, to blame the manufacturers.

Manufacturers will enthusiastically produce whatever type of vehicle they can sell – production is driven by the market. Telling them not to build so many SUVs is pointless if they are going to have BEVs and hybrids sitting on their forecourts while their competitors have SUVs flying off theirs.

The manufacturers would love a return on their investment in battery technology and electric cars, but that's not going to happen unless they can sell the cars they make. EVs are great, but they are expensive and their range is too limited for many users.

COMPANY CARS

Decline in company cars impacts used market

Ashley Barnett from Lex Autolease wrote:
Having read 'HMRC BIK statistics suggest dramatic company car decline' (fleetnews.co.uk, June 27), in my presentation at BVRLA conference in November, I predicted a decline in numbers but I didn't predict it to be as big as this (see page 11).

Some of it could be due to payroll reporting, but I'm not 100% convinced. Of much bigger concern to me is the environmental impact this decline is having in the UK – we have more than 34 million cars on the roads and, with the number of new registrations declining and the number of company car drivers declining, this can only mean an older, more polluting second-hand fleet; the complete opposite of what we need to achieve a net zero future by 2050.

To solve this, we need a joined up approach across all government departments, industry and OEMs to plot the path for the future.

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Burning question:
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FUTURE PROOFING

The company car sector is expected to undergo massive changes over the next five years. Industry experts reveal all to *Andrew Ryan*

The size of the UK's company car parc has remained stable at just less than one million since the turn of this decade, although the latest Government figures provisionally indicate a reduction in number in 2017/18 (see news story, page 9).

Many industry experts predict this will shrink further as factors such as rising taxes, increasing urbanisation and new, alternative mobility solutions have an impact.

However, recent research indicates there is plenty of life left in the sector.

The British Business and Mobility Study, produced by Sewells Research & Insight, found that two-thirds (66%) of businesses expect their essential use car numbers to stay the same over the next five years, while 18% forecast an increase and 16% a decrease.

Similar findings emerge from research into perk car forecasts, although more businesses expect to see the number of cars decrease (25%) than increase (18%). The rest see the size of their perk fleet remaining consistent.

A survey of business decision-makers by Europcar Mobility Group UK found 45% of respondents saw company cars or vans as part of the mobility landscape in 2022 – the highest proportion of any available option – while Alphabet's *What Moves Britain?* report found almost three-quarters (73%) of British workers believe their vehicle is essential for their daily commute.

"For a lot of people, the car is still their tool to have the freedom of choice to go wherever they want and to remove that or change it is a difficult thing to do," says Uwe Hildinger, COO at Alphabet.

In corporate circles, there is a lot of discussion about mobility solutions and research by Arval Mobility Observatory shows interest is high, says its head Shaun Sadlier.

Nevertheless, in urban environments, new policies are emerging that will put pressure on car use, as better air quality, reducing congestion and improving safety take priority.

However, Sadlier adds: "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.

Will the love affair with the company car continue? Research suggests it will around for quite some time to come

"We believe the reasons for this are simple: employees value having the company car and the benefits it brings.

"The other is that, when a typical multi-stop journey is undertaken, a car is literally the only practical option.

"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."

Organisations and drivers would be unwise to dismiss the "fantastic benefit" of a company car, according to Mike Moore, director at Deloitte LLP.

"There are lots of emotive things that make employees feel valued about the type of car provided to them," Moore says.

"It certainly ticks the box on duty of care if you require your employees to drive on business. It's important that you are providing them with something that is safe and well-maintained, and a company car ticks that box.

"There is also your corporate responsibility on a wider level which includes duty of care, but when you get into the retail market, the incentives for choosing greener cars are not as great as they are in the corporate market."

This is supported by British Vehicle Rental and Leasing Association (BVRLA) research which found grey fleet cars are typically older and more polluting than company cars: the average age of a grey fleet vehicle is 8.1 years (leased company car 2.1 years) and emits 21% more CO_2 at 138g/km than the average company car.

CHANGE FACTOR 1: FUEL TYPE

The Government's announcement that drivers of fully electric cars will pay no company car tax in 2020/21 (see news, page 4) has provided a huge boost to the likely uptake of electric vehicles (EVs) by fleet drivers.

"Provided planned manufacturer model releases of electric cars are backed up by the ability to deliver in volume, and the Government continues to utilise fiscal policy to incentivise the cleanest vehicles, we expect to see the number of electric cars grow on fleets," says Claire Evans, head of fleet consultancy at Zenith.

"Growth is likely to be the greatest in the lower mileage and perk population to start with, and we'd expect a reversal of the trend towards perk drivers taking the cash as they realise the financial benefits of low company car tax when moving into electric for their next vehicle."

Evans says that with the consolidation of the still-immature charge points market and rapid development of technology, fleet managers should look at who can offer them the best solution for their business.

This includes thinking more broadly to consider benefits from maximising efficiencies through combining electric and charge points procurement to take advantage of options to plough unused energy back to the grid.

She adds: "To prepare for this shift in adopting new, cleaner technologies, fleet managers should begin to design their driver policies now with eligibility criteria, charging infrastructure and employee responsibilities in mind.

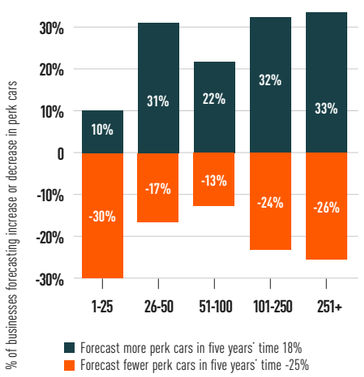
"In addition, fleet managers should set up policies to enable an easy assessment of whether an electric equivalent will be more cost-effective than an ICE (internal combustion engine) car – understanding daily travel needs will be key."

Organisations should not be too quick to discount diesel or petrol cars, either.

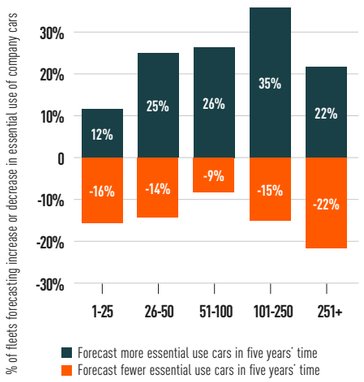
"RDE2 diesels are starting to become available and some of them are comparable with petrol on NOx emissions while also offering better CO_2 output and fuel economy," says Sadlier.

"However, it appears that diesel has become so inherently unpopular as the result of recent emissions controversies that there will be no large scale resurgence in its popularity."

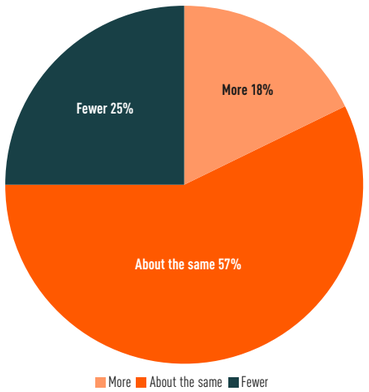
FIVE-YEAR FORECASTS FOR INCREASE OR DECREASE IN SIZE OF PERK CAR FLEET



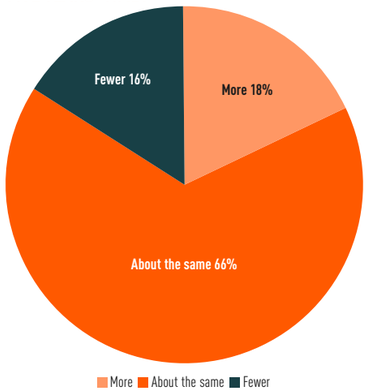
FIVE-YEAR FORECASTS FOR INCREASE OR DECREASE IN SIZE OF ESSENTIAL CAR FLEET



WILL YOUR BUSINESS HAVE MORE, THE SAME OR FEWER PERK CARS IN FIVE YEARS' TIME?

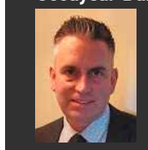


WILL YOUR BUSINESS HAVE MORE, THE SAME OR FEWER ESSENTIAL USE COMPANY CARS IN FIVE YEARS' TIME?



SPONSOR'S COMMENT

By David Morris, Channel Manager, Goodyear Dunlop Tyres UK Ltd



Goodyear's latest partnership, which looks to the future of mobility, is with Citroën and its 19_19 Concept car.

Goodyear has specifically designed the C100 tyre for this concept car, which celebrates Citroën's 100th anniversary.

The tyre has been conceptualised with an extra-large dimension and aesthetics to match the 19_19's spectacular design. It aims to deliver the comfort and smart performance this unique vehicle requires.

Designed with technology to deliver maximum comfort and efficiency for electric mobility and the intelligent capabilities needed to support an autonomous vehicle, the C100 concept includes several innovative features.

These include a Tall and Narrow structure which delivers efficiency, comfort and enhanced performance. The Custom Tread design, inspired by nature, provides both comfort and handling benefits. In addition it has intelligent connectivity which is able to sense road surface and weather conditions and communicate with the concept vehicle's autonomous control system to improve driving performance.

It will also feature advanced active wear technology to assess the state of the tyre, allowing for proactive tyre maintenance.

While the C100 is purely conceptual, some of its featured technologies, such as the tall and narrow structure, are already being supplied by Goodyear, while others, such as intelligent tyre capabilities, are being developed.

Citroën is a mobility pioneer that throughout its history has developed iconic vehicles and groundbreaking new technologies. As it marks its 100th anniversary, Goodyear is honoured to partner with Citroën in writing another chapter in the future of mobility.

The number of drivers aged between 17 and 20 is in decline and is likely continue to do so, says KPMG

The Arval Mobility Observatory research found around half of fleets are planning to continue to operate diesel cars, with around six times as many fleets looking to replace their diesels with hybrids or EVs as petrol.

"This should give a strong push to alternative fuel adoption over the next few years," says Sadlier.

"Our position is very much that the fleet of the future will use a diverse range of fuels, with the emphasis being placed on matching the needs of the driver to the right vehicle."

CHANGE FACTOR 2: TAX

Matthew Walters, head of consultancy and customer data services at LeasePlan UK, says: "One of the biggest changes, which takes effect in April 2020, is a new system of company car tax which is sure to have an impact on company cars in five years' time.

"The main feature of this new system is the new bands for lower emission vehicles, based on the amount of CO_2 they emit, as well as, in some cases, on the number of zero emission miles that they can travel."

Earlier this month, the Government announced the new benefit-in-kind (BIK) tax rates until April 2023 (see news, page 9), with the headline change being that employees with fully electric cars will not have to pay any BIK in 2020/21.

Walters adds: "April 2017 also saw the Government change the tax treatment of employee benefits received through the Optional Remuneration Arrangement (OpRA) which affects cars taken through salary sacrifice and cars chosen where a cash alternative is available.

"Instead of being treated and taxed as company cars, these vehicles would instead be treated and taxed as income. This means that they are subject to income tax (for the employee) and National Insurance (for the employer).

"Some vehicles were made exempt from this change – including ultra-low emission vehicles which emit 75g/km of CO_2 or less.

"However, as more ULEVs come to the market, we will see more of these types of change.

"In addition, as of April 6, 2019, other elements that are packaged with the car – such as breakdown cover, maintenance and insurance – are now treated and taxed as income.

"It would be no surprise if the Government made more changes like this in the next five years."

"MORE YOUNG PEOPLE ARE GETTING AROUND USING PUBLIC TRANSPORT OR TRAVEL ON DEMAND"

SARAH GRAY, ALD AUTOMOTIVE

CHANGE FACTOR 3: DRIVER NUMBERS

A reduction in the number of young adults who hold full driving licences has been highlighted as evidence of the future decline of the company car.

"There has been a notable drop in the number of people taking their driving test at age 17," says Sarah Gray, fleet consultant for ALD Automotive.

"More and more young people are getting around using public transport or travel on demand, such as Uber, and we believe this trend will continue and even expand."

Analysts KPMG agree. Christoph Domke, director of Mobility 2030 at KPMG, says Department of Transport (DfT) figures show that in 2017 30% of adults aged 17-20 had full driving licences. In the mid-1990s, that was 48%.

"That is a massive decline and it will also decline going forward," he adds.

While that reading of the statistics included in the DfT National Travel Survey is correct, it perhaps overlooks the fact the total number of licence holders has increased from 25.4 million to 32.9 million – an all-time high – over the same timescale.

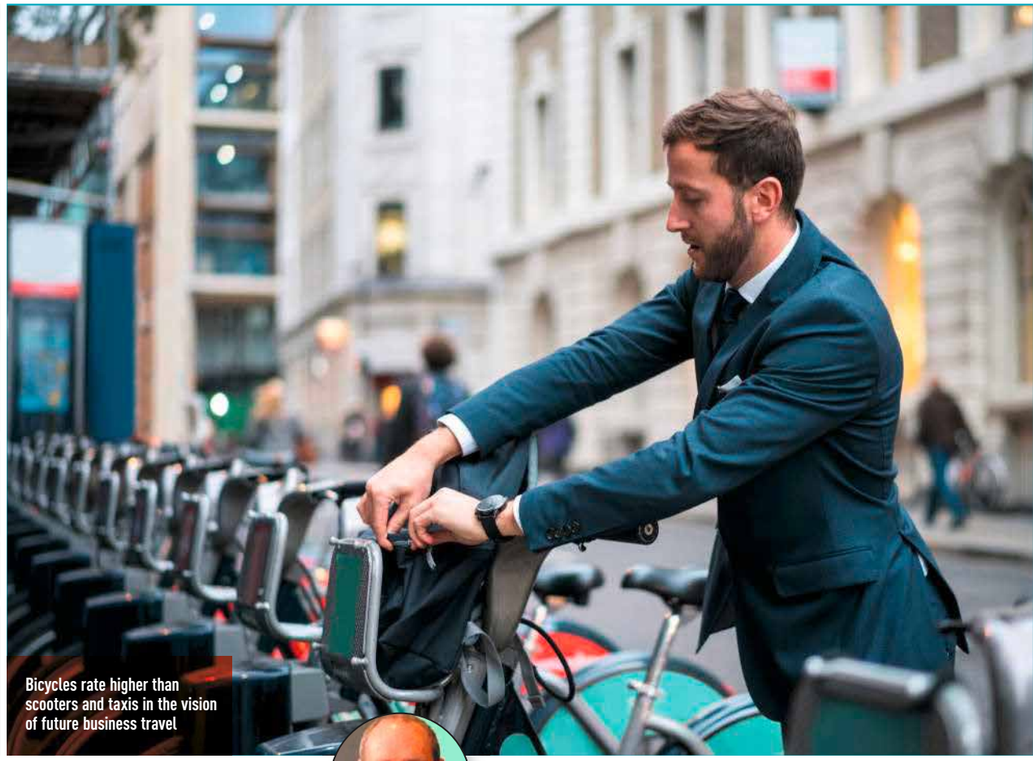
The DfT's figures also show the proportion of adults aged between 21 and 29 with full driving licences has risen from 63% in 2014 to 67% in 2017, indicating that, although the proportion of 17-20 -year-olds passing their test may be falling, they may simply be delaying taking their test.

CHANGE FACTOR 4: ROAD CHARGING

Although reducing the BIK tax rates (see tax panel) should also reduce the tax take in this area, this is "small fry" compared with the amount of revenue the Government faces losing through fuel duty, says Steve Cocks, director of Lex Autolease's broker division.

Latest HMRC provisional figures show that in

It is expected that the UK-wide roll-out of 5G technology will speed up the deployment of connected cars



Bicycles rate higher than scooters and taxis in the vision of future business travel

the 2017/18 tax year, the Government will collect around £1.6 billion in car BIK.

This year the Government will collect around £28 billion in fuel duty and a further £5.6bn in VAT.

WPI Economics estimates that £170bn of fuel duty is at risk between now and 2030 as the shift to EVs reduces the amount of petrol and diesel bought.

"It is worth considering how that (potential future shortfall) might be addressed," says Cocks.

Harvey Perkins, director of tax accountancy HRUX, adds: "We will see some form of UK-wide road charging to recoup that money if it starts to float away with the transition to electric vehicles."

WPI Economics says a road charging system could be based on a wide range of factors including distance travelled, vehicle weight, noise pollution, congestion and style of driving.

"We don't have all the answers, but our argument is that a new road charging system is essential, and it must be flexible enough to reflect all these factors as economic and environmental priorities change over time," says Matthew Oakley, director at WPI Economics.

Road charging already exists in the UK in the form of clean air zones and congestion charges, says ALD's Gray.

"They could be extended or even fully converted into road user charging, with drivers paying for their mileage travelled instead of vehicle excise duty (VED)," she adds.

"Fleet managers would really need to understand their business travel requirements to keep on top of rising costs."

CHANGE FACTOR 5: CONNECTIVITY AND AUTONOMY

One of the major developments which will accelerate the deployment of connected and autonomous vehicle technologies will be the UK-wide rollout of 5G.

This will provide faster and more reliable connections and will be a catalyst for innovation, supporting the internet of things (IoT), says LeasePlan's Walters.

"It could catapult autonomous vehicles into the mainstream and facilitate car-to-car communication, helping them make immediate decisions and improve road safety," he adds.

"This technology has huge potential for fleets. Accurate, real-time information for vehicle optimisation, preventative maintenance, and personalised customer journeys are just three exciting improvements 5G and the IoT could usher in.

"Whether cars are autonomous or not, there are three classes of vehicle-centric communication which could transform the way we drive: vehicle-to-vehicle, vehicle-to-infrastructure and vehicle-to-x, which is the principle of the vehicle communicating to things such as smart devices.

"This could be useful for transmitting mileage and car faults immediately to a fleet manager."

This additional connectivity could also mean a vehicle could be automatically redirected around roadworks or congested locations to save time and reduce idling.

Walters adds: "So much technology is on the brink of transforming our urban world, and companies need to have one eye on the future in order to make the most of it."

CHANGE FACTOR 6: MOBILITY SOLUTIONS

The ongoing development of mobility as a service (MaaS) will give employees a greater number of travel options, particularly as Europcar Mobility Group's survey of business decision-makers found more than one-third felt public transport was not adequate to make business travel efficient.

"What we did find, however, was that expectations change in relation to their mobility needs in 2022," says Peter Crabtree, corporate sales director at Europcar Mobility Group.

Almost a fifth (19%) of respondents expect autonomous vehicles to play a key role, while the use of ride-hailing services is forecast to increase from 10% today to 16% in 2022.

Dependence on grey fleet remains, but shared services are expected to grow, with car share/car clubs expected to account for 27% of employee mobility.

In addition, rental is favoured by 28% of respondents with 23% expecting the pool fleet to form a key part of the business travel landscape in 2022.

"Interestingly, bicycles rate higher than both scooters and taxis in the vision of future business travel, showing the value of sustainable transport options," adds Crabtree.

ALD expects an increase in the use of public transport over the next five years, says3 Gray.

"We see corporate car share, which can be used by employees at the weekend and evenings, as a growth area," she adds. "This could support employers reducing the number of cars being driven to and from their office.

"A key stumbling block to the growth of employee car sharing is the concern of being stranded or not being able to travel if required to do so at short notice.

"If employees can car share with another employee in the knowledge that there will be a spare car if they really need it in an emergency, then car share can really take off."

CHANGE FACTOR 7: FUNDING

Traditional methods of funding cars such as leasing will still dominate in five years' time, but other options such as subscription services will be making inroads.

"Car subscription services are a challenger to the traditional leasing model as they generally involve paying a monthly fee for access to a car," says Walters.

"The attraction for many is having the flexibility to change their car every three months – or stop using one completely if their circumstances change – without having to foot any of the maintenance costs.

"We expect this trend will have taken hold in five years' time, once car brands have developed a deeper understanding of what customers want."

Gray adds: "There could be a change in the way in which leases are taken. It could be that rather than pay for one car for a period of time, the organisation pays for a monthly subscription for cars that may be required.

"Therefore, instead of having one driver per car, the driver pays a subscription and uses various cars based on their requirements.

"Organisations that lease a large number of cars now will still have the need for cars in the future, that is certain, but the transaction of doing so is likely to change."

> "MANUAL TASKS (FOR FLEET MANAGERS) WILL CEASE TO EXIST IN THEIR CURRENT FORM"
>
> **PAUL HOLLICK, ICFM**

As well as predicting growth in personal car leasing over ownership, Zenith expects a resurgence of salary sacrifice "which offers great value as an employee benefit", says Evans.

"We anticipate in five years perk populations will have more diverse options of how to fund their next car," she adds.

"If it is to be electric, then opting out of personal finance and ownership and into company-based schemes such as salary sacrifice and a traditional company car may be the better option.

"Fleet managers should give serious consideration to the benefits of salary sacrifice for electric cars while offering flexible choice through a well-designed perk scheme that may include a personal lease option for all employees."

CHANGE FACTOR 8: ROLE OF FLEET MANAGER

The transformation of a fleet manager into a mobility manager has long been mooted, but trends and the provision of new transport modes should see this evolution become much more advanced.

"Fleet skills will change and have to change," says Paul Hollick, chairman of ICFM.

"Manual tasks will cease to exist in their current form and fleet managers' creative sides will come to the fore. They will need to be innovative, dynamic and strategic."

This will include being responsible for a wider range of mobility solutions, says Gray.

"(Fleet managers) will certainly need to include mobility options in their budgets and not be restricted to just cars," she adds.

"All travel will need to be consolidated and it could mean further discussions with those employees who currently receive a cash allowance, but also reclaim for other travel."

