FleetNews

FN 50 2019

Analysis and insight into the UK's contract hire and leasing industry

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CONTACT US

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

EDITORIAL

Editor-in-chief
Stephen Briers 01733 468024
stephen.briers@bauermedia.co.uk
Deputy editor (maternity)
Sarah Tooze
Deputy editor (interim)
Andrew Baxter 01733 468901
andrew.baxter@bauermedia.co.uk
News editor
Gareth Roberts 01733 468314
gareth.roberts@bauermedia.co.uk
Features editor
Andrew Ryan 01733 468308
andrew.ryan@bauermedia.co.uk
Head of digital
Jeremy Bennett 01733 468655
jeremy.bennett@bauermedia.co.uk
Web producer
Kenneth Brown 01733 468655
kenneth.brown@bauermedia.co.uk
Staff writer
Matt de Prez 01733 468277
matt.deprez@bauermedia.co.uk

PRODUCTION

Head of publishing
Luke Neal
Production editors
David Buckley
Senior designer
Chris Stringer
Head of project management
Leanne Patterson 01733 468332
Project managers
Niamh Walker 01733 468327
Kerry Unwin 01733 468578
Chelsie Tate 01733 468338

ADVERTISING

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

EVENTS

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

PUBLISHING

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

Sewells fleet intelligence

Printing: Sterling

Premium support from a team fully focused on future mobility

Michael Stewart, director of fleet, Hyundai Motor UK

Sales to large fleets and small businesses across the UK make up more than half of all Hyundai vehicle registrations, so the importance of companies large and small to our brand cannot be overstated.

We created our acclaimed Ioniq range with business buyers firmly in mind. This year, we launched a new Ioniq, spearheaded by the class-leading Ioniq Electric, which boasts an increased range of 194 miles, alongside its Ioniq Plug-In and Hybrid siblings.

Responding to strong fleet demand for low emission vehicles, this year we also introduced the all-new Kona Hybrid and our latest fuel cell vehicle, the Nexo. Recognising the importance of eco-focused motoring to fleet buyers, we enhanced the line-up of our top-selling fleet vehicle – the Hyundai Tucson. The introduction of a 48V mild hybrid variant of our popular SUV provides business buyers with a viable option to help reduce CO_2 emissions and increase efficiency, without compromising range.

With the broadest range of alternative powertrains, Hyundai is leading the industry in future mobility. We have also focused on enhancing our fleet service by expanding our team of fleet specialists and developing our retailer network to include a new National Fleet Centre Programme to ensure every business in the UK has premium support.

Uncertainty over BIK and WLTP behind first slide in seven years

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

It had to happen sooner or later. After a seven-year rise in fleet size, the FN50 has slipped back this year.

The reasons aren't entirely down to market conditions. We lost a couple of companies – Mercedes-Benz Financial Services and Sandicliffe Motor Contracts – resulting in a net deficit of 33,923 vehicles; put back in and the FN50 would be down by just 1,448 vehicles.

Nevertheless, it would still be down year-on-year. Why? The likely explanation is the rise in employees opting out of the company car scheme and taking cash, something sparked by the long-term uncertainty over future BIK tax rates compounded by the impact of WLTP on CO_2 emissions levels.

Leasing companies have tried to mitigate against this by spreading their wings into personal contract hire – hence the proportional movement in corporate/retail business from 87%-13% in 2018 to 82%-18% – but many of these cash takers are moving into the used market.

Here, too, leasing companies are dipping a toe: 62% of the FN50 now offers a used leasing product for cars.

But we expect, with clarity now provided on BIK for the next three years, plus the incentive for anyone choosing a pure EV or efficient plug-in hybrid, some employees will return to the company car fold.

The FN50 is a good representation of the market as a whole: cars might be down but vans – buoyed by home deliveries and rising investment in infrastructure – are up year-on-year.

This year we welcome five companies to the FN50 – the most in my time as editor. Two have returned, three make their debut: welcome Vauxhall Finance, Alliance Asset Management and Donnelly Fleet.

My thanks to our new headline sponsor Hyundai for its support of the 2019 FN50, and thanks, too, to our six associate sponsors listed at the top of this page. Your support is greatly valued.

Seven-year itch for FN50 as risk fleet volumes slip into reverse

Two major exits and an acquisition play a part in contraction, reports *Stephen Briers*

For the first time in seven years, the FN50 has contracted. The volume shortfall of 35,371 equates to a downturn of 2% compared with 2018.

There are several explanations, one of which is beyond economic scenarios. This relates to the disappearance of Mercedes-Benz Financial Services (MBFS) and Sandicliffe Motor Contracts from the list of the UK's biggest contract hire and leasing companies.

MBFS exits because the company has taken a decision not to return its survey for 2019, although Daimler Fleet Management (DFM) has supplied its own figures.

For the past four years, the data came from the same executive team as the Daimler business was officially MBFS's fleet division, offering corporate funding. However, from April 1, 2019, DFM became a separate legal entity as it prepares for a rebrand next year to Athlon, the European funder acquired by Daimler in 2016.

The management team for MBFS has subsequently decided not to submit data to the FN50 survey, almost certainly because it is a Mercedes-only retail lender, with the majority of finance provided to private consumers and small businesses via the franchised dealer network.

Duncan Chumley, the new chief commercial officer at Daimler Fleet Management, is overseeing a huge expansion of the fleet team, rising from 28 when he started in April to around 120. The new operation will include a new public sector team, marketing support and dealer development.

Interestingly, given Chumley's background as managing director of PSA leasing and mobility business Free2Move plus the number of leasing companies seeking to rebrand themselves as mobility solution providers, DFM's remit is solely focused on leasing and fleet management.

The mobility agenda sits with parent Daimler.

DFM will be seeking to follow the path trodden by BMW-owned Alphabet by becoming a non-brand-specific lender; presently around 60% of its UK business is Mercedes-Benz, but its aspiration is to be a "true multi-marque" funder, says Chumley. It is also likely to become a regulated business, opening up a new market opportunity for affinity schemes.

The loss of MBFS results in a deficit of 37,779 vehicles – 27,714 cars and 10,065 vans – from the company, which was ranked 11th last year.

Sandicliffe, meanwhile, leaves the FN50 following a more dramatic change in business strategy. The franchised dealer-owned operation is not writing any new contract hire business; instead, it will focus on managing its lease fleet as it comes off and pursing other revenue streams, including fleet management services.

It should wash through its current business – 3,697 vehicles in last year's FN50 – over the course of the next couple of years.

Combined, MBFS and Sandicliffe account for a reduction in fleet size of 41,476. They are replaced by a couple of smaller leasing companies – Vauxhall Motors and Alliance Asset Management – which offset the losses by 7,553.

FN50 NUMBER OF RISK VEHICLES

Position	2016	2017	2018	2019	Volume change 2018/2019	% Change 2018/2019
1 to 5	941,821	1,028,318	1,055,268	1,041,642	-13,626	-1%
6 to 10	325,209	352,502	361,929	365,725	3,796	1%
11 to 20	181,137	199,423	189,020	165,885	-23,135	-12%
21 to 30	66,807	67,490	82,946	80,929	-2,017	-2%
31 to 40	35,332	30,064	36,685	35,956	-729	-2%
41 to 50	14,195	9,089	15,029	15,369	340	2%
Total	1,564,501	1,686,886	1,740,877	1,705,506	-35,371	-2%

FN50 BY NUMBERS

1,705,506 Total funded vehicles

1,262,052 Funded cars

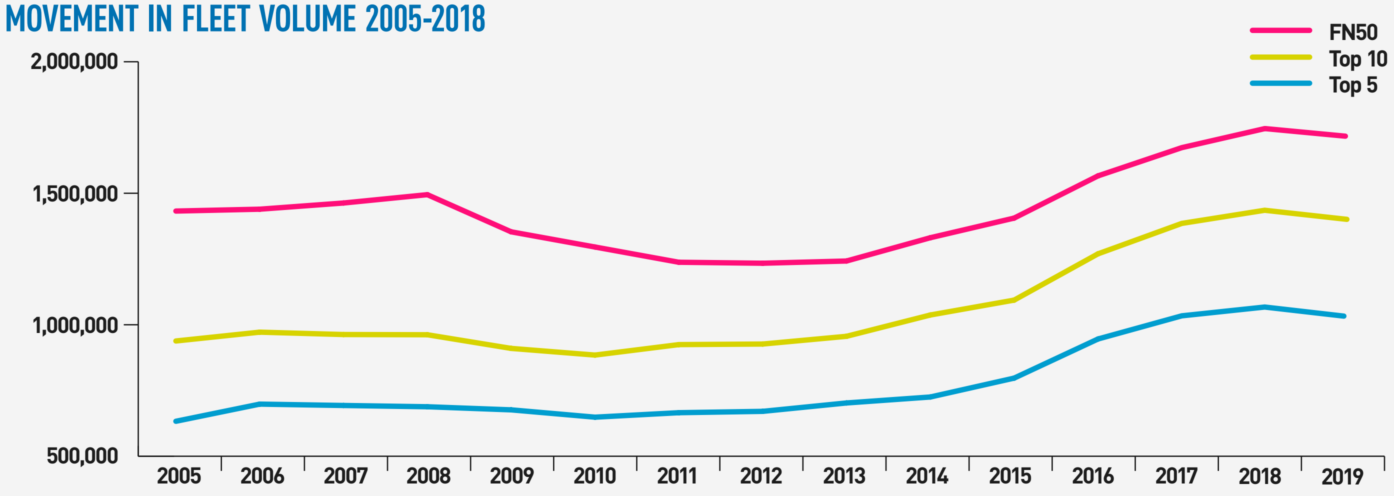
443,454 Funded vans

23 companies increased fleet size

19 companies reduced fleet size

5 new entries

MOVEMENT IN FLEET VOLUME 2005-2018



Sandicliffe is not the first dealer to withdraw from fleet funding recently; Marshall Motor Holdings sold its leasing division to Bank of Ireland UK in 2017.

And last month, as we put the finishing touches to this year's FN50 report, came the news that Toyota had acquired Inchcape's leasing and fleet management business Inchcape Fleet Solutions (IFS) for £100 million (it remains in this year's list).

Inchcape's strategy is to focus on core distribution operations; it sees "limited synergy" with the retail dealer business. IFS contributed revenue of £60m and profit of £9m in the year to December 2018, while its gross assets included on Inchcape's balance sheet were £78m as at June 30, 3019.

The transaction, expected to complete by the end of the year, will result in the UK's 13th biggest leasing company, with a funded fleet of 18,815 cars and vans, added to Toyota Financial Services, which sits in 20th place on 11,674 vehicles.

The combined fleet of 30,489 would take the company to 11th place in this year's FN50.

For Toyota, it means access to a multi-marque funding business, indicating a direction of travel for manufacturers with Daimler heading to a similar position and BMW already occupying this space.

Changes within the 2019 FN50 run deeper than a couple of business departures and an acquisition, notably as they are. One significant fluctuation mirrors the Fleet200 data from the UK's biggest fleet operators: car numbers are down; vans up.

The FN50 totals 1,705,506 vehicles, which consists of 1,262,052 cars and 443,454 vans. Cars are down year-on-year by 45,402 (3.5%), but vans are up by 10,031 (2.3%).

Cars have taken a knock due to the rising number of company car drivers opting to take cash; however, many leasing companies believe the trend might be reversed next year with the new benefit-in-kind (BIK) taxation tables heavily incentivising the uptake of electric and plug-in hybrids.

Much will depend on availability with supply of EVs expected to be an ongoing issue for some manufacturers, but the opportunity to take a company car with zero tax for 2020/21, rising to 1% and 2% for the two subsequent years, should be an enticing proposition for employees and employers alike.

Research from Deloitte suggests employees could save up to 95% on tax if they select a zero-emission car from next April. It calculates that a higher rate taxpayer (40%), receiving a diesel company car with a list price of £30,000, can currently expect to pay just more than £18,000 in tax and fuel costs over a 48-month period. By comparison, for a similar EV, the cost of ownership bill reduces to just £916.

> "THE 0% BIK RATE FOR EVS WILL ENSURE THE COMPANY CAR IS ALSO PART OF THE ROAD TO ZERO STRATEGY"
>
> **CRAIG McNAUGHTON, LEX AUTOLEASE**

In addition, the new rates will have a positive effect for businesses, where the total cost of ownership for EVs will be cheaper than some petrol or diesel equivalents. For companies themselves, switching the profile of a 900-strong diesel or petrol fleet to electric could save more than £1.9m annually, claims Deloitte.

But, while the Government has provided a three-year view of company car tax, that still isn't enough to return belief to the market, according to some leasing companies.

Lex Autolease sales director Craig McNaughton says: "A continued long-term view of the tax tables from HM Treasury will be needed to provide confidence to businesses looking to move to an EV fleet."

He adds: "For many, cars remain valued component of reward packages and will be for many years to come as the 0% BIK rate for EVs will ensure the company car is also part of the Road to Zero strategy. The shift in focus to the car being a cost to business as opposed to a reward has aided a decline in numbers, but we continue to see people value the benefit a car through employment brings – hassle-free motoring for one known cost."

Van numbers continue to grow, following a 6.7% rise in 2018. They now account for 26% of the FN50 vehicle volume, up from 25% in 2018 and 24% in 2017.

This trend shows no signs of abating with the ongoing desire for home deliveries plus greater investment in road infrastructure – both of which require more vans on the road.

Research from Sewells Fleet Intelligence suggests that, over the next 12 months, the total number of commercial vehicles on fleets is expected to increase by 5.6%.

In the 2018 FN50, 28 leasing companies increased their fleet size (down from 30 in 2017 and 35 in 2016), while 17 decreased (2017: 14, 2016: 10).

That negative trend has continued into a fourth year with just 23 leasing companies increasing their fleet size year-on-year and 19 seeing a reduction.

Among those enjoying greatest success over the past 12 months are relative newcomer Santander, which entered the FN50 last year with 17,340 vehicles and has increased its fleet size by 53% to 26,591; SHB, whose acquisition by Enterprise Holdings has accelerated its growth by 99% (5,641 to 11,210); and Maxxia, up 68% to 5,107.

Marshall Leasing is also benefiting from the greater freedom and ambition afforded by its Bank of Ireland owners with a 16% rise on the back of last year's 13% increase. It has now added just over 2,000 vehicles to its fleet in two years, taking it to 8,513 with growth from both cars and vans.

On the wane is Renault-owned RCI, which fell 28% to 12,372 following a 20% drop the previous year. It is now funding 9,000 fewer vehicles compared with 2017, with most of the reduction in cars.

BMW Financial Services, which offers finance to SMEs and private buyers via the dealer network, is also down, by 24%, but the biggest reversal is Hilton, down 38%, or 1,457 vehicles, to 2,399.

■ **Thanks to all the FN50 companies who supplied figures this year, enabling us to compile this report into the latest trends. The survey data was collated by Sewells and analysed by the *Fleet News* editorial team.**

Cost-cutting measures and residual value performance increase FN50 profit margin

Substantial increases in pre-tax profits reported despite a 9% year-on-year drop in revenues. *Gareth Roberts* digs into the figures

It was a record-breaking year for the country's top 50 vehicle leasing companies, with pre-tax profits for the FN50 hitting a new high.

Collectively, the FN50 reported £834 million* in pre-tax profits – £126m more than the £708m recorded in 2017.

The 18% increase also came despite a 9% year-on-year fall in revenues, from £11.3 billion in 2017, to £10.5bn* in 2018 – an £800m decline.

Reducing costs and streamlining operations will have helped increase profit margins, while the residual strength of used stock will have proved key to bottom line performance.

However, the bubble appears to have burst in 2019 as residual began dropping, although some leasing companies will be safeguarded after taking a pessimistic view when setting future values for cars three years ago in the face of the Brexit referendum result.

In 2017, the profit margin – a ratio of a company's profit divided by its revenue – for the FN50 was 6.3%; it increased to 7.9% in 2018.

Meanwhile, Britain's used car market finished slightly down in 2018, dropping 2.1% to 7,945,040 transactions, according to the Society of Motor Manufacturers and Traders.

> BCA SAW VALUES RISE STEADILY DURING 2018, WITH PROFESSIONAL BUYERS COMPETING STRONGLY FOR STOCK
>
> STUART PEARSON, BCA

The 2018 performance was 167,980 units lower than in 2017, but still the third highest year on record since 2001.

Stuart Pearson, BCA's chief operating officer for UK remarketing, says that the used car sector experienced "sustained demand" in 2018.

"BCA saw values rise steadily during 2018, with professional buyers competing strongly for stock."

Both fleet and lease and dealer part-exchange average values enjoyed double-digit percentage increases over 2017 figures.

Nearly-new values were a third higher, on average, than in 2017.

The country's biggest leasing company, Lex Autolease, achieved a profit margin of 8.8% – almost one percentage point higher than the FN50 average.

In 2017, the leasing company's profit margin was 8.1%.

In 2018, it reported an annual turnover of almost £2.4bn – a 9.5% increase on the £2.17bn reported in 2017, while pre-tax profit grew by 19.5%, from £176m to £210m.

In its annual report, the directors said the level of new business written in the year had been "satisfactory", with revenue growth down to the strategic decision taken by the board to "simplify the business and focus on growing the core lease rental business".

They added: "The increase in the company's reported profit has been driven by higher profit on disposal of motor vehicles due to market conditions in the second hand car market, as well as increased revenue generated in the current year from the growth in the average funded fleet the previous year."

Operating leases account for 91% of Lex Autolease's funded fleet, with the leasing company receiving £1.48bn in rentals in 2018 – £44m than the previous year.

Meanwhile, proceeds from disposals grew more than £170m, from £649m to £823m. Staffing costs were also reduced by almost £7m in the year, with contracts being transferred to another part of the wider banking business.

Funding more than a fifth (21%) of the FN50's car and van risk fleet, it is no surprise that Lex Autolease is responsible for 23% of the FN50's turnover and 25% of pre-tax profits.

In fact, the top five leasing companies – Lex Autolease, Volkswagen Financial Services Fleet, LeasePlan, Arval and ALD Automotive – are responsible for the lion's share of both turnover and profits.

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> "THE INCREASE IN THE COMPANY'S REPORTED PROFIT HAS BEEN DRIVEN BY HIGHER PROFIT ON DISPOSAL OF MOTOR VEHICLES"
>
> **LEX AUTOLEASE FINANCIAL REPORT**

Funding more than half (61%) of the FN50's risk fleet, they are collectively responsible for 63% of turnover – some £6.6bn*.

Pre-tax profits for the top five leasing companies equates to £509m* – a 33% increase on the £383m reported in 2017.

Looking at individual notable performances, Inchcape Fleet Solutions (IFS) reported turnover of £61.8m in 2018, slightly higher than the £59.9m recorded the previous year.

Pre-tax profit was virtually the same-year-on-year at £8.8m in 2018, versus £9m the previous year, giving it a profit margin of almost 14%, substantially higher than the FN50 average.

Inchcape agreed to sell IFS to Toyota for £100m in October, with the transaction expected to be completed in Q4 2019.

Arval's profit margin was 5.4%, an increase on the 4.8% achieved the previous year.

It reported revenue of £1.32bn in 2018, a 1.3% fall on the £1.47bn recorded in 2017. However, profits for the French-owned leasing company increased by a massive 128%, from £26.6m to £60.8m in 2018.

The surge in profits was thanks, in part, to a £50m reduction in direct costs, from £1.01bn to £964m, with the leasing company achieving better RV performance in its risk funded fleet.

In its annual report, it said: "Despite the difficult trading positions, we grew both the corporate and SME fleets, with particular success in expanding the LCV market.

"We also identified increasing opportunities to target all employees, rather than just company car drivers."

Faced with the uncertainty surrounding Brexit, unfavourable exchange rates and a weakened demand for new vehicles, leasing companies have sought to grow their offering in other ways.

The fleet market has been particularly affected by how the Government aimed to take account of the new vehicle emissions testing regime – the Worldwide harmonised Light vehicle Test Procedure (WLTP) – which both delayed orders and caused some drivers, fearful of escalating benefit-in-kind (BIK) taxes, to choose cash alternatives.

The split between business/fleet funding and private/retail for cars has changed dramatically over the past year (see page 14).

Private/retail now accounts for 18% of the FN50's car risk fleet, up from 12.8% in 2018, reflecting the increasing popularity of personal contract hire (PCH) products.

Furthermore, BIK statistics, published by HMRC in the summer, showed the number of company car drivers had fallen by 50,000 year-on-year to 890,000. However, tax officials said initial analysis suggested a new way of reporting company car tax could have skewed the figures.

Even if the impact of voluntary payrolling does account for a "significant proportion" of the decline in reported numbers from 940,000 in 2016/17, they still show a longer-term downward trend.

It remains to be seen how this may impact the future profitability of the FN50 – many companies have taken preemptive action by moving into personal finance – but a negative realignment of used car prices will certainly affect some operators.

Pricing experts at Cap HPI say used car values are becoming more volatile as the market becomes increasingly complex.

It reported a market realignment through the first half of the year, with values falling following an unusually strong year in 2018.

Average used car values for three years/60,000 miles models fell by 2% in June, following drops of 2.3% in April and 3.1% in May.

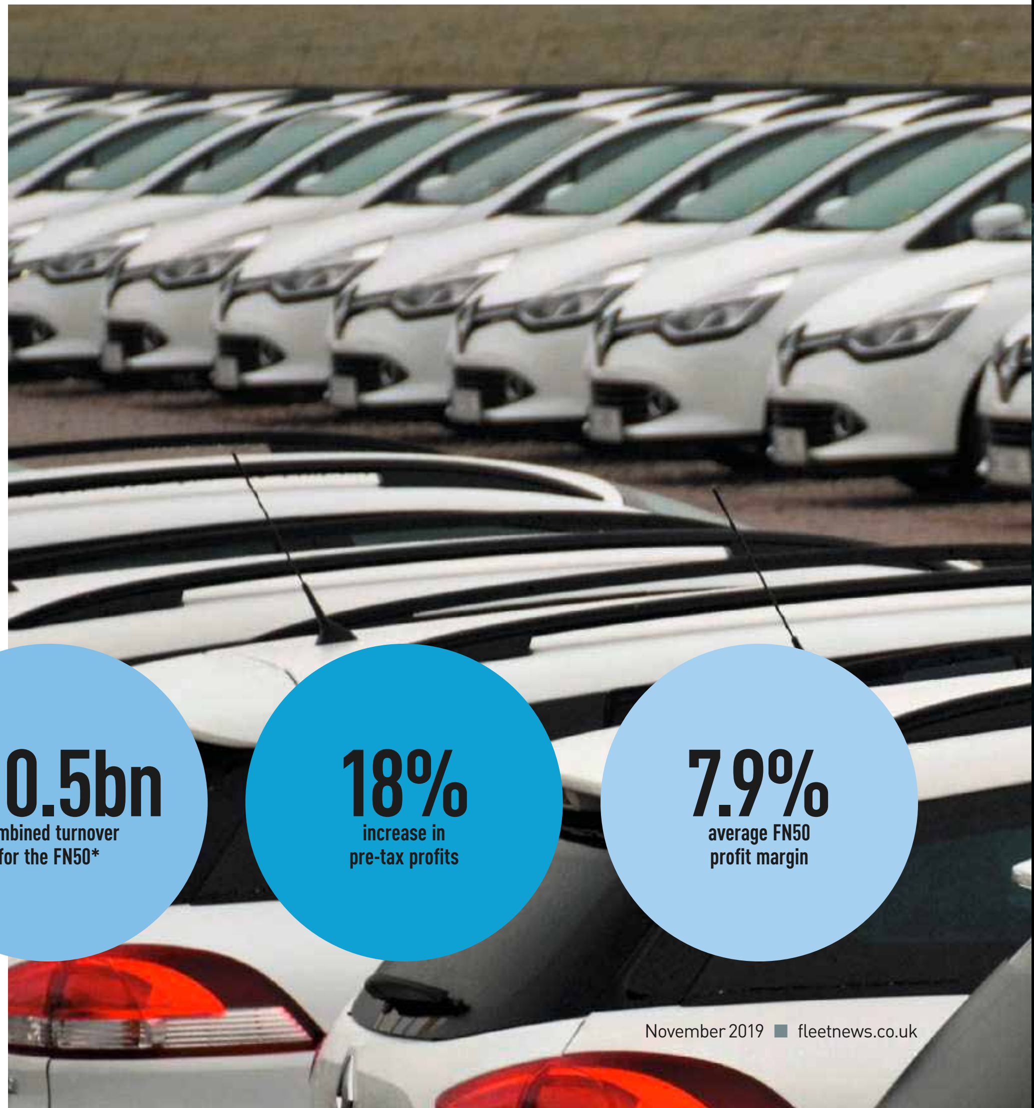
Derren Martin, head of UK valuations at Cap HPI, says: "The data shows the used car market is becoming more complex and volatile. Used vehicles reach the wholesale market through a multitude of routes that all impact on values.

"We also see the pace of the market accelerating as vehicles from the fleet and retail sectors are remarketed faster than ever.

"With the increasing number of models, powertrains, options, and acceleration in generations, it's clear that the used market will only become more complex as time progresses.

"We are seeing an increasing disparity and volatility between makes, models and powertrains as consumer tastes shift."

***The combined pre-tax profit and total turnover figures are estimates based on the reported figures for 68% of the risk fleet.**



£834m combined pre-tax profits for the FN50*

£10.5bn combined turnover for the FN50*

18% increase in pre-tax profits

7.9% average FN50 profit margin

Network performance coaching and independent vehicle inspections

Mike Abraham,
Operations Director – Networks, DEKRA

DEKRA offers performance improvement programmes for manufacturers, national sales companies and their dealer networks, as well as technical and end-of-lease vehicle inspections.

Network coaching
With more than 15 years' continuous experience supporting several of the largest fleet brands, DEKRA combines on-site and online coaching, together with contemporary online reporting systems with dashboarding, best practice and auditable action-setting, to drive increased and sustainable performance.

Independent inspections
DEKRA performs 26 million independent vehicle inspections each year around the world. Here in the UK, as a BVRLA member, it provides costed repair estimates which can be viewed online, emailed or printed at the time of the inspection.

It does not repair or sell any vehicles, removing any question of conflict of interest. It also provides auditing services on inspections and repairs undertaken by other providers.

Handovers (internal fleets)
DEKRA offers a vehicle handover service in conjunction with its end-of-term inspections, providing a seamless vehicle exchange process for all parties.

For more information, please visit www.DEKRA-automotive.co.uk

DEKRA

Multi-award-winning Key2 now manages 1.25m fleet vehicles

Martin Evans,
managing director, Jaama

Key2 Contract Hire and Leasing from Jaama (the provider of the UK's most sophisticated and requested vehicle and driver management software system) is the operating system of choice for many small, medium and large contract hire and leasing companies listed in the FN50, which Jaama is delighted to once again sponsor in 2019.

More than 1.25 million fleet vehicles are presently managed by the multi-award-winning Key2 asset management system, and that figure is rising rapidly as an ever-increasing number of businesses recognise the multitude of benefits from operating the technically advanced technology.

The configurability of Key2, with the ability for adopters to individually personalise, enables leasing companies to negate the requirement to spend vast amounts of time and financial resource developing in-house systems.

Additionally, Jaama's ongoing record of development – the company invests £2.6 million per year in continuous product enhancements – means Key2 is forever at the cutting-edge of fleet solutions, delivering administration and management efficiencies for both leasing companies and their customers and ensuring maximum compliance.

