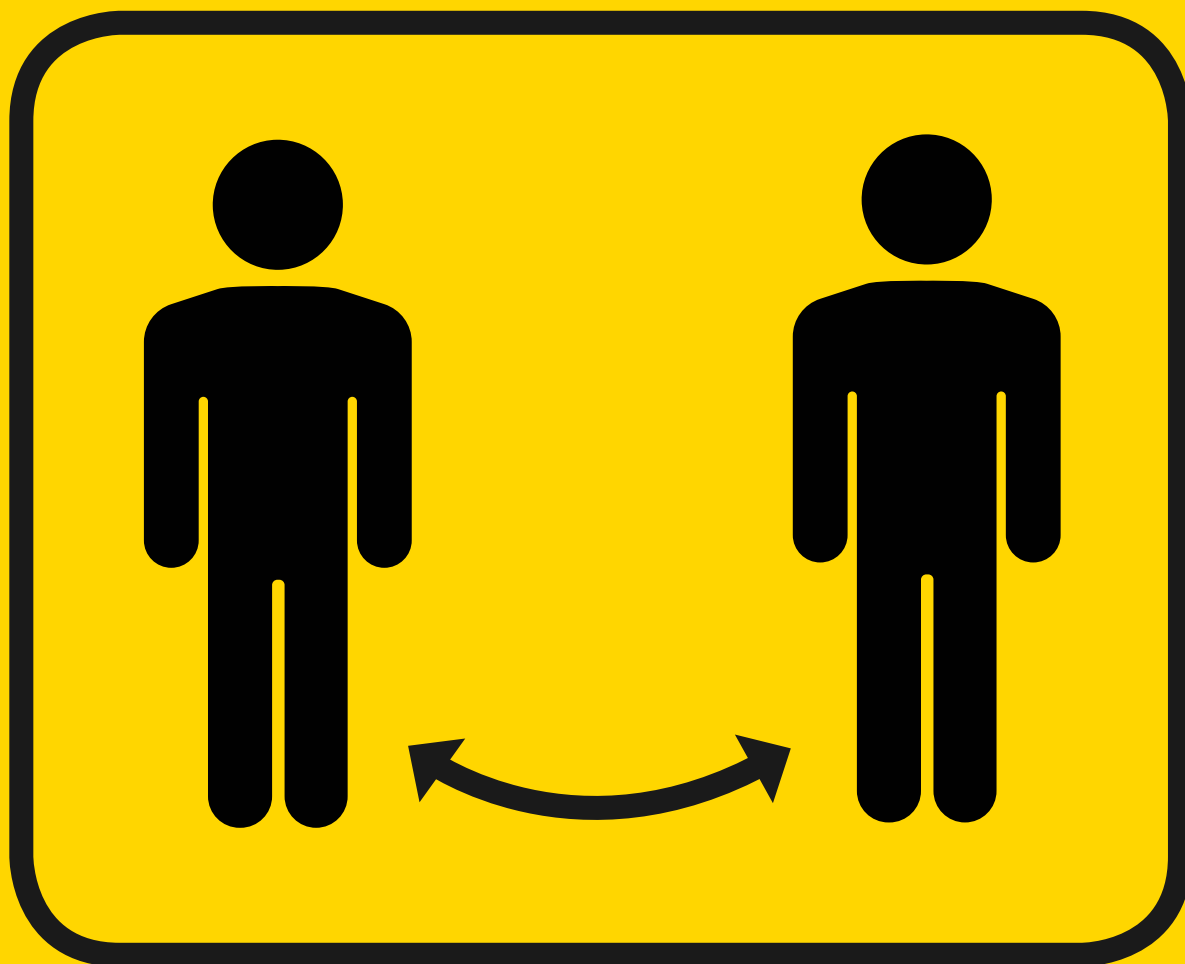


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# Will supply cope with demand as fleets adopt EVs in record numbers?

Greater choice and zero BIK boost EV appeal to company car drivers

By Gareth Roberts

**A**lternative fuel strategies are dominating the fleet agenda, with electric vehicles (EVs) being adopted in ever greater numbers.

But, with record electric registrations in the UK and across Europe, the fleet and leasing industry is keeping a close eye on whether supply can continue to meet demand, as Association of Fleet Professionals chair Paul Hollick outlines on page 6.

"The big challenge for all leasing companies and customers is the availability of product," said Jon Lawes, managing director of Hitachi Capital Vehicle Solutions (HCVS).

While he was quick to stress it is currently not a problem, Lawes told *Fleet News*: "One of the constraints to our growth would be vehicle supply and I'm worried about it."

HCVS was involved in one of the biggest electric fleet deals of the year so far when, in July, Vauxhall received an order for 1,000 full electric vans from British Gas ([commercialfleet.org](https://commercialfleet.org), July 7).

The Vauxhall Vivaro-e vans are being delivered over the next 12 months. However, the deal faced criticism by some fleets who feared it would greatly reduce availability, hampering their chances of securing their own supply of the Vivaro-e.

British Gas and its parent company Centrica, which runs 12,000 vehicles making it the third largest commercial fleet in the country, have committed to transitioning to a 100% electric fleet by 2030 under the EV100 initiative.

That deal was surpassed just days later, when Renault secured a contract to supply car subscription service Onto with 1,100 pure electric Renault Zoe cars.

The order from Onto (formerly Evezyl), will be delivered over the next six months. It is the biggest EV fleet deal Renault UK has struck and takes the number of the all-electric supermini bought by the business to 1,300.

Renault UK fleet director, Mark Dickens, was keen to reassure fleets that such a sizeable deal would not impact Zoe's availability for other corporate customers. "We have absolutely no issue on supply on any of our products," he said. "The Onto deal was built into production planning at the start of the year."

Dale Eynon, director of Defra Group Fleet Services, says lack of availability of electric and plug-in product can impact EV adoption strategies. He has seen some stock availability improve due to cancelled orders, but he believes factories across Europe are now getting back on track post-lockdown.

Eynon said: "Most of the major manufacturers have been in touch with me to say they all have EV models planned for delivery before the end of the financial year and, in some cases, before the end of the calendar year. That ramping up seems to be happening now."



**“YEAR-ON-YEAR, THE ELECTRIC AND HYBRID SECTOR IS CONTINUING TO GROW AT A RAPID PACE”**

**DAVID BUSHNELL,  
ALPHABET GB**

"Some of the big manufacturers are talking in tens of thousands, and by the end of next year, hundreds of thousands."

## LOW BIK FOR EVs

The growing interest in battery electric vehicles (BEVs) and plug-in hybrids (PHEVs) is being driven, in part, by new EV-friendly company car tax rates, introduced in April.

Company car drivers choosing a pure EV are benefitting from a zero-percentage benefit-in-kind (BIK) rate this tax year (2020/21). This will rise to 1% the following year and 2% the year after.

Hybrid company cars are subdivided according to zero-emission driving range. A hybrid achieving less than 30 zero-emission miles, for example, would attract 12% BIK this tax year.

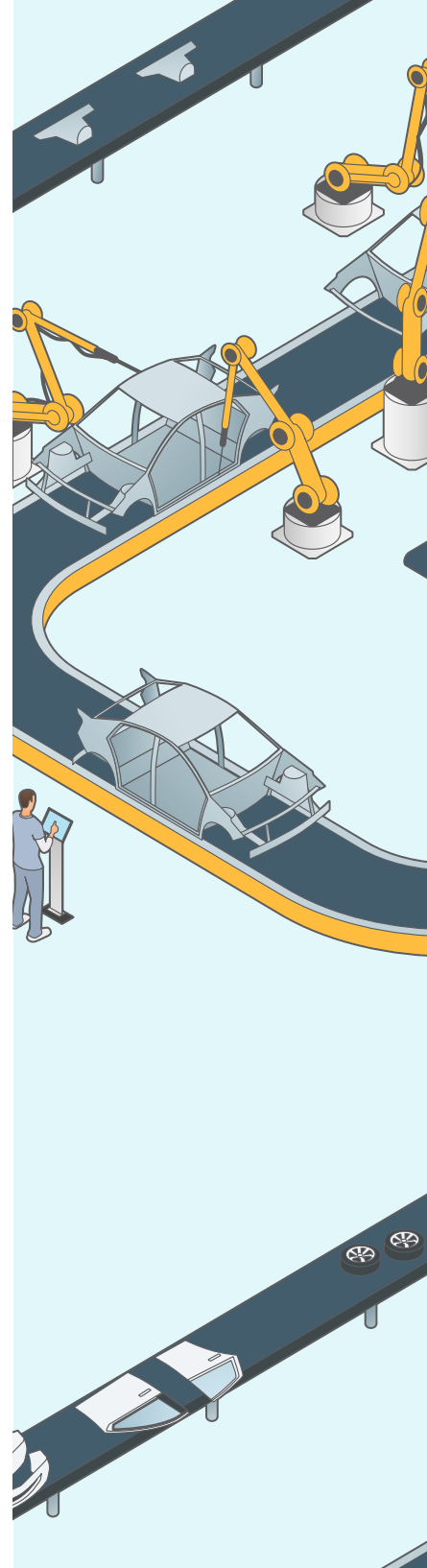
Leasing companies began reporting a surge in interest in plug-in vehicles almost immediately after the new rates were announced in July 2019.

Lex Autolease, the UK's largest leasing company, told *Fleet News* that orders for pure electric cars had increased by 123% ([fleetnews.co.uk](https://fleetnews.co.uk), September 16, 2019).

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

One year on, and demand shows no sign of diminishing. David Bushnell, principal consultant at Alphabet GB, said: "Year-on-year, the electric and hybrid sector is continuing to grow at a rapid pace. In 2020, we're starting to see more of a shift towards pure electric vehicles over hybrids, with a 124% increase of pure electric vehicle orders compared with 2019. Hybrid vehicles remain popular however, and sales have continued to rise compared with last year's figures, up by 41%."

Almost half (48%) of Alphabet company car orders this year, have been for electric (12%) and plug-in hybrids (36%).



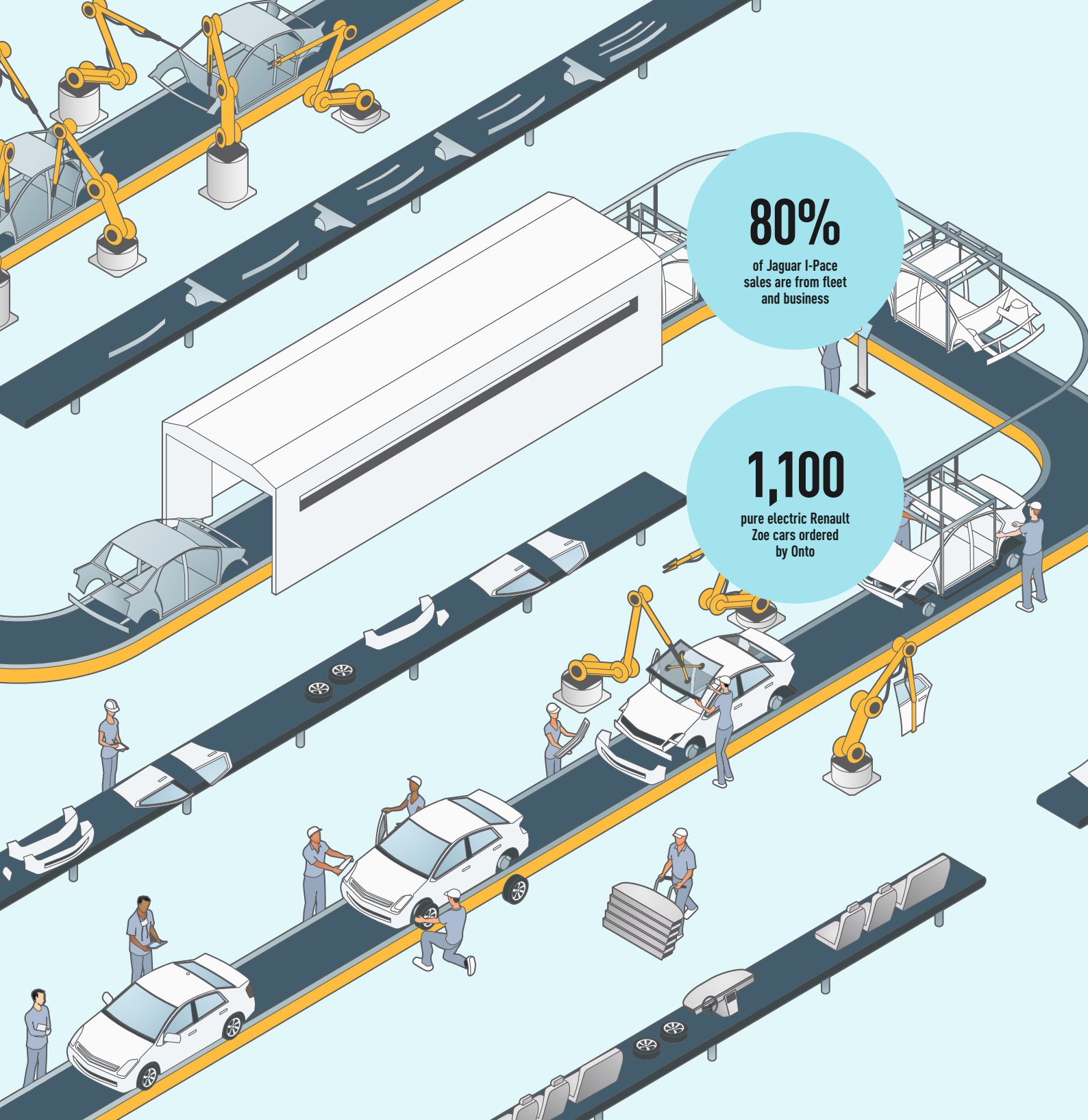
Lex Autolease says a third of its orders this year have been for alternative fuels, evenly split between pure electric and hybrid.

A further third is petrol – unchanged from last year – while diesel is now just under a third (it was almost half previously).

Lauren Pamma, electrification propositions lead in Lloyds Banking Group's motor finance and leasing division, said: "The figures suggest that the move has been away from diesel and almost equally into fully electric and hybrid."

She continued: "As long as the





**80%**

of Jaguar I-Pace sales are from fleet and business

**1,100**

pure electric Renault Zoe cars ordered by Onto

fiscal environment continues to support the market, and the Government doesn't do anything to disrupt the momentum that is just starting to build, there is only one way electric and hybrid (registrations) will go from here and that is up."