Employees may increasingly look to their employers to aid with their mobility needs, says Evans at Zenith.

These may include bike-to-work schemes, provision of cars and travel as part of the benefits package and with travel planning advice.

"The role of the fleet manager will increasingly include being able to build vehicle schemes to meet business priorities in sustainability and employee demands for cleaner vehicles," Evans adds.

FLEET LIVE

OCTOBER 8-9, 2019 NEC BIRMINGHAM

For more details visit www.fleet-live.co.uk

Meet the UK's top leasing companies at Fleet Live 2019

Experts from many of the top FN50 firms will be on hand to offer advice

The fast changing world of vehicle leasing and fleet management will come under the microscope at Fleet Live, where many of the UK's largest leasing companies will be exhibiting.

These include leasing companies from the top 10 FN50 – including Lex Autolease, Volkswagen Financial Services Fleet, LeasePlan UK, Alphabet and Zenith – whose combined fleet reaches almost one million company vehicles.

In addition, other key players in leasing, including Ogilvie Fleet, Daimler Fleet Management and TCH Leasing, will be at the show this year to offer advice.

Experts from the UK's leading leasing companies will be on hand to advise Fleet Live delegates on a wide range of issues.

Fleet Live also offers the opportunity for fleet managers and procurement staff to meet alternative suppliers and discuss solutions to keep costs in check.

They will all be able to help delegates with any concerns around the continued impact of the Worldwide harmonised Light vehicle Test Procedure (WLTP) and the Real Driving Emissions test (RDE), tax changes like benefit-in-kind (BIK) dropping to 0% on certain plug-in vehicles and advice on the latest mobility innovations.

David Jones, Alphabet communications manager, said: "Fleet Live is the premier event for the UK fleet industry. We can meet existing customers and it exposes us to new potential customers from across the fleet, leasing and mobility industry."

Alphabet is sponsoring the Discover Fleet Theatre this year and it's an area the company thinks is particularly important to support.

The Discover Fleet Theatre focuses on best practice sessions that will help fleet managers, HR managers and those that may have only recently inherited responsibility for vehicles in their company and gives them guidance from experts in the field on each subject.

The seminars this year will focus on taxation, grey fleet, flexible benefits packages and procurement.

Jones said the electrification of the UK fleet sector is also a major topic for Alphabet this year and the company is focusing on speaking to fleet decision-makers on how to make the transition to plug-in vehicles.

Alphabet has been pioneering adoption of EV technology and its own electrified fleet represents around 18% of the entire plugged-in vehicle volume across the British Vehicle Rental and Leasing Association's (BVRLA) membership.

Jones said: "Organisations all around the UK face a big challenge with the switch to plug-in vehicles, but sustainability is a strategic priority for business leaders.

"There are some customers we work with that are already 90% of the way there with transitioning their fleet. Others are still putting their toes in the water with only one or two EVs, so there's still a long way to go.

"One of the things we'll be speaking to delegates about at the show is how they can transition to plug-in vehicles in the most cost-effective way, taking into account emissions reductions, duty of care and their operational goals."

Key stakeholders from Optimise Prime, the UK's largest commercial EV trial, will be presenting at the show this year and there will also be case study sessions for delegates to learn how Dundee City Council and Mitie implemented their own successful plug-in vehicle strategies.

Daimler Fleet Management UK has positioned its stand close to the zero emissions hub and mobility zone at Fleet Live and is also hoping to speak with fleet managers about new mobility solutions and their journey towards electrification.

Richard Dainty, Daimler Fleet Management UK marketing manager, said his leasing company is hoping to have many conversations with fleet managers who are looking to embrace new mobility solutions and start their journey towards electrification.

Dainty said: "We will be promoting our newest incentive FleetFit which will be live by October.

"The premise is to offer our customers a 'personal trainer for their fleet'.

"We'll be speaking to customers about our free eight-point health check, analysing current fleet management strategies and assessing all key areas of performance."

Dainty said FleetFit is about more than vehicle choice and the Daimler team will be on hand to discuss how a combination of small changes can have a large overall impact on fleet efficiencies.

Support for the event won't just be from the largest leasing suppliers in the UK and it's important to have a variety of supplier voices at the show for delegates to engage with to find out about the latest initiatives and to start up conversations for potential future tenders.

Ranjit Grewal, TCH Leasing head of business development, said: "We've supported Fleet Live from the start and this is going to be our biggest ever presence at the show.

"It's a great way of showcasing what we do and there are a lot of fleet managers that are looking to speak with smaller leasing companies too. We'll have a surprise car on stand that is going to generate a lot of interest."

Grewal said Fleet Live has evolved over the years to attract a mix of fleet managers, as well as more HR managers and procurement managers. She also thinks the Birmingham location is a bonus, since a central location makes it easier for all companies from across the UK to get to the show.

TCH Leasing will have its contract hire, rental, salary sacrifice and outsourcing teams ready to chat with delegates or make appointments.

Matthew Topham, Ogilvie group marketing manager, said the show has become an essential part of the fleet industry calendar in the UK.

Ogilvie will have its team from business contract hire and rental, but Ogilvie Fleet's sister-company Tilsun will also be there to talk to delegates about personal contract hire.

Topham said: "The show is such a great way of getting everyone together over the two days to talk about how much the industry is changing."

Alfonso Martinez, LeasePlan UK managing director, said: "Fleet Live is a key date in LeasePlan's calendar. This year, we're proud to sponsor the 'How to implement an EV strategy' seminar on October 9. This will give fleet managers a chance to discover how achievable it can be to transition from traditionally fuelled vehicles to alternative fuels, something we would encourage all fleet operators to consider."

Visitor registration for Fleet Live is now open. Visit fleet-live.co.uk for more information

EXHIBITORS BOOKED SO FAR:

ADESA
AID FUEL OILS GROUP
ALLIED AUTOCARE MOBILE SERVICING
ALLSTAR BUSINESS SOLUTIONS AND KEYFUELS
ALPHABET
ARI
ASSETWORKS FLEET MANAGEMENT
ATTICUS INNOVATION
AUTOGLASS
AUTOMOTIVE SOFTWARE SOLUTIONS
AUTOSERVE
AVON TYRES
BLUELITE GRAPHICS
BP OIL UK LTD
BRI-STOR SYSTEMS
CANTRACK GLOBAL
CHEVIN FLEET SOLUTIONS
DAIMLER FLEET MANAGEMENT
DAVIS BY LICENCE CHECK
DRIVECARD
DRIVEWISE FROM DRIVER HIRE
DRIVETECH (UK), PART OF THE AA
EDRIVING
ENIGMA TELEMATICS
FLEETCHECK
FLEETOMOTIVE
FLEET OPERATIONS
FLEET PARTNERSHIP SOLUTIONS
FUELGENIE
HALFORDS AUTOCENTRE
HAYNESPRO UK
HITACHI CAPITAL VEHICLE SOLUTIONS
INTERACTIVE FLEET MANAGEMENT
JAAMA
KORE
LEASEPLAN
LEX AUTOLEASE
LICENCE BUREAU
LOCKS 4 VANS
LYTX
MASTERNAUT: A MICHELIN GROUP COMPANY
MATRIX TELEMATICS
MERIDIAN VEHICLE SOLUTIONS
MODUL-SYSTEM
NATIONAL ACCIDENT REPAIR GROUP
NEWMOTION
NEXUS VEHICLE RENTAL
NFE GROUP
THE NOCO COMPANY
NORTHGATE
OGILVIE FLEET
POWERED SOLUTIONS
QUARTIX
RED FLEET DRIVER TRAINING
REFLEX VEHICLE HIRE
RINGGO CORPORATE PHONE PARKING
ROLEC EV
SAMSARA
SAM SAYS
SEAT UK
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SHELL FLEET SOLUTIONS
SMART FLEET SOLUTIONS
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TRAKM8
TRIMBLE
TTC GROUP
VENSON AUTOMOTIVE SOLUTIONS
VERIZON CONNECT
VOLKSWAGEN FINANCIAL SERVICES | FLEET
VOLVO CAR UK
ZENITH

Electric and low-emissions vehicles dominate displays at the CCIA show

Industry experts were on hand to discuss shift to new fuel technologies with decision-makers

Company Car in Action (CCIA) is the UK's most comprehensive driving event for fleet decision-makers and influencers. This year's event, held on June 12-13 at the Millbrook Proving Ground, saw just more than 1,000 visitors drive 300 vehicles, from 16 leading manufacturers.

As well as putting a host of vehicles through their paces around Millbrook's four unique, purpose-built test tracks, visitors were able to attend the CCIA Knowledge Hub and meet key suppliers including ACFO, Alphabet, BP Chargemaster, Glass's and Licence Bureau. The Hub explored topical debates on driver wellbeing and played host to an EV (electric vehicle) Question Time session discussing how and why fleet decision-makers should add EVs to their fleets, along with the potential pitfalls and challenges.

This year's expanded Zero and Ultra-low Emission Zone gave visitors the opportunity to evaluate the latest electric and hybrid vehicles.

Industry experts from both manufacturers and suppliers were on hand to discuss the shift to new fuel technologies, giving visitors invaluable insight into the viability of zero and ultra-low emission fleets.

And it was the rapidly increasing focus on zero emission and ULEVs which dominated the manufacturers' strategies and the cars showcased at this year's event.

Vehicles on display included: BMW 330e (plug-in hybrid); Honda CR-V (hybrid); Jaguar I-Pace SE (pure electric), Kia e-Niro First Edition (pure electric), Renault Zoe i S Edition R110 Z.E. 40 (pure electric), Toyota Mirai (hydrogen) and Volvo XC60 T8 (plug-in hybrid).

BMW BRINGS FORWARD ELECTRIC CAR PLANS

BMW is to accelerate its electric car plans and launch 23 electrified models by 2023, two years ahead of its original target.

Of these, five fully electric vehicles are due by 2021, with the i3 set to be joined by the Mini Electric this year, the iX3 in 2020, and the iNext and i4 in 2021.

This broad product range, says BMW, reflects a changing market.

Rob East, general manager, corporate sales at BMW Group (UK), says: "We see a changing global market, changing global expectations and electrification is a fundamental part of our strategy.

"Four new electric BMW models will be coming in 2019: we have the launch of the updated i3 with a 120-amp battery from midway through this year, the new 330e plug-in hybrid, the X5 45e PHEV and will also have the facelifted 7 Series with 745e and Le plug-in hybrid variants.

"The cars that are really critical for us are the 330e, which has an electric-only range up to 37 miles and less than 40g/km, and the X5 45e which offers up to 50 miles and less than 50g/km.

"We are seeing significant corporate demand for PHEV SUV products, particularly in fleets which have fewer policy restrictions."

FORD SEES HYBRID AND PLUG-IN HYBRID AS TRANSITION TO FULL ELECTRIFICATION

Ford believes the route to full electrification will be a transition that incorporates hybrid and plug-in hybrid as companies build their confidence and awareness of alternative fuels.

"Different customers and their differing requirements mean different levels of readiness for electric and we have to help them through this transition," says Owen Gregory, Ford UK fleet director.

"We see a balance and blend of technologies that bring different parts of the transition in terms of electric performance and availability."

Ford's launch plan begins with the 48-volt mild hybrid solution which is introduced in the Transit and Transit Custom this summer.

Gregory describes it as a "good first step towards electrification" for drivers who need a combustion engine but want to reduce emissions.

"That will increasingly come to our passenger vehicles in 2020," he adds.

Next step is a range of self-charging hybrids. A hybrid Mondeo saloon has been available for a few years, but has sold in limited numbers due to the four-door body shape. Hybrid will shortly be added to the estate, with indicative CO_2 emissions of sub-100g/km and, from 2020, the Kuga.

In the fleet sector, previously dominated by diesel, this will result in "a much richer mix of self-charging hybrid", Gregory predicts.

Ford has already been extensively trialling plug-in hybrids with its fleet of 20 Transit Customs in London (see *Fleet News,* April 2019). The initial pilots have ended, giving more potential customers the opportunity to test the vans.

"The use case for full electric for CVs is narrow but we are able to open up the use case with plug-in. We will also be able to share our insights from the trials with other customers," says Gregory. "We are now moving into mainstream production."

In addition to the panel van, a combi Tourneo will also come to market; details on pricing and emissions will be available in the next few weeks, with residual forecasts no later than August, enabling customers to assess total cost of ownership.

Kuga will be the first plug-in hybrid passenger car in 2020, "a good and natural choice for company car drivers", claims Gregory.

"This year into next, we will see a real shift in the breadth of powertrain available across our cars and light commercial vehicles," he says.

Ford is ramping up its support for customers with investment and training into its field teams, particularly for vans, and is also investing in a joint venture collaboration with the Ionity charging network.

Ionity is planning to open 400 super-fast 350kW charging sites across Europe, including 40 in the UK, by the end of next year. The first one opened in May off J8 of the M20 in Kent.

"2020 to 2030 will be the decade of transition. The unknown is the tipping point, but my view is that the mid-point of the decade is where we get into mainstream acceptance," Gregory says.

Until then, diesel and petrol still have a major role to play.

Consequently, Ford is continuing to invest heavily into internal combustion engine technology to ensure it can offer suitable low emission solutions to fleets.

HONDA TAKES 'FIRST STEP' TOWARDS ELECTRIFICATION

The Honda CR-V hybrid, which featured at this year's CCIA, is seen as the "first step" in the manufacturer's electric journey.

At the 2017 Geneva motor show Honda announced its plans to have two-thirds of all automotive powertrain sales electrified by 2025.

This ambitious goal was ramped up at this year's Geneva show with an increase to 100% of sales of Honda cars to feature an electrified powertrain from 2025.

Phil Webb, head of car at Honda UK, says: "The first step in this journey was the launch of the CR-V hybrid at the start of this year.

"The CR-V hybrid is the first car in Honda's line-up to feature Honda's i-MMD (intelligent Multi Mode Drive), which automatically switches between three driving modes to provide the highest possible efficiency.

"Sales of the hybrid have been strong and we have experienced a high demand from our fleet customers."

Honda recently announced that the next generation Jazz will be available with a hybrid powertrain. It is due to be launched at the Tokyo Motor Show in October and will be the second car in the line-up to benefit from intelligent Multi Mode Drive.

"A third of all sales for the current Jazz are to fleet customers and we see this enthusiasm for the car not changing when the next generation arrives," says Webb.

Meanwhile, the much anticipated pure electric Honda e will also be available to fleets from early next year.

With a 35.5kWh battery that will deliver a range of 125 miles and is capable of charging 80% in 30 minutes, Honda is expecting strong take-up from fleet customers.

The mass production version is due to be launched later this year, with the car on sale before the end of 2019 and the first customer deliveries in early 2020.

RENAULT REPORTS 'SIGNIFICANT' INTEREST IN EVs

Renault gave visitors to its stand at this year's CCIA a glimpse of the all-new Clio, which goes on sale in the autumn.

Like many manufacturers at this year's show, hybrid and fully electric models look set to feature heavily in future launches.

New Zoe will be launched later this year, as will new Master ZE, and next year Renault will reveal a Captur plug-in hybrid electric vehicle (PHEV) alongside a hybrid Clio.

The manufacturer has already been helping fleets make the switch to EVs, with two electric vehicle fleet specialists able to advise operators.

Mark Dickens, head of fleet sales operations and remarketing at Renault, says that has already paid dividends, with a "significant increase" in the adoption of EVs by fleets.

"We believe that will increase more over the next few years, especially as CAFE (Clean Air for Europe) regulations drive manufacturers to meet EU emissions targets, in both car and LCV," he says.

However, he stressed that there will always be a place for diesel cars and vans.

"Diesel can often be the most efficient as well as cost-effective choice for users who cover long distances," says Dickens.

"As an example of our continued commitment to cater for these drivers, the all-New Clio, which arrives in right hand drive form in the UK in October will be available with the dCi 85 engine from launch."

The new diesel engine will be equipped with the latest selective catalytic reduction technology to trap and treat nitrogen oxide (NOx).

SEAT WILL 'EMERGE AS A CENTRAL PLAYER IN EV TECHNOLOGIES'

Seat will emerge as a central player in electric vehicle technologies, says Peter McDonald, head of fleet and business sales at the manufacturer.

As part of its strategy to offer six fully electric or plug-in cars by 2021, Seat recently announced its first fully electric model – Mii Electric city car – with first customer deliveries due early next year.

It unveiled its El-Born fully-electric concept car at the Geneva motor show earlier this year, while it will also launch plug-in versions of the next-generation Leon hatchback and Tarraco SUV.

McDonald says Seat is very positive about the potential of hybrids and EVs in fleet.

He adds: "Seat is embarking on an extremely exciting period in which we will emerge as a central player in EV technologies.

"We believe we have a strong proposition in the short- and long-term, with the Volkswagen Group as a whole and Seat committed to a high level of investment in products and infrastructure.

"We believe fleet demand will be strong, especially in environments where low benefit-in-kind tax is important, including salary sacrifice and public sector.

"So the appetite is there and it's growing. We see demand increasing from corporate end-user fleets. However, we believe the best option for each fleet will be highly dependent on the types of journeys their employees are making, and the access to infrastructure they may have at home, at work and on their journey.

"Ultimately, fleets may require access to all options including petrol, diesel, hybrid and EV."

McDonald says Seat is working with the leasing industry and communicating with businesses to support customer requirements, ensuring it has the latest product data and information.

"It is our priority to support every customer in making the best choice for them and their fleets, using all the information available," he adds.

"Even though the trend is for gradual accept-

ance of EVs, there will remain a need for a strong mix of powertrains for a considerable period."

SUZUKI SEES INCREASE IN HYBRID VEHICLE ORDERS

Suzuki has bold ambitions to grow its fleet business and has just finalised a new fleet strategy, which has seen around a third of its dealer network become Business Partners.

Following a tie-up with Toyota, next year the brand will launch two new models based on the current Toyota Corolla Touring Sports and the Rav4. This will expand its range of hybrid vehicles and give it access to two key fleet segments that it currently does not compete in.

Graeme Jenkins, head of fleet at Suzuki, says: "What we're seeing, certainly from the leasing industry, is an increase in orders of hybrid vehicles and part of the reason for that is that we're now on Crown Commercial Services for the public sector.

"We've seen a big spike in small car orders and a lot of those tend to be a hybrid derivative that naturally falls in line with the public sector."

The brand's model range includes two mild hybrids in the Swift and Ignis. Suzuki believes this type of powertrain is the most suitable for smaller cars as they are cheaper to produce and lighter.

Alongside these models at CCIA was the new Vitara, which is available with a 1.0-litre or a 1.4-litre turbocharged petrol engine.

Interest in the brand boomed earlier this year when it launched the new Jimny, a retro-styled small off-roader. With more than 10,000 expressions of interest it has become an unexpected 'halo' model.

VOLVO'S ENTIRE RANGE AVAILABLE IN EV FORM BY END OF 2019

Volvo's commitment to electrification will see its entire model range available with an electric motor by the end of the year.

Following the success of the S90, XC60 and XC90 Twin Engine plug-in hybrids – which were all available to drive at CCIA – the brand has begun the roll-out of its new petrol and diesel mild hybrid powertrains.

Plug-in hybrid versions of the V60 and S60 will also be available shortly, joined by the XC40 before the end of the year.

Steve Beattie, head of business sales at Volvo, says: "Fleets are asking about our electrification strategy and what cars we have got coming. You can really start to see that companies are opening up their policies for plug-in hybrids and, indeed, fully electric cars.

"Plug-in hybrid really offers an alternative where people can make a step change. The great thing about going to a plug-in hybrid is you can almost drive on pure electric but you've got that back-up of a petrol engine if you need to go somewhere (on a long journey).

"It's a good stepping stone for full electric. That's what we're doing well."

Hybrids currently account for around 13% of the brand's fleet sales, with diesel still taking the lion's share of sales.

Beattie believes the V60 and XC40 plug-in hybrids will enable drivers in lower bands to access the technology and boost sales.

Volvo will launch a fully-electric version of the XC40 next year.

VAUXHALL RETURNS TO THE EV MARKET WITH NEW PLUG-IN HYBRID

Vauxhall, one of the pioneers of plug-in hybrid vehicles with the Ampera, is back with the Grandland X Hybrid4, its first plug-in SUV.

The car, which features a 3.3kW battery with an optional 6.6kW version available, has CO_2 emissions of 49g/km and a zero emission range of 30 miles, giving average fuel consumption of 128mpg.

Vauxhall intends to electrify its entire product portfolio by 2024.

Later this year, the full electric version of the Corsa will go on sale followed by an electric Vivaro next year and an electric Combo in 2021.

CCIA 2020 To find out more and to register your interest for CCIA 2020 visit companycarinaction.co.uk

CCIA first drives

Among the highlights at this year's Company Car In Action were a variety of first drive opportunities, where fleet decision-makers could get behind the wheel of some of the latest models before any one else.

To put the cars through their paces, we assembled a team of fleet managers from some of the largest and most prolific fleets in the UK.

The line-up of cars covered a broad range, including diesel, petrol-hybrid and electric. We asked the fleet managers to assess them based on how well suited they would be for fleet use, but to also consider desirability and driveability.

THE PANEL:

1. Chris Connors, group facilities and fleet manager at Countryside Properties
2. Stewart Lightbody, fleet director at M Group
3. Ryan Coles, group travel and fleet manager at Aviva
4. David Oliver, procurement manager at Red Bull

Kia E-Niro 64kWh

Key stats
P11D: £36,440 (First Edition)
CO_2: 0
BIK (20%): 16%/£1,166
Range: 282 miles

It's the car that everybody wants and no one can get. The Kia E-Niro is one of the first affordable long-range electric cars, with a 282-mile range.

