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# CONTENTS

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## NEWS

- 4 Warning over toxin tax measures
- 7 Pivotal time for the auto industry
- 8 The AA app reduces breakdowns
- 11 DVLA/DVSA publish strategies
- 12 AMAP rules under scrutiny
- 15 Toyota's new approach
- 16 Concerns over whiplash

## REGULARS

- 20 Letters and editor's Big Picture
- 22 Opinion: Diesels and damages
- 23 Ask Nigel: The right dash cam
- 46 Awards winner: Seat Ateca
- 58 Last word: Gary Smith

## CAR/VAN REVIEWS

- 50 BMW 5 Series
- 52 Alfa Romeo Stelvio
- 55 Maserati Ghibli



**Cover feature**  
Fleet in focus:  
Portsmouth  
Naval Base

Commodore Jeremy Rigby prepares for an eco-friendly 'invasion' as the Ministry of Defence orders more than 100 plug-in vans for the dockyard

28

**32 In the spotlight:**  
**Royal Mail Fleet**

Paul Gatti, Royal Mail's director of fleet, on opening its network of workshops to third party repairs

## 24 Fleet News Roundtable

Fleet News Award finalists get together to share best practice on how they approach influencing driver behaviour. It's a 'carrot and stick' debate



35

**FLEETS  
VEHICLES**

Our guide to the key considerations for fleets and drivers when choosing a car

# FLEETS INFORMED

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Euro 5 diesel cars like this 163PS Vauxhall Insignia, which was replaced with a 170PS 2.0-litre CDTi engine in January 2015 and Euro 5 diesel vans like this 2.2-litre Ford Transit, (replaced by a new Euro 6 2.0-litre EcoBlue engine in June 2016), will face the daily charge.

# Air quality toxin tax measures set to be rolled out to more cities

Government is expected to announce up to 35 more clean air zones this month

By Gareth Roberts

**F**leets should "act now" if they want to avoid being hit with toxin taxes aimed at improving air quality.

The warning comes after Mayor of London Sadiq Khan revealed plans to charge the most polluting vehicles entering the capital and the Department for Environment, Food and Rural Affairs (Defra) considers schemes for the rest of the UK.

Diesel cars and vans that do not meet the Euro 6 environmental standard will have to pay £12.50 to enter central London from April 8, 2019, while HGVs, buses and coaches will face a daily charge of £100 (fleetnews.co.uk, April 4).

Khan is also proposing to expand the Ultra-Low Emission Zone (ULEZ) across Greater London for heavy diesel vehicles, including buses, coaches and lorries, in 2020, and as far as the North and South Circular roads for cars and vans in 2021.

John Chuhan, chief risk officer at Alphabet, said: "For those business leaders mistakenly thinking this is a London-centric issue, the expected unveiling of new air pollution measures from

environment secretary Andrea Leadsom should demonstrate this is an issue for the whole UK, not simply the south-east corner.

"UK businesses, whether they are large corporates or SMEs, need to act now to ensure they are prepared for the drastic changes demanded by the sustainable, low-emission future of transport. Simply ignoring the matter won't make it go away and waiting until 2019 will be too late."

Chuhan urged fleets to begin reviewing business travel, company car and LCV policies now. They need to understand vehicle journey patterns for both private and business usage and put plans in place to convert their existing fleet to ultra-low emission vehicles where appropriate, as well as consider the provision of a charging infrastructure at work, home and on the move.

Khan has already confirmed the £10 T-Charge (toxicity charge), which will start this October. He is now proposing that this will be replaced by the world's first ULEZ in April 2019, following a public consultation he launched last week. The ULEZ will cover the same area as the existing congestion charging zone.

Petrol vehicles that do not meet Euro 4 standards and diesel vehicles that do not meet Euro 6 standards will have to pay a ULEZ daily fee (£12.50 for cars, vans and motorbikes; £100 for buses, coaches and HGVs) to drive in the zone, 24 hours a day, 365 days a year.

It means petrol cars that are approximately more than 13 years old in 2019 (typically registered before January 2006 when Euro 4 came into force for all cars), and diesel cars that are more than four years old in 2019 (typically registered before September 2015), will not meet the new

standards. Vans above 1,305kg registered before September 2016 when Euro 6 was enforced will also not meet the standards if they are Euro 5 diesel engines.

The total cost, with the congestion charge added (during the times of day it is applicable), for motorists with non-compliant cars would be £24 a day.

The proposed ULEZ will apply to all vehicle types, including the emergency services. Only black taxis will be exempt.

Fleets are divided as to the merits of improving air quality by charging drivers of the most polluting vehicles to enter UK cities. A *Fleet News* poll revealed that 57.1% were in favour of the move.

## MORE CITIES TO FOLLOW SUIT

The Government has previously committed to introducing five Clean Air Zones (CAZs), outside the ULEZ proposed for London. Birmingham, Leeds, Nottingham, Derby and Southampton are required to have a CAZ in operation by 2020.

However, Andy Eastlake, managing director of the Low Carbon Vehicle Partnership (LowCVP), believes many more cities could be given the go-ahead to target diesel vehicles.

He said: "It's almost inevitable that other CAZs will be announced later this month – possibly as many as 35 – and there may be further details of potential access restrictions by types of vehicle."

He warned: "Fleet managers need to pay careful attention to the impending announcement of Defra's plan and to the Autumn Budget which looks likely to contain further measures to tackle air pollution. To be effective, these policies must touch



*"The impact will be especially hard for van users"*

Natalie Chapman, FTA

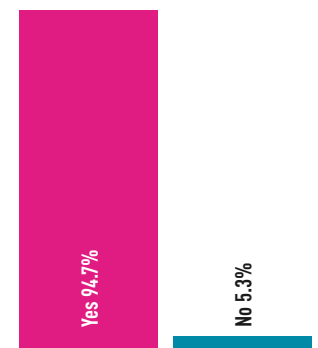




## FLEET FACTS AND FIGURES

### OPINION POLL

Do you think Scotland should follow the lead of England and Wales and introduce a zero tolerance approach to drug-driving?



### FleetNews view:

In 2015, England and Wales introduced a zero tolerance drug driving ban, making it an offence to drive with certain controlled drugs, but the law does not apply in Scotland. Our view is that given the evidence the new law is having a positive effect in England and Wales it makes sense that Scotland adopts a similar policy.

This week's poll: Have you been put off selecting a hybrid or pure EV with lower BIK rates for plug-in cars not being introduced until 2020?

[fleetnews.co.uk/polls](http://fleetnews.co.uk/polls)

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almost every fleet on the road across the UK."

The LowCVP is working with members to support a national approach to this critical policy area and to deliver mechanisms both to encourage uptake of the latest efficient vehicles and to help fleets meet the challenge. "Some of the biggest and quickest improvements can be made through focused retrofit programmes, working to complement the fleet renewal," said Eastlake.

Once London's mayor has finished consulting on current ULEZ proposals, he wants to start discussing the expansion of it to cover nearly all of Greater London. This zone, which would apply to heavy diesel vehicles such as buses, coaches and lorries, would be implemented in 2020.

A further consultation would look at extending the ULEZ so light vehicles, such as cars, vans, minibuses and motorcycles, were also included within the North/South Circular roads. This would be implemented in 2021.

However, the Road Haulage Association (RHA) and the Freight Transport Association (FTA) have both warned the measures will have a detrimental effect on business.

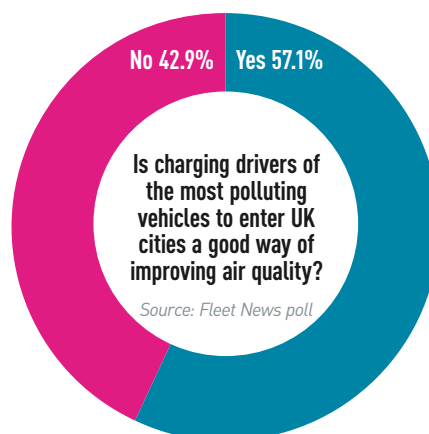
RHA chief executive Richard Burnett says the mayor risks turning the capital into a "ghost town". He said: "The thousands of restaurants, shops and attractions that make London one of the world's major tourist centres are reliant on an efficient delivery network which must not be jeopardised."

Natalie Chapman, FTA head of policy for London and the south east, told *Fleet News*: "The impact will be especially hard for van users, as by 2019 there will only be two and a half years' worth of compliant vehicles in the fleet – and no second-hand compliant vehicles available to buy at all."

The FTA is calling for businesses in the affected area to have access to a sunset clause, such as has been offered to private residents, allowing them more time to comply with the change required without the need for the unnecessary and potentially crippling additional cost of new vehicles.

## DIESEL SCRAPPAGE SCHEME

Khan insists his timescales will provide businesses sufficient time to prepare for these new standards, but he has also reiterated his call for a diesel scrappage scheme.



Is charging drivers of the most polluting vehicles to enter UK cities a good way of improving air quality?

Source: Fleet News poll

He has written to Prime Minister Theresa May to say she has a "once-in-a-generation" opportunity to transform the quality of the air in London and across the country when the Government publishes its draft air quality plan. He has previously written to the Chancellor of the Exchequer proposing a targeted, fully-costed, city-led, time-limited approach (*Fleet News*: March 2).

Khan, said: "It is a national problem which requires national action. The only way we can make our lethal air safe is if the Government commits to the major measures experts agree are necessary to tackle this incredibly serious issue."

Theresa May has hinted that diesel drivers may gain a partial reprieve from proposed punitive measures aimed at improving air quality. She said: "I'm very conscious of the fact that past governments have encouraged people to buy diesel cars and we need to take that into account."

But, while Downing Street has not ruled out introducing a scrappage scheme, its £3.5bn price tag may well make many in Whitehall balk.

Nevertheless, the FTA supports such a scheme and believes it is the Government's responsibility to help prevent the cost burden of implementing these measures falling on local authorities, businesses and residents.

Chapman concluded: "If such a scrappage scheme were created, it would give the mayor the room to introduce more flexibility to the London ULEZ, helping operators avoid some of this unwieldy burden on small businesses."





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More than half of those polled believe fully autonomous vehicles will be on fleets by 2030

# Auto industry reaches pivotal moment as technology advances

Fundamental change is catalyst for new business models and mobility services

By Gareth Roberts

**T**he auto industry is facing fundamental change, with fully autonomous vehicles set to revolutionise car ownership and usage.

New business models will emerge and new mobility services are being developed as the first self-driving cars look set to take to the roads in the next few years.

Ian Robertson, a member of the management board at BMW, told delegates at SMMT Connected, a conference on connected and autonomous vehicles (CAVs): "This industry is at a real crossroads. Because of the enablement of technology, we're going to see changes right across the board in the next four or five years; so much so that every aspect of our business will be affected."

There are four key themes driving the change, according to Robertson. Autonomous, connected, electrified and shared; the ACES, he says, are going "to transform our industry".

Autonomy, says Robertson, is "the next big thing". He explained: "This is the change point, this is the pivoting point; this will see one of the world's greatest industries start to transform in a way which has never happened before."

There are five accepted technology levels which distinguish between differing levels of

capability for autonomous vehicles. A level 4 vehicle can do the complete driving task but only under certain boundary conditions. A level 5 vehicle is a vehicle that does all the driving, all the time, and is capable of doing any driving that a human driver is capable of.

Today's cars are already advanced, with cameras and radars fitted to monitor hazards ahead. Autonomous Emergency Braking (AEB) and lane departure systems are becoming standard fitments, and level 2 autonomy, with automated braking, acceleration and steering are starting to appear.

By the start of the next decade, there will be a degree of full autonomy, with the car able to take complete control and allow drivers to carry out other tasks, and by 2025 it is predicted a car will be able to drive itself from door to door without a driver needing to touch the wheel.

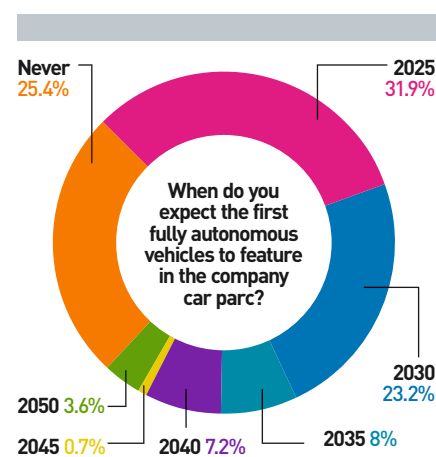
More than half (55.1%) of the respondents to a *Fleet News* poll said they expect the first fully autonomous vehicles to feature in the company car parc by 2030. One in three (31.9%) believed they would be joining fleets by 2025.

But one in four (25.4%) believe that self-driving cars will never be adopted by fleets, suggesting there remains a significant degree of scepticism within the fleet industry.

Nevertheless, the benefits of autonomous systems are already starting to be realised by fleet operators. AEB has been welcomed by insurers and had a positive impact on fleet premiums, while an autonomous vehicle study, from the Ptolemus Consulting Group, claims automation at level 4 will reduce losses from crashes by up to 88%.

In the case of a frontal collision, advanced driver assistance systems (ADAS) alone will have the biggest impact on claims cost, it says, with a 30% reduction overall.

"Automation will save millions of lives," said Frederic Bruneteau, managing director of Ptolemus. "The fact that Intel valued Mobileye at five times what Audi, BMW and Daimler paid for



Source: Fleet News poll

HERE demonstrates both the panic and the momentum behind AVs. The revolution could make complete sectors of mobility disappear."

All the major vehicle manufacturers are developing autonomous cars. Jaguar Land Rover and Ford are part of UK Autodrive's 16-member consortium and each will have autonomous models being tested on the road at the start of next year.

The vehicles will demonstrate their level 4 capabilities, with a professional test driver ready to take over should anything happen.

Graham Hoare, director of Global Vehicle Evaluation and Verification at Ford, stressed increased autonomy will not be restricted to cars.

Hoare told the SMMT Connected conference: "Autonomy for us is productivity squared. If we've got a commercial vehicle which is optimised in its connectivity then automating it enables that final degree of productivity."

It will, he concluded, make fleet operators "more efficient, more effective and more profitable", and will "open new markets and new opportunities" for the auto industry.



*"Every aspect of our business will be affected"*

Ian Robertson,  
BMW



# The AA telematics trial predicts a third of faults before breakdown

Plug-and-play device also reduced fuel bills and encouraged safer driving

By Christopher Smith

**T**he AA is to launch a new plug-and-play telematics product, after a successful year-long trial prevented more than a third of vehicle issues becoming roadside breakdowns.

The system monitors vehicle status, including fuel economy, driver behaviour and fault codes.

Connected units were installed into the on-board diagnostics (OBD) ports of 10,000 member vehicles of a mix of customers and staff. While specific learnings from the trial have fed into The AA's 'known fixes' and technical knowledge database, the ongoing benefit primarily comes from live reporting of fault codes, and the system's direct link to The AA's control and despatch centre to rectify issues.

It has discovered that if fault codes on certain vehicles are not addressed they will lead to a breakdown within a short period of time.

Gareth Adams, connected car manager at The AA, explained: "Since April 2016, we've generated a huge amount of data from the trial – everything from fault codes, to driver behaviour, and actual breakdowns.

"What we've been doing in that time is analysing the correlation between the fault codes and breakdowns recorded by drivers on the trial. In about 38% of cases, we could see there was a fault code directly related to the breakdown."

The top three faults in cars identified by The AA were with the ignition coil, exhaust gas recirculation (EGR) valve and mass airflow sensors. Knowledge of the specific problem then allows the driver to get any issue rectified swiftly, by reducing diagnostic time.

The system has also allowed The AA to call drivers to give direction over the phone on how to clear their diesel particulate filter blockages.

*"We've generated a huge amount of data from the trial"*

*Gareth Adams, The AA*

"We've identified several of these situations where there's no cost to the driver to get these faults fixed; however if they had left them unfixed it would have likely resulted in a call-out and/or repair," said Adams.

The AA sees the system as an opportunity to prevent and reduce 'avoidable' call-outs from using its patrols in an emergency.

One popular feature is a battery drain alert that will send a push notification to a member if they've left their headlights on, once their battery has reached a certain level.

Degradation of battery quality was also a commonly identified issue, with The AA able to book an appointment to replace the battery and attend at a convenient time with the right part on board.

Combined, battery-related issues make up around 16% of The AA's breakdown workload.

The AA is also acting as a first notification of loss helpdesk, calling drivers after any serious impact.

Adams said: "We are well placed to provide recovery services, as well as arranging immediate onward recovery to the final destination."

Members who took part in the trial, via a smartphone app, have also reported a number of the benefits of telematics. A third of users said the system has helped them to save money on

fuel, while 47% said the driver behaviour prompts had helped them to become a 'safer driver'.

The new product, called AA Car Genie, is available to AA members for £29 a year. The AA already offers a more traditional telematics package aimed at fleets, called AA Fleet Intelligence, which includes elements of the Car Genie package and starts from £14.99 a month.

It also plans to expand its connected car services in the sector further, offering the direct link into The AA's technical help and breakdown response whatever the source of data.

"We know there's a growing number of connected vehicles out there on British roads," said Adams. "We have a long- to medium-term view that we will eventually be device agnostic in terms of our support, and we already do that with a number of embedded vehicle systems with manufacturers."

The company also plans to link the service to an insurance product, offering an improved price to drivers with a better risk profile.

"Usage-based insurance is quite a mature use of the technology, but it's one we're keen to integrate into the same system," said Adams.



Positive tests of The AA's Car Genie mean it will be offered more widely



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Official EU-regulated test data are provided for comparison purposes and actual performance will depend on driving style, road conditions and other non-technical factors. 2017/18 tax year. General Motors UK Limited, trading as Vauxhall Motors, does not offer tax advice and recommends that all Company Car Drivers consult their own accountant with regards to their own tax position. New Insignia Elite Nav 2.0 (260PS) Turbo 4X4 auto model illustrated (P11D of £27,155) features Dark Moon Blue two-coat metallic paint (£555), VXR Styling Pack (£850) and Driving Assistance Pack Four (£595), optional at extra cost. \* = Terms and conditions apply and vehicles are subject to availability. Please call 0330 587 8221 for full details. All figures quoted correct at time of going to press (April 2017).





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SEAT Leon 1.0 TSI Ecomotive 115 SE Technology winner of What Car? Best Family Car £18-20k. Model shown is a New SEAT Leon 5DR 1.4 TSI 125 PS FR Technology from £19,480<sup>^</sup> with optional metallic paint worth £575. Winter Pack worth £365, electric sunroof and LED interior illumination pack worth £790 and optional 18" 'Performance' machine alloy wheels worth £785. 120g CO<sub>2</sub>: £19,420 P11D: BIK 21%<sup>^</sup> Monthly Total Cost of Ownership: £434 \*Source: CAP, February 2017 data, excludes fuel costs. Based on 36 months and 60,000 mile agreement.