Innovation, compliance and partnership are at the heart of Key2 development and ongoing customer relationship. Furthermore, system enhancements are focused on ways to reduce manual intervention in processes and take contract hire and leasing companies further along the road to their vision, which is shared by Jaama, of a paperless office while simultaneously improving customer experiences.

jaama
fleet, leasing and hire software innovators

ACFO VIEW

Scouts' motto – be prepared – is appropriate in uncertain times

For the past two years, my predecessor as ACFO chairman, the now retired John Pryor, has used this column to highlight the unprecedented pace of change across the fleet industry.

As I look ahead to 2020, the sands on which the UK's mature fleet sector are built are continuing to shift at a rapid rate. What's more, with answers to key questions – notably around electric vehicle (EV) supply and the charging point infrastructure, the Worldwide harmonised Light vehicles Test Procedure (WLTP) and Brexit – still awaited, it is all too easy for uncertainty to be used as an excuse to retain the status quo.

But, fleet decision-makers, in tandem with their contract hire and leasing company partners, must use this period of uncertainty to be prepared.

On EVs, for example, such models may not be suitable for every driver in all company car fleets – yet. But it is business-critical that fleet decision-makers undertake driver profiling and examine journey patterns to ascertain the viability of EVs on an individual employee basis.

Simultaneously, it is vital to analyse workplace charging point viability and options including: obtaining permission from a landlord/landowner alongside the permission of the electricity network operator and have a site survey conducted to identify the number of charge points required and the availability of, or lack of, an adequate electric supply.

In July, the Government published company car benefit-in-kind (BIK) tax rates through to the end of 2022/23 reflecting, from April 2020, the switch to CO_2 figures based on the WLTP emission testing protocol.

Many pundits welcomed the fact that employees taking a delivery of a company car from April 6, 2020 would benefit from a two percentage point reduction in rates in 2020/21 and a one percentage point reduction in rates in 2021/22.

However, ACFO said then and it remains its belief, that the new rates are unlikely to compensate for higher CO_2 emissions as a result of WLTP testing.

Many motor manufacturers are still to publish WLTP data for existing models and it is not until all that data is available that the full impact of the new emissions testing regime on BIK be known.

> "IT IS BUSINESS-CRITICAL THAT FLEET DECISION-MAKERS ARE AS PREPARED AS THEY CAN BE FOR ALL EVENTUALITIES"

CAROLINE SANDALL, ACFO CHAIRMAN

Industry evidence to the Government suggests that CO_2 emission figures derived from WLTP testing average 20-25% more than under the previous regime and in some cases up to 40% higher. Consequently, it remains ACFO's belief that the reduction in rates for two years is unlikely to compensate drivers fully for the increase in emissions.

What's more, with the April 2020 switch to a BIK tax regime based wholly on WLTP test results, optional equipment, unlike under the previous testing regime, is accounted for in published CO_2 figures.

Currently, the vast majority of motor manufacturers have yet to announce their policies and procedures with regard to optional extras – tools integrated into online car configurators aimed at giving users transparency as they add options to their base vehicle of choice or even removing them from its entire model range.

Nevertheless, what is clear is that the industry does not have a clear view of how WLTP impacts on company car choice lists and BIK tax. Consequently fleet decision-makers need to be prepared when data is published to immediately review and, if necessary, change policies while still ensuring drivers have a reasonable vehicle choice.

Finally, at the time of writing, Brexit remains the elephant in the room. Vehicle and spare part supply disruption and the impact of import tariffs on new vehicle and component pricing and the knock-on effect on fleet insurance and service, maintenance and repair costs remain unknown.

Fleet chiefs must plan for the worst and consider that vehicle downtime could increase if there are delays in the delivery of spare parts, although ACFO is aware that some manufacturers have made contingency plans by stockpiling the most popular.

Any cross-industry increase in vehicle downtime is likely to trigger additional demand for short-term vehicle hire. ACFO is aware of forward-thinking businesses already asking office-based company car drivers to make their vehicles available to colleagues for business trips if required.

Amid the uncertainty of change, it is business-critical that fleet decision-makers are as prepared as they can be for all eventualities.

Contract hire/operating lease retains its dominant position

PCH agreements are gaining in popularity as more opt to take cash, reports *Gareth Roberts*

The split between business/fleet funding and private/retail for cars has changed dramatically over the past year.

Private/retail now accounts for 18% of the FN50's car risk fleet, up from 12.8% in 2018, reflecting the increasing popularity of personal contract hire (PCH) products.

"There's nothing new about the 'cash or car' conundrum," says Ben Creswick, managing director of JCT600 VLS. "However, there is no doubt the radical changes to the industry over the past 24 months have made this conversation much more prevalent."

Where a company wishes to support employees by offering an alternative, JCT600 VLS says this has been done through a 'structured' PCH offering, where duty of care is tightly controlled and, typically, the financial model is based on a business mileage reimbursement mechanism, rather than pure salary.

However, as with all historical fluctuations in the company car market, Creswick says this is not applicable to the entire populace.

He explains: "For the majority of our customers' core fleet requirements, business contract hire remains the most cost-effective for the business and the driver.

"While (JCT600) VLS has not seen a material change to PCH, what we have witnessed in the overall marketplace is an aggressive push into 'affinity' PCH, as a way of mitigating poor levels of traditional BCH (business contract hire) growth, or to soften the degree of fleet shrinkage within leasing companies."

FOR THE MAJORITY OF OUR CUSTOMERS' CORE FLEET REQUIREMENTS, BUSINESS CONTRACT HIRE REMAINS THE MOST COST-EFFECTIVE FOR THE BUSINESS AND THE DRIVER

BEN CRESWICK, JCT600 VLS

The British Vehicle Rental and Leasing Association (BVRLA) says PCH accounted for 68% of all new leasing broker car contracts last year and, across its membership, personal contracts saw the highest level of growth at 14%, accounting for nearly 1.9 million vehicles.

Looking at all the funding methods offered by the top 50 leasing companies, contract hire/operating lease retains its dominant position for financing cars.

Out of the 1.26 million cars on the FN50's risk fleet, 92% are classed as an operating lease, where the leasing company takes the residual value risk. That is up slightly year-on-year from 91% in 2018; contract hire/finance lease also increased, from 2% to 3.1%.

Salary sacrifice retained its risk fleet share, with 3.9% of cars funded this way compared with 4% last year.

Meanwhile, employee car ownership (ECO) schemes (0.4%) and others (0.6%) both saw slight declines.

Ashley Barnett, head of consultancy at Lex Autolease, says: "Since the introduction of Optional Remuneration Arrangements (OpRA) in 2017, which saw employees taxed on the greater of the cash allowance foregone or the company car benefit, we saw increased complexity added to employee car ownership schemes and salary sacrifice arrangements.

"Many customers using these products exited, and new interest reduced. This saw contract hire continue to be the funding product of choice for the traditional company car user.

"Perk users who have the option to take a cash alternative are showing continued interested in PCH as they move away from traditional company car schemes into the consumer market.

"Most are using this option as a means of avoiding restrictions typically associated with company car policies such as emissions caps and restrictions on makes and models that often aren't monitored in grey fleet."

Arval says an increasing number of businesses also believe it is an attractive employee benefit to offer car leasing options to staff who would not typically qualify for a company car.

"Major employers are introducing affinity schemes that provide a fully funded, maintained and insured car for a single monthly payment," it says.

Its Mobility Observatory research found that almost a third (29%) of businesses with more than 1,000 employees offer some form of non-company car leasing. That compared with 16% of those with 100-999 employees, 6% of with 10-99 employees and 2% with fewer than 10 employees.

Overall, it says a cash allowance for a car is the most popular form of provision, followed by salary sacrifice at 6%, personal contract hire at 2%, affinity schemes at 2% and personal contract purchase at 1%.

Arval, like many of the FN50, offers PCH products and other alternatives to the traditional company car. "These have been growing, especially over the last year, because of the long period of uncertainty surrounding company car taxation and WLTP," it says.

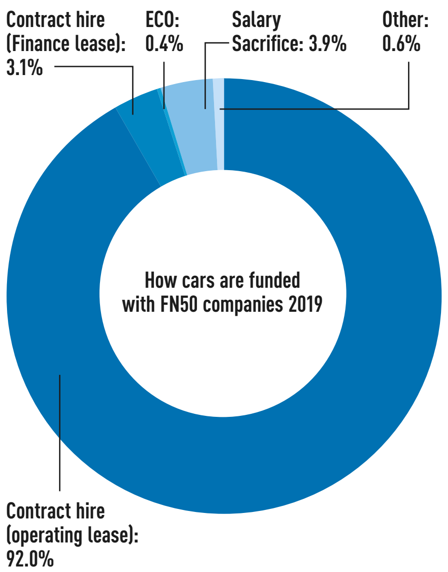
The absence of future benefit-in-kind (BIK) rates, and uncertainty over how the tax regime would adapt to the new emissions test – the Worldwide harmonised Light vehicle Test Procedure (WLTP) – had been blamed, in part, for falling company car numbers.

BIK statistics, published by HMRC in the summer, showed the number of company car drivers had fallen by 50,000 year-on-year. However, tax officials said initial analysis suggested a new way of reporting company car tax could have skewed the figures.

Since 2009-10, the number of company car users had remained relatively stable (at just under a million). But, the latest data indicated a dramatic fall from 940,000 in 2016/17 to 890,000 in 2017/18 – a 5.3% decline.

Another company car market indicator, fleet and business sales, shows registrations down by 3.6% so far this year, according to data from the Society of Motor Manufacturers and Traders (SMMT).

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



The tax picture was finally clarified in the summer, with the Treasury publishing two tax tables, one for cars registered before April 2020, and one for those registered after. BIK rates were also published up to April 2023, and there was a new 0% BIK rate for pure electric vehicles (EVs).

Leasing companies report a surge in fleet orders, with company car drivers and businesses eager to take advantage of the tax rates for the cleanest cars.

Arval says: "It's important to recognise the reason people have been moving out of company cars has been the ongoing uncertainty around their personal tax, rather than any structural change in its effectiveness as a business tool or employee benefit. Faced with an unknown cost, they have been using the cash option to fund a PCH, effectively the nearest alternative."

3.9% of cars funded by salary sacrifice

It is a trend reported by many in the FN50. Dominic Graf, head of commercial performance at Alphabet, explains: "We're not seeing any significant movement in the funding methods being used by businesses to give employees access to cars; what we are seeing is a change in how they gain access to these funding products."

Over the past 12 months, it has seen a 120% increase in its private/retail fleet – albeit from a low base – as employees opting out, or being provided with a cash allowance, look at PCH options.

Lex Autolease has also seen an increase in interest from previous company car drivers in PCH products, but Barnett warns: "Many should take care when seeing deals with low mileage, needing to realise that this presents a new restriction compared with the company car environment, and that, along with wear and tear, might lead to additional charges."

18% of cars classed as private/retail

LeasePlan created Select and Drive, a members-only, employer-endorsed web platform, to offer cash-taking employees access to cars.

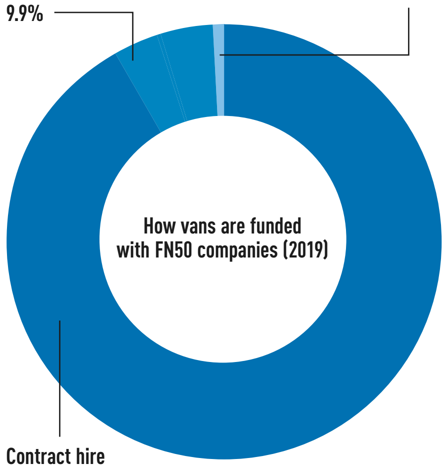
Matthew Walters, head of consultancy and customer data services at LeasePlan UK, predicts: "Segmenting your fleet to various populations to ensure the fleet provision is right for the employee and the business will become an important factor in ensuring that the fleet strategy is future-proof for tomorrow."

More vans returned early as fleets avoid clean air charges

Conversely, increasing numbers are also being returned late, reports *Andrew Ryan*

An increasing number of vans are being returned to FN50 companies early, in a possible sign that fleets are taking action to minimise their exposure to ultra-low emission zone (ULEZ) charges.

London launched its ULEZ in April this year. It means that vans which do not comply to Euro 4 petrol or Euro 6 diesel emissions standards face a daily £12.50 charge to enter the city centre.



This has led many national fleets to relocate vans which do not comply with these standards to areas of the country which are not affected by the charge. But it also appears many organisations are replacing vehicles ahead of schedule to avoid paying the fee.

This year's FN50 research found an average of 13% were being returned early, up six percentage points on the previous year.

The survey also found an average 53% are being returned on time (2018: 57%), and 34% late (2018: 36%).

Simon Simmons, LCV corporate sales manager at Alphabet, says: "Over the past 12 months Alphabet has seen a slight increase in the number of commercial vehicles returned early, perhaps in anticipation of the move to Euro 6 diesel engine technology, the London ULEZ or the new clean air zones (CAZs).

"We've also seen a more significant increase in the percentage of commercial vehicles returned late over the past 12 months which probably reflects businesses holding on for key, benchmark LCV products to become available as manufacturers managed the production transition to WLTP."

Hitachi Capital Vehicle Solutions (HCVS) says it is working with customers to minimise the impact of ULEZ zones and ensure they have the flexibility to be early adopters of electrification.

HCVS managing director Jon Lawes adds: "With this in mind, we have set in place strategies to terminate Euro 5 vans that are at risk of additional charges from ULEZ zones early.

"We've done this with customers as part of an agreed strategy. Electrification is very much on the agenda and our biggest initiative in 2019 is to optimise the future of fleets.

"We're the only leasing company in the industry to partner in the world's biggest EV trial, Optimise Prime, a three-year innovation project designed to address how the UK can manage mass adoption of EVs between now and 2030."

One of the major trends HCVS has noticed over the past 12 months is the need to move to shorter van replacement cycles, or at least to flex contract lengths.

Overall in the FN50, van replacement cycles have shortened in time but increased in mileage. This year, the average cycle was 43.6 months and 105,480 miles. In 2018 these figures were 46.2 months and 80,371 miles respectively.

The longest average replacement cycle reported by a leasing company was 60 months, while the highest average mileage was 153,000.

The research shows that the largest average proportion of FN50 customers take vans on three-to-four-year contracts (45%), followed by five-year (32%), two-year (9%), six-or-more years (7%) and up to 12 months (7%).

Of the companies which responded to the question, 48% said the most popular contract period for their vans was three-to-four years, 30% was five years, 9% was two years and 4% six years.

One top 10 FN50 leasing company reported that 68% of its vans were on contract periods of six or more years.

Lawes says: "Fleet customers typically run vans on periods of anything between 48-84 months, but it's not uncommon for fleets to have average terms of around 72 months.

"When fleet vans are low mileage and well-maintained, we've seen the total cost of ownership optimise around this 72-month point.

"More recently, we've recognised the need to move to shorter terms, or at minimum a need to flex contract lengths, which is likely related to the emergence of new technologies and alternative drivetrains.

"We support organisations who are looking to electrify by giving them the flexibility to renew earlier, to fulfil their Road to Zero strategies."

Simmons adds: "The age profile of our LCV portfolio has remained relatively static (up by a few months according to Alphabet head of commercial performance Dominic Graf on page 49) while, at the same time, the size of our commercial vehicle portfolio has increased significantly over the past few years.

"However, we have seen a double-digit reduction in the mileage that these LCVs cover during their lifetime, perhaps reflecting their usage less for 'trunking' and more for urbanised, lower mileage journeys."

The FN50 companies report an average of 89% of their vehicles are funded through operating lease – down one percentage point on last year's research (90%), but one percentage point up on 2017 (88%).

This means the average percentage of finance lease has risen by one percentage point to 11%.

Of the respondents, 37% of leasing companies reported a van risk fleet financed solely via contract hire, two percentage points lower than last year, while 5% reported finance lease was their dominant funding method.

> "SIZE OF OUR COMMERCIAL VEHICLE PORTFOLIO HAS INCREASED SIGNIFICANTLY"
>
> SIMON SIMMONS, ALPHABET

Alphabet did not see a shift in the funding methods it uses in the past 12 months.

Simmons says: "We've consistently been seeing a 75/25 split between operating lease and finance lease for light commercial vehicles over a number of years and we expect this to continue.

"The opportunity, particularly in the SME sector but also in some larger corporates, is for businesses to move from an outright purchase LCV model into a leased and maintained asset approach."

One example of this was highlighted earlier this year in FN50's sister research project, the Fleet200, which analyses trends among the UK's largest fleets.

It reported that one of the major vehicle funding deals struck this year was a £136 million fleet management deal between Network Rail and Hitachi Capital Vehicle Solutions.

Part of this agreement sees Network Rail's road fleet transitioning from owned to leased.

The contract also includes service, maintenance and repair of all road fleet vehicles, as well as driver training, vehicle compliance, vehicle insurance and claims management, and end-of-life vehicle management among other services.

An average of 35% of FN50 leasing company van customers are on sole supply contacts with their leasing provider, just one percentage point behind the figure for cars (36%).

This is a marked difference from just two years ago, when an average of 25% of van customers were on sole supply, compared to 37% of car clients.

'WITH MAINTENANCE' NOW THE PREFERRED CHOICE

Van fleet operators are increasingly willing to bundle maintenance with leasing contracts when they choose finance.

The proportion opting for 'with maintenance' has risen from an average 59% last year to 60% in 2019.

It has now overtaken the average proportion of cars leased with maintenance (59%) and suggests that fleets choosing contract hire are keen to hand the responsibility of minimising vehicle downtime to their leasing provider.

Vehicle downtime in the van market is one of the most important factors in managing a commercial fleet as an inactive vehicle can represent hundreds of pounds in lost business per day.

Three leasing companies reported that 100% of their vans leased were with maintenance included.

The truck market shows the highest level of maintenance included with contracts at 63%.

Six companies fund 100% of their trucks with maintenance contracts.

Number of diesels dips dramatically as petrol plugs the gap

But at least one consultant is predicting a medium term comeback for the demonised fuel, reports *Mark Sutcliffe*

Continuing concerns over the environmental credentials of diesel have led to a marked migration to petrol among leased company car fleets.

Increasing fears over fiscal penalties or even restrictions on older diesels entering some cities are persuading drivers to dump the fuel in favour of petrol company cars – although a marked increase in the uptake of hybrids and pure battery EVs has failed to materialise so far.

The latest FN50 data shows little increased uptake of alternatively fuelled vehicles (AFVs) or EVs but highlight a continuing trend towards petrol company cars.

The swing to petrol may also be a contributory factor to the incremental reduction in CO_2 emissions as their higher outputs offset improvements in the latest diesel technology.

Any reduction is perhaps a surprise as cars now come under WLTP-based correlated NEDC ratings which are typically 10-20% higher than the old NEDC fuel test scheme.

Consequently, FN50 companies had predicted a year-on-year rise in emissions in the 2018 report, but this hasn't materialised (they fell 1.2g/km to 115.7g/km), possibly due to the number of companies and drivers that have held onto cars rather than replacing them since the new calculations came into play in September 2018.

With full WLTP – a more accurate testing regime – due to be used for all new car registrations from January, next year could see an increase in official CO_2, even if the actual emissions will have probably fallen. Certainly, current deliveries this year are only marginally below the overall average, at 115.3g/km (down 0.4g/km) – in previous years, they have typically fallen by 3-4g/km.

The migration from diesel to petrol is stark. Of the 1.26 million cars that comprise the FN50 fleet, almost two-fifths (39.7%) were petrol in 2019 – up from less than a third (29.4%) last year.

Over the same period, the proportion of diesel cars on the FN50 fleet fell from almost two-thirds (63.4%) to close to half (50.5%).

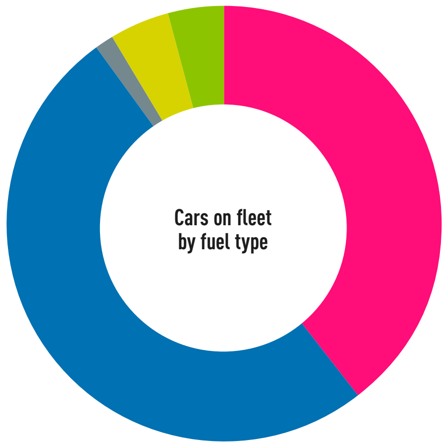
And, when FN50 fleets were asked about the vehicles they ordered in the past year, the flight from diesel is still more pronounced.

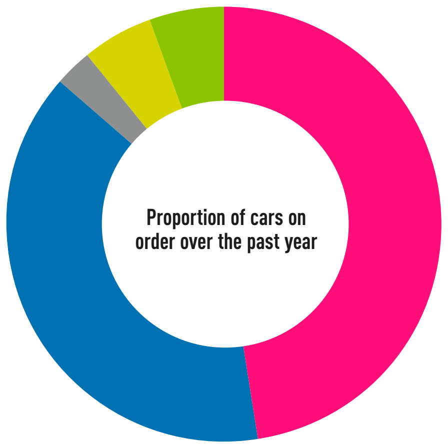
Approaching half of 2019 lease fleet cars ordered were petrol (47.6%) while only two-fifths (38.8%) were diesel.

These figures suggest a sustained shift, but there is very little evidence of increasing demand for electric cars or other AFVs.

Although hybrids (4%) and plug-in hybrids (4.3%) increased their market share a little, the total number of pure EVs actually fell fractionally to 1.5% and orders for all three categories remain broadly flat or in slight decline.

Most analysts attributed flatlining hybrid lease fleet orders to poor availability owing to the new WLTP emissions regime rather than the Government's decision to pull the plug on grants for Category 2 and 3 hybrids from November 2018, with some predicting a significant increase in uptake of cars like the BMW 330e owing to the clear-cut benefit-in-kind (BIK) savings they offer.





The flight from diesel is even more pronounced in recent vehicle orders

LeasePlan head of consultancy and customer data services Matt Walters said: "Widespread delays caused by WLTP emissions testing have also affected supply, with uncertainty around BIK taxation further compounding the issue.

"We have seen an increase in our clients' appetite for alternative fuels, with the number of plug-in electric vehicles (PHEVs), hybrids and pure electric vehicles (PEVs) on fleet growing year-on-year.

"The shift to petrol may be due, in part, to consumer misconceptions around EVs, such as cost and range, along with a lack of availability. Many company car drivers may have switched to petrol looking for a mid-term solution."

Registration figures from the Society of Motor Manufacturers and Traders showed sales of pure EVs to the end of September more than doubling year-on-year to 25,000 units.

However, commentators warned that despite the 122% year-on-year increase in sales of battery electric vehicles (BEVs), the withdrawal of the plug-in car grant (PiCG)– recently suggested by Transport Secretary Grant Shapps – would rapidly reverse this trend.

Ashley Barnett, head of fleet consultancy at Lex Autolease, said the suggestion that the market had reaching a 'tipping point' where the momentum towards EVs was unstoppable, was misguided.

"We are talking about 25,000 BEVs out of a total new car market of 1.86 million," he says.

"That is not a tipping point – we are miles away from a tipping point. When sales of BEVs reach 20% plus, then maybe that's a tipping point. But the danger is that the Government will pick up on these headlines and withdraw the grants – just like it did last year with PHEVs.

"EVs continue to be much more expensive than their ICE (internal combustion engine) equivalents and until we reach something like price parity, the market is going to need that £3,500 PiCG incentive to persuade them to make the shift."

If the Government withdraws the PiCG completely – as Denmark did in 2016 – experts predict a similar fate for the nascent EV boom. EV sales in Denmark plummeted from 5,000 in 2015 to just 700 in 2017.

Arval fleet consultant David Watts says: "EVs have yet to make a real impact in fleet for two main reasons: the more popular models are at the high end of the price spectrum and are only affordable to senior staff while the more affordable models are either less suitable from a traditional company car perspective or have extremely limited supply.

"The new 0% BIK for EVs from April 2020 has focused attention on these vehicles and, as availability of a wider range of models improves next year across a wider range of price points, we expect take-up to improve substantially."

Watts also predicts a shift back to diesel in the medium term.

"Currently, petrol cars are more attractive in tax terms due to a combination of the 4% diesel tax supplement, lower P11D values for petrol models and the narrowing of the CO_2 variance between petrol and diesel models," he says.

"However, the gradual removal of the 4% tax supplement, as diesel models achieve RDE2 compliance over the next 18 months, will significantly impact the tax comparison of equivalent petrol and diesel models.

> "THE SHIFT TO PETROL MAY BE DUE, IN PART, TO CONSUMER MISCONCEPTIONS AROUND EVs, SUCH AS COST AND RANGE"
>
> **MATT WALTERS, LEASEPLAN**

"Our view is that there will probably be a shift back towards diesel, although not to the levels previously seen."

While incremental reductions in average CO_2 emissions are consistent with a shift back to petrol cars, some analysts attribute the flatlining figures to other factors – such as the accelerating trend away from traditional company cars in favour of affinity schemes and personal contract hire.

Arval's David Watts says: "A key point to consider when it comes to CO_2 emissions and take up of alternative fuels is the growth of affinity and other employee leasing schemes alongside greater PCH take-up in SMEs.

"These remove the BIK factor from car choice and potentially bring others into play. The impact can vary dramatically – a corporate affinity scheme might be constructed around only offering cars that meet a well-rounded set of environmental metrics while, in other scenarios, there might be almost no consideration given to this area. How this plays out over time is yet to become clear."

Ashley Barnett from Lex Autolease raises similar concerns. "A decade ago, a company director might accept an efficient diesel Mercedes or BMW executive model as their company car, but now, if they decide they want a big SUV, they are more likely to take salary sacrifice or a cash alternative because they won't pay any BIK if they opt out of the traditional car scheme," he says.

"In general, the trend away from corporate car schemes, which often imposed CO_2 caps on choice lists, to a more consumer-driven market, where drivers use PCH schemes to buy less efficient vehicles like SUVs, could see average CO_2 rates rising again.

"And it's also worth bearing in mind that as we move from NEDC to WLTP reporting, average CO_2 emissions are likely to rise across the board."

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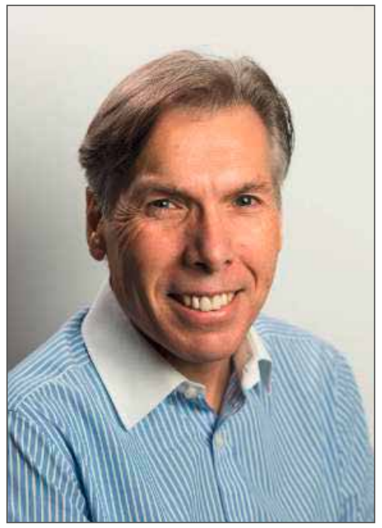

Paul Turner
executive chairman, APD UK

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Diesel vans remain dominant thanks to lack of viable options

Little appreciable shift in emissions though trend is downwards, reports *Mark Sutcliffe*

Van fleets are tentatively exploring the petrol and electric alternatives after years of diesel dominance in the light commercial vehicle (LCV) market.

Van CO_2 emissions have fallen by 2.4g/km to 156.5g/km on average

Among the 443,454 vans comprising the FN50's light commercial vehicle fleet, the trend away from diesel – which remains utterly dominant – was much less pronounced than the rapid changes witnessed in the car market.

The data suggests a modest future swing from diesel to petrol, but there is scant indication of an upswing in alternative fuel vehicles (AFV).