#### LEADING THE CHARGE

Arval UK's corporate EV car orders year-to-date (YTD) are running four and a half times higher than its total for 2019. Senior consultant David Watts said: "Corporate customers are really leading the charge. For some of our larger corporates, elec-

tric is the most popular fuel choice this year.

"Electrified vehicles account for the largest proportion of our YTD orders across all of our corporate clients. And of that, plug-in hybrid vehicles account for the largest proportion of orders YTD across the same group.

"In some of our corporate fleet customer sub-segments, we're now seeing EV cars account for more than 40% of orders."

He added: "Before the Government made its announcement on BIK in July 2019, our order take was relatively static for EVs."

Alison Bell, marketing director at Venson Automotive Solutions, believes that, alongside new BIK rates, more models from manufacturers, increased confidence in the technology and greater availability of charging points are all key drivers in the uptake of the technology.

This year, almost one-in-10 (9%) of its company car orders have been fully electric and a third (33%) hybrids.

"These percentages may have been one or two percentage points higher at this point were it not for the Covid affect, which has, in some cases, delayed vehicle orders as

organisations decide their next steps for the rest of the year," said Bell.

Year-on-year, Venson has seen orders for pure electric and hybrid cars increase compared with the same period last year. Pure electric orders have risen 1%, while hybrid orders have increased by 19%.

Tim White, national fleet sales manager at Kia, which produces the pure electric Kona and Ioniq models, said the "dramatic rise" in demand for EVs had been driven by a number of factors, including by businesses looking to "reduce, re-coup and analyse cost-saving through fleet". ➔

## LEAD TIMES

PHEVs, typically, have had a longer lead time due to the battery component part availability for the vehicles, according to Bell.

However, she said: "We have seen all manufacturers introducing a PHEV derivative to their model range which has meant lead times have improved slightly. But, generally, they still take longer than standard petrol/diesel models.

"Our view is that lead times will continue to improve as PHEVs become a more standard aspect of the factory-build schedule.

"Typically, the lead times depend on the manufacture and/or volume of orders in their pipeline. If the diesel/petrol vehicle is available to order, the average lead time is roughly 12-14 weeks. For PHEVs it can be in the region of 22-24 weeks' lead time, on average, if there aren't any stock vehicles available."

Manufacturers report that lead times for many electric models range from a matter of weeks to a few months. Lead times for the Vauxhall Corsa-e, Peugeot 3008 and 508 hybrids are around two months, for example, with vehicles delivered in November if ordered now.

Peter McDonald, fleet director at Nissan GB, also confirmed a two-month wait for the Nissan Leaf. He said: "Leaf orders can be fulfilled very promptly, because the car is

built here in the UK, at Nissan's Sunderland plant.

"It's fair to say that models equipped with our high-performing 62kWh battery are more freely available than those with the standard 40kWh set-up. But orders of cars with any trim level and battery combination can usually be fulfilled within a two-month timeframe."

Meanwhile, the C5 Aircross hybrid, DS3 and 7 E-Tense, and Vauxhall Grandland X Hybrid have even shorter lead times with October delivery. The Kia E-Niro can be delivered in three weeks.

Andrew Jago, general manager, fleet and business at Jaguar Land Rover UK, said almost 3,500 units of the I-Pace had been delivered between the start of the year and August – up more than 44% on the same period last year.

"Fleet and business channels account for 80% of I-Pace sales, with two-thirds of customers being user-chooser or salary sacrifice," he said.

Factory orders placed in September will be delivered before the end of the year.

## RECORD REGISTRATIONS

Analysis by Jato Dynamics shows record-breaking EV registrations across Europe in July. Hybrid and fully electric cars were up 131% year-on-year to 230,700 – the first time they have exceeded 200,000 units.

In the UK, the latest sales data from the Society of Motor Manufacturers and Traders (SMMT) shows mild hybrid petrol engines were the most popular alternative powertrain choice in August, overtaking hybrids with more than 6,500 registrations.

Sales of plug-in hybrids increased by 221.1%, although they still only accounted for one-in-30 sales.

Registrations of battery electric cars (BEVs) increased by 77.6% in the month, accounting for 6.4%. However, BEVs make up just 4.9% of registrations YTD.

48%

of all Alphabet company car orders are electric

# Events combine to create tipping point for increased adoption of EVs by UK fleets



PAUL HOLLICK  
CHAIR, ASSOCIATION  
OF FLEET  
PROFESSIONALS

The 0% benefit-in-kind (BIK) tax rate, the announcement of a whole range of new models and the growth of charging infrastructure across the country all mean that 2020 has long looked set to mark a momentous tipping point for EV adoption by UK fleets.

It's viewed by many – including the Association of Fleet Professionals (AFP) – as a moment of innovation and excitement. So, it is a little frustrating to report that we're currently encountering a few bumps in the road that are slowing progress. There is no fault to be ascribed to

this situation – and many of the problems which our EV, Low Carbon and Alternative Fuels Committee are discussing have, of course, unavoidably been caused by the impact of the coronavirus crisis.

The biggest hurdle is availability of key vehicles. While more expensive, established EVs can be acquired relatively easily, newer models suitable for mainstream company car use and which are likely to power mass fleet acceptance are often in short supply. Much of this is due to factories either getting back to capacity in the wake of the pandemic or ramping up to meet buoyant global demand, a situation that probably also accounts for some EV-specific parts, including tyres, being tricky to obtain.

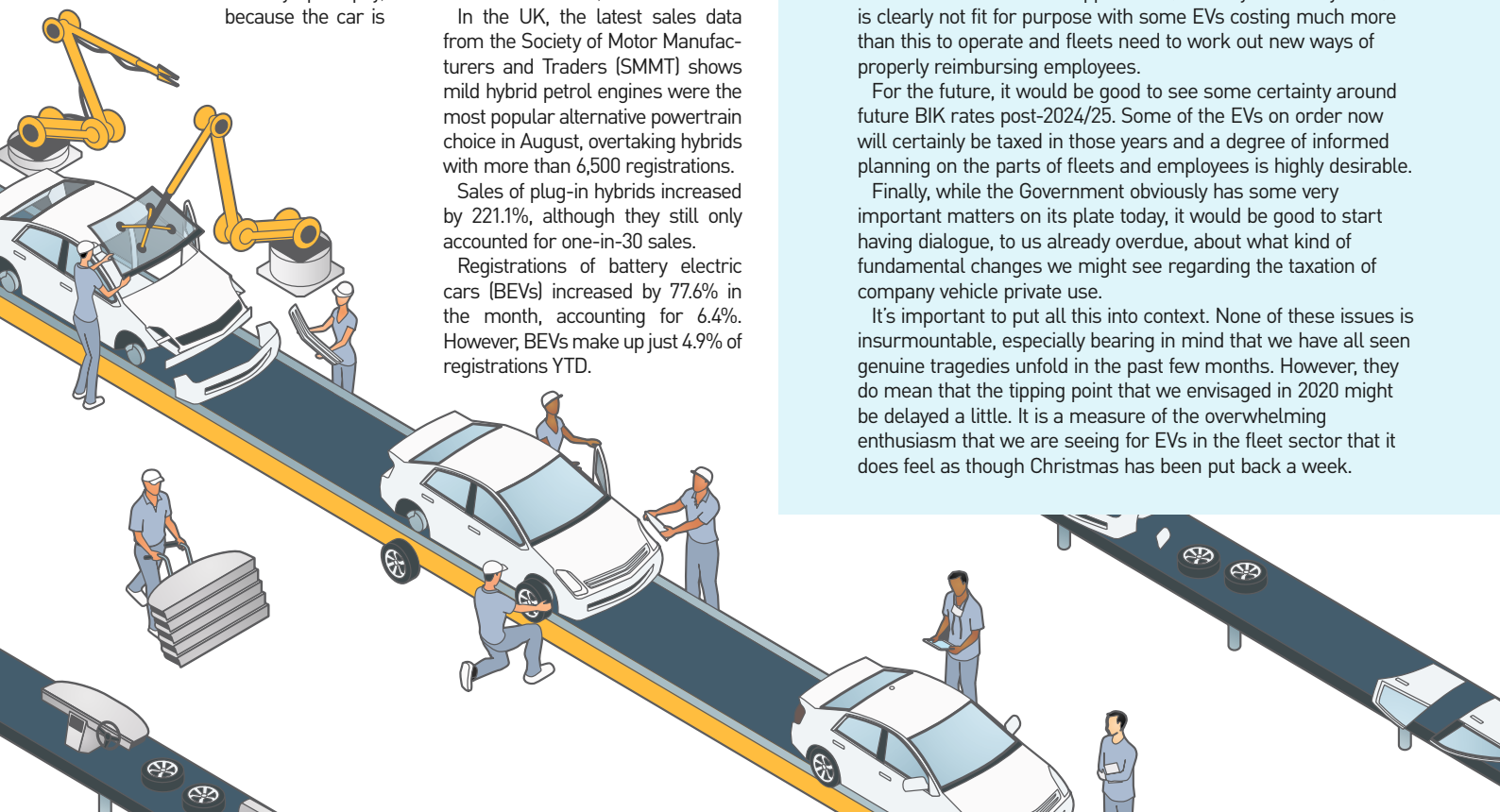
The situation is more acute for the EV light commercial vehicles now coming to market. These are around in even smaller numbers than EV cars as most of the 2020 allocation has been taken by mega-fleets who committed to buy in 2019, with smaller buyers facing lengthy waiting times.

Elsewhere, there are some structural issues from the tax authorities to tackle. The 4ppm AER (Advisory Electricity Rate) is clearly not fit for purpose with some EVs costing much more than this to operate and fleets need to work out new ways of properly reimbursing employees.

For the future, it would be good to see some certainty around future BIK rates post-2024/25. Some of the EVs on order now will certainly be taxed in those years and a degree of informed planning on the parts of fleets and employees is highly desirable.

Finally, while the Government obviously has some very important matters on its plate today, it would be good to start having dialogue, to us already overdue, about what kind of fundamental changes we might see regarding the taxation of company vehicle private use.

It's important to put all this into context. None of these issues is insurmountable, especially bearing in mind that we have all seen genuine tragedies unfold in the past few months. However, they do mean that the tipping point that we envisaged in 2020 might be delayed a little. It is a measure of the overwhelming enthusiasm that we are seeing for EVs in the fleet sector that it does feel as though Christmas has been put back a week.



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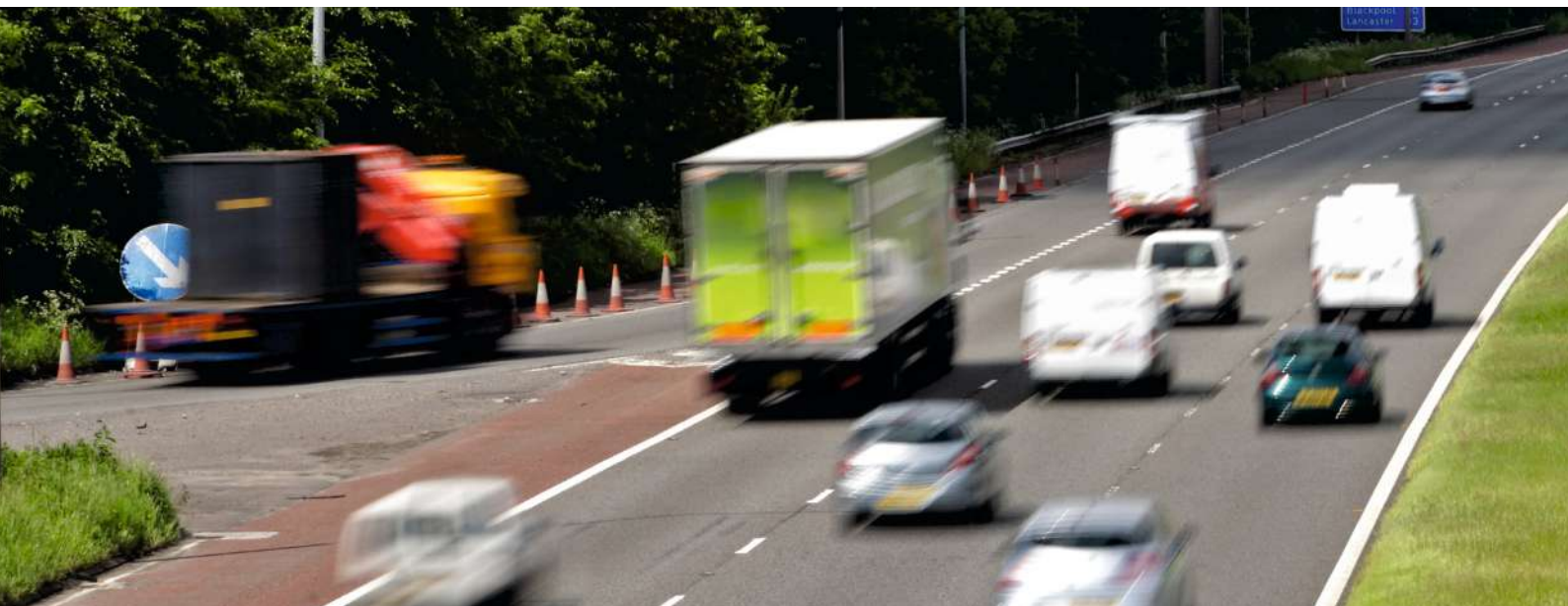


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The fuel consumption or electric range achieved, and CO<sub>2</sub> produced, in real world conditions will depend upon a number of factors including, but not limited to: the accessories fitted (pre and post registration); the starting charge of the battery (PHEV only); variations in weather; driving styles and vehicle load. The plug-in hybrid range requires mains electricity for charging. The WLTP (Worldwide Harmonised Light Vehicles Test Procedure) is used to measure fuel consumption, electric range and CO<sub>2</sub> figures. Figures shown are for comparison purposes and should only be compared to the fuel consumption, electric range and CO<sub>2</sub> values of other cars tested to the same technical standard. The figures displayed for the plug-in hybrid range were obtained using a combination of battery power and fuel. <sup>^</sup>Figures shown are for the 3008 SUV HYBRID 300 e-EAT8. Information correct at time of going to print.





# After Covid respite, vehicles return to UK roads in even greater numbers

Pandemic-influenced improvements to air quality look like being lost as country gets mobile

By Gareth Roberts

**T**he number of cars, vans and heavy goods vehicles (HGVs) on the country's roads are increasing beyond pre-pandemic levels at different times of the week, new data suggests.