Such is demand for the new model that battery suppliers are struggling to keep pace. The manufacturer had sold its first year allocation within two weeks. Orders are now being taken for next year.

The E-Niro is a spacious hatchback with room for all the family. It also comes well equipped, making it ideal for business users.

Range anxiety shouldn't be an issue. With a real-world range of around 260 miles, the E-Niro should comfortably handle most business trips.

Its 202PS output delivers a decent turn of speed, even if the chassis is a little uninspiring.

Stewart Lightbody said: "The E-Niro is probably the best 'budget' EV there is at the moment. It's slick, responsive and good to drive."

While there is plenty of equipment on board, our panel felt the car's interior was a little on the cheap side.

Despite being less expensive than other long-range EVs, the E-Niro still costs about as much as a BMW 3 Series yet, capability aside, it feels like a much cheaper car in comparison.

"You're paying for the battery development," added Lightbody. "Without the battery, the E-Niro is not a £36k car."

Our panel believed that drivers may be likely to accept a less premium car given the benefit-in-kind tax savings, but had bigger concerns over the lack of availability of electric vehicles.

As manufacturers continue to announce new electric models, they are all in relatively small volumes, meaning they are unlikely to become a big part of the fleet car parc any time soon.

Mercedes GLE 300d AMG Line

Key stats
P11D: £54,800
CO_2: 162g/km
BIK (20%): 37%/£4,055
MPG: 36.7

Premium SUVs remain popular as drivers consider them as more practical alternatives to traditional executive models.

The GLE is the latest in the segment, aiming to take on the new BMW X5.

For the first time, the GLE is available with seven seats. This is thanks to its new, longer, wheelbase.

Our test model used a tuned version of the 2.0-litre diesel engine found across a number of Mercedes-Benz models.

Here, it is badged GLE 300d and has an output of 245PS.

David Oliver said the GLE "has the wow factor". He was impressed by how quiet and refined the car was on Millbrook's Alpine handling course, providing a smooth ride despite having a sporty appearance.

The GLE is only offered in high-spec AMG Line trim. It comes well equipped, but also at a price.

Our panel felt the car would only be suitable for a "select few" within most businesses, with high BIK despite having RDE2 compliance. However, they agreed the GLE is a worthwhile model to test as it gives an insight into some of the technology and features that will make their way down the model range.

The GLE's new interior was a standout feature, winning praise from all the fleet managers that drove it. It features two high-resolution displays, creating a widescreen effect for the driver.

The infotainment system features the brand's 'Hey Mercedes' voice control system and includes a range of connected features and a 360-degree parking camera.

Toyota Camry Design

Key stats
P11D: £29,820
CO_2: 98g/km
BIK (20%): 23%/£1,372
MPG: 53.3

Toyota has brought the Camry back to the UK after more than a decade, feeling that now is the right time to reintroduce the large saloon with a focus on fleets.

There is only one engine, a petrol hybrid that produces 215PS and emits 98g/km of CO_2.

It offers drivers a highly-equipped and cost-effective alternative to the Volkswagen Passat, and helps fleet managers introduce alternative powertrains to their fleets.

Stewart Lightbody said the Camry makes for a "great motorway cruiser". He was particularly impressed by the fuel economy, which at more than 50mpg makes it a credible alternative to a diesel for a high-mileage driver.

David Oliver added: "The BIK is appealing which should be enough to attract drivers at the moment."

The Toyota's 'self-charging' hybrid system allows for zero-emission running at low speeds, during manoeuvring and when stationary. It captures wasted energy during braking to recharge the battery and, when on the move, the petrol engine powers the car.

Our panel was impressed by the powertrain's smoothness and commented on the strong performance. No one felt drivers would be deterred by the hybrid powertrain and the panel felt the Camry offered a good, if not class-leading driving experience.

However, the Camry's interior received less favourable feedback. Most notably, the infotainment system, which uses dated graphics and a confusing user interface.

Lexus UX

Key stats
P11D: £29,730
CO_2: 94g/km
BIK (20%): 22%/£1,308
MPG: 53.2

Lexus has a keen eye on the fleet market and its range offers a variety of affordable luxurious models with hybrid engines.

The UX is the latest model to join the Lexus family in the highly lucrative compact SUV sector.

It rivals the likes of the BMW X2 and Volvo XC40, offering competitive pricing and attractive BIK rates.

Like most Lexus models, the UX is only available as a hybrid. The 2.0-litre petrol-electric powertrain develops 176PS, giving it a power advantage over entry-level rivals.

Ryan Coles said: "The hybrid powertrain has its place, when driven to take advantage of its strengths. But for me it is all about making sure you have the right powertrain and fuel for the majority of the journeys you do.

"The CVT gearbox is 'Marmite' in that it has positives and negatives. It does work well in the UX provided you don't want 0-60 in diesel ranges."

When it comes to styling, our panel felt the UX was a "breath of fresh air" when compared with rivals. Its angular styling gives a modern appearance and a number of fleet managers felt it was the best looking model in the segment.

The interior received praise for having high quality materials although the infotainment system was criticised for being complicated.

Refinement was commended by the panel, which felt the car had excellent motorway manners on Millbrook's high-speed bowl.

Jaguar XE D180 SE

Key stats
P11D: £35,800
CO_2: 130g/km
BIK (20%): 30%/£2,148
MPG: 50.7

The Jaguar XE might not look very new from the outside but the facelifted model has received a number of key changes, especially inside.

Under the bonnet lives an RDE2-compliant 2.0-litre diesel engine, which develops 180PS and emits 130g/km of CO_2.

The XE's revised interior introduces a new infotainment set-up, with the availability of a twin touchscreen system that mirrors the one first seen in the I-Pace and replaces the majority of the switchgear.

Chris Connors said the XE is "a great looking car with a lot of kerb appeal".

The panel felt the Jaguar badge was particularly attractive to drivers and said the engine gave the car a significant advantage over its rivals for company car tax.

Ryan Coles added: "It's great the XE is RDE2-compliant. The biggest challenge for leasing companies is to have systems in place to be able to order and, as the focus on BIK is so great, there are significant opportunities for our drivers."

While handling, performance and efficiency were commended, our panel felt the XE had a cramped interior and its boot space was limited.

Concerns were also raised over the aftersales experience provided by Jaguar dealers, with the panel agreeing that rival brands offer a better service.

The XE was joined by the rest of the Jaguar and Land Rover range at CCIA, including the I-Pace and new Evoque.

Keeping your vehicles under 24/7 surveillance

Tracker leads the charge against vehicle theft with a 95% recovery rate, reports *Stephen Briers*

More than 110,000 vehicles were stolen last year, according to Home Office figures, a rise of almost 50% compared with five years earlier. That's equivalent to 300 thefts a day. And, starkly, more than half of them will never be recovered.

Far from making it harder to break into vehicles, modern technology is creating new ways for resourceful thieves to gain access to cars and vans, with a rapid rise in keyless relay attacks which defeat the latest anti-theft systems.

Resolving this issue has been given new urgency after the recent spate of vehicles used in terrorism attacks.

Tracker, which celebrates its quarter century anniversary this year, is leading the charge against vehicle theft. It has an impressive record, claiming a 95% recovery rate on stolen vehicles that are fitted with its Thatcham-approved technology.

Key to its success is the deep relationships it has with police forces nationwide and the fact it operates its own 'low-powered wide area network' (LPWAN), which provides 99% coverage across the UK. However, a profusion of competitors have entered this space in recent years, offering myriad solutions, which has prompted a business rethink.

Greig Hilton, Tracker UK managing director, joined in November 2017 to, as he puts it, "tidy it up a bit and reposition it for the future".

He explains: "Lots of competition has come in, but Tracker has a lot of know-how with communications and tracking assets. It needed someone to come in and realign the business."

One of the biggest opportunities centres on the LPWAN, a wireless telecommunications network upon which Tracker relies for the recovery of stolen vehicles. Part of the internet of things, it enables small data reporting from across the country.

It also opens wider opportunities which Tracker started to investigate following its acquisition in February by CalAmp, a Californian tech company.

"CalAmp bring new developments on connectivity, real-time analysis and data," says Hilton. "They will give us a shot in the arm with their software platforms and services that lay over the top (of ours)."

One service, already in use in the US which is being remodelled for the UK, reconstructs the events leading up to a crash for the police and insurance companies, as well as alerting them when a crash has occurred.

However, Hilton is mindful that stolen vehicle recovery will remain "our bread and butter". Each vehicle is given a unique IP address enabling it to be tracked via GPS and VHF to an accuracy of one metre, even when hidden in containers or underground – or across Europe.

If a car containing a Tracker unit is stolen and passes another car with a Tracker unit in, it alerts the car through 'mesh network' technology, which helps the police to identify its location.

"We get several hundred mesh hits (on a stolen vehicle) that help the police to home in on the car and also gives a snail trail of where it's been and the speed it's travelling at," says Hilton. "It adds to the security blanket."

Tracker also has products designed for plant and systems compatible for hybrid and electric vehicles. Its enhanced stolen vehicle service tackles the issue of relay attacks by using Bluetooth tags to alert the driver if the vehicle moves without use of the keys.

The relationship with the police is a vital component about which Hilton is justifiable proud.

"We have really strong ties with the police and we are the only service where the police will actually intervene on our behalf to recover vehicles," Hilton says. "We have 1,700 police vehicles and 20 police helicopters equipped to track our products."

Tracking might not be restricted to vehicles in the coming years, either. "The police are under pressure with resource so we could enhance our solution to help them; for example, tracking elderly people or vulnerable people – it's the same technology," Hilton explains.

In addition to stolen vehicle recovery, Tracker also offers telematics – incorporating traffic and route planning, vehicle location with geofencing, journey playback and management reports on driving performance – and usage-based insurance for insurance companies' pay-as-you-drive services.

The fleet telematics solution was rebuilt after former parent Tantalum divested three years ago. Its target market is SME fleets of 20 vehicles-plus, rather than large corporates which tend to be tied into lengthy contracts.

> "YOU CAN'T HAVE ENOUGH DATA; YOU JUST HAVE TO UNDERSTAND THE PROBLEMS YOU ARE SOLVING"
>
> **GREIG HILTON, TRACKER UK**

"It's a simple solution that a PA can manage as well as a fleet manager," Hilton says. "We also have technology where we collect data from the vehicle and provide a solution."

Over 25 years, Tracker has installed more than one million tracking units, and currently has around 100,000 active subscribers who are traced 24/7. They consist of a mix of business and private and include cars, vans, motorcycles and leisure vehicles such as motorhomes and caravans.

Many are higher end, expensive marques, so Tracker is now developing a low-cost GPS-only solution, still Thatcham approved.

While some vehicles have trackers fitted but are no longer subscribers, all is not lost if their vehicle is stolen.

"We work with police and insurance companies on a no win, no fee," explains Hilton. "We can reactivate for a one-off fee to find the car. We have a lot of insurers signing up for this service."

Tracker's priority now is to identify new solutions for its technology, including areas where its data collection can bring insight and add value for the customer in the age of the connected vehicle.

One example is real-time parking data, which reduces urban congestion and emissions because cars do not have to drive around looking for a space. Another is an extension of the Bluetooth tags to measure humidity, temperature and light, which could be used to monitor the temperature of refrigerated units. Expect to see these, and more, come to market over the next 12-18 months.

"If we don't have the skills sets to manage connectivity and real-time data, we won't have a long shelf life as a business," Hilton says.

"You can't have enough data; you just have to understand the problems you are solving. And our service is sold on problem-solving."

COMPANY: Tracker
UK MANAGING DIRECTOR: Greig Hilton
TIME IN ROLE: 20 months
KEY SERVICES: Stolen vehicle recovery, telematics, usage-based insurance
NUMBER OF ACTIVE SUBSCRIBERS: 100,000
TOTAL RECOVERIES TO DATE: 25,750
NUMBER OF ARRESTS: 2,684
VALUE OF VEHICLES RECOVERED: £542m-plus

Pictured (in suits) left to right: Neil Hardie, northern regional sales manager at Tracker; Clive Wain, its head of police liaison; Andy Barrs, former head of police liaison at Tracker; and Jim Graham, director at Arnold Clark Automobiles

WINNER TRUSTFORD

FLEET AND COMMERCIAL VEHICLE DIRECTOR: Mark Wilkie
ANNUAL TRUSTFORD GROUP SALES (2018): 105,000 cars and commercial vehicles
TRUSTFORD FLEET SALES (2018): 48,000 cars and commercial vehicles

Mark Wilkie is pictured second from right (on sofa arm) with other members of the TrustFord team. MD and chairman Stuart Foulds is seated holding the award

TrustFord 'committed to resolving' fleet market's problems

Having two giant preparation sites available gives franchised dealer a big measure of control, reports *Jeremy Bennett*

Taking the crown as Fleet Dealer of the Year at this year's Fleet News Awards for the third time is testament to TrustFord's focus on continuous improvement to ensure it can provide a total solution for its fleet customers.

Infrastructure, logistics, IT, people, vehicles and relationships with leasing companies, end user fleets and suppliers are all areas of constant focus for the dealer group's Scottish fleet and commercial vehicle director Mark Wilkie.

With development in so many areas of the business it's led Wilkie to say to the fleet market: "Bring us your problems and we're committed to resolving them."

And the market has taken heed. Last year TrustFord's fleet operation had a record year, with a 20% volume increase, despite Brexit and emissions regulation uncertainty. And volumes were up 20% year-on-year in Q1 in 2019.

The business had just opened a 10-acre pre-delivery preparation centre at Sherburn in Elmet, North Yorkshire, to support plans to grow fleet volumes this year from just less than 48,000 up to 60,000 vehicles (or 1,000 per month). Vehicle, storage, preparation and graphics functions are already operating. The site will expand to 20 acres within 18 months, possibly more. It complements the 24-acre Long Marston pre-delivery inspection (PDI) centre which opened in 2017.

When both are operating at maximum capacity they will be able to PDI 50,000 vehicles a year, using an electronic delivery system developed in-house, which will barcode every vehicle.

Fleet News: How does the physical growth of TrustFord at Long Marston and Sherburn make a tangible impact on fleet end-users and leasing company customers?
Mark Wilkie: Uniquely for a dealer group we have 77,000 sq ft of internal space at Long Marston allowing us to do 100 PDIs per day, plus 40 bays available to third-party vehicle convertors. We can reassure fleets that we can manage the entire preparation process in one place, under cover. It's unprecedented in its efficiency and we insist on – and maintain – rigorous standards.

And, because we store 5,000 vehicles on that site, their availability means we can get a call from a customer needing 20 vans in 48 hours in Glasgow and we can turn them around. The process is all in our control, from plylining to telematics installation, racking to graphics.

We know no other business that has one site like this, let alone two. It means very often we say to leasing companies, give us the problem and the outcome you want and we'll do the rest. And we're winning reciprocal business from our third parties as a result of our efficiencies.

FN: What's your volume projection for 2019?
MW: We did just under 48,000 vehicles last year in fleet and commercial vehicles (CVs) and expect at current run rates to break 50,000. We have a few major opportunities under way at the moment which, if we can turn them around, would make a significant difference.

FN: What impact does such volume growth have on the business and on your ability to always meet customer demand?
MW: Our volumes represented 48% of the group total last year. Fleet is massively significant to TrustFord. Given we consistently deliver that sort of volume, it is a fairly reliable part of the business, with positive customer feedback.

We built our team more than four years ago and, with few exceptions, there's been little personnel change. So, for customer relationships and confidence we are very stable, particularly with big national accounts that take two or three years to win. With volume growth we work hard to maintain the quality of business.

FN: You developed your own logistics and PDI portals, what's next for system development to support customers.
MW: This year we're creating our own internal fleet management system as we believe there isn't an off-the-shelf solution for the volumes we do. It will be an evolution of what we have already and will be linked to the other two systems. The new portal will allow us to manage the whole process from initial enquiry through monitoring the vehicle order, its progression from factory to prep, and third party work. It's really (as Americans might say) soup to nuts. There will be no customer-facing aspects at launch, but this could evolve later.

The system is due by the end of this year. The automation provided means we will be able to do tomorrow's volume with today's resource.

FN: Mobile servicing was a focus last year. How has this developed?
MW: Our chairman has an absolute focus for us to run 50-60 mobile servicing vans as a fleet support function. A lot of fleets' first objective is to minimise downtime and, as part of our aftersales offering, this is the only solution that matters for some fleets: enabling the service of more than one vehicle at the same time, working particularly well in London where two of our technicians getting to the customer's site is incomparably better than the downtime associated with six or seven of their drivers getting to us.

We see mobile servicing as a fundamental support to our fleet business. We have 20 vans, but we're constantly in discussions about introducing more. The number will expand dramatically in the next 12 months. Ford of Britain wants the dealer network total to reach 200.

FN: Has Brexit confusion had a tangible impact?
MW: From a volume and order perspective we didn't see any impact. But, in March, the potential for a hard Brexit or one that included introduction of tariffs meant there was a question mark over the status of a number of vehicles right up until the end of the month. We had to act for the first time in response to the political situation by building up UK stock to mitigate the impact of a harder Brexit. It's hard to speculate what the final result will be in October, but we've stepped back from it being an immediate need to address.

FN: How has the new WLTP testing regime impacted you and your customers?
MW: There are two separate issues at play – cars and commercial vehicles. For cars, we are in a good place with new product and engine last year. For the whole market, some fleets are holding off ordering until accurate comparisons can be made because of the possible impact on company car drivers' BIK. With CVs, we've got until August to acknowledge WLTP, but there aren't the same emotional BIK implications. We need to ensure we have adequate stock before and after August, but we have launched Fiesta van this year, a drivetrain and connectivity upgrade on Custom and new facelifted large Transit.

FN: Ford's announcement on its commitment to hybrids is significant – eight EV models this year (www.fleetnews.co.uk/fordev2019). What will be the impact on TrustFord's fleet operation?
MW: It will mean Ford leapfrogging some manufacturers in terms of what we can offer in the car and CV ranges. The CV EV range will then massively expand beyond 2019. So we've already had significant discussions about hybrids. A number of existing fleet partners are looking to move into that market.

FleetNews AWARDS 2019

JUDGES' COMMENTS:
Last year's winner, TrustFord continues to increase its support for fleets with an expanded mobile servicing offering, a growing central logistics team, significant investment in infrastructure and improved systems. The judges also praised the quality of its testimonials.

Market share forecasts aren't possible as a lot of fleets are still crunching the numbers on what will work for them.

But some all-diesel fleets may experiment with a batch of hybrid or a have a mixed application where hybrid is appropriate for urban use and diesel remains the best option for significant mileage vehicles. But hybrid, particularly in the weight range we can offer, up to large Transit, means diesel's position as the only viable choice of fuel type for commercial operators might now be open to question.

The opportunity for Ford and TrustFord is significant and Wilkie acknowledged the work involved, accelerating the group's hybrid and electric knowledge, equipping the business to maintain and charge customer vehicles that has begun in earnest.

"The introduction of EVs is probably the biggest change the motor industry has ever experienced. Everything we know is up for change," he said.

"The infrastructure requirements – ensuring we can prepare EV vehicles and even charge demonstrators in our dealerships – must be achieved this year. And our people must have absolute understanding of the issues so we offer the best advice.

"That process starts now, even though vehicle availability is some way off, because fleets want to start assessing the options now."

Cash converters

Increasing numbers of employees switching from company cars to allowances creates a number of challenges for fleets. *Andrew Ryan* reports

Cash or car? That's the choice continually facing thousands of company car drivers, with evidence suggesting an increasing number of people are opting for the money.

At Countryside Properties, for example, around two years ago, 40% of employees who were eligible for a company car chose to take the cash allowance.

"In October last year, we had a 50:50 split and we've now seen that creep more towards a 55% uptake on cash," says Countryside Properties group facilities and fleet manager Chris Connors.

"If it was to stop now we wouldn't be too unhappy as the 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."

Connors says this switch has coincided with numerous changes and uncertainty in the company car sector over issues such as the lack of clarity about future benefit-in-kind (BIK) tax bands – tax rates beyond the 2020/21 tax year were announced only earlier this month (see news story on page 4) – as well as rising BIK bills.

Richard Hipkiss, managing director of Fleet Operations, adds: "WLTP (Worldwide harmonised Light vehicle Testing Procedure) has also come in which has seen car CO2 emission ratings increase which affects an employee's company car tax. It has also reduced the availability of models that are cost-effective enough to sit within company car policies.

"Many P11D values have gone up, organisations are potentially lowering the price points for vehicle grades and bands, so drivers in a company car scheme may now be entitled to a lesser car.

"We have seen organisations looking to opt out, saying 'it's not our problem any more, drivers can go and procure their own vehicles', and there are benefits to an employee doing that."

Arguably the biggest benefit is it gives them flexibility to buy cars which they would not be able to get through a company car scheme.

"Do they want something nice, flashy and expensive, and fund more on top of the cash allowance to get that?" Hipkiss asks.

"Do they want something really cheap and cost-effective and keep the difference as salary, or something in between?

"However, it is their own risk acquiring, insuring and maintaining their own vehicle, as well as dealing with any other cost associated with it.

"Also, if they leave their role for any reason the vehicle is essentially stuck with them, so there is a balance that the employee needs to look at and, financially, in a like-for-like situation 90% of employees would always take the company car because of the benefits.