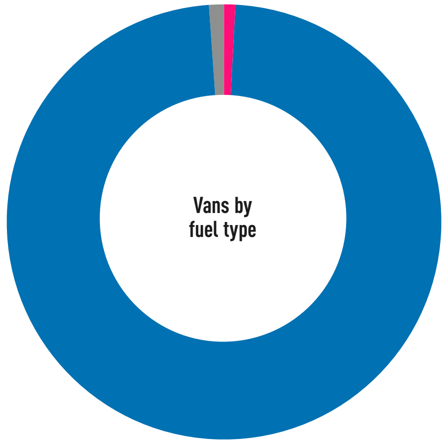
While for cars, trends are driven primarily by company car tax rates, in the van market, it is down to fit for purpose, cost and availability.

Average CO_2 emissions per vehicle from the FN50 van fleet dropped by 2.4g/km in 2019 to 156.5g/km and, based on latest additions to the fleet which this year are averaging 152.9g/km, the average should continue to edge downwards in 2020 – not withstanding the impact on official emissions of the new WLTP testing regime.

The actual proportion of diesel vans on the FN50 fleet increased slightly in 2019 – up from 96% to 97.9%. However, future diesel van orders are down below 95% with petrol nabbing the vast majority.

Full electric vans crept up from 0.8% to 1%, but hybrids (pure and plug-in) failed to dent the data this year. Based on new orders, demand for electric vans suggests another modest gain next year, but despite Ford's launch of the Transit Custom Hybrid, the data doesn't suggest any appetite for hybrid vans.

Arval fleet consultant David Watts is not surprised that there hasn't been a noticeable shift towards petrol vans.



"The BIK taxation system is influencing driver choices in the fleet car market which doesn't exist in the LCV market," he says.

"Unlike the car market, there are very few equivalent petrol options compared with the diesel models available and, even when there is an equivalent petrol alternative, the fuel efficiency and lease costs of the diesel model are still noticeably better than for the petrol.

LeasePlan head of consultancy and customer data services Matt Walters believes demand for electric is starting to materialise.

"Supply of low-emission LCVs until recently has been limited, but operators are starting to become more aware of the wholelife cost benefits of electric vans," he says.

"As a result, we are now starting to see an increase in demand among our customers. With a third of vans doing less than 80 miles in a day, electric commercial vehicles are a viable option for business-critical fleet operators – especially for those operating in urban areas."

Alison Bell, marketing director at Venson Automotive Solutions said the lack of momentum away from traditional powertrains was due to lack of choice in the market.

"Once more models become available there is likely to be more uptake, but it will always be dependent on the requirements of the vehicle in the role it performs for the business," she says.

"Over time, it's likely that van fleets will end up being a mix of powertrains, with pure electric suited for shorter distances carrying lighter loads and hybrids for medium journey lengths and combustion engines taking longer, frequent journeys and carrying heavier loads."

> "OVER TIME, IT'S LIKELY THAT VAN FLEETS WILL END UP BEING A MIX OF POWERTRAINS"
>
> ALISON BELL, VENSON AUTOMOTIVE SOLUTIONS

In the medium term, van fleet operators could find themselves facing significant cost and/or operational challenges if concerns over urban air quality prevent delivery and logistics fleets operating freely within the city limits.

London's congestion and toxicity charges are already making trips into the capital more expensive for non-compliant vehicles and a handful of other cities are considering similar measures.

Chris Warburton, managing director of CoolVan, a specialist refrigerated vehicle converter, reported a marked increase in demand for electric vans to deliver fresh food into central London.

"We are getting a significant number of enquiries for electric vans – especially from London-based delivery operations – but supply has sometimes been an issue," he says.

BVRLA VIEW

Innovation, responsiveness and resilience are the driving forces

There are three core drivers of change that will continue to have a significant impact upon the fleet sector in the year ahead:

Air quality – the need to improve air quality will remain at the top of the agenda for Government and local authorities and we will continue to see more towns and cities deploying innovative solutions to tackle air pollution. Flexible pay-as-you-go mobility solutions will become more commonplace, facilitated by new technologies that give people the ability to access real-time data to help locate what they want, when they want it and where they want it.

From finding an EV charge point, to using a car club, we will see the wonders of technology combining with social conscience and industry ingenuity to deliver a more sustainable transport ecosystem. 2020 will be the year of the app when it comes to driving transport behaviour change and progressing the future of mobility.

Regulatory restrictions around air quality will continue to provide an opportunity for BVRLA members to market their sustainability credentials to businesses seeking cleaner transport solutions.

Brexit – the 'B-word' will continue to be a hot topic for the fleet industry as we transition to a new trade environment in the course of the next year.

Although Government has ramped up its advice to businesses to help prepare for a no-deal Brexit, we still face huge uncertainties. We will continue to work on moving sands throughout 2020, responding to challenges and opportunities as they emerge.

Tariffs and restrictions around employing EU staff remain a concern for members, as with almost every UK organisation, but our industry faces myriad other regulatory issues and concerns relating to Brexit, particularly around the supply of vehicles.

We hope the supply issues we are experiencing, particularly in EVs, does not get exasperated in 2020, especially in the event of a no-deal.

Type-approval, emissions standards, data protection and driving overseas are among the many other areas impacted by Brexit.

Changing business models – the fleet sector has always been responsive to change and customer-focused. This combination of being motivated to meet customer needs and being nimble enough to react to technological and environmental change is driving members to explore new business models.

"2020 WILL BE THE YEAR OF THE APP WHEN IT COMES TO DRIVING TRANSPORT BEHAVIOUR CHANGE AND PROGRESSING THE FUTURE OF MOBILITY"

GERRY KEANEY, BVRLA

We continue to see a shift towards providing a broader range of integrated mobility services rather than delivering just one rental, leasing or fleet management product. Our members are being relied upon to provide informed advice as well as provide a product or mobility solution.

GROWING IN STRENGTH

BVRLA membership has continued to grow throughout 2019 with the total number of organisations in its family breaching the 1,000 threshold for the first time in the association's 52-year history.

Any reductions as a result of consolidation in the market from mergers and acquisitions have been offset by growth across all core business areas including vehicle rental, leasing and those who supply to, or have an interest in, the industry.

The association's new Fleet Operator membership category also welcomed its first members this year, consolidating the association's position as the independent voice of the fleet sector.

The BVRLA member fleet size breached a milestone this year with members now collectively responsible for more than five million vehicles on UK roads.

Add to this the fact that BVRLA members buy almost half of all new vehicles sold in the UK each year and purchase 83% of all UK-manufactured vehicles sold to a domestic market, the influence of BVRLA members is stronger than ever.

Policymakers and parliamentarians from across all parties are increasingly acknowledging the important role BVRLA members play in delivering the UK's zero-emission ambitions.

Support came in unprecedented levels at the annual Parliamentary Reception, where around 50 MPs pledged their support for our policy asks.

With BVRLA members already responsible for around 35% of the UK's plug-in electric vehicles (EVs), we made clear this figure could be far greater with the right incentives and support for fleets.

As well as driving the road to zero, BVRLA members are also at the vanguard of the future mobility revolution. Members' are continuing to shift away from being a vehicle rental or leasing provider and are seeing themselves more as a 'mobility solutions' provider, encouraging individuals and businesses to think differently about using alternative, cleaner transport solutions.

The BVRLA will continue to support members through what could possibly become an A-to-Z of change during 2020.

By being a louder voice of influence in the corridors of power, the BVRLA and its members remain committed to delivering sustainable future mobility solutions, driving industry growth and promoting the reputation of the industry.

What's the damage? Average wear/tear charges fall by 2.3%

BVRLA updates its guide on fair figures and explains what drivers can do to avoid paying extra, reports *Tom Seymour*

End of contract (EOC) fair wear and tear damage charges for cars have reduced in the past 12 months, by 2% or £7.50 on average to £314.53 (2018: £322). It marks the first reversal for four years.

The British Vehicle Rental and Leasing Association (BVRLA) updated its *Fair Wear and Tear* guide in April after feedback from end-user fleets, its own members, remarketing experts and other fleet stakeholders to help improve clarity on what is often a contentious issue.

However, while the absolute figures are in decline, there are clear differences between the charges levied at cars on business contract hire (operating and finance lease) and those funded via salary sacrifice schemes.

Leased cars were hit with average fair wear and tear charges of £326, while salary sacrifice cars averaged £271. The FN50 asked leasing companies to split out the figures for the first time.

It suggests that either employees take greater care of cars their perceive as their own than they do a company vehicle – certainly this could be the case when comparing job-need cars to sal/sac – or that leasing companies are less willing to charge individuals than they are companies.

WEAR AND TEAR AVERAGE COSTS

Year	Average % of vehicles charged	Average recharge value £	Average damage waiver (£)
2006	38	215	
2007	35	246	
2008	39	246	
2009	43	278	
2010	43	249	
2011	42	281	
2012	43	263	
2013	41	278	
2014	35	274	
2015	38	280	160
2016	34	289	170
2017	37	308	166
2018	39	322	167
2019	44	326	112

There were also differences in the percentage of cars charged and the level of the damage waiver.

Overall, the average percentage of cars being charged increased from 39% to 40%, while the average damage waiver fell from £167 to £117.

However, 43% of leased cars were charged fair wear and tear but only 31% of salary sacrifice cars were hit with charges. Likewise, the damage waiver for leased cars was £112, but sal/sac drivers had a more generous £133.

Both were significantly below last year's overall average. This means there is a much smaller margin for error, increasing the likelihood that charges will be applied when vehicles are returned.

Average charges for leased cars covered a wide spread, from a high of £759 to a low of just £45 per car, showing wild variances from leasing company to leasing company.

If you isolate the 10 biggest leasing companies that provided figures, the average leased car figure is £319.51, down from £330 last year, so the companies that account for the most volume in the UK leasing industry have charges at a lower level than average.

The BVRLA's aim with its guide is to provide an industry-wide, accepted standard that defines fair wear and tear when vehicles are returned by fleets to their leasing or rental company.

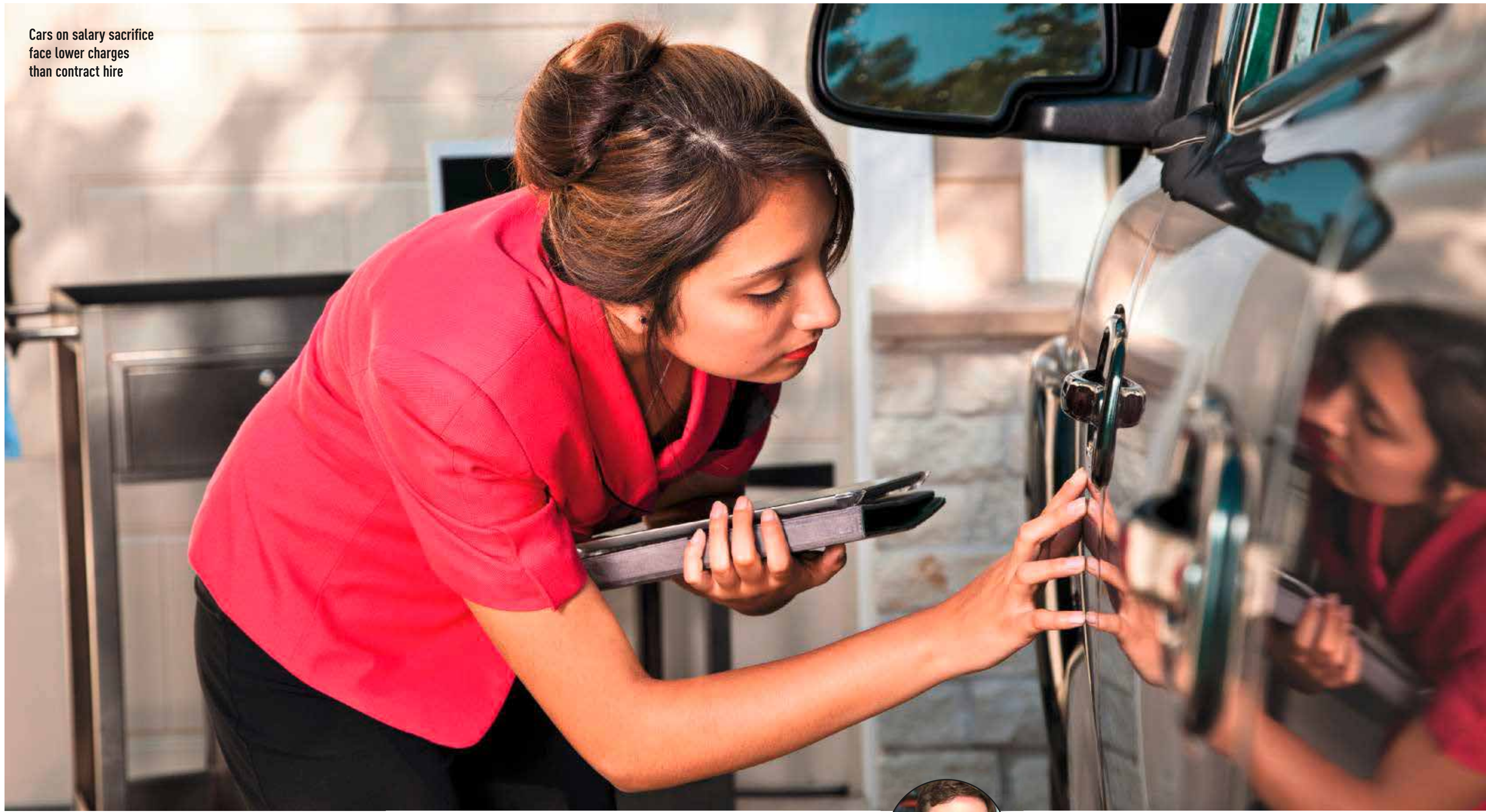
It also provides advice for best practice in vehicle maintenance and upkeep that will prevent unacceptable wear and tear charges occurring.

A BVRLA spokesperson says: "This year, with personal contract hire responsible for a growing portion of the BVRLA car fleet, there was extra focus on improving clarity and demonstrating fairness, especially when customers return a vehicle at end of lease.

"With many customers new to the concept of vehicle leasing, and possibly unsure of their responsibilities in maintaining the vehicle, members will be providing more help and support during the period of lease or rental."

This might also explain the lower charges levied at salary sacrifice drivers, many of whom will also be facing wear and tear charges for the first time. Their experiences here will go some way to determining whether they stay in the scheme.

The guide gives advice to drivers about what they need to do to avoid end of lease charges, where they can get advice on routine maintenance, servicing and appraising the vehicle at the end of the lease and what they can expect the day the vehicle is returned, as well as how to complain if things go wrong.



Cars on salary sacrifice face lower charges than contract hire

Some leasing companies offer a fixed-cost menu of charges set out at the start of the contract.

Others do not repair vehicles before sending them out to auction, so do not charge for the cost to repair the damage.

Instead, they charge for the loss of value against the residual value due to the damage.

There are other alternatives. Fleet management specialist ARI Fleet UK has moved into the finance lease space, offering funding with no mileage limits or end of contract damage charges.

Rory Mackinnon, head of asset funding at ARI Fleet UK, explains: "Fleet managers are looking for support on cost management strategies and we have been working closely with our customers to deliver this.

"We identified an opportunity for a specialist finance solution to help drive down fleet costs. For too long, fleet managers have had to contend with excessive leasing fees and we are looking to challenge the status quo and disrupt the market."

Nick Hardy, sales and marketing director at Ogilvie Fleet, *Fleet News'* Leasing Company of the Year (up to 20,000 vehicles) and 15th in the FN50, says its fixed-cost menu pricing approach creates a transparent process for customers.

"We don't see EOC as a profit centre," he says. "We need to cover our costs and, at the moment, we're still doing that. If we weren't washing our face we may need to go back to customers and have that conversation, but at the moment I'm glad we don't need to do that."

Ogilvie isn't the only leasing company in the UK that uses a menu pricing scheme for EOC, but those using this system are still in the minority.

Hardy says: "Everyone should be charging within the BVRLA guidelines, but there's nothing in there that is going to dictate pricing.

"Customers are wise to some leasing companies looking at EOC as a way to claw back some profit, so I would say customers are being more careful about the condition of vehicles, rather than being more careless."

Caroline Sandall, chairman at fleet operators association ACFO, says: "We worked with the BVRLA on developing the new guide in April this year and, generally, the rules have relaxed.

"The updated guide should make it much easier and clearer for drivers what is expected. The level of damages is very black and white and prescriptive so there should be less confusion on EOC."

Sandall says areas like dents on the bonnet or alloy damage were particularly contentious elements for fleets on fair wear and tear charges.

> WE DON'T SEE EOC AS A PROFIT CENTRE. WE NEED TO COVER OUR COSTS AND WE'RE STILL DOING THAT
>
> **NICK HARDY, OGILVIE FLEET**

She adds: "There were some small grey areas on the old version, but now it is much more prescriptive around the number of acceptable chips in a given area on the vehicle.

"There has been an increase in EOC complaints for the BVRLA due to the increased focus on personal leasing, but they have worked to make the guidelines much clearer to address that."

SALARY SACRIFICE CHARGES

The average end of contract charge (EOC) for vehicles on salary sacrifice was £271, according to the FN50 data.

This level of charging is 20.3% lower than the leasing average, or £55 less.

Salary sacrifice was the second largest market segment for funding type after contract hire in this year's FN50 figures, representing 3.9% of volumes overall, but is still a small fraction of the market compared with traditional contract hire which accounts for 92% of the market.

A smaller number of vehicles on salary sacrifice attracted EOC charges, too, at 31% compared with leased cars at 43%.

Both figures suggest leasing companies are more reticent to apply charges to a form of funding that has been under pressure from changes to the taxation rules. Nevertheless, there are big variances in the average charges applied, ranging from £485 to £105.

Average charges rise 12% compared with last year

Fleets express fears that some companies are reverting to using the charges as a profit centre, reports *Tom Seymour*

The average end of contract (EOC) charges for vans increased by 12% over the past 12 months from £376 to £420, according to the latest data from the FN50. Nearly half of all vans attracted these charges, up from 44% last year.

Vans tend to see higher figures compared with cars due to the nature of how they're used as fleet workhorses with a higher likelihood of attracting bumps and scrapes. But the jump in charges is at the highest level since *Fleet News* started to record data for vans back in 2015.

This has been combined with a drop in the average damage waiver from £168 last year to £134 this year. This tallies with the increase in vehicles being charged, as the threshold for waiving damage charges has been reduced by 20.2%.

The highest average charge for vans was £678 and this came from a leasing company within the top 10.

The lowest average charge was £65. This company also had the lowest charge for cars and sits in the final third of the FN50 table.

When isolating the top 10 largest leasing companies, which account for the vast majority of fleet volumes in the UK, the average was £482, a 15% increase compared with the overall average. However, this increase could be explained by the highest charge recorded which was from within one of the top 10.

The BVRLA updated its *Fair Wear and Tear* guide in April this year to help improve clarity over what drivers need to do to avoid end of lease charges, where they can get advice on routine maintenance, servicing and appraising the vehicle at the end of the lease and what they can expect the day the vehicle is returned, as well as how to complain if things go wrong.

Some leasing companies have long been accused by fleet managers that their interpretation of the BVRLA guide ends up with damage charges being used as a profit centre.

However, one fleet manager who preferred not to be named says that, including a £250 waiver for charges, the EOC for his vans has been fair.

He says there does seem to be variance between leasing companies in how they approach EOC, with some sticking to the BVRLA's guide more than others.

The fleet manager says: "There is a mix between leasing companies and it really depends on their policy on EOC charges.

"We have dealt with others where the vehicle charges are so high that they're repairing vehicles back to retail standard before putting them into the dealer network.

"These are working vehicles and we have seen some of our vans looking brand new once they've had these EOC repairs completed."

Another fleet manager says he is dealing with one van leasing specialist where the charges appear very high and there is a lack of detail on what is being charged for.

He says he had been drawn in by a low monthly charge and then has been hit with the return damage costs.

He adds: "We have also been questioning charges where we think we should because we were recently charged for a missing set of spare keys. The driver was adamant they were supplied and it turned out it was the defleet company that lost them, rather than us, so on that occasion we managed to get the charges overturned."

Nick Hardy, sales and marketing director at Ogilvie Fleet, Fleet News' Leasing Company of the Year (up to 20,000 vehicles), was surprised by the increase for vans but said there could be a number of factors behind the jump.

He said: "We're all doing a lot more vans, so there is a greater volume in the market as it's growing.

"I think the leasing market also has a much better understanding of what kind of condition these vans need to be going back to auction to sell. Van buyers are becoming much more picky.

"Age and mileage could also be a factor here. If vans are older and with more miles on the clock they will have more damage. So, in theory, there wouldn't be as much of an expectation that they should look brand new.

"However, if you have had more 12-24 month contract vans coming back, but they are badly damaged, there is going to be a higher percentage of charges to get that van looking retail-ready."

Caroline Sandall, chairman at fleet operators association ACFO, said the increase year-on-year for vans is higher than she would have expected and it does raise concerns, particularly with the review of the BVRLA guidelines this year, a process ACFO was closely involved with.

She says: "It could be that, as we haven't had a full year from the new guidelines in April, they may not have been adopted across the FN50.

"The guidelines aren't mandatory either, so it might be that some leasing companies haven't adopted them at all.

"We have been pushing for the BVRLA to make the guidelines on EOC mandatory or incorporate them into their code of conduct."

Sandall says the BVRLA guidelines are where they should be after the update and ACFO is happy that the changes made in April make the rules around EOC clear and transparent for fleet managers and drivers.

She says: "Nobody wants to return to the days when EOCs were used by some as a profit centre. The UK leasing market is under pressure right now so I hope that isn't driving some leasing companies to look at EOC as a way to make profit back."

Sandall advised fleets to keep an eye on their processes and do everything they can to limit damage in the first place.

This includes reviewing damage before the van reaches the end of contract to see whether it falls outside EOC guidelines or whether it may be more appropriate for the damage to be repaired by a repairer, weighing up which will be more cost-effective.

Sandall adds: "This is much more preferable than spending management time on challenging every item, but fleet managers should keep their eye out and still challenge where appropriate."

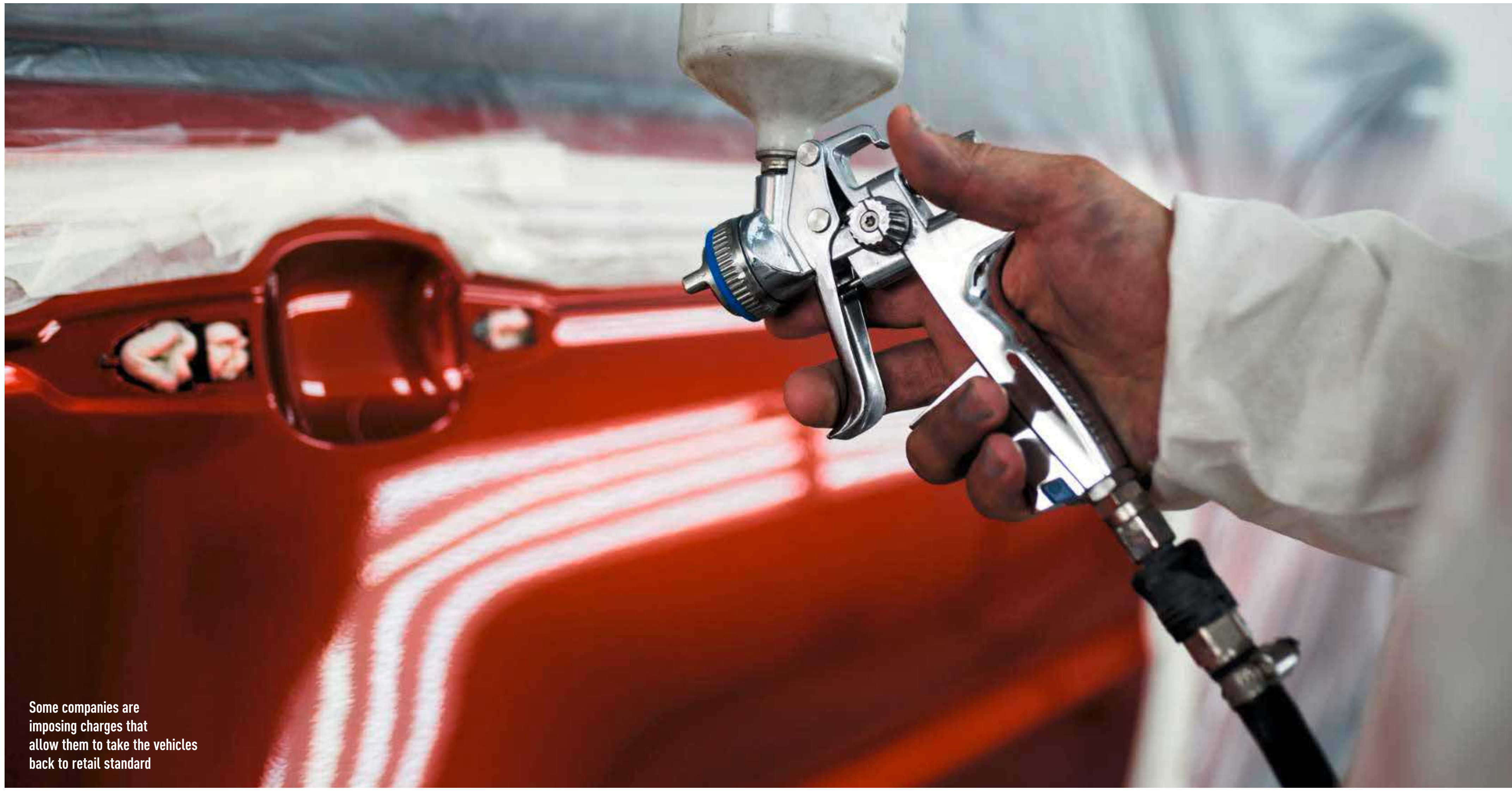
"THE GUIDELINES AREN'T MANDATORY EITHER, SO IT MIGHT BE THAT SOME LEASING COMPANIES HAVEN'T ADOPTED THEM AT ALL"

CAROLINE SANDALL, ACFO

WEAR AND TEAR AVERAGE COSTS

Year	Average % of vehicles charged	Average recharge value £	Average damage waiver (£)*
2015	41 (vans), 25 (trucks)	385	152
2016	41 (vans), 25 (trucks)	380 (vans), 372 (trucks)	166 (vans), 280 (trucks)
2017	40 (vans), 38 (trucks)	414 (vans), 587 (trucks)	181 (vans), 260 (trucks)
2018	44 (vans), 38 (trucks)	376 (vans), 614 (trucks	168 (vans), 258 (trucks)
2019	48 (vans), 19 (trucks)	420 (vans), 725 (trucks)	134 (vans), 60 (trucks)

**Van and average damage waiver data provided for the first time in 2015. Truck data provided for the first time in 2015/16.*



Some companies are imposing charges that allow them to take the vehicles back to retail standard

TRUCKS FIGURES RISE 18%

Trucks show a similar picture to vans this year with the average charge at £725, a big double digit increase year-on-year of 18% or £111 difference.

HGVs cost more to run and maintain so the overall EOC figures will be higher compared with cars or vans, anyway.

However, the FN50 figures show there is a gulf between passenger cars (see page 24) which have only seen a slight rise year-on-year on average charges and commercial vehicles which have seen much bigger increases.

As leasing companies come under pressure on margins and profits, they may be less willing, or able, to offer goodwill gestures or to write-off costs on EOC charges.

The average damage waiver for trucks was £150 compared with £258 last year, which echoes what has happened with vans.

Of those companies that supplied data, the highest average charge for trucks was £800 and the lowest was £650. The highest charge was from a company in the last third of the FN50 table and the lowest charge was from one of the top 10 leasing companies.