<sup>^</sup>VED rate accurate at time of print but may change.





More enforcement of dangerous vehicles and drivers plus enhanced MOTs feature prominently in the DVSA five-year plan

# DVLA and DVSA aim to improve road safety and digital access

However BVRLA concerned over lack of collaboration between the agencies

By Gareth Roberts

**P**lans to improve road safety and access to digital services for fleets have been welcomed by the British Vehicle Rental and Leasing Association (BVRLA).

The Driver & Vehicle Licensing Agency (DVLA) and the Driver & Vehicle Standards Agency (DVSA) have both published strategy documents setting out their objectives for the next few years.

The DVLA says it wants to focus on delivering "best-in-class customer services" to fleets as part of its three-year plan.

It says it recognises that the business needs of corporate customers are often different and more complex than those of ordinary motorists. It also notes that they use its services more frequently and often handle large volumes of transactions. As a result, it will look at intro-

ducing digital processes for commercial users to access its services, especially in relation to the processing of bulk transactions for fleet companies.

Meanwhile, the DVSA's five-year plan focuses on raising vehicle and operator standards, and allowing the agency to become a digitally-enabled organisation.

Jay Parmar, director of policy and membership at the BVRLA, said: "This is a positive development as the BVRLA has been consistently calling on Government to think about fleet companies as well as private motorists."

"It is particularly pleasing to see the DVLA's strategic plan pledge to look at introducing digital processes for commercial users to access DVLA services, especially in relation to the processing of bulk transactions for fleet companies, delivering greater efficiencies."

However, Parmar added: "We are concerned that neither agency seems focused on working with the other. All motorists would welcome greater collaboration for a one-stop-motoring service."

The DVLA plan focuses on five main themes: providing best-in-class services, building dynamic technology and services, being a hub for digital motoring, creating a modern workplace, and providing "unrivalled" safety, security and compliance.

In terms of medical services, its role is to ensure that all medical notifications are investigated to ensure that only those who can meet the minimum medical standards for driving are able to obtain or retain a licence.

The DVLA has already made a number of improvements, including a new online service where drivers can tell the agency about their medical conditions. However, it has vowed to

work with key stakeholders from the commercial motoring industry, charities and health providers to identify improvements and speed up its medical licensing processes. That includes increasing the number of medical conditions which can be reported online from two to 150.

Parmar continued: "Equally, we are delighted that the DVSA has made commitments to enhance road safety, the user experience and value for money."

"We look forward to working with the agency as it focuses its resources, and we believe the planned Earned Recognition scheme will enable operators who are committed to high standards to operate more freely, and it creates the right environment for DVSA to target non-compliance more effectively."

More enforcement of dangerous vehicles and drivers, and enhanced MOT tests are at the heart of DVSA's plans for the next five years.

The strategy aims to help DVSA to make sure services like MOT testing can adjust to new vehicle technology, such as driverless cars. It also acknowledges that driver training and testing will need to keep up with the kind of technology new drivers will be using.

Road safety minister Andrew Jones said: "We have some of the safest roads in the world but we are always looking at ways of making them safer."

"DVSA's five-year strategy will help keep motorists safe, reducing pressure on the NHS and emergency services, keep traffic moving and keep our economy growing."

Oliver Morley, DVLA chief executive, said the agency's goal was to get the right drivers and vehicles taxed on the road as simply, safely and efficiently as possible. "Our focus is to provide best-in-class customer service," he said.



*"We are delighted that the DVSA has made commitments to enhance road safety, the user experience and value for money"*

Jay Parmar, BVRLA

# Outdated tax rules on AMAP rates face Government scrutiny

Fleets urged to push HMRC to also consider mileage payments for plug-in cars

By Tom Seymour

**T**ax experts have warned that Approved Mileage Allowance Payments (AMAP) for grey fleet drivers could come under scrutiny with calls for evidence on employee expenses by the Government.

It is part of a four-year review by the HMRC and the Office of Tax Simplification (OTS), aimed at bringing expenses and benefits taxation into line with 21st century working practices and technologies.

Nick Davies, director, employer consulting at BHP Chartered Accountants, believes advisory fuel rates (AFR) for business travel will not be impacted by the call for evidence. However, he said AMAP rates could be targeted.

Davies said a significant area in which employees are claiming tax relief is where employers do not pay the full AMAP rates for drivers that use their own car for business.

AMAP rates are currently 45p per mile for the first 10,000 business miles annually and 25p per mile thereafter.

Davies said: "We do see situations where, say, a driver travelling 10,000 miles is only reimbursed at 35p per mile. This means they can claim tax relief for the balance up to 45p which in this case would total £1,000."

Alastair Kendrick, director at tax adviser MacIntyre Hudson, said the Government will



*"There is a need for simplification and clarity. Whether this will also lead to a tightening of the rules is open to question"*

Nick Davies,  
BHP Chartered Accountants

want fleets to provide reasons why employers decide to use a lower rate to reimburse employees when an AMAP is available.

Kendrick continued: "The review could decide that it is the responsibility of the employer to be making sensible reimbursement of costs and that it should not be the job of Government to subsidise or support further. This would make things easier for HMRC."

HMRC has said the tax relief on expenses which employers do not reimburse employees costs the Exchequer £800 million per year. It also noted that there was a 25% increase in claims between 2009-10 and 2014-15.

When employers reimburse expenses, this does not need to be reported to HMRC (in effect, the expense is just ignored for tax purposes) so the Government has limited data on how much the tax relief for reimbursed expenses is worth.

The Government said the evidence given will help to shape how tax rules are developed.

Kendrick said that while AMAP rates could be affected, the call for evidence is very broad and the scope of any decisions will be made following the consultation process.

He said this could also be a good opportunity for fleets to give the Government feedback on clarity surrounding what can be reimbursed for electricity used for those driving plug-in vehicles.

"The rules are vague and there is concern that some of what may be provided may be consid-

ered taxable. This clarification is long overdue," Kendrick said.

Davies agrees that a review is overdue, with current rules dating back more than 170 years. He said: "There is a need for simplification and clarity. Whether this will also lead to a tightening of the rules governing what can be claimed is open to question."

Paul Hollick, managing director of The Miles Consultancy, welcomed the review and said that anything that simplifies making expenses claims and calculating any tax relief on expenses is welcome.

"The consultation is a chance for fleet operators of all sizes to make their views known," he added. "As HMRC wants to hear from employees too, employers might want to canvass drivers' opinions before responding."

Hollick also called for clarity around plug-in vehicles. "The OTS recommends taking EV charging out of any liability for benefit tax," he said. "That would be both a tax simplification and an incentive for greener fleets. But in 2013, the OTS said it was too early for such a move."

"Fleet uptake of EVs has now progressed to the point where hopefully some of the feedback to this new consultation will persuade the Government to implement the exemption."

Fleets that would like to contribute evidence can do so through the HM Treasury website and the deadline is June 12, 2017.



*"The review could decide that it is the responsibility of the employer to be making sensible reimbursement of costs"*

Alastair Kendrick, MacIntyre Hudson



*"As HMRC wants to hear from employees too, employers might want to canvass drivers' opinions before responding"*

Paul Hollick, The Miles Consultancy





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Model shown is New C3 1.2L PureTech 82 manual Flair with Bitone Sport Red Roof. \*Combined cycle MPG and CO<sub>2</sub> emissions quoted are for New C3 BlueHdi 75 S&S manual Touch. □BJK shown is for New C3 5dr 1.2L PureTech 110 S&S manual Feel and Flair versions. \*Calls are free of charge from all consumer landlines and mobile phones. If you are calling from a business phone, you should check with your provider whether there will be a charge for calling an 0800 number.



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Toyota hopes to stabilise pricing by eliminating competition among dealers

# Toyota launches car concierge service for leasing companies

New approach will incentivise dealers to improve customer service for fleets

By Stephen Briers

**T**oyota has “fundamentally shifted” its approach to the corporate sector via improved engagement with its retail network and a new concierge service for leasing companies.

Neil Broad, general manager Toyota & Lexus Fleet and Remarketing, wants to break the traditional model of leasing companies nominating their preferred retailers for car supply to ensure the dealership closest to the contract gets the business. He believes this will result in a better service for fleets.

Toyota already has 85% of its corporate contracts on direct invoicing and is confident it will be able to control the transaction and allocate sales to the nearest dealer. This will encourage the retail network to improve customer service, such as prioritising company car drivers for demonstrator cars. It will also stabilise pricing by eliminating competition for every deal.

Arval is the first leasing company to sign up, with talks ongoing with other providers.

“All of Arval’s sales come back to us – it’s a concierge service,” said Broad. “We will sort everything out, offering the leasing company a one-stop shop.”

Toyota will allocate delivery to the local dealer and organise the logistics. The dealer will be paid a handling fee.

The new approach, a “three-year transition”, according to Broad, puts greater focus on incentivising dealers to look after fleet customers.

“We want to concentrate on the customer experience, retention and aftersales business,” said Broad. “We don’t want to get into distance selling so we have deleted fleet from retailers’ targets to stop them competing for volume deals.”



*“We want to concentrate on the customer experience, retention and aftersales”*

*Neil Broad, Toyota & Lexus Fleet and Remarketing*

Addressing the dealer mentality of chasing targets and competing nationally for local deals will also help to improve residual values, reducing total cost of ownership. “This is an important outcome,” Broad added.

He recognises there could be downsides from retailers who previously enjoyed leasing company preferred status.

“But if we get them on board and the customer wants the car from them, then it’s up to the dealer to do a good job on service and to have a

local relationship outside of the direct invoicing business,” Broad said.

The initiative is voluntary for leasing companies; Toyota is not insisting they comply with local supply.

“But early indications are positive; quality is improving and we are seeing good volumes,” said Broad. “Dealer cashflow has also improved and business is becoming simpler. For us it’s a massive delete button to make everything easier.”

Toyota is supporting the programme by expanding its area fleet sales team from eight to 11 and doubling its contract hire team to two. It is also putting greater emphasis on its fleet hub operation to free up regional managers’ time for prospecting.

The programme also links to a used car repatriation initiative Toyota launched a year ago where it offers leasing companies access to its retail network via its own auctions. This access could be extended to potential buyers in future, helping fleets and leasing companies to speed up the process and raise re-sale values.

Toyota’s fleet targets have risen by 38% this year, although it won’t necessarily show up on the registrations data from the Society of Motor Manufacturers and Traders, according to Broad. “A lot of it is about more accurate reporting of the channel mix,” he said.

In the first quarter of 2017, Toyota’s true fleet sales (contract hire plus fleet other) rose a modest 3.8% to 10,292, due entirely to growth in the contract hire category (fleet other fell), which backs up Broad’s claims.

Toyota reduced its rental registrations by 9.4% (on top of a 35% reduction in the same period in 2016), a continuation of its policy of lowering its exposure to short-term business.

# Victims may suffer as Government bids to deter the whiplash frauds

Lawyers worry efforts to keep premiums in check may penalise seriously injured

By Gareth Roberts

**M**easures intended to disincentivise minor, exaggerated and fraudulent whiplash claims will leave some claimants shortchanged, legal experts have warned.

Lawyers are particularly concerned about raising the limit that a small claims court can deal with, from £1,000 to £5,000, where legal advice will not be readily available.

Deborah Evans, chief executive of the Association of Personal Injury Lawyers, said: "We have to focus on the reality that fraud is a tiny percentage [of claims] and people who have been genuinely injured deserve to be properly looked after."

Speaking at the Motor Insurance Summit, organised by Marketforce, Evans explained how compulsory motor insurance was introduced to ensure somebody who has been injured negligently is adequately compensated. However, she told delegates: "The reforms we're looking at now actually strip that away completely."

The Government believes low-value personal injury claims are not so complex as to routinely require a lawyer. However claimants are not, and would not, be stopped from seeking legal representation. Furthermore, the Ministry of Justice (MoJ) said support for litigants will also be available from advice organisations and online sources.

However, it added that "the price paid by all motorists from the continuing high number and cost of these claims is too great, and it is right for the Government to take firm action to reduce the financial burdens on consumers".

Figures from the Department for Work and Pensions show there were around 770,000 road traffic claims in 2015/16, compared to 460,000 in 2005/06, of which around 690,000 (90%) were whiplash or soft tissue neck/back injuries.

Some 90% of road traffic claims were for whiplash or similar injuries



Against a backdrop of increasing litigation, the measures, contained in the Prisons and Courts Bill, hope to build on previous legislation aimed at bringing these numbers down.

The Legal Aid, Sentencing and Punishment Act (LASPO), which became law in April 2013, banned referral fees paid by lawyers and limited the amount they could charge for handling whiplash injuries. Whiplash claims fell by 19% as a result, according to the Institute and Faculty of Actuaries.

New rules were also introduced in October 2014, which limit the fees that can be paid to doctors for whiplash reports.

However, fraudulent claims have remained an issue for the industry and fleets, like private motorists, have faced increasing premiums as a result. In fact, two-thirds (67%) of respondents to a *Commercial Fleet* poll said they had seen their insurance costs rise. Just one in seven (14%) had seen them fall.

A doubling in the rate of insurance premium tax (IPT) over the past two years, from 6% to 12% (effective from June), will have also driven up costs. But, after suffering a backlash over the new formula for calculating payouts in personal injury claims, fleets could be spared further premium pressure in the longer term, after the Government launched a review.

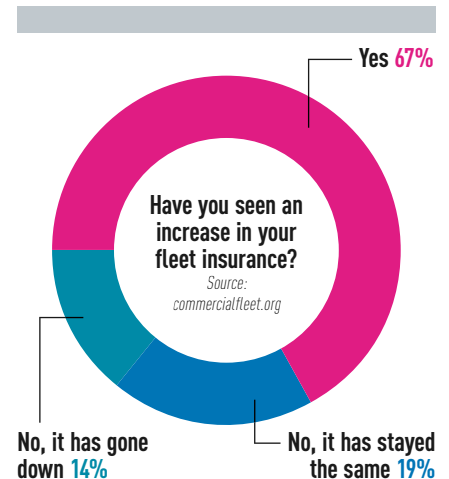
It was sparked by a change to the 'discount rate' used to work out how much insurers should pay to victims of major accidents.

Courts calculate compensation based on a loss of earnings and the cost of care. But they also adjust the lump sum payout to take account of the interest on the money which victims with life-changing injuries are likely to earn over time.



*"People who have been genuinely injured deserve to be properly looked after"*

Deborah Evans, Association of Personal Injury Lawyers



The justice secretary Liz Truss announced plans to cut the rate from 2.5% to minus 0.75% as it is linked to Government gilts which are paying out negative returns.

David Johnson, a partner at Weightmans LLP, said: "This will drastically increase the size of lump-sum payments across the scale of serious personal injury cases."

"Taking the example of a £9 million case, of which £8.2m relates to future losses and expenses, the new discount rate of -0.75% would more than double the value of the claim to a cost of just more than £20m."

Under the proposals unveiled as part of the six-week review, an independent body instead of the Lord Chancellor – a role Truss also holds – could set the discount rate in the future.



# FleetNews PORTFOLIO

WHAT WE DO IN YOUR INDUSTRY

## Fleet News magazine

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

## Commercial Fleet magazine

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



## Fleet events

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



## Driving Business magazine

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

## Websites and newsletters

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

## Fleet Leasing magazine

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

## Bespoke publications

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



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Figures are obtained in a standardised test cycle. They are intended for comparisons between vehicles and may not be representative of what a user achieves under usual driving conditions.



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# THE BIG PICTURE

By Stephen Briers, editor, *Fleet News*



Another week, another statement about air quality and the 'evils' of diesel. London has launched a consultation about introducing an ultra-low emission zone in 2019 and other cities with air quality concerns are expected to introduce their own clean air zones.

London Mayor Sadiq Khan has also called for the Government to launch a national diesel scrappage scheme (see p4-5).

The anti-diesel rhetoric emitted by MPs and the media is relentless and fleets must be wary. Fleets and leasing companies are tied into three- and four-year replacement cycles which makes it difficult for them to react quickly should public tastes in the used market suddenly change.

*"Any significant drop in used demand (for diesels) will have major consequences"*

Will we be left with a residual value time-bomb? It's hard to believe that the negative message on diesel – which ignorantly lumps everything together, whether Euro 4, 5 or 6 engines – will not start to sway used car buyers' purchasing decisions.

With the fleet sector continuing to be dominated by diesel – albeit there has been a softening; with 57% of fleet registrations in Q1, compared to 64% five years ago – any significant drop in used demand will have major consequences for re-sale values.

Scrappage could help if it focuses attention on Euro 4 and 5 diesel as it would force the media to differentiate between old and new-generation engine technology.

Euro 6 is cleaner and is being unfairly demonised.

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## YOUR LETTERS

### CHARGER CHARGES

## It's not about the money – £1 top up takes too long

EDITOR'S PICK



#### Bob the engineer wrote:

Having read 'Charge Your Car EV network to introduce £1 connection fee for free chargers' ([fleetnews.co.uk](http://fleetnews.co.uk), March 29) I would say that I don't have a problem with paying charges, but for smaller battery PHEVs on these slow chargers it would mean a four-five hour stay to make use of the £1 on a comparable level to home charging.

It would have been better to follow the model used on their rapid chargers of 9p per kw/h. As it is, it discriminates against the PHEV owner who doesn't have half a day to kill at the odd locations these slow chargers are.

If you get your tariff wrong you end up like the Ecotricity network which now sadly sits largely dormant in the corner of most services.

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

#### Swansswimmer added:

As an electric car driver – one of the many that made the leap to electric this year – I approve of this modest cost.

It should keep the tax-busting, but uneconomical, PHEV cars away from the recharge points freeing them for

true electric cars. Too often the Outlander and other short-range PHEVs sit on chargers for maybe two-three hours to gain a 15-20 mile range while my Leaf could gain 80-100 miles range to complete a journey in just one hour.

### DRIVERS

## Young blood needed

#### Sage & Onion wrote:

Having read 'FORS urges members to address driver shortage' ([fleetnews.co.uk](http://fleetnews.co.uk), March 22) it's a good move to encourage new blood, especially young blood, into the truck driver career path.

I predict that in the not-to-distant future, LGV drivers will be able to pick and choose their work and command their own salary as employers become

increasingly desperate for professional, well-trained drivers.

So I would encourage any young person who doesn't want to follow the academic route into work to consider a truck driving career.

However, all the recent talk of driverless trucks and robots taking over jobs in the transport does give pause for thought.

## PARKING

# Causing an obstruction

### John wrote:

Having read 'Councils call for ban on pavement parking' (fleetnews.co.uk, March 28) I understand that causing an obstruction is wrong, but where/how do they expect cars to park in a lot of streets across the country?

If drivers didn't put two wheels just onto the pavement, the streets would be blocked to anything but a micro car with the number of cars we have now.

Emergency services wouldn't be able to get through, especially fire appliances.