"It's fully insured and maintained, you've got a fixed cost and potentially no risk to yourself, but obviously we are not in a like-for-like situation any more. The option for cash is becoming more appealing to drivers as well as employers."

On the surface, giving employees cash may also appear to benefit fleet decision-makers – particularly those with other key roles to fulfil outside of fleet – as it could potentially relieve some of the burden and uncertainties of managing vehicles.

But it does come with a number of drawbacks. Shaun Sadlier, head of consultancy at Arval UK says: "An increasing number of employers have realised that simply handing over an amount of money every month to fund a car is fraught with complications.

"The important fact to realise about any arrangement of this kind is that the cash provided to the employee is for a company car replacement.

"The vehicle being used on business may not be part of the fleet, but it still needs managing to almost the same degree as any other fleet asset.

"That means, first and foremost, that you need to ensure you are fulfilling your duty of care as an employer and that all aspects of risk management concerning the vehicle are being fulfilled, from its overall suitability to its ongoing maintenance.

"Similarly, there are other issues that will be of concern, such as the environmental impact of the cars being used from a CSR (corporate social responsibility) point of view.

"There needs to be policies and processes to ensure that comparable standards to those used across the rest of your fleet are applied.

"However, carrying these measures out at arm's length using cash for a car is not easy, as

many employers have found."

The potential to increase the grey fleet size is not necessarily a problem if work-related road risk is managed appropriately (see panel on page 49), according to Paolo Larkman, principal fleet consultant at Hitachi Capital Vehicle Solutions.

"Offering cash can lead employees of a similar grading to be driving vastly different cars and could lead to a fundamental problem about whether or not employees taking cash can be mandated to fund a certain type of car (i.e. fall under a similar policy to a company car)," he says.

"ORGANISATIONS TEND TO WORK WITH THEIR CURRENT LEASE PROVIDERS"

MIKE MOORE, DELOITTE

KEEPING DRIVERS INFORMED

Fleet decision-makers should be prepared to offer information to ensure employees make the right choice for their personal circumstances (see panel below).

"We try to give people information when they want information," says Connors. "We will highlight the benefits of a company car and what is included such as service and maintenance, accident management and that it, effectively, becomes our responsibility to keep people mobile.

"Giving them this information allows employees to make an informed choice about running their own vehicle.

"We try to guard against giving too much guidance and advice because we don't want to lead the witness, so to speak. We would rather provide the information for them to make their own choice."

Fleet decision-makers are also sometimes able to make their company car scheme more attractive to keep employees in it, such as widening the choice of brands and models available, and varying replacement cycles to give employees peace of mind over any short-term uncertainty.

"The answer to how fleet managers can encourage employees to stay in company cars will vary dependent on the company's individual fleet – for example, whether it is a perk fleet or a mission critical fleet or whether the scheme is limited to certain manufacturers," says Larkman.

"Although these will all differ, the first stage of finding the best way forward will be the same for all fleets which must go through a thorough diagnosis to ascertain if it is in the best possible shape to meet the company's objectives.

"Aspects of this review will explore different manufacturers and their discount offers, car types, fuel variations and incoming new technology among many others."

For those employees who do opt out, an employer has the ability to work with leasing companies to offer them personal finance packages which offer corporate discounts.

"We've yet to come across a business that says to its employees 'we are going to give you cash and then walk away'," says Mike Moore of Deloitte.

"What organisations tend to do is work with their current lease providers to look at solutions that aren't a company lease.

"There is also the issue of whether you can use the corporate discounts that you currently have in personal finance packages."

Last year's FN50 report found that many of the country's largest leasing companies had launched new products designed to target cash-takers and company car drivers.

All of the top 10 companies offer some type of PCH, with some companies further down the list also entering the space for the first time.

Salary sacrifice schemes can also be used to give employees access to new cars.

"Thinking in terms of cash for car is something of an outmoded way of looking at methods of alternative company car provision," says Sadlier.

"Managing an asset owned or leased by an employee presents obvious difficulties. It can be done and we help many businesses to do so, but there are often better alternatives and the industry is very much moving in this direction.

"For example, we are seeing a definite trend towards affinity-style personal leasing schemes that are operated by us on behalf of the employer but allow the driver to choose and fund their own car."

Hitachi is also developing funding alternatives that give employees the advantages of a company car while allowing them to fund the vehicle privately, says Larkman.

"As such, company car tax is not due. Insurance and maintenance is included and deducted from the employee to ensure a BIK charge does not arise," he adds.

Another new market entry is ALD Automotive, whose ALDSelect digital car benefit scheme aims to provide all employees at an organisation with access to a car scheme offering manufacturer discounts, as well as allowing them to apply for credit through the website.

MILEAGE CAN BE BIG FACTOR WHEN MAKING A CHOICE

Fleet decision-makers should be ready to provide employees with all the information they require to make an informed choice.

This includes making them aware of the benefits of a company car and the potential risks of opting for a cash allowance.

Paolo Larkman, of Hitachi Capital Vehicle Solutions, says: "The one thing that employees must do before taking the cash is to do their own due diligence.

"That is to say, not only understanding the financial costs of taking the cash, but the costs of taking the company car.

"Insurance, maintenance, tyres and breakdown cover can be accompanied by the headline rental for a lease or PCP (personal contract purchase) deal, which makes the decision of individuals procuring their own vehicle a tough one.

"The other important factors are non-financial. For example, the convenience of taking a company car, whether that is not having to trawl through endless retail deals to find the right car at the right price, but also that the company car is fully insured and maintained."

Mike Moore, of Deloitte, says employees should also be made aware of any mileage restrictions placed on any PCP or lease agreement.

Typically, standard PCP deals will place an annual restriction of 6,000 to 10,000 miles, with an excess mileage penalty of between 2.5 and 15 pence per mile.

"If an employee moves away from a company car, that is one of the biggest issues they have to manage," adds Moore.

"Some employees might have high private mileage profiles and if you give them cash to go out and fund their own car, that can be a lot more expensive for them than for somebody who does low private mileage."

Richard Hipkiss, of Fleet Operations, adds: "We see huge numbers of horror stories whereby employees take a personal lease on 10,000 miles a year, but when they come to the end of the lease they've either got an excess mileage bill they can't afford, or mid-lease they are looking at recontracting the vehicle and paying more than they can actually afford."

MANAGING GREY FLEET DRIVERS

Managing cash-takers follows the same principles as for those use their own vehicles on occasional business use.

The six steps they should follow are:

1 Measure grey fleet use. A fleet manager should establish how and why employees use their own cars for business.

2 Introduce a travel hierarchy. Once the type and length of journeys have been determined, an organisation can put in place appropriate alternatives such as trains, pool cars, car clubs or daily rental vehicles.

3 Manage vehicles. Employee-owned vehicles are often much older than company cars, and a grey fleet policy should outline the minimum standards they must meet for the following: Euro NCAP safety ratings, vehicle age, emission levels and essential breakdown cover.

4 Manage drivers. Drivers should receive the same scrutiny as employees with company-owned vehicles and provide evidence of a valid and clean driving licence, as well as details of insurance and breakdown cover.

5 Communicate. Once a grey fleet policy has been formulated, it should be communicated to employees at all levels.

6 Enforce policy. Take steps to make sure drivers comply with the policy, such as withholding mileage payments until all valid documents are produced and compliant.

DIRECTORS LACK AWARENESS OF GREY FLEET RESPONSIBILITIES

A third of grey fleet drivers say their cars are not insured for business, says DfBB's *Simon Turner*

Grey fleet is a vital part of the overall mobility solution for many businesses yet new research from Driving for Better Business (DfBB) highlights a worrying lack of awareness about some of the key risks and how to manage them.

The survey questioned more than 250 executive directors and in excess of 1,000 employees who drive for work, exploring the underlying attitudes and behaviours that persist in organisations where employees drive their own cars for work-related purposes. And, while the DfBB survey covered a number of topics, the answers around grey fleet were some of the most concerning.

The first issue highlighted by the report is the possibility that the size of the national grey fleet could be far bigger than thought.

Recent estimates have put grey fleet at around 14 million vehicles, which has grown from estimates of around a million 10-12 years ago. That is probably more a reflection of the growth in awareness rather than the growth in the actual size of the grey fleet.

DfBB's research reveals that 90% of those surveyed use their own car for business, with 75% doing so at least once a week.

With company cars, vans and trucks totalling a business vehicle parc in excess of 5.5 million vehicles, the fact that nine times as many employees said they used their own car for business journeys should be of huge concern from a risk management point of view. The fleet and risk management industry, together with operators and business owners, have clearly still got work to do to fully understand the grey fleet phenomenon, including who is affected and what their obligations are.

There is an apparent lack of awareness by the executive directors surveyed as to their responsibilities for grey fleet. These are not just managers but C-Suite board directors who have a legal responsibility to ensure the organisation operates compliantly within current legislation and guidance. Worryingly, 60% of these directors did not know whether any of their staff used their own vehicles for work journeys or, if they did, how many there were. We doubt there are many readers of *Fleet News* who don't understand that grey fleet drivers need to be managed in exactly the same way you would manage company car drivers, yet more than half (53%) of the directors did not believe a grey fleet driver was the company's responsibility at all.

One positive piece of information to come from the survey is that, more than 85% of directors had reviewed their Driving for Work policies, with the vast majority having done so within the past 12 months. If your directors haven't done so, then they would appear to be in a small minority. An interesting adjunct to this is that age appears to play a part. Nine out of 10 directors under the age of 55 had reviewed their Driving for Work policy in the previous 12 months yet that fell to six out of 10 for those directors aged over 55.

Another positive was that 75% of directors said they ensured that grey fleet drivers were aware of their obligations and responsibilities while driving for work. However, this stat failed to stand up when we drilled down into specific actions and asked drivers what their employers did.

AUGUST TOPIC: ROADSIDE COMPLIANCE

Some 68% of directors said their company shared its Driving for Work policy with its grey fleet drivers yet less than half (45%) of those drivers said they had seen it and just over a third (34%) had never had their driving licence checked.

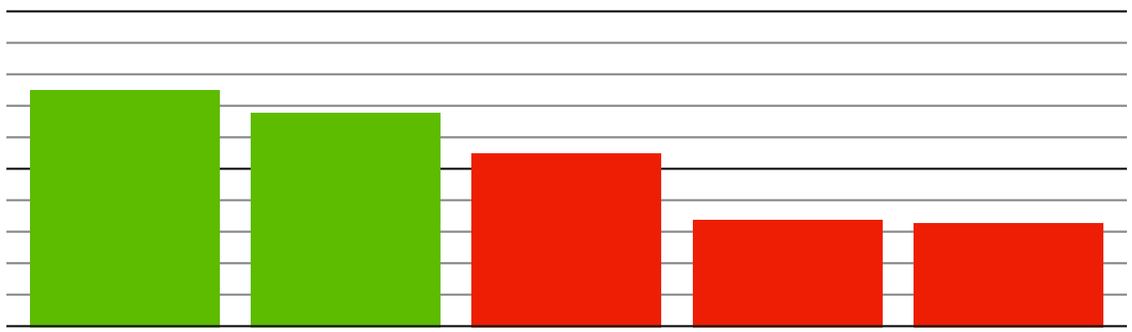
Probably most concerning was the fact that a staggering one in every three grey fleet drivers (33%) confirmed they did not have cover for business use on their motor insurance, meaning they are, effectively, driving while uninsured.

Think about that for a moment – 60% of directors didn't know how many grey fleet drivers they had and 53% didn't think it was their responsibility, which it absolutely is. And 90% of drivers classed themselves as grey fleet and a third of them admitted they weren't insured for business use.

Now, bearing in mind that three in every 10 of the drivers surveyed weren't insured to drive on business, consider the following: The survey showed that 47% of drivers had been involved in an incident while driving for work due to heavy traffic and 17% had been involved in an incident while taking a work call from a colleague.

Only 38% of directors said their company routinely checks that their grey fleet drivers have insurance cover for business use – that needs to change.

WHO IS MEETING THEIR RESPONSIBILITIES?



75% Directors who claim to ensure grey fleet drivers are aware of their responsibilities

68% Directors who claim to share Driving for Work policy with their grey fleet drivers

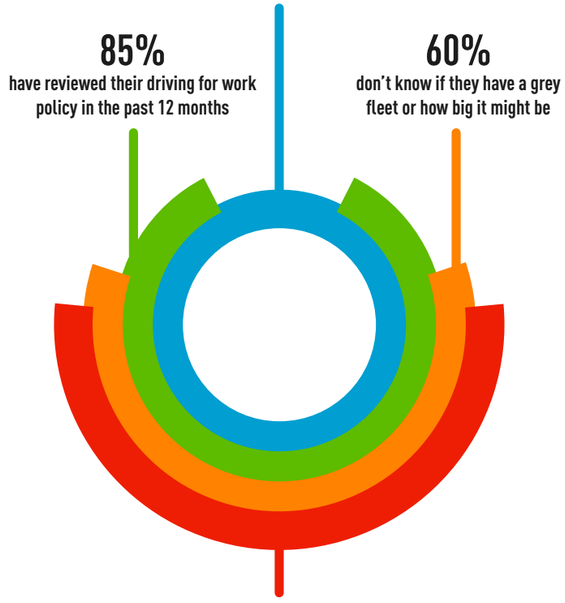
55% Grey fleet drivers who claim they have never seen their driving for work policy

34% Grey fleet drivers who claim they have never had their driving licence checked

33% Grey fleet drivers who claim their car insurance doesn't include cover for business use

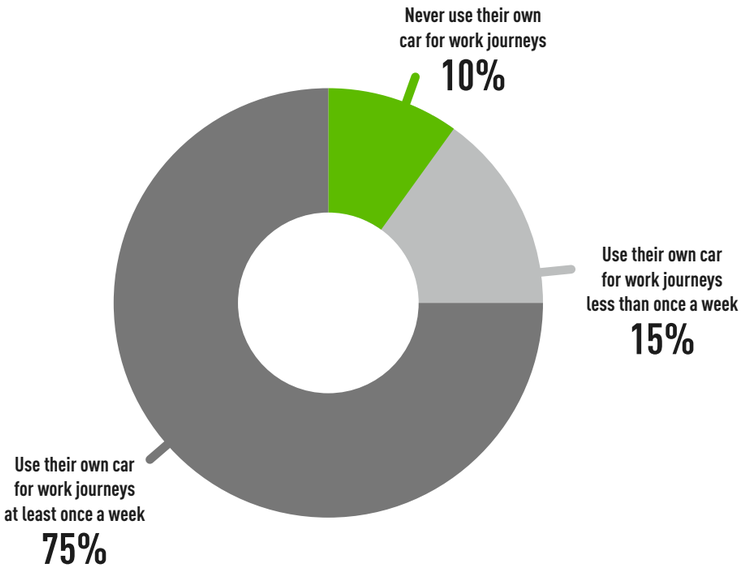
DO YOU KNOW YOUR RESPONSIBILITIES?

Survey of 255 C-Suite Executive Directors



HOW BIG IS YOUR GREY FLEET?

Survey of 1,006 employees who drive for work



CONCLUSIONS:

Often grey fleet is not part of the fleet management role at all. Sometimes it falls under HR or finance or is even ignored completely. Wherever it falls in your business, it is essential that the person responsible understands what it means and how to manage it.

With 90% of the drivers we surveyed classing themselves as grey fleet, failure to manage them is completely unacceptable from both a legal and moral standpoint and could present a serious and unexpected risk to both the directors and the business itself.

The good news is that managing grey fleet properly will bring financial benefits to the business , with likely improvements in productivity and reductions in mileage claims to name but two.

The main points to note are:

- **Grey fleet could be much bigger than we think.**
- **Many directors do not understand their responsibilities for grey fleet.**
- **Many companies are not following through with their stated policies on grey fleet.**
- **Some companies could have a massive and completely unrecognised risk with uninsured grey fleet drivers – a third are not correctly insured.**
- **Companies should be concerned at the potential number of grey fleet drivers who are driving poorly maintained vehicles.**

Occupational road risk is a dual responsibility for both leaders and employees. Leaders need to be more aware of their responsibilities to all employees that drive for work, regardless of the vehicle they use. This means fully understanding their own responsibilities, communicating what is required of grey fleet drivers clearly and comprehensively, and having systems in place to ensure these requirements are met.

It is essential that grey fleet drivers are treated the same as company car drivers.

They should receive a copy of the company's Driving for Work policy (a driver handbook is also a good idea) and also have their driving licences checked before they are allowed to drive on company business.

A key part of your grey fleet policy is that no employee should be allowed to drive on company business without having insurance cover for business use.

The fact that a third of business drivers could be uninsured needs addressing and the need for business cover must be clearly communicated. Many insurers will include cover for free or a nominal admin charge while some companies will insure the driver on their own policies.

For the avoidance of doubt, a business journey is normally classed as any journey other than commuting to and from an employee's single main place of work and it makes no difference whether or not the journey costs have been reimbursed.

Many companies refuse to reimburse drivers for business mileage unless the required information is provided. It's a simple policy and it works.

You can download DfBB's Grey Fleet Review from its website featuring contributions from ACFO, *Fleet News*, Enterprise, BVRLA, Energy Saving Trust, FleetCheck and Selenity as well as details on how some of DfBB's Business Champions address grey fleet.

FLEETS AND THE *law*

Understanding what fleets need to do to comply with the law cannot be covered in two pages. However, we outline some of the salient points. *By Peter Eldridge*, director, ICFM

AUGUST TOPIC: PREPARING FOR THE MOBILITY REVOLUTION

The English legal system is complex and steeped in historical precedents built up from courts as far back as the 13th century.

We cannot cover the subject in detail (for that you should enrol on ICFM training), but here are a few useful tips regarding common areas that affect us as fleet operators, with specific focus on:

- **Legal aspects that affect your business**
- **Legal aspects that affect employees with fleet responsibility**

COMMON LAW AND STATUTE LAW

As a backdrop to this article, it is important that fleet operators appreciate the difference between these two.

'Common law' principally refers to precedents previously established under 'case law' but it also refers to 'equity', a separate legal system.

If a 'common law' remedy cannot be found, by reference to previous 'case law', then the rules of equity may be applied and the court will consider the situation on its own merits and decide what is fair and just.

'Statute law' is law that is written down and codified. It begins as bills, which are either public or private, and go through a series of readings in both the House of Commons and the House of Lords before being passed.

So what does that mean to me as a fleet operator?

Let's consider an example where a passenger was injured in a company vehicle as a result of a driver's – and as you will see, their employer's – negligence.

The company driver who caused the accident was held personally liable as a result of being over the legal alcohol limit and therefore deemed to have committed a statutory offence under the Road Traffic Act, resulting in a fine and disqualification from driving.

The company was also held to account under 'common law' as a result of the injured passenger claiming damages for breach of a duty of care and the ruling was that the driver and the company both had a responsibility to ensure that the passenger was transported legally and safely.

In this day and age, we would all like to think that this would not happen, but it is worth considering the implications of promoting a staff event where alcohol is present and the potential risks that result from encouraging driving, even the morning after.

CAUSE AND PERMIT

This is probably one of the main areas of misunderstanding within many businesses, since infringements are all too often initiated by fleet employees simply trying to provide good advice, without realising that they are innocently breaking the law!

The important point to make is that fleet responsible employees can be held personally accountable for 'causing and/or permitting' a driver of a company vehicle to undertake an action that could lead to personal injury, committing an offence or, more significantly, causing injury to a third party or damage to their vehicle or property.

It is therefore vital that advice or guidance given to drivers – whether it be verbal or in writing, does not contravene the legal position, since it can be used as evidence should an accident or injury result. Blame (in whole or in part) can be attributed to whoever was deemed to be the source of the original advice or guidance provided.

The following illustration demonstrates how this might occur:

A company vehicle driver contacts their fleet department to report a defective tyre and to ask what they should do next. A member of the fleet team instructs the driver to take the vehicle to the nearest fast fit specialist for replacement of the defective tyre.

While travellling to the fast fit specialist, the driver is involved in an accident resulting in injury to a third party, the cause of which is subsequently partly attributed to the condition of the defective tyre.

The fleet team member could/would have been held partly/wholly responsible for the incident, since they had 'caused or permitted' the driver to use the vehicle knowing it to be in an unroadworthy and, thereby, unsafe condition.

It is therefore imperative that all businesses ensure that their staff induction programmes provide more than just 'soft skills' training and extend it to include fleet operational skill and knowledge.

This also applies to service providers who operate 'help desks' and it is vitally important that all staff involved provide robust, safe and legal guidance, either in response to questions or queries received from drivers or in the interpretation of the vehicle fleet policy.

Skill and knowledge are, therefore, a critical factor and the ICFM can help here if required.

SALE OF COMPANY VEHICLES

For most fleet operators, the sale of a motor vehicle is on a business-to-business transactional basis either with an auction house or other trade outlet.

In either of these situations, there is little statutory regulation applicable. The parties involved can basically agree whatever terms and conditions they wish and any such provisions made will be valid between them.

However, if, as is the case with some fleet operations, vehicle sales are direct to a consumer – and this includes employees – then the legal position changes and the Competition and Markets Authority (CMA) can, potentially, become involved. The CMA is a statutory body whose main function is to keep a watch on trading matters within the UK and to protect consumers and businesses against unfair practices.

Where the fleet operator sells a vehicle in the course of their business to a private buyer, the transaction will be subject to all the statutory provisions contained within the Consumer Rights Act and any breach of these conditions may result in the fleet operator being at odds with the law, principally with Trading Standards.