'Bugbear' of excess mileage charges is not going away

For cars, they are up 17% while for vans, they have risen 40%, reports Andrew Ryan

The amount fleet operators are paying in end-of-contract excess mileage charges for both cars and vans has increased significantly in the past year.

This year's FN50 research has found the average charge for defleeted company cars rose 17% to £378, while the amount for vans increased 40% to £484.

Last year, the average amount charged for cars sat at a record low of £324: the second consecutive year it had fallen by more than 11%, and the fifth fall in a six-year period.

However, this year's figure was the highest amount since 2016, when it was £413.

There remains a huge disparity in the size of the average charges reported by individual leasing companies and these range from as little as £23 to £1,182. These are comparable to the extremes highlighted in last year's FN50 of £37 to £1,200.

Of the respondents to this part of the FN50 research, 44% of leasing companies had charges above the average amount, with 50% of these at £750 or above. Of the companies with charges below the average, 22% were £100 or less.

The average proportion of cars which are subject to excess mileage charges has remained unchanged from last year's record low of 19%. Over the longer term, this proportion is significantly lower than the 2005 figure of 32%.

There is also a large disparity between leasing companies in the proportion of cars subject to excess mileage charges.

These ranged from as low as 4% to as high as 71%. There was also a huge gulf in the size of the actual average charges these two companies billed: £752 and £81 respectively.

Just more than one in five (22%) of respondents said the proportion of cars returned which were subject to excess mileage charges was 10% or lower, while 17% said their average figure was above 30%.

The fall in the size of excess mileage charges in recent years suggests that contract hire providers are becoming more savvy at identifying higher mileage early and working with their customers to help avoid big charges at the end of the term.

It is not clear from the research why the downward trend has ended or, at the very least, stalled.

There is no consistent pattern in the duration of average replacement cycles operated by the leasing companies with the highest charges, or whether cars were being returned early, on time or late at the end of their terms.

However, those leasing companies with above average charges for cars also accounted for 75% of the companies with above average charges for vans.

Previous FN50 reports suggested that telematics and connected systems, where fitted, were helping keep track of vehicle mileage through the duration of contracts, and were playing a role in managing mileage more effectively.

They have also suggested that while end-of-contract charges were falling, it was most likely through contract hire companies keeping track of mileage and discussing higher mileage than agreed with customers mid-term, and allowing flexibility to increase monthly rental rates to compensate so there would not be a large excess mileage bill at the end of the fleet lifecycle.

Prior to this year's research, it had seemed more fleets were on board with a more manageable way of addressing excess mileage without having to deal with the inconvenience of a large settlement at the end of the contract.

Whether this is still the case over a sustained period, or if this year's results are merely a blip, remains to be seen.

Leasing companies, however, say they are continuing to work with customers to reduce their charges, with Alphabet one which has successfully done that.

David Bushnell, principal consultant at Alphabet, said: "Alphabet has worked hard over the past few years to reduce excess mileage charges for customers as we know they are a bugbear for fleet decision-makers.

"There's no magic bullet to achieve this, it's a recipe of proactively using all the information available, working closely with customers and their drivers, as well as being flexible with our approach.

"The key is to manage it 'in life' rather than at the end of contract.

"So, where we have information on mileage through one of the various customer touchpoints, we're able to discuss with fleets whether they're likely to be over or under mileage and work closely how best to handle this.

"As vehicles get increasingly connected, the availability of the mileage and usage data should help both leasing companies be even more proactive in their approach and provide fleets with the transparency to be able to make the right decision for them."

Hitachi Capital Vehicle Solutions (HCVS) has not seen any notable changes in excess mileage charges compared with last year, but said it also works closely with its customers to minimise any fees.

HCVS managing director Jon Lawes said: "Through our account management framework we provide fleet information and insight, adding value and ensuring vehicles are being used to their maximum potential so the impact of over/under mileage is minimal at the end of the contract.

"For some customers, we offer pooled mileage which minimises the impact of any outliers."

As reported, the average end-of-contract excess mileage charge for defleeted company vans has risen 40%, this year to £484.

Last year it sat at £345 – the lowest figure since the data began to be collected in 2015 – which was a fall of £151 on 2017's figure.

However, this year's increase was the highest charge since 2017, when the average sum was £496.

As with cars, there is a huge disparity in the average charges reported by individual leasing companies, ranging from £40 to £1,442.

Of the leasing companies which supplied this information, 42% had charges above the average amount, with 10% of these at £1,000 or above.

Of the companies with charges below the average, 26% were £250 or less.

The average proportion of vans which were subject to excess mileage charges was 21%, one percentage point above last year's figure, and one percentage point lower than in 2017. Two in five (43%) respondents reported being at or above the average figure.

Again, there was a large disparity among individual leasing companies. The lowest proportion reported was 3% and the highest 81%.

Overall, one-third (33%) of respondents said their average proportion of vans which were subject to excess mileage charges was 10% or lower, while 10% were above 50%.

The proportion of trucks which attracted excess mileage charges also increased year-on-year, but by a much smaller amount than cars or vans. This sector saw the charges increase by three percentage points to 7% compared with 2018.

One-quarter of respondents reported that 0% of the trucks they defleeted this year were subject to any excess charges, while the highest proportion was 12%.

The size of the average excess mileage charges also increased: at £1,190, it was almost three times last year's figure of £411.

Of those leasing companies which reported excess mileage charges, the lowest figure was £600 and the highest was £2,960.

"THE KEY IS TO MANAGE IT (THE EXCESS) 'IN LIFE' RATHER THAN AT THE AND OF CONTRACT"

DAVID BUSHNELL, ALPHABET

EXCESS MILEAGE CHARGES

	2019	2018
Average % of returned vehicles incurring excess mileage (cars)	19%	19%
Average excess mileage (cars)	£376	£324
Average % of returned vehicles incurring excess mileage (vans)	22%	20%
Average excess mileage (vans)	£484	£345
Average % of returned vehicles incurring excess mileage (trucks)	7%	4%
Average excess mileage (trucks)	£1,190	£411

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FTA VIEW

2020: a year of challenge and opportunity

Electric vans, connected fleets, autonomous vehicles and drones: technology is evolving at a rapid rate and 2020 will see many of these solutions turn from futuristic fantasy to real-life solutions.

At the same time, the industry will also be under increasing strain from forces including climate change, air pollution and, for some operators, the UK's departure from the EU if a withdrawal agreement is not reached.

Here, Mark Cartwright, head of vans and light commercial vehicles at FTA, the voice of the UK logistics sector, lays out the challenges and opportunities van operators can expect to encounter as we welcome in 2020.

ELECTRIC VANS

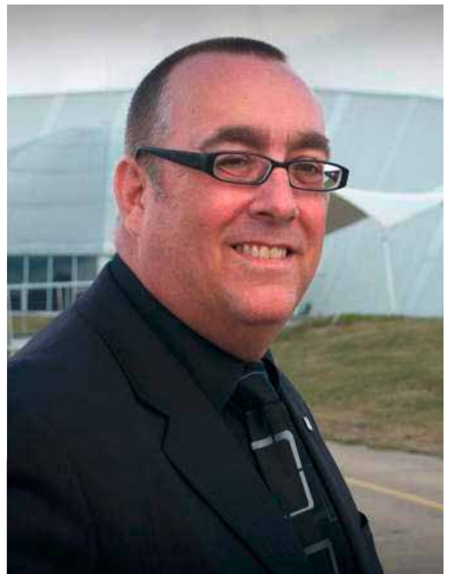
With the Government's firm commitment to transition road transport to a zero-emission industry by 2040, it is imperative van operators have a strategy in place to decarbonise their operations.

Encouragingly, we have already seen an increase in the use of electric vehicles (EVs): 5,395 plug-in electric light commercial vehicles (LCVs) were registered on the UK's roads as of December 2018.

While many van operators have a strong desire to go electric, as found in a recent FTA survey, they can expect to face many challenges on their path to electrification.

Among them are limited vehicle availability and choice, an undeveloped secondhand EV market, lack of charging points nationwide and reductions in mileage when the vehicle is fully laden.

We want to see the Government take the lead and make substantial investments in infrastructure, including fast charging stations across the road network and a nationwide upgrade of the national grid. Similarly, we want to see manufacturers refine their electric vans, extending their ranges and improving battery technology. Once this is in place, FTA has no doubt the uptake of electric vans will rocket, making their petrol and diesel counterparts redundant.



"WE WANT TO SEE THE GOVERNMENT TAKE THE LEAD AND MAKE SUBSTANTIAL INVESTMENTS IN INFRASTRUCTURE"

MARK CARTWRIGHT, FTA

CYBER CRIME

While the rise of the Internet of Things (IoT), Wi-Fi and Bluetooth connectivity are transforming driving experiences across the entire automotive industry, they do come with a downside: the increased risk of cybercrime.

These systems can be hacked into relatively easily if businesses and individuals are not vigilant. In fact, 60% of all UK firms have reported one or more cyber attacks already this year. Van operators must be aware of the dangers and ensure they have safety policies in place to prevent attacks.

While there are many challenges ahead, 2020 will be an exciting year for those willing to embrace new solutions. FTA will continue campaigning to ensure Government creates the right environment and infrastructure for van operators to thrive.

Efficient logistics is vital to keep Britain trading, directly impacting more than seven million people employed in making, selling and moving goods.

With Brexit, new technology and other disruptive forces driving change in the way goods move across borders and through the supply chain, logistics has never been more important to UK plc.

A champion and challenger, FTA speaks to Government with one voice on behalf of the whole sector, with members from the road, rail, sea and air industries, as well as the buyers of freight services such as retailers and manufacturers.

For more information please visit www.fta.co.uk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UK top 50 contract hire companies

FN 50 2019

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Rank (2018)	Company	Total RV risk fleet 2019 (2018)	Car RV risk fleet 2019	Van RV risk fleet 2019	Managing director/CEO	Parent company
1 (1)	Lex Autolease	358,838 (387,640)	255,681	103,157	Richard Jones	Lloyds Banking Group
2 (2)	Volkswagen Financial Services I Fleet	195,503 (194,599)	175,093	20,410	Ian Tilbrook	Volkswagen Financial Services (UK)
3 (3)	LeasePlan UK	174,663 (169,695)	104,704	69,959	Alfonso Martinez	LeasePlan Corporation NV
4 (4)	Arval UK	167,505 (165,318)	123,057	44,448	Miguel Cabaça	BNP Paribas
5 (6)	ALD Automotive	145,133 (131,889)	106,716	38,417	Tim Laver	Société Générale
6 (5)	Alphabet (GB)	138,608 (138,016)	115,045	23,563	Nick Brownrigg	BMW AG
7 (8)	Hitatchi Capital Vehicle Solutions	64,811 (59,074)	40,404	24,407	Jon Lawes	Hitachi Capital (UK)
8 (9)	Zenith	54,547 (58,020)	43,232	11,315	Tim Buchan	Zenith Group Holdings
9 (7)	Free2Move Lease	54,469 (62,915)	25,655	28,814	Mark Pickles	PSA Group
10 (10)	Arnold Clark Finance	53,290 (50,031)	44,409	8,881	David Cooper	Arnold Clark Automobiles
11 (15)	Santander Consumer Contract Hire	26,591 (17,340)	26,591	0	Vik Hill	Banco Santander
12 (12)	Tusker	20,122 (20,923)	19,888	234	Paul Gilshan	ECI Partners
13 (13)	Inchcape Fleet Solutions	18,815 (20,415)	13,549	5,266	Matt Rumble	Toyota FS (subject to approval)
14 (14)	Pendragon Vehicle Management	18,620 (17,600)	13,143	5,477	Neal Francis	Pendragon
15 (18)	Ogilvie Fleet	17,095 (15,817)	13,587	3,508	Gordon Stephen	Olgilvie Group
16 (17)	Daimler Fleet Management UK	15,145 (15,821)	13,517	1,628	Patricia Wolfe	Daimler
17 (19)	Leasys UK	13,410 (13,150)	12,010	1,400	Sebastiano Fedrigo	FCA Bank
18 (16)	RCI Financial Services	12,372 (17,095)	10,076	2,296	Alice Altemaire	RCI Banque
19 (20)	SG Fleet UK	12,041 (13,080)	8,634	3,407	Peter Davenport	SG Fleet Group
20 (21)	Toyota Financial Services	11,674 (12,379)	9,565	2,109	Doug Gillies	Total Financial Services Corporation
21 (30)	SHB Hire	11,210 (5,641)	1,703	9,507	Khaled Shahbo	Enterprise Holdings
22 (22)	Venson Automotive Solutions	11,075 (12,045)	5,100	5,975	Samantha Roff	Premier Fleet Management and Contract Hire
23 (23)	Grosvenor Contracts Leasing	9,928 (9,456)	7,105	2,823	Shaun Barritt	Grosvenor Contracts Leasing
24 (24)	Total Motion Vehicle Management	8,827 (8,897)	4,809	4,018	Simon Hill	Privately owned
25 (26)	Marshall Leasing	8,513 (7,332)	6,416	2,097	Peter Cakebread	Bank of Ireland
26 (25)	Days Fleet	7,701 (7,987)	5,943	1,758	Aled Williams	CEM Day
27 (29)	TCH Leasing	6,562 (6,279)	5,139	1,423	Mark Hammond	TC Harrison Group
28 (27)	Toomey Leasing Group	6,307 (6,649)	4,782	1,525	Martin Wroe	MJT Securities
29 (28)	JCT600 Vehicle Leasing Solutions	5,699 (6,281)	4,454	1,245	Ben Creswick	JCT600
30 (38)	Maxxia	5,107 (3,041)	4,943	164	Roger Skinner	Maxxia
31 NEW	Vauxhall Finance	4,400	4,300	100	Stephen Morgan	Vauxhall
32 (31)	Affinity Leasing	4,249 (5,111)	4,186	63	Simon Howles	Privately owned
33 (33)	Sinclair Finance & Leasing	4,071 (3,941)	2,756	1,315	John Rabin	Sinclair Motor Group
34 (32)	Lookers Leasing	4,005 (4,010)	3,617	388	Andrew Collett	Lookers
35 (35)	Agnew Leasing	3,961 (3,856)	2,943	1,018	Yuile Magee	Sytner Group
36 (34)	Fleet Financial	3,864 (3,894)	2,632	1,232	Damian Hughes	Lookers
37 NEW	Alliance Leasing	3,153	2,700	453	Colin Mather	Alliance Asset Management
38 (42)	Close Brothers Vehicle Hire	3,023 (2,372)	15	3,008	Terry Ottey	Close Brothers Group
39 (40)	GKL Leasing	2,710 (2,427)	1,950	760	Richard Kenning	VRA Ventures
40 (41)	Agility Fleet	2,520 (2,401)	1,489	1,031	Keith Townsend	Privately owned
41 (36)	Hilton Vehicle Leasing	2,399 (3,856)	2,117	282	Morgan Devereux	Hilton Vehicle Leasing
42 (43)	Liquid Fleet	2,182 (1,788)	1,965	217	Darren Driscoll	Liquid Fleet Services
43 (49)	Bridle Group	1,875 (786)	1,091	784	Duncan Fitzgerald	Hanborough Enterprises
44 (44)	Traction Finance	1,819 (1,775)	1,212	607	Paul McGuire	Privately owned
45 NEW	Donnelly Fleet	1,611	817	794	Terrence Donnelly	Donnelly Group
46 (46)	Wheels4Sure	1,345 (1,262)	1,345	0	Reginald Larry-Cole	Raedex Consortium
47 (45)	BMW Financial Services (GB)	1,259 (1,665)	1,162	97	Mike Dennett	BMW AG
48 NEW	Prohire	1,010	0	1,010	David Barlow	Prohire Group
49 (47)	Multifleet Vehicle Management	959 (1,243)	805	154	Steve Whitmarsh	Forward Group
50 NEW	Fraikin	910	910	0	Ed Cowell	Fraikin Group

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1. Lex Autolease
Managing director: Richard Jones
Financial data: T: £2.4bn; PBT: £210m (2018)

2. Volkswagen Financial Services I Fleet
Brands include: Audi Finance, Fiat Finance, Škoda Finance, Volkswagen Finance, Bentley Finance, Porsche Finance, MAN Finance
Managing director: Ian Tilbrook
Financial data: Not disclosed

3. LeasePlan UK
Managing director: Alfonso Martinez

4. Arval UK
Brands include: Honda Contract Hire, Hyundai Contract Hire
Managing director: Miguel Cabaça
Financial data: T: £1.32bn; PBT: £60.8m (2018)

5. ALD Automotive
Brands include: Kia Contract Hire, Vauxhall Leasing, Ford Lease, Hyundai Contract Hire, Lombard Vehicle Solutions
Managing director: Tim Laver
Financial data: Not disclosed

6. Alphabet (GB)
Chief executive officer: Nick Brownrigg
Financial data: T: £1.3bn; PBT: £71.8m

7. Hitachti Capital Vehicle Solutions
Managing director: Jon Lawes
Financial data: T:£434; PBT: £24.8m (18/19)

8. Zenith
Brands include: ZenAuto
Chief executive officer: Tim Buchan
Financial data: T: £439m (2019) PBT: £56.2m (2019)

9. Free2Move Lease
Brands include: PSA Finance
Managing director: Mark Pickles
Financial data: Not disclosed

10. Arnold Clark Finance
Brands include: Activa Contracts
Managing director: David Cooper
Financial data: T: £506.7m PBT: £9.06m

11. Santander Consumer Contract Hire
Brands include: Volvo, Mazda
Managing director: Vik Hill
Financial data: Not disclosed

12. Tusker
Chief executive officer: Paul Gilshan
Financial data: T: £168m, PBT: £7.2m, EBITDA: £13.7m

13. Inchcape Fleet Solutions
Managing director: Matt Rumble
Financial data: T: £62.17m, PBT: £8.68m, EBITDA: £16.97m

14. Pendragon Vehicle Management
Brands include: Evans Halshaw Leasing
Divisional managing director: Neal Francis
Financial data: T: £57.3m, PBT: £14.8m

15. Ogilvie Fleet
Managing director: Gordon Stephen
Financial data: T: £146m, PBT: £6.2m (2019)

16. Daimler Fleet Management UK
Managing director: Patricia Wolfe
Financial data: Not disclosed

17. Leasys UK
Brands include: Alfa Romeo, Fiat, Fiat Professional, Jeep and Abarth. It also operates with: Maserati, Jaguar and Land Rover
Managing director: Sebastiano Fedrigo
Financial data: Not disclosed

18. RCI Financial Services
Managing director: Alice Altemaire
Financial data: T: £48.6m, PBT: £6.5m; EBITDA: £42.6m

19. SG Fleet UK
Managing director: Peter Davenport
Financial data: Not disclosed

20. Toyota Financial Services
Managing director: Doug Gillies
Financial data: Not disclosed

21. Enterprise Rent-A-Car UK
Brands include: Enterprise Flex E Rent, Enterprise Car Club, Exotic Collection by Enterprise, SHB Hire, National Car Rental, Alamo Rent A Car
Managing director: Khaled Shahbo
Financial data: Not disclosed

22. Venson Automotive Solutions
Managing director: Samantha Roff
Financial data: T: £20.9m PBT: £92,000 EBITDA: £5.6m (2017)

23. Grosvenor Contracts Leasing
Brands include: Interactive Fleet Management
Managing director: Shaun Barritt
Financial data: T: £128.5m, PBT: £5.5m (2018)

24. Total Motion Vehicle Management
Managing director: Simon Hill
Financial data: T: £18.3m, PBT: £130k, EBITDA: £3.6m

25. Marshall Leasing
Brands include: Marshall Minibus
Managing director: Peter Cakebread
Financial data: T: £44m PBT: £4.7m; EBITDA: £5.9m (2018)

26. Days Fleet
Managing director: Aled Williams
Financial data: T: £52m; PBT: £6m; EBITDA: £35.6m (2018)

27. TCH Leasing
Managing director: Mark Hammond
Financial data: T: £25.8m; PBT: £1m (2018)

28. Toomey Leasing
Brands include: Easyleasedirect.co.uk
Managing director: Martin Wroe
Financial data: T: £16.78m, PBT: £1.576m, EBITDA: £2.83m (2018)

29. JCT600 Vehicle Leasing Solutions
Managing director: Ben Creswick
Financial data: T: £26.6m; PBT: £4.4m (2018)

30. Maxxia
Chief executive officer: Roger Skinner
Financial data: T: £5.9m; PBT: -£614,000, EBITDA: -£1.5m (loss) (2019)

31. Vauxhall Motors
Managing director: Stephen Morgan
Financial data: Not disclosed

32. Affinity Leasing
Chief executive officer: Simon Howles
Financial data: T: £17.1m; PBT: £254,793, EBITDA: £144,793 (accrued £110k for residuals)

33. Sinclair Finance & Leasing
Head of Sinclair Finance & Leasing: John Rabin
Financial data: T: £22m; PBT: £1.1m; EBITDA: £4.6m

34. Lookers Leasing
Managing director: Andrew Collett
Financial data: T: £14.m; PBT: £1.3m (2018)

35. Agnew Leasing
Group managing director: Yuile Magee
Financial data: Not disclosed

36. Fleet Financial
Managing director: Damian Hughes
Financial data: T: £28m, PBT: £1.2m

37. Alliance Asset Management
Managing director: Colin Mather (COO)

38. Close Brothers Vehicle Hire
Brands include: Mercedes, Daf, MAN, Renault, Iveco, Ford, Peugeot
Managing director: Terry Ottey
Financial data: T: £51.4m

39. GKL Leasing
Brands include: Windsor Vehicle Leasing, Westward
Managing director: Richard Kenning
Financial data: T: £14.6m, PBT: £1.6m

40. Agility Fleet
Brands include: Windmill Leasing
Managing director: Keith Townsend
Financial data: T: £10.2m; PBT: £298,028

41. Hilton Vehicle Leasing
Brands include: Hilton Rentals, Hilton Coachworks
Managing director: Morgan Devereux
Financial data: T: £5m, PBT: £197,000, EBITDA: £1.7m (2018)

42, Liquid Fleet
Managing director: Darren Driscoll
Financial data: T: £6m, PBT: £595k, EBITDA: £3.3m (2018)

43. Bridle Group
Brands: Bridle Vehicle Leasing, Fulton Vehicle Leasing, Alternative Route Finance, Bentley Walker, Totally Vans, Plan Car Leasing
Managing director: Duncan Fitzgerald
Financial data: T: £19.8m, PBT: £1.9m

44. Traction Finance
Managing director: Paul McGuire
Financial data: T: £6m, PBT: £54,679 (2018)

45. Donnelly Fleet
Managing director: Terrence Donnelly
Financial data: T: £9.7m; PBT: £404,038

46. Wheels4Sure
Brands include: Raedex Consortium, Buy2Let Cars, Paygo Cars
Managing director: Reginald Larry-Cole
Financial data: T: £4.2m (2018)

47. BMW Financial Services (GB)
Brands include: Alphera Financial Services
Managing director: Mike Dennett
Financial data: T: £12m

48. Prohire
Brands include: FleetLogic, Sunrent
Managing director: David Barlow
Financial data: T: £22.6m, PBT: £3.9m (2019)

49. Multifleet Vehicle Management
Brands include: Runyourfleet.com
Managing director: Steve Whitmarsh
Financial data: T: £12.3m; PBT: £251,000; EBITDA: £302,000

50. Fraikin
Managing director: Ed Cowell

DEFINITIONS
T: Turnover
PBT: profit before tax
EBITDA: earnings before interest, tax, depreciation and amortisation

AWARDS 2020 TIMELINE

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

FleetNews AWARDS 2020

IMPROVE BUSINESS SUCCESS BY ENTERING FLEET NEWS AWARDS

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

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

Interested? Then enter the Fleet News Awards 2020.

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

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

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

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

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

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

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

NOW OPEN FOR ENTRIES AT:

fleetnewsawards.com

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

6 BENEFITS OF ENTERING AWARDS

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

ENTER ONLINE

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

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

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

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

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

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

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

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

THE CATEGORIES

FLEET AWARDS

Safe Fleet Award
2019 winner: Speedy Asset Services

Environmental Fleet Award
2019 winner: ALD Automotive

Best Travel and Mobility Initiative
2019 winner: ALD Automotive

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

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

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

MANUFACTURER AWARDS

Best Small Car
2019 winner: Ford Fiesta

Best Lower Medium Car
2019 winner: Ford Focus

Best Upper Medium Car
2019 winner: Škoda Superb

Best Compact SUV
2019 winner: Hyundai Kona

Best Mid-size SUV
2019 winner: Peugeot 3008

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

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

Best Executive Car
2019 winner: BMW 5 Series

Best Zero Emission Car
2019 winner: Hyundai Kona Electric

Green Fleet Manufacturer
2019 winner: Toyota (GB)

Most Improved Fleet Manufacturer
2019 winner: Honda UK

SUPPLIER AWARDS

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

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

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

Customer Service Award
2019 winner: The AA

Fleet Dealer of the Year
2019 winner: TrustFord

Innovation in Mobility Technology Award
NEW FOR 2020

HEADLINE AWARDS

Fleet Supplier of the Year
2019 winner: The AA

New Company Car of the Year
2019 winner: Volvo XC40

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

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

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

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

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

Goodyear leads the change for tyre industry in new mobility ecosystem

David Morris, channel manager, Goodyear Tyres UK

Advanced forms of mobility are transforming the tyre industry and have the potential to make driving safer and more sustainable.

Goodyear's innovative spirit and drive for excellence puts us at the epicenter of the mobility revolution and, as such, we are partnering with customers and other collaborators – including fleets – to shape this transformation.

Our industry is rapidly transforming to accommodate our evolving world.

We are driving towards a mobility future in which shared vehicle models and fleets are commonplace, autonomous vehicles will become mainstream and the vehicles themselves will be smarter, safer and emit significantly fewer greenhouse gases.

The architecture of tyres will look different in the new mobility ecosystem.

Given the shift in vehicle ownership, lower maintenance and longer-lasting tyres will be in demand.

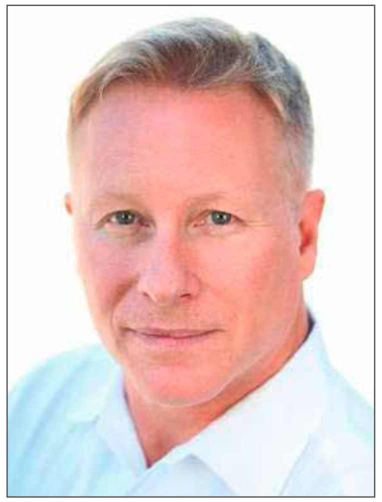
Tyres are critical components to accomplishing these objectives, and we have much to offer in this transformative space such as non-pneumatic tyres, connected and intelligent tyres and tyres with sealant technology.

Our aim is to continue to be the innovators behind tomorrow's fleet with practical products and solutions.

At Goodyear, we are focused on supporting fleet managers through this evolving mobility ecosystem and we are honoured to be an Associate Sponsor of FN50 once again.

GOODYEAR

Suitability assessment launched by Geotab to help fleets 'GO Electric'



Edward Kulperger, vice-president of Europe, Geotab

Geotab is a global leader in connected vehicles, providing advanced web-based analytics to better manage your fleet.

With more than 1.8 million connected vehicles, Geotab is delighted to be a FN50 sponsor.

Earlier this year, the UK Government declared a climate emergency.

As a result, the public and private sectors are moving to reduce transport-related emissions.

Electrification is a pathway.

We are beginning to see a shift in attitudes towards electrification, particularly with fleet managers operating in urban areas.