Will the councils therefore need to ban parking on a lot of residential streets altogether? Not every motorist has access to a wide road, garage or driveway.

### Iain added:

Here we go again, councils are totally oblivious to their own actions which cause the problem in the first place. They just cannot see past this endless "public transport is the answer" mentality. When will someone see sense and look holistically at the actual needs of the country; the need for flexibility for commuters; and the needs of business to function effectively and, more importantly, cost-effectively – unlike our councils and public transport.

There are endless opportunities to facilitate a structured road system with local, low-cost parking facilities to accommodate the tens of thousands of vehicles which actually make our country work efficiently.

Scrap the bus lanes, scrap the public transport agenda and, just for once, get traffic moving effectively to improve productivity and air quality.

### However, Vincent Edwards said:

A lot of housing estates built after 1920 and particularly after 1945 have front gardens large enough to park three cars, and often these gardens have hard standings.

Yet motorists apparently find it too much trouble to use their private off-street parking and abandon their vehicles on any convenient pavement. Often both pavements are blocked and the road space between lines of pavement-parked vehicles is insufficient for a fire engine to pass.

Pavement parking can actually cause obstruction of the road. Most pavement parking is the result of laziness and lack of consideration for others, rather than any necessity.

## EYESIGHT

# Compulsory eye test

### Winston wrote:

Having read 'GEM calls for overhaul of driver eyesight regulations' (fleetnews.co.uk, March 24) it is incomprehensible to me why legislation hasn't been introduced years ago to require compulsory eyesight tests as part of the entitlement to a driving licence. I also think 10 years is too great a gap between tests, but at least it would be a starting point.

It is vital to continue to promote the two-yearly voluntary test, with its added potential to identify the early signs of other medical conditions.

### Sage & Onion added:

I think that some drivers we see driving on motorways at 40-50mph in clear conditions do so because they only drive as fast as their eyesight will allow.

However, in the interests of road safety, eyesight tests for driving should be free, with prescription driving glasses heavily subsidised.

Maybe even re-introduce NHS glasses for drivers who specifically don't want to pay for designer or fashionable frames.



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### Burning question:

If you received £1,000 with the stipulation that it should not be spent on anything 'sensible' what extravagance would you spend it on?

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**Front row seats at the Steps reunion**

**Photos** Chris Lowndes

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**A trip with my son to watch our favourite football team in a European final. Just need them to get to one**

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**A 3D printer**

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## FLEET OPINION

## FUEL DEBATE

## Diesel is heading for pariah status

By Craig Pullen

“The diesel vehicle appears to be heading for pariah status, usurped by cleaner, friendlier technologies. A number of blunt measures have been implemented already (at least two London councils have introduced diesel parking surcharges), with others being proposed. But without a joined up, national framework in place, we are at risk of causing confusion, and setting a series of consequences in motion.

For example, City X introduces a scheme in which all diesel vehicles older than 10 years are banned from entering. City Y introduces a similar scheme, with all diesel vehicles older than five years banned.

For the sake of argument, say the average age of a car in the UK is seven years, with approximately seven million such vehicles falling into that age category. If this example came to pass, City X would let them in freely, but City Y wouldn't.

Used car buyers would need to choose a vehicle that would, or wouldn't, let them into a city, as per their need. As for the owners of vehicles older than 10 years, they will be left with a vehicle that is non-grata in the cities. In both cases, their values shift accordingly, dependent on their congestion charge status and location.

The only route into those cities for those without newer cars would be by public transport. Fine, if the public transport infrastructure is in place to support it.

We're advocates of electric vehicles (I've driven more than 30,000 miles by battery power), and welcome the advances in technology and charging infrastructure of the past five years. Our company actively promotes their uptake, with the belief that anything that can be done to reduce the consumption of fossil fuels (as long as they're charged on a green supply) is a good thing.

We do have a mounting air quality crisis, but the measures proposed so far are the product of muddled, disjointed, short-term thinking which doesn't take account of the potential consequences.

What is needed, and soon, is a coherent nationwide strategy, balancing air quality issues alongside the need for affordable mobility.”



**Craig Pullen**  
head of operations,  
Run Your Fleet



**Mark Llewellyn**  
managing director  
of Revive

## DAMAGE RECHARGES

## Two-step plan could bring big savings

By Mark Llewellyn

“Fleets leasing their cars could save hundreds of pounds in charges each year by implementing a simple two-step plan.

End of lease recharges can be minimised by ensuring all leased cars are maintained properly throughout the life of the lease and checking vehicles yourself before handing them back.

According to FN50, 35% per cent of vehicles returned to the top 50 leasing companies incurred a 'fair wear and tear' recharge averaging £289 at the end of the lease period. This is because damage had been left untouched or not repaired to a high enough standard.

Significant savings can be achieved by creating a culture among your company car drivers to look after their vehicles on an ongoing basis and report damage – no matter how minor – as soon as it happens. Scuffs and scrapes to paintwork and alloys and small dents can be fixed cost effectively and quickly by accredited smart repairers at a far lower cost than fair wear and tear charges.

Putting a system in place to carry out your own pre-inspection of each vehicle three weeks before the vehicle is due to be collected will also give you enough time to fix cosmetic damage and cracked windscreens, but minimises the time available for the car to get further bumps or scrapes.

The inspection should involve examining bumpers, alloys and paintwork for scuffs, bumps and scratches. Ensure the vehicle is clean and dry (dirt and wet can mask scratches and scuffs), choose a well-lit location and start at one corner – such as the driver's side headlight – and walk slowly around the vehicle examining each panel, as well as the roof, doors and bonnet.

In addition, crouch down to check the vehicle along its length, on each side, and pay special attention to wheels and bumpers – these are prime areas for scuffs and scrapes.

If it's too late to carry out a pre-inspection, don't be afraid to challenge the fair wear and tear charge applied. In our experience this figure can be negotiated, particularly if you feel that the amount charged seems disproportionately high.”

*“The measures proposed so far are the product of muddled, disjointed, short-term thinking”*



*“End of lease recharges can be minimised by ensuring all leased cars are maintained properly”*

## ASK NIGEL

In our regular feature, Nigel Trotman, *Fleet News* Hall of Fame member and two-time *Fleet News* Award winner, gives advice on your fleet challenges and queries.

## DASH CAMS

**Q** I would like to fit dash cams to my vehicles but how do I choose the right system? I understand that the cheaper ones may require all the memory cards to be formatted and this will be a challenge because we have drivers all over the country. The 3G/4G-linked dash cams are more expensive and I am not sure I will be able to justify the cost. What is your advice?

**A** As with any new technology that is perceived as assisting fleet managers, I would approach dash cams with caution. The pace of technological change seems to increase with each passing year and the opportunity to make the wrong choice increases too – or is that just me getting old? Reading about the latest products launched illustrates just how quickly this market is developing and in the longer term it would not surprise me to see dash cams as a factory fit.

Having said that, you clearly believe that fitting dash cams has the potential to support you as a fleet manager and also provide some benefits for your drivers today. You do not mention the size and nature of your fleet, but this may also influence your approach.

In my own experience, I believe this is all about 'fitness for purpose'. Initially you need a specification based on what you want to achieve. Once you have a clear picture of this you can establish the most effective way of achieving it.

For example is a dash cam linked to an app the way forward? Alternatively, will a stand-alone unit be best? As you rightly suggest, the price differentials can be significant and potentially difficult to justify. You also need to consider all the practical aspects – especially how it affects your own role and how much involvement you will need.

In addition to your own research I would advise consulting your fleet provider – is there another customer who has already implemented who can help you? Do they have any in-house expertise in this area? Forums like ACFO and LinkedIn may also provide some independent advice.

You should also consider whether it is justified to install dash cams in all vehicles given the costs. There may be particular groups of drivers who by the nature of their role or the territory they cover represent a greater risk for the business and it may be sensible to cover these first – possibly as a trial to help to justify

*"We are all aware of the debates around who owns the data from connected vehicles and the potential issues arising"*

installing the equipment more widely across the fleet and gain some experience.

I would advise you think long and hard about the implications of installing dash cams. We are all aware of the debates around who owns the data from connected vehicles and the potential issues arising.

In my view there are also grey areas around dash cams – and you need to ensure your vehicle policy makes it clear why this technology is fitted and how the data created will be used. There are still drivers who regard any new in-vehicle technology with suspicion.

If and when you do install them you also need to ensure that you communicate the principles and reasoning clearly to your drivers to ensure you achieve your aims.

■ The next Ask Nigel will be in the April 27 issue

Nigel Trotman has more than 25 years' experience in the fleet industry.

As fleet manager at Whitbread, he scooped two *Fleet News* awards – fleet manager of the year (large fleets) and UK fleet of the year – before making the switch to consultancy at major leasing companies Lex Autolease and Alphabet.

Nigel entered the *Fleet News* Hall of Fame in 2013. He is former secretary of ACFO Midlands and former ICFM board member.

Do you have a fleet challenge you would like Nigel to answer?

Visit [fleetnews.co.uk/asknigel](http://fleetnews.co.uk/asknigel) or email [fleetnews@bauermedia.co.uk](mailto:fleetnews@bauermedia.co.uk)





# Different approaches to influence driver behaviour

Some take the telematics combined with rewards route, others feel that 'stick' works better than the 'carrot' when trying to get drivers to check their vehicles

By Sarah Tooze

**I**nfluencing driver behaviour can be a fleet manager's toughest challenge and attendees at the Fleet News Awards finalists roundtable, sponsored by Škoda, have all been deploying different methods to tackle it.

Many are using telematics, in conjunction with rewarding the best drivers or those who have improved their driving, to reduce accident rates.

When it comes to vehicle checks, some are having to adopt a 'stick' rather than a 'carrot' approach although the utopia would be company car drivers actually wanting to perform the checks themselves.

## Who is using telematics and what success have you had?

**Graham Short, fleet manager, Zip Water (UK):** We've had quite a lot of success from installing telematics. We operate 122 vehicles, 66 of which are vans.

We partnered with TomTom. It has a system called OptiDrive which gives a driver score based on idling, harsh braking, harsh steering and speeding, among other things. It produces a score out of 10 and it produces a red, amber, green score, which you can adjust.

We linked it to the employees' objectives. Each employee has five objectives. They can discuss four with their manager but one of them has to be their driving performance. Their objectives can lead to a bonus based on a percentage of their salary so if they can get their 20% objective of the driver

## 25,500

number of journeys one branch of the Mears Group did in January

score moving in the right direction they can gain financially. Over the past 12 months it's certainly brought our incident rate down. We had three insurers wanting to quote for our business and we saw a reduction in premium of 15% so that has been a fabulous tool for me and it's managed itself just by communicating with drivers.

## Does anyone else reward drivers for good driving?

**Stuart Wiseman, group fleet manager, Nationwide Window Cleaning:** We have a rewards system but it's not cash-based. For example, we give top drivers each month tickets to a show or to a football match. When I came to the Fleet News Awards a few years ago I brought two of my drivers with me. That was their reward for doing really well. We've found that works and they enjoy it because they don't know what [ticket] they are going to get.

*"We have a rewards system but it's not cash-based. For example, we give top drivers each month tickets to a show or a football match"*

*Stuart Wiseman, Nationwide Window Cleaning*



## DELEGATES



**Helen Brislane,**  
commercial manager,  
Momentum Instore



**Maurice Elford,**  
fleet manager,  
London & Quadrant  
Housing Trust



**Dale Eynon,**  
head of Defra group  
fleet services,  
Environment Agency



**Jo Hammonds,**  
group fleet manager,  
Mears Group



**Stuart Wiseman,**  
group fleet manager,  
Nationwide Window  
Cleaning



**Jason Plummer,**  
senior manager,  
Panasonic Europe



**Graham Short,**  
fleet manager,  
Zip Water (UK)



**Will Smith,**  
director of  
compensation &  
benefits, Britvic



**David King,**  
group fleet  
director,  
Interserve



**Martin Gay,**  
contract hire and  
leasing manager  
– North,  
Škoda UK



**Olivia Scott,**  
area fleet  
manager,  
Škoda UK

### What challenges do you have when using telematics?

**Jo Hammonds, group fleet manager, Mears Group:** The sheer amount of data we are getting. We are getting more than half a million journeys through our telematics units and I've got about 85% of my commercial fleet drivers with telematics on so even just trawling through that data and trying to get something meaningful out of it is challenging.

One of our branches did 25,500 journeys in January. If I sent all that to the manager would the manager look at it? No. We've got to give him his top five offenders or top five idling or top five low mpgs so it's just picking the right bits of data.

**David King, group fleet director, Interserve:** There is a science and an art of pulling different data information points together to get a profile of where your high risk or high mileage drivers are. I've just employed a business analyst to pull in the information we've got such as accidents, points on their licence, spend on maintenance and tyres, telematics data and fuel card data.

We're doing a lot to try to identify that group of drivers and see how we can support them. One of the biggest issues we have is they don't see themselves as professional drivers. You talk to a HGV driver, they are a professional driver delivering whatever. Talk to the van drivers and they are electricians or whatever, they just happen to drive a van.

### How do you make sure drivers do vehicle checks?

**Jo Hammonds:** To log their business mileage they sign a disclaimer on the website every month that says 'I check my car'. I've got the statement that says 'he signed it'. It covers driving licences as well. The van drivers are trained in check sheets, checking their tyres, checking their tyre pressures because we hammer it into them.

**Dale Eynon, head of Defra group fleet services, Environment Agency:** We went to a workshop about occupational road risk and we were having conversations about the very same thing. It was about how do we change that behaviour so somebody wants to do that check. Because they think that safety is important, because they think their role is important. It's a massive issue because we've just done signed checklists but we're trying to change that behaviour, trying to do some psychology around it to say 'what is it that makes someone want to do that safety check?'.

**Martin Gay, contract hire and leasing manager – North, Škoda UK:** Every Saturday morning my car gets checked



*"We went to a private mileage system where the only way we would allow business miles to be claimed was if we had a GPS trace of the journey"*

*Jo Hammonds,  
Mears Group*

because I take my family out in that car. It's a cultural thing. A lot of people don't think of it like that.

**Stuart Wiseman:** Van drivers are good at the vehicle checks. We have a daily check and a weekly check and they do get audited. I know it's a tick box exercise but you can see they do it.

**Jason Plummer, senior manager, Panasonic Europe:** We don't have any vans, we only have cars. We almost do the checks for them so we have regular checks in our car park with the tyres, we have people at the barriers checking vehicles as they come in.

And if they do find something wrong with their vehicle – a bald tyre, for example – they get a £200 fine. We can penalise them and we can penalise them in various different ways. You get a certain number of warnings. I don't think you can ask them to sign every month to say 'yes, I've checked my car' because I know that at some point someone will come back to me and say 'so and so has had an accident, he's never checked his car'. You know he hasn't done it and you've got no proof he's checked it so I think if you did have an issue I don't think that form would carry any weight.

### How do you capture mileage?

**Graham Short:** TomTom produces a couple of apps which I was able to get the car drivers to use because they were still submitting mileage claims on a spreadsheet. Mileage submission from drivers is now HMRC compliant, it's robust.

It's very easy for the drivers because they have a privacy button in the vehicle which they press so they can define private versus business mileage.

They can look into their app, they can just check the journeys to make sure they've remembered to press the button at the right occasion. It gives the private and business mileage split and they can submit their monthly mileage in seconds so that's been a bit of peace of mind for me as well.

**Jo Hammonds:** We went for a GPS dongle, we didn't go for telematics with cars and we went to a private mileage system where the only way we would allow business miles to be claimed was if we had a GPS trace of the journey they did. If it's not a GPS traceable dongle journey you can't claim it. Therefore you're going to pay for the journey yourself. It may be a bit draconian but it does work.



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Commodore Jeremy Rigby sees the introduction of electric vehicles as another step towards the naval base becoming more eco-friendly

# Eco-friendly FLEET 'INVASION'

Close to half of the 100-plus vehicles being introduced at Portsmouth Naval Base will be plug-in vans. *Christopher Smith* finds out why

**S**olar panels, LED lighting, electric vans... commodore Jeremy Rigby, Portsmouth Naval Base commander, introduces his new fleet of Nissan e-NV200 electric vans in a slightly tongue-in-cheek fashion, comparing them to a raft of eco-friendly developments that have been introduced across the site in recent years.

But the arrival of electric vehicles isn't simply a token gesture – the MOD is likely to see a significant cost saving in its vehicle operations across the base, which is managed by BAE Systems. BAE is responsible for ongoing maintenance and is behind this latest roll-out.

The site is home to two-thirds of the Royal Navy ship fleet, and is soon to expand further, with the arrival of two new aircraft carriers.

A total of 48 Nissan e-NV200s are joining the van fleet, and these are expected to save £360,000 in fuel and maintenance over the two-year contract, with an option to extend for a further year.

They arrive as part of a commercial vehicle renewal tender, won by Lex Autolease, which consolidates a number of funding methods into one new contract.

Elliot Webber, supply chain lead at BAE Systems, says the outgoing vehicles ranged in age, condition and suitability.

"We had 95 vehicles on our van fleet – all diesel – and funded by a range of methods. Some were on long-term rental, some on

contract hire, and there were a few older vehicles which were owned outright," he explains.

BAE completed an operational review of vehicles and, in part thanks to the arrival of the new aircraft carriers, added an additional 12 vehicles to the procurement bid bringing the total to 107 vehicles to be delivered across the contract.

The balance will be diesel and all will operate primarily in and around the naval base on a low mileage cycle – 5,000 miles a year in some cases.

"Their work is mostly 'inside the wire', with a few trips on local roads," Webber explains.

BAE knew electric vehicles were a possibility, but even Webber didn't expect the scale of the roll-out currently taking place.

"We began to investigate our options, looking at diesel and electric, and realised there was scope to add some plug-in vehicles – but we were thinking maybe six, seven or eight," he says.

The company went out to tender on behalf of the MOD, and two bids were shortlisted after a number of rounds of tendering, including the eventual winner, Lex.

"We went with the team from Lex in part for the commercial offering on the table, but also because of their commitment to helping us move to electric vehicles," Webber says.

"The emissions and cost figures we modelled made the electric vehicles really attractive. We considered an electric vehicle trial before the roll-out, but the







## FACTFILE

**Location** Portsmouth Naval Base

**Operated by** BAE Systems

**Electric vans** 48

**Diesel vans** 59

**Fleet team** 2.5 FTE



numbers made it really apparent that this was a move that made complete sense."

Diesel vehicles return to the fleet for work requiring higher payloads and load volumes than the medium-sized e-NV200s can support.

Chris Chandler, principal consultant at Lex Autolease, who was involved in the project, explains the procurement process for diesel vehicles.

He says: "We wanted to get the most suitable vehicle for the role, and vehicles that could work well in this unique environment. The challenges faced include the low speeds and low mileage on site, which could cause DPF (diesel particulate filter) issues.