Light and heavy commercial vehicles are now at their busiest since national lockdown was lifted and they are significantly surpassing what would be typically expected at this time of year.

Van traffic, for example, was a fifth higher than usual, at some 121%, on Sunday September 13, while HGV usage was even higher at 123%. Both are running some 5% higher than expected volumes during weekdays.

The figures, from the Department for Transport (DfT), show car usage was also slightly above expected levels on Saturdays and Sundays at the beginning of the month. However, it was still some 5-10% down during the working week.

Any reduction in traffic levels and improvement in air quality gained as a result of lockdown and home-working, which led to the suspension of several clean air zone (CAZ) plans, is being threatened, according to environmental campaigners.

An increase in home deliveries, fuelled by a switch to online shopping, and people choosing the car over public transport appears to have offset potential savings.

## PEAK TIMES DISAPPEAR

New Government statistics suggest both morning and evening rush hours have disappeared.

The latest figures for June from the DfT show that in the morning peak there was a 21.4 second delay per vehicle mile travelled on local A roads, compared with 56.7 seconds in February.

It is the same for the evening peak, which reported a 25.8 second delay per vehicle mile travelled, less than half of the 63.6 seconds reported before the pandemic in February.

Public transport, meanwhile, is still struggling to attract typical passenger numbers expected at this time of year. National rail was carrying just over a third (36%) of expected passenger numbers on September 16, the last day figures are available.

National and London buses were carrying more than half (56%) of their typical passenger numbers and the London Underground just 35%.

Meanwhile, in the capital, new analysis by the Environmental Defense Fund action group, showed congestion outside its congestion charge zone was, on average, 18% higher than last year during the first week of September.

Congestion reached a peak on September 7, some 153% higher than 2019 levels.

Inside the congestion charge zone, it fell to just over half the level seen

last year.

The charge to drive into the zone was suspended at the start of the lockdown in March, but was reinstated in May, and increased from £11.50 to £15 a day from June 22 – a 30% hike.

The zone's hours of operation were also extended by the operator, Transport for London (TfL), to include Saturdays and Sundays, and by four hours a day – 7am to



“THIS ANALYSIS IS A RALLYING CALL FOR ACTION AND A CONCERTED EFFORT FROM BUSINESS TO CURB THE RECORD NUMBER OF VANS ON OUR STREETS”

OLIVER LORD, ENVIRONMENTAL DEFENSE FUND



## SPEED LIMIT CUT TO REDUCE EMISSIONS

Speed limits on parts of four motorways are to be cut before next month (October) in a trial to reduce pollution.

Highways England said the limit will be reduced from 70mph to 60mph in areas that have seen higher than recommended levels of nitrogen dioxide.

The reduced speed limit will be introduced on M6 junctions 6 to 7 by Witton, M1 junctions 33 to 34 by Rotherham, M602 junctions 1 to 3 by Eccles and M5 1 to 2 by Oldbury.

Each location is up to 4.5 miles long and the new speed limits will be operational round the clock.

The reduced speed limits will be assessed after 12 months to see if they are having an impact, or if the air quality level has become compliant.

Recent DfT figures show that the proportion of cars sticking to the speed limit is at its highest on 60mph roads.

In 2019, 50% of cars were found to exceed the speed limit on motorways, 54% on 30mph roads and just 9% where limits were 60mph.

ISTOCK.COM/BRIANA JACKSON

10pm (6pm had been the cut-off).

The Environmental Defense Fund say these findings are particularly concerning for London's air quality and it is calling for urgent action to reduce the number of vehicles and congestion on roads outside the city centre.

Oliver Lord, the Environmental Defense Fund's head of policy and campaigns, said: "Traffic congestion is precisely what we should prevent as our polluted city emerges from lockdown."

"This analysis is a rallying call for action and a concerted effort from business to curb the record number of vans on our streets."

London's ultra-low emission zone (ULEZ), which currently covers the same area as the congestion charge zone, but only charges the most polluting vehicles, is due to be expanded from October 2021.

New cameras began being installed last month (August), ahead of its expansion to the North and South Circular – an 18-fold increase in size.

TfL says the larger zone is vital to ensure that, as London recovers from the coronavirus pandemic, one public health crisis is not replaced with another.

It estimates that the new, expanded ULEZ will reduce harmful nitrogen oxide (NOx) emissions from road transport by around 30% across the city.

Other local authorities, some of which agreed with Government to delay their plans to start charging the most polluting vehicles to drive into their city centres this year, have now put them under review.

In June, councils were recording significant improvements in air quality, which could, potentially, weaken the case for charging zones (*Fleet News*, June 25).

### COUNCILS TAKE STOCK

Leeds City Council announced last month that it was suspending the introduction of its CAZ while it re-assesses the air quality issues in the city, (*fleetnews.co.uk*, August 19).

If the city's air pollution levels remain below legal limits, then the council will no longer have the crucial support of Government to introduce its CAZ.

Councillor James Lewis, deputy leader for Leeds City Council, said: "Given this uncertainty, our financial support will continue to be paused until the review is complete and we have received further direction."

"I recognise that at an already uncertain time, this latest update will be frustrating for many businesses. However, I would like to ask drivers and operators for their continued patience while we carry out this urgent review. I hope to be able to clarify the future of the Leeds CAZ in the autumn."

Leeds City Council is now working closely with Government to review the long-term impact that the pandemic and other factors will have on the city's air quality to understand whether pollution will ever reach illegal levels.

The council previously planned to launch its Class B CAZ on Monday (September 28). Buses, coaches, heavy goods vehicles, taxis and private hire vehicles, which failed to meet minimum emissions standards, would be charged for driving within the zone's boundary.

Non-Euro VI HGVs, buses and coaches faced a £50 daily charge for driving in the zone, while non-Euro 6 diesel and non-Euro 4 petrol taxis and private hire vehicles would have incurred a £12.50 charge. Private vehicles would not be charged.

Days after Leeds announced its review, Bristol City Council said it was looking at alternative options to

improve air quality and may reverse its decision to introduce a CAZ.

As a result of the pandemic, Bristol mayor Marvin Rees says travel habits in the city are changing and its pollution levels are lower.

He explained: "Our plans have always been about cleaning up our air in the fastest possible time and not being anchored to one method."

Birmingham and Manchester's plans for CAZs are moving full steam ahead, with Birmingham City Council approving a new air quality action plan for public consultation, last month (*fleetnews.co.uk*, August 7).

It includes a Class D CAZ, meaning drivers of all vehicles will be charged, including cars, if they do not meet the latest emissions standards. No date has been set for its introduction.

Meanwhile, Transport for Greater Manchester (TfGM) is developing a CAZ vehicle finance scheme to fleet operators of non-compliant vehicles ahead of the introduction of its CAZ in spring 2022.

Up to £120 million of Government funding will be made available by way of grants and contributory finance to provide support to around 30,000 affected owners and operators to replace HGVs, LGVs, taxis, private hire vehicles, coaches and minibuses.





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# Half of vans travel less than 15 miles from their base

Low mileage opens the door to electric vans, but cost is still a concern

By Gareth Roberts

**J**ust 0.3% of all vans on Britain's roads – some 12,300 out of 4.1 million vehicles – is considered an ultra-low emission vehicle (ULEV), new Department for Transport (DfT) data suggests.

The vast majority of them (96%) are powered by diesel, but the number of ultra-low emission vans – emitting 75g/km of CO<sub>2</sub> or less – is increasing, having trebled in the past 12 years.

The findings are part of wider research commissioned by the DfT into the van sector for the first time since 2008 and 2009.

DfT road traffic estimates show that van travel has grown substantially over the past 25 years, increasing 106% to 55.5 billion vehicle miles in 2019.

Van travel as a proportion of all motor vehicle miles has increased from 10% to 16%, while the number of vans on Britain's roads has grown by 93% over the same period.

The Ford Transit remains the most common make and model of van in Great Britain, with more than 960,000 licenced as of the end 2019.

Average annual mileage per van in GB (van vehicle miles divided by van stock) has remained broadly stable, at around 13,000 miles per year.

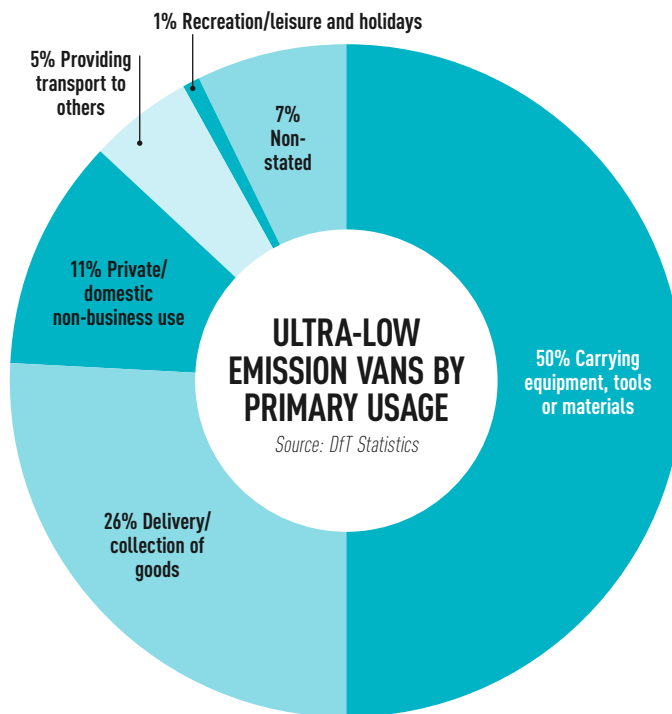
Meanwhile, the 2019-20 van survey found that just more than a quarter (27%) of vans were three years old or less, two-in-five (40%) were between three and 10 years old, and a third (33%) exceeded 10 years.

The DfT provisional statistics, which are compiled from responses to a questionnaire, using data on more than 17,600 vans driven by private and business operators, indicate that the age of vans kept varies greatly between the private and business sector.

More than half of vans (54%) driven by private owners were more than 10 years old, compared with 17% by business owners.

Across all van owners, the primary activity of the majority of GB's annual van mileage (48%) was for 'carrying equipment, tools or materials'.

'Delivery/collection of goods' was next at 23%, followed by 'private/

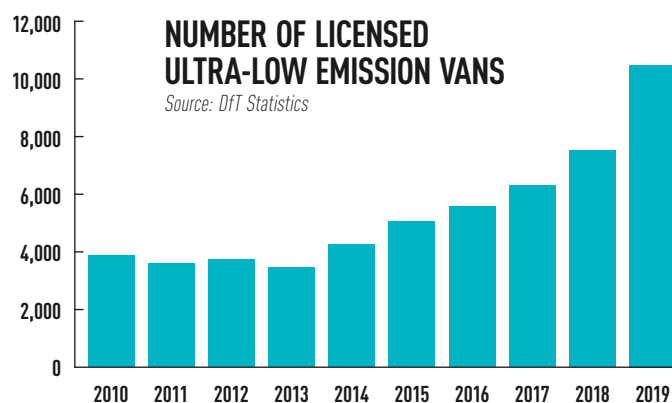


**12,300**

ultra-low emission vans in England Wales and Scotland

**4.1m**

licensed vans in Great Britain



domestic non-business' use at 10%.

Despite the increase seen in recent years in home deliveries, these 2019-20 figures are broadly similar to the previous study of van ownership in England in 2008.

In the 2008 study, 53% of mileage was attributed to 'carrying equipment', 26% to 'delivery/collection' and 9% to 'private/domestic' use.

The latest study saw the introduction of a new category – 'recreational/leisure and holidays', which made up 3% of all van mileage in 2019-20.

The scope for employing hybrid or fully electric vans appears to increase when the journey patterns of vans are revealed.

The provisional findings of the 2019-20 survey showed that half of all vans (50%) stayed local, within 15 miles of their base, on a typical day.

Just over a third of GB-based vans travelled regionally (34%), 14% travelled nationally and 1% internationally on a typical day.

However, vans used primarily for 'transport', 'carrying equipment,

tools or materials' or the 'delivery/collection of goods' tended to travel further than 15 miles from base.

The group most likely to go further were vans used for 'delivery or collection of goods', with 61% of these travelling regionally or further on a typical day.

The data showed that those vans classed as ULEVs – typically battery electric (BEV) or plug-in hybrid electric vehicles (PHEVs) – were more likely to be used locally compared with diesel or petrol vans. On a typical day, 75% of ULEVs stayed within 15 miles of their base, compared with 50% of non-ULEVs. Only 1% of ULEVs travelled more than 50 miles away from their base on a typical day.

Reasons for not buying an electric van varied. Almost half (49%) cited the price, with the other most common reasons being vehicle suitability (43%), availability of charging points (38%) and the cost/availability of buying second-hand (33%).

In considering factors that would influence their next van purchase, two environmental factors were listed as very or quite important by a majority of respondents. However, overall, they were rated 7th and 10th most important, with 69% pointing to green concerns and 56% citing use of low emission/clean air zones.

A final report of the DfT's findings will appear in the coming months.



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20

**FIAT E-DUCATO PRICED FROM £47,675**

Fiat says prices for the new fully-electric E-Ducato will start from £47,675 (inc grant) for the base panel van. The 47kWh battery provides a range of up to 120 miles (WLTP City). The larger 79kWh battery can cover up to 192 miles (WLTP City).

25

**FLEETONDEMAND MAAS PLATFORM FOR SCOTTISH TRIAL**

Fleetondemand's Mobillio mobility platform will be used in a Scottish Highlands trial to link all modes of transport through one smartphone app. The Highlands and Islands Transport Partnership (HITRANS) will use the platform to help support its GO-HI rural Mobility as a Service (MaaS) project from March 2021.

26

**LAND ROVER ADDS NEW HYBRID ENGINES TO DISCOVERY SPORT AND EVOQUE**

Land Rover has introduced a pair of new mild-hybrid diesel engines to the Discovery Sport and Range Rover Evoque. They join the existing mild hybrid petrol units and the P300e plug-in hybrid variant, as part of an expanding electrified range.

27

**COCA-COLA LOSES ITS APPEALS OVER VANS CLASSED AS CARS**

The Court of Appeal ruled in favour of HMRC, deciding that a Vauxhall Vivaro should now also be classed as a company car, not a van, by Coca-Cola. The drinks firm also lost its appeal on two Volkswagen Kombis, with the three judges agreeing with two previous lower court rulings.