THE CONSUMER RIGHTS ACT

This legislation came into force from the beginning of October 2015 and replaced The Sale of Goods Act. It not only gives vehicle buyers more rights, it also covers 'services', which include servicing, maintenance and repair.

> "INFRINGEMENTS ARE ALL TOO OFTEN INITIATED BY FLEET EMPLOYEES SIMPLY TRYING TO PROVIDE GOOD ADVICE"

It differs from the old Act in that if the product sold fails to meet one or more of those criteria, buyers are entitled to reject the product within the first 30 days of buying it – known as the 'early right to reject' clause.

The Act introduces another crucial difference: defining the time period in which buyers are entitled to a refund.

If a defect is found after 30 days, but within six months, buyers are entitled to request a repair, replacement or refund, since the law assumes the fault was there at the time of delivery, unless the seller can prove it wasn't.

However, the new legislation stipulates that dealers will have only one chance at repair or replacement – unless otherwise agreed.

They cannot make repeated attempts to fix a problem and, if they fail, buyers are entitled to a full or partial refund.

In the case of vehicles, the seller is allowed to make a 'reasonable' reduction in the refund to cover the amount it has been used.

After the first six months, it's up to the purchaser to prove the fault was there at the time of delivery.

THE TRADE DESCRIPTIONS ACT 1968

We will conclude with a short summary regarding the Trade Descriptions Act 1968, which is probably the single most important consumer protection statute which operates through the criminal law and renders the fleet operator to face charges if he/she commits an offence involving a consumer.

The main focus of the Act is directed to 'any person' who, in the course of a trade or business: (a) applies a false trade description to any goods or (b) supplies or offers to supply any goods to which a false trade description is applied.

In either situation, 'any person' in the context of the Act includes limited companies and/or individual company employees e.g. the fleet manager.

For example, in a situation where a fleet manager has applied a false trade description or sold a vehicle with a false trade description (albeit innocently), then the company as well as the individual could be found guilty of an offence.

THE FLEET OPERATOR AND FALSE TRADE DESCRIPTIONS

Common areas where a fleet operator may encounter difficulties are:

- **Advertisements and sales literature**
- **Statements regarding fuel consumption**
- **Statements regarding vehicle condition**
- **Statements regarding odometer readings**

FOUR TIPS TO ASSIST WITH LEGAL COMPLIANCE:

1. Understand the legal obligations of the business and the employees involved with fleet.
2. Carry out routine staff checks to ensure that you have no 'cause and permit' exposure.
3. If selling vehicles to the public (including staff), be aware of the Consumer Rights Act and Trade Descriptions Act legislation.
4. Never assume that legal infringements only happen to other people!

Legal compliance in the world of vehicle fleet operations can be a minefield and here we have touched on just a few of the areas involved.

WHO IS PETER ELDRIDGE?

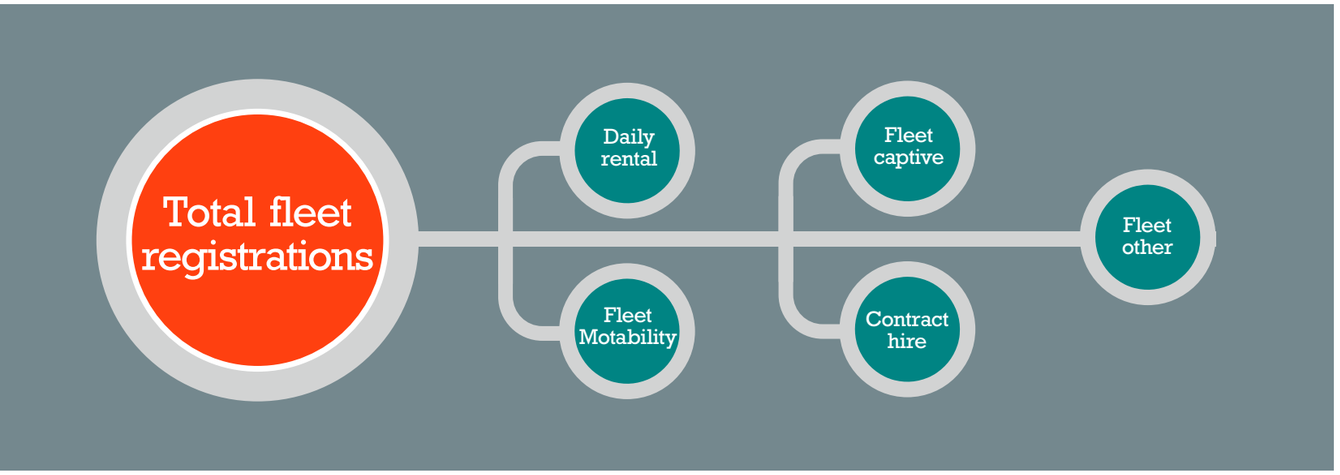
Peter Eldridge joined ICFM in 1993, making him one of its longest-serving members. The ICFM was founded in 1992 and remains the UK's only independent, not-for-profit organisation dedicated to furthering the education, recognising the achievements and advancing the profession of car and light commercial fleet management.

Eldridge joined the ICFM steering committee in 1996 and became a full council member in 1997.

He was appointed a director in April 1999 and is regarded as one of the institute's strongest lead tutors. In 2011, he was inducted as an honorary fellow.

Courses include introductory programme, intermediate training, advanced diploma and distance learning. Please mention *Fleet News* if booking.

- For information about ICFM leadership and management training, go to www.icfm.com



TRUE FLEET REGISTRATIONS SLIP 8.8%, BUT RENTAL RISES

Eight manufacturers enjoy increase, mainly helped by new models, *reports Stephen Briers*

The year-on-year reduction in true fleet registrations has accelerated in the second quarter of 2019 with just a handful of manufacturers enjoying growth, primarily on the back of new product launches.

Uncertainty over future company car tax rates (now published – page 4) has affected the market, with anecdotal evidence suggesting some employees have become disillusioned with company cars as a benefit and are now opting to take cash. The full extent of this migration will not be revealed for a couple of years, until HMRC publishes its updated benefit-in-kind (BIK) stats.

In a total market down 4.6% in the second quarter, true fleet sales (leasing/contract hire plus fleet other) dropped 8.8% with the majority of the reversal (15,680 units) coming from 'fleet other' – registrations to end-user fleets, plus some direct sales such as bodyshop courtesy cars. Leasing/contract hire registrations were more robust, slipping just 1.9%.

Vauxhall was the majority contributor to the fall in 'fleet other' registrations, with an 83% drop, equating to 7,532 units. It continues the trend from Q1 when the company took the tactical decision to withdraw from courtesy car supply.

Vauxhall has now pulled 18,126 cars from 'fleet other' this year, a decision made palatable by significant improvements in its retail sales, up 40% (10,611 units) in the first six months of 2019.

Just two manufacturers in the top 10 true fleet table – Toyota and Hyundai – have increased their true fleet registrations in the first half of the year, according to the latest figures from the Society of Motor Manufacturers and Traders (SMMT).

Top 10 true fleet YTD (year-on-year +/-)

1	Volkswagen	40,807	(-5.9%)
2	Mercedes-Benz	40,687	(-19.9%)
3	BMW	35,323	(-8.7%)
4	Audi	31,901	(-9.2%)
5	Ford	21,865	(-18.8%)
6	Kia	18,946	(-2.6%)
7	Toyota	17,105	(5.1%)
8	Hyundai	16,279	(10.8%)
9	Nissan	15,769	(-14.2%)
10	Škoda	15,026	(-2.2%)

Top 10 rental fleet Q2, 2019 (YOY +/-)

1	Vauxhall	11,384	11.0%
2	Ford	9,554	10.0%
3	BMW	5,174	23.8%
4	Nissan	4,867	320.3%
5	Mercedes-Benz	4,086	20.9%
6	Volkswagen	3,994	-38.3%
7	Peugeot	3,939	6.8%
8	Kia	3,409	-2.0%
9	Renault	3,290	-5.5%
10	Citroën	2,841	40.0%

They are joined by six other 'main fleet' manufacturers (those with more than 1,000 registrations year-to-date in true fleet): Volvo, Suzuki, Seat, Renault, Mazda and Lexus.

Renault is the fastest growing manufacturer in true fleet with registrations up 12.3%, from 6,053 to 6,799. The majority of its success has come from Clio, an incredible performance given this is the outgoing model, due for replacement this summer. Clio's total fleet sales are up year-on-year by 27% (1,453 units).

The all-electric Zoe is also performing well, with a 500-unit rise to 647. However, not all EVs are enjoying similar success: Nissan's market-leading Leaf dipped 17%, from 1,481 to 1,229.

Both the Leaf and Zoe – as well as all pure electric vehicles and plug-in hybrids with more than 130-mile electric range – have been given a fillip by the Government with the announcement of new zero rate 2020/21 BIK for cars registered from April 2020. Supply permitting, both should see a surge in demand from company car drivers.

Hyundai, which saw a 10.8% rise in true fleet registrations, will also hope to benefit from the new preferential EV tax position on the Ioniq, available as hybrid, plug-in hybrid and pure EV. It is already the carmaker's third most popular model in fleet, trailing only the i10 and Tucson.

Only one other manufacturer saw a double-digit rise in true fleet registrations – Volvo, which is up 11.5% to 14,235 (NB: Its own data claims growth of 43% in true fleet, at 8,500).

Contributions have come from across the model range, but especially the XC40, up from 641 to 3,270, S/V60, up from 1,320 to 2,306, and the S/V90, up from 1,806 to 2,249.

Success in true fleet has enabled Hyundai to accelerate its withdrawal from the rental market, following up a 22% Q1 drop with a 49.5% reduction in Q2. So far this year, it has put 3,369 fewer cars into the short-cycle sector. Rental now accounts for 13.8% of total registrations, down from 19% a year earlier, and it has dropped from fifth to 10th in the rental table year-to-date.

Heading in the opposite direction is Nissan after a 320% surge in rental registrations in Q2 taking it to fourth highest. In the first half of the year, Nissan has registered 6,635 vehicles into the short-term hire market, a 128% rise over 2018's 2,908. It sits eighth highest, up from 14th in 2018.

Almost 20% of its business now goes to rental (2018: 8.9%), almost double the market average across all manufacturers of 11% (2018: 10%).

Two premium makes are in the top five rental suppliers for registrations, revealing how the market has changed over the past decade: BMW and Mercedes-Benz.

BMW increased rental registrations by 4.6% to 10,338 (11.5% of total sales), after a big rise in Q2 more than offset a fall in Q1, but it has been leap-frogged by Mercedes-Benz following a 17% upswing to 10,406 (11.2% of its total for the year). Despite the increases, both carmakers' proportions are bang on the market average.

However, BMW's penetration is likely to fall in the second half of the year, according to general manager, corporate sales Rob East.

"We want to reduce our non-customer channels, such as demonstrator, rental and internal fleet volume," he says.

Mercedes-Benz and BMW 2019 performances are in notable contrast to Audi, which has reduced its rental volumes by 34%. At 2,049, rental now accounts for just 2.5% of its total sales.

> "WE REMAIN FOCUSED ON A BALANCED CHANNEL APPROACH"
>
> **MARK DICKENS, RENAULT**

Audi head of fleet James Buxton has outlined his strategy to match the right level of supply to each target channel, with true fleet – specifically the end-user fleet - the priority. As a result, rental will remain a small part of sales volume; it also fell 17.5% last year.

"My focus is to grow the true customer channels in a responsible manner," Buxton says. "This is key from a total cost of ownership perspective. With my background in used cars, I understand how decisions taken today, such as short-cycle channels, affect residual values three or four years out, so that is a key part of our strategy."

Renault sits sixth in the rental table YTD after a 7.6% rise, with the highest proportion of rental-to-total sales, at 28%, up from 24.5% last year.

However, that is part of the company plan, according to Mark Dickens, Renault head of fleet.

"Our strategy for rental in 2019 was to heavily weigh the first semester due to the launch planning of our new B segement models (Clio, Captur, Zoe) in the latter part of 2019," he says.

"This allows us to fulfil customer demand and maintain approved used vehicle supply into our network. Our aim remains focused on a balanced channel approach for the year."

VANS: EIGHT OF TOP 10 MANUFACTURERS INCREASE SALES

The light commercial market continues to perform strongly in 2019, up year-to-date by almost 8% compared with 2018.

Eight of the top 10 manufacturers increased their sales, with just Nissan and Peugeot down year-on-year.

Three van makers account for the lion's share of the increase: Vauxhall, Mercedes-Benz and Renault.

Buoyed by Combo (up from 1,405 to 6,373) and Movano (from 2,057 to 2,910), Vauxhall registered a near 31% rise to 16,333, putting it fifth. Renault enjoyed growth in all models, particularly Kangoo (up 54%), to boost registrations by 32.4%, while Mercedes-Benz surfed the success of Sprinter (up 57%) and Vito (up 44%) for a massive 43.5% increase, taking third place.

While its sales are largely static, there's still no overlooking market-leader Ford, whose 65,895 registrations are more than the next three manufacturers combined.


Vauxhall Combo – up from 1,405 to 6,373

Van regs Jan to June 2019 (YOY +/-)

1	Ford	65,895	(0.7%)
2	Volkswagen	22,670	(4.2%)
3	Mercedes-Benz	19,241	(43.5%)
4	Peugeot	19,154	(-4.3%)
5	Vauxhall	16,333	(30.9%)
6	Citroën	15,243	(5.8%)
7	Renault	10,827	(32.4%)
8	Nissan	6,632	(-5.5%)
9	Mitsubishi	6,287	(12.5%)
10	Fiat	6,201	(9.7%)

SPONSOR'S COMMENT

By Jon Lawes, managing director, Hitachi Capital Vehicle Solutions

It has been a bumpy ride for the UK car market in the past three months, with a continual fall in fleet registrations and a decrease, after 26 months, in demand for alternatively fuelled vehicles (AFVs). There have, however, been some brighter moments.

Registrations of light commercial vehicles performed strongly, cementing their role as a staple part of business fleets, up 8.7% compared with last year and with more than 200,000 new vans registered since January this year.

Alongside this, manufacturers such as Ford and Vauxhall continue to lead, with smaller models remaining best sellers and making up 31% of all registrations in the first six months.

We must not ignore the decrease in AFV registrations, and it's clear that the decision to exclude many plug-in models from the subsidised grant is having an impact for consumers and businesses alike.

The Government has taken additional steps towards the uptake of fully electric cars among fleets, following the recent announcement that electric company car drivers will not pay any benefit-in-kind (BIK) tax during the next financial year.

With continued investment from manufacturers, such as BMW, technological innovation is growing the range of low emission and safer options for both petrol and diesels, and an increasing range of AFVs.

We are nearing a tipping point for the industry, and to support a smooth transition for manufacturers to develop more environmentally-friendly options and encourage fleet renewal, the Government must review current policies, implement purchase incentives and introduce the necessary infrastructure.

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FLEET REGISTRATIONS: QUARTER 2, 2019

	Fleet Captive			Fleet Motability			Fleet Other			Leasing/Contract hire			Rental			Total		
	2019	2018	%	2019	2018	%	2019	2018	%	2019	2018	%	2019	2018	%	2019	2018	%
Ford	4,074	2,288	78.10%	8,810	9,276	-5.00%	7,093	8,439	-15.90%	3,633	3,606	0.70%	9,554	8,688	10.00%	33,164	32,297	2.70%
Volkswagen	2,509	2,714	-7.60%	5,695	5,144	10.70%	6,338	7,095	-10.70%	14,181	13,161	7.80%	3,994	6,475	-38.30%	32,717	34,589	-5.40%
BMW	4,115	2,370	73.60%	2,910	3,954		6,074	7,150	-15.00%	10,469	12,627	-17.10%	5,174	4,179	23.80%	28,742	30,280	-5.10%
Mercedes-Benz	3,109	3,258	-4.60%	2,128	1,506	41.30%	9,721	10,111	-3.90%	9,187	8,939	2.80%	4,086	3,380	20.90%	28,231	27,194	3.80%
Vauxhall	1,752	2,921	-40.00%	7,321	7,819	-6.40%	1,493	9,025	-83.50%	4,501	3,582	25.70%	11,384	10,258	11.00%	26,451	33,605	-21.30%
Audi	3,491	4,095	-14.70%	1,748	1,117	56.50%	5,481	4,691	16.80%	10,552	11,739	-10.10%	967	2,001	-51.70%	22,239	23,643	-5.90%
Nissan	503	119	322.70%	4,986	4,836	3.10%	3,524	7,328	-51.90%	1,879	1,537	22.30%	4,867	1,158	320.30%	15,759	14,978	5.20%
Kia	448	380	17.90%	2,727	2,175	25.40%	2,908	2,660	9.30%	5,053	5,261	-4.00%	3,409	3,479	-2.00%	14,545	13,955	4.20%
Hyundai	80	336	-76.20%	3,818	2,880	32.60%	3,001	2,922	2.70%	5,140	4,312	19.20%	2,238	4,429	-49.50%	14,277	14,879	-4.00%
Toyota	633	621	1.90%	1,915	1,618	18.40%	4,603	4,237	8.60%	2,648	2,803	-5.50%	2,668	2,664	0.20%	12,467	11,943	4.40%
Škoda	1,410	1,467	-3.90%	741	749	-1.10%	2,696	2,962	-9.00%	4,390	4,258	3.10%	2,617	2,060	27.00%	11,854	11,496	3.10%
Peugeot	165	137	20.40%	2,932	2,257	29.90%	2,310	2,828	-18.30%	2,461	2,631	-6.50%	3,939	3,688	6.80%	11,807	11,541	2.30%
Seat	616	889	-30.70%	3,031	2,182	38.90%	1,989	1,554	28.00%	4,734	4,885	-3.10%	536	946	-43.30%	10,906	10,456	4.30%
Volvo	807	617	30.80%	296	209	41.60%	2,601	2,160	20.40%	4,215	4,197	0.40%	1,507	1,602	-5.90%	9,426	8,785	7.30%
Land Rover	1,736	1,768	-1.80%	0	0	0	3,053	3,030	0.80%	2,326	3,165	-26.50%	1,575	870	81.00%	8,690	8,833	-1.60%
Renault	66	95	-30.50%	1,836	2,700		1,914	2,119	-9.70%	1,319	981	34.50%	3,290	3,482	-5.50%	8,425	9,377	-10.20%
Citroën	69	339	-79.60%	1,876	1,487	26.20%	1,650	1,724	-4.30%	1,611	2,559	-37.00%	2,841	2,030	40.00%	8,047	8,139	-1.10%
Mini	858	1,574	-45.50%	1,174	732	60.40%	1,709	2,716	-37.10%	1,849	1,933	-4.30%	371	984	-62.30%	5,961	7,939	-24.90%
Honda	1,303	1,325	-1.70%	1,026	1,546		1,602	3,519	-54.50%	1,122	269	317.10%	0	0	0	5,053	6,659	-24.10%
Jaguar	720	1,137	-36.70%	0	0	0	1,441	1,407	2.40%	1,421	2,198	-35.40%	496	351	41.30%	4,078	5,093	-19.90%
Fiat	27	19	42.10%	212	340	-37.60%	1,936	1,748	10.80%	887	950	-6.60%	601	1,464	-58.90%	3,663	4,521	-19.00%
Mazda	187	88	112.50%	578	587	-1.50%	1,603	1,377	16.40%	1,191	887	34.30%	0	8	-100.00%	3,559	2,947	20.80%
Mitsubishi	0	0	0	953	547	74.20%	835	1,053	-20.70%	1,425	1,525	-6.60%	203	47	331.90%	3,416	3,172	7.70%
Suzuki	99	165	-40.0%	1,047	1,375	-23.9%	1,198	1,145	4.6%	943	601	56.9%	0	0	0	3,287	3,286	0.0%
Lexus	113	172	-34.30%	0	0	0	678	725	-6.50%	688	570	20.70%	49	85	-42.40%	1,528	1,552	-1.50%

Topping the rental table, as it has done for several years, is Vauxhall. Despite the company's five-year strategy of reducing its rental registrations, which it had done by almost 12,000 units from 2013 to the end of 2018, it remains by far the biggest supplier of rental cars.

So far this year, Vauxhall has increased its rental registrations, to 26,232 (27.7% of total sales versus 21% last year), although the company insists this is not a reversal of its policy.

James Taylor, Vauxhall general sales director, says: "Regarding rental, volume is 23% up YTD. We are very heavily weighted in H1, but the calendar year will again be less than the prior year in line with our stated strategy of reducing rental."

Citroën's total volume increase in the first half of the year is primarily down to greater penetration into rental, up consistently over both quarters by more than 40%. Its 5,587 registrations account for 19% of total sales.

The position is mirrored at stablemate Peugeot, albeit at a lower level. Peugeot's year-to-date rental volume is up 9.6%, at 7,359 units – 16.6% of its total business.

It means all three PSA-owned brands have boosted their rental profiles so far this year, although all three also expect to bring this down in the second half in line with strategic plans.

Martin Gurney, PSA director of fleet and used vehicles, describes the Citroën and Peugeot position as a "calendarisation issue".

He adds: "We tend to deliver our rental volumes earlier in the year (as requested by our customers) and this was even more the case this year, driven by concerns over a potential hard Brexit/import tariffs back in March. By year-end, I expect our mix of rental as a percentage of total sales to be close to industry averages and in line with our red/green policy, to which we remain wedded."