"We've gone with Fiat for the majority of these vehicles as they tend to deal with this kind of environment a bit better.

"We set the challenge to get as many vehicles electrified as possible, but they had to be the right fit, for cost, practicality and performance. This is the biggest single roll-out of electric vehicles at once we've seen at Lex, and it's been great to work on."

The vans – across the whole contract – are used primarily by the operations maintenance team with various trades working across the site.

Webber says: "It might be for an electrician, it might be for a plumber – each vehicle is different. Each particular van has been specified for a job role."

The vans have been fitted with Tevo lightweight racking systems, with several

*"We set the challenge to get as many vehicles electrified as possible, but they had to be the right fit, for cost, practicality and performance"*

*Chris Chandler, Lex Autolease*

supplied with roof racking to support ladders, beacons and pipe storage as required.

On a day-to-day basis, the fleet is managed by Louise Hill and a team of one other full-time and one part-time staff.

Hill looks after the vehicles on the BAE contract, as well as a number of heavy goods vehicles for the MOD – a total of 300.

Vans were scoped in collaboration with Lex, the on-site fleet team and the drivers, taking into account both positive and negative feedback about existing vehicle specifications. "We've encouraged drivers to get really involved in the process, and help us specify vehicles that are truly fit for purpose," says Webber.

"Some drivers have suggested downsizing,



**Elliot Webber with Portsmouth Naval Base commander commodore Jeremy Rigby (left) and Lex Autolease's Richard Parker (right).**

## GOING GREEN SAVES CASH AS WELL AS ENVIRONMENT

**The Royal Navy is not excluded from public sector funding cuts, with ongoing cost reductions having to be found.**

"In partnership with the BAE team, over the past four or five years, we've managed to significantly reduce our operating costs at the base," says commodore Jeremy Rigby.

"Now by bringing in this fleet, from an economical perspective, it's just common sense. We've got really stringent targets to reduce our carbon footprint, too, so this is a really great initiative."

The projected £360,000 savings from the van fleet follow previous developments on the base.

Almost 2,000 solar panels were installed in 2015. They were predicted to save £1 million over 20 years. Other initiatives including heat pumps, 'intelligent control' systems and LED office and street lighting have contributed to further reductions in costs of around £500,000 per year.

because of tight spaces where they park and regularly use the vehicles on site, while others have recommended upsizing to allow for bulky goods they regularly transport – for example shower screens."

Due to the nature of the contract, the whole fleet is being updated in a fairly short time-frame – with the roll-out set to take about a month.

A rigorous driver education and handover process is taking place, with drivers trained in person and then given materials to take away. A series of 'toolbox talks' have taken place in each department, followed by a handover process for each individual vehicle.

"We want the drivers to feel completely confident before they take their vehicles away," says Webber.

"We've also set up a new information pack





that goes out with every vehicle, including the diesel fleet, with the focus on driver safety, vehicle loading and best charging practice for the electric vans."

The team is applying for the Freight Transport Association (FTA) Van Excellence accreditation, with an audit scheduled later in the year. The standard formalises and recognises best practice of van operators, and sets out standards for vehicle maintenance and driver policies.

"As we also work in the O-Licence heavy goods world, bringing van standards up to the same level makes a lot of sense," Webber adds. "It's a better, safer, way of driving a white van."

The introduction of electric vehicles also required the installation of a significant infrastructure across the base.

For example, 26 Pod Point charging units have been installed, alongside 28 new dedicated electric vehicle parking bays.

Installed in collaboration with Lex, the points were part-funded through an Office for Low Emission Vehicles (OLEV) public sector programme.

Lex's Chandler says: "We used CleanCar telematics in the original vehicles for two months to monitor journeys. We looked at minimum, maximum and mileage ranges over that period to help us understand the usage.

"Then we did heat mapping, on site, establishing where all the vehicles stopped overnight. It meant we could offer informed advice on the best places to install the charging facilities."

Most of the e-NV200s will be charged

overnight and take around three hours to reach full capacity.

The vans are supplied on a fully maintained contract, and will be serviced at the local Nissan dealer in the city.

Webber hopes the Portsmouth base will become an example for others to follow across the forces.

"I really hope that other sites – both BAE and Ministry of Defence ones – look at what we've done here and see it as a template for what they should be doing with vehicle fleets," he says.



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# ROYAL MAIL IS 'READY TO GO' WITH SMR FLEET SERVICES

New service, maintenance and repair proposition for third party fleets looks likely to shake up SMR sector after successful pilot. *Stephen Briers* reports

**C**ompetition in the van and truck fleet maintenance sector is about to heat up. Royal Mail, the UK's largest fleet operator, is opening up its nationwide workshop network to third party fleets, taking the fight to established service providers.

However, while rivals are eager to take on the full range of fleet management services rather than just maintenance, Royal Mail is only interested in the latter – at least for now. This will facilitate direct relationships with fleet management and leasing companies as well as fleet operators, which the company has earmarked as a major target.

Royal Mail has been piloting its maintenance scheme for the past 15 months, initially at six workshops, following a business restructure which put greater emphasis on new revenue opportunities.

The initiative has buy-in at the highest level; chief executive officer Moya Greene alluded

to it when announcing the organisation's 2015/16 financial results (*Fleet News* June 23, 2016) and has given her full, unequivocal backing.

The proof comes in a seemingly innocuous area: the new Royal Mail Fleet logo. This is only the second time in the organisation's 501-year history that it has allowed another word to sit alongside its illustrious logo.

Paul Gatti, director of Royal Mail Fleet, sets the scene. "We started out on this journey 18 months ago when we were considering how the wider Royal Mail business could bring in new revenues by exploiting our assets," he says. "We employed some consultants to look at the maintenance market and they felt there was an opportunity for us."

A pilot scheme was launched to provide Royal Mail with a greater understanding of the changes and realignments it needed to make in order to make its mark. Among the first customers were British Gas and RAC, via their partner Hitachi.

"We quickly concluded we couldn't do it through just six sites; our USP is our national

network of 110 workshops," says Gatti.

Consequently, he extended the pilot to 20 locations, a move which coincided with the appointment of four former BT Fleet executives: Duncan Webb as commercial director, Neil Thomas as sales and account management director, Mark Biezley as head of fleet management and Mina Roopra as head of marketing. Their knowledge is proving invaluable in structuring and promoting the new operation.

Royal Mail has now opened up the programme to 81 workshops which gives it national coverage; the remaining sites will come on stream during the coming months.

"We took it slow, but now we are ready to go," Gatti adds.

The service is aimed at van and truck fleets, although Royal Mail can also accommodate cars and is happy to take on contracts which include them. It can handle every make and model up to the biggest trucks, including double-deck trailers.

Gatti expects business to be a mix of maintenance contracts that Royal Mail owns and maintenance it carries out on behalf of a leasing or fleet management company.

"We are passionate about bringing our workshops into a proposition that fits the end customer," he says.

The pilot has resulted in a number of learnings, not least on how best to schedule workloads and resources efficiently.

"We had to enhance our systems; 60% of our red fleet work is unplanned which makes it hard to manage the workshop," Gatti says. "This was a big learning."

The workshop network already has sufficient capacity to take on additional work – it currently carries out 400,000 jobs a year – but more time can be freed up by improving the efficiency of the internal fleet, reducing the demand on the network and its 1,000 technicians (see panel).

Gatti is under no illusions about the size of the task. Royal Mail Fleet enters a market with a number of strong competitors, but he believes it has a number of advantages, not least its willingness to work as a maintenance supplier to leasing or fleet management companies.

"It is tough to unhook someone from their

## FOUR PILLARS TO DELIVER CLASS-LEADING SERVICES

**Royal Mail Fleet's third party maintenance initiative is one of four new business pillars, each of which is designed to boost revenues or efficiencies.**

**The others are:**

■ **Restructure how it supports the Royal Mail business**

■ **Transform the way the fleet is operated**

■ **Deliver a class-leading workshop business.**

Paul Gatti is constantly looking at the Royal Mail fleet with a view to addressing driver behaviour in a way that will reduce the pressure on the workshops and free up capacity to take on external SMR business.

Currently, the 'red fleet', as Royal Mail calls its operation, visits the workshop on average six or seven times a year

per van, against an industry average of twice a year. New service level agreements and key performance indicators will be combined with a new pricing structure that will allow operating centres to understand their costs in more detail.

"At the moment they just see one number; we have to itemise and pull out the costs by unpicking contract hire and SMR so it reflects their actual costs," Gatti says.

Meanwhile, delivering a class-leading workshop business will involve providing the network with the tools, systems, technicians and working practices to become more efficient and more profitable.

As with all the pillars, this part of the plan is also geared to opening up capacity for external business.



Royal Mail Fleet director Paul Gatti (centre) with other members of his team – commercial director Duncan Webb (left) and head of fleet maintenance Andy Melling

#### FACTFILE

**Company** Royal Mail Fleet

**Key personnel** Paul Gatti, director;

Duncan Webb, commercial director;

Andy Melling, head of fleet maintenance

**Size of internal fleet** 46,300 (cars

2,000; Vans 36,000; trucks 8,300)

**Workshop network** 110 sites

**Number of technicians** 1,000

current maintenance provider. We have to offer them something different and we are doing that," he says.

Those points of differentiation include owning and operating the UK's largest network of non-franchised workshops, including the biggest truck and trailer network (20 have full double-deck trailer capability) and an in-house mobile servicing network with 40 technicians.

The workshops are open long hours; 70 sites operate a 12-hour shift, while many are 24-hour. Saturdays are also a standard offering at several locations.

Andy Melling, head of fleet maintenance, explains: "We open those hours to fit the operation. There is slack so it gives us the opportunity to maximise those shifts."

Webb adds: "Vans run during the day and trucks run at night for Royal Mail so we have to support the different needs for SMR."

Gatti expands the list of differentiators: "We keep the biggest fleet in the country on the road with high levels of compliance and availability. And we are a truck-capable company that can do vans, not a van company that does a few trucks."

*"We are a truck-capable company that can do vans, not a van company that does a few trucks"*

*Paul Gatti, Royal Mail Fleet*

So, the age-old question: faced with a Royal Mail van and a third party van, which gets repaired first?

Webb steps in to reply candidly: "No one gets priority; our business is structured to meet our agreements. Every garage faces these choices daily and the same question is being asked by our internal customers. We commit to a service level; when the vehicle is booked in, we will meet that service level."

Such potentially tricky decisions are further eased by the way Royal Mail Fleet resources its workshops, according to Melling.

"Every site is resourced to meet the unex-

pected. We hold back [resource] because we know customers will have a need for unplanned maintenance and repair," he says.

Of course, Royal Mail Fleet's objective is to reduce unplanned maintenance, something it has been achieving on its own fleet thanks to a range of initiatives, including its Fleet News Award-winning World Class Mail initiative which implements preventative maintenance routines to pre-empt parts failures.

It has helped to reduce unscheduled visits and, says Gatti, is likely to be offered as a service to third party maintenance partners.

"The overall number of visits to the workshop has reduced even though our fleet has increased in size," he says. "The insights we have means we can generate savings for other customers once we have their data in our system."

However, the first priority is to get a foothold in the market with the maintenance programme. It is part of a five-year growth plan which has revenue and volume at its heart, rather than sheer customer numbers.

Webb offers the final word: "We have to do it right so we are not looking for sudden growth. Our plan is bold, but considered."





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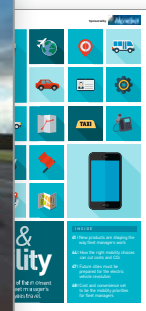
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## INSIDE



### **36 | How to minimise your company car tax liabilities**

Zenith head of fleet consultancy gives an insight into the savings fleet managers can make

### **38 | Spoilt for choice**

Creating a tailored vehicle choice list gives a fleet manager the chance to drive cost or efficiency ambitions, but there are many factors to consider

### **42 | Steering drivers towards lower CO<sub>2</sub> cars**

Emission caps and a CO<sub>2</sub>-based tax system are not the only ways to promote green cars

### **44 | 'Get real' – times are changing for efficiency testing**

New tests aim to supply 'more realistic' CO<sub>2</sub> and economy figures

# FLEETS & VEHICLES

There are many considerations for fleets and drivers when choosing a car. Our report will guide you through the process, ensuring you make a decision that satisfies everyone's needs



# MINIMISE YOUR COMPANY CAR TAX LIABILITIES

*Claire Evans*, head of fleet consultancy at Zenith, gives an insight into the choices fleet managers can make to reduce tax bills

**T**he next few years will see many tax changes introduced by the Government that will push fleet operators to focus on policy choices if they are to protect themselves against potential cost increases.

The combination of Brexit, continued efforts to control public spending (with an increasing environmental focus) and tax changes have left fleet managers with mixed messages on what to do with their fleets, as cost control is no longer as simple as picking a low CO<sub>2</sub> car.

As of April 1, 2017 there has been a shift in the Vehicle Excise Duty (VED) structure that moves the standard rate away from being CO<sub>2</sub>-based to a flat rate of £140.

Cars costing above £40,000 now pay an additional supplement of £310 on the basic rate.

The changes impact the lowest emitting cars most with a 99g/km low-cost car seeing a £11.25 per month increase over a four-year term.

An alternative fuel car with emissions of 78g/km that costs above £40,000 is adversely affected by £29.38 per month. Meanwhile, a car emitting 166g/km but costing less than £40,000 sees a decrease of 21p per month.

The new regime is in apparent conflict with historic tax policy to incentivise drivers into lower emitting cars. Fleet managers need to be particularly wary of employees adding options to cars which could take it above the £40,000 threshold and bring additional cost.

Optional remuneration arrangements legislation has also been introduced this year, and, again, it goes against low emitting cars (with the exemption of ultra-low emitting cars with CO<sub>2</sub> of 75g/km or less).

It impacts salary sacrifice cars and company cars with a cash alternative and has seen much debate since the consultation was issued in August last year.

The new legislation moves the benefit charge on cars to be the





## ABOUT THE AUTHOR

Claire Evans joined Zenith in July 2015 and is its head of fleet consultancy. She is tax qualified and has more than 12 years' consultancy experience in the vehicle rental and leasing industry. Evans is responsible for developing Zenith's consultancy proposition.

higher of the company car benefit or the salary sacrifice/cash allowance amount.

Cars most adversely impacted will be the cleanest petrol engines that we have seen feature more heavily in the market in recent years.

Analysis completed by Zenith on available vehicles shows salary sacrifice drivers who choose petrol cars with emissions between 76-100g/km post-April 17 will be £22 on average worse off a month.

The cost increases can be avoided by employees if they shop around and consider the full variety of cars available to them. An alternative model or different fuel type could offer better value for money under the new arrangements.

The legislation changes will impact those with a high level of cash allowance that trade down to a cheaper more fuel-efficient car but do not receive a trade down payment from their employer.

With employers keeping a keen eye on fleet costs they could see an increase in employer's National Insurance costs as a result of this change.

## THREE STEPS TO CONSIDER

There are three steps companies should take to mitigate against any potential cost increase:

**Step one** – work with your leasing company to understand the cost implications on your current policy.

Zenith has modelled the impacts for its customers. The impact will differ for each employer and will depend on the level of cash allowance paid and the car choice.

Companies offering high cash allowances and low emission, low-cost company cars will see the greatest impact. Longer term, with the exemption for ULEVs, fleet operators should monitor the availability of cost-effective cars in this category to ensure cost efficiency.

**Step two** – consider your policy of offering cash to all employees. Most high mileage drivers will be better off picking a company car rather than taking the cash offering and sourcing their own vehicles.

Removing the cash option from these employees means they won't be impacted by the changes. Alternatively, fleet managers can give their employees the option to contractually give up the entitlement to a cash allowance.

**Step three** – using wholelife cost, which includes the impact of the changes on employer's National Insurance (NI), can help fleet managers pick the most cost-efficient cars where they use a choice list or control the costs where there is open choice by setting the correct entitlement levels.

# £29.38

per month is the extra VED paid on a car with emissions of 78g/km that costs more than £40,000

# 21p

per month is the tax gain on a car emitting 166g/km but costing less than £40,000

When reviewing car choices, fleet managers should be aware of the role employer's NI costs play on the total cost of a car.

A two percentage point company car tax (CCT) rate increase in April 2017 is followed by two further year-on-year increases that will see CCT percentages increase by seven percentage points in the next three years for a typical fleet car.

Even the lowest emitting cars are seeing some steep increases in the short-term with electric cars seeing a nine percentage point increase in CCT rate.

However, the introduction of 11 more CCT bands for low-emitting cars will mean either no increase or a reduction in CCT rates from 2020.

## IMPORTANCE OF FUEL CHOICE

Fuel choice will start to play a more important role in fleet selection when looking at cost control, for example the BMW 330e plug-in hybrid will have an employer's NI cost that is 40% cheaper than its nearest petrol or diesel equivalent of the same range in 2020.

It's important to note that a change in the CO<sub>2</sub> threshold for companies to take advantage of the main 18% rate of claiming capital allowances for cars bought outright is dropping from 130g/km to 110g/km from 2018.

Fleets should look to consider any CO<sub>2</sub> caps they have in place and with an increasingly varied range of cars available below 110g/km, consider using that as a benchmark for setting policy.

This also has implications for fleets that lease cars. A car between 110g/km and 130g/km will typically see a £6 increase per month in rental cost (if the leasing companies pass on their additional costs of claiming capital allowances at the lower 8% rate to fleets), from April 2018.

Fleets should also review the insurance groups of cars because insurance premium tax (IPT) is rising for the second time in a year to 12% from 10% in June 2017. Generally, this is not factored into the wholelife cost of cars.

But, if the rate of IPT continues to rise, the insurance group of cars should start to be something fleets consider moving forward.

It is more important than ever for fleet operators to understand the costs based on a total wholelife cost model over the term of the vehicle.

The most efficient cars on the fleet in 2017 may not be the cheapest options from 2018 and beyond.

A regular review of policy is required for fleets to maximise cost-saving opportunities. As an example, introducing ULEV cars when company car tax rates show a reduction for the cleanest cars and when the market has the right car for the requirement.

It may be tempting, with all these changes, for fleets to consider offering cash where there is not a business need for the car.

However, with a competitive recruitment market, the value employees place on the company car should not be underestimated.

In addition, many of the changes mentioned will also raise the cost of cars in the retail market and, in turn, this will put pressure on fleets to increase cash allowances.

Before making wholesale changes to policy, employers should complete a robust comparison of the cost of cash against the cost of providing a car.

Analysis should include the full costs of cash, such as increases in expenses for business travel or increases in fuel costs and downtime, which result from cash takers typically choosing older, less efficient vehicles.

*"Insurance groups of cars should start to be something fleets consider moving forward"*

Clair Evans, Zenith





# SPOILT FOR CHOICE

Creating a tailored vehicle choice list gives a fleet manager the opportunity to drive cost or efficiency ambitions, but there are many factors to consider.