28

**AMAZON ORDERS 1,800 ELECTRIC MERCEDES VANS**

Amazon is expanding its European delivery fleet with 1,800 new electric vans from Mercedes-Benz. The new vehicles will be integrated into the online retailer's fleet throughout the year, with 500 electric Mercedes-Benz vans being deployed in the UK.

SEP

1

**COUNCILS EARN UP TO £8M FROM BUS LANE FINES**

Outside London, Manchester City Council brought in the most money from bus lane fines, receiving more than £8 million from 388,213 penalty charge notices (PCNs) in the last year. Other cities which saw huge returns include Glasgow (£2.87m), as well as some smaller towns and cities such as Coventry (£2.74m) and Reading (£2.18m).

2

**ŠKODA ENYAQ REVEALED: PRICES, SPECS AND RANGE**

Škoda has revealed the all-new fully electric Enyaq iV SUV and confirmed UK prices will start from £33,450. All Enyaq iV models have a minimum DC rapid charging capability of 50kW as standard. Customers can specify higher 100kW (for 62kWh battery) and 125kW (for 82kWh battery) DC charge rates as options.

3

**NEW MERCEDES S CLASS REVEALED**

Mercedes-Benz revealed the latest version of its flagship S Class saloon, which debuts a range of new technology developments from the brand. It will go on sale this month (September), offered in S 350d, S 400d and S 500. A plug-in hybrid S 580e with a 60-mile electric range will also join the line-up later.

**NEW CAR SCHEME DRIVES ARVAL STAFF TO MAKE EV SWITCH**

A revised company car scheme at Arval has led to half of its drivers switching to an electric vehicle (EV), since May. The "rewired" scheme aimed to speed up the electrification of Arval's 200-strong fleet and reduce emissions by allowing drivers to change their car to an EV if it was more than 18 months old.

**VW REVEALS GOLF ESTATE AND ALLTRACK**

Volkswagen is expanding the Mk8 Golf line-up with the introduction of a new estate model and an Alltrack 4x4. Expected to go on sale in early 2021, the new Golf Estate will feature a longer wheelbase, providing more load space and improved legroom for passengers.

**KILLER DRIVERS COULD FACE LIFE SENTENCES**

The measures include plans to increase the maximum penalty for causing death by dangerous driving from 14 years to life and increase the maximum penalty for causing death by careless driving while under the influence of drink or drugs from 14 years to life. There would also be a new offence of causing serious injury by careless driving.

**NEW JAGUAR F-PACE PHEV FROM 49G/KM**

The new Jaguar F-Pace has a choice of diesel and petrol engines, as well as mild and plug-in hybrid versions. The new 2.0-litre four-cylinder PHEV model is powered by a 17.1kWh lithium-ion battery and has emissions from 49g/km.

**FLEET NEWS POLL**No:  
36.4%

**HAVE YOU  
RECENTLY RECEIVED  
AN INCORRECT TAX  
CODE FOR A  
COMPANY CAR  
FROM HMRC?**

Source: [fleetnews.co.uk](https://fleetnews.co.uk)Yes:  
63.6%**FLEET NEWS VIEW:**

Our poll from a small sample of readers shows a worrying trend of drivers discovering errors in the way their company car tax is coded. With the new benefit-in-kind (BIK) tax regime introduced from April this year, it is vitally important that fleet decision-makers and employees check vehicles are coded correctly so they are not over-paying tax. This is particularly true of pure electric and hybrid company cars, where errors have been reported.

**THIS ISSUE'S POLL:** Should a ban on the sale of diesel and petrol new cars and vans be implemented at the same time?





HM Government  
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-  Change
-  Go



# THE BIG PICTURE

Cash or car? The question has been around for years, but recent events have seen it rise up the agenda in many boardrooms.

More than three-quarters of companies in this year's Fleet200 offer cash (full analysis starts on page 39), although the amounts and the qualifying criteria vary substantially. On average, almost 430 employees take the cash option; among businesses with more than 1,000 company cars, typically larger organisations, that average rises to 640.

In comparison, these big businesses have car fleets averaging 1,400 – just more than a 2:1 ratio of company cars to cash (it's also around 2:1 across the entire Fleet200).

The big question is whether that proportion will swing towards cash due to the new travel behaviours triggered by the coronavirus pandemic.

The jury is out. On one side, people are travelling far less and they are being encouraged to use active travel means, such as walking or cycling, so do they really need a company car which is spending an even greater amount of its time sitting idle on their driveway?

On the other hand, people are shying away from public transport, while walking and cycling is less appealing in poor weather and impractical for distances much over a couple of miles.

Added to this is the huge incentive of having a car for free, or next to nothing. With electric vehicles on zero BIK this current tax year, rising to 1% next year and then 2% for the subsequent three years, and with the cost of charging much lower than filling with petrol/diesel, they have considerable appeal.

Drive, for example, a Nissan Leaf and you'll pay nothing in tax until April 2021 (and just £1.20 a week for the subsequent 12 months). Meanwhile, charging costs will be just £475 for an annual 10,000 miles (or £9 per week), according to the *Fleet News* running cost calculator. That's a total of £10.20 a week – can you travel for less?

Would your employees really give up the truest form of on-demand social-distanced mobility for a tenner a week? Would you?

Predictions of the death of the company car are premature. Yes, this sector will be affected by redundancies – it's inevitable. But that's not a reflection on demand; the role of the fleet (and mobility) manager will be around for a while yet.

■ Keep an eye out for details on our Back to Business webinar on October 13, part of our coronavirus series which continues on page 98.



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

EDITOR'S PICK

## BENEFIT-IN-KIND TAX

### Court's decision a blow for car sharing



Mr Onion wrote:

Having read 'Coca-Cola loses company car tax ruling in Court of Appeal' (fleetnews.co.uk, August 6) in pursuing this, HMRC has destroyed the Government's environmental policy of promoting car sharing schemes where such kombi vans are used to transport crews from job to job.

Employees will now likely ask for a van with just three seats, meaning two vehicles may be required on the road where one would do the job.

I'm surprised the courts didn't consider this, either. But I guess neither of them care as the Government will collect revenue from higher BIK, and from the fuel duty and VAT receipts created by an extra van on the road.

If a driver is going to be taxed for a car they are going to want a car, and if they need to carry goods then they will ask for a van too.

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

## DANGEROUS DRIVING

### Longer prison sentences won't stop drivers making mistakes

Edward Handley wrote:

Having read 'Killer drivers could face life sentences' (fleetnews.co.uk, September 14), there are constant calls for tougher sentences for drivers who kill and, each time the penalty is increased, the pressure groups demand even harsher penalties, but there is no point in putting someone in prison for a long time just for making a mistake.

Prisons are an expensive option. They should be full of people who are likely to be repeat offenders as, when kept secure, they cannot re-offend, not full of drivers who made an error.

The worst types of deliberate bad driving do deserve long prison sentences, especially those who try to evade the police by driving like lunatics.

Also, we should perhaps include people who look at social media on their phones while driving as those are deliberate acts.

But there is no point in locking up a driver who makes an error of judgement or loses concentration for a moment – if not intentional, there is no deterrent value. A deterrent can only work for a deliberate or considered act.

Paul Adey added:

I am quite happy with the new life sentences proposed for irresponsible drivers who kill, provided we also apply the same standards to terrorists and murderers.



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**Burning question:**  
Have you travelled on public transport in  
the past three months?

### EDITORIAL

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train back from London after the Fleet News  
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**Staff writer**  
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No, thankfully, there are too many new cars to test  
**Photos** istock, Chris Lowndes

### PRODUCTION

**Head of publishing**  
Luke Neal  
Devon's Babbacombe Cliff railway in my family bubble  
**Production editor**  
David Buckley  
Went to London by train – almost empty. Felt eerie  
**Senior designer**  
Chris Stringer  
Not used any public transport, I've barely used  
my car. The bicycle has reigned supreme  
**Head of project management**  
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## ROAD SAFETY

### More police testing will help to cut drink-driving



**Ean D Lewin wrote:**

Having read 'Drink-drive death rise sparks lower limit call' ([fleetnews.co.uk](https://fleetnews.co.uk), August 28), dropping the drink-drive level in Scotland has made no difference. What is needed is more police using more breathalysers.

There is a proven link between the number of test performed and a reduction in drink-drive collisions and injury. Note, many forces are catching two to three times the number of drug drivers. This has become a more serious problem.

## DRIVER TRAINING

### Driving is a skill for life

**Colin Paterson wrote:**

Having read 'Fleets warned as driving standards fall' ([fleetnews.co.uk](https://fleetnews.co.uk), August 14), I totally agree. Many drivers will forget the basics after possibly passing a test many, many years ago and never had any further driver training or driving intervention to remind and re-educate. Driver training is key. Driving is a skill for life.



## AIR QUALITY

### Previous reduction caused traffic jams



**Tony Richards wrote:**

Having read 'Four motorways to introduce 60mph limits to cut pollution' ([fleetnews.co.uk](https://fleetnews.co.uk), September 14), yet again we have some so-called experts reducing the speed limits due to increased pollution at Oldbury junctions 1 to 2.

This was the same stretch of motorway that was reduced to 30 mph for two-and-a-half years while they carried out repairs and caused horrific jams at the same time, and is probably the reason that pollution was up on this particular stretch of road.

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# Do hydrogen vehicles have a viable future?

Fuel cell electric vehicles lag dramatically behind battery EVs when it comes to uptake and availability.

*Andrew Ryan* looks at what their role may be

**B**etamax versus VHS. X-box versus Playstation. Petrol versus diesel. History is littered with examples of different technologies competing to deliver the same outcome, and the zero-emission vehicle sector is no different.

Sometimes rivals are able to co-exist in their respective areas, even though one may dominate, while at other times only the fittest survives.

So what will happen in the zero emission vehicle technology sector with battery electric vehicles (BEVs) and the hydrogen-powered fuel cell electric vehicles (FCEVs)?

In both technologies, electricity is used to power a motor within the vehicle, but the major difference is how this is generated.

A BEV is charged from an external power source, such as a local or national grid, while an FCEV uses an onboard fuel stack to convert hydrogen into electricity.

At the moment, BEVs are massively in the ascendency and this year, to the end of July, 39,119 were sold in the UK. Over the same period, just 19 FCEVs were registered.

There are many reasons for this, including that just two FCEV models are available – the Hyundai Nexa and Toyota Mirai – but they are also expensive (both retail at more than £60,000) and there are just 13 refuelling stations in the UK.

In comparison, there are around 30 BEV models, retailing from around £25,000, with public charge points at more than 12,000 locations in the country. BEVs can also be charged at people's homes, which is not possible with FCEVs.

BEVs are also more efficient: Volkswagen Group says they have an efficiency level of between 70% and 80% from when the electricity is generated to when it is used to drive the vehicle.

Because of the energy lost producing hydrogen through electrolysis and then converting that into electricity to power a car, FCEVs achieve efficiency of between 25% to 35%.

"No sustainable economy can afford to use twice as much renewable energy to drive fuel cell cars instead of battery-powered vehicles," says Dietmar Voggenteiter, head of the study by Horváth & Partner on behalf of the Volkswagen Group.

Instead, he says hydrogen could be used only in niches, in trucks and buses, and over long distances where battery weight, range and fuelling time play a decisive role.

Colin Herron, managing director of electric vehicle consultancy Zero Carbon Futures, goes





further, dismissing hydrogen as “dead” for cars (see interview, page 94).

However, earlier this month the UK Government said it was working on a new strategy that will “deliver a world-leading hydrogen market”, according to a top civil servant.

As well as in transport, it says hydrogen could play a much wider role in reducing the country’s CO<sub>2</sub> emissions by being blended into the gas grid, through industrial use and power generation.

Julian Critchlow, director general for Energy Transformation and Clean Growth at the Department for Business Energy and Industrial Strategy (BEIS), says from a transport point of view, the Government sees hydrogen “having a big role”, especially for heavier vehicles.

The technology also has plenty of other advocates, even for cars, with governments and manufacturers investing huge sums in its development.

Its major advantage is its fast refuelling – it takes around five minutes to provide enough hydrogen for 300 miles, while it can take between 30 minutes and several hours to fully charge a BEV, dependent on the vehicle and the speed of the charge point used.

Also, there is no need for an FCEV to carry a heavy battery while, unlike a BEV, their range is not affected by cold weather.

#### **HYDROGEN STRATEGY**

Earlier this summer, the Government said it would provide £73.5 million to support 10 programmes to develop green technologies.

One of these is Jaguar Land Rover’s Project Zeus, which aims to develop a prototype FCEV alongside a number of partners.

Hyundai and Toyota, with their Nexo and Mirai models, are currently the world leaders in the technology, with Hyundai planning to produce 500,000 FCEVs – cars and commercial vehicles – by 2030.


Toyota aims to increase production to 30,000 by the early 2020s and has already begun deploying its hydrogen buses, forklifts and heavy trucks in some parts of the world.

Other manufacturers are also investing in the technology. For example, BMW intends to pilot the second generation of its hydrogen powertrain in a new model from 2022, Audi has announced a small-scale hydrogen-powered vehicle in 2021, while Groupe PSA plans to launch a fuel cell van next year.

It appears there is the will – and potentially the way – for both technologies to co-exist in the car and van market and this is the view of the UK Government.

“Hydrogen can play a role as a viable fuel in the future across the automotive industry alongside BEVs,” it says.

#### **THE RIGHT MIX**

Jonny Goldstone, managing director of London-based private hire company Green 



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Tomato Cars, whose 50 Mirai cars have covered more than one million miles, agrees.

"For me, the future really will be a mix of FCEVs and BEVs. Not only because of the use cases differing, whether that's the urban landscape, the journey profile, or whatever it may be, but also in speed of development," he says.

"I think there will be times where hydrogen makes more sense for us, but there may be times in the future where a BEV will make sense.

"It's such a rapidly changing situation. It will be like horses racing against each other; one pulling ahead and then falling back again."

As well as the FCEVs, Green Tomato Cars operates hybrids and BEVs in its 250-strong company-owned fleet.

Goldstone says FCEVs currently suit his business more than BEVs as "our drivers have to be able to use a vehicle that they can fuel or charge quickly.

"They also need a significant range to enable them to do an average of 100 to 150 miles in a day.

"Our Mirais take about three or four minutes to fuel and we are getting more than 300 miles range per full tank now.