CAR REGISTRATIONS QUARTER 2, 2019

- Captives: 29,435 (-0.1%)
- Motability: 58,758 (5.2%)
- Fleet other: 82,034 (-16%)
- Leasing/contract hire: 98,827 (-1.9%)
- True fleet (fleet other and leasing): 180,861 (-8.8%)
- Rental: 67,546 (3.6%)
- Private: 231,609 (-6.1%)
- Total: 568,209 (-4.6%)

RENAULT CLIO

Clio is an established continental favourite, but could new model get a similar response here?

By Matt de Prez

Europe has a bit of a love affair with the Renault Clio. Over the past 30 years, it has consistently been the best-selling model in its class with more than 15 million sold.

That said – and putting Brexit issues to one side – the Clio has never really found favour among UK drivers who have tended to prefer the Ford Fiesta or Vauxhall Corsa.

The new Clio might just be the car to flip preferences in Renault's favour.

Launching this autumn, the fifth generation model sits on an all-new platform making it lighter, safer and more technologically advanced.

Externally, the new Clio looks more like a facelift, with a strong resemblance to the outgoing model. This is not necessarily a bad thing. The curvy Clio still looks fresh alongside boxier rivals.

Small cars often have a reputation for getting bigger with each generation, but the new Clio is actually smaller in both height and length than its predecessor. Despite this, there is more interior space and the boot has grown in volume to 391 litres.

While we are talking about the interior, it is worth pointing out just how much of a transformation the Clio has undergone inside.

The cheap looking (and feeling) dash has been replaced with a slick new cockpit. It is dominated by a 9.3-inch portrait touchscreen, offering audio, navigation and smartphone connectivity.

The glossy screen has excellent high-resolution graphics and a much slicker operation than we've seen in any Renault car previously. It is fully connected too, allowing drivers to access live traffic information, weather and fuel prices.

It is complemented by a 10-inch digital instrument cluster, which is available on higher-spec models.

Soft-touch materials are used generously, giving the car an edge over the competition and improving passenger comfort.

The engine line-up kicks off with a 1.0-litre three-cylinder unit developing 75PS (SCe 75). A turbocharged version develops 100PS (TCe 100). There is also a four-cylinder petrol with 130PS (TCe 130) and an 85PS 1.5-litre diesel (dCi 85).

Renault predicts the TCe 100 will be the most popular model, with CO_2 emissions of 100g/km. The diesel is slightly more efficient, at 95g/km.

Next year an E-Tech hybrid model will join the line-up, with a 1.6-litre petrol combined with a pair of electric motors. Specifications are yet to be revealed for this powertrain, but Renault says it will be able to spend 80% of its time running solely on electric when in the city.

Despite sitting on a new platform, there are no plans for a fully-electric Clio and it's unlikely there will be a plug-in hybrid either.

For now, the TCe 100 should suit most drivers' needs. It can accelerate from 0-60mph in less than 12 seconds and promises up to 64mpg.

During our test, we were impressed by the engine's refinement. It is happy to cruise at motorway speeds and provides good responsiveness for town driving.

The more powerful TCe 130 uses a seven-speed twin-clutch automatic (EDC), giving a more relaxing drive than the five-speed manual in the lower-powered car.

It's the same 1.3-litre alliance unit that is found in the Mercedes-Benz A-Class and Nissan Qashqai.

With an extra cylinder, the engine naturally feels more potent, but fuel economy drops to 55mpg and CO_2 emissions reach 119g/km – making it more expensive for fleet users.

The diesel promises to be the economy champion, with claimed fuel economy of up to 78mpg. However, its meagre power output equates to a 0-60mph time of almost 15 seconds. We were not able to test the car at the launch event, but suspect its on-road performance will be depressingly slow.

One area where the old Clio failed to compete with rival cars was handling. In the new car, things are markedly different. The steering is much more direct and can be further enhanced by using the 'sport' driving mode.

Firmer suspension gives a more engaging drive, catapulting the Clio to the top of its class with a driving experience that is on par with the sector-leading Ford Fiesta.

On rougher surfaces the new Clio doesn't absorb the bumps quite as well as the old car did, but on balance the smoother ride and firmer handling is a welcome improvement.

The Clio is offered in three trims: Play, Iconic and RS Line.

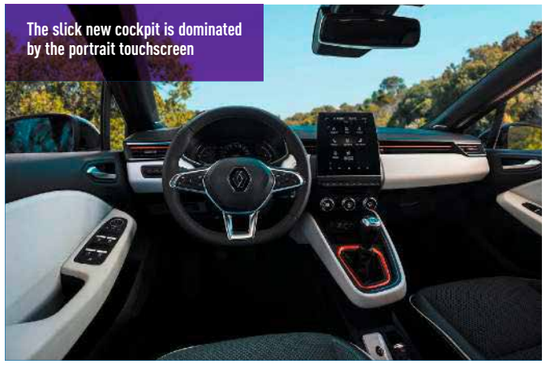
The plan is for prices and specifications to be revealed next month, but the entry-level SCe 75 car is expected to be priced at £14,500.

All models are expected to feature autonomous emergency braking and LED headlights.

Adaptive cruise control and lane centring will be offered as part of a driver assistance pack, providing semi-autonomous functionality.

Renault needed a car to jumpstart its sales in the UK and the Clio is a breath of fresh air in the brand's line-up. We'll have to wait for the pricing to decide if it makes more sense than a Fiesta for fleet buyers though.

Firmer suspension makes for a more engaging drive



The slick new cockpit is dominated by the portrait touchscreen

	FLEET PICK TCe 100 Iconic	ENTRY LEVEL SCe 75 Play	RANGE TOPPER TCe 130 RS Line
SPECIFICATIONS			
P11D Price	£16,500 (est)	£14,500 (est)	£24,000 (est)
CO_2 emissions (g/km)	100	TBA	119
Monthly BIK tax (20%)	24%/£792 (est)	TBA	27%/£1,296 (est)
Fuel efficiency (mpg)	64	TBA	55
Fuel cost (ppm)	TBA	TBA	TBA
Annual VED	£145 then £145	£145 then £145 (est)	£205 then £145
Class 1A NIC	£546.48 (est)	TBA	£894.24 (est)
RV	TBA	TBA	TBA
AFR (ppm)	12	12	12
Running cost (ppm)	TBA	TBA	TBA

RIVALS

	 RIVAL 1 Ford Fiesta 1.0T 100 Zetec	 RIVAL 2 VW Polo 1.0 TSI 95 SE	 RIVAL 3 Citroën C3 1.2 PureTech 110 Feel
SPECIFICATIONS			
P11D Price	£16,515	£16,245	£17,335
CO_2 emissions (g/km)	106	104	106
Monthly BIK tax (20%)	25%/£826	24%/£780	25%/£867
Fuel efficiency (mpg)	50.4	52.3	49.8
Fuel cost (ppm)	11.63	11.20	11.77
Annual VED	£150 then £145	£150 then £145	£150 then £145
Class 1A NIC	£570	£538	£598
RV	£4,275/25.8%	£4,575/28.1%	£4,450/25.6%
AFR (ppm)	12	12	12
Running cost (ppm)	30.58	28.57	30.81

THINKING CAP

By Martin Ward, Cap HPI manufacturer relationships manager

This month I've been...

... down to Millbrook for CCIA

I was surprised just how many fleet people were there, around 600 the day I went. It was well organised and seemed to go like clockwork. Loads of vehicles there to test, around 300 cars and commercials from a number of manufacturers. Also many electric vehicles, which did cause a couple of 'moments' for me. In a relatively confined space, and quite a few completely quiet cars, they did creep up on you, you certainly need to keep your wits about you when there are so many EVs and plug-Ins around. But with all new EVs now having to emit a warning noise up to 12 mph, that should make them safer for pedestrians.

... in Frankfurt with the new VW Passat

There were a number of different engines available to drive, including a heavily revised plug-in petrol hybrid, the GTE. It offers a range of more than 40 miles, is self-charging, and has a very clever automatic gearbox which chooses the best mode for optimal efficiency and best use of energy. This sort of range for a plug-in is acceptable, and will be a good choice for company car drivers to help reduce the almost unacceptable BIK rates now having to be paid.

... and testing a new Audi A1

What a brilliant little car it is. Small enough to park in any space and large enough to get in five adults with luggage space which is more than adequate. It also looks great, with clever styling lines and bold looks. However, the only criticism is the small '30' on the boot lid. The new badging caused some talking points with neighbours, friends and strangers... 'bet that goes, a three-litre in a small car'. After explaining the new Audi badging policy a few times, and it really wasn't a very hot-hatch, I did get a bit fed up of trying to explain it. If I owned one, the first thing I would do when I got it home would be remove the badge, to save an awful lot of wasted time explaining it to people I have never met before, good though I suppose for making new friends!

cap hpi

VOLKSWAGEN PASSAT

Latest model refreshments are likely to increase fleet appeal

By Andrew Ryan

The Passat has long been a stalwart in the fleet sector for Volkswagen, and revisions to the range ensure this is likely to continue.

Last year, 85% of the 12,500 models registered in the UK went to fleets, with the estate version outselling the saloon two to one.

Both body shapes continue for its latest generation and although there are few exterior visual changes to identify the refreshed model, it does feature some significant updates to increase its fleet appeal.

These include two new powertrains: a 150PS TDI Evo, featuring Active Cylinder Technology which can shut down two cylinders in certain conditions to reduce fuel use, and a new GTE plug-in hybrid, offering 30% greater electric-only range than its predecessor.

Emissions, fuel consumption figures and prices for these models will be released in "the coming weeks", but these could prove to be the two key models for fleets: Volkswagen says the 2.0 TDI Evo will offer "a significant reduction in CO_2".

Design and quality of the cabin give a premium feel

The manufacturer expects the GTE to account for 25% of UK registrations, and the new benefit-in-kind tax bands will make it a particularly attractive proposition to drivers.

Its 13kWh battery will give it an electric-only range of 34 miles, putting it in the 12% bracket in 2020-21 if the car is registered before April 6, 2020 (10% if registered after this date).

Standard equipment on GTE includes 17-inch wheels, sports suspension, blue brake callipers, unique C-shape LED running lights and Discover Navigation infotainment with eight-inch touchscreen.

GTE advance adds 18-inch wheels, LED matrix headlights, Discover Navigation Pro with 9.2-inch touchscreen and keyless entry.

At its launch at the beginning of this month, Passat was available with one 1.6 TDI and three 2.0 TDI diesel engines, with power outputs between 120PS and 240PS, and CO_2 emissions from 109g/km to 156g/km. Official combined fuel economy is between 36.2mpg and 45.6mpg (WLTP cycle).

It is also available with a 190PS 2.0 TSI petrol engine which offers CO_2 of 143-163g/km and fuel efficiency of 34.9-36.2mpg.

All launch models have seven-speed DSG automatic gearboxes as standard, with three trim levels available: SE, SEL and R-Line.

Standard equipment across the range includes LED headlights, while all models will also feature Travel Assist, which allows the car to be driven at up to 130mph in a partially automated mode.

It combines the manufacturer's latest adaptive cruise control system with road sign recognition and GPS to auto adjust the speed for different limits, as well as slowing for junctions and corners.

On the launch event we drove the GTE and 2.0 TDI 190PS models and both impressed. Interior space is plentiful, while the design and quality of the cabin gives the range a genuine premium feel.

Ride comfort and refinement for both powertrains was impressive, particularly in the GTE as it can be driven in electric-only mode at up to 80mph, and both covered long distances effortlessly.

First deliveries are expected in late August.

	FLEET PICK 2.0TDI 190PS SEL
SPECIFICATIONS	
P11D price	£33,820
Monthly BIK (20%)	32%/£180
Class 1A NIC	£115
Annual VED	£210 then £145
RV (4yr/80k)	n/a
Fuel cost (ppm)	n/a
AFR (ppm)	14
Running cost (4yr/80k)	0
CO_2 (g/km)	120
Fuel efficiency (mpg)	46.3-47.9

MERCEDES-BENZ GLC

Numbers stack up for facelifted SUV with new engines helping to reduce tax burden

By Matt de Prez

Mercedes-Benz has focused on improving the GLC in three key areas with its latest facelift: ride comfort, technology and efficiency.

As the brand's best-selling SUV, you can't blame the designers for leaving the styling largely untouched. The GLC is only four years old and still looks fresh, so some restyled bumpers and new standard-fit LED headlights are about the extent of the visual changes.

Inside, the car now features the MBUX entertainment system that debuted in the A-Class last year. It can be controlled via the 10.25-inch touchscreen, a 90s-laptop-inspired touchpad in the centre console or by simply saying "Hey Mercedes" and telling it what you want to do.

The system is intuitive, slick and has excellent graphics. Higher-spec versions also get the augmented reality sat-nav, which uses a real-time feed from the car's built-in camera overlaid with digital driving instructions.

The MBUX entertainment system is controlled via the 10.25-inch touchscreen

A new digital instrument cluster – fitted to premium-spec models and above – completes the interior makeover. It's the same one that is used in the facelifted C-Class (where most of the interior is lifted) and has customisable displays.

Around 30% of GLCs go to fleet customers, therefore efficiency is key. The new model will initially be offered with a choice of two powertrains, the 220 d and the 300 d.

Both use the same RDE2-compliant 2.0-litre diesel engine. The 300 d develops 245PS and emits 157g/km of CO_2. The 220 d is more efficient, promising more than 40mpg and CO_2 emissions from 137g/km.

With no diesel surcharge to pay, the GLC has an advantage when it comes to company car tax. The cheapest model will cost a little more than £200 per month (20% taxpayer).

Later in the year, a petrol GLC 300 will join the line-up with an EQ Boost mild-hybrid system. There is also likely to be a plug-in hybrid version at a later date.

At the launch event, Mercedes demonstrated a fully-functioning hydrogen fuel cell version, the F-Cell, although it is not yet confirmed for the UK.

Refinement and comfort is of the highest order in the new GLC. There is little noise intrusion, especially from the diesel engine, and with standard-fit adaptive dampers, the ride remains well composed and comfortable.

The infotainment updates bring the car right up to date with rivals such as the BMW X3 and Audi Q5, while the GLC's impressive off-road capability and practicality remain intact.

The old GLC suffered a steep tax penalty at the hands of WLTP, but the new GLC is on the money with its new engines. And, at £39,420, it is not only more efficient than its key rivals, but also cheaper.

	FLEET PICK GLC 220 D SPORT
SPECIFICATIONS	
P11D price	£39,235
Monthly BIK (20%)	31%/£202.33
Class 1A NIC	£1,678.43
Annual VED	£210 then £145
RV (4yr/80k)	£13,800
Fuel cost (ppm)	12.77
AFR (ppm)	12
Running cost (4yr/80k)	50.99
CO_2 (g/km)	137
Fuel efficiency (mpg)	47.9

FIRST TEST

FORD FOCUS
1.0 125PS ST-LINE X

By Andrew Ryan

After a very enjoyable spell in Ford's excellent Fiesta supermini, I've recently taken delivery of its bigger brother – the Focus – as my new long-termer.

And it's already made a big impression. Our model is in sporty ST-Line X trim level, and its optional Shadow Black paint (£550), standard 18-inch wheels, ST-Line bodystyling kit, twin exhaust tailpipes and red brake calipers gives it a purposeful, striking look.

This sporty image continues in the cabin, with dark headliner, red stitching on partial leather trim and alloy pedals complementing the exterior.

Fortunately from a fleet and company car driver's point of view, it's also efficient. Powered by a 1.0-litre Ecoboost engine producing 125PS, our Focus offers official WLTP fuel economy of 46.3-49.6mpg.

Over the first 1,000 miles of its time with me, it has averaged 48.9mpg.

Its CO_2 emissions of 114g/km put it in the 26% benefit-in-kind tax band for 2019/20, and its P11D price of £24,420 means a 20% taxpayer will pay a monthly bill of £106.

So far there's been plenty to commend our Focus for – I'm looking forward to finding out if this continues for the next six months.

FIRST TEST

NISSAN QASHQAI
N CONNECTA

By Sarah Tooze

This is my second stint in a Nissan Qashqai. The first was back in 2008 when I joined the *Fleet News* editorial team. The car had launched the year before and it was an interesting model to have on long-term test as there was nothing else quite like it – it was the car that spawned the crossover sector.

Some road testers at the time were critical as they felt it wasn't an MPV and it wasn't quite an SUV and, therefore, it 'didn't know what it was'.

But the judges of the Fleet News Awards were impressed with its distinctiveness, running costs and technology, and voted it the best small family car that year.

Today, the Qashqai is firmly established as one of the best selling cars in the UK (with total year to date sales of 29,180 in June, two-thirds of which were fleet).

But, because so many are sold now and there are so many other crossover/compact SUV cars on the market, the Qashqai has lost its distinctiveness. In fact, I'd go so far as to say that the latest version we're testing (which was facelifted in 2017) is 'run of the mill'.

What's most interesting now is not its looks but what's under the bonnet – a 1.3-litre petrol engine which has been developed under the Renault-Nissan Alliance and Daimler partnership and became available on the Qashqai last year.

MERCEDES-BENZ E-CLASS
E300DE AMG LINE

By Matt de Prez

The removal of the plug-in grant for hybrids means there's no £2,500 discount available on our £52,000 E 300de, but its projected cost-savings should do enough to make it a worth-while fleet choice.

This year, the car attracts a 16% benefit-in-kind (BIK) rate, but that drops to 12% next year for the next three years (or 10% if registered from April 2020, rising to 12% by 2022). There is also no diesel supplement to pay, as the de is classed as an alternative fuel vehicle.

During a typical four-year cycle, a driver (20% taxpayer) will shell out £5,464 to HMRC. This equates, on average, to £113 per month.

Based on our current achievement of 70mpg (over the past 2,200 miles), we've estimated that fuel should cost £3,300 during the same four-year period – or about £85 per month – assuming the driver does 10,000 private miles per year.

Factoring the in the cost of charging the battery at home three times per week, adds a further £936 to the figure – or £20 per month – giving a total cost to the driver of £217 per month, or £316 for a 40% taxpayer.

Compared with an equivalent E 220d, the driver will save around £118 per month, or £257 per month for a 40% taxpayer.

For a business, we've calculated operating costs of about £8,500 a year. That's assuming the driver does about 10,000 business miles per year.

While leasing costs are about £100 per month more than an E 220d, the de is more than £5,500 cheaper comparatively over a four-year cycle and is eligible for 100% writing down allowance.

Its environmental credentials means there is no first-year VED to pay either, although because the E 300de's list price exceeds £40,000 it attracts the higher rate of £455 per year thereafter (discounted from £465).

The benefits of the new powertrain are clear. Even without a charge, we've rarely seen the car return less than 46mpg on a single journey.

By retaining some charge, the car is always able to operate as a hybrid. It's powertrain intelligently recuperates and recharges where necessary to prolong the zero-emission running.

PEUGEOT 508
1.5-LITRE BLUE HDI

By Stephen Briers

The 508 provides a decent level safety equipment and has accordingly been given a five-star EuroNCAP rating.

Included within the safety pack are speed limit recognition and recommendation, active bonnet, driver attention alert and under-inflation tyre detection.

I've found the auto emergency braking alert a little jittery when approaching cars that are turning into side roads, even when a long gap is left in anticipation of the car's exit from the main road. However, unlike other models we've reviewed, it hasn't actually applied the brakes.

And we praise its ability to recognise vulnerable road users, such as pedestrians and cyclists.

In the main, the systems are not intrusive – although I've not needed to test most of them. However, EuroNCAP has, and its tests have shown them all to perform well.

BMW 3-SERIES
M SPORT SALOON

By Gareth Roberts

The new BMW 3 Series comes in three familiar trim levels – SE, Sport and M Sport – each with an enhanced array of standard equipment.

The new 3 Series comes with a pair of screens as standard – a nine-inch display on the dashboard and a six-inch unit replacing the instrument display. Our M Sport model features the upgraded Live Cockpit Professional navigation system, with a 12-inch instrument display and a 10-inch central touchscreen, including the BMW Personal Assistant.

It can be controlled by a rotary i-drive controller or using the touchscreen. The system features better graphics and enhanced usability over the old version.

The Personal Assistant is a voice-controlled feature allowing drivers to make calls, change cabin temperature, adjust stereo volume and set the sat-nav by saying "hey BMW".

FINAL TEST

VAUXHALL GRANDLAND X
1.5 TURBO D TECH LINE

By Trevor Gehlcken

Our chunky, yet stylish, Vauxhall Grandland X has now been returned after a six-month stay. The car goes back with a huge tick in the 'like' box from all who have tested it.

Of course 'diesel' has become something of a cursed word during the Grandland's time with us so those wanting to choose this car can always opt for the 1.2-litre petrol variant if they want to avoid the heavy-fuel option.

Its ability to return around 60 miles per gallon has certainly saved me a great deal of cash over the time I've been driving it – and humming along the motorway in near silence at 70mph, means I've no complaints about this powerplant.

I did have one hiccup with the Grandland when the service light inexplicably came on – but this turned out to be a technical glitch.

The only expenditure I've had during the test is £8 for a bottle of AdBlue – not bad considering I have clocked up more than 10,000 miles.

As an old groaner who should now by rights be retired, I find that some cars give me a pain in the back after 100 miles or so. But the Grandland seems to be gifted with an extra special driver's seat as even during the 300-mile trip from my home in Essex to my holiday abode in Devon, I've not once suffered any problems.

VOLKSWAGEN T-ROC
1.6 TDI SE

By Luke Neal

I recently encountered my first 'breakdown' in a test car. I use inverted commas because, while I wasn't technically broken down, the fault did prevent me travelling any further.