*Andrew Ryan* reports

**C**ompany car choice lists are a vital tool for any organisation looking to shape the direction of its fleet.

Whether its ambition is to reduce vehicle CO<sub>2</sub> emissions, cut costs, enhance staff recruitment and retention, or just to make sure vehicles are fit for purpose, creating the right choice list can help achieve the fleet's objectives.

But devising one can also be a complicated task with many factors to consider.

So if a fleet manager is looking to create a new company car policy or review an existing one, where should they start?

By identifying the core business objectives for that organisation, according to Richard Hipkiss, managing director of Fleet Operations.

"Whether job-need or employee benefit, this must always be the starting point for any vehicle choice list," he says.

Richard Cox, fleet consultant at Arval, adds: "Fleet managers need to look at what they are trying to achieve with their choice list.

"To do this, they need to ask some fundamental questions. This should include defining the purpose of their fleet: is it a tool of the trade, is it part remuneration, or is it a combination of both?

"Also, they need to work out how many vehicles they actually need, including creating a specification for any particular job-need roles, especially when it comes to commercial vehicles."

Then it becomes a balancing act between cost, choice and suitability.

"We believe there are eight variables that directly affect the shape, cost and structure of a fleet," says Matthew Walters, head of consultancy at LeasePlan UK.

These are depreciation, SMR (service, maintenance and repair), fuel, insurance, employee benefit provision, mileage, VAT and corporation tax relief.

"These variables act as levers that you can pull and push," he says. "Pulling one can create a saving in one place, but generate a cost somewhere else.

"The important thing is to look for the right trade-off between total cost of ownership, compromises on car choice, cash allowances and so on.



If environmental considerations are an important factor for vehicle choice, setting an upper CO<sub>2</sub> limit is a common and proven way of reducing emissions.

Skanska currently caps its car policy at 130g/km, and this has helped reduce its average emissions to 105g/km. The average for new cars on order is 92g/km.

"Roughly 50% of those are sub-75g/km," says Julie Madoui, head of fleet at Skanska. "I've probably placed 40 orders in the past two weeks and I don't think any of those exceeded 110g/km.

"We introduced our 130g/km cap in 2009, which was quite an aggressive thing to do at that time."

In addition to the CO<sub>2</sub> cap, Skanska has also placed restrictions on who can opt for ultra low emission technology to ensure its drivers make an appropriate choice for their individual needs.

For example, drivers who do more than 20,000 miles a year cannot choose a pure electric vehicle.

"We want to give people

choice, but we don't want to put drivers who we know are doing 40,000 miles a year into a vehicle which we know is not going to be cost-effective," says Madoui.

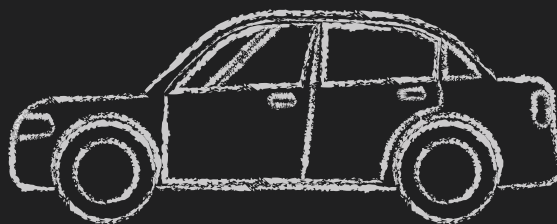
While capping CO<sub>2</sub> has proved successful for many fleets in the past, Richard Cox, fleet consultant at Aral, questions whether, given advancing technology, fleets should continue with a cap.

"With the increased focus on benefit-in-kind (BIK) tax and private fuel costs, there is already significant incentive for most employees to select their cars sensibly," he says.

"Analysis shows that the CO<sub>2</sub> emissions for fleets with caps is not significantly different to those without.

"This calls into question whether CO<sub>2</sub> caps are having any real effect on the company's carbon footprint, or whether they serve only as an environmental 'badge' for the company to display.

"For caps to be effective, they have to actually modify employee choices, and therefore probably need to be lower than they already are."



It is widely accepted that best practice is to base choice lists on the total cost of ownership (TCO) also known as wholelife costs, rather than leasing rates or list price as had traditionally been the way.

TCO should not only include the lease or purchase costs, but also all real-life expenses such as depreciation, fuel, insurance, maintenance, interest, tax and employer's national insurance, says Richard Hipkiss, managing director of Fleet Operations.

When Skanska introduced a new company car policy in 2015, it switched from a banding model using leasing rates to one based on TCO.

"I wanted to change the modelling so it was a true reflection of the cost of operating the vehicle," says Julie Madoui, head of fleet at Skanska.

"We did a lot of modelling work with our leasing provider, LeasePlan. We

refactored each of the grade values by taking what was the most ordered vehicle within each of our existing bands and used that as a base to determine the wholelife cost bandings per grade.

"Within that we incorporated the cost of the rental of the vehicle, a monetary insurance value, the fuel economy of the vehicle and the employer's national insurance contribution.

"That enabled us to really increase the choice of vehicles available within the bandings and to bring more sustainable vehicles in that were not previously available in those bandings. It improved the choice without actually increasing the cost."

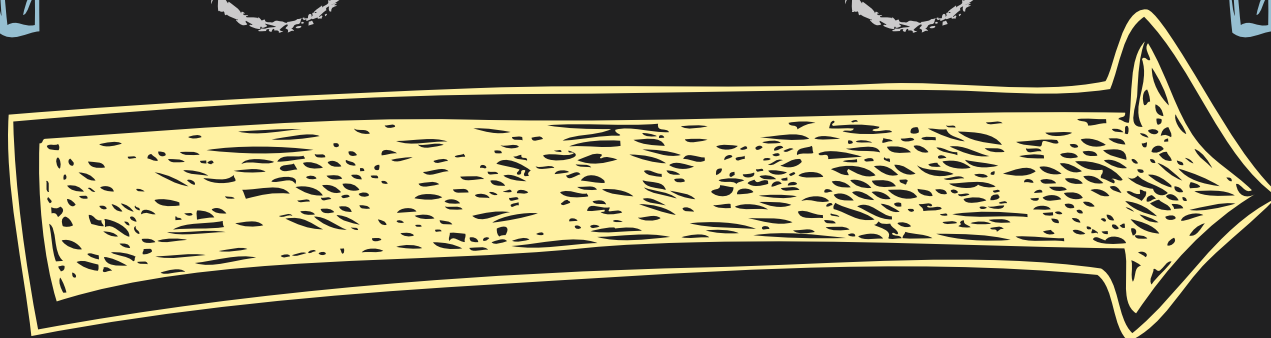
Skanska has made one change to the wholelife cost calculation when considering plug-in hybrids. Instead of using the fuel economy figures produced under the official testing

regime as it does for petrol and diesel models, the company uses a figure which is 60% of the test result.

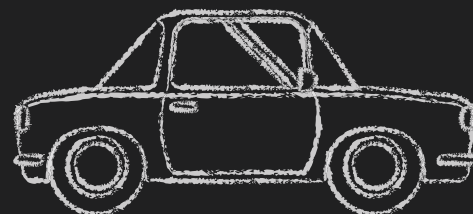
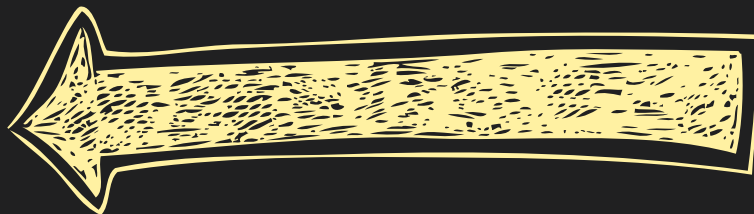
"We know plug-in hybrid technology is new and drivers are going to need to be trained to get the most out of them," says Madoui.

Britvic, too, uses a TCO-based model to offer employees a wide vehicle choice.

"We have a five-tier banding system that sets out the eligibility of an employee vehicle, so we wanted to make sure that at each of those levels we were providing something suitable that not only met the general needs of those bands but was also seen as a benefit as well," says Will Smith, director of compensation and benefits at Britvic. "We wanted to make sure that even our core business-user fleet drivers were excited about getting a company car. That was important for us."







## Choice - wide or narrow?

Many companies operate an open choice policy so an employee can pick a make of car they are happy with.

Offering a wide choice is important to many organisations where recruitment and retention is a key consideration – “the quality of our car policy is really important for our recruitment,” says Julie Madoui, head of fleet at Skanska.

However, limiting the brands available can also have benefits.

Reducing cost is potentially the most significant one. Countrywide Group estate agents, for example, saved £900,000 through improved terms with manufacturers when it went from an open policy to just four brands.

Another potential benefit of reducing choice is the effect it can have on vehicle reallocation policies.

Enserve Group had experienced problems reallocating ‘spare’ vehicles due to their specification and now limits the cars to ‘business colours’: black, white, silver and grey.

“We were constantly getting a car back that somebody had ordered, for example, in lime green with leather seats and bits and pieces,” says Paul Brown, head of group fleet at Enserve Group. “Trying to move that car on to a manager was really difficult, so we decided to keep it to business

colours that don’t offend anyone.”

Together with reallocation reasons, many fleets limit the body styles available for practicality or image.

Fleets such as CITB (Construction Industry Training Board) and Skanska allow only cars with four or five doors.

“We don’t have any two-doors or convertibles, because if it’s a car provided for business purposes and when you have to take a client out, you can’t really put them in a two-seater, can you?” says Madoui.

Some fleets don’t impose such restrictions. “We are pretty open,” says Simon Watts, fleet manager at Rydon. “Drivers can choose three-door, coupe or convertibles.

“We might flag it with the manager to check if it’s suitable in case they have a need for taking clients out, but other than that it’s not an issue.”

## Equipment and options

Consideration should also be given to what equipment is fitted to vehicles, says Richard Hipkiss, managing director of Fleet Operations.

“In line with corporate risk management policies, systems such as lane departure warning may fall within company requirements for minimum safety standards,” he says.

“The availability of emerging technologies also calls for further cost scrutiny and consideration to the risks of obsolescence as technology develops at a rapid pace.

“Shorter renewal cycles, while having lease and acquisition cost implications, can help address this

dilemma and can appeal to drivers.

“For owned fleets, technological obsolescence may impact resale values – so decisions taken today may have a significant impact on the bottom line in three or four years’ time.”

Specifying other, less expensive, options can benefit a fleet. Both CITB and Genus Breeding fit parking sensors to all new company cars.

Colin Hutt, fleet and insurance manager at CITB says these have virtually eliminated reversing collisions on its fleet, while Adrian Davies, fleet manager at Genus, says: “For me, adding parking sensors is making the vehicle fit for purpose. When I started

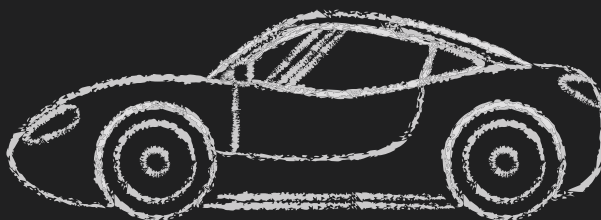
this role, I analysed all the costs and the incidents, and it just cried out for parking sensors.

“If you are looking at the cost, something cheap like the sensors can cut out 30% of all your collisions.

“When you are on a farm at 4am when it is pitch black and that silo that wasn’t there yesterday is there today, a parking sensor is going to help.”

Rubber mats are also a must fit for Genus’s vehicles due to their work on agricultural sites.

“It doesn’t matter what role they are doing, I have basics that all the vehicles must have if they come on to my fleet,” says Davies.



## Trading up or down

Many organisations allow employees to either contribute more to gain a car from above their band, or to save money by opting for one below (although the new regulations around cash/car taxation could eliminate this if employees have the choice).

"We've built in flexibility whereby all but the senior managers can contribute an optional £50 a month to open up the choice list further," says Colin Hutt of CITB.

"Typically, at the lower grade we've got people in Ford Focus Titaniums and Nissan Qashqais, and if they want to pay £50 a lot of people are choosing cars like the Audi A3 or BMW 1 Series."

He adds: "If a driver wants the 2.0-litre car with the higher spec they pay slightly more tax; if they are happy with the lower spec, producing less CO<sub>2</sub>, they are going to save money. It's entirely up to them."

## Listen to the drivers

When compiling a new vehicle choice policy, driver feedback should always play a role, says Lauren Pamma, head of fleet consultancy at Lex Autolease.

"A company-wide survey will identify desirable vehicles to help inform the list alongside business objectives, such as achieving cost efficiencies and hitting emissions targets," she adds.

"A comprehensive range can also encourage drivers to opt for company cars over cash allowances, giving organisations more control over their fleet and enabling them to manage risks more effectively.

"Importantly, any changes to fleet policy and the level of choice offered should be communicated clearly with drivers to avoid any misunderstanding or complications, ensuring they understand the reasons behind the future direction of the fleet."

## Eight steps to introducing an effective car policy

- 1 Always base your choice list on wholelife cost analysis.
- 2 Consider all fuel types including alternative technologies.
- 3 Compare manufacturers and establish the value of restricting their number.
- 4 Set fixed lists where possible for job-related functions. This can increase leverage and simplifies the reallocation process.
- 5 Set financial wholelife cost allowances for non-essential users – and allow trade-up and trade-down within limits to mitigate the risk of early termination and to simplify reallocation.
- 6 Set CO<sub>2</sub> limits to control environmental impact and maintain adherence to the company's corporate social responsible agenda.
- 7 Apply sensible vehicle restrictions – such as the number of seats, doors, 4WD and convertibles.
- 8 Launch the policy either by e-mail if it's purely a change of manufacturer, or a formal presentation/event if employee benefits are being changed, supported with fully documented policy rules and FAQs.

Source: Arval



# STEER DRIVERS TOWARDS TAKING LOWER CO<sub>2</sub> CARS

Emission caps and a CO<sub>2</sub>-based tax system can help promote greener cars, but there are other ways to further accelerate take-up. *Andrew Ryan* reports

**A**dvancing vehicle technologies and a CO<sub>2</sub>-based company car tax system are helping reduce fleet emissions, but there is still more fleet managers can do.

Imposing a CO<sub>2</sub> cap on the vehicles coming on to fleets can have an effect, but the best methods involve presenting a positive argument to the driver and allowing them to make the choice, says Laura Pamma, head of fleet consultancy at Lex Autolease.

"Passing the extra cost of tax or fuel-inefficient vehicles on to employees, for example, should encourage them to look at new, cleaner driving options," she adds.

"Such policy changes do run the risk of feeling like an imposition. Educating employees proactively is the best way to encourage greater adoption of hybrid, electric and other low emission technologies without them feeling coerced.

"Ultimately, employees will choose the car they see as most beneficial to them if given free rein."

One of the best ways to make employees more receptive to electric or hybrid vehicles is to explain the relationship between tax and CO<sub>2</sub> to employees, she says.

This is an approach used by Britvic, which has seen the uptake of hybrids and plug-in hybrids rise dramatically.

They now account for 14% of the 424 cars on its fleet, up from 5% 12 months ago. Will Smith, director of compensation and benefits at Britvic, says 36% of new orders are now either hybrids or plug-ins.

"Typically it's people coming out of high emission cars and going into them (hybrids or plug-ins)," he says. This has helped the fleet's average CO<sub>2</sub> drop to 109g/km.

Key to this success is the way employees are presented with options for their next company vehicle.

"We talk to staff about the typical company car, a family alternative and then what a hybrid alternative may look like," says Smith. "We then talk about the wholelife cost to the employee. We know that some of these hybrids are more expensive than their petrol or diesel counterparts, so we look at how much that costs us as a business and how we can

relate that to an employee for their wholelife cost basis.

"For example, if we take a Mercedes-Benz C-Class, we know the 2.0-litre diesel model is significantly cheaper than the C350e plug-in hybrid, but when we look at the wholelife cost for the company, there's probably only about £100 in it."

He says that if the employee pays that £100 then, even allowing for the contribution they need to make to have access to that more expensive car, when benefit-in-kind (BIK) tax and private fuel cost is taken into account, they will still be saving money compared to selecting the diesel.

"They are probably £300 or £400 a year better off," adds Smith. "The higher car will also probably be a better spec, which the employee will be happy with, while from a company perspective we are taking the kudos for the green initiative by getting them into a hybrid vehicle and we are seeing our average tax bill fall."

## CORE MARKETING ACTIVITY

Smith says Britvic also uses "core marketing activity" to influence choice.

"We are an FMCG (fast-moving consumer goods) company; we are all about building and promoting brands," he adds.

"We do that internally as well. So, while we are out there seeing supermarkets and persuading them our brand is the best, we are also playing customer and saying to Mercedes-Benz, BMW, Audi, Volkswagen or whoever, 'you tell us why we should be promoting your brands, you come up with a sensible way of how we do that and with the financial backing, and we'll stick it on our shelves, so to speak'.

"If a driver wants something else they can ask for it and we can go and get it – we are promoting choice – but if you stick a product on the middle of the shelf at the end of an aisle, you know it's going to shift. Our car list is, effectively, the middle shelf in the centre aisle that everyone walks past."

Smith says this has proved to be an effective way of influencing choice. "We know that if we put a vehicle on that list as an illustrative vehicle, that's what people are going to buy," he adds.

"If you tell people they can either have a BMW 3 Series or an Audi A4, but equally they've got an open choice, they will look at a 3 Series or A4.

"If we say 'actually, you can have a 3 Series or a 330e', then those are the two cars they look at first. They will then look at the wholelife cost and we then push it through.

"We see engagement with that list at about 85-90%."

While Britvic has achieved success by promoting vehicles in this way, Arval says it is not widely practised by fleets.