However, fleet electrification is complex. In a continuously evolving market, fleet managers must identify which electric vehicles match the characteristics of their fleet, including daily range requirements, the financial implications, and when and where to charge.

We believe Geotab's Electric Vehicle Suitability Assessment (EVSA) provides the answer.

By leveraging vehicle data, the EVSA identifies which existing vehicles are a good fit for electrification, suggests suitable EV replacement models and quantifies how much the organisation can save as well as estimate potential carbon emission reduction.

With Geotab, the EVSA joins a market-leading range of EV telematics solutions. It enables fleet managers to demonstrate the return on investment for electrification, empowering them to track emissions, understand the total cost of ownership as well as providing the day-to-day EV insights.

GEOTAB® management by measurement

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ICFM VIEW

EVs will mount a charge as local authorities work to clear the air

Next year could be the one when we truly see a fuel revolution with a major rise in fleet demand for plug-in vehicles and the continuing demise of diesel.

Underpinning that revolution is a raft of legislation. This includes recently published company car benefit-in-kind (BIK) tax rates through to the end of 2022/23, encouraging plug-in vehicle demand.

And then there are local air quality improvement initiatives that will see clean air zones (CAZs) and, specifically, rising parking charges in towns and cities targeted at so-called 'dirty' diesels.

There is no uniformity across local authorities in terms of the initiatives being introduced, particularly in terms of timescale and vehicle-based charges – additional parking charges for 'dirty' diesel vehicles are appearing in some London boroughs.

This merely serves to add huge confusion and complexity to fleet operations and where and how employees go about their business. To drive or not to drive could become a fundamental question.

Meanwhile, the Government-driven push for electric vehicle take-up is likely to trigger increased demand for salary sacrifice car schemes across the employment spectrum.

ICFM anticipates greater demand for plug-in cars through existing schemes; employers' sign-posting the viability of zero-emission cars via salary sacrifice; and organisations yet to introduce such schemes launching them.

While on the theme of fuel, few in fleet may be aware of the revised Payment Services Directive (PSD2). The European Union (EU) directive, which came into force in January 2018, sets requirements for firms that provide payment services.

This is already affecting banks and building societies, payment institutions, e-money institutions and their customers, notably in respect of improving consumer protection, making payments safer and more secure.

It is anticipated that fuel cards will come into scope within the next 12-24 months.

We know fuel card providers are lobbying the EU for fuel cards to be excluded from PSD2. However, it is a battle that, if not won, the degree of fuel card regulation could create a greater administration burden for providers and fuel card users – fleet decision-makers and drivers – particularly in terms of transitioning from single vehicle to single person usage, multi-vendor authentication and the raft of goods and services that cards can be used to pay for.

> (A LACK OF CAZ UNIFORMITY) MERELY SERVES TO ADD HUGE CONFUSION AND COMPLEXITY TO FLEET OPERATIONS

PAUL HOLLICK, ICFM CHAIRMAN

Elsewhere, politics will play a significant role in terms of causing fleet marketplace volatility and uncertainty amid Brexit and the terms, if any, on which the UK departs the EU, any future referendum and a possible general election. Collectively, these could deter some businesses from making 'big decisions'.

But, some companies will continue to make those 'big decisions' irrespective of the political landscape and, ICFM believes there will be more mergers and acquisitions with contract hire and leasing companies not immune from the trend.

Motor manufacturers, mobile phone companies and various support service companies are all firmly focused on developing Mobility as a Service (MaaS) offerings. Key to that is data and the easiest route is to make strategic acquisitions rather than launch a start-up operation.

Earlier this year, we saw BT Fleet Solutions acquired by private equity group Aurelius Equity Opportunities. More recently, Auto Trader Group bought KeeResources, a provider of software solutions and data services to the automotive industry. For sure, there will be more acquisitions and mergers within the industry as businesses look to the future and ensure they safeguard themselves in the MaaS world, which ICFM has talked much about.

Finally, the volume of light commercial vehicles on the road, already at record levels, will continue to rise as last-mile deliveries from area transport 'hubs' become the norm and the volume of business undertaken by leasing brokers will also grow.

Next year will undoubtedly be one of constant change across fleet, but the ICFM will continue to train and provide help and advice to fleet decision-makers and employees across the contract hire and leasing industry to ensure they remain fully informed on the impact of all developments.

To join ICFM or for further information go to www.icfm.com or email administration@icfm.com.

No overtaking – BMW in top spot for the fifth year running

Audi's A4 continues its progress and jumps four places to lead the 'best performing' cars table, reports *Stephen Briers*

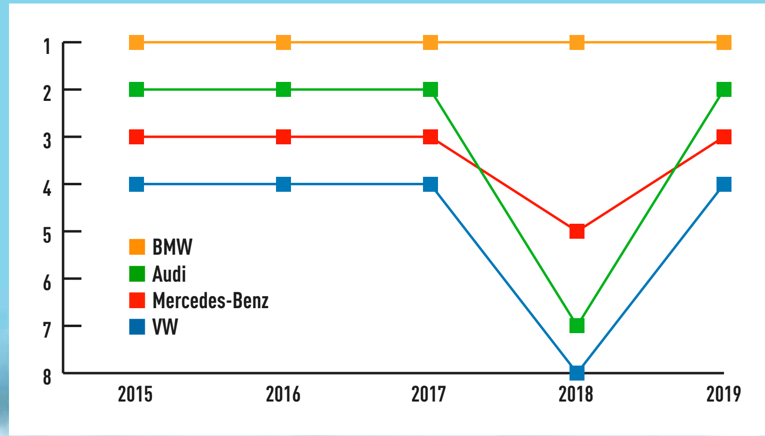
BEST PERFORMING CAR MANUFACTURERS (2018 IN BRACKETS)

1 (1)	BMW
2 (7)	Audi
3 (5)	Mercedes-Benz
4 (8)	VW
5 (2)	Honda
6 (3)	Toyota
7 (4)	Hyundai
8 (new)	Škoda
9 (new)	Seat
10 (6)	Kia

BEST PERFORMING CAR MODELS (2018 IN BRACKETS)

1 (5)	Audi A4
2 (2)	BMW 3
3 (3)	BMW 5
4 (4)	VW Golf
5 (1)	Honda Civic
6 (new)	Škoda Octavia
7 (7)	VW Passat
8 (new)	Kia Sportage
9 (new)	Mercedes-Benz E Class
10 (new)	Audi A1

BEST PERFORMING CAR MANUFACTURERS 2015-2019



German manufacturers dominate the 2019 FN50 most reliable car manufacturer and model listings, taking up the top four spots in each table.

BMW retained the number one position it has held since 2015, buoyed by the performance of the 3 Series and 5 Series, which take second and third in the model table respectively.

The latest 3 Series, launched in March this year, has just about had sufficient time to make an impact on the reliability table, helping to secure second place. Since 2015, it has never been outside the top two. It continues to be a hugely popular model in the fleet sector, although registrations to the end of September have fallen by 20% year-on-year to 14,663.

Meanwhile, the seventh-generation 5 Series, launched two years ago, also retained its position.

Audi, after a surprising 2018 dip which saw it tumble to seventh, has regained its place as the second most reliable manufacturer, a position it held from 2015-2017.

It also has the most models in the top 15, with the Audi A4 named the FN50's most reliable car, the Audi A1 debuting in 10th, and the A3 coming in 11th.

The A4 has risen consistently in the listing over the past couple of years, from ninth in 2017 to fifth last year and now top. It is now going through a mid-life facelift, featuring restyling, mild-hybrid petrol and revised diesel engines, and a new infotainment system.

Last year's model winner, the Honda Civic, has dropped to fifth, mirroring a corresponding fall for the manufacturer, from second to fifth. Nevertheless, the Civic has held a place in the top five for the past five years and is currently enjoying strong demand from the corporate sector.

Audi A4 has earned the most reliable car accolade

The 3 series is one of the reasons BMW has topped the best manufacturer table for five years

A four-place rise for the E-class, to ninth, and the debut of the A-Class in the top 15 at number 13, have helped lift Mercedes-Benz two places to third in the manufacturer listing. It leapfrogs Toyota and Honda; both also slip behind Volkswagen after it jumped from eighth to fourth.

The fourth-generation A-Class was launched during 2018 – engine and transmission variants were drip-fed to market, with the nine-speed auto option not available until the start of this year – and it has made its mark as a much more reliable car than its predecessor, according to UK leasing companies.

It has also seen a huge 29% uplift in registrations compared with 2018, with volumes totalling 26,782 in fleet by the end of September.

Volkswagen has two models represented in the top 15. The Golf, in fourth, is one of the most consistent performers in the index, with two second place finishes and two fourth over the past five years. The Passat retains its seventh place, but is now refreshed with visual changes and two new powertrains, including a plug-in hybrid.

VW's stablemates Škoda and Seat have seen their reliability ratings improve on 2018. Both move up four places on the back of a slew of new models in recent years, with Škoda in eighth, one place ahead of Seat.

Despite the Sportage making its first appearance in the top 10, Kia slipped four places to 10th after the Ceed – which impressed *Fleet News* road testers at its 2018 launch for "class-leading driveability" – dropped out of the top 15.

Alternative powertrain is yet to feature heavily in the most reliable listing, although Toyota stakes its claim with the C-HR and Yaris, both available with a hybrid option.

However, the Prius, present for the previous three years, exits the top 15.

Most leasing companies have only limited experience with electric and hybrid cars due to a lack of models and a lack of model availability. With many manufacturers launching or adding hybrid options to their ranges in 2020, it will be 2021 and beyond before the index can assess the much-vaunted reliability claims for alternative fuels.

■ **The FN50 reliability index measures manufacturers and models by the fewest mechanical breakdowns and warranty claims per 100. The car sample from responding companies was 606,762. Scores are aggregated to create the listing.**

Another win for Sprinter, but VW is the top brand

Three models in top 15 see VW leapfrog Mercedes-Benz to claim 'best performing manufacturer', reports *Stephen Briers*

It's business as usual in the van reliability index as the Mercedes-Benz Sprinter clinches the top spot for the fifth consecutive year. Not since 2014 has another light commercial vehicle usurped the Sprinter – the UK's third best-selling van – and its dominance shows no sign of abating with the latest generation model launched last year.

However, this wasn't enough to see Mercedes-Benz make it a hat-trick of victories in the van manufacturer index. The company slips to number two, leapfrogged by Volkswagen, which returns to the top for the first time since 2015.

All three Volkswagen models are ranked in the top 10, with the Transporter taking second place ahead of the Caddy in third and the Crafter eighth.

While the Crafter has drifted from sixth a year ago, the Caddy continues yo-yoing; having fallen from second in 2017 (based on data from the outgoing model) to 10th in 2018, it has now surged back up the table as leasing companies' experiences with the latest generation model launched two years ago improve.

Market leader Ford, which has the UK's two best-selling vans (Transit Custom and Transit), has three models in the top 15, albeit two are ranked slightly lower than last year. Transit Connect is ninth (2018: seventh), Transit is 11th (ninth) and Transit Custom is 12th (up one place on 2018).

Nevertheless, Ford retains its third spot in the manufacturer index and it still sells three times the number of vehicles compared with the second biggest selling marque, Volkswagen.

For reliability, it sits one place ahead of traditional rival Vauxhall, which moves up two places on last year. Now owned by Peugeot-Citroën parent PSA, Vauxhall features two vans in the top 15.

With the all-new Vivaro, now based on the PSA platform instead of sharing with Renault, launched earlier this year, the reliability figures are largely based on the outgoing model. It continues to be a strong performer (although limited availability due to the run-out of the old model has affected sales – Vivaro is down 20% year-to-date), coming in fourth – the same as last year.

The van, which will be further bolstered by a full electric version in mid-2020, has never been outside the top five since launch in 2015.

The Combo, launched last year, enters the fray in 14th. It has picked up some blue-chip clients, including Centrica, helping to boost sales by more than 5,500 units this year, although it sits behind the platform-sharing Citroën Berlingo in both registrations and reliability – Berlingo is seventh, the same place as last year.

The third of the triumvirate, Peugeot Partner, is also rated highly by leasing companies, in 10th, three places ahead of Peugeot's other representative, the Boxer in 13th. Interestingly, the Partner is a bigger seller than both Combo and Berlingo so far this year.

Overall, Peugeot is fifth, one place behind Vauxhall but two ahead of Citroën, which also has the Dispatch in 15th. Splitting the two French van manufacturers is the third, Renault.

Its lofty position is primarily thanks to the excellent reliability of the Trafic, which moves up from 11th to fifth. While much of the Trafic's underpinnings date back to its launch in 2001, an imminent facelift will see a new engine, the addition of a seven-speed automatic gearbox, improved quality of interior materials and a new infotainment system.

Completing the top 10 van brands is Nissan, down one place at eighth, Fiat, unchanged in ninth, and Mitsubishi, which swaps places with Toyota to take 10th. Isuzu and Iveco also received rankings, finishing 12th and 13th respectively.

■ The FN50 reliability index measures manufacturers and models by the fewest mechanical breakdowns and warranty claims per 100. The van sample from responding companies was 213,432. Scores are aggregated to create the listing.

BEST PERFORMING LCV MANUFACTURERS (2018 IN BRACKETS)

1 (2)	Volkswagen
2 (1)	Mercedes-Benz
3 (3)	Ford
4 (6)	Vauxhall
5 (4)	Peugeot
6 (8)	Renault
7 (5)	Citroën
8 (7)	Nissan
9 (9)	Fiat
10 (new)	Mitsubishi

BEST PERFORMING LCV MODELS (2018 IN BRACKETS)

1 (1)	Mercedes-Benz Sprinter
2 (2)	VW Transporter
3 (10)	VW Caddy
4 (4)	Vauxhall Vivaro
5 (new)	Renault Trafic
6 (5)	Mercedes-Benz Vito
7 (3)	Citroën Berlingo
8 (7)	VW Crafter
9 (8)	Ford Transit Connect
10 (6)	Peugeot Partner

Not since 2014 has another light commercial vehicle usurped the Sprinter

Second place goes to VW's Transporter

Light at the end of the tunnel?

After a tough year in the disposal market, leasing firms forecast further falls in residual values in 2020. But some in the sector think the worst has passed, reports *Jonathan Manning*

This year's challenging used car market has had a significant negative impact on the optimism of leasing companies for residual values (RVs) in 2020.

With prices achieved for ex-lease cars falling month-on-month for at least the first nine months of this year, leasing companies have seen disposal profits eroded across the board. For end-user fleets, the past 12 months have proved a wise time to have outsourced RV risk.

In several cases, defleeted cars have failed to achieve the residual value forecast for them back in 2015 and 2016, and the majority of FN50 leasing companies have little faith that the situation will change next year.

More than half (52%) think RVs will fall in 2020, and only 15% forecast a rise.

This outlook is significantly gloomier than forecasts made this time last year for 2019, when 36% predicted residual values would fall, but it is more positive than the 12-month outlooks in both 2016 and 2017, when leasing companies were gripped by a doomsday scenario for the UK's EU exit.

Brexit continues to blight the automotive sector, with the Society of Motor Manufacturers and Traders (SMMT) attributing the decline in both new and used car sales in 2019 to consumer confidence being "undermined by political and economic uncertainty". The result is a temporary loss of appetite for big ticket purchases, it says, with vehicle owners holding onto their cars for longer.

> IT'S OUR VIEW THAT THE MARKET CORRECTION IS PRETTY MUCH OVER NOW
>
> **ANDREW MEE, CAP HPI**

Under normal circumstances, a decline in new car sales and a steady rise in new car prices should prompt an uplift in used car sales as buyers switch to secondhand models. But this tipping point in the supply-demand balance of the used car market has failed to materialise.

Cap HPI reports that franchised dealer groups have focused on their new car sales to qualify for quarterly manufacturer bonuses, at the expense of the used cars on their forecourts, and any shortfall in stock from fewer part-exchanges has been more than offset by the availability of used stock returning to the market after the record new cars sales of 2015 and 2016.

The result is FN50 leasing companies anticipating an average decline of 2.2% in RVs over the next 12 months. Among the 52% of leasing companies who predict a decrease, the average drop is 5.6%, a greater reduction than the 4.4% forecast a year earlier. Even the most optimistic leasing companies are less bullish than previous years, with those forecasting an increase average a rise of 4.9%, compared with 3.6% in 2018 and 3% in 2017.

However, pricing experts are less bearish about the next 12 months.

"Things are not going to be as bad as they appeared over the first half of this year," says Andrew Mee, Cap HPI head of forecast. "It's our view that the market correction is pretty much over now."

The far steeper than normal month-on-month drops in used car values in the second quarter of 2019 have come to an end, adds Mee, who says the "market is now behaving much more normally. Values will not increase, but they are not falling like they did earlier this year".

Moreover, 'peak diesel' may have already occurred, with the sharp falls in the sale of new diesel cars in 2017 and 2018 potentially leading to an undersupply of used vehicles in 2020 and 2021. "And that will be good news," says Mee.

But uncertainty remains. As one leasing director asked, will the rapidly evaporating demand for new diesel cars, down 20.3% year-on-year in 2019, and 30% lower in 2018 than 2017, be mirrored in the used car market, or will lower supply create a shortage that drives up prices?

Similar uncertainty is starting to bedevil the forecasting of residual values for electric and hybrid company cars. Company car drivers keen to minimise their benefit-in-kind (BIK) tax bills are fuelling double, and even triple digit, growth in the sales of some alternatively fuelled vehicles, but will this demand be matched in the used car sector where the tax advantages are far more limited?

In the short term at least, Mee sees a windfall heading the way of leasing companies with electric and hybrid cars on their fleets. Electric cars are worth significantly more now than they were a year ago, he says.

"Leasing companies will have been cautious in their RV forecasts, so they are in for a nice surprise, especially for smaller battery electric models like the Nissan Leaf, Renault Zoe and Citroën C-Zero," says Mee. "Hybrid cars have not been such a strong story, but their values have not fallen in line with petrol and diesel prices because they are around in smaller volumes and are seen as green alternatives to petrol and diesel."

The critical figures for leasing companies, of course, are not book values, but the differentials between the RV forecasts made at the start of leases and the disposal prices achieved at the end.

Grosvenor Contracts Leasing is one of the few FN50 members with a positive outlook for residual values in 2020, having returned better defleet figures this year than last. The company's commitment to preparing vehicles to the highest standards prior to auction – "dealers don't want to be buying work," says Shaun Barritt, CEO, Grosvenor Group – has underpinned the prices it achieves and maintained high first time conversion rates.

Above all, the company's success lies in envisaging ideal forecourts in three or four years' time, says Barritt, ensuring a broad mix of cars.

"Problems arise when you are bulk buying and bulk supplying, but seldom do we have very high volumes of one make or model," he says.

This issue is repeatedly raised by smaller leasing companies, who compare their broad model mix and ability to be nimble when remarketing with the lack of flexibility of the largest FN50 companies that have to remarket scores and even hundreds of similar vehicles into a soft used car market.

In Northern Ireland, Donnelly Fleet sells virtually all of its passenger cars via nine used car centres run by the Donnelly Group dealer network.

"We are not dealing with big scales, so we're not going to flood our forecourts with 30 or 40 identical vehicles," says Tony Magee, general manager, Donnelly Fleet.

"The market here is smaller and a sizeable deal could see six-to-15 vehicles coming back, so I can put one into each of our centres. With these volumes we can be more optimistic about RVs."

Even so, Donnelly Fleet is putting in contingencies across all fuel types, rather than writing residual value forecasts at 100% of Cap Monitor, adopting a position shared by many FN50 firms.

The turbulence in the used car market, which saw book values tumble by about 15% between January and August, has cost leasing companies about £800 per car at disposal.

"You would have to go back 15 years to find drops like that," says Nick Hardy, sales and marketing director of Ogilvie Fleet.

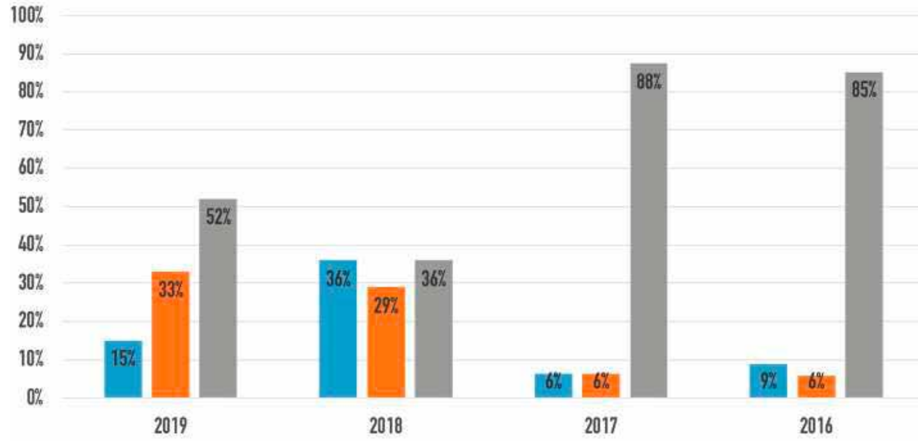
He adds that after years of relative stability, the leasing industry had become accustomed to relatively low levels of depreciation, making the drop in values such a bombshell this year.

Previously, market falls of the magnitude experienced in the first nine months of 2019 would have seen leasing companies encourage their clients into contract extensions, but such protection appears to have been absent this year.

Figures provided for the FN50 show that the proportion of cars returned late has actually fallen by seven percentage points to 32% in 2019, compared with 2018. Interestingly, the two companies with the most bullish forecasts for 2020 have very few late returned cars.

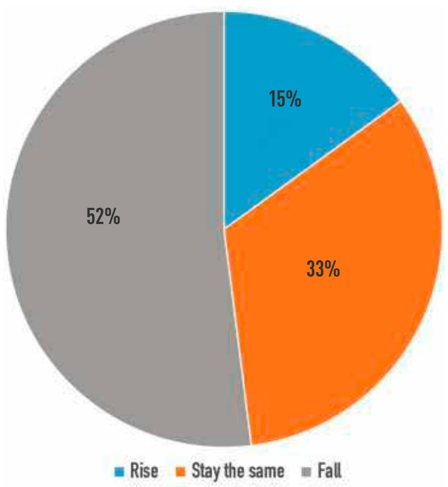
"Nothing should stop us being optimistic. I am cautiously optimistic that the worst is over. People will still want to change their cars," says Hardy.

ANNUAL FORECAST CHANGE IN CAR RESIDUAL VALUES 2016-2019



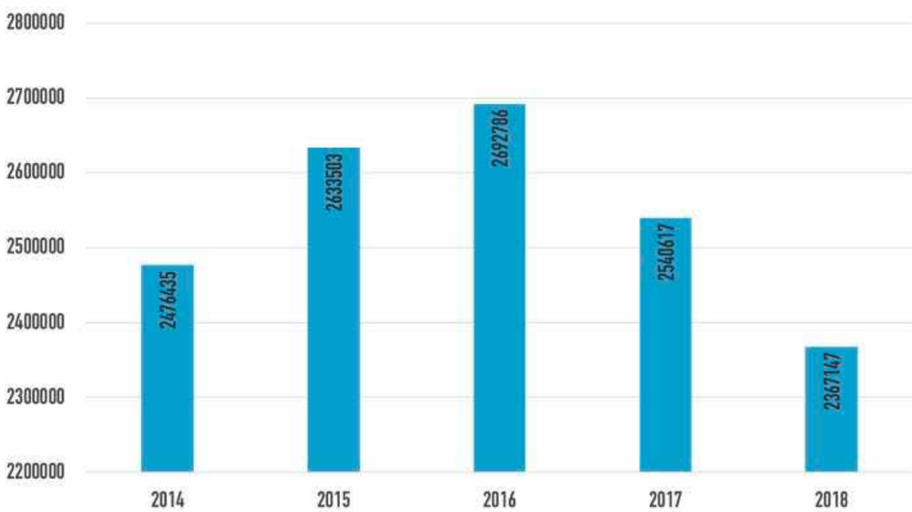
Figures are rounded to the nearest whole number

HOW WILL RESIDUAL VALUES CHANGE IN 2020?

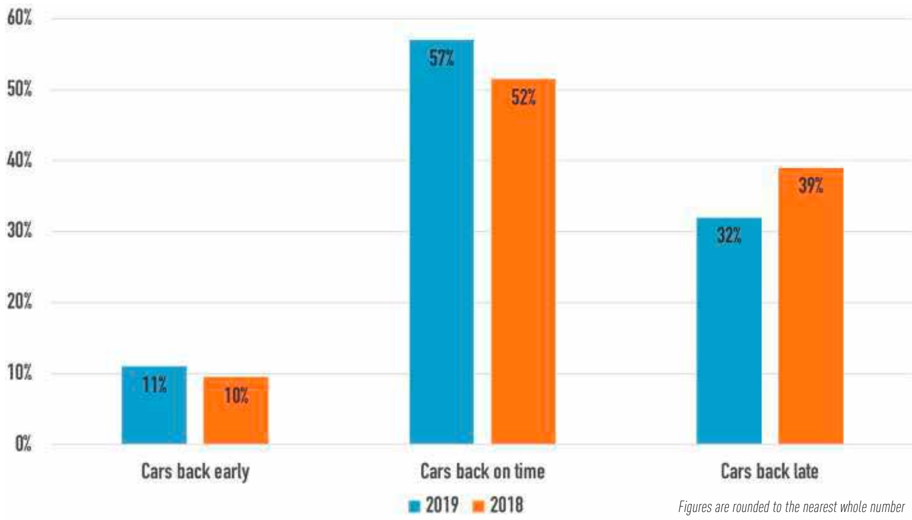


NEW CAR REGISTRATIONS, 2014 TO 2018

Source: SMMT



BACK ON TIME? WHEN CARS COME OFF CONTRACT



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Uncertainty creeps into LCV market

The buoyant residual values of light commercial vehicles are under threat from low business confidence and high supply, reports *Jonathan Manning*

After a stable and successful year in 2019, the used light commercial vehicle (LCV) market is heading for choppier waters in 2020, according to FN50 leasing companies.

The combination of shaky business confidence among the buyers of ex-fleet LCVs and a potential excess of supply after 2016 returned the highest number of LCV registrations on record, has fostered a pessimistic outlook for the next 12 months among the UK's largest leasing companies. More than one third (36%) of the FN50 believe LCV residual values (RVs) will fall in 2020, and half forecast a static market, while only 14% envisage a rise in used prices.

This outlook is, however, significantly brighter than this time last year when 57% of FN50 companies forecast an impending downturn in residual values over the subsequent 12 months. It seems the bumper new LCV registrations of the past few years have yet to filter into the used wholesale market, helping demand to match supply and supporting RVs.

And, in the short term at least, there are indications that demand for used LCVs will rise. The WLTP emissions testing of all new LCVs, which came into force in September, appears to have caused a significant disruption to the market and contributed to a 23.5% year-on-year sales decline in its first month. The hope is that this shortage of stock will nudge former new LCV buyers from small businesses into the nearly new sector, leading to a positive trickle-down effect throughout the secondhand LCV market.

But having extended vehicle replacement cycles, LCV operators will sooner or later have to start replacing vehicles in high volumes, raising the risk of an oversupplied secondhand market.

Toomey Leasing is one of many FN50 companies anticipating a fall in LCV RVs over the next 12 months.

"The commercial market has been particularly strong for a number of years, but we just don't feel that is fully sustainable," says Alex Butcher, sales director, Toomey Leasing.

"We feel at some point residual values might start to soften a little bit."

While rarer LCV conversions will continue to hold their value, Butcher's concern is particularly for the values of standard panel vans, the industry's bread and butter, given the high volumes in the market.