"That, obviously, is a significant improvement in terms of speed of charge and range compared with the BEVs on the market at the moment and

**IT WILL BE LIKE HORSES RACING AGAINST EACH OTHER; ONE PULLING AHEAD AND THEN FALLING BACK AGAIN**

**JONNY GOLDSTONE,  
GREEN TOMATO CARS**

these factors put hydrogen ahead for us. Clearly, if we were based somewhere else and there was no hydrogen refuelling infrastructure, we wouldn't have chosen those vehicles, but there is sufficient infrastructure around the Greater London area."

Goldstone says the refuelling network needs to

expand to increase demand for FCEVs. "This, in turn, will lead to manufacturers producing more vehicles and greater customer uptake," he adds.

Not all organisations are convinced, however.

Peter Harris, international sustainability director at UPS, which has an ambition to reduce its greenhouse gas emissions by 12% by 2025, says: "I'm a little sceptical of hydrogen's role in transport.

"This is because of the efficiency challenges it faces, the amount of energy that's required to electrolyse water to create hydrogen and then reconvert it in a fuel cell. The losses are substantial compared with a pure electric solution.

"Given the rate of progress with pure electric now, in terms of battery technologies, and the potential and the potential for BEVs is so great I'm not sure hydrogen is going to catch up.

"But we remain open minded and, in the meantime, we will pursue the electric solutions that we're able to pursue."



## GOVERNMENT SHOULD SAY WHAT OUTCOMES IT WANTS, THEN LET THE SCIENTISTS AND ENGINEERS GO TO WORK

The overwhelming focus on using electrification to decarbonise road transport could stifle innovation, says Harvey Perkins, director of company car tax consultancy HRUX.

"BEVs and fuel cells have a massive role to play in controlling local and global emissions," he says.

"But I don't believe we can get there just in isolation with EVs. We believe in the power of innovation and query why the Government is stipulating how the outcome of reducing emissions should be achieved.

"You would imagine it would indicate what result it wanted, for instance that it wants local transport to produce zero pollution, and then leave it to scientists and engineers to

work out how they will reach that goal. They have an amazing record of innovating in ways that governments have not envisaged."

Perkins says, for example, synthetic fuels have the ability to produce significantly less carbon emissions than fossil fuels and will work in current vehicles using the existing refuelling infrastructure.

Also known as low-carbon liquid fuels (LCLFs), they are sustainable fuels from non-petroleum origins with no or limited CO<sub>2</sub> emissions produced during production and use.

Several organisations are looking at this area. Earlier this year, BMW invested \$12.5 million (£9.7m) into a US company that

uses solar power to convert captured CO<sub>2</sub> into synthetic petrol or diesel.

Europe's major oil refiners are also calling on the automotive industry to pave the way for the use of synthetic fuels.

FuelEurope, which represents 40 companies that account for almost all of EU petroleum capacity, has developed a proposal which, it says, could reduce CO<sub>2</sub> emissions by 100 million tonnes by 2035.

"We are convinced that (synthetic fuel) and electrification will live side by side, as there is no silver bullet that will address the challenge of decarbonising the entire transport sector," says a FuelEurope spokesman.



# DATA: GETTING HOLD OF IT, NOT CREATING MORE OF IT

Data-sharing is way forward for the transport sector, says TfWM's *Mike Waters*

**D**ata has helped global companies create and refine their products and services across many sectors. We have worked alongside government, academia, vehicle manufacturers, infrastructure operators, technology providers and small-to-medium enterprises (SMEs) to define the solution that will allow the traditional transport sector and new mobility entrants to capitalise on the vast amounts of valuable insight that can be drawn from the data the ConVEx platform will make available.

ConVEx is a cloud-hosted data exchange facility underpinned by a software platform with added value data services such as analysis, aggregation and validation. This is the only known project internationally to create a sustainable business involving public and private sector partners focused on making data available to all via an open marketplace.

The new facility signals the end of hard-to-reach data and overly complex relationships between data providers and consumers that ultimately stall our market growth and potential. It heavily complements strategic investments the UK has already supported several projects in this sector such as the West Midlands 5G Program, Midlands Future Mobility Public connected and autonomous vehicles (CAV) Testbed, the Future Transport Zones, the UK's Battery Industrialisation Centre, mobility as a service (MaaS) and new service models such as e-scooters.

The creation of ConVEx was a response to the industry's recognition that the success of mobility depends heavily on the availability, aggregation and analysis of data. Data-sharing is difficult, especially for organisations that do not have the resources or capabilities. The investment will allow companies and travellers to capture the benefits of new transport technologies sooner. It will also help the UK to grow its market share in the research and development for new mobility products and services.

## PUBLIC AND PRIVATE SECTOR HEAVY HITTERS WORKING TOGETHER

ConVEx is an example of extensive stakeholder engagement, gap analysis and collaboration with enthusiastic and complementary partners including Transport for West Midlands (TfWM), Jaguar Land Rover, Bosch, Warwick Manufacturing Group and three SMEs: Valerann, Synaptiv, and Immense.

The solution opens up new capabilities to all stakeholders in the transport eco-system – enabling the aggregation of data from a diverse range of sources, making these available for sale or under licence or for purchase by the facility user. Services will include the curation of datasets within a single 'shop window', data cleansing and analysis, enabling



ISTOCK.COM/DILOK KLAISATAPOORN

## ABOUT THE AUTHOR



Mike Waters is director of policy, strategy & innovation at Transport for West Midlands, a department also incorporating transport planning,

research and data services activity and hosting the West Midlands modelling services. Waters developed the regional UK pathfinder Future Mobility Zone, sponsors the West Midlands 5G mobility programme and transport innovation programmes. He sits on Highways England Research and Innovation advisory board, the Midlands Future Mobility board, Zenic UK connected and autonomous vehicles (CAV) hub steering and advisory boards and on the Smart Transport editorial board. He is also embedded in Coventry University's Future Transport and Cities Research Institute as a researcher focused on privacy concerns in CAVs.

organisations to monetise data resources that may have previously been left dormant, drawing together relevant datasets and exploring connections that generate further insight for clients. The partners in the current build and demonstrate phase which is supported by InnovateUK funding (through the Centre for Connected & Autonomous Vehicles and Zenic) will set out specific case studies to show the capabilities and benefits that can be realised.

However, the underlying platform and capabilities themselves remain open to all – without commercial conflict and with individual entities' interests being fully protected. From the public authority perspective, open data is readily available and investment costs can be recovered by enriching the data to ensure it is of value to commercial partners.

## WHY IS DATA AVAILABILITY SO IMPORTANT?

By improving the availability of different types of real-time transport sector data, innovative service providers will develop second and third generation data-driven services. Examples include green-lighting (giving certain vehicles right of way at traffic lights), for public transport vehicles, dynamically

variable parking restrictions for freight loading and unloading, as well as speed and pollution management solutions around schools.

ConVEx accelerates the future mobility agenda by enabling cost-effective access to relevant data for all in the transport eco-system, driving business innovations and new service models. Furthermore, it supports strategic and regulatory decision-making by local, regional and national bodies around the deployment of new mobility services, such as e-scooters and robotaxis, for example.

## THE NEW WORLD – NOW AND POST-COVID

In parallel, TfWM has set about creating a wider mobility data exchange environment for its partners. Using technical innovations, we've created a platform that enables data sharing and exchange between all our mobility providers and stakeholders. The use of web-based geospatial integration systems provides rapid visual insight for users – for example enabling us to define and create a new semi-demand responsive transport service for key workers which has now carried more than 13,000 key worker journeys to essential healthcare work during lockdown.

With fewer vehicles on the road at peak times, congestion has reduced and vehicles are travelling faster. TfWM and the police now use our new dashboards to monitor changes in the average speed of vehicles in strategic road 'corridors' and put interventions in place to improve road safety.

The journey is just beginning. TfWM, for example, can now source agile, unique and powerful intelligence and insight capability, merged with commercial and public benefit outcomes to provide a powerful foundation for continued development across the UK.

The data and insights gathered from areas such as ground truth devices and from users' vehicles will be stored in state-of-the-art data facilities, allowing real-time and historical analytics, enabling predictions on the state of the network, advance simulation, modelling and further advances in intelligent transport solutions and connected and automated mobility use cases.



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# FINDING THE TRUE VALUE OF V2G

Vehicle-to-grid is best known for its ability to help balance demand on the grid while also charging electric vehicles, but it could have other benefits. *Andrew Ryan* reports

**O**ne of the commonly asked questions relating to the growth in electric vehicle (EV) uptake is 'how will the grid cope when they're all plugged in?'

Fears of brownouts and people being unable to boil their kettles while EVs are charging are among the scare stories circulated. Any issue like this would have obvious implications to fleets.

If they are unable to charge their EVs to be ready for use when they're needed, then their organisation cannot function correctly.

Smart charging – also known as V1G – is seen as a solution as it allows management of the time when charging occurs which will help smooth out peaks in demand and help avoid any shortages.

Vehicle-to-Grid (V2G), however, offers all the benefits of smart charging (V1G) – and more. This is because it, essentially, links EVs together to act

as a huge, decentralised power station to put significant amounts of energy back into the grid at times of peak demand.

"Fleet vehicles which sit idle overnight – or even during the working day – could see their batteries charged when demand is low, with the energy exported when demand is high, but still be charged and ready for use when required," says Luke Ellis, V2G programme manager at E.On UK.

"Operating an electric fleet means already contributing to the net zero emissions target and saving money through local clean air zone exemptions; integrating your fleet with V2G technology brings greater cost savings and the chance to earn extra revenue

"V2G technology also brings with it wider environmental benefits for society as a whole.

"It can be considered 'carbon negative' for its

potential to reduce or even remove the need for fossil-fuelled generation to be fired up at times of peak electricity demand."

## BY GENERATING REVENUE

Traditionally, the way V2G was seen to add value to a fleet operation was to generate revenue by selling electricity stored in the vehicles back to the grid at times of peak demand.

This favours some fleets more than others.

"V2G works best in return-to-depot operations," says Paige Murphy, project manager at V2G technology supplier Nuvve. "The driver picks up their van in the morning, drives around during the day and is back at 4pm or 5pm.

"That vehicle is then going to be parked overnight before it is needed again. So, in this situation, V2G is really looking at making better use of the asset

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## SPONSOR'S COMMENT

By Rachel Lane, Fleet Consultant at Zenith



The reasons to adopt electric vehicles (EVs) are wide ranging. Included are their environmental and sustainability credentials plus the cost-saving benefits they bring for employers and

company car drivers.

The favourable tax landscape for EVs has led to a significant increase in demand and, as a result, we are seeing many more EV releases to suit different travel and lifestyle needs.

This has coincided with increased investment and commitments from the Government to improve the UK's charging infrastructure and support accessible and easy-to-use rapid charging.

These combined factors are helping drive the transition to EVs and will be critical for the UK to meet its zero emissions target by 2050.

We understand the pivotal role fleets play in addressing the climate change emergency and reducing the UK's emissions.

We are focused on helping fleets to understand when and how to switch to EVs; identifying where they work operationally to benefit from cost efficiencies, including reductions in fuel and employer's NI, and improvements to environmental impacts. Over the past quarter, one-in-three company car orders at Zenith has been for an EV.

As part of our commitment to electric, we have joined the EV100 initiative and plan to switch our own company car fleet to 100% electric by 2025.

Introducing electric across all grades has allowed our drivers to choose cleaner vehicles and make considerable Benefit-in-Kind tax savings. In addition, drivers have access to a wealth of resources to help them navigate this new technology; advising on journey planning, cables and charging to make their transition to electric seamless.

**For the latest electric insights visit:**  
**[zenith.co.uk/insights](https://zenith.co.uk/insights); call 0344 848 9311;**  
**or email [oneteam@zenith.co.uk](mailto:oneteam@zenith.co.uk)**

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Intelligent Vehicle Solutions

E.ON is targeting business fleets with its V2G technology

the company has already purchased when it's not being used."

Analysis by low emission vehicle consultancy Cenex has found average revenue generation through using V2G could be around £150 to £200 per vehicle each year, while EVs that are plugged in for around 75% of the time could make as much as £400.

However, "the financial values to gain from providing these V2G services is quite uncertain", says Dominic McMahon, technical specialist – energy systems and infrastructure at Cenex.

"Much reform is taking place with Ofgem's targeted charging review removing certain revenue-generating opportunities, such as peak charge avoidance, in the coming years.

"We've also seen a trend towards the erosion of frequency response prices, which many early predictions thought would be a lucrative market for V2G. Alongside this, at the distribution level, DNO (distribution network operator) and TSO (transmission system operator) services have been slow to develop."



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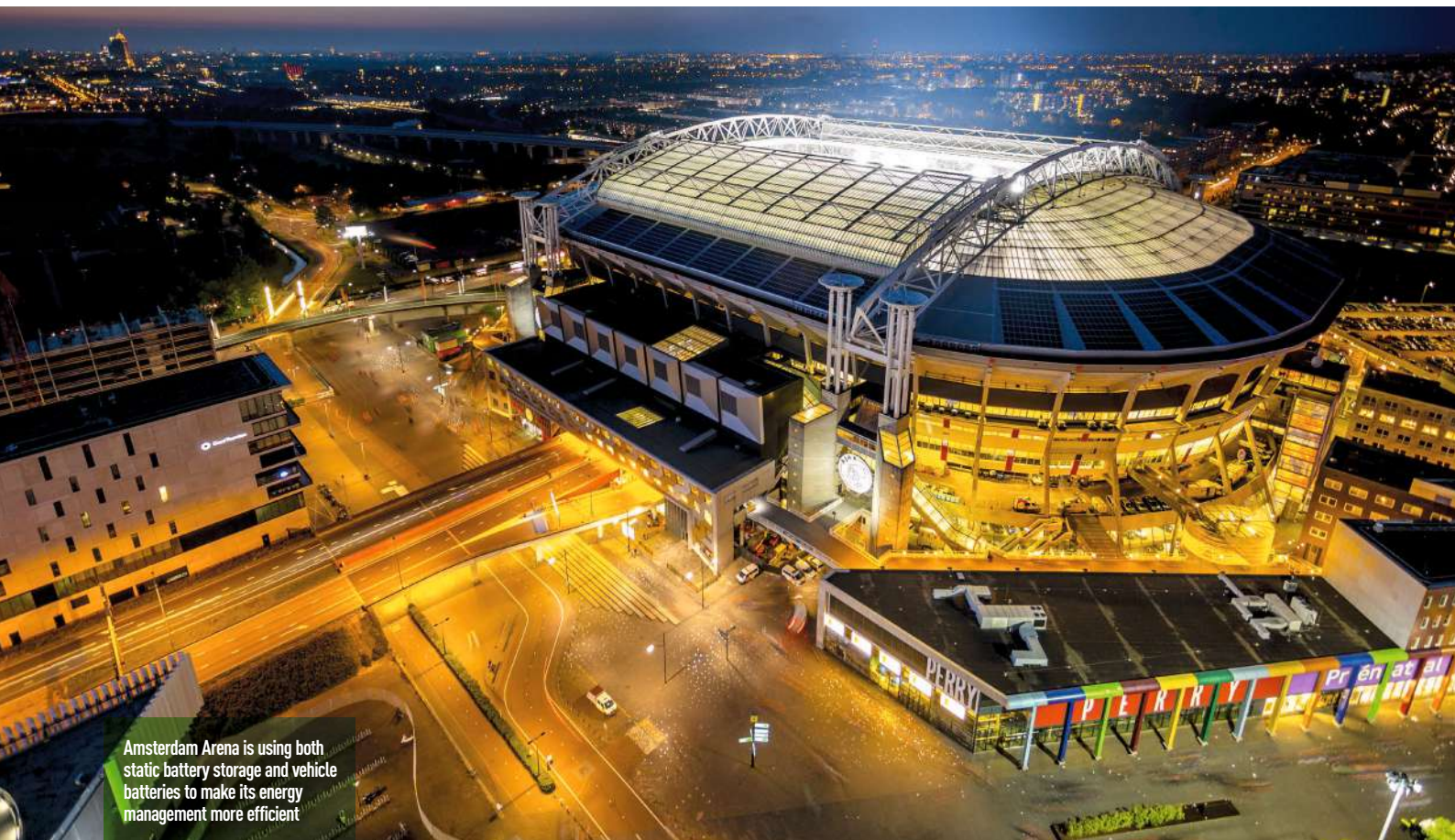
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Amsterdam Arena is using both static battery storage and vehicle batteries to make its energy management more efficient

☞ Cenex has identified four other areas in which V2G can add value to an organisation, says Chris Rimmer, its infrastructure strategy lead:

■ **Resilience:** "V2G is used as an energy source to provide a back-up electricity supply to negate any interruption in the supply of power from the grid."