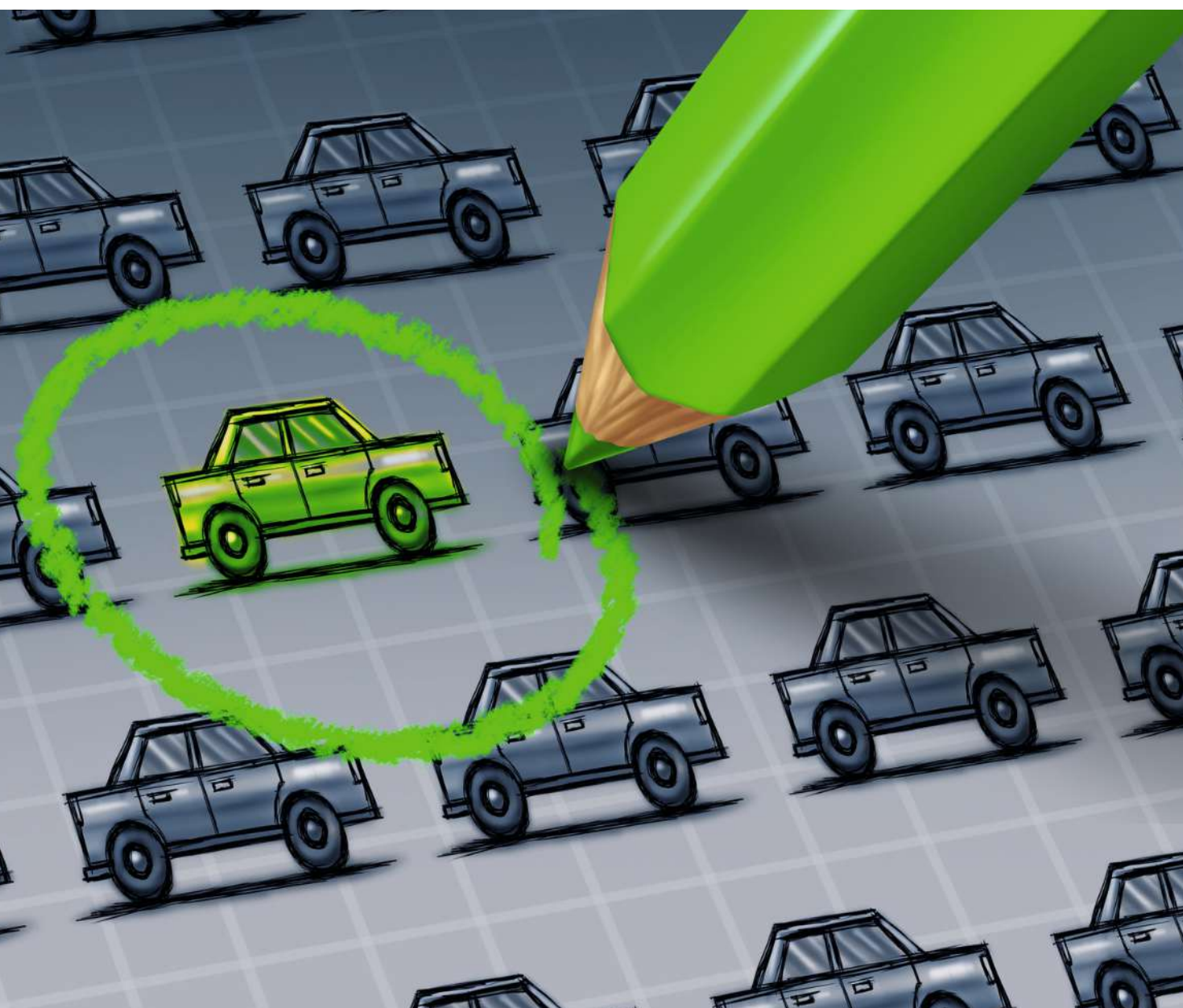
"Internal promotion of particular cars isn't something we've seen much of for a number of years," says David Nicholas, fleet consultant at Arval. "If a model or range of models are being promoted, it is more common to see it



*"Our car list is, effectively, the middle shelf in the centre aisle that everyone walks past"*

*Will Smith, Britvic*

**Education and incentives are among the ways to gently prod drivers to choose greener vehicles**



done by the manufacturer in question providing additional support terms and thereby reducing wholelife costs."

Another option open to fleets that want to encourage uptake of low-CO<sub>2</sub> cars is to offer financial incentives.

Archant, for example, offers a monthly £40 green bonus to staff in return for selecting the lowest CO<sub>2</sub> vehicles.

The majority of the company's 300 drivers have a benchmark car of a Ford Focus 1.5 TDCi Zetec, which has CO<sub>2</sub> emissions of 98g/km. If they instead choose a Fiesta Econetic 1.5 TDCi with 82g/km, they then receive the bonus.

Managerial staff also receive a green bonus for selecting a model from an open choice list with lower emissions than their benchmark.

Take-up of the incentive is currently more than 30% among job-need staff and contributes to average CO<sub>2</sub> emissions across the company's fleet of 99.6g/km.

However, Nicholas says that schemes like Archant's are generally becoming less common as the current CO<sub>2</sub>-based BIK tax regime naturally persuades drivers to choose the most efficient make and model of vehicle within their grade or allowance.

"Organisations which operate a policy based on wholelife costs, including fuel and Class 1A National Insurance, and who want to encourage drivers to go a little further in selecting a more efficient vehicle often build in a facility for

424

**cars in the Britvic fleet of which 14% are hybrids or plug-in hybrids**

£40

**monthly bonus offered by Archant for selecting lowest CO<sub>2</sub> vehicles**

them to receive cashback within their grade allowance or trade down a grade and receive cashback," he says.

"Employees making this choice will tend to select more efficient vehicles."

Matthew Walters, head of consultancy services at LeasePlan, adds: "Fleets can offer employees greater discounts on low-impact models, thus reducing the price of greener models. Increasing the car allowance for drivers selecting low emission models will undoubtedly encourage the shift to ULEVs (ultra-low emission vehicles). Alternatively, employees could be offered higher specification variants of low emission vehicles – ones that include sat-nav or leather.

"Fuel reimbursement can also play a big part. We would encourage employers to consider the fuel reimbursement rates and look to lower the rate for higher emitting models.

"Preferential parking for the lowest emitting models could also create a 'nudge' effect to ULEVs."

Britvic further influences driver choice by providing new starters with plug-in hybrids as temporary vehicles before they are able to order their own. This aims to show that a plug-in or hybrid vehicle is a practical choice.

"At the end of their probation period, nine times out of 10 they want to keep the plug-in hybrid, while on the other occasions they are ordering exactly what they have been in, which is great for us and our fleet CO<sub>2</sub>," says Smith.



The difference between NEDC and Eque fuel economy figures was marked on a Jaguar XE

Drive



NEDC combined  
(mpg)  
68.9

Eque combined  
(mpg)  
41.9

Difference  
-39.2%

# 'GET REAL' – TIMES ARE CHANGING FOR VEHICLE EFFICIENCY TESTING

New testing regimes aim to give CO<sub>2</sub> and economy figures that more accurately reflect true driving experiences. *Christopher Smith* reports

It's no secret that the emissions of cars and vans in the 'real world' are often massively out of kilter with the official test figures.

Volkswagen Group's nitrogen oxide (NOx) emissions scandal brought it to the forefront of public attention, and since then there has been relentless coverage in the media about the disparities in these figures.

The most common comparator of emissions is carbon dioxide (CO<sub>2</sub>), which directly relates to the fuel economy of a vehicle, the primary measurement on which a driver or fleet manager will compare their vehicles to the official figures.

A *Fleet News* poll last year found more than half (51.5%) of respondents saw an average shortfall of more than 20% on their vehicle's official figures – with only 5.1% achieving within 5% of the official data.

The industry – and governments – have known for a long time that the NEDC (New European Test Cycle) system is not representative of real-world performance. It was designed in the 1980s and last updated in 1997.

The European Union is leading the introduction of a new, replacement system, the Worldwide harmonised Light vehicles Test Programme (WLTP), for use globally.

The test, still performed in a laboratory, is a third longer, and

23

is the distance in kilometres covered in the WLTP test – a little more than double that in NEDC

has been designed to more closely reflect everyday driving. It covers 23km (14 miles), up from the NEDC's 11km (seven miles), and stationary time is reduced from 25% to 11%.

Average and top speeds are marginally higher, too. It's a global standard, so figures will now be comparable outside of Europe more easily.

All new vehicle type approvals will have to be measured under this test from September this year, with all vehicles on sale falling under the scheme by September 2018.

Manufacturers are already taking this into account. Under the NEDC cycle test, the new Vauxhall Insignia Grand Sport produces 105g/km – higher than direct rivals. However, James Taylor, the brand's fleet sales director, says the car has been set up for the WLTP tests.

"My feeling is that the Insignia will look very good when all cars are on this testing in 2018," he adds.

Vauxhall is not the only manufacturer releasing more realistic testing figures; PSA Group has gone even further than WLTP by opting to test all its models and engines using portable emissions technology.

WLTP is not perfect. Nick Molden, founder and CEO of Emissions Analytics, believes that under the new methodologies, the current mpg gap of 29% and the CO<sub>2</sub> gap

## WHAT ARE THE DIFFERENCES IN REAL-WORLD ECONOMY?

Independent vehicle testing firm Emissions Analytics has been recording real-world economy for a cross-section of car and van models that are on sale in the UK and Europe today.

The tests are conducted using Portable Emissions Measurement (PEM) machinery, in a similar manner to those performed by PSA Group of its own vehicles.

Emissions Analytics' research is manufacturer neutral, and tests are performed on a set route around its Oxfordshire base.

The company uses formulas and calculations to measure real-time emissions throughout the journey, and negate the differences inevitable with real traffic.

"When you're testing on the road the thing you can't control is traffic flow," says Molden.

"You can keep the driver the same and the route the same. You can do it within certain ambient conditions and you can make sure the tyres are inflated to the right pressures. You can do a lot to standardise [the test], but, ultimately, you can't control the traffic flow."

Around 1,500 models have now been tested, with data extrapolated across trim levels to create a database of around 60,000 vehicles, called the Equa Index.

Nearly all new cars (98%) fail to achieve their official fuel economy figures, according to the index.

Official and Equa 'real world' fuel economy figures can be compared online without charge using the *Fleet News* website tools, at [www.fleetnews.co.uk/equa-mpg](http://www.fleetnews.co.uk/equa-mpg). We took a cross-section of fleet-friendly models, across a variety of sectors, to identify the range of economy variance in the market.

| Model   | NEDC combined (mpg) | Equa combined (mpg) | Difference    |
|---|---------------------|---------------------|---------------|
| <b>City car</b>                               |                     |                     |               |
| Peugeot 108 1.0 VTi 68 Active                 | 68.9                | 51.2                | <b>-25.7%</b> |
| Hyundai i10 1.0 66 SE                         | 60.1                | 44.8                | <b>-25.5%</b> |
| <b>Lower-medium car</b>                       |                     |                     |               |
| Ford Focus 1.0 Ecoboost 100 Zetec             | 61.4                | 42.0                | <b>-31.6%</b> |
| Volkswagen Golf 1.0 TSI 115 BMT Match Edition | 62.8                | 46.5                | <b>-25.9%</b> |
| <b>Mid-size SUV</b>                           |                     |                     |               |
| Nissan Qashqai 1.5 dCi 110 Acenta             | 74.3                | 48.3                | <b>-34.9%</b> |
| Fiat 500X 1.6 Multijet 120 Pop Star           | 68.9                | 49.9                | <b>-27.6%</b> |
| <b>Premium car</b>                            |                     |                     |               |
| BMW 320d 163 EfficientDynamicsPlus            | 74.3                | 48.2                | <b>-35.1%</b> |
| Jaguar XE SE 163                              | 68.9                | 41.9                | <b>-39.2%</b> |
| <b>Large SUV</b>                              |                     |                     |               |
| Audi Q5 2.0 TDI 190 Quattro SE                | 56.5                | 36.5                | <b>-35.4%</b> |
| Volvo XC60 2.0 D4 SE Nav                      | 60.1                | 42.9                | <b>-28.6%</b> |



*"One of the weaknesses of RDE is that the manufacturers will conduct their own tests on their own routes, albeit witnessed by a type approval authority"*

Nick Molden, Emissions Analytics

between official and 'real-world' of around 40% will approximately halve.

Emissions Analytics tests cars using the same portable emissions technology that PSA Group is using, on British public roads (see *Equa Index* panel above).

It crunches the data to remove any statistical variances caused by traffic flow, to provide an accurate representation of real-life performance.

The Jaguar XE saw the biggest difference, of 39.2%. A spokesman declined to comment on "non-official tests where the robustness or methodology is unclear", adding that Jaguar Land Rover diesel vehicles "will be fully compliant with all worldwide emissions regulations".

Meanwhile, Ford pointed out that there would always be variances between official and on-road figures due to "different conditions – temperature, humidity, aerodynamic resistance, road surface – all of which can increase emissions".

There are still significant questions that remain unanswered surrounding the introduction of WLTP.

HM Treasury confirmed to *Fleet News* in February that figures registered on the new test would not be used for benefit-in-kind (BIK) and vehicle excise duty (VED) calculations immediately, removing the risk of a two-tier tax system.

The Treasury has not yet announced when it will move bands to the new data, however.

After the Volkswagen emissions scandal, air quality and the effects of NOx emissions have become the hot topic for governments and local authorities.

Unlike fuel economy, this is harder for a fleet to measure or acknowledge that its vehicles are not meeting the required standards – until now, claims Emissions Analytics.

In addition to reporting more accurate fuel economy and CO2 data, the company has also been monitoring real-world NOx emissions. Its testing found some vehicles were emitting more than 12 times the official legal limit.

There's now a plan to tackle that – yet another vehicle test, the Real Driving Emissions (RDE) programme.

Also rolled out from this September alongside the WLTP test, RDE takes place on road.

"One of the weaknesses of RDE is that the manufacturers will conduct their own tests on their own routes, albeit witnessed by a type approval authority," says Molden.

It's a two-step phased roll-out, introduced after the Volkswagen emissions scandal. Manufacturers are pushing the EU to delay the introduction, but this seems unlikely.

While manufacturers will have to measure this data, the legal limits may not be fully enforced until 2021.

That is not soon enough for some. Last month, London Mayor Sadiq Khan teamed up with the mayor of Paris, Anne Hidalgo, to launch an online vehicle checker.

Based on Emissions Analytics' Air Quality index, the system is set to provide a rating of the vehicle's performance and air quality based on real-life data.

The mayors have said the data will be used when making fleet buying decisions for public sector bodies, and encourage those in the Greater London Authority Group to 'only buy or lease the cheapest vehicles'.

As the crackdown on poor air quality continues, it seems highly likely that these measures will gradually creep into procurement processes. An eye to the cleanest vehicles – both on paper and in real life – will become ever more important.





*"Ateca coming in hasn't meant we've stopped selling Leons. It's done the opposite, it's helped us build and bring new customers to the brand"*

Peter McDonald, Seat

**12,000**

fleet sales is a Seat "ambition" over next 12-18 months

## WINNER: SEAT ATECA

# Seat's first SUV gives it confidence to have high sales ambitions

Plugging the gap in its offering means fleet customers are drawn to the carmaker's wider-reaching portfolio

By Sarah Tooze

**S**eat has set its sights on challenging the likes of Honda, Hyundai and Volvo in the fleet market after posting its best year for true fleet sales, 9,856 units last year, up 15% on 2015, according to Seat's measurement).

Head of fleet and business sales Peter McDonald believes the brand could reach 12,000 fleet sales in the next 12-18 months.

His logic is that Seat achieved growth last year with only a small contribution (approximately 300 units) from its first SUV, the Ateca. Seat took around 1,000 fleet orders for Ateca last year and has started this year with an order bank double that at the start of 2016 and overall sales of 3,974 in Q1 (1,835 better than Q1 2016).

McDonald says: "If we're able to get to 12,000 sales we would be in the position of not just moving one ranking up. We would potentially be 15th in the market rather than the 20th of last year."

But he is keen to stress that 12,000 sales is an "ambition" rather than a "core target". Seat's business plan this year is to maintain sales year-on-year, taking into account that the market is likely to drop.

"There is no pressure that that [12,000 sales] happens this year," McDonald says. "Of course, I'd love it to, but if it takes two years to get there it takes two years to get there. I'd prefer to get the right infrastructure in place and that should lead to more sales, anyway."

That infrastructure includes Seat's recently launched Fleet Excellence dealer programme (*Fleet News* February 16), which provides £12,000 to dealerships that sell more than 100 units a year to fleets of 40 or more vehicles to help raise customer service standards, as well as an improved customer relationship management system.

Seat is also extending its four-day test drive programme – which proved popular with the Ateca – to all models ([fleetnews.co.uk](http://fleetnews.co.uk), March 21).

Product has a big part to play in future growth with the facelifted Leon now on sale, followed by a new Ibiza, which will be available to order in May and will be at Company Car in Action in June.

The brand will also launch its first compact crossover

(Arona) in the second half of this year, followed by a new large SUV (which will be available as a five or seven-seat version) next year.

**Fleet News:** How has the launch of Ateca benefited the brand?

**Peter McDonald:** What Ateca has done is made us much more relevant in the market. Typically, fleet customers want to deal with people with scale, with a portfolio. They don't want to deal with 25 different manufacturers and they don't want to deal with manufacturers that only have one or two cars to sell. I guess that's been one of our challenges in the past. We've been very dependent on Leon. Ibiza and Alhambra helped, but it's been dependent on Leon.

That all changes with Ateca. That is the third biggest segment in the market, in true fleet, and last year it was the fastest growing. People, whether they are user-chooser or business-need fleets, want that sort of car so it makes it much easier for us to build relationships and build leverage and improve the quality of those relationships to the point that Ateca hasn't substituted any sales. Ateca coming in hasn't meant we've stopped selling Leons. It's done the opposite, it's helped us build and bring new customers to the brand.

**FN:** How much interest have fleets shown in the petrol Ateca?

**PM:** Last year we were seeing close to 50% petrol mix and that probably hasn't changed much. A lot of that was the 1.0-litre TSI because that works particularly well in public sector channels. It's a lower output engine but it's not a compromise. It's lower benefit-in-kind and good wholelife costs so when individuals are doing their own sums they are saying 'I might opt towards petrol'. Unless drivers are doing significant mileage, petrol works.

**FN:** What are your average lead times?

**PM:** Both petrol engines [on the Ateca] did have longer lead times, but we've been working hard with our factories to calibrate petrol production to demand, and it's improved. We have been ending what was the previous Leon and introducing the new one which caused some extension but that's now normalised. Alhambra is a little bit longer because it has had an incredibly successful year to the



Peter McDonald (third from left, half-seated) celebrates the Ateca win with the rest of the Seat team

point where it's been difficult for production to meet demand but that will normalise because we're increasing UK allocation. Everything else is normalised.

We have a national pool of stock so if a dealer orders a car for stock purposes or we order a car it sits in the port in a common pool. We purposely do that to make it accessible for fleet. We know that if a car gets down to a dealer site it's quite difficult to make available and for the right dealer. Once the cars are held at national port stocks, if a fleet really wants 10 Leons all in the same colour for delivery in the next two weeks we've got capability to deliver on that because our cars are held in one location.

**FN: What are your fleet sales expectations for Arona?**

**PM:** It's relatively small volume this year because we only really get supply for December sales but it will be an important order take car for us. Residual value influencers have seen it and they will get to drive it midway through the year which will help them set RVs so we'd like to be able to take orders at the back end of quarter three.

That segment is probably a bit more retail-orientated but I think it's going to be an important car for us from a growing portfolio, and the fact that when you look at that segment where Ateca sits five years ago there was very little fleet content to it, it was actually a small segment. It's grown so I'm expecting by the time we get round to launching Arona – and we're a year in – that might be a much larger segment of the market.

**FN: Last year you consciously reduced rental and achieved growth in Motability. Do you expect the same this year?**

**PM:** We will probably now stabilise our rental volume but our order bank is significantly up in Motability. We really like Motability from the point that they are three-year cars so they are long cycle and they're serviced through the dealer network so they are good used cars whereas rental is a shorter cycle and can have detrimental impact if over-supplied.