While driving to London on the A1 in rush hour traffic and very heavy rain the window wipers became slow, and, after several juddery sweeps of the screen as though they were losing power, they stopped working completely.

After putting the hazards on and pulling onto the hard shoulder, a quick off/on of the key had operation restored only for the same thing to happen a few miles later. This time no operation (other than the squirter jets) would work.

I called the VW assistance number on the key fob which rang and rang with no answer. Eventually I gave up, deciding to call my own breakdown provider.

When I turned on the ignition this time, some warning messages appeared on the dash showing a fault with the wipers and with the adaptive cruise control I had been using.

Turning cruise control off returned power to the wipers and I was able to carry on with my journey.

It's a fault I haven't been able to replicate since, despite trying different combinations of wiper and cruise control speed.

Perhaps it was a freak glitch or perhaps the unusally heavy rain had somehow caused havoc somewhere.

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PLUS: ADDRESSING WLTP CONCERNS • CONVERSION SALES GROWTH CONTINUES • OLD (RENAULT) MASTER REVIVED

LCV makers not expecting supply problems as result of WLTP tests

Online calculators will allow vehicle converters to find relevant CO_2 value

By Gareth Roberts

Van manufacturers are confident a new emissions testing regime will not dent vehicle supply in the same way it impacted the new car market, last year.

However, with such a large number of light commercial vehicles (LCVs) being adapted for end-user fleets, it is vehicle conversions that are creating a different set of challenges.

The new, more accurate emissions test, the Worldwide harmonised Light vehicle Test Procedure (WLTP), began being phased in for vans two years ago.

All new car-derived vans (Class 1 up to 1,305kgs) have been tested under WLTP rules since September 2017, while all newly registered Class 1 vans have undergone the test since September 2018.

All new types of heavier vans (N1 Class 2, 1,305-1,760kgs, and Class 3 above 1,760kgs) have also had to be tested under WLTP since September, last year, while all newly registered vans in this category will have to be measured against WLTP from this September, with converted vehicles requiring their own individual WLTP CO_2 value.

WLTP tested vehicles also have an 'NEDC-b' CO_2 figure applied for tax purposes, similar to the NEDC-correlated figure used for cars. This figure will be used until April 2021, when WLTP values take effect for tax purposes.

Mike Hawes, chief executive of automotive trade body the Society of Motor Manufacturers and Traders (SMMT), acknowledged the potential for supply issues.

"Invariably, when you have a regulatory change it can lead to supply issues, especially when you have to re-test everything," he said.

He added there is a "finite" number of approved vehicle testing facilities which, under normal circumstances, are operating at 80-90% capacity.

"When you've got to re-test models, you're trying to force that through an industry with capacity limitations so it can lead to delays," he said.

"We saw it with passenger cars last year, particularly for brands that have a broad model portfolio. The same could happen (with vans), but the model portfolio isn't so broad. Everyone will try to avoid supply shortages, but it's not always in your gift."

Volkswagen announced late last year that it had invested €6 million (£5.4m) in an emissions testing facility at Hannover in Germany.

The facility has two test beds to approve the manufacturer's vehicles, as well as checking models in production on a continuous basis.

A UK spokesman said the manufacturer has been working with the factory, its van network and end-user fleets to understand their requirements and to allow it to "minimise or eliminate issues".

"While there will be some production gaps we are confident we can manage a relatively smooth transition for customers," he said.

Most manufacturers are bullish about mitigating any impact WLTP might have on lead times.

Martin Gurney, PSA Group UK fleet director, said the manufacturer's brands were in "good shape" to meet the challenge, adding product roll-out started in May, with all models now homologated to WLTP.

Ford's LCV line-up has also been tested under the new regime and Mercedes-Benz says its range will be WLTP tested ahead of the September deadline.

It was similarly positive outlook from Vauxhall and Renault, with the latter saying that the vast majority of its vans are available to order now and production is already underway for supply to the UK market.

Manufacturers appear to be more prepared for the emissions test change than the car sector was last year, when models could not be ordered because they had not been tested under WLTP.

Instead, it is the WLTP-testing of third-party conversions, where chassis cabs leave the factory to be adapted into dropsides and tippers, for example, which is causing most concern.

Currently, to cater for LCVs that are modified before registration, the Vehicle Certification Agency (VCA) has the N1 enhancement scheme, which is a light touch method of ensuring compliance with the national regulations.

Stephen Turner, sales director at vehicle converter Bott, said: "Within the UK, Bott already works to the standards laid out within the VCA N1 enhancement scheme. We are working closely with the SMMT, however, to ensure that these standards are developed, where necessary, to take WLTP factors into account."

In the meantime, Turner says the business continues to work with manufacturers, dealers and its customers to facilitate vehicle supply during the current transition period.

Van manufacturers have been developing online portals ahead of the change to allow third-party converters to recalculate the WLTP CO_2 emissions value for the finished vehicle.

Renault explained that, with the shape/weight of the vehicle changing with the conversion, there is a legal obligation to include the CO_2 of the final converted product.

"Renault, therefore, has an obligation to provide a conversion calculation tool to converters," said a spokesman.

Renault's tool is called 'CalisCo'. Each converter will be responsible for entering the technical data of the conversion, such as the type of transformation, tyres, vehicle weight and aerodynamics.

The manufacturer says it has already met with – and received feedback from – a handful of converters and will be scheduling webinars to deploy 'CalisCo' with the Renault converter network.

Renault Pro+ dealers were able to learn about the new emissions calculator at a recent training day.

Ford, Volkswagen and Mercedes-Benz have now added similar systems.

Earlier this year, former head of fleet at Volkswagen Commercial Vehicles, David Hanna told *Commercial Fleet:* "Whether you're taking an off-the-shelf conversion or you're putting racking into vans, that all has to be considered."

He explained that the manufacturer's approved converters would, with a "few clicks", be able to issue second stage type approval, with the correct figures based on what amendments have been made.

Commercial fleet operators will be hoping the reassurances of manufacturers ring true when the regime comes into force for all vans from September.

For more on how Volkswagen Commercial Vehicles is working with converters and any impact on the sector from Brexit, see page 72.

Testing delays are a cause of concern on conversions, such as this Renault dropside

"EVERYONE WILL TRY TO AVOID SUPPLY SHORTAGES, BUT IT'S NOT ALWAYS IN YOUR GIFT"

MIKE HAWES, SMMT

PUBLIC EYE

In our regular column, an experienced fleet manager gives his take on the burning issues facing the public sector. This month, he looks at Implementing EVs, but at what cost?

Ten years ago Smiths Electric Vehicles (a leading maker of commercial EVs at the time) converted Ford Transits to full electric. The cost of that was approximately £60,000. A similar sized vehicle continues to attract a premium, meaning the new LDV electric van is still around £55,000.

We were saying then that, in the future, a vehicle of this nature would be comparable with an internal combustion engine (ICE) – that's clearly still not the case.

Public sector organisations have been advocates for introducing low carbon technologies for the past 15 years. We've either trialled, or introduced, bio-diesel, LNG, LPG, CNG, hybrids and, in some cases, hydrogen.

The introduction or trialling of these alternative fuels has not been cheap, especially once any initial subsidies or incentives were removed.

It is, of course, essential we all play our part in reducing emissions. However, it must not be at the detriment of the business case.

The promotion of EVs is front of mind for public sector fleet managers, however, the drive to adopt EVs across the board and for all vehicle types, is not sustainable. For example, will we ever see a 26-tonne electrically powered gritter clearing motorways in the depths of winter?

The move must also be cost-effective. Not all public sector vehicles may cover the mileage on the full wholelife °cost analysis where they reach the point of break-even.

Solutions must be practical and not just to avoid tariffs and clean air zone charges.

Brexit doesn't take the wind out of specialist conversion sales

WLTP figures can be distorted by vehicle alterations, but converters continue to progress

By John Lewis

Demand for specialist conversions on vans and chassis cabs is booming regardless of the continued uncertainty caused by Brexit, say bodybuilders.

"It's a strong market," says Justin Gallen, managing director of Telford, Shropshire-based Ingimex. "We're aiming to produce 2,300 conversions this year, 30% up on 2018."

Scott Hadley, head of sales at Aldridge, West Midlands-based JC Payne, adds: "We received a lot of orders for Lutons during the first half, and we've just supplied 50 to a well-known daily rental company."

Sales are surging ahead despite the challenges generated by changes to Euro 6 and complications caused by the roll-out of the World-wide harmonised Light vehicle Test Procedure (WLTP). A conversion can impact a vehicle's WLTP figure.

It is a level of interest Volkswagen Commercial Vehicles (VWCV) is determined to capitalise on, says specialist sales manager Nick Axtell.

VWCV has built up a network of 17 UK converters approved to work on its products, including CoolKit, VFS, Paneltex and Bri-Stor as well as JC Payne and Ingimex.

"Around 22% to 24% of our output is on VW chassis," says Gallen.

Their efforts are being supported by a newly-introduced team of local business development managers tasked with working with VW van dealers to help them boost sales to small- to medium-size fleets.

"We're 12 weeks into this programme. It involves 40 of our van centres and the managers are working with 14 of them particularly closely," Axtell says.

A number of VWCV's approved converters were present at a presentation and exhibition organised at the Telford International Centre aimed at giving fleets and leasing companies a better understanding of what they can deliver. Converters are expected to match the warranty VWCV offers on its products as well as the standard of its aftersales back-up.

VWCV has two approved conversion programmes – Engineered to Go and Engineered for You.

The former denotes a range of standardised off-the-shelf products that appear in VWCV's price list. Leading the way are the dropsides, tippers and Lutons that Ingimex builds on Crafter chassis.

Engineered for You describes conversions that are more closely-tailored to individual operators needs and may serve niche markets. The car transporter body built on Crafter by Derbyshire's Advanced KFS is one example.

Among the bodybuilders present, CoolKit of Burnley was especially proud of the temperature-controlled dual-compartment medium wheelbase front-wheel drive 3.5-tonne Crafter van it had on display.

Complete with a sliding bulkhead, which allows the operator to alter the respective sizes of the front frozen and rear chilled compartments that can be removed if necessary, it is fitted with an Alex Original refrigeration unit.

It can handle a 908kg payload – a competitive figure for a medium-height van of this size.

Rather than the more-usual plastic strips, both the side and rear door apertures are equipped with an air curtain; a downward-facing fan positioned to reduce the amount of cold air that escapes when the doors are opened.

It makes it easier and quicker for drivers to unload products for delivery, says CoolKit, because they do not have to wrestle with lots of dangling plastic.

Alongside what it can offer on Crafter, Ingimex has also developed a dropside and a tipper based on VW's Transporter chassis cab. Built on a 3.2-tonne chassis, its Tip-up tipper can shift up to 1,000kg – as much as some 3.5-tonne tippers are able to carry.

The body comes with a steel floor and tailgate but the sides are made of aluminium and it relies on an aluminium and steel sub-frame.

Major increases in the price of both metals could force bodybuilders to put their own prices up, which could dampen demand.

"Fortunately they're both quite stable at present, with no significant movements," says Gallen.


Lutons are in big demand at JC Payne


Tippers are a popular conversion according to Ingimex

FTA ADVICE

By Ray Marshall, senior transport advisor, FTA

Q We operate a forklift truck within our depot, which is on private land and the public does not have access. On occasion we take it onto the public highway to unload an articulated vehicle outside our main gates. Should the forklift truck be registered if used on the public highway, even if only on the odd occasion?

A A forklift truck is classed as a works truck. Therefore, if it is used on the public highway, it should be taxed, registered and insured. There is no distance or time exemption if the forklift is driven on the public highway as its use is governed by the requirements of the Road Traffic Act 1988 and the Vehicle Excise and Registration Act 1994.

Works trucks are taxed at the special vehicles rate (currently £165) if they exceed 3,500kgs revenue weight, or at the private light goods rate if less than this.

Q We have received a notice of intended prosecution; one of our 18-tonne gvw trucks used a road with a 12-tonne weight limit restriction. At the time the vehicle was unladen and would have weighed less than 12 tonnes. Can we appeal this?

A Where the 12-tonne weight limit restriction is inside a red circle (prohibitive sign) this is a command and must be obeyed. The limit relates to the maximum gvw of the vehicle, immaterial of its actual weight. If underneath the sign it was stated 'except for access' or 'except for empty vehicle' and you could show evidence of your vehicle's compliance, then you could appeal the notice.

Q We operate heavy vans which means the drivers are subject to EU drivers' hours regulations and therefore fall under the Road Transport Directive for the working time regulations. Who enforces these regulations and what are the penalties for any breaches?

A The Driver and Vehicle Standards Agency (DVSA) enforces the working time regulations for mobile workers, while the Health and Safety Executive enforces for non-mobile workers. An inspector can issue an improvement notice requiring a contravention to be rectified within a specified period.

A prohibition notice can be served if an inspector believes there is a serious risk of injury.

The penalty for failing to comply with the terms of a notice, failure to provide information or obstructing an officer depends on circumstances. However, fines can range from £5,000 to an unlimited sum, and convictions can lead to imprisonment of up to two years.

Q How would I know if a vocational licence is coming up to its five-yearly renewal? In this case, the driver is 28 so not yet subject to the full medical renewal process.

A This is a topical question. In 2013, we saw the introduction of the third European Union Directive (2006/126/EC), which introduced five-yearly renewals of vocational licences.

When a driver passes a driving test or renews their full driving licence in categories C, C1, C1E, CE, D, DE, D1 or D1E from 19 January 2013, the photocard licence will be valid for a maximum period of five years up to age 65, after which renewal will be made annually.

Drivers under 45 years old will need to sign a self-declaration of fitness to drive at each renewal up to the age of 45 when a full medical using form D4 will be required.

DVLA will normally send out form D47PU 56 days prior to expiry.

The photocard expiry date will be on the face of the licence at 4b and the expiry date of the entitlement will show against the individual entitlement on the reverse.

It is a requirement to renew your licence if you wish to continue to drive. Failure to do so could result in a fine of up to £1,000. Since 2010 fines levied against individuals for not renewing total around £41 million. In addition, it is important you clearly indicate which categories you are looking to renew as failure to do so could mean that omitted categories will be removed from the replacement licence.

Motorway diversion signs

Sometimes motorways are closed at short notice because of accidents or emergency repairs. Diversion signs help drivers find their way back to the motorway beyond the closed section. The signs at motorway entrances and exits are activated by the police.

They have a distinctive yellow background with a black border, and carry a message telling you to leave the motorway at the next junction or not to join it. Follow the route signed with a symbol circle, triangle, diamond or rectangle – until normal signs direct you back to the motorway.

When alternative routes cross, or run along the same length of road, different symbols will be shown for each route to avoid confusion.

Though permanent signs indicate the alternative routes, they can be ignored until the corresponding symbol on the motorway is activated.

The Lifting Operations and Lifting Equipment Regulations 1998 (LOLER)

These regulations (LOLER) place duties on people and companies who own, operate or have control over lifting equipment. If your business or organisation undertakes lifting operations or is involved in providing lifting equipment for others to use, you must manage and control the risks to avoid any injury or damage.

All lifting operations must be properly planned by a competent person, appropriately supervised, and carried out in a safe manner. The equipment must be fit for purpose, appropriate for the task, suitably marked and in many cases, subject to statutory periodic checks. Records must be kept and any defects found must be rectified or replaced before it can be used.

Lifting equipment includes the following:

- Passenger lift
- Block and tackle
- Vehicle inspection hoist
- Scissor lifts
- Recovery vehicle crane or spectacle lift
- Slings and ropes
- Lorry loader crane
- Refuse collection vehicle bin lifter

PROTECTING VULNERABLE ROAD USERS

When combined, road deaths among VRUs outstrip those of passengers travelling in cars. *Matt de Prez* reports

Cyclists, motorcyclists and pedestrians – all vulnerable road users (VRUs) – can cause fleet operators big headaches.

As drivers navigate increasingly complex road networks and battle with inner city restrictions, the presence of VRUs means commercial vehicles are often just millimetres from disaster.

Cities are under increasing pressure to reduce congestion and cut emissions. This, coupled with the booming population in urban areas, is pushing available road space to its limits.

"It's a growing issue and it's going to carry on growing," says Neil Greig, head of policy at IAM.

"We've got more people cycling and more people walking, but the facilities are yet to catch up. There is a difficult mix of early adopters, who are being encouraged to cycle and walk, using roads that aren't designed to be safe for them. It simply isn't safe to have cyclists and walkers alongside motorised vehicles."

The Department for Transport's annual road casualties report highlights the issue. While car occupants continue to account for the biggest single proportion of road deaths, cyclists, pedestrians and motorcyclists combined account for more fatalities.

"The balance is shifting, it used to be more about car occupants," adds Greig.

In 2017 – the most recent figures available – 920 VRUs were killed on UK roads, compared with 787 car passengers.

Of the 107,347 casualties on urban roads in 2017, 20% were pedestrians and 14% were cyclists, making urban roads the most dangerous for VRUs.

Dave Rowlands, technical director at Wincanton, says: "The fundamental thing for us is we do take safety seriously, we are committed to safety and we are early adopters of new technology and try to use it as early as possible. Our whole ethos is that we want to be a safe operator, – from board level to driver we all want to be safe.

"If you have the attitude that safety is first, it does actually mean something. We monitor it very clinically."

TECHNOLOGY TO BOOST VISIBILITY

Connected mobile digital video recorders (MDVRs) allow fleets to combine a wider range of vehicle cameras and safety devices to better identify vulnerable road users and help drivers avoid potential collisions. This can be both internal and external cameras – including front, driver, cargo, side and rear – for an all-round view of the vehicle for the fleet manager and the driver, along with in-vehicle monitors, cyclist detection and advanced driver-assistance systems (ADAS).

Richard Lane, commercial director of connected camera specialist VisionTrack, says: "Side cameras, proximity sensors and ADAS-enabled forward-facing cameras can be used to provide added visibility and awareness of vulnerable road users via an in-vehicle monitor and driver feedback device. As a result, the driver can be immediately alerted, while a fleet manager can monitor areas of concern in real-time and historically."

By analysing video footage from connected vehicle cameras alongside driver behaviour data, it is possible to identify potential risks within a fleet operation and those drivers that are most likely to be involved in a vehicle collision. Through enhanced driver engagement, preventative action can be taken to improve driving styles to stop incidents happening in the first place.

"Commercial vehicle drivers can still be unfairly blamed and penalised, especially when a vulnerable road user is involved, so connected camera systems are a proven way of protecting them from unfounded accusations or when a collision occurs," adds Lane.

Having the ability to see the exact circumstances of an incident gives the driver added peace of mind as well as the knowledge they are being backed and supported.

"We have had fatal incidents where we have been able to provide video evidence to police at the scene, which has exonerated the driver of any wrongdoing. This means the driver is immediately treated as a witness rather than a suspect, which removes some of the strain placed on them during what is an incredibly traumatic experience," Lane says.

TRAINING IN THE CITY

Drivers in any city or urban area are seeing more cyclists than ever. It can be a challenge and it can be stressful, especially for those driving in stop-start traffic where there are cyclists and pedestrians all around.

Driver training is a crucial element of

Simply adding cycle lanes and footpaths is not the complete answer, according to the FTA

protecting vulnerable road users and can range from online tests to on-road sessions.

"The driving test is playing catch up," says Greig. "Unless you learned to drive in a city centre you probably haven't had that much interaction with a cyclist."

He believes employers have a big role to play in upgrading the skills of their drivers.

One option is the Safer Urban Driving CPC module. It combines half a day of classroom training with an on-road session with a difference. Drivers swap their trucks for bikes and must battle the city streets on two wheels to get a feel for what it's like to be on the other side of the coin.

"It's a good eye opener," says Natalie Chapman, head of urban policy at the Freight Transport Association (FTA).

"It makes you understand, as a driver, how much there is to know. There are a lot of people cycling that really should know more about how to protect themselves, but it's really important that drivers understand the cyclist's perspective so they know some of the reasons that cyclists may do things, such as taking a more central position in the road in order to avoid car doors and debris."

The FTA recommends that fleet operators put their drivers through the course. It counts towards their required training hours for the CPC and is regarded as being highly effective.

"It's always good to have that awareness training. I know some drivers are nervous about getting on bikes but they make sure you are competent on the bike first. They don't go on big main roads, it's fairly gentle. There is no reason for companies or drivers to be nervous," adds Chapman.

London is bidding to take a lead on the subject of HGV visibility ratings

NEW TRUCK SAFETY SYSTEMS

When it comes to active safety innovations, truck manufacturers are not only borrowing safety and autonomous driving technology from the latest road cars, but also developing entirely new systems to improve truck safety.

The new Mercedes-Benz Actros features Active Brake Assist 5 with pedestrian recognition and can apply 100% braking if a VRU steps into the path of the truck.

It also features MirrorCam, which enhances visibility all around the truck by removing conventional side mirrors and replacing them with screens and cameras. The system increases visibility forwards (at junctions and roundabouts) and also rearwards. The camera image automatically pans when manoeuvring, turning corners or changing lanes, so the rear of the trailer is always visible in the centre of the display.

"THERE ARE A LOT OF PEOPLE CYCLING THAT REALLY SHOULD KNOW MORE ABOUT HOW TO PROTECT THEMSELVES"

NATALIE CHAPMAN, FTA

Volvo Trucks has made safety one of its core values during its 90-year history and takes a multi-faceted approach to traffic safety. It extends from traffic safety research, to developing safety technologies for the vehicles, such as lane-keeping support and forward collision warning with emergency brake, to driver training and designing safer vehicles. Traffic safety awareness programmes such as 'Stop Look Wave' and 'See and be seen', targeted at children and cyclists, is another important part of the work.