■ **Personal net zero/self-sufficiency:** "V2G helps the user optimise self-consumption of energy generated by on-site renewable energy technologies such as small-scale wind and solar panels."

■ **Benefit to society:** "This is about engaging with V2G for altruistic reasons; doing your bit for the greater good of helping to solve wider society's environmental challenges."

■ **Enhanced vehicle battery management:** "Preserving the health of an EV's lithium-ion battery is vital. Multiple benefits can be realised by maintaining an acceptable capacity and power over its lifetime."

Rimmer adds: "The question often comes up about what impact V2G has on the vehicle battery."

"Studies by WMG (Warwick Manufacturing Group) at the University of Warwick have found if you can manage the charging and discharging of the batteries then, potentially, you can improve battery life by as much as 10% which could give you some savings around vehicle depreciation."

"This an interesting topic, but the degree to which the vehicle manufacturers are going to pursue this is yet to be seen."

While these benefits may be attractive to an organisation, Murphy warns they should not distract from the primary reason of operating an EV.

"The number one reason someone has an EV is to drive it and that's something we always need to keep in mind," she says.

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IT TO MARKET**

**LUKE ELLIS, E.ON UK**

"We need to make sure the driver always has the ability to override the V2G function so they can begin charging right away if they need to."

Murphy says different organisations will place different levels of importance to the value propositions V2G offers.

"In some cases, V2G is a perfect option and other times the best option will be smart charging because of the way the fleet uses its vehicles," she adds.

"A lot of the time it will be a combination of both smart charging and V2G, so an organisation will really need to look at how these systems can work together to help them lower their bills, lower the total cost of ownership and support the grid and the renewable energy transition as well."

#### V2G ON TRIAL

More than 20 V2G trials are currently taking place in the UK, with the Government providing £30 million of funding for projects.

These include Octopus Electric Vehicle's Powerloop, V2Go in Oxford, E-Flex, Electric Nation and e4Future – the latter sees Nissan and E.ON target business fleets.

In this trial, the consortium has deployed 20 V2G chargers at the car manufacturer's European Technical Centre in Cranfield.

"Now we've proven the technology's capabilities with these 20 installs; we're a step closer to bringing it to market," says Ellis.

The project last month announced it is recruiting further participants for the trial and plans to deploy V2G chargers for organisations across the UK.

Companies which take part stand to achieve savings up to the equivalent of 10,000 miles per annum, says Ellis. Fleets interested should contact [V2G@eonenergy.com](mailto:V2G@eonenergy.com) for more information.

The E-Flex project, which is being led by Cisco, is looking at how to extract the most value out of V2G for different types of fleets.

Organisations taking part include Royal Borough of Greenwich, Fruit 4 London, Plymouth City Council and London-based Gnewt Cargo.

Other trials are looking at how V2G can help organisations achieve their wider aims, such as Islington Council which wants to become zero carbon by 2030. At the start of this year, the council joined with Moixa, a smart battery charging software developer, and Honda, which has provided the charging technology, for a 12-month project which saw five V2G charge points installed behind Islington Town Hall. ☞





Rowena Champion, executive member for environment and transport at Islington Council, is pictured with Jorgen Pluym, project leader of energy management, Honda Motor Europe (left) and Chris Wright, chief technology officer, Moixa

“The base load of the town hall is about 50kW and we can provide that from the five EVs,” says Chris Wright, Moixa chief technology officer.

“At peak, the average UK home uses about 800 watts, so you can see that we can put a significant amount of power into the grid.

“This project will deliver a demonstration of how EVs can work with buildings through the next generation of charger technology.”

If the trial proves successful, then Islington Council, which has committed to converting its 500-strong fleet to fully electric, aspires to rolling out V2G to its main depot.

This would mean the 230 vehicles based there, including refuse trucks, buses and other HGVs, could be used as “phenomenal power storage” which would allow the borough to supply electricity to the local area as well as its own buildings, says Mark Smith, corporate fleet and transport manager at Islington Council.

Dozens of V2G projects are also taking place around Europe, including at the Amsterdam Arena, which uses both static battery storage and vehicle batteries to make the energy management of the stadium more efficient, sustainable and reliable.

#### OBSTACLES TO OVERCOME

While the projects are looking to demonstrate the benefits of V2G, there are several obstacles which need to be overcome before it can enter the mainstream.

One of the chief issues is the lack of vehicles which can currently be used with the technology.

At the moment, V2G is possible only with the Chademo charging technology: Chademo has

“THE BASE LOAD OF THE TOWN HALL IS ABOUT 50KW AND WE CAN PROVIDE THAT FROM THE FIVE EVS”

CHRIS WRIGHT, MOIXA

defined the specifications, testing criteria and set up a system of certification.

However, the only EVs available in the UK which use Chademo are Nissan’s Leaf and eNV200, and the Mitsubishi Outlander PHEV.

All other EVs use the combined charging system (CCS), because the design allows for both AC and DC charging to be combined with a single plug design. Chademo plugs are DC only, with EVs required to have an additional and separate AC plug.

This will change in the near future as the body promoting CCS – CharIN – has a roadmap for implementing vehicle-to-home and then V2G into the CCS standard by 2025.

Other obstacles facing V2G include hardware availability and cost, the grid connection process and access to electricity markets, says Murphy.

She says the hardware issues will soon be overcome as more companies are developing more products, with price falls following.

In 2018, V2G chargers would typically cost

around £15,000. Last year this had more than halved to around £7,000, and she expects this trend to continue over the next few years.

“We see prices for V2G chargers being very comparable to those for smart chargers,” adds Murphy. Cenex expects the cost of a V2G charger to fall to £1,000 by 2030.

The other obstacles will require changes to either Government or energy market regulations.

Murphy adds: “V2G falls under the same regulations as solar and any other form of electricity generation. The process to get approval for V2G charger installations, typically, can take quite a long time. It can take up to six months to put a couple of V2G stations on a site.

“This can directly impact a business’s operations: if you don’t have your chargers, you can’t charge your vehicles and that’s a very big barrier to commercialising V2G in the UK.”

However, she says this is not the biggest barrier for the widespread adoption of V2G: that dubious honour goes to access to the electricity market.

“We’ve seen that customers want to participate in the electricity trading market, and that’s where the most value of V2G is,” she says.

“But these markets were not designed for the smaller kilowatt assets spread all across the network which are going to connect and disconnect, which is what V2G is.

“The markets really favour large stationary purpose-built generation with a minimum generation of one megawatt a month.

“They need to evolve in order to enable technologies such as V2G, small hydro and solar stationary batteries to provide the service they are capable of providing.”



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# University can teach a thing or two about introducing EVs

Passionate electric vehicle campaigner Nigel Morris leads by example. *Andrew Ryan* reports

**S**wansea's links to zero emission technology are long-established: William Robert Grove, who developed the first hydrogen fuel cell battery in 1842, was born in the city.

It is also well-placed to play a big role in the future.

Ground-breaking work is taking place at the city's university, such as at the Specific Innovation and Knowledge Centre which is creating buildings that can generate, store and release energy to the benefit of the building, its occupants and the grid.

The university's focus on sustainability also features heavily in the present: it was ranked ninth in the most recent People and Planet University League of environmentally-friendly educational institutions, while its carbon management plan lays out a detailed strategy to reduce emissions across its operations.

This commitment to the environment extends to its fleet. In 2017, Swansea was one of the first universities to be named as a Go Ultra Low Company in recognition of its commitment to electric vehicles (EVs).

This has seen it grow from installing a single charge point in 2012 to having 20 today, while 70% of its 41-strong fleet is electric.

The university has also implemented a comprehensive sustainable travel plan aimed at cutting carbon emissions, with these initiatives helping it win both the Environmental Fleet and Best Travel and Mobility Initiative categories in this year's Fleet News Awards.

The driving force for the electrification of its fleet has been Nigel Morris, who was named Fleet Champion of the Year at the ceremony.

His passion for EVs began in 2011 when he worked as an IT engineer at the university.

"I saw a Nissan Leaf on TV and thought it was good," says Morris. "I'd been used to generational changes in technology because that's been part and parcel of IT rollouts over the years, and I like working in those kind of changing environments.

"I got in touch with a local dealer to try one and when I had it I thought 'wow, this is great. This is like a generational change in transport. This is the future'.

"The engineering simplicity of one single rotating part driving the wheels of an EV with instant torque is pretty compelling once you get used to it. Even a modern, nice spec internal combustion engine car does feel like going back in time.

"It was obvious EVs were going to take off and I wanted my employer to get the kudos of being an early adopter, so I started a sort of one-man campaign to get Swansea University to do that."

An early step was to get a charge point installed on campus, and then Morris began a "bums on seats campaign", where he would "beg, borrow or steal" as many EVs as he could from manufacturers to generate interest and awareness of the technology.

This involved getting a wide range of staff driving different EVs, from porters and security staff driving electric cars to the vice-chancellor driving an electric van.

"Once we got people in an EV, they just got it," he says. "I can remember taking the catering manager out in an EV and he just looked at me and said 'these are brilliant, we should be using these'.

"If I hadn't taken him out in it, and because he had no interest in vehicles, he would have just gone and bought another diesel."

Morris persuaded the university to join the Low Carbon Vehicle Partnership, which gave it further insights into the technology, and the university continued to replace ICE (internal combustion engine) vehicles with EVs.

However, work circumstances meant he had to scale back his involvement in EVs to spend more time on his core IT role, although he maintained an involvement in promoting the vehicles.

"At that time we probably had eight EVs on fleet, mostly Renault Kangoo vans, Nissan Leafs and Nissan eNV200s but, for example, if we hosted a big conference we would borrow the EVs from the different departments who were running them and use them as event support," he says.

"The fleet of branded EVs added a lot to the experience. Imagine picking up speakers or overseas delegates from the railway station or airport in a branded EV and it was the first time they had ever been in one.

"They'd always then attribute their first experience of EVs to Swansea University, and I could sell that idea within the university to help my case.

"One event that sticks in my mind was the International Paralympic Committee European Championships we held here in 2014. It was the most inspirational event.

"Then, events like that had an aspiration to be as carbon-neutral as possible, so we used as many EVs as we could to shuttle people around.



“I GOT IN TOUCH WITH A LOCAL DEALER TO TRY ONE (A NISSAN LEAF) AND WHEN I HAD IT I THOUGHT ‘WOW, THIS IS GREAT. THIS IS LIKE A GENERATIONAL CHANGE IN TRANSPORT. THIS IS THE FUTURE’”

**NIGEL MORRIS,  
SWANSEA UNIVERSITY**



“Being able to say that 75% of the transport associated with the event was zero emission helped the organiser as well, so it was a win-win and it evidenced the added value we were getting out of EVs and helped me carry on getting people to procure them.”

Morris has also played an active role in boosting EV take-up in the wider community.

“I thought that if the university is thinking of going electric, then surely the hospitals and other public sector groups, like museums and the city and county housing associations, would also be thinking the same thing given they’ve all got the same carbon reduction ambitions,” he says.

“So I went round knocking on doors. Every time I got an electric van or car I would ask people what they thought of it, have they seen this etc.

“Then we, under the umbrella of a group called Low Carbon Swansea Bay, which looked at sharing knowledge and experience on all forms of carbon reduction, not just transport, formed the Swansea Region ULEV Task Group to focus on transport.

“It’s since grown from covering just Swansea city to a region which goes as far west as Carmarthen and as far east as Bridgend, which is a fair chunk of South Wales.”

Morris has been chairman of the group for five years and its members include counties, universities, the DVLA, health board trusts, fire and rescue service, police, Transport for Wales, the Welsh Government, Natural Resources Wales, Brecon Beacons National Park and Welsh Automotive Forum, with the continued aim of sharing knowledge.

“For example, I’ve taken a trip up to Dundee because its city council is doing amazing things with EVs, so I could bring what I’d seen in different places back to Wales and say ‘we could do this here,’” says Morris.

“Swansea City Council has got a reasonable number of electric vans on its fleet, Cardiff is doing some good stuff with buses, taxi and refuse collection vehicles, and there is an electric bus scheme in Newport.

“Swansea University’s fleet is, of course, 70% electric as well. I’m not saying our group is responsible for all of that, but we played a part in that it stimulated interest and



Nigel Morris (centre), electric vehicle integration manager, Active Building Centre – Swansea University, was handed the trophy by Christopher Macgowan OBE, chairman of the judging panel on behalf of VisionTrack

### FLEET CHAMPION AWARD WINNER: NIGEL MORRIS

#### JUDGES' COMMENTS:

Morris is a real environmental champion with great energy who has engaged other fleets and businesses with his infectious enthusiasm and excellent ideas to share best practice in new mobility solutions and uptake of electric vehicles.