**FN: Why did you decide to launch four-day test drives?**

**PM:** We're all conscious that fleet customers don't always get the best experience when they visit a dealer. I don't think it's a Seat brand issue, I think it's an industry problem. So our approach is let's make it really easy for a fleet customer to access one of our cars. They don't have to go into a dealership, we've got a dedicated phone number and website and they can book a four-day test drive and we'll deliver the car to their home, when it's convenient for them. And it's not overnight, they've got it for four days. That has worked really well for Ateca and we'll continue to do that.

**M**cDonald acknowledges that a four-day test drive may not result in "an immediate sale" but it has an important part to play in getting Seat onto choice lists.

He expects to win further small business sales through Seat's local fleet business development programme, which launched in 2014 and is additional to Fleet Excellence. It provides £25,000 support a year to dealers that have a dedicated Seat local fleet manager prospecting and managing small customers in their area.

McDonald does not expect the programme to expand beyond the 25 dealers currently in it as that "covers the majority of local fleet opportunities".

It will be possible for a dealer to be both a member of Fleet Excellence and the local business development programme, provided they meet the criteria.

Seat won a number of major corporate contracts last year and McDonald wants that to continue.

The public sector is also being targeted with the appointment of Justin Costello as national fleet sales manager. Costello was previously contract hire and leasing manager at Seat and replaces Jason Coleman who left the business last year to join Northumbria Healthcare NHS Foundation Trust.

**FACTFILE**

Organisation Seat  
Head of fleet and business sales Peter McDonald  
True fleet sales 2016: 9,856

**JUDGES' COMMENTS**

Excellent value for money for fleets and drivers, the Ateca has a high quality interior, good range of diesel and petrol engines and attractive looks. Seat has a winner in this category.





# FLEETS RUSH TO SIGN UP FOR CCIA 2017

Hundreds of fleets reserve place at UK's biggest ride 'n' drive event on **June 13-14**

**H**undreds of fleets have started reserving their place at Company Car in Action as details of the latest first drives are revealed, including an exclusive first-drive of the Renault Captur.

Registrations are already ahead of the same period last year with eight weeks to go before the roads open at the UK's leading drive and decide event.

Company Car in Action is hosted by Fleet News at Millbrook Proving

Ground, Beds, where fleets have exclusive access to a private circuit purpose-built for vehicle testing.

Fleet decision-makers will have access to four test routes designed specifically to show the real-world strengths of the cars on offer.

The routes are a testing city circuit, high-speed oval, a challenging hill route and off-road course.

Each is designed to leave a lasting impression, so fleet managers can get under the skin of each car and deliver a reliable and expert verdict to their employers on each model's relative merits. Managers have the additional benefit that models have been tested in conditions that reflect the real world, not a racetrack.

The major manufacturers who dominate vehicle choice lists are represented in the metal and in the flesh at CCIA, with expert advisors on hand to answer fleets' in-depth questions.

Chris Lester, CCIA event director, said: "Product knowledge will be essential in the coming years as companies review their choice lists in the light of changes in taxation, legislation and the country's new role in Europe.

"Company Car in Action is a great investment to access a wealth of knowledge in a single day."

To register for your free place at CCIA visit the event website: [www.companycarinaction.co.uk](http://www.companycarinaction.co.uk)

*"A must-attend event where you can compare models from different manufacturers and get information from knowledgeable staff"*

Colin Oliver, fleet operations manager, PricewaterhouseCoopers

**DON'T MISS OUT. REGISTER TO SECURE YOUR PLACE AT COMPANY**

## Latest models expand fleets' test drive choices



### FORD

Ford is planning seven CCIA debuts in its line-up of 18 models in a show of strength at this year's CCIA. Models include the new Zetec edition of the best-selling Focus. The Focus is also available in new ST-Line specification along with the Mondeo.

A key update to reflect the needs of commercial vehicle drivers is the automatic version of the Transit, which will be available to test in three versions.

The Ford line-up will also include other key models including the Kuga, Edge, S-Max, Ranger and Connect.



### PSA GROUP

The all-new Peugeot 3008 SUV will take pride of place on the Peugeot stand at this year's CCIA. It recently won the Car of the Year 2017 title, awarded by a judging panel of 58 European journalists and this will be a key opportunity for fleet managers to test drive the unique Peugeot i-Cockpit driving environment, which has been praised by judges and drivers alike. Also on show will be the new Citroën C3 supermini, which includes a fully-integrated camera behind the rear-view mirror, which can be used to capture video footage in the event of an incident.



### RENAULT

The Renault Captur will be an exclusive first-drive opportunity for fleets following its unveiling at the Geneva motor show. Already Europe's best-selling urban crossover, with sales of more than 215,000 across Europe last year, the styling is now more distinctive and it features new technologies, including blind-spot warning and hands-free parking. Other models on show that are helping to reshape the brand are the all-new Renault Koleos, Kadjar and all-new Megane Sport Tourer. Following a series of new launches, Renault now claims to have one of the youngest model line-ups in Europe.



### SUZUKI

Suzuki is showing that it means business in fleet by making its debut at Company Car in Action. The full range will be on show for the first time at the event, backed by the senior fleet team from Suzuki.

The Swift supermini will have its fleet debut at the event, flanked by the Baleno, Celerio, Ignis, S-Cross and Vitara, one of the founders of the SUV trend now sweeping the market. Industry experts on the stand include Graeme Jenkins, head of fleet, and Lee Giddings, contract hire and leasing manager, both of whom joined Suzuki this year.



### VOLKSWAGEN

The world's biggest car manufacturer will be encompassing the past, present and future on its stand with its range of best-selling models.

The Golf GTI has a rich history as an iconic brand that has defined sporting excellence for generations and decision-makers will be able to experience why on the test routes at the Millbrook ground. The future of motoring will also be on the stand in the shape of plug-in hybrid versions of the Golf and Passat that combine performance and efficiency. The stand will also host the CCIA debut of the Tiguan R Line.

## Debate the future

Fleets can join their colleagues in the industry to consider the most pressing issues they face at the CCIA Debate Zone.

This year, industry experts will be considering two key issues:

**Fuel choices** - taking fleets beyond diesel

**Technology and safety** - managing connected cars and autonomy

The engaging discussions will provide a value-added element for fleets during their visit and are timed to provide the maximum benefit while leaving plenty of time for taking test drives during the day.

## EV/Hybrid Review Zone

Decision-makers will be briefed on the key models that will be arriving on their fleet in the coming years at the EV/Hybrid Review Zone.

Experts will be on hand to provide information and advice about the shift to new technologies.



Artist's impression

## Brands on test



FIAT CHRYSLER AUTOMOBILES



Go Further



INFINITI

EMPOWER THE DRIVE



RENAULT

Passion for life



SEAT



Way of Life!



TOYOTA



LEXUS

Toyota & Lexus Fleet



VAUXHALL



Volkswagen





# BMW 5 SERIES

Bigger, lighter, more efficient and better to drive than the outgoing model



## NEED TO KNOW

- Sixth generation sold 100,000 in the UK
- All automatics – no manual transmission offered
- Can connect to Microsoft Office 365

By Andrew Ryan

**B**MW's 5 Series has long been a benchmark car for fleets in the executive sector. Since its launch in 1972, the range has sold 7.6 million models across the world.

The sixth-generation 5 Series – on sale between 2010 and the beginning of this year – sold 100,000 in the UK alone, with 60% of these going to fleets.

BMW has launched its seventh-generation model and expects this success to continue, with anticipated UK registrations this year of 16,000 at the same 60:40 fleet to retail split.

**7.6m**  
models in the BMW 5  
Series sold since launch



For full running costs,  
visit [fleetnews.co.uk/  
running-costs](http://fleetnews.co.uk/running-costs)

It's certainly well-placed to meet these expectations. The latest 5 Series is bigger, roomier, lighter, more efficient, more technologically advanced and better to drive than the previous model, and will provide stiff competition to its executive sector rivals, including the *Fleet News* Award-winning Mercedes-Benz E-Class.

It is available with five engines, ranging from a 190PS diesel in the 520d to a 340PS petrol in the 540i xDrive. All have automatic gearboxes – a lack of demand means BMW will not offer a manual transmission in any version.

The two models expected to be of most interest to fleets are the 520d SE EfficientDynamics – the volume model – and the 530e SE iPerformance plug-in hybrid.

With a P11D price of £37,165 and powered by a 2.0-litre diesel engine, the 520d ED offers CO<sub>2</sub> emissions of 102g/km and official combined fuel economy of 72.4mpg.

However, these impressive figures fail to make it the efficiency champion of the range. That honour goes to the 530e, which uses BMW's eDrive system and a four-cylinder petrol engine to achieve emissions of just 46g/km and official combined fuel economy of 141.2mpg.

The plug-in hybrid technology gives the 530e an electric range of up to 29 miles and allows it to reach 87mph using only the battery.

While the 530e's P11D price is almost £4,000 higher than the 520d ED's at £43,930, its emissions mean the driver will pay much less benefit-in-kind (BIK) tax: for a 40% taxpayer, this will be £1,581 a year compared to the 520d's £3,270.

As well as the powertrains, the new 5 Series also has a number of other efficiency-enhancing technologies.

For example, drivers can select Eco Pro mode which uses the navigation system to detect braking situations in advance, such as when entering built-up areas or lower speed limits, and prepares the drive system accordingly.

All models also come with Active Air Stream Kidney Grille, which opens the louvres in the grille and lower air



Seventh generation 5 Series is more streamlined than the previous model



The level of cabin finish is exceptional

*"At all times the car felt unflustered while there was a lovely balance and feeling to the way it handled"*

intakes when more air is required to cool the engine, but otherwise keeps them closed to optimise aerodynamics. This system lowers CO<sub>2</sub> emissions by 1g/km.

As well as these, the 5 Series also employs less technology-focused methods to increase efficiency. It's more streamlined than before, with the new model having a drag coefficient 10% lower than its predecessor, while extensive use of aluminium has reduced the weight of each model by up to 100kg.

This weight saving also benefits the driving experience. Despite it being 36mm longer than its predecessor at 4,935mm, 6mm wider at 1,868mm and 2mm taller at 1,466mm, the 520d available to drive at the media event felt much more agile than its size suggests.

Its 2.0-litre unit provided punchy performance and at all times the car felt unflustered while there was a lovely balance and feeling to the way it handled.

This sporty driving experience doesn't come at the expense of refinement though. Ride comfort was excellent while engine and wind noise were almost absent, with only particularly coarse road surfaces leading to any perceptible road roar.

This calm feeling added a luxurious ambience to the car, and this is reflected in the quality and design of the interior. There is masses of leg and headroom for all passengers, while the level of cabin finish is exceptional.

The wraparound dashboard and pin-sharp TFT dials help make the driver's seat feel a special place to be, while all the controls fall easily to hand and operate with a pleasing precision.

The latest version of iDrive impresses, too. It combines a touchscreen with a rotary dial to operate the car's infotainment system, making operation of its many functions intuitive and straightforward.

Among the business-oriented systems is the ability to connect to Microsoft Office 365 to give the driver remote access to their emails, contacts and diary.

## COSTS

|                               |                 |
|-------------------------------|-----------------|
| <b>P11D price</b>             | £37,165         |
| <b>BIK tax band (2017/18)</b> | 22%             |
| <b>Annual BIK tax (20%)</b>   | £3,270          |
| <b>Class 1A NIC</b>           | £1,128          |
| <b>Annual VED</b>             | £140, then £140 |
| <b>RV (4yr/80k)</b>           | £11,925/32%     |
| <b>Fuel cost (ppm)</b>        | 7.68            |
| <b>AFR (ppm)</b>              | 11              |
| <b>Running cost (4yr/80k)</b> | 44.51ppm        |

## SPEC

|  |        |
|--|--------|
| <b>Power (PS)/torque (Nm)</b>          | 190/40 |
| <b>CO<sub>2</sub> emissions (g/km)</b> | 102    |
| <b>Top speed (mph)</b>                 | 146    |
| <b>0-62mph (sec)</b>                   | 7.5    |
| <b>Fuel efficiency (mpg)</b>           | 72.4   |

## KEY RIVAL

|                                    |                 |
|------------------------------------|-----------------|
| <b>Mercedes-Benz E220 d 194 SE</b> |                 |
| <b>P11D price:</b>                 | £36,460         |
| <b>BIK tax band (2016/17)</b>      | 22%             |
| <b>Annual BIK tax (20%)</b>        | £3,208          |
| <b>Class 1A NIC</b>                | £1,107          |
| <b>Annual VED</b>                  | £140, then £140 |
| <b>RV (4yr/80k)</b>                | £12,050/33%     |
| <b>Fuel cost (ppm)</b>             | 7.87            |
| <b>AFR (ppm)</b>                   | 11              |
| <b>Running cost (4yr/80k)</b>      | 44.06ppm        |

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

# THINKING CAP



By Martin Ward, manufacturer relationships manager

**cap hpi**



## Monday/Tuesday

Down to the South of France to drive the all-new Suzuki Swift which is due in the

UK early in June. It will only be available as a five-door, probably a sensible move given sales of three-door hatches are in decline.

The Swift is a pretty little car, and has some nice styling lines. A 1.0-litre and a 1.2-litre petrol engine will be offered, but no diesel, again, appropriate for this size of car.

It drove very well, has loads of standard equipment and packed full of technology. No prices yet, but you can bet they will be sensible. Suzuki has 're-launched' its fleet department, and with the range of cars it now has, it could make a good impression with fleet customers and end-users.

Later in Monaco I walked around the marina. The few craft that were occupied seemed to attract crowds all waiting for those on board to come out on deck. It was like being at the zoo, waiting for a rare panda to appear. Big boats? No thanks.

*"The Suzuki Swift will only be available as a five-door, probably a sensible move"*

**Thursday / Friday** Down to Bath, which is closer in miles than Nice, but took three times as long to get there. Motorways had closures for roadworks, causing detours.

I know work has to be carried out, but, come on, keep at least one lane open. I chose this horrendous journey to drive the Škoda Kodiaq and it was worth the delays as it is a cracking SUV.

I drove the 1.4-litre TSI petrol with Active Cylinder Technology where two cylinders shut down when not needed, helping save fuel. I achieved 40.6mpg driving on a variety of roads over nearly three hours.

The Kodiaq looks great and drives really well and is available with petrol and diesel, 2WD and 4WD, manual and DSG auto, and five and seven seats.

Great package and well priced.



# ALFA ROMEO STELVIO

An SUV that drives like an Alfa with CO<sub>2</sub> emissions and fuel efficiency to beat rivals



The Stelvio represents Alfa Romeo's first foray into the increasingly popular SUV market

## NEED TO KNOW

- Alfa Romeo's first SUV arrives in September
- Entry-level diesel is rear-wheel drive
- Business equipment grade aimed at user-choosers

By Simon Harris

**A**lfa Romeo's recent return to the user-chooser sector with the Giulia saloon has been boosted by the launch of the new Stelvio SUV.

The manufacturer's first model in this sector presented it with a challenge: having an SUV has become essential for sales growth; Alfa Romeo has a long heritage of sports saloons and sportscars. The car needed to be attractive to SUV buyers, but also retain the characteristics – particularly styling and the driving experience – that make Alfas appealing.

The competence of the Giulia saloon – a realistic alternative to a BMW 3 Series, Audi A4 and Jaguar XE – bodes well for the Stelvio, and signifies that the next few years could see a long-awaited resurgence of the Alfa Romeo brand in the corporate sector.

Customers will be able to choose from a rear-wheel drive 180PS 2.2-litre diesel, and Q4 all-wheel drive models including a 210PS version of the diesel, and 200PS and 280PS 2.0-litre petrol variants.

We tried both the 210PS diesel and the 280PS petrol, and the figures for both look promising. The most powerful diesel variant, equipped with all-wheel drive and eight-speed automatic transmission, has CO<sub>2</sub> emissions of 127g/km and fuel consumption of 58.9mpg on the combined cycle.

These are an improvement over what's currently offered by the Jaguar F-Pace, BMW X3 and Mercedes-Benz GLC. We expect the 180PS diesel to match or better these figures when data is released. The 280PS petrol version achieves 161g/km and 47.9mpg on the combined cycle.

The carmaker said the Stelvio was about creating an SUV

## COSTS

**P11D price** £38,000 (estimated)

**BIK tax band (2017/18)** 27%

**Annual BIK tax (20%/40%)**

£2,052/£4,104 (estimated)

**Class 1A NIC** £1,416

**Annual VED** £160 then £140

**RV (4yr/80k)** TBC

**Fuel cost (ppm)** TBC

**AFR (ppm)** TBC

**Running cost (4yr/80k)** TBC

## SPEC

**Power (PS)/torque (Nm)** 210/347

**CO<sub>2</sub> emissions (g/km)** 127

**Top speed (mph)** 134

**0-62mph (sec)** 6.6

**Fuel efficiency (mpg)** 58.9

## KEY RIVAL

**Audi Q5 2.0 TDI 190 Sport auto**

**P11D price:** £38,085

**BIK tax band (2017/18)** 28%

**Annual BIK tax (20%/40%)**

£2,134/£4,266 (estimated)

**Class 1A NIC** £1,473

**Annual VED** £160 then £140

**RV (4yr/80k)** £15,775/41%

**Fuel cost (ppm)** 9.98

**AFR (ppm)** 11

**Running cost (4yr/80k)** 44.38ppm

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



The start button is mounted on the steering wheel

that still drives like an Alfa Romeo. The steering is direct, while the all-wheel drive system has a rear bias, with up to 50% of torque being sent to the front wheels when required.

It felt exceptionally responsive on the twisty Alpine roads of our test route, easily dispatching repeated hairpin bends with barely half a lock of steering and an impressive lack of body roll, while the eight-speed automatic transmission and flat torque curve of the 2.2-litre diesel (more than 345Nm of torque is available between 1500 and 3000rpm) ensured it almost catapulted along the next straight stretch.

The entry-level Stelvio will have a 6.5-inch dashboard screen, DNA drive mode system, a central TFT info screen between the speedometer and rev counter, and start button on the steering wheel. Alloys are 17-inch on this model, with fabric seats. Safety systems include lane departure warning, forward collision warning and autonomous emergency braking with pedestrian detection.

Higher versions come with xenon headlights, larger wheels, part-leather or leather seats, and other features. There are two main option packs – luxury and sport. The Stelvio also comes with business specific grades (tailored to different markets), to appeal to company car choosers.

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\*\* based on savings from transactions in the past 6 months





Optional 20-inch wheels make the ride a bit too unforgiving on poor road surfaces

275 SPORT

# MASERATI GHIBLI

Option packs and updated infotainment system give new model air of exclusivity

## NEED TO KNOW

- Significant upgrades for 2017 model year
- Luxury and sport packs now available
- Autonomous emergency braking only optional

By Simon Harris

Three years ago Maserati entered the executive saloon sector with the new Ghibli. Using Maserati's first diesel engine, a 3.0-litre V6, the Ghibli was tasked with modest volume aspirations, and its running costs seemed to stack up favourably with six-cylinder rivals.