The prospects for Euro 5 LCVs in the used market are another area of uncertainty for leasing companies. The Euro 6 emission standard for large vans came into force in September 2016 and has become the qualifying criterion for free entry to ultra-low emission zones (ULEZs). A daily fee of £12.50 to enter London's ULEZ is more than enough to persuade buyers of used vans to invest in a Euro 6 model.

This could introduce a significant geographical bias to RVs, with a knock-on effect of where leasing firms remarket their vans.

"The remarketing prices of Euro 5 vehicles will be lower because of clean air zones (CAZs) that are starting to come to fruition," says Venson Automotive Solutions marketing director Alison Bell.

"So far, we have only seen a little softening of (Euro 5) prices, but, given that a lot of these CAZs are not going to be rolled out until next year and the year after, they will have an ultimate impact."

With four- and even five-year leases for LCVs commonplace, alongside contract extensions, the arrival of older vehicles into the used market is inevitable. With more than a third of FN50 van contracts being extended, and some businesses seeing up to 85% of their LCVs returned after the original end date of their lease, the UK's largest leasing firms are able to give themselves some RV protection by writing down their forecasts during the contract extension.

But the hard working lives of many LCVs means that the older they are and the higher their mileage, the less palatable they are for trade buyers.

Reviewing the first half of 2019, Andy Picton, Glass's chief commercial vehicle editor, says: "Stock continues to return at an older age with higher miles and in poorer condition, subsequently influencing buyer appetite."

Uncertainty over Brexit's impact on the UK economy has also given cause for small businesses and sole traders to review investment decisions.

The most recent quarterly report of the Federation of Small Businesses (FSB) found that 72% of small firms were not planning to increase their capital expenditure over the coming quarter. This FSB's business confidence index also recorded its fourth consecutive quarter of falling confidence.

"Since the last recession, people have kept their vans for longer," says Steve Botfield, senior editor commercial vehicles, Cap HPI. "An LCV is a work tool and if you are just travelling a few miles per day and the vehicle is reliable, why would you change it?"

This reasoning helps to explain why FN50 companies forecast a net decline in LCV RVs of 1.4% in the year ahead. Among those bracing themselves for a downturn, the average forecast drop is 4.9%, while the average rise among those who foresee an uplift is a modest 2%.

One of the more optimistic outlooks comes from Shaun Barritt, CEO Grosvenor Contracts Leasing, who says the business's LCVs had outperformed Cap Red Book values this year.

"Commercial vehicles performed well for us in the wake of the 09-10 financial crisis and that has continued to be the case if they are the right product," he says.

"Tippers, for example, will make good money because they are so expensive to buy new. An SME will spend £12,000 on a used tipper rather than £40,000 on a new one, provided it's sound and well maintained."

The more significant the conversion the more likely it is to hold its value, added Botfield – at least in the short term. Bottlenecks in WLTP testing have led to delays in the homologation of chassis-derived vehicles, such as dropsides, tippers and Luton boxes, leading to a shortage of supply.

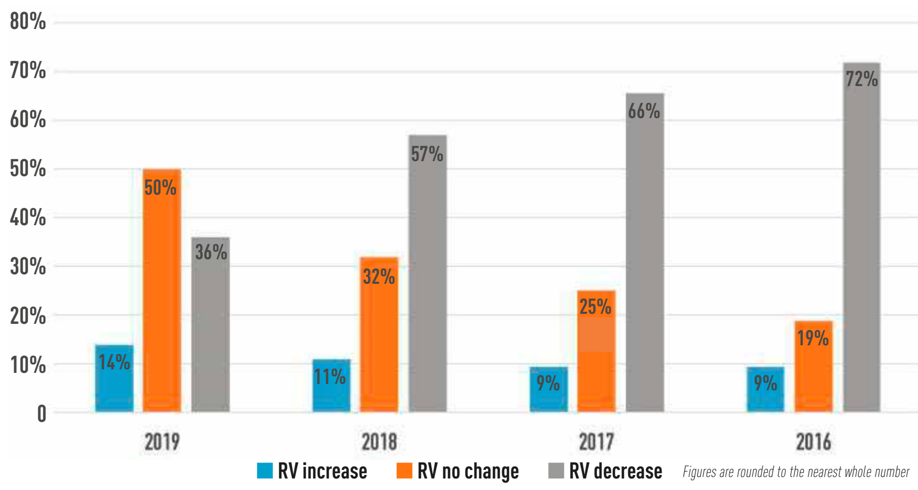
However, in the longer term he raises fears that manufacturers have over-simplified their model ranges to meet WLTP deadlines, which will lead to a subsequent lack of variety in model variants in the years head.

"Manufacturers have reduced the offerings on their price lists which means there will be more of a similar, standardised vehicle in the market. Where you have variety, people will pay more for a vehicle that is a little different, but a large amount of the same vehicle will have a detrimental effect on residual values," Botfield says.

One ray of sunshine, however, concerns the prospects of electric vans whose used values are rising as buyers become more familiar with the zero emission technology. The choice of vehicle is still extremely limited, and payload remains an issue once the extra weight of batteries is taken into account, but Glass's reports that prices for the Nissan eNV200, Citroën Berlingo, Peugeot Partner electric and the Renault Kangoo ZE continue to strengthen as buyers realise the merits of battery-powered propulsion.

> "STOCK CONTINUES TO RETURN AT AN OLDER AGE WITH HIGHER MILES AND IN POORER CONDITION SUBSEQUENTLY INFLUENCING BUYER APPETITE"
>
> **ANDY PICTON, GLASS'S**

ANNUAL FORECAST CHANGE IN VAN RESIDUAL VALUES, 2016-2019



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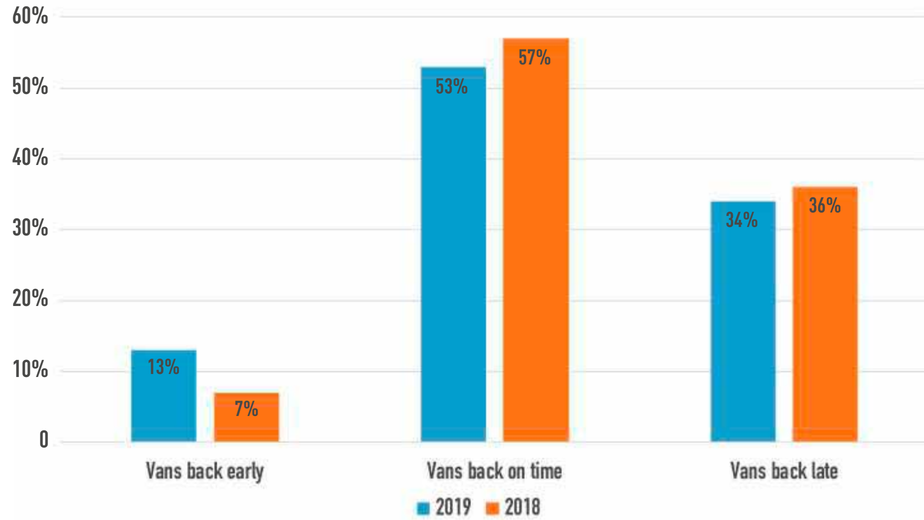
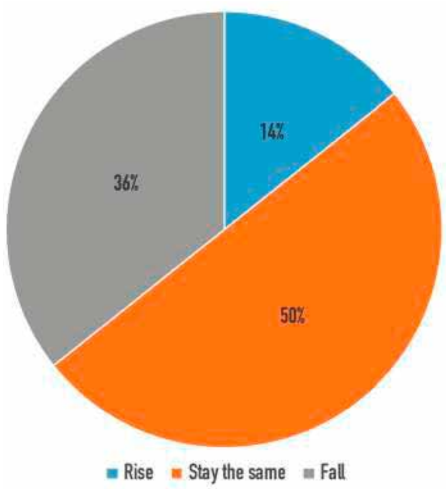
ON TIME? WHEN VANS COME OFF CONTRACT

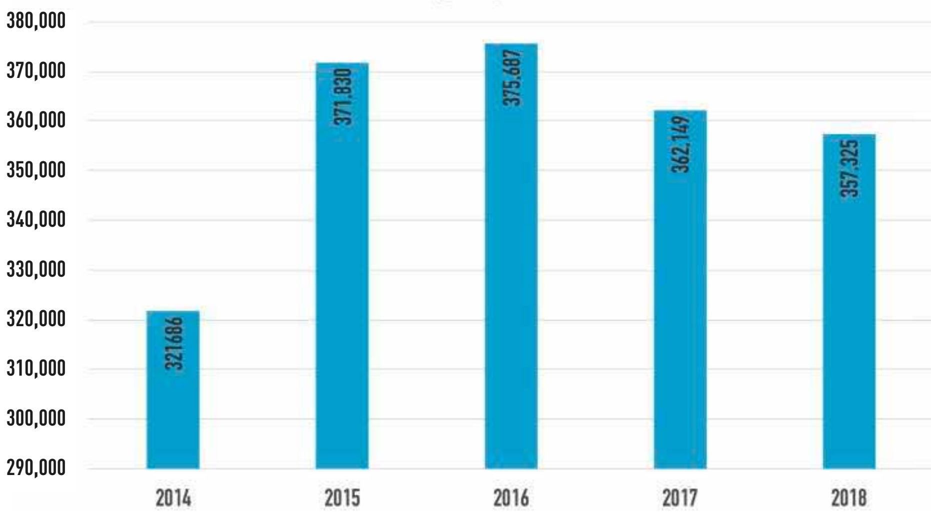


HOW WILL LCV RESIDUAL VALUES CHANGE IN 2020?



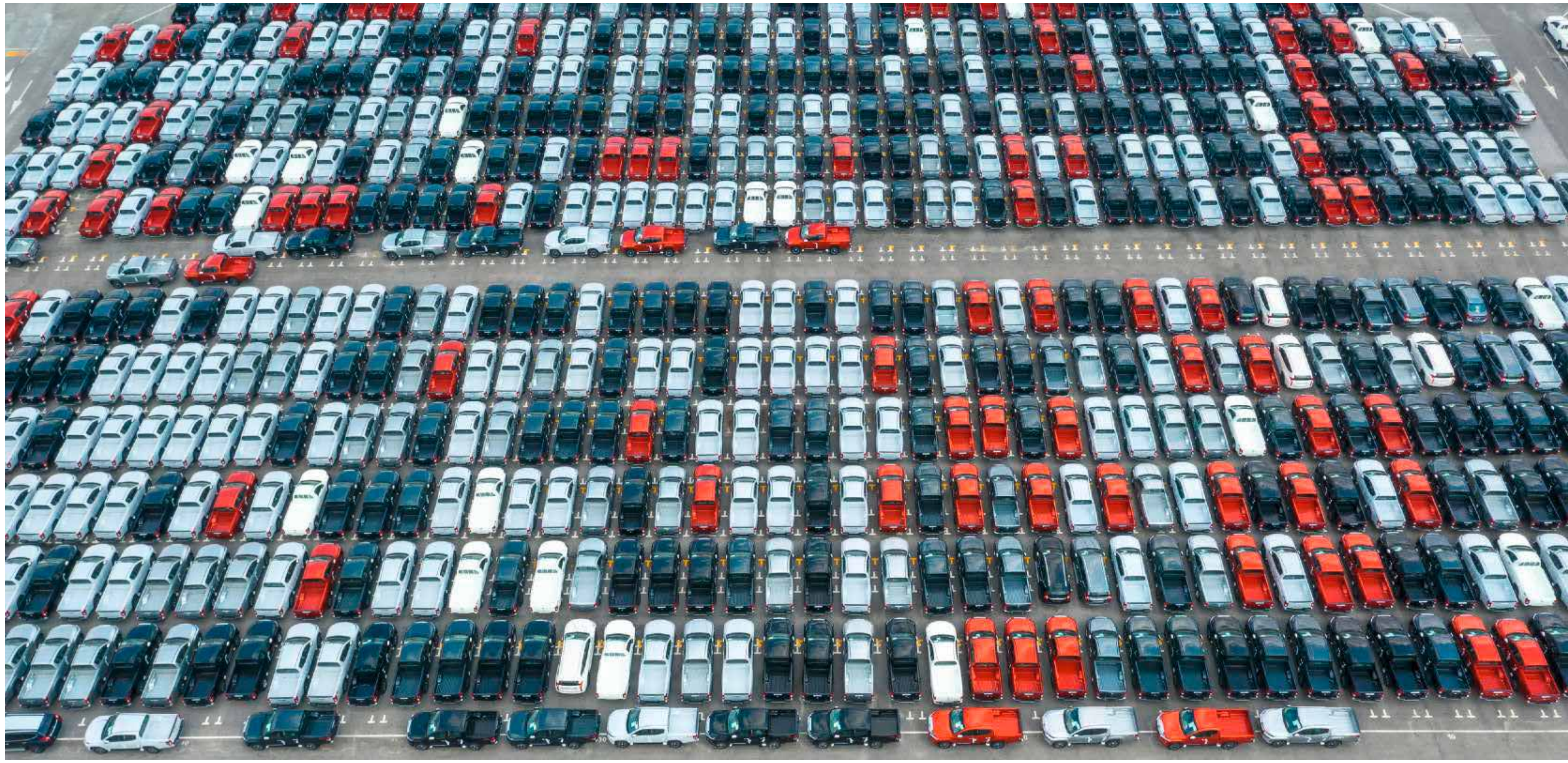
AVERAGE VAN LEASE DURATIONS (MILEAGE)

Source: SMMT



Time to sell rises as resale values drop for used cars, vans

But defleet-to-sell times should quicken as digital technology makes remarketing more efficient, reports *Tom Seymour*



Average resale values have dipped year-on-year while the time taken to sell vehicles following defleet has risen, according to the latest data from the FN50.

When comparing values against Cap Clean, or a leasing company's equivalent, the average resale price achieved for cars was 98.6%, a reduction of one percentage point on 2018. For a £30,000 car expected to hit a residual value of 25%, this shortfall is worth £75.

Tallied up over 1,000 similar cars, the profit hit quickly starts to add up.

For vans, the average resale value dipped by almost two percentage points, from 100.8% to 99%.

However, the variation among leasing companies was considerable, from a high of 129% to a low of 84% for cars – both companies sitting in mid-table – and a high of 121% to a low of 89% for vans.

Martin Potter, Aston Barclay auction managing director, says that, generally, performance in 2019 has been in the late-90s of Cap Clean with prices only falling when the guides were down-valued for three consecutive months in Q2.

"We spent time working with vendors to re-evaluate reserves to respond to these book drops where prices took most of Q2 for all aspects of the fleet disposal process to settle back down again," he adds.

"The trend for a typical used fleet car according to Cap is still three years/60,000 miles while we are seeing used cars coming back from fleets on average at around 42 months (three-and-a-half years) and early 50,000 miles.

"This can cause challenges when generating like-for-like price comparisons versus Cap. We have seen this average age trend very consistent over the past few years."

EVEN ONLINE BUYERS MAKE REGULAR APPEARANCES AT A PHYSICAL AUCTION TO GET A FEEL FOR DEMAND/PRICES

MARTIN POTTER, ASTON BARCLAY

Stuart Pearson, BCA chief operating officer UK remarketing, has seen high levels of demand and competitive bidding across the range of used car stock available at its auctions, pushing the average values for fleet and contract hire to record levels in September this year.

Fleet and lease values averaged £12,160 at BCA in September 2019, the highest average value on record for fleet stock and representing a rise of £1,044 (9.4%) month-on-month.

Year-on-year, values were up by £289 (2.4%) despite both average age and mileage rising.

The retained value against original MRP (manufacturers' retail price) improved by nearly two percentage points to 43.1% over the month, but was down by 2.3 percentage points, year-on-year, according to BCA figures.

This contrasts with Manheim, which saw average prices for fleet vehicles in September drop by 6.8% year-on-year. However, the majority sold at or above the guide price.

Philip Nothard, customer insight and strategy director – cars, Cox Automotive, says: "This can be attributed to a couple of things. First, market uncertainty has encouraged businesses and drivers to hold on to vehicles a little longer, and the average age and mileage in the wholesale market has increased.

"Second, the buoyant used-car market of the past two years has held prices unusually high, but these were realigned across the pricing guides over the summer months. While the relatively swift drop in prices brought challenges for those businesses holding stock, it did boost conversion rates in the wholesale market."

AVERAGE TIME TO SELL RISES

The FN50 data shows the average time between defleet and sale has increased from 19 days last year to 21.4. Vans took 20 days on average from defleet to sale this year, up two days on 2018, but quicker than 2017 and 2016 (both 21 days).

Alex Wright, Shoreham Vehicle Auctions managing director, says defleet rates have been consistent over the past two years at Shoreham except August where used vans took longer to shift because of the summer market slowdown.

He says: "Generally, vendors get them to us, and stock goes into the next fortnightly van sale. Buyers are often desperate to get their stock moved from auction to their forecourt quickly."

Aston Barclay has seen time-to-sell rates reduce from around 22 days in 2018 to the current 20.9 days in 2019 which is slightly quicker than the FN50 average, but, generally, takes into account those cars that are part of a weekly or fortnightly sales programme.

Potter says that Aston Barclay's Cascade proposition, which connects customers to cars through a mix of digital and physical remarketing channels, can see vehicles uploaded within 24 hours of arriving on site and sold within nine days.

He says the latest digital vehicle inspection technology can even see vehicles sold within five to six days of being defleeted.

"With the advent of more digital technology this average time to sell should go down as the entire remarketing process becomes more efficient and dynamic," Potter adds.

PHYSICAL AUCTIONS BECOME MORE POPULAR

Physical auctions for vans and direct sales to dealerships have seen the biggest increase in market growth over the past year for fleet disposals.

The van market saw physical auctions increase their share of disposals from 57% to 63.2% in the past year, while direct-to-dealer sales of cars increased by 3.2% to 24.2% over the same period.

The growth in these market areas were to the detriment of volume sold through online auctions for both cars and vans, which saw decreases of 1.4% and 5.4% each to market shares of 7.6% and 5.6% respectively.

It's an interesting development as the digital route for auctions has been growing recently.

The decline also contrasts starkly with the message from remarketing providers such as Manheim, which is predicting 80% of all wholesale trades will take place online by 2023.

Nothard says: "The wholesale market is in a period of extreme digital disruption. This year, 20-30% of the vehicles sold through Cox Automotive will be bought online.

"Our recent white paper predicts that number to increase to 80% in four years."

The growth in direct sales to dealerships may be explained by new developments such as Dealer Auction, the joint venture business between Auto Trader and Cox Automotive, which links leasing stock to used car buyers across the UK online.

It's a digital marketplace, so it is also online, but may explain the increase on the direct-to-dealer category while there has been a reduction for online auctions.

Despite the growth in digital technology, the physical auction is not dead, says Nothard.

"A vehicle will always be a physical object that needs moving, refurbishing, inspecting and storing, and for some, physical auction will always be the best route to market," he explains.

AVERAGE DEFLEET VS SALE DAYS

	2019	2018
Cars	21.4	19
Vans	20	18

AVERAGE RESALE VS CAP CLEAN

	2019	2018
Cars	98.6%	99.6%
Vans	99%	100.8%

REMARKETING ROUTES FOR CARS

	2019	2018	% change
Physical auction	48.8%	48%	0.8+
Online auction	7.6%	9%	-1.4%
Direct to dealer	24.2%	21%	3.2%+
Sale to driver	4.3%	4%	0.3%+
Sale direct to public	11.5%	13%	-1.5%
Other	3.6%	5%	-1.4%

REMARKETING ROUTES FOR VANS

	2019	2018	% change
Physical auction	63.2%	57%	6.2%+
Online auction	5.6%	11%	-5.4%
Direct to dealer	15%	17%	-2%
Sale to driver	3.9%	1%	2.9%+
Sale direct to public	5.9%	8%	-2.1%
Other	6.4%	6%	+0.4%

Potter says around 30% of used fleet cars are bought online at his business.

He has seen an overall trend for more expensive stock being purchased online, whereas vehicles at the lower end of the market prompt buyers to inspect in person at the physical auction.

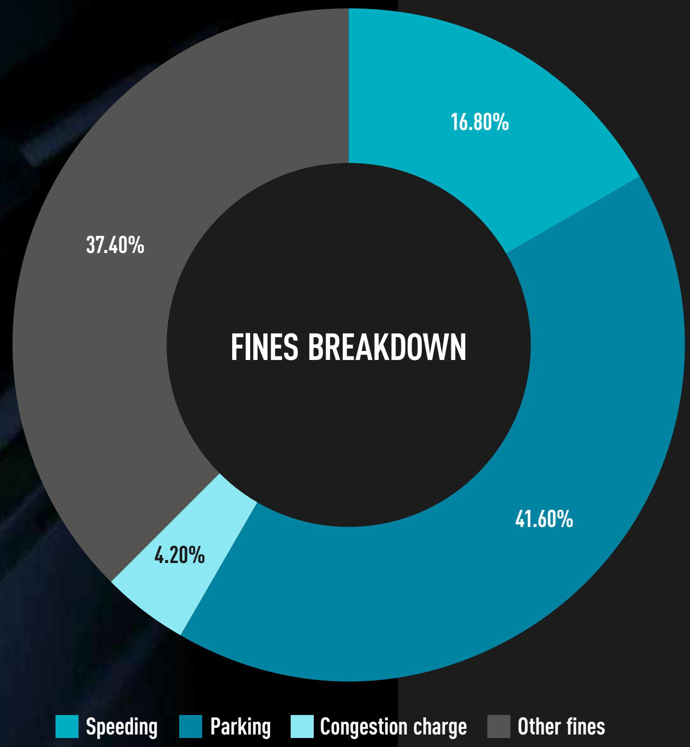
"During Q1 and Q2 this year we saw Ford and Vauxhall stock receive the most physical auction bids, while online and via mobile, Ford, Mercedes-Benz and Audi were the most popular brands.

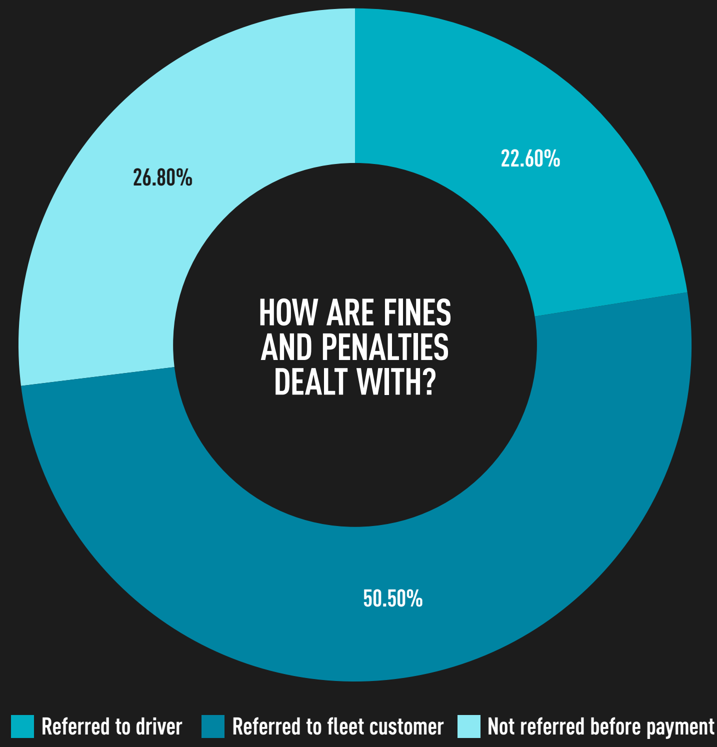
"We have seen online and mobile bidders gradually buy more used stock each year, but even online buyers are making regular appearances at a physical auction to get a feel for demand and prices on used stock," Potter says.

"With a full range of digital products now in place we see this percentage only getting higher over the next 12-24 months."

No sign that fines and parking charges are set to shrink

Advent of clean air zones could result in a considerable increase in PCNs, industry experts tell *Matt de Prez*





Headline data in this year's FN50 survey suggests the number of charges and fines issued to drivers continues to rise, as the total number of penalties reported in the 2019 survey was 651,234 – compared with 645,387 last year.

Fewer than half of FN50 companies supplied data in relation to the number of fines processed this year, making direct comparisons on a like-for-like basis difficult.

However, taking into account average figures and risk fleet weighting, analysis of the FN50 suggests the total number of fines and charges incurred has leapt considerably to 1.92 million (1.8m in 2018), with a combined value of £76m (£55.9m in 2018).

> IT IS LIKELY THE INTRODUCTION OF THE CAZS IS JUST THE LEADING EDGE OF MEASURES TO CURB TRANSPORT-BASED EMISSIONS
>
> TIM MEADOWS, EPYX

The average fine works out at just below £40, up almost £9 on last year's £31 average.

Not all charges are on the increase, though. The actual number of speeding fines issued to drivers over the past year fell by more than 4,500 among the UK's largest leasing companies.

This is illustrated by the experiences of two top five leasing companies. In last year's survey, they handled around 70,000 speeding tickets. This year, the number fell to 66,900.

Speeding fines account for 16.8% of the total number of fines handled by the FN50. The weighted data suggests that 322,560 tickets were issued across the 1.7 million FN50 vehicles over the 12-month data period to the survey in September.

This trend is in contrast to the overall UK picture. According to police data released by the Government, the number of speeding offences rose by 1% in 2018 to 2.1 million, the highest since 2011. Around 40% of cases ended with a fine.

Parking notices account for the largest proportion of charges handled by FN50 companies, making up more than 41% of the total. This year, the data suggests the value of parking charges has increased to £33.5 million, up from £32m, an average of £42 per charge.

The data supports findings by the RAC Foundation that the number of penalty charge notices (PCNs) issued to drivers parking on private land has leapt by more than a million in 12 months.

Analysis of Driver and Vehicle Licensing Agency (DVLA) data by the RAC Foundation found that in the last financial year (2018-19) 6.8 million sets of vehicle keeper records were released to car parking management companies.

The RAC Foundation says that almost all of these will have been used to pursue motorists who are deemed to have infringed regulations in private car parks. The 6.8 million figure is 20% higher than the 5.65 million sets of records released to parking firms in the previous financial year.

Lex Autolease, the UK's biggest leasing company, has seen fines for "minor" misdemeanours such as driving in bus lanes and parking tickets, rise 22.7% year-on-year.

Guy Mason, head of supplier management and service delivery at Lex Autolease, says: "The increase in motoring fines over the past 12 months could be down to a range of factors, including increased regulation on the roads, changing driver behaviour and the more rigorous enforcement of penalties by local government.

"With this in mind, we're encouraging customers to take proactive steps to help bring down the bill, such as investing in driver education and training to minimise avoidable costs like parking fines and bus lane infringements.

"As driving regulations continue to evolve – in part to support the government's Road to Zero ambitions – we're also seeing the introduction of additional charges designed to incentivise the take-up of newer, cleaner vehicle technology."

The number of 'other fines' remains largely unchanged. It encompasses all the other penalty charge notices and fines, including tolls.

Infringements in this category totalled 243,352, from the 19 companies that provided data for this section; weighted, the total number equals 718,080 – 37.4% of all fines/charges issued.

The data also highlights a reduction in the proportion of penalties referred to fleet operators. Increasingly, leasing companies are paying charges such as parking tickets automatically to reduce the administrative burden on fleets and to take advantage of early payment discounts.

This year, half of the fines received were forwarded to fleets, compared with 55% last year. It's a continuation of a four-year trend: in 2016, 61% of fines were referred to fleets. Similarly, leasing companies reported an increase in the number of fines they paid up front, moving up from 23% in 2018 to almost 27% this year.