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### ENVIRONMENTAL FLEET WINNER: ACTIVE BUILDING CENTRE – SWANSEA UNIVERSITY

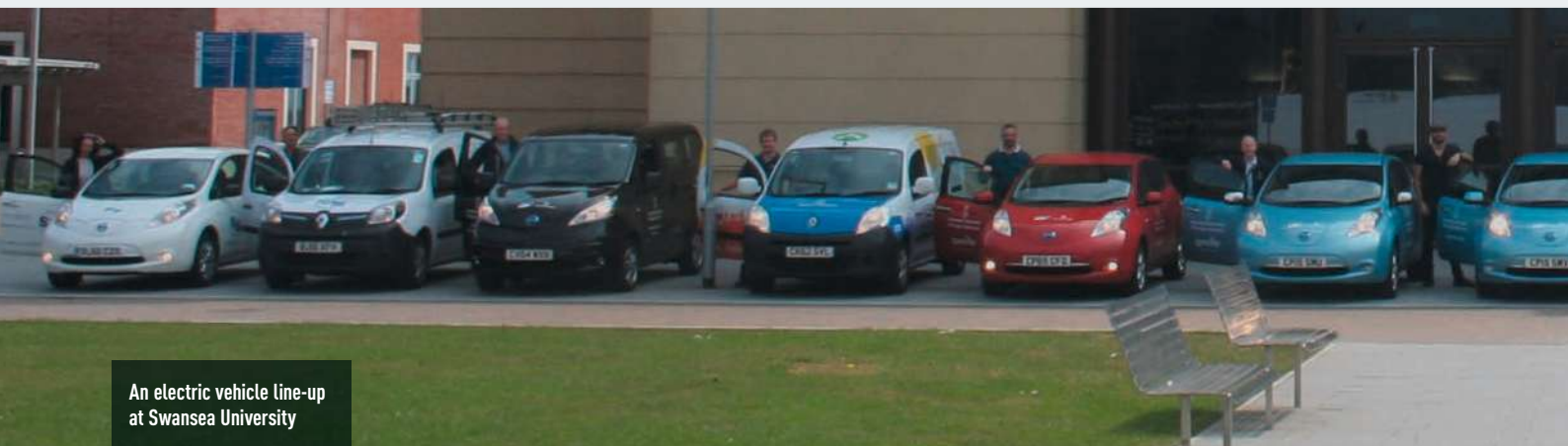
#### JUDGES' COMMENTS:

Active Building Centre – Swansea University takes an all-encompassing approach to electric vehicle procurement while integrating alternative forms of transport to reduce car journeys. It is a real champion within the local community helping other businesses to improve their own environmental standing, with ample examples of best practice.

### BEST TRAVEL AND MOBILITY INITIATIVE WINNER: ACTIVE BUILDING CENTRE – SWANSEA UNIVERSITY

#### JUDGES' COMMENTS:

Active Building Centre – Swansea University takes an all-encompassing approach to electric vehicle procurement while integrating alternative forms of transport to reduce car journeys. It is a real champion within the local community helping other businesses to improve their own environmental standing, with ample examples of best practice.



An electric vehicle line-up at Swansea University



raised awareness.

"And there's an element of keeping up with the Joneses because you don't want to be seen to be falling behind the group. So it's a useful group and remains so."

In collaboration with the city and county, Morris is also involved in running clean air roadshows in Swansea city centre to showcase the technology to the wider public.

In 2018, the university created the role of electric vehicle integration manager at its Active Building Centre, and Morris successfully applied for it.

The position focuses on integrating EVs into fleet and building designs, and allows him to spend more time focusing on decarbonising transport.

"Most of the energy generated through solar and renewables in the Active Building Centre goes to heat or run the building, but after the building had powered itself and the neighbouring buildings at peak times on a local grid, we were also getting enough electricity to power the EVs for 24,000 miles a year," he adds.

His secondment there ended at the beginning of August and he is now a business development manager with the university's Specific innovation centre.

"Specific, coincidentally, is one of the groups which had my first electric vehicles, and it specialises in technology for buildings so they can generate, store and release their own renewable energy, looking at innovative solutions with a view to economic spin-off in the region," says Morris.

"My new role is still with an eye on EVs and EV integration and decarbonising the transport element."

The university now has 26 EVs from six manufacturers, and these are operated on three-year leases.

Combined annual mileage of its 22 vans is 160,000, with its 19 cars covering a total of 135,000 miles. Morris has calculated that for every 100,000 miles the EVs travel, the university saves 25 tonnes of CO<sub>2</sub> and £12,500 in fuel costs compared with ICE vehicles.

"Typically the Leafs and eNV200s are doing about 5,000 miles a year, but the longer-range vehicles like the Kia e-Niro (282-mile

range) and Kona Electric (278-mile range) are doing more like 18,000 a year. That says to me the vehicles that are more capable of long distances get used for long distances," says Morris.

This has helped the university reduce the number of ICE daily rental vehicles it uses, as staff can use these EVs instead for longer journeys. Staff can also use EV pool cars instead of their own cars for business trips.

Morris is always keen to lead by example and his EV journeys include a 190-mile non-stop journey from the university to Nottingham in the Kona, while he has also taken the same vehicle to Glasgow – 430 miles – stopping once.

"I also drove that same Kona to Oslo," says Morris. "You've got to push them to really see what they are capable of."

"But, equally, when people say they're all right for nipping around town but no good for longer journeys, I can say 'well, they are' and I can give them my stats and experience."

"That has come about through a supportive director who said 'don't tell me other people are doing it, do it yourself and then tell me you've done it'. So I had solid back-up from senior management which gave me the opportunity to do that."

Getting support from senior staff is crucial if organisations want to take on EVs, says Morris.

"For those who are about to make the change or contemplating making the change, getting buy-in at the top is vital, and I really would stress that," he adds. "If I didn't have the support from decision-makers then I don't think we would have gone anywhere. Once you get going, you can prove EVs work, but getting that initial buy-in is key."

**ORGANISATION:** Swansea University  
**SPECIFIC BUSINESS DEVELOPMENT MANAGER:** Nigel Morris  
**SUSTAINABLE TRAVEL OFFICER:** Jayne Cornelius  
**FLEET SIZE:** 41 (22 vans, 19 cars)  
**FUNDING METHOD:** Contract hire  
**OPERATING CYCLES:** Three years

## ... alternative travel solutions

As well as introducing EVs onto its fleet, Swansea University, which has around 20,600 students and 3,300 staff, has a range of alternative travel solutions, which are managed by its sustainable travel officer Jayne Cornelius. These include a travel plan to promote sustainable and healthy travel choices for staff, students and visitors, as well as public transport initiatives and car-sharing schemes.

Last year, the university became Wales's first Gold Standard Cycle-Friendly Employer. It has a range of cycling amenities on campus, including maintenance stations, cycle racks and shelters, as well as showering and changing facilities.

The university also operates a cycle-to-work salary sacrifice scheme for staff. It provides free lights and locks for all commuting cyclists and, in addition, it organises regular bike roadshows.

It works with local partners to make cycling around Swansea safe, convenient and affordable for students.

In 2018, the university beat stiff competition to win the Santander Cycles University Challenge, which meant Nextbike, in conjunction with Santander and the university, launched a bike share scheme in the city.

It now offers 70 bikes and six stations, with students and staff qualifying for a year's membership for £30 – a 50% discount off the regular price. It has recorded 25,000 rentals to date.

The university also works with the local bus company and GWR (Great Western Railway) to offer discounts.

For example, when the university hosts an open day or conference, GWR offers long-distance train travellers 20% off their journey price to reduce the need for visitors to bring cars to the site.





# Business Partner programme indicates Suzuki's fleet intent

Japanese brand places new focus on a market it had not prioritised previously. *Matt de Prez* reports

**COMPANY:** Suzuki GB  
**TOTAL REGISTRATIONS 2020**  
**(TO END AUGUST):** 11,085 (down 57%)  
**FLEET REGISTRATIONS 2020**  
**(TO END AUGUST):** 3,924 (down 62%)  
**HEAD OF FLEET SALES:** Graeme Jenkins (pictured)  
**KEY FLEET MODELS:** Swift, Vitara

**S**uzuki might seem a bit small fry in the grand scheme of things – its total market share was a modest 1.5% in 2019 – but it's a car brand with strong intent, a passion for customer service and a dedication to its dealer network.

Fleet sales were not a priority for Suzuki until a few years ago when it recruited Graeme Jenkins, formerly of Maserati, to the role of head of fleet. Since, he has developed a new fleet strategy for the brand that aims to deliver growth while still being true to its core values.

And the strategy has paid off. In March, Suzuki was recognised at the Fleet News Awards, earning the trophy for Most Improved Fleet Manufacturer.

Playing its part in the win was the Suzuki Business Partner programme launched in July 2019.

It allows Suzuki dealers to sign up and be involved in delivering fleet sales by generating their own local business.

More than 60 dealers signed up to the scheme at launch, including several multi-franchised sites that already had in-house fleet experience.

To become a Business Partner, dealers must commit to having a dedicated member of staff for fleet and are given fleet sales targets.

## FLEET-SPECIFIC INFORMATION

There are also requirements for dealers to have fleet-specific sections on their websites and a strong social media presence.

Above all, dealers are expected to deliver a high level of customer service to the fleet industry.

The brand supports its Business Partners

through two regional business sales development managers.

Those sites are the only Suzuki dealerships that handle public sector fleets through the Crown Commercial Service (CCS). Motability sales are also offered through all Suzuki dealerships.

In the past, Suzuki has been a heavily retail-focused brand with more than 90% of sales purely retail.

Jenkins hopes the new strategy will boost true fleet sales to around 40% of the brand's total sales by 2021.

Last year, fleet sales totalled around 10,000 units – accounting for 28% of the brand's total registrations.

Motability is a big part of Suzuki's business, accounting for around 5,000 registrations per year.



**“OVERALL, WE ARE HAPPY WITH THE DIRECTION IT (THE BUSINESS PARTNER PROGRAMME) IS GOING”**

**GRAEME JENKINS, SUZUKI GB**

#### COVID-19 CHALLENGE

Like all businesses, Suzuki has taken a hit from the Coronavirus pandemic – a reduction of around 7,000 units by the end of the year – with total sales of 23,000 cars. It had reached 11,000 by the end of August.

“We had to come up with a strategy to get us back on our feet quickly,” Jenkins says. “We had to look at how we can best assist our dealer network. The first thing we did was remove all areas of targeting – without a dealer network we don’t have the ability to deliver any cars.

“We looked at the strategy with our dealers. We wanted to remunerate the network as quickly as possible. The Business Partners have been remunerated as if they were hitting their targets. That has helped them to start earning revenue and to start moving forward again.”

Despite a loss in sales, Jenkins says the brand’s order bank only reduced by around 10% during the pandemic.

He adds: “When we started to deliver cars in July, we still had a considerable order bank. We had to be sensitive around the leasing industry’s return to business, especially some of the brokers who aren’t as agile, but I have been pleasantly surprised at how quickly it has kicked in. For Q3 we are in a positive position.”

The success of the Business Partner programme is yet to be confirmed by the numbers, as the scheme has only been in operation in reality for around nine months.

“It has been quite difficult to analyse the data. We haven’t had a year of stability. We had six months where people were finding their feet and understanding the programme, then it all changed because of Covid. So, it is difficult for us to accurately assess the level of success it has gained. Overall, we are happy with the direction it is going,” says Jenkins.

He plans to re-evaluate the programme and re-launch it in January once there is an “air of normality”.

“There are unlikely to be big changes, but we will be pragmatic. We’ll look at feedback from the network – assessing what is working well and what is a challenge for them. In January, we will make sure it is as fit for purpose as it can be,” Jenkins adds.

#### NEW ELECTRIFIED MODELS

While the challenges of Covid are undoubtedly plaguing Suzuki, the brand does have two new cars to launch in the coming months that will enable it to enter two new segments.



Graeme Jenkins (centre), head of fleet, Suzuki GB, collected the award from Marchel Koops – chief commercial officer of sponsors Athlon International. They are joined by event host Steph McGovern



### MOST IMPROVED FLEET MANUFACTURER WINNER: SUZUKI GB

#### JUDGES’ COMMENTS:

Suzuki has put in place a new fleet business programme over the past two years as part of a complete rethink in the corporate market. While it has never had a huge foothold in fleet, the restructure, which includes fleet specialists across its dealer network, shows serious intent and has already resulted in impressive growth in the leasing sector last year. Suzuki is now ready and able to service the fleet market.



The new Across will only be available in limited numbers

The Swace and Across are the result of a partnership with Toyota and, essentially, are re-badged versions of the Corolla Touring Sports hybrid and the Rav-4 plug-in hybrid.

They will be the first Suzukis in the UK to feature electrification beyond mild hybrid.

It’s an important step for the brand, which currently has no fully electric model. The new models will help Suzuki avoid hefty EU average fleet emissions fines under the Clean Air for Europe programme (Cafe).

Jenkins expects both to perform strongly in the fleet market, but says the Rav-4-derived Across will only be available in limited numbers.

A reworking of the rest of its current line-up sees the introduction of electrified engines as standard. The Swift, Ignis, S-Cross and Vitara are now fitted

with either 12v or 48v mild hybrid technology.

AllGrip all-wheel drive is also an option across the range. The Baleno and Celerio are no longer available.

As for the Jimny, that was also removed from sale for the aforementioned emissions targets, but it will return as a stripped-out two-seater commercial vehicle in 2021 [see CommercialFleet.co.uk, September 9].

Jenkins concludes: “We have a completely hybrid product range now. These two additions are in new segments and they give us the chance to be genuinely incremental.

“I have no plans of rolling out some big volume deals and doing it the easy way though. The intention is to sell to genuine end users via the leasing industry, in the main.”