"Since drivers, cyclists and pedestrians share the roads, it is key for them to understand each other's needs and limitations. As a vehicle manufacturer, we can do a lot to make sure that no one is injured in an accident with any of our vehicles and to increase the general level of road safety awareness. We have a zero-accident vision," says Carl Johan Almqvist, senior advisor traffic and product safety at Volvo Trucks.

DIRECT VISION: WHAT YOU NEED TO KNOW

The HGV Safety Permit Scheme comes into effect on October 26, 2020, after which any vehicle larger than 12 tonnes will need to have a safety permit in order to enter central London.

There are two routes to getting one of those permits. Either meet the minimum standards for Direct Vision or fit your vehicle with an array of additional safety equipment.

Direct Vision is the rating of the visibility around at truck's cab. The more a driver can see, the higher the score.

Vehicles that achieve a Direct Vision score of at least one star are automatically eligible for a

Busy city streets are the biggest areas of concern where CVs find themselves very close to VRUs

permit, but you still have to apply for one. Even five star vehicles will need a permit.

"What fleets have to do now is contact their vehicle manufacturer to obtain their star rating. On the Transport for London (TfL) website there are contact details for each manufacturer. We recommend fleets use that contact rather than their local dealer," advises Chapman.

The manufacturer will give you your star rating and they will give it to TfL as well.

Chapman says it is estimated two-thirds of HGVs will be zero-star rated – a significant proportion of the HGV fleet.

It has nothing to do with how old the vehicle is, though. Generally, the taller the cab the lower the star rating will be.

Operators that plan to send vehicles within the London Low Emission Zone must ensure their vehicle has a valid permit, or face a fine of £550.

For vehicles that fail to achieve a Direct Vision star rating, permits can still be acquired if operators can prove they have achieved compliance through the use of additional technology.

Vehicles that score zero will have to feature a range of mirrors, sensors and monitoring systems. Some of the requirements are already part of the Safer Lorry Scheme and all of them are required for FORS Silver.

TfL has produced a guidance document with all the specific information.

Chapman says operators should act now and get on the front foot: "We will be encouraging those with vehicles that meet the star rating to apply as soon as they can – it will be straightforward. Those with zero star vehicles should be looking into what they need to get and arranging to have it fitted."

TfL will begin accepting applications for permits on October 26, 2019, giving operators one year to get one.

WHAT ABOUT VANS?

The number of vans operating on the UK's roads in increasing as online shopping booms and operators look to downsize larger vehicles to avoid tightening legislation and restrictions.

"PEOPLE WHO INTERACT WITH US TEND TO BECOME BETTER DRIVERS; THEY DO LEARN SOMETHING"

NEIL GREIG, IAM

While these vehicles often operate in a similar way to trucks, Chapman says the serious issues with VRUs are firmly with HGVs, particularly in London.

"We're not saying van fleets shouldn't do anything, but they don't have the same level of issues with things like Direct Vision. We don't need to be doing the same things as HGVs, but the driver awareness element is still very relevant," she adds.

The IAM teaches a system of advanced driving that is all about observation and anticipation.

"People who interact with us tend to become better drivers; they do learn something from it," says Greig. "The problem comes if your company culture is all about getting deliveries on time and really tight deadlines.

"The gig economy is like the wild west of road safety. That is where our biggest concerns are. Everybody is self-employed, has unrealistic deadlines and often no checks for things like insurance.

"As much as there are lots of responsible employers out there, there are a lot more gig economy people who are getting no training whatsoever. That is undermining the work of the big schemes like FORS."

Rowlands says safety is more ingrained in a HGV operator, rather than a van operator.

"As a HGV operator you have to adhere to your operator's licence. The directors have to sign it off at board level," he explains.

Any van Wincanton operates has to adhere to the same standards as its trucks.

"It's HGV down. Because we are an accredited Earned Recognition operator, we are audited against that and that goes beyond our standard licence requirements. We have to report any incidents to DVSA. We are very closely monitored by the authorities," adds Rowlands.

HOW EXTERNAL FACTORS CAN AFFECT THE SAFETY OF VRUs

The issues between VRUs and HGVs can't easily be resolved by either of those parties alone. Local authorities and the Government have a part to play.

"The safest way to protect VRUs is to segregate them from motorised traffic. In cities we have limited road space and there are issues with taking away road space," Chapman says.

Simply adding cycle lanes and footpaths won't solve the issue, though. Road space is valuable and operators need to be able to navigate cities with minimal restrictions. She believes cycle lanes are better placed away from major routes, making them more pleasant to use and not impacting on congestion.

"We need a more sensible design of cycling infrastructure," explains Chapman. "Part of that is making sure cycle lanes are joined up and well maintained. Often a cyclist won't use them because the lane is full of debris that causes punctures."

Signage can also be an issue, with urban areas littered with distractions. Drivers that are unfamiliar with their surroundings are more likely to miss a VRU if they are concentrating too much on where they need to go.

Ultimately, Rowlands says, van and truck fleets have to be able to operate in the city in order for the city to operate. Nay legislation must not affect that situation.

RENAULT MASTER

After a decade, Master is something of an 'old dog', but its new 'tricks' have been worth waiting for

By Matt de Prez

At almost 10 years old, the Renault Master has undergone its first major overhaul, ushering in a new look, new interior and new technology.

The Master is among the best in the business when it comes to running costs vs payload and this new version promises to build on that functionality with lower emissions and better efficiency.

An imposing new front end is the most noticeable change externally. The new nose allows for greater airflow into the engine bay (a requirement for meeting the latest emissions standards) and – according to Renault bosses – was designed to give the Master a more truck-like appearance.

Under the raised bonnet sits a re-worked version of the 2.3-litre dCi diesel engine. It comes in a variety of configurations, with all models meeting Euro 6d-Temp or Euro VI-d emissions standards.

Power and torque have been increased across the line-up, to a maximum of 180PS and 400Nm, resulting in a more responsive drive.

At the same time, the new engines reduce fuel consumption by up to 3mpg.

	FLEET PICK MM35 135 BUSINESS FWD
SPECIFICATIONS	
CV OTR price	£29,850
Power/torque	135/360
Payload (kg)	1,479
Gross vehicle weight (kg)	3,500
Load volume (cu m)	10.8
Fuel cost (ppm)	TBC
SMR (ppm)	TBC
Running cost (ppm)	TBC
Combined fuel economy	TBC

The interior has been designed to maximise cabin storage

Six-speed manual or semi-automatic transmissions remain available, with front- and rear-wheel drive.

The fully electric Master ZE also stays, offering a real-world range of 75 miles.

The Master's interior is all-new. Its dashboard was designed to maximise cabin storage, while providing a more premium feel.

It retains the simplistic layout and hardwearing feel of the previous Master, but introduces a better infotainment system, neater switchgear and chrome detailing.

There is also a digital rear-view mirror that makes use of a rear mounted camera, so drivers have a better view of their surroundings from inside the cab.

Dash-top storage bins, large door pockets and under-seat space provide up to 105 litres of stowage space in the cabin. There is also a dash-mounted docking station for holding smartphones or tablets.

The seats are comfortable and provide adequate adjustment, although we found the lower dash to encroach on the legroom for a middle-seat passenger.

Behind the wheel, the Master provides good visibility and is easy to manoeuvre. Light controls mean the driving experience is relaxed and the subdued engine note helps reduce fatigue.

At motorway speeds, the van is refined and offers a range of driver assistance such as cruise control, lane departure warning and blind spot monitoring.

The diesel engine produces adequate shove. All our test vehicles were packed with a 640kg load in the back and the engine never felt lacking.

We were impressed by the low down torque, which enables the Master to operate at almost crawling speeds in fourth gear.

The range spreads across 99 variants, with the panel van available in four height options and three lengths. There is also a range of approved conversions, plus a minibus and crew cab models.

Load volumes range from eight to 22 cubic metres with gvw ranging from 2.8 to 4.5 tonnes.

Payloads are also competitive with most versions offering at least 1,000kg.

VAUXHALL VIVARO

Made in Britain, but the continental influences of this responsive newcomer are strong

By John Lewis

Now the sole volume manufacturer of vans in the UK, PSA-owned Vauxhall is banging the patriotic drum loudly.

Each new Vivaro that rolls out of its Luton plant – recently the subject of a £100m investment – bears a 'Made in Britain' badge. Its roots, however, lie in mainland Europe.

Just as its predecessor was a rebadged version of Renault's Trafic, the latest Vivaro is a rebadged version of Citroen's Dispatch and Peugeot's Expert. Toyota sells the same vehicle under the Proace.

Vauxhall's newcomer is produced in van, double-cab and platform cab guise. The double-cab has a second row of seats plus a load compartment at the rear and can transport up to six people.

The van is marketed with two lengths, one roof height and either a 5.3cu m (L1H1) or a 6.1cu m (L2H1) load area. Modest sales mean a high roof version is not being offered this time.

Payload capacity maxes at 1,458kg, which is 200kg more than the departing model could tackle. This means Vivaro has impressive credentials as a weight carrier for a van of its size.

	FLEET PICK L1 3100 2.0 T D 120 SS EDITION
SPECIFICATIONS	
CV OTR price	£23,803
Power/torque	120PS/3430Nm
Payload (kg)	1,409
Gross vehicle weight (kg)	3,100
Load volume (cu m)	5.3/6.1 (5.8/6.6 with load-through)
Fuel cost (ppm)	15.17
SMR (ppm)	4.15
Running cost (ppm)	42.82
Combined fuel economy	40mpg

A seven-inch touchscreen allowing smartphone integration comes as standard

Power comes courtesy of a 1.5-litre diesel at 100PS/270Nm or 120PS/300Nm and a 2.0-litre diesel at 120PS/340Nm, 150PS/370Nm or 180PS/400Nm.

A six-speed manual transmission is standard with an eight-speed automatic gearbox optional if you specify the 180PS engine. It will be available with the 120PS version of the 2.0-litre next year.

The specification walk begins with Edition, moves through Sportive and finishes with Elite.

All vans come with twin sliding side doors, driver and passenger airbags and cruise control with a speed limiter as standard for the first time. Select Elite trim and you benefit from a raft of safety devices including lane departure warning, speed limit information and blind spot detection.

Also available is smartphone integration via Apple CarPlay and Android Auto alongside infotainment systems with seven-inch touchscreens.

I took to the highways of Bedfordshire in a 180PS L1H1 van in Elite trim fitted with the automatic box and with a 400kg test load on board. The Vauxhall accelerated strongly from rest and happily sat at the maximum motorway speed for mile after mile.

Build quality was exemplary – nothing squeaked or rattled – and in-cab noise levels were not an issue. Nor was the handling, with the steering tightening up nicely and delivering plenty of response as Vivaro was pushed hard through a series of rural bends.

Tuning a van's suspension so that it rides just as well unladen as it does laden can be a challenge for manufacturers.

Vivaro definitely rides much better with some weight in the back, as I discovered when I sampled an unladen L2H1 double-cab.

Its suspension had way too much bounce in it – so much so that I consciously slowed down to keep it calm.

Returning to the 180PS L1H1 auto, service intervals are set at 30,000 miles/two years. WLTP fuel economy is 35.3mpg (low) and 40.9mpg (high) with CO_2 at 183g/km and 209g/km, respectively.

Ford's Transit Custom is the one Vivaro has to beat and that will be a struggle, but the impressive young newcomer is hard on Custom's heels. The arrival of an all-electric model in 2020 should boost its fortunes further.

FIAT DUCATO

Nine-speed auto gearbox will be a 'game-changer' for Ducato

By Andrew Ryan

From the outside, the 2020 Ducato does not look markedly different compared with its predecessor, but one change under the skin will be a "real game-changer", according to Richard Chamberlain, head of brand at Fiat Professional.

A titanium-coloured grille and the line of headlights in piano black are the main exterior upgrades, but the addition of a nine-speed automatic gearbox – as well as a new engine range – is the most significant development.

"It will allow us to speak to customers with two-pedal policies who we would not have been able to speak to before," explains Chamberlain.

This will be offered alongside a six-speed manual gearbox and is the first time the model has been available with a proper torque converter transmission: the previous version was available with a somewhat underwhelming Comfort-Matic robotised-manual gearbox.

With the automatic gearbox, drivers can choose from three driving modes – normal, eco and power. Eco provides a smoother acceleration response and a tailored gear shift pattern to reduce fuel consumption, while power provides quicker shifting for optimal performance in a variety of conditions.

	FLEET PICK 2.3 143PS L2H2 AUTOMATIC
SPECIFICATIONS	
CV OTR price	N/A
Power/torque	142PS/350Nm
Payload (kg)	1,540
Gross vehicle weight (kg)	3,500
Load volume (cu m)	11.5
Fuel cost (ppm)	N/A
SMR (ppm)	N/A
Running cost (ppm)	N/A
Combined fuel economy	39.2mpg

The cabin feels both logical and hard-wearing

Ducato also now comes with a new Euro 6D 2.3-litre engine in 122PS, 142PS, 162PS and 183PS power outputs, offering greater efficiency than the units they replace. A Natural Power CNG variant offering 136PS will also be available.

These all feature a standard EcoPack which includes a stop-start system, a smart alternator, an eco mode to help reduce fuel use and an electronically-controlled fuel pump which generates greater combustion efficiency.

NEDC fuel economy for the L2H2 variant ranges from 37.2mpg to 40.4mpg, while CO_2 emissions go from 185g/km for the 162PS model to 201g/km for the 122PS.

Full pricing and trim levels for the refreshed Ducato range have not yet been released, but it will start from £24,670 for the 122PS model. It also offers a wide range of safety technology for the first time, including blind spot assist, cross traffic alert, autonomous emergency braking, lane departure warning, traffic sign recognition and automatic lights and wipers.

Other new technology allows the driver to set the minimum engine idle speed to ensure there is ample power for additional electric equipment, as well as an LED lighting package for the load area.

We drove the 142PS L2H2 model fitted with the automatic gearbox, and it impressed. The gearbox shifted smoothly, aiding driveability and taking much of the hassle out of manoeuvring in urban areas, while it was also comfortable and easy to drive on the open road.

Visibility was also excellent, while the cabin felt both logical in its layout and hard-wearing. Combined with its new technology and efficiency, these road manners ensure Ducato is well suited for whatever a working life could throw at it.

Also at the 2020 Ducato launch event, Fiat unveiled a fully-electric version of the van, which can be pre-ordered by the end of the year.

Ducato Electric will feature modular battery size options and charging configurations with a range of between 136 and 223 miles on the NEDC cycle.

New front multi-piece grille has recessed headlights

IVECO S-WAY

The new S-Way shows the way for the Iveco heavy truck range

By Tim Campbell

In 2002, Iveco launched Stralis as its replacement for the ageing Euro-Tech and EuroStar heavy tractor range. Since then, Stralis has had limited success in the UK market despite being Truck of the Year in 2003.

Every facelift over the past 17 years has brought improvements both to its reliability and reputation. Indeed, the last incarnation, the Stralis Hi-Way, received the coveted International Truck of the Year in 2013.

Iveco's UK history has been carved along the lines of its medium rigid truck range for many years with the Daily van winning over operators at the lighter end of the spectrum.

This has meant, potentially, Iveco's future success could be, and may probably be, defined by the number of sales of its new heavy truck range, the S-Way.

At the launch we took the S-Way around a test track in Madrid. Of course, given it was a pan-European event, all the trucks were left-hand drive and 4x2 configurations.

We opted for the 4x2 natural gas-powered tractor unit rated at 460PS.

	MODEL TESTED AS440S46 T/P 4X2
SPECIFICATIONS	
Price as tested	N/A
Chassis kerb weight (kg)	N/A
Engine	Cursor 13
Output (PS)	466
Torque (Nm)	2,000
Payload (kg)	N/A
Warranty	N/A

Truck manufacturers have learnt a lot about launching new vehicles over the years. We have seen one or two choose to introduce a whole new range with a completely new cab and driveline at the same time.

Unsurprisingly, this approach led to issues on both the cab/chassis as well as many components within the driveline resulting in poor in-service reliability and durability.

CONCENTRATED ON THE CAB

With this in mind, Iveco has opted to launch the new S-Way without any major alteration to the driveline specification and has concentrated on the new cab, and, just as importantly, the connectivity of the vehicle from an internal as well as external perspective. It has reduced the total cost of ownership by up to 11%, according to Iveco.

Our LNG S-Way was powered by the familiar Cursor 12.9 litre in-line six cylinder 460PS (338kW) engine running at 1,900rpm to Euro VI d emission standard and producing 2000Nm of torque in a range from 1,100-1,600rpm.

As always, behind the engine, Iveco has specified the ZF-based 12-speed Hi-Tronix automated gearbox with an overdrive top gear

Given this was a left-hand drive vehicle, the specification may be somewhat different compared with the eventual UK spec.

It was a 4x2 with a 3,800mm wheelbase which allowed for a 540-litre LNG tank and then an additional 250 litre LNG tank on the opposite side offering a total of 790 litres.

Suspension was provided by parabolic spring at the front with a more conventional setup of air suspension supporting the rear axle.

At first glance, the S-Way cab looks like a cross between the Scania S series and Iveco's existing Stralis, which is not a bad thing. Indeed I feel it's quite a positive step with a very bold and deep grill.

At the launch of the S-Way, head of medium and heavy trucks product management for Iveco Giuliano Giovannini said: "When designing the new cab for the Iveco S-Way we left no stone unturned to fulfil all the driver's needs.

"Our overarching aim was to meet their full satisfaction in terms of driving comfort and quality of life on board with excellent ergonomics and an appealing and welcoming environment for them to drive, work and rest – their home away from home."

An ambitious goal to say the least.

The new and more aerodynamically-shaped cab helps increase the vehicle's fuel efficiency by up to 4%. This is achieved by reducing the Cx drag coefficient by as much as 12% and builds on the optimised driveline introduced in Stralis around three years ago.

KEY CAB FEATURES

The cab incorporates a number of key features including a new roof integrated into the front end, a retractable front step providing access to the windscreen and then recesses into the grille when not in use. The front multi-piece grille has recessed headlights, a bumper with integrated deflectors as well as newly shaped wheel arches.

From a safety perspective, the new cab has been redesigned and reinforced to ensure its compliance with the latest ECE R29.03 cab crash standards and the front axle has been fine-tuned to reduce braking distances by 15%.

The full LED lights have a much sharper beam, improving visibility and obstacle perception by 15% and, of course, there's an array of advanced driver assistance systems to help the driver operate the vehicle efficiently and safely while reducing fatigue on the road.

THE LAST WORD

PETER BELL

MANAGING DIRECTOR, MANHEIM

After seven years in the automotive sector, Bell now heads a major auction house. He was a 'self-confessed petrolhead' as a youth, but now cycling has a bigger place in his passions

The song I would have on my driving playlist is *"Throw Them To The Lions"* by Tremonti. Just a great song to have blasting out. Otherwise, it would have to be something by Little Mix if our daughter is in the car as I love hearing her sing along.

The advice I would give to my 18-year-old self is be more confident and believe in yourself more. Work hard, but worry less and relax – it'll all turn out okay.

My pet hate is being late – it drives me up the wall.

If I were made transport minister for the day, I would invest in the quality of our roads in the UK – as a user, both as a driver and cyclist, our road infrastructure needs improvement.

My first memory associated with a car was sitting in my Godfather's bright yellow Porsche 911 when he visited from Germany when I was about six years old. It's been my dream car ever since.

My favourite movie quote is: "Life moves pretty fast. If you don't stop and look around once in a while, you could miss it!" – *Ferris Bueller's Day Off*

A book that I would recommend others read is *'Racing Through The Dark'* by David Millar, a former professional cyclist.

If money was no object, the cars I would have on my driveway are a Porsche 911, an Audi RS4 as the practical family car, then an Aston Martin DBS Superleggera and a Lamborghini Aventador would be nice.

My hobbies and interests are coaching my son's football team and cycling.

Why fleet?

I started my career in financial services and moved into the automotive sector in 2012, joining Volkswagen Financial Services. I was attracted by the opportunity at VW, its culture and the passion of the people. Being a 'petrolhead' from a young age, the icing on the cake was working for a great brand and having access to fantastic cars.

How I got here

I'd say through plenty of hard work, creating some of my own good luck through my delivery, the support of others and, like most people, the occasional moment of perfect timing. It's also been about focusing on my strengths and identifying where I can really draw upon these to be at my best – I'm a big advocate of strengths-based practices which emphasise people's self-determination and strengths.

Latest products, developments and achievements

We're always planning ahead so we can adapt to meet the needs of customers. We know people increasingly want to buy and sell online, so we're working in partnership with Auto Trader to create the largest digital wholesale market in the UK. Together, we've launched a new business called Dealer Auction.

My company in three words

People, customer and performance; we focus on all three, in that order. If allowed a fourth, it would be passion.

Career influence

I've worked for a number of great leaders who have shaped my approach. But I would say probably my parents for the values, work ethic and support that they have given me, and also my wife and family for their encouragement.

If I wasn't in fleet

My passion outside of work is sport – a professional footballer or cyclist. Sadly, it's a bit too late for either.

What makes a good MD?

I think it's the ability to listen; to develop and then communicate your vision and strategy consistently.

Next issue: Lucy Woods, chief executive officer, AX

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