Fines referred to drivers are largely unchanged, at 23%, a slight rise from last year's 22%. This remains substantially down on 2017, when 41% of fines and charges were directed to drivers.

NEW CHARGES FOR DRIVERS

The arrival of clean air zones (CAZs) across the UK is expected to lead to a significant rise in the numbers of PCNs generated by fleets.

The London congestion charge, which was introduced in 2003, continues to generate penalties.

Leasing providers are still receiving, on average, 1,100 congestion charge infringements per year – suggesting that drivers lack the wherewithal needed to make payments on time.

In April, the world's first ultra-low emissions zone (ULEZ) was introduced in London, replacing the previous £10-per-day Toxicity (T) charge.

It operates alongside the congestion charge and drivers of older, non-compliant cars that enter the ULEZ at any time are charged £12.50 per day. While most lease vehicles are likely to comply, it's possible some fleets will still have older cars and vans that will need to pay.

Six months in, Transport for London (TfL) reports that the proportion of compliant vehicles has risen from 39% to 74%, resulting in 40,000 fewer non-compliant vehicles in the zone. Road monitoring has revealed that NOx emissions have fallen by 31%, putting TfL on track to meet its full-year target of a 45% reduction.

Other cities are expected to follow suit by introducing CAZs, with Leeds and Birmingham the first to launch their schemes next year.

While the initial emissions standards enforced by most CAZs are not onerous, generally not affecting cars and excluding Euro 6 diesel and Euro 4 petrol models, they are likely to spread and become more stringent in the coming years, particularly in light of the successes claimed by TfL. This could result in more PCNs being issued.

Tim Meadows, commercial director of automotive technology firm Epyx, says: "It is likely the introduction of the CAZs is just the leading edge of local measures to curb transport-based emissions that will grow relatively quickly in terms of the rules applied as well as geographically.

"In addition to this, London's ULEZ is going to undoubtedly create PCN issues for some fleets operating in the capital – and is probably already doing so."

He added there was also evidence that the charges and fines processed by leasing companies could be increased over the next few years by more stringent enforcement of speeding.

"Certainly, we seem to be entering an era when police forces are looking to get tougher on speeding and, again, this is likely to create more paperwork for fleets to handle."

Last year saw the first full year that police forces across Europe had new powers enabling them to chase UK drivers for speeding tickets and other motoring related offences, via the DVLA.

Hitachi Capital Vehicle Solutions said it had started to receive speeding tickets from European countries, with an average value of £40.

HEADLINE FIGURES

£1.92m Estimated total fines

£76m Estimated value of fines

£33.5m Estimated parking charges

Anticipated increase in contract extensions fails to materialise

Disruptions to supply during WLTP transition has had minor impact, reports *Gareth Roberts*

Uncertainty around future company car rates, resulting in some fleets extending contracts, was expected to impact this year's FN50 survey.

One year ago, cars were being replaced, on average, every 36 months and 51,727 miles. Figures from FN50 2019, show the replacement cycle has lengthened, but only by one month to 37 months.

The average mileage is also only marginally higher, by some 650 miles, at 52,377 miles. One in five cars (19%), however, incurred excess mileage charges at an average of £377 per vehicle.

The shortest individual average replacement cycle reported by a leasing company in terms of mileage was 11,000 miles, while the longest was 95,000 miles.

Time-wise, the longest average replacement cycle was 48 months, the shortest was 12 months.

The impact overall wasn't as marked as some expected, because supply has improved since suffering some disruption when the new emissions testing regime – the Worldwide harmonised Light vehicle Test Procedure (WLTP) – became mandatory on all new cars from September 2018.

Dominic Graf, head of commercial performance at Alphabet, explains: "We've seen the replacement cycle for cars come down by two months compared with the 2018 figures, which perhaps reflects the disruption to supply resulting from the manufacturers' transition to WLTP being worked through the system."

More product may have helped release some pent up supply, but a lack of clarity over how HMRC was going to take account of the higher CO_2 emissions values resulting from WLTP, and the absence of benefit-in-kind (BIK) tax rates beyond April 2021, had also seen some fleets extend, while some switched to cash.

"There is no doubt fleets have been extending their car contracts," says Ben Creswick, managing director of JCT600 Vehicle Leasing Solutions (VLS). "This has been the case for prospects and customers alike."

> "THERE IS NO DOUBT THAT FLEETS HAVE BEEN EXTENDING THEIR CAR CONTRACTS"
>
> **BEN CRESWICK, JCT600 VLS**

In terms of its customers, Creswick explains: "This has been primarily due to those businesses taking the time and counsel to ensure any policy or scheme changes they make are also fit for the future."

The tax picture was clarified in the summer, with the Treasury publishing two tax tables, one for cars registered before April 2020, and one for those registered after.

BIK rates were also published up to April 2023, and there was a headline-grabbing, new 0% BIK rate for pure electric vehicles (EVs).

37 months
average replacement cycle

LeasePlan says that, while the uncertainty did result in challenges, it has not seen the change it was anticipating over the past year.

It did, however, work to "soften the impact" by extending replacement cycles and mileages. Therefore, it welcomed the new rates for pure EVs and hybrids and said they were really positive for the industry.

52,377
average replacement mileage

Ashley Barnett, head of consultancy at Lex Autolease, reports that the new BIK rate for EVs has resulted in some customers looking to shorten contracts.

He explains: "They want to take full advantage of new vehicles being released and the benefits that come with them, such as lower wholelife costs, lower BIK taxation, lower fuel costs and advantages in areas such as London's ultra-low emission zone."

Leasing companies told *Fleet News* in September, how new company car tax rates had boosted requests for ultra-low emission vehicles (ULEVs).

Lex Autolease reported orders for pure electric cars had increased by 123%, while Zenith reported an even bigger surge in pure EV orders, up 211%.

Creswick says that, like Barnett, he is seeing drivers eager to take advantage of the new rates. "We are also talking to customers who wish to reduce the replacement cycle, so that when new and more operationally practical EV technology is available in the mid-term, both the company and the employee can adopt and benefit from it quicker."

How widespread the desire is to make the switch to cleaner cars and cash in on new tax rates, remains to be seen, but it will be felt one way or another with average replacement cycles in next year's FN50 survey.

Average replacement mileage on vans increases significantly

Air quality restrictions expected to impact future replacement cycles, reports *Gareth Roberts*

Vans are being worked harder over shorter periods, according to this year's FN50 survey.

The average replacement cycle for vans is now 45 months, a slight fall on the 46 months reported in 2018. But, the average replacement mileage has increased significantly, from 80,371 miles last year, to 105,480 miles today.

Shorter contracts have become the norm, while end-user fleets are sweating their assets much more as they focus on vehicle utilisation, minimising downtime and maximising uptime.

45 months
average replacement cycle

In fact, FN50 2019 data shows one-in-five (21%) vans returned by fleet operators incurred an excess mileage charge, at an average of £400 per vehicle, and more vans are being returned early, 13% of all vans compared with 7% last year.

Air quality has also moved up the fleet agenda, with van operators in London having to comply with the ultra-low emission zone (ULEZ). Outside the capital, other towns and cities are aiming to charge all but the cleanest commercial vehicles.

105,480
average replacement mileage

Russell Adams, commercial fleet manager at Lex Autolease, believes this will impact fleet renewals. "We will start to see a change in replacement cycles on vans," he says. "Customers will need to bring their fleets in line with regulations to avoid costly access charges.

"That said, until clean air zones (CAZs) are rolled out more widely, we don't expect to see any immediate changes."

Van replacement operating cycles have remained fairly static at 50 months for JCT600 Vehicle Leasing Solutions (VLS). Managing director Ben Creswick says: "The majority of our customers who operate a commercial fleet have recognised that increasing these replacement cycles too far can result in increased operational and cost issues."

However, Alphabet has seen an increase in the average length of time vans are being kept on fleet.

"We've seen the replacement cycle for LCVs increasing by a few months compared with last year," says Dominic Graf, head of commercial performance at Alphabet. "This could be the result of fleets holding on to their commercial vehicles longer in order to manage the reduced availability of key LCV models while manufacturers make the production transition to WLTP (Worldwide harmonised Light vehicle Test Procedure)."

WLTP began phasing in for vans two years ago. All new car-derived vans (Class 1 up to 1,305kgs) have been tested under it since September 2017, while all newly registered Class 1 vans have undergone the test since September 2018.

All new types of heavier vans (N1 Class 2, 1,305-1,760kgs, and Class 3, above 1,760kgs) have also had to be tested under WLTP since September last year, while all newly registered vans in this category began being measured against WLTP from September 2019, with converted vehicles requiring their own individual WLTP CO_2 value.

> "CUSTOMERS WILL NEED TO BRING THEIR FLEETS IN LINE WITH REGULATIONS TO AVOID COSTLY ACCESS CHARGES"
>
> **RUSSELL ADAMS, LEX AUTOLEASE**

WLTP-tested vehicles also have an 'NEDC-b' CO_2 figure applied for tax purposes, similar to the NEDC-correlated figure used for cars. This figure will be used until April 2021, when WLTP values take effect for tax purposes.

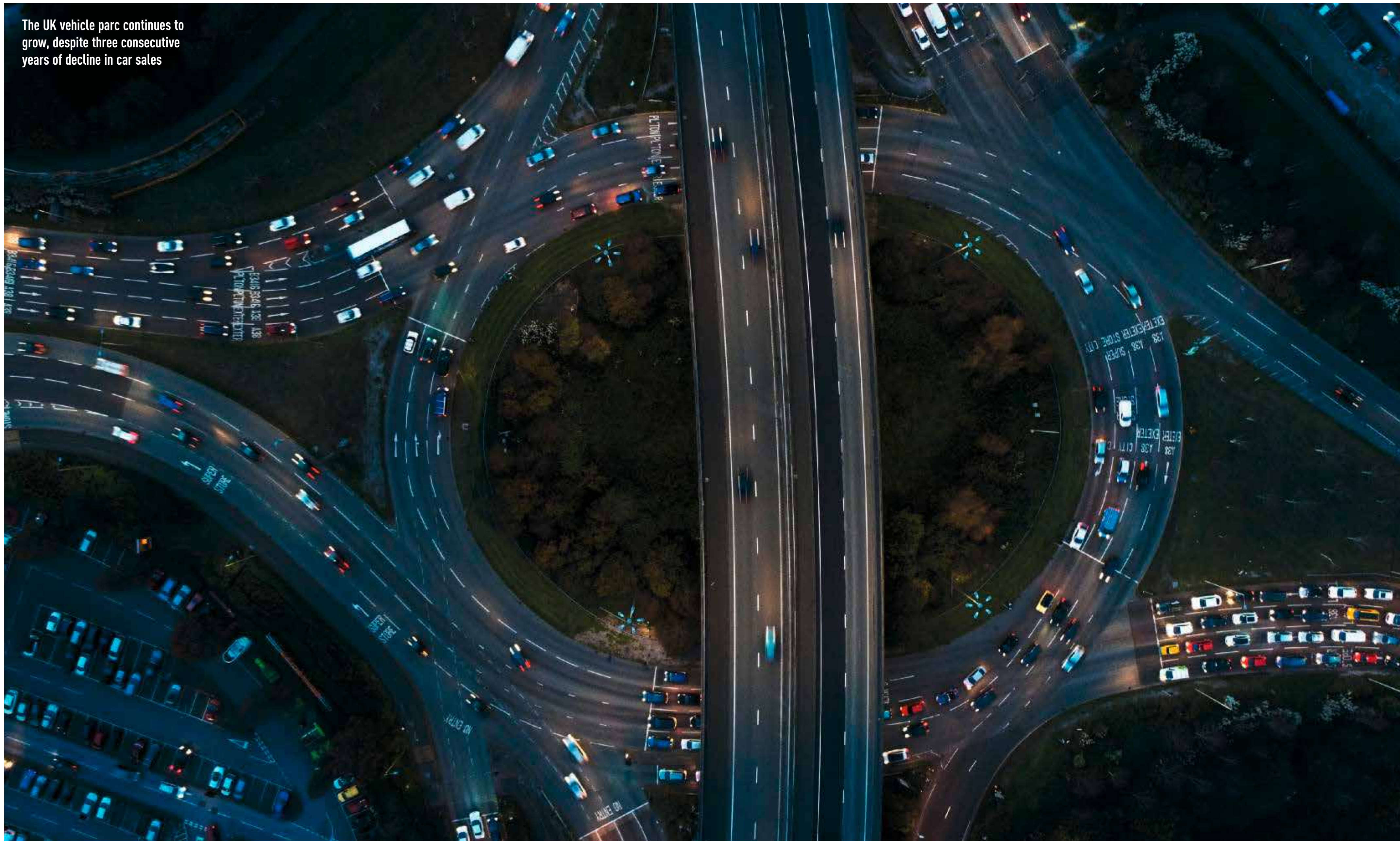
In summer, van manufacturers told *Fleet News* WLTP would not dent vehicle supply in the same way it impacted the new car market last year.

However, the latest van registration figures suggest differently. The UK new LCV market declined by 23.5% in September, according to figures from the Society of Motor Manufacturers and Traders (SMMT).

It said that 41,216 LCVs were registered in the month, down some 12,632 units on September 2018, blaming the fall on regulatory changes, coupled with economic and political uncertainty.

Vehicles remain the top mobility choice for fleets

Research reveals that cars will 'remain the core method of mobility for the foreseeable future', reports *Stephen Briers*


The UK vehicle parc continues to grow, despite three consecutive years of decline in car sales

The column inches devoted to Mobility as a Service (MaaS) and its new corporate-embracing offspring Business Mobility as a Service (BMaaS) have not led to a revolution in the way organisations move their people, goods and services about. At least, not yet.

Vehicles are still king in the world of the fleet operator. The UK vehicle parc continues to grow, despite three consecutive years of decline in car sales.

Nevertheless, the first shoots of change are starting to manifest in the way some blue-chip companies consider their impact on the environment. And the flood of regulation permeating local authorities and combined metropolitan regions, as they wrestle with air quality challenges, rising congestion and the need to attract people and investment into their city centres, is forcing others businesses to take notice.

Views from the UK's biggest contract hire and leasing companies, at the coalface of change, are mixed about the speed of uptake of alternative transport options, although most believe we are a few years away from noticeable adoption.

Research carried out by Arval under its Mobility Observatory survey of fleets across Europe earlier this year revealed that cars will "remain the core method of mobility for the foreseeable future", according to deputy managing director Elliott Woodhead.

> IT (THE CAR) REMAINS MORE IMPORTANT THAN EVER IN CONNECTING PEOPLE, COMMUNITIES AND BUSINESSES
>
> **SIMON CARR, ALPHABET**

He points to the lack of real infrastructure to sustain alternative solutions outside of London, adding: "Although mobility solutions have an appeal to certain demographics, for the majority of the country the car remains the easiest, most practical and most popular choice."

Those contrasts become even more extreme in rural communities, as evidenced by Northern Ireland-based Donnelly Fleet.

"With a smaller population than GB, there is still a big rural population requiring transport solutions and neither the rail or transport network within Northern Ireland are yet a viable cost-effective alternative," explains general manager Anthony Magee.

Propulsion methods will change, though, as the national drive towards cleaner air, with new charging zones tackling the dirtiest engines, encourages adoption of electric vehicles (EVs).

Ogilvie says the 'road to zero' "has started" with a move towards EVs. It anticipates a pace of change "never before seen in our industry" as fleet demands change to meet new transport policies.

"Like it or not, these changes are coming and we need to embrace them as early as possible," says sales and marketing director Nick Hardy.

Arval has seen new market dynamics result in greater demand for flexible funding solutions such as short- and medium-term rental, which allow customers to make quick decisions to accommodate new regulations or more efficient technologies.

But this isn't for everyone, and some customers – notably SMEs – are looking more closely at used vehicle leasing as a way to reduce costs, albeit this does little to minimise their environmental impact.

Arval's view is supported by research from Alphabet, which has been one of the more progressive leasing companies in the development of alternative mobility schemes, for example, its AlphaCity car share programme.

Nevertheless, the company highlights that even the most basic and predictable journeys – the daily commute – are dominated by the car, with almost three-quarters of British workers believing it is "absolutely essential", says chief commercial officer Simon Carr.

He adds: "Clearly, the way our vehicles are powered and how they fit into our connected daily lives is changing. But, while the UK's relationship with the car is evolving, it remains more important than ever in connecting people, communities and businesses."

Zenith firmly believes there will not be a move away from cars and vans to other mobility solutions despite local authorities' urban transport policies.

Managing director Ian Hughes says: "Both solutions are deeply rooted into the fabric of the UK's business behaviours. Alternative solutions will be an ad hoc addition to the established mobility model."

The biggest trend, according to salary sacrifice specialist Tusker, is a move from ownership to usership with people enjoying the benefits of all-inclusive cars with insurance, repairs, maintenance, MOT, breakdown, road tax all included in a fixed monthly cost. This includes company car drivers who have opted to take cash.

"That's the real behaviour change; consumers don't want the hassles that come with running a car," says Tusker chief executive Paul Gilshan.

However, ALD believes there will be continued growth in alternative mobility solutions, although it is unsure how it will impact company cars and vans – at least in the short-term.

Head of consultancy Matt Dale points to the global macro and local micro trends that are driving behavioural change, including urban population growth, air quality, environmental concerns and the changing demands of demographic groups.

ALD has also identified a move from the traditional ownership model towards usership with car share, ride share and developing technology around connected and autonomous vehicles helping to define the change. MaaS and on-demand solutions also offer an alternative to the car, but their influence remains tiny in the grand scheme.

"The car continues to play a vital and relevant place in our overall mobility landscape and is likely to continue as such through the short and medium term," says Dale.

He adds: "With the complexities surrounding the sharing of data and GDPR, there is still work to do before we see a true MaaS solution. The growth in mobility aggregators has been very visible in the past 12 months, but they are limited by the suppliers that they can work with and are offering a solution that has existed for a number of years put in a digital package."

The need to travel has reduced in recent years due to changes in working patterns, such as home working and the use of phone and video conferencing to communicate remotely, yet the number of vehicles on the road and the miles travelled have not fallen.

Outside of London, public transport is patchy and is not a viable alternative to car ownership, according to Lex Autolease. This is in sharp contrast to mainland Europe where integrated transport systems support advanced mobility solutions.

"This is much more of a challenge in the UK where public transport and urban mobility solutions lag behind those seen on the Continent and although we are working with a number of partners to design innovative solutions for our customers we do not anticipate a move away from cars," says sales director Craig McNaughton.

He adds: "While the use of apps for travel planning and expenses are more commonplace, this is far from the fully connected, autonomous mobility solution that many envisage. However, we do see that the future of MaaS will rely on secure, card and app technology, an area where our parent company Lloyds Banking Group has a leading role in the UK banking sector."

Mobility solutions are largely targeted at car users; vans are an entirely different proposition and face unique challenges through urban transport policy.

Van registrations have remained buoyant for the past couple of years in contrast to the car market, driven by the need for commercial vehicles to meet numerous vital roles, from courier/delivery to operational and service-led.

Last-mile distribution continues to be a 'massive' challenge in the LCV sector

ALD emphasises the changing trends in current models, such as localised delivery hubs, downsizing and more technology-driven solutions, for example, drone delivery, but it also raises concerns over the slower crossover of alternative powertrains compared with cars, adding that adoption models for these vehicles are also more restricted.

Dale says: "Last-mile is a massive challenge in the LCV sector. Logistics companies are working hard to resolve to improve this area, but councils do not always support the development of this. A business can easily find itself on the wrong side of a compulsory purchase order and have to move further away from its business operating area, meaning it has to run more vehicles or do more miles to fulfil customer needs.

"There is no quick win with last-mile distribution. Goods need to be delivered to a location and goods in the home delivery market are increasing in size, so this isn't going to make the problem any easier to solve."

Lex Autolease also underlines the vital role of vans as a tool to move people, equipment and goods to where they are needed, often over long distances, which means alternative transport solutions are not feasible.

> "THERE IS NO QUICK WIN WITH LAST-MILE DISTRIBUTION"
>
> **MATT DALE, ALD**

McNaughton says: "Trials of autonomous goods vehicles show that there is potential on the near horizon. However, the basics of fitness for purpose and legal compliance will always come first in any fleet decisions.

"Last-mile distribution options have been under consideration for many years and with new regulations brought about by CAZs (clean air zones) it makes sense to consider electric LCV or other greener transport options."

Meanwhile, Hitachi, which has a number of major clients in the van and truck sector, reports one of the biggest fears is charges when entering clean air and ultra-low emission zones.

"This could be where they feel a move to alternate mobility solutions could be necessary," says managing director Jon Lawes. "We see this challenge as an opportunity to actively swap or early renew vehicles to avoid charges and ensure their fleet is future-proof."

For JCT600 business development manager Chris Caddick, the business nature of vans means that change could come quicker than in cars where personal choice plays a bigger role.

"There is less influence from individuals and personal choice and the bigger more forward thinking companies around the world are looking at bringing efficiencies to improve service and save time and money," Caddick says.

"Once solutions have been proven, it has always been easier to deliver change and cost-saving initiatives to a commercial vehicle fleet with the removal of an individual's tastes and requirements."

Brexit, BIK and EVs dominate the leasing agenda for 2020

Brexit-influenced 'unprecedented' change is something all businesses must face, reports *Stephen Briers*

How big an issue is Brexit? In the Fleet200, it was mentioned by a handful of the UK's largest and most professional fleet operators; however, their attention was more engrossed by air quality regulations and the successful integration of electric vehicles (EVs).

The FN50 contract hire and leasing companies also highlight both as challenges facing the industry over the next couple of years, although a few more show greater concern about the uncertainty cast by Brexit over future vehicle supplies and tariffs.

Nowhere does this weigh more heavily than in Northern Ireland, the biggest point of conflict among MPs and the European Union due to the border and the so-called Irish backstop.

It tops the list for Donnelly Fleet, with general manager Anthony Magee highlighting the "uncertainty it is creating", but Brexit is also on the minds of leasing companies across the UK.

TCH Leasing highlights the "fallout with production/import problems and exchange rate fluctuation ramifications on costs and possible consequences on the general economy", while Free2Move, the leasing and mobility arm of Peugeot and Citroën, points to the implications for the "overall economic climate, affecting demand, and foreign exchange/tariffs affecting pricing and supply".

Tusker's more stoic view is that "every business sector will be impacted, so it's something we'll all have to weather together".

'OPPORTUNITIES FOR THE INDUSTRY'

Hitachi Capital Vehicle Solutions managing director Jon Lawes strikes a more upbeat note, saying: "Brexit uncertainty looms; however, we believe there will be opportunities for the industry in whatever circumstance we leave the EU."

Whatever the outcome, it's clear Brexit is yet another matter to take into consideration while juggling a whole host of uncertainties.

Many fleets have spoken openly this year about their feeling of helplessness when it comes to advising directors and drivers alike about future policy and vehicle choices.

JCT600 Vehicle Leasing Solutions describes the pace of change as "unprecedented".

Business development manager Chris Caddick summarises the long list of challenges.

"At the moment, we're dealing with Brexit, manufacturer CO_2 targets, global/local economic downturn, misinformation, cash or car, grey fleet risk, PCH/PCP bubble and supply and availability," he says. "While there are many difficulties already affecting the fleet sector and more to come, the biggest one is dealing with all the challenges as they come thick and fast."

ALD head of consultancy Matt Dale adds: "There are a number of significant challenges the fleet sector will need to negotiate in the next two-to-three years – product diversification, mobility solutions, vehicle supply, digitisation, powertrain shift and WLTP, to name a few. The key challenge will be managing all of these strands post-Brexit, in whatever form that takes, to ensure we continue to offer a holistic and flexible range of solutions to fleet customers and private individuals."

Air quality and the need to transition to ultra-low and zero emission vehicles is the other big issue dominating UK leasing company boardrooms.

Much of the concern centres on a lack of available product and a lack of charging infrastructure for EVs, which will hamper uptake.

Lex Autolease, the UK's biggest leasing company, reports customers are "keen to adopt cleaner technology" but face limited choice, range and charging options.

"They will need to determine the right time to transition to these new technologies and will be reliant upon advice from the industry as to when to undertake this adoption, which will vary from customer to customer dependent on their required vehicle pattern of use and the pace of change of product development," says Lex Autolease sales director Craig McNaughton.

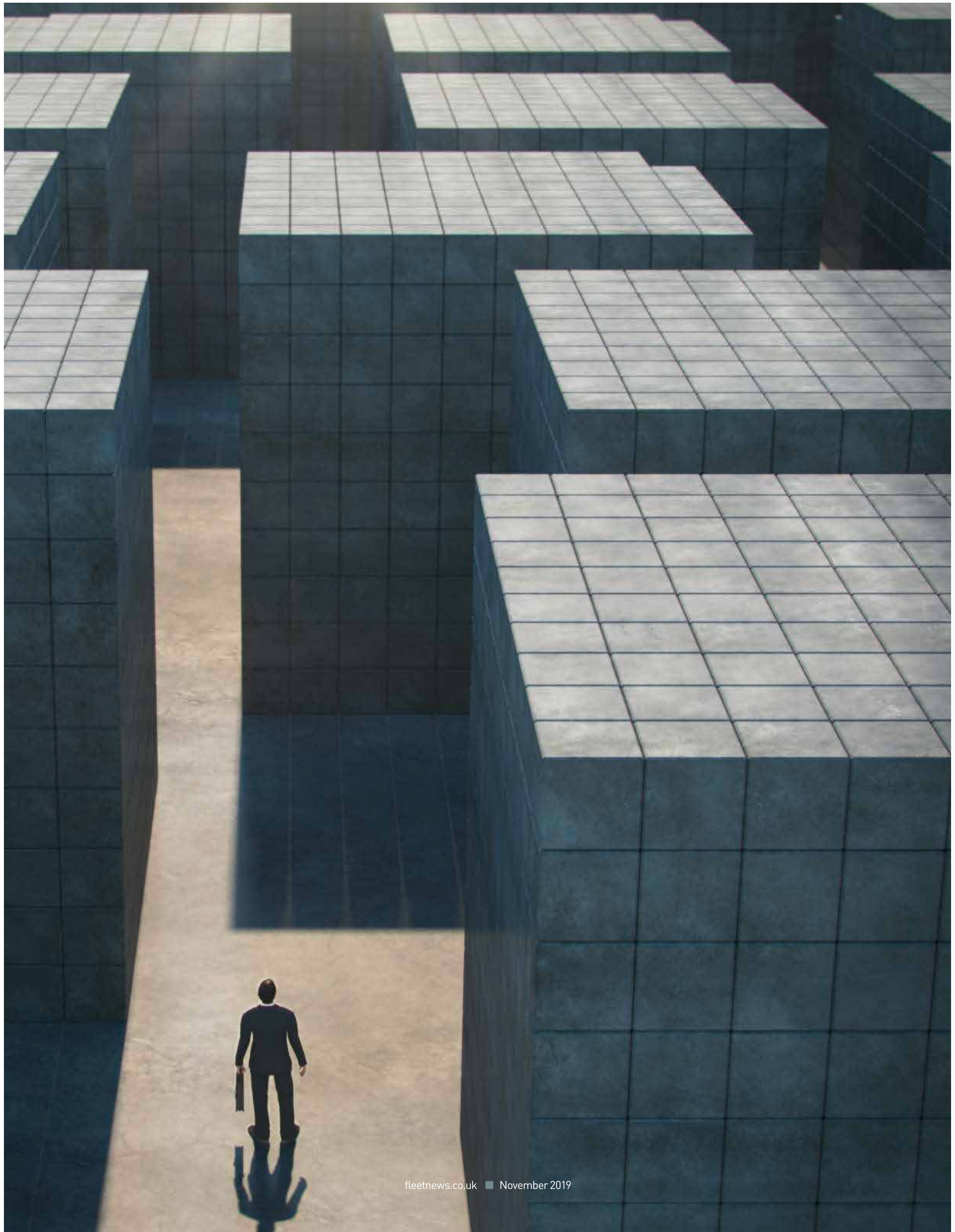
Infrastructure and supply is also highlighted by Tusker, while SG Fleet commercial director Chris Salmon says the "current uptake of alternative fuels is going to result in drivers needing to alter their behaviour in order to make the most use of these vehicles".