For the first time, Maserati had a car that looked comfortable alongside BMW, Mercedes-Benz and Audi saloons on company car choice list.

Costs were competitive and the driving experience was as you might expect from a brand with heritage in motorsport and GTs.

But technology marches on and standing still is equivalent to engaging reverse. So for 2017, the Ghibli (and Quattroporte luxury saloon) underwent some notable updates, adding new safety technology as well as making new driver assistance systems available, keeping up with its main rivals.

Perhaps the main distinction for the refreshed car is the choice of luxury and sport packs. The luxury pack adds premium leather upholstery, while the sport pack includes figure-hugging seats and a different steering wheel design with aluminium gearshift paddles.

There are also two carbon trim packs, one for the exterior and one for the interior.

The cabin of the 2017 car has a new 8.4-inch touchscreen in the dashboard, with an infotainment system now compatible with Apple CarPlay and Android Auto smartphone mirroring. The centre console has also been redesigned with a new rotary knob interface and phone storage compartment.

All Ghiblis now come with a standard air quality sensor that can detect high pollution levels, for example when stopped in traffic, and switches to recirculate the air inside.

## COSTS

|                               |                |
|-------------------------------|----------------|
| <b>P11D price</b>             | £55,170        |
| <b>BIK tax band (2017/18)</b> | 33%            |
| <b>Annual BIK tax (40%)</b>   | £7,282         |
| <b>Class 1A NIC</b>           | £2,512         |
| <b>Annual VED</b>             | £500 then £450 |
| <b>RV (4yr/80k)</b>           | £15,725/29%    |
| <b>Fuel cost (ppm)</b>        | 11.6           |
| <b>AFR (ppm)</b>              | 13             |
| <b>Running cost (4yr/80k)</b> | 73.59ppm       |

## SPEC

|                               |         |
|-------------------------------|---------|
| <b>Power (PS)/torque (Nm)</b> | 275/443 |
| <b>CO2 emissions (g/km)</b>   | 158     |
| <b>Top speed (mph)</b>        | 155     |
| <b>0-62mph (sec)</b>          | 6.3     |
| <b>Fuel efficiency (mpg)</b>  | 47.9    |

## KEY RIVAL

|   |                |
|---|----------------|
| <b>Mercedes-Benz CLS 350d AMG Line Premium Plus</b> |                |
| <b>P11D price:</b>                                  | £55,380        |
| <b>BIK tax band (2017/18)</b>                       | 30%            |
| <b>Annual BIK tax (40%)</b>                         | £6,646         |
| <b>Class 1A NIC</b>                                 | £2,293         |
| <b>Annual VED</b>                                   | £200 then £450 |
| <b>RV (4yr/80k)</b>                                 | £14,275/26%    |
| <b>Fuel cost (ppm)</b>                              | 10.81          |
| <b>AFR (ppm)</b>                                    | 13             |
| <b>Running cost (4yr/80k)</b>                       | 70.71ppm       |

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



The new model has an 8.4-inch touchscreen

A new package of advanced driver assistance systems (ADAS) is available as an option. It includes adaptive cruise control with stop-and-go, blindspot alert, lane departure warning, forward collision warning with advanced braking assistance and autonomous emergency braking. An additional surround view camera is available as an option in combination with the ADAS package.

While it's nice to see these safety systems available, it is certainly remiss not to include autonomous emergency braking as standard on a £50,000-plus executive car.

Maserati's diesel engine is a Fiat Chrysler Automobiles 3.0-litre V6 that is also found in other brands. Compared with the Ferrari-designed petrol engines, it perhaps doesn't feel special enough, but twinned with the well-known ZF eight-speed automatic gearbox, it never feels short of performance.

The Ghibli handles responsively, too, although the optional 20-inch wheels on our Sport pack-equipped test car made the ride a bit too unforgiving on poor road surfaces.

It might not have the all-round competence, or level-headed appeal of the new BMW 5 Series and Mercedes-Benz E-Class, but the Ghibli as a car for senior company executives is still easily justifiable on costs, and feels more exclusive.



LAND ROVER  
DISCOVERY SPORT

We have re-set the trip computer on our Discovery Sport to reassess the efficiency performance on a longer journey, rather than our usual 'from-cold' stop-start 17-mile commute to the Fleet News office.

The car had been averaging around 39mpg according to the trip – bang on the real-world efficiency figure from Equa Index (see Fleet Tools on the fleetnews.co.uk website for more). Since the reset, a journey to Leeds just topped 48mpg, on paper a reasonable performance although some way off the official 57.7mpg.

The next step is to check the actual fuel used rather than relying on the trip computer's claims which we've found to be frequently out by 10-15% on other cars. As we have been generally covering up to 440 miles on the Discovery Sport's rather meagre 54-litre tank, equivalent to 37mpg, we suspect we'll need to knock a couple of points off our new high.

The Discovery Sport is a comfortable cruiser on the motorway, with supportive 10x10 power memory seats and an ease of driving which doesn't result in undue tiredness.

Gear changes are smooth, steering is light and the chassis is accommodating on the bumpier sections of road, with surprisingly little road noise intrusion from the 18-inch alloy wheels.

It's interesting to note a couple of like-for-like improvements compared to our previous XE long-term.

First, the auto-release electronic handbrake releases far more willingly in the Discovery Sport; second, the multi-media touchscreen is much more responsive. It does not have to be jabbed at repeatedly to change a radio station, for example.

However, one issue we've encountered is an intermittent judder with the display screen; it's not consistent – or annoying – enough to warrant a trip to the local dealer just yet, although when it does suffer a bout of the shakes, it can become a little off-putting.

**Stephen Briers**



Kadjar is one of the cheapest SUVs to operate

## RENAULT KADJAR

1.5DCI 110 S-NAV

## Fuel economy outstrips similar cars by some distance

## COSTS

|                      |                 |
|----------------------|-----------------|
| P11D price           | £25,150         |
| BIK tax band         | 22%             |
| Annual BIK tax (20%) | £1,112.76       |
| Class 1A NIC         | £774            |
| Annual VED           | £140, then £140 |
| RV (4yr/80k)         | £7,750/31%      |
| Fuel cost (ppm)      | 7.5             |
| AFR (ppm)            | 9               |
| Running cost (ppm)   | 33.8            |

## SPEC

|                                  |        |
|----------------------------------|--------|
| Engine (cc)                      | 1,461  |
| Power (PS)                       | 110    |
| Torque (Nm)                      | 250    |
| CO <sub>2</sub> emissions (g/km) | 103    |
| Fuel efficiency (mpg)            | 72.4   |
| Real-world mpg                   | 48.2*  |
| Max speed (mph)                  | 112    |
| 0-62mph (sec)                    | 11.7   |
| Test mpg                         | 53     |
| Current mileage                  | 20,100 |

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

\*Emissions Analytics Equa Index

By Matt de Prez

Our Renault Kadjar has served us well over the past 12 months. We've managed to put 20,000 miles on the car and test it in a variety of driving conditions.

With CO<sub>2</sub> emissions of 99g/km (17-inch wheels) its key rival is the car with which it shares a platform: the Nissan Qashqai. Both use the same smooth and refined 1.5-litre diesel engine, but Renault offers it with an automatic gearbox.

Unfortunately said gearbox has been the biggest criticism of the Kadjar, with everyone that's driven it returning the same verdict that it would be 'better with a manual'.

We suffered one recurring fault throughout our time with the Kadjar, its stop-start system has a habit of shutting the car down completely – requiring a manual re-start. I often switched the system off (as did others) for a less stressful drive.

After two trips to Renault – initially for a software update – a new battery seemed to solve the issue. Testing the Kadjar's practicality was tricky as it was often trumped by

other cars on our fleet which better suited the requirements at the time. It failed to match the load length of our Seat Leon estate when one colleague needed to collect some furniture and its 478-litre boot wasn't quite big enough for another to take his family of four on holiday.

When travelling fully laden I found the 110PS engine struggled, especially on motorways. The more powerful 1.6-litre version copes better for those who regularly carry passengers or luggage – thanks to its extra mid-range power – and returned similar fuel economy.

The 1.5-litre engine should return 72.4mpg but Equa real-world testing suggests a figure of 48.2mpg. We managed to better the latter figure slightly but rarely got more than 53mpg from a tank of fuel. It's still an impressive result as similar cars we have tested have struggled to get more than 40mpg.

The crossover market is becoming increasingly competitive but thanks to its frugal powertrains and low P11D values, the Kadjar is one of the cheapest SUVs to operate in any derivative.

*"I often switched the stop-start system off (as did others) for a less stressful drive"*

## TEST TIMELINE

Start



# SEAT ATECA

SE 1.6 TDI ECOMOTIVE

Very safe car that's agile for its size and fun to drive



The RV forecast on the Ateca would equate to a 40% return

## COSTS

|                      |                |
|----------------------|----------------|
| P11D price           | £22,905        |
| BIK tax band         | 24%            |
| Annual BIK tax (20%) | £1,099         |
| Class 1A NIC         | £758           |
| Annual VED           | £160 then £140 |
| RV (4yr/80k)         | £9,100/40%     |
| Fuel cost (ppm)      | 8.46           |
| AFR (ppm)            | 9              |
| Running cost (ppm)   | 29.37          |

## SPEC

|                                  |       |
|----------------------------------|-------|
| Engine (cc)                      | 1,598 |
| Power (PS)                       | 115   |
| Torque (Nm)                      | 250   |
| CO <sub>2</sub> emissions (g/km) | 113   |
| Fuel efficiency (mpg)            | 65.7  |
| Real-world mpg                   | 61.2* |
| Max speed (mph)                  | 114   |
| 0-62mph (sec)                    | 11.5  |
| Test mpg                         | 44.3  |
| Current mileage                  | 7,896 |

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

\*Emissions Analytics Equa Index

By Gareth Roberts

**T**he Ateca has quickly established itself as a fleet favourite thanks to a low P11D, good residuals and great safety credentials.

The version on test – SE Nav 1.6-litre TDi Ecomotive 115PS – has a P11D price of less than £23,000, with a residual value forecast of £9,100 after four years and 48,000 miles, equating to a 40% return come defleet time.

It features in a model-line-up which includes both two-wheel and all-wheel drive versions, and a choice of two petrol turbo and three turbodiesel engines across a power range of 115PS to 190PS. According to engine, fleets can also choose between six-speed manual and an automatic transmission.

Our test car has emissions of 113g/km and a claimed combined economy of 65.7mpg. Even the more powerful 2.0-litre TDi 150PS four-wheel-drive Xcellence manual has official figures of 55.4mpg and emits just 129g/km of CO<sub>2</sub>.

After clocking up several thousand

miles in our test car, the claimed combined of 65.7mpg has been difficult to reach with 44mpg currently achieved through a mix of motorway and urban driving.

Drivers should perhaps opt for the larger diesel engine if they want to ensure a better balance between power and fuel economy. But, whatever they choose, they will get a car which feels surprisingly agile given its size and is fun to drive.

It is also a very safe car. Underlining its running cost credentials, the Ateca has received the highest score in the Euro NCAP test programme.

The first SUV in the history of the Spanish brand was given five stars. It received an excellent classification in each of the categories included in the Euro NCAP tests.

Advanced safety systems are fitted as standard, such as autonomous emergency braking (AEB). It is also equipped with seven airbags, including one for the driver's knees, as well as seatbelts with load limiter and pretensioner in the front and rear seats.

## FIAT TIPO 1.6 MULTIJET



Squeezing the most mpg from the Fiat Tipo's 1.6-litre diesel engine is proving tougher than I expected.

The model is reported to achieve an impressive 76.3mpg on the combined cycle. I have struggled to keep the reading above 50.

The indicated figure is extremely accurate. Where some cars will report wildly inaccurate data, on the last three fill-ups the Tipo has calculated its own fuel consumption to be within 0.5mpg of the actual figure. It's just a shame the result is so far off the advertised numbers.

According to the Equa Index, our Tipo should be getting around 56mpg and so far I've managed 53. However, the rival Škoda Rapid performs even more poorly, with Equa yielding just 51mpg (vs 74.3) for the 1.6-litre TDi SE manual. Similarly the Ford Focus 1.5-litre TDCi Zetec managed just 52.9 (vs 74.3), in the same tests.

Fiat has added a fleet-specific trim level – Elite – to the Tipo line-up which offers reduced emissions and promises 83.1mpg for £17,330 (£1,000 less than ours).

It doesn't have the climate control and automatic headlights and wipers fitted to our Lounge model, but does feature adaptive cruise control. Special 16-inch alloy wheels and a 'smart' alternator help to improve efficiency.

There is no penalty on performance either, the more efficient car develops an identical 120PS and can accelerate from 0-60mph in 9.5 seconds and reach a top speed of 124mph.

With CO<sub>2</sub> of 89g/km the Elite saves drivers around £70 per year in company car tax but real-world economy testing suggests there will be no gain at the pumps.

**Matt de Prez**

## TEST TIMELINE

Start ————— End



## AT A GLANCE – THE REST OF OUR FLEET



### Vauxhall Zafira Tourer Sri Nav 1.6CDTi

USB phone charging overrides the current audio source and automatically plays music from phone library, very annoying.



### Mini Clubman Cooper 2.0D 150

Autonomous emergency braking system isn't super sensitive, unlike previous test cars.



### Ford S-Max 2.0 TDCi AWD Titanium

Excellent long-distance cruiser offers a refined driving experience. Fuel economy hovers around 40mpg.



# GARY SMITH

MANAGING DIRECTOR OF EUROPCAR UK GROUP

Keen golfer Gary Smith acknowledges that trying to do everything himself is 'madness'. Now he gains satisfaction from assembling a talented team and enjoying its successes

**My favourite sport is golf.** I am out every Saturday, come rain or shine. Also, I really enjoy running. Workload permitting, I would like to run a couple more marathons as I would like to achieve a time of under four hours.

**The most pivotal moment in my life was when I took the decision to study part-time for an MBA in my mid-30s.** Fitting it in around the day job was tough, but I enjoyed every minute.

**My earliest memory associated with a car was my granddad bought a second hand Ford Capri and I thought it was very cool.**

**The books I would recommend would be the *Harry Potter* series. A compelling read, if you like a bit of escapism.**

**I'd tell my 18-year-old self to work hard, always have an open mind and never stop learning.**

**If I was Prime Minister for the day I would look to cut out the 'red tape' that slows us down.**

**The vehicles I'd like most in my garage would be a Tesla Model S and an Aston Martin DB9.**

**I'd like to be remembered as a loyal and respected employer and employee.**

**My dislikes are asparagus and Brussels sprouts.**

**My favourite film is *Shawshank Redemption*. It is just a superb film.**



**First fleet role** I was a management trainee at a competitor when aged 19. One of my tasks was to call customers and chase overdue debts. I ended up being the only management trainee they ever recruited. Not sure if that is good or bad.

**Career goals at Europcar** The MD role at Europcar UK Group is a fantastic opportunity in a fast-moving environment, so the real challenge ahead is the transition from a vehicle hire provider to a global mobility solutions company.

**Biggest achievement in business** I have always taken great satisfaction from the activities that get delivered through my teams, whether that is being voted department of the year, achieving successful refinancing or taking a business from a loss to a profit.

**Biggest career influence** I have taken inspiration from all of my previous managers and leaders. I have learnt something from all of them, sometimes what not to do.

**Biggest mistake in business** The biggest mistake in business has been trying to do everything myself which is, frankly, madness. So from the moment I realised this I have sought to get the support of a talented team around me.

**Leadership style** I would describe my leadership with three phrases: being transparent, setting clear objectives and delivering on commitments.

**If I wasn't in fleet** When I was younger I would have liked to be a stockbroker. However, if I was to change professions now I would look to move into golf course management.

**Childhood ambition** My ambition was to have a career I thoroughly enjoyed. I have always believed in working hard, so I wanted to enjoy it. I am delighted to say the mobility sector has satisfied that ambition.

**Next issue:** Samantha Earl, general manager, Pertemps driver training



# Transit Courier packs in more than looks suggest

**T**he Ford Transit Courier is low on price but big on space, with a load volume of 2.3 cum, which is up to 10% more than other vehicles in its class.

Transit Courier is capable, reliable and highly fuel-efficient, like every Transit van, and it is comfortable, rewarding to drive and full of smart technology like a Ford car.

The van's compact size – an overall length of 4,157mm – makes it highly manoeuvrable and, with one of the best turning circles in its class, drivers can negotiate busy, narrow streets and tight parking spaces with ease.

But fleets should not be fooled by Transit Courier's compact appearance. The optional folding bulkhead with 'fold and dive' passenger seat option gives a class-leading load length of 2.59m. Loadspace length behind the bulkhead is



1,620mm, with a loadspace width of 1,488mm and height from roof to floor of 1,244mm, and the added versatility of a side load door.

There is a choice of engines: the award-winning 1.0L EcoBoost petrol engine, and advanced 1.5L diesel engines, which deliver outstanding fuel economy along with low emissions: from 76.3mpg and as little as 96g/km with the Transit Courier 1.5L TDCi with Auto-Stop-Start and speed limiter.

Advanced technological features including rear view camera, parking distance sensors and Hill Start Assist make every journey as safe, easy and stress-free as possible.

While state-of-the-art Ford SYNC with voice control allows the driver to make and receive phone calls hands-free. The system will even read your incoming text messages aloud.

## MAKE A BEELINE FOR STAND IN HALL 5 AT BIRMINGHAM'S CV SHOW

A Ford Transit Courier in Sportvan guise will be among the vehicles on the Ford stand in Hall 5 at the CV Show at Birmingham's NEC from April 25-27.

There will be a dozen Ford CVs on the stand each day, together with a team of Ford engineers and product

experts to answer questions from fleet managers face-to-face.

The display vehicles will range from Transit Courier, through Transit Connect, Transit Custom and Tourneo Custom to a Transit line-up of van, Double Cab in Van, 11-seat bus, AWD double cab dropside and a fully-kitted

mobile service van, in a combination of L2, L3 and L4 wheelbases.

There will also be a Ford Ranger pick-up on display.

Additionally, there will be a wide selection of Ford CVs on bodybuilder and convertor stands around the show.





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Model shown is a Transit Custom Limited 270 L1 H1 2.0 TDCi 130PS Automatic.

Official fuel consumption figures in mpg (l/100km) for the model shown are: urban 37.2 (7.6), extra urban 42.8 (6.6), combined 40.4 (7.0). Official CO<sub>2</sub> emission 182g/km.

The mpg figures quoted are sourced from official EU-regulated test results (EU Directive and Regulation 692/2008), are provided for comparability purposes and may not reflect your actual driving experience.



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