He predicts a possible "disconnect" from a company/driver cost perspective and their perception on the viability of day-to-day usage of EVs.

However, Salmon also points out that "the fleet sector is consistently changing and the upcoming two-to-three years are no different!".

An additional factor is raised by Multifleet managing director Steve Whitmarsh: "The acceptance and re-education of the used car buying public will be key to reducing holding costs and helping this transition."

That won't happen any time soon, according to Donnelly's Magee. "It will be a significant period before these vehicles enter the used market and filter down to a price bracket deemed affordable by the nation," he says.



> "NO SIGNIFICANT BARRIERS TO FULL EV FLEETS IN UK"
>
> **JON LAWES, HITACHI CAPITAL VEHICLE SOLUTIONS**

Cost permeates the debate and not just for EVs: Alphabet believes the biggest issue facing fleet operators is to maintain an attractive, viable proposition for a reducing population of UK company car drivers.

SUPPORTING INFRASTRUCTURE

This will continue to challenge business until the "breadth and availability of ULEV and zero emission product – as well as the speed and accessibility of the supporting electric infrastructure – is on par with that currently available with internal combustion engine vehicles", says Nick Brownrigg, chief executive officer at Alphabet UK.

Once a secure infrastructure is in place, says Hitachi's Jon Lawes, "there will be no significant barriers on the road to full EV fleets in the UK".

EVs could also help organisations to retain employees in company cars, rather than losing them to cash, as the new benefit-in-kind (BIK) rates increase their appeal. It's an area identified by a number of leasing companies, including Ogilvie, although it also raises concerns about the suitability of such models for some staff which could cause problems.

Sales and marketing director Nick Hardy explains: "The desire to move to EVs will be a direct consequence of these BIK changes but the current charging infrastructure, vehicle choices and vehicle costs do not necessarily match these new driver preferences. Therefore, the move to EVs may not be immediately possible for some fleets.

"In the meantime, the fleet sector needs to find sensible and practical alternative fleet funding methods that will limit the number of company car drivers opting for a cash alternative where an EV isn't practical or cost-effective."

Arval is also looking to alternative funding options, but more as a way to support customers' desires to expand the scope of their vehicle solutions to employees not eligible for a company car.

"Leasing companies need to adapt their product portfolio, and the way they serve their customers, supported with effective digital solutions, to meet this new need," says Elliott Woodhead, Arval deputy managing director.

"I expect to see an increase in demand for a subscription model to provide drivers and customers with greater flexibility to suit their changing needs around contract term and mileage, eradicating early termination charges.

"This requires a change to the fabric of our industry where contracts are intrinsically linked to residual values at fixed points in time."

BMW returns to top spot in the FN50 to displace Audi

Decline in new car sales means brands are keener than ever keen to retain their current clients, reports *Tim Rose*

BMW is benefiting from being one of the first brands to homologate to WLTP

The UK's leasing companies continue to favour premium brand carmakers and their professional retail networks. Yet there are a couple of relative upstarts amid the highest rated dealer networks, brands which have been steadily building up their reputation and services for the corporate motorist.

Company car users should be in a position to enjoy strong levels of service and competitive lease offers because the continued decrease in new car sales is ensuring many brands are in retention mode.

In 2019, the total market remains in decline although fleet registrations to the end of September had bucked the trend, with a rise of 0.1% or 861 units year-on-year. The Society of Motor Manufacturers and Traders (SMMT) expects the new car market decline to continue through 2020. It currently predicts around 2.28 million sales in 2020, about 30,000 cars lower than this year's forecast.

So carmakers will continue to put franchised dealer networks and their own central fleet teams under increased pressure to retain the customers they have by being easy to work with and providing great service and incentives.

This should be welcome news for fleets and other business customers, particularly after the supply fiasco some brands endured with the mandate of WLTP-compliant new cars.

The immediate question is what has happened at the traditional mainstream?

Market leader Ford was in the upper half of the top 10 until 2017, but has slid down fast in the past two surveys and is now propping up the top 10.

Its rival, Vauxhall, is nowhere to be seen.

Both have been relatively slow in bringing plug-in hybrid and battery electric cars to the corporate market.

Ford of Britain has just replaced its fleet director Owen Gregory with Neil Wilson, who was previously manager of UK dealer and consumer marketing. Gregory had headed Ford's fleet sales department since 2016.

Andy Barratt, managing director, Ford of Britain, said: "Neil brings a wealth of experience to this role, as well as a fresh new perspective thanks to his in-depth knowledge of the Ford dealer network. As the industry faces new challenges and Ford moves into the rapidly developing world of EVs, Neil's strategic expertise will be an invaluable asset as he builds on the solid foundations provided by Owen."

Ford launched a telematics service this year to give fleet managers the ability to monitor their vehicles more effectively. Operated through the Ford Commercial Solutions unit, it can update users on vehicle efficiency, driver safety, even missed services or MOT tests and drivers failing to top up AdBlue.

A reactive system, it connects with service centres if there is a breakdown. And, thanks to a partnership with NewMotion, Ford PHEV customers have access to its roaming network of 118,000 points in Europe.

Absentee Vauxhall, meanwhile, has continued its strategy to lower P11D prices on its range, to increase brand appeal for company car drivers.

It also added the Tech Line range to tempt user-choosers with high equipment levels plus low P11D. Corporate customers can still get a three-day test drive, which the network believes is a great asset. And, this year, Vauxhall launched a network of 65 dedicated van business centres to offer guaranteed service levels to fleets and business customers, thanks to LCV-focused staff.

The services include overnight drop-off and pick-up, pre-booked 90-minute express servicing, courtesy vans and nationwide all-inclusive pricing menus.

BMW regains the prestige of being the FN50's favourite also after Audi briefly enjoyed it last year. It welcomed a new fleet director this year – Rob East, previously of Mercedes-Benz – and it continues to benefit from being one of the first brands to homologate to WLTP and RDE standards, minimising the supply disruption experienced by some of its rivals.

BMW's dealer network made conscious efforts to help fleet customers understand the changing regulations and how they might be affected.

Product developments remain strong. The brand is preparing for the roll-out of clean air zones in the future by fitting its plug-in hybrid cars with eDrive Zone functionality, which uses geofencing to automatically switch to pure electric mode in such zones. Meanwhile, it has ensured its latest diesel technology is cleaner than ever.

Audi promoted James Buxton to head of fleet sales after the departure of Tom Brennan to Mercedes-Benz. Buxton said his focus is on building relationships and leveraging the commercial knowledge he's gained in 15 years in the automotive sector at the likes of Sytner, Porsche and Nissan.

Although he's overseeing Audi's EV push this year, his focus remains on ensuring a balanced product portfolio appeals to corporate customers, offering petrol, diesel and battery cars to user-choosers and leasing companies. The brand was keen to put the WLTP-related supply issues of 2018 in the past.

"We are fortunate to have an exceptional team from a fleet perspective. We have great customer relationships and leasing company relationships and we also have a great dealer network that is used to delivering fleet volumes. That side is well structured; it's one of our strengths," he says.

In 2017, following a 12-month consultation with its dealer network, leasing partners and corporate customers, Audi UK adopted an agency model for fleet sales, bringing the brand in line with many other manufacturers, including other brands within the Volkswagen Group.

It gives head office control over fleet deals and routes to market, removes the pressure for Audi dealers to compete with each other and rewards the dealers with a handling fee for managing the customer experience.

Audi still has business sales specialists in every dealership, who are particularly focused on their local business opportunities.

At Mercedes-Benz, Brennan is now head of fleet sales, charged with maintaining its position as the biggest-selling premium brand in fleet. Its corporate sales team and retail network, which includes the new LSH Auto flagship at Stockport, continue to provide high service levels and invest in corporate demonstrators and sales expertise, to ensure the brand is as well placed as it could be.

On the van side, dealers are now able to provide operators with free driver behaviour monitoring for three years with sales of Vito Tourer and Sprinter models through Mercedes Pro Connect.

"With our new drive style monitoring solution software included as standard, company owners and vehicle managers can spend less time worrying about the vans and drivers, and more time focused on their business and customers," says managing director Steve Bridge.

Last time, the big news was Mini's first appearance in the top 10. Evidently that glory was short-lived. Instead, welcome Kia.

The South Korean brand has rapidly gained favour with UK leasing companies thanks to attractive, affordable cars such as the Sportage, Stonic, Ceed and Niro, all backed by its seven-year warranty.

It has pledged to introduce 16 models with electrified powertrains (mild hybrid, plug-in hybrid and pure electric) by 2025, and sees huge opportunity ahead with the 2020 BIK incentives for zero emission cars.

Kia's dealer network has raised its game too. Almost one in five of its 190-strong dealers is a fleet specialist, receiving extra support from Kia to help it offer the right demonstrator range, with staff trained in corporate sales, and now offering a 48-hour test drive in the Kia Business programme.

> "WE HAVE A GREAT DEALER NETWORK THAT IS USED TO DELIVERING FLEET VOLUMES"
>
> JAMES BUXTON, AUDI

BEST CAR DEALER NETWORKS

	2019	2018	2017	2016	2015	2014	2013
1	BMW	Audi	BMW	BMW	Audi	BMW	BMW
2	Audi	BMW	Audi	Audi	BMW	Audi	Audi
3	Mercedes-Benz	Volkswagen	Volkswagen	Volkswagen	Volkswagen	Volkswagen	Volkswagen
4	Volkswagen	Mercedes-Benz	Mercedes-Benz	Mercedes-Benz	Mercedes-Benz	Ford	Ford
5	Kia	Seat	Ford	Ford	Ford	Mercedes-Benz	Mercedes-Benz
6	Toyota	Volvo	Škoda	Toyota	Vauxhall	Toyota	Vauxhall
7	Volvo	Ford	Vauxhall	Škoda	Honda	Honda	Volvo
8	Seat	Honda	Land Rover	Vauxhall	Škoda	Volvo	Toyota
9	Honda	Vauxhall	Toyota	Honda	Hyundai	Seat	Škoda
10	Ford	Mini	Peugeot	Nissan	Nissan	Nissan	Honda

BEST VAN DEALER NETWORKS

	2019	2018	2017	2016	2015
1	Mercedes-Benz	Volkswagen	Ford	Ford	Volkswagen
2	Volkswagen	Ford	Volkswagen	Vauxhall	Ford
3	Vauxhall	Mercedes-Benz	Vauxhall	Volkswagen	Mercedes-Benz
4	Ford	Vauxhall	Mercedes-Benz	Mercedes-Benz	Vauxhall
5	Renault	Renault	Renault	Renault	Renault
6	Citroën	Citroën	Peugeot	Peugeot	Peugeot
7	Peugeot	Peugeot	Citroën	Citroën	Citroën
8	Nissan	Nissan	Toyota	Fiat	Iveco
9	Fiat	Fiat	Iveco	Toyota	Fiat
10	Iveco	Toyota	Nissan	Nissan	Nissan

FN50: the rolls of honour

2011	
1. Lex Autolease	280,218
2. Leaseplan UK	130,200
3. Alphabet (GB)	99,154
4. Arval UK	86,591
5. Lombard Vehicle Management	70,621
6. ALD Automotive	63,561
7. Daimler Financial Services	55,084
8. Volkswagen Group Leasing	49,437
9. Arnold Clark Finance	49,339
10. GE Capital Fleet Services	43,495
11. Leasedrive Group	35,659
12. Hitachi Capital Vehicle Solutions	33,375
13. Inchcape Fleet Solutions	22,455
14. Zenith	22,136
15. Citroën Contract Motoring	21,758
16. Peugeot Contract Hire	20,942
17. Pendragon Contracts	13,167
18. Toomey Leasing Group	12,992
19. Ogilvie Fleet	10,130
20. Days Contract Hire	9,487
2.1 Venson Automotive Solutions	9,442
22. Grosvenor Contracts Leasing	8,992
23. Tusker	6,706
24. Toyota Financial Services	6,191
25. JCT600 contracts	5,892
26. Fleet Hire	5,800
27. BMW Financial Services	5,621
28. Marshall Leasing	5,570
29. Carillion Fleet Management	5,500
30. TCH Leasing	5,431
31. Motiva Vehicle Contracts	4,313
32. Apex Easy Fleet	4,165
33. Agnew Corporate	3,500
34. Sandicliffe Motor Contracts	3,110
35. Fleet Financial	3,101
36. MNH Platinum	3,050
37. FGA Contracts	2,857
38. OVL Group	2,800
39. DFC	2,773
40. Sinclair Finance and Leasing	2,730
41. Lookers Leasing	2,074
42. SG Fleet	2,023
43. Hilton Vehicle Leasing	1,673
44. Windsor Vehicle Leasing	1,629
45. TransLinc	1,570
46. Fraikin	1,410
47. Agility fleet	1,339
48. Prohire	1,257
49. Fulton Leasing	1,216
50. Burnt Tree	967

2012	
1. Lex Autolease	268,240
2. LeasePlan UK	134,115
3. Alphabet (GB)	109,236
4. Arval UK	85,612
5. ALD Automotive	74,614
6. Volkswagen Group Leasing	59,936
7. Mercedes-Benz Financial Services	55,000
8. Lombard Vehicle Management	49,884
9. Arnold Clark Finance	49,483
10. GE Capital Fleet Services	43,685
11. Hitachi Capital Vehicle Solutions	34,792
12. Zenith	24,400
13. Inchcape Fleet Solutions	24,249
14. Citroën Contract Motoring	23,448
15. Leasedrive Group	22,806
16. Peugeot Contract Hire	19,160
17. Pendragon Contracts	12,405
18. Toomey Leasing Group	10,681
19. Ogilvie Fleet	10,350
20. Venson Automotive Solutions	9,914
21. Days Contract Hire	9,624
22. Grosvenor Contracts Leasing	8,556
23. Tusker	8,036
24. BMW Financial Services	6,444
25. Toyota Financial Services	6,316
26. JCT600 Contracts	6,180
27. Fleet Hire	6,065
28. Marshall Leasing	5,716
29. TCH Leasing	5,383
30. Apex Easy Fleet	5,345
31. Motiva Vehicle Contracts	3,865
32. Agnew Corporate	3,500
33. Fleet Financial	3,353
34. Sandicliffe Motor Contracts	3,332
35. Total Motion Vehicle Management	3,197
36. MNH Platinum	3,150
37. Sinclair Finance & Leasing	2,910
38. DFC	2,773
39. Lookers Leasing	2,605
40. GKL Leasing	2,500
41. SHB Hire	2,430
42. FGA Contracts	2,422
43. Fulton Leasing	2,283
44. SG Fleet	2,065
45. Windsor Vehicle Leasing	1,595
46. Hilton Vehicle Leasing	1,552
47. May Gurney Fleet Services	1,550
48. Fraikin	1,410
49. Agility Fleet	1,363
50. Burnt Tree	1,318

2013	
1. Lex Autolease	273,203
2. LeasePlan UK	136,126
3. Alphabet (GB)	121,946
4. ALD Automotive	86,262
5. Arval UK	85,587
6. Volkswagen Group Leasing	70,345
7. Arnold Clark Finance	49,616
8. Hitachi Capital Vehicle Solutions	47,745
9. GE Capital Fleet Services	47,420
10. Mercedes-Benz Financial Services	40,450
11. Citroën Contract Motoring	30,416
12. Zenith	27,310
13. Inchcape Fleet Solutions	23,719
14. Leasedrive Group	20,872
15. Peugeot Contract Hire	17,423
16. Pendragon Contracts	12,857
17. Ogilvie Fleet	10,685
18. Venson Automotive Solutions	10,408
19. Tusker	10,202
20. Toomey Leasing Group	10,020
21. Days Contract Hire	9,839
22. Grosvenor Contract Leasing	8,214
23. Toyota Financial Services	7,930
24. Fleet Hire	6,814
25. JCT600 Vehicle Leasing Solutions	6,380
26. Marshall Leasing	5,892
27. BMW Financial Services	5,474
28. Apex Easy Fleet	5,345
29. TCH Leasing	5,254
30. Motiva Vehicle Contracts	4,272
31. Agnew Corporate	3,537
32. Total Motion Vehicle Management	3,452
33. Fleet Financial	3,445
34. Sandicliffe Motor Contracts	3,432
35. MNH Platinum	3,200
36. Lookers Leasing	3,154
37. SHB Hire	3,148
38. Sinclair Finance & Leasing	3,017
39. DFC	2,869
40. FGA Contracts	2,596
41. GKL Leasing	2,260
42. SG Fleet	2,120
43. Kier FPS (previously May Gurney)	2,050
44. Agility Fleet	1,668
45. Hilton Vehicle Leasing	1,647
45. Commercial Vehicle Solutions	1,647
47. Windsor Vehicle Leasing	1,599
48. Kendall Cars	1,500
49. Burnt Tree	1,486
50. Fulton Leasing	1,273

2014	
1. Lex Autolease	289,317
2. LeasePlan UK	139,698
3. Alphabet (GB)	130,162
4. ALD Automotive	96,618
5. Arval UK	96,576
6. Volkswagen Group Leasing	92,601
7. Arnold Clark Finance	50,116
8. Zenith	49,325
9. GE Capital Fleet Services	47,315
10. Hitachi Capital Vehicle Solutions	46,639
11. Mercedes-Benz Financial Services	43,031
12. Citroën Contract Motoring	32,576
13. Inchcape Fleet Solutions	25,407
14. Peugeot Contract Hire	17,143
15. Pendragon Vehicle Management	13,863
16. Tusker	12,201
17. Ogilvie Fleet	11,200
18. Venson Automotive Solutions	10,928
19. Days Contract Hire	9,828
20. Toomey Leasing Group	9,241
21. Toyota Financial Services	8,553
22. Grosvenor Contract Leasing	8,111
23. Fleet Hire	6,751
24. JCT600 Vehicle Leasing Solutions	6,530
25. Marshall Leasing	6,036
26. Apex Easy Fleet	5,345
27. TCH Leasing	5,299
28. BMW Financial Services	5,086
29. Motiva Vehicle Contracts	4,826
30. SHB Hire	4,598
31. Total Motion	4,125
32. Lookers Leasing	3,801
33. Fleet Financial	3,780
34. Agnew Corporate	3,707
35. Sandicliffe Motor Contracts	3,610
36. MNH Platinum	3,275
37. Sinclair Finance & Leasing	3,180
38. FGA Fleet Services UK	3,068
39. DFC	2,742
40. GKL Leasing	2,424
41. SG Fleet	2,204
42. Agility Fleet	2,051
43. Burnt Tree Group	2,000
44. Hilton Vehicle Leasing	1,871
45. Commercial Vehicle Solutions	1,566
46. Windsor Vehicle Leasing	1,551
47. Kendall Cars	1,350
48. Traction Finance	952
49. Fulton Leasing	945
50. Specialist Fleet Services	832

2015	
1. Lex Autolease	291,111
2. LeasePlan UK	147,276
3. Alphabet (GB)	140,460
4. Arval UK	110,324
5. ALD Automotive	106,689
6. Volkswagen Group Leasing	101,037
7. Zenith	54,248
8. Arnold Clark Finance	52,606
9. Hitachi Capital Vehicle Solutions	48,257
10. GE Capital Fleet Services	42,047
11. Mercedes-Benz Financial Services	39,287
12. Citroën Contract Motoring	36,017
13. Inchcape Fleet Solutions	26,030
14. Peugeot Contract Hire	16,478
15. Tusker	15,627
16. Pendragon Vehicle Management	14,416
17. Ogilvie Fleet	12,195
18. Venson Automotive Solutions	10,933
19. Toyota Financial Services	10,379
20. Daimler Fleet Management	10,022
21. Days Contract Hire	9,201
22. Grosvenor Contract Leasing	8,065
23. Toomey Leasing Group	7,760
24. JCT600 Vehicle Leasing Solutions	6,591
25. Fleet Hire	6,205
26. Marshall Leasing	6,150
27. SHB Hire	6,102
28. TCH Leasing	5,472
29. Apex Easy Fleet	5,345
30. BMW Financial Services	4,985
31. FGA Fleet Services UK	4,812
32. Motiva Vehicle Contracts	4,700
33. Lookers Leasing	4,292
34. Fleet Financial	4,066
35. Total Motion	4,050
36. Sandicliffe Motor Contracts	3,863
37. Agnew Corporate	3,854
38. MNH Platinum	3,370
39. Sinclair Finance & Leasing	2,911
40. DFC NI	2,820
41. Agility Fleet	2,596
42. GKL Leasing	24,70
43. SG Fleet UK	2,250
44. Hilton Vehicle Leasing	1,970
45. Commercial Vehicle Solutions	1,635
46. Essential Fleet Services	1,540
47. Windsor Vehicle Leasing	1,469
48. Kendall Cars	1,342
49. Traction Finance	1,032
50. Fulton Leasing	831

2016	
1. Lex Autolease	333,038
2. LeasePlan UK	165,839
3. Arval UK	157,161
4. Alphabet (GB)	147,823
5. Volkswagen Financial Services Fleet	137,960
6. ALD Automotive	118,903
7. Zenith	58,392
8. Arnold Clark Finance	51,717
9. Hitachi Capital Vehicle Solutions	51,420
10. Citroën Contract Motoring	44,777
11. Mercedes-Benz Financial Services	44,203
12. Inchcape Fleet Solutions	25,266
13. Peugeot Contract Hire	19,286
14. Tusker	19,005
15. Pendragon Vehicle Management	15,314
16. Ogilvie Fleet	13,523
17. Toyota Financial Services	12,256
18. Daimler Fleet Management	12,105
19. Venson Automotive Solutions	11,159
20. Days Fleet Contract Hire	9,020
21. SG Fleet UK and Fleet Hire	8,570
22. Grosvenor Contract Leasing	8,282
23. Toomey Leasing Group	7,476
24. FCA Fleet Services UK	7,381
25. JCT600 Vehicle Leasing Solutions	6,605
26. Marshall Leasing	6,230
27. Total Motion Vehicle Management	5,854
28. SHB Hire	5,816
29. TCH Leasing	5,789
30. Motiva Vehicle Contracts	4,804
31. Lookers Leasing	4,415
32. Fleet Financial	4,171
33. Sandicliffe Motor Contracts	3,872
34. Agnew Corporate	3,856
35. Sinclair Finance & Leasing	3,632
36. Apex Easy Fleet	3,500
37. BMW Financial Services	3,339
38. MNH Platinum	3,250
39. DFC	2,820
40. GKL Leasing	2,477
41. Agility Fleet	2,317
42. Hilton Vehicle Leasing	2,313
43. Essential Fleet Services	2,085
44. Close Brothers Vehicle Hire	1,635
45. Windsor Vehicle Leasing	1,499
46. Traction Finance	1,221
47. Fraikin	1,200
48. Wheels4Sure.com	946
49. Fulton Leasing	529
50. Fleet & Distribution Management	450

2017	
1. Lex Autolease	381,833
2. Leaseplan UK	168,155
3. Volkswagen Financial Services / Fleet	166,480
4. Arval UK	160,609
5. Alphabet (GB)	151,241
6. ALD Automotive	130,397
7. Free2Move Lease	62,706
8. Zenith	59,240
9. Hitachi Capital Vehicle Solutions	52,841
10. Arnold Clark Finance	47,318
11. Mercedes-Benz Financial Services	42,813
12. RCI Financial	21,418
13. Tusker	20,593
14. Inchcape Fleet Solutions	20,345
15. Pendragon Vehicle Management	17,516
16. Ogilvie Fleet	14,837
17. Daimler Fleet Management	14,405
18. SG Fleet UK	12,923
19. Toyota Financial Services	12,680
20. Venson Automotive Solutions	11,751
21. Leasys UK	10,142
22. Days Fleet	8,644
23. Grosvenor Contracts Leasing	8,324
24. Total Motion	7,355
25. Toomey Leasing Group	6,989
26. JCT600 Vehicle Leasing Solutions	6,631
27. Marshall Leasing	6,470
28. TCH Leasing	6,351
29. SHB Hire	6,322
30. Affinity Leasing	6,078
31. Lookers Leasing	4,326
32. Fleet Financial	4,030
33. Agnew Corporate	3,856
34. Sinclair Finance & Leasing	3,821
35. Sandicliffe Motor Contracts	3,693
36. BMW Financial Services (GB)	3,247
37. GKL Leasing	2,433
38. Hilton Vehicle Leasing	2,389
39. Agility Fleet	2,376
40. Essential Fleet Services	2,249
41. Close Brother Vehicle Hire	1,970
42. Liquid Fleet	1,425
43. Traction Finance	1,424
44. Maxxia	1,290
45. Wheels4Sure.com	1,183
46. Windsor Vehicle Leasing	1,066
47. Fraikin	878
48. Specialist Fleet Services	775
49. Fleet and Distribution Management	550
50. Fulton Leasing	498

2018	
1. Lex Autolease	387,640
2. Volkswagen Financial Services | Fleet	194,599
3. LeasePlan UK	169,695
4. Arval UK	165,318
5. Alphabet (GB)	138,016
6. ALD Automotive	131,889
7. Free2Move Lease	62,915
8. Hitachi Capital Vehicle Solutions	59,074
9. Zenith	58,020
10. Arnold Clark Finance	50,031
11. Mercedes-Benz Financial Services	37,779
12. Tusker	20,923
13. Inchcape Fleet Solutions	20,415
14. Pendragon Vehicle Management	17,600
15. Santander Consumer (UK)	17,340
16. RCI Financial Services	17,095
17. Daimler Fleet Management	15,821
18. Ogilvie Fleet	15,817
19. Leasys UK	13,150
20. SG Fleet UK	13,080
21. Toyota Financial Services	12,379
22. Venson Automotive Solutions	12,045
23. Grosvenor Contracts Leasing	9,456
24. Total Motion Vehicle Management	8,897
25. Days Fleet	7,987
26. Marshall Leasing	7,332
27. Toomey Leasing Group	6,649
28. JCT600 Vehicle Leasing Solutions	6,281
29. TCH Leasing	6,279
30. SHB Hire	5,641
31. Affinity Leasing	5,111
32. Lookers Leasing	4,010
33. Sinclair Finance & Leasing	3,941
34. Fleet Financial	3,894
35. Agnew Leasing	3,856
36. Hilton Vehicle Leasing	3,856
37. Sandicliffe Motor Contracts	3,697
38. Maxxia	3,041
39. Go Plant Fleet Services	2,852
40. GKL Leasing	2,427
41. Agility Fleet	2401
42. Close Brothers Vehicle Hire	2,372
43. Liquid Fleet	1,788
44. Traction Finance	1,775
45. BMW Financial Services (GB)	1,665
46. Wheels4Sure.com	1,262
47. Multifleet Vehicle Management	1,243
48. Windsor Vehicle Leasing	1,022
49. Bridle Vehicle Leasing	786
50. Specialist Fleet Services	715

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