# WINNER: HITACHI CAPITAL VEHICLE SOLUTIONS

**COMPANY:** Hitachi Capital Vehicle Solutions (HCVS)  
**PARENT COMPANY:** Hitachi Capital  
**MANAGING DIRECTOR:** Jon Lawes  
**FUNDED FLEET (CARS AND VANS):** 64,811 (FN50 2019)  
**OFFICES:** Trowbridge and Newbury

Jon Lawes says the strategy introduced in January 2019 put HCVS "in a better shape, culturally, to tackle Covid-19 challenges"



## 'I think we're seeing the rebirth of the company car market'

Jon Lawes believes dropping BIK tax on electric vehicles for a year can only help revival process. *Gareth Roberts* reports

**H**itachi Capital Vehicle Solutions (HCVS) is optimistic about the future having recently enjoyed record financial results and a double digit increase in driver satisfaction.

The top 10 FN50 leasing company started the last financial year in a strong position, winning a £136 million contract with Network Rail to manage its owned and leased road vehicle fleet.

Given that it's a provider that specialises in cars, vans and trucks, managing director Jon Lawes says the deal was in the leasing company's "sweet spot". It was able to provide a "total asset solution", supplying everything from cars to

heavy commercial vehicles via a "fully-outsourced leasing and fleet management solution".

It helped the business, which has offices in Trowbridge and Newbury, achieve profit before tax of £25.7m and an annual growth rate of 4%, in 2019/20.

It also reported a 19% year-on-year increase in net earning assets, with some 81,000 units, including HGV, plant and specialist equipment, worth £1 billion on its books. Some 64,000-plus cars and van are funded by HCVS, according to last year's FN50.

Lawes says HCVS has "cemented its standing as one of the UK's largest leasing companies".

It was named Leasing Company of the Year for 20,000-plus vehicles at this year's Fleet News Awards, backing up its win in 2019, and was crowned Truck Leasing Company of the Year at the Commercial Fleet Awards, last year.

There has been investment in new technology and IT infrastructure, new core platforms and a number of customer-facing digital solutions, including a driver risk management system and fleet utilisation portal, in partnership with Hitachi SIB (Social Innovation Business).

But for Lawes, improving driver satisfaction by 16% is his biggest win in the past year, paving the way for the leasing company's recent success and helping it cope with the demands that coronavirus has heaped on the market.

"We implemented a strategy in January 2019, focusing on the way we engage with drivers, the way we get feedback, the way we respond and the way we learn from our mistakes," explains Lawes.

"That has paid dividends and put us in a better shape, culturally, to tackle Covid-19 challenges.

"Everything we do starts and ends with a customer and that applies to everybody in our organisation. That's what's driven our success."

**Fleet News:** How difficult has it been keeping the business operating during the pandemic?

**Jon Lawes:** I'm really proud of the way Hitachi Capital and our leasing competitors kept our



fleets mobile during the pandemic. There wasn't necessarily the need with company cars, because they were parked on people's drives, but for mission-critical vehicles, which are crucial to keeping the country going, we were very busy.

We had about 80% of our workshops open and we had a good supply chain supporting us. But, when you have changes to legislation overnight, such as with MOTs, you have to respond and ensure it is managed properly.

**FN: How has the business performed since the initial lockdown was lifted?**

**JL:** What I have seen in June, July and August is that we will be over budget in terms of new business deliveries, so we're recovering some of the shortfall from April and May.

We're quite well-placed in the B2B (business to business) environment with what I would call those 'essential services' sectors.

We've seen an increase in essential services – the home shopping, the supermarkets – having vehicles with Ocado, Asda, Sainsbury's and DHL as well as utilities, including Network Rail, Cadent Gas, Centrica/British Gas and SSE.

We've particularly seen a lot of growth in our home shopping sector, with order uptake trebling. Asda, for example, has really increased its shopping footprint and we're building more vehicles for them.

It's meant we've had a very small number of defaults in B2B, because of where our customers are operating.

**FN: What about your personal leasing business?**

**JL:** On the retail side, we've seen phenomenal numbers in the past six-to-eight weeks. When it started in June, I thought it was pent up demand, but it's continued.

I think there's an element of people being more reliant on the car because of social distancing, but I think it's also down to people wanting to cheer themselves up a bit by simply replacing their car.

**FN: Have new benefit-in-kind (BIK) tax rates given the company car market a boost?**

**JL:** The past three or four years have been tough in the company car market. We've had really high BIK tax and now we're seeing significant growth in EV (electric vehicle) orders. In fact, massive growth, thanks to the new, low tax rates.

I have also been pleasantly surprised by the amount of people choosing pure electric rather than hybrid (company cars).

We're seeing new companies, new to us, and we're also seeing cash-takers return to company car schemes. Where we have sole supply schemes you manage a population of people who have allowances and we're seeing people switch back to company cars, because of the BIK advantages. I think we're seeing the rebirth of the company car market.

**FN: How important is electrification to your future strategy?**

**JL:** I'm passionate about electrification. It's our number one strategy. I want to transition our (risk) fleet to zero emissions as quickly as possible. It's our worldwide strategy at Hitachi

Capital to be a sustainable business and my role is to help our customers get there as quickly as possible.

**FN: How do you help customers achieve that zero-emission goal?**

**JL:** One way is through salary sacrifice. It's a compete no-brainer for customers. It provides an excellent benefit to the total population of a company.

There are savings against an employer's national insurance and the employee is paying for the lease of the car out of their gross pay with no benefit-in-kind charge this year and a little bit (1%) next year. It's a very cost-effective way for employees to get access to a fully insured, fully maintained, environmentally-friendly car.

We have about 30 schemes with employers and we've seen massive growth.

**H** CVS's parent company Hitachi Capital (UK) also announced a partnership with Gridserve earlier this year, to help create the infrastructure to accelerate the adoption of EVs.

Gridserve will develop advanced hybrid solar farms in conjunction with a new network of solar-powered Electric Forecourts to provide ultra-fast charging for all Electric Forecourt near Braintree, Essex.

The hub, which is due to open in November, will be the first of more than 100 sites built by Gridserve in the next five years as part of a £1 billion programme.

It will allow up to 30 EVs to be charged simultaneously with high power chargers that can deliver up to 350kW of charging power.

Hitachi Capital UK's loan facility to Gridserve will facilitate projects including hybrid solar farms in Gloucestershire and Lincolnshire.

"As a company, we're investing not just in fleet, but the infrastructure around it," says Lawes.

"I've seen more progress in the past 12 months in electrification than in the last five years and we've had a pandemic in the middle of it all."

**FleetNews**



**AWARDS 2020**

**JUDGES' COMMENTS**

**Hitachi Capital Vehicle Solutions has built on its 2019 success with another big year of growth. The company's involvement in Optimise Prime shows its EV leadership, while its new Rant & Rave customer feedback tool shows its commitment to improving service levels. Excellent use of telematics data to drive customer savings, a leader on blended funding solutions and UK-wide fleet engineer trouble-shooters further strengthen Hitachi's fantastic all-round service.**



Hitachi Capital (UK) announced a partnership with Gridserve earlier this year, to help create the infrastructure to accelerate the adoption of EVs

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# Keeping fleets 'fit-for-purpose' in a post-Covid world

Fixed-term lease is proving inflexible. Consider the benefits of vehicle rental



**T**he events of the past few months have called into question how organisations fund and manage their vehicle fleets. No longer does a fixed term lease feel 'fit-for-purpose', especially as early termination fees have made curtailing agreements painful. And commercial vehicle users are finding the balancing act particularly difficult.

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What's important to us is that we focus on the safety and support of our partners and their customers. With the pandemic having a large impact on everyone's lives, it's moments like these where we step up and build for a stronger tomorrow.

Across almost every industry, product or service, commercial fleets are at the heart of British business and bp Fleet Solutions is here to help. We've developed innovative solutions globally including the UK's first mobile fuel card payment app making refilling contact-free and BP Fuel & Charge to support fleets in their EV journey including ultra-fast charging on bp forecourts.

Managing the complexities of a fleet, balancing costs, fleet efficiency, security and driver wellbeing is challenging even before you start to consider the changing technological, environmental and legislative landscape. We've partnered with Fleet200 for more than six years, allowing us to work closely with industry-leading fleets, keeping our fingers on the pulse of the constantly-evolving challenges and opportunities in the industry to develop our offer and help businesses grow.

So, whatever the challenges faced, bp Fleet Solutions is there to help businesses keep advancing – Today, Tomorrow, Together.

**Joanna McDonnell, UK fleet sales manager, bp Fleet Solutions**



**ŠKODA**



In a year where the brand marks its 125th anniversary, ŠKODA has continued to develop its strong relationships with the fleet market. In some of the most challenging circumstances any of us can remember, we've been able to adapt and innovate our approach – both with existing customers and new ones.

We are delighted to continue our sponsorship of Fleet200 and recognise the importance of this forum for sharing ideas and debating the challenges facing us all.

ŠKODA's ongoing success in the fleet sector is built on two key elements: customer service and fantastic products. Our consultative approach has helped us earn a reputation for quality and responsiveness, and we're continuing to build on that as we move forward.

Of course, having a multi-award-winning product range makes our life a little easier, and I'm pleased that the all-new fourth-generation OCTAVIA is now part of our offering. Its practicality, versatility and value has made it one of the most popular choices for fleet customers. With our fleet-focused OCTAVIA SE Technology and forthcoming plug-in hybrid iV models, we have a range of drivetrains to suit all our fleet customers' needs.

2021 will mark the start of another chapter in ŠKODA's history as we launch our first purpose-built electric car – the ENYAQ iV. We're delighted to add a new dimension to our fleet offering that will help us offer an even broader choice to our customers.

**Henry Williams, head of fleet, ŠKODA UK**



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

Masternaut is proud to be part of Michelin's ambition to bring together in one place all of the group's advanced fleet management services and solutions.

Our innovations have been focused on delivering sustainable mobility for more than 20 years to make it safer, more efficient and more environmentally friendly. In Europe, Michelin's connected fleet management services and solutions serve 250,000 vehicles and 10,000 customers.

At Masternaut, our customers are the centre of our world. We work with them to make a difference through sustainable mobility solutions and high-level service, insights and expertise.

We strive to match and anticipate the changing needs of the modern commercial fleet, providing valuable, pragmatic solutions in areas that matter the most to them: reduce fleet costs, boost productivity, improve safety and security, delight end-customers and ensure the overall sustainability of their business.

**Jonathan Smith, UK commercial director, Masternaut UK**





Despite major disruptions in 2020, our stability has enabled us to stay focused on our customers' strategic goals. We have supported many businesses in both the short-term, operational response to the pandemic and in planning for the road to zero carbon emissions. Our parent, Volkswagen AG, has committed to investing €66 billion in electromobility, hybridisation and digitisation. In the UK, our business has been committed to carbon reduction and electrification for some years, so we understand the challenges faced by large corporates making the switch to electric vehicles.

Over the past couple of years, we have developed a suite of tools to assess every aspect of the electrification process: from business readiness to individual driver suitability, through to stakeholder mapping and business case structure. Large fleet customers use these tools to calculate cost-benefit analyses for a range of stakeholders in their businesses.

More recently, we have launched a salary sacrifice product to maximise the 0% BIK benefits of zero-emissions vehicles. Our financial stability enables us to take the long view of the fleet landscape and to stay the course: we recently secured asset-backed security funding of £5.5 billion, which is AAA-rated.

We expect more change and more uncertainty in 2020 and into 2021, yet we remain confident in supporting our customers small and large, new and old. For the very largest organisations that comprise the Fleet200, we are here to provide a forward-looking but practical approach to tackling the challenges on the horizon.

**Tom Brewer, head of sales and marketing, Volkswagen Financial Services | Fleet**



The current uncertainty over the economy really calls into question the rational for owning or leasing company vehicles. At a time of so much uncertainty, businesses need to be agile and flexible. They need to be able to flex fleets up or down quickly and without penalties. So, it just isn't economically or operationally efficient to own company vehicles or to commit to Contract Hire or Leasing deals. As a result, we are seeing more businesses than ever turn to us to take care of their fleets.

At Northgate, our core objective is to help our customers keep their businesses on the road with vehicles and solutions tailored to their needs. With a wide range of flexible hire options and bespoke fleet management services, we take all worries away and ensure that our customers can remain efficient and successful.

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On top of this, we can offer all the support services you need from the outset, including fleet management, telematics, fuel card, vehicle inspection app and accident management and all of these can be included within the simple regular payment.

Meeting customer commitments is key to business success. And for fleet managers and operators, our expert team is here to help you make the right choices when considering your fleet needs. We're also offering market-leading virtual meetings if face-to-face isn't right for you at the moment.

**Neil McCrossan, sales and marketing director, Northgate**

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**Official fuel consumption WLTP for the ŠKODA SUPERB iV range in mpg (litres/100km): Combined 235.4 (1.2) to 148.7 (1.9)\*. WLTP CO<sub>2</sub> combined emissions for the ŠKODA SUPERB iV range are 28 to 42 g/km\*.**

\*These figures were obtained using a combination of battery power and fuel. The ŠKODA SUPERB iV is a plug-in hybrid vehicle requiring mains electricity for charging. Figures shown are for comparability purposes; only compare fuel consumption, CO<sub>2</sub> and equivalent all electric range figures with other vehicles tested to the same technical procedures. These figures may not reflect real-life driving results, which will depend upon a number of factors including the accessories fitted (post-registration), variations in weather, driving styles and vehicle load. Data correct at September 2020.

From 6 April 2020, the official CO<sub>2</sub> emissions values used to calculate benefit in kind (BIK) charges for fleet channels will change for passenger car registrations in the UK. This is due to a change in the method of testing. The BIK charges quoted reflect the charges which apply to vehicles registered **after 6 April 2020**. These charges may differ from any charges displayed or quoted before 6 April 2020.



# WELCOME

The 2020 Fleet200 takes place under the most extraordinary of circumstances.

Coronavirus has thrown the world into a tailspin with catastrophic consequences, the most distressing of which is the huge loss of life.

The economy is set for a slow, painful recovery and companies are pondering their next move – assuming their next move is within their control.

Among the chaos, fleet decision-makers have wrestled for control of their operations: some, such as essential services, facing intense pressures due to unprecedented workloads, others fielding multiple enquiries from staff stuck at home or furloughed looking to weigh up their company car taxation options.

It's had an undoubted impact on the Fleet200 itself, with fewer survey returns compared with 2019.

Numbers are consequently down across the board – cars, vans, trucks – and coronavirus is a theme running across fleets' concerns for the next 12 months.

Yet, as we report in our Fleet200 overview, this sector is nothing if not resilient. Thrown a challenge (or 10) and fleet decision-makers respond with determination, grit, diligence and hard work. The demands placed upon them have been exceptional; but they have been up to the job.

Over the next 40 pages, we dig deep into the strategies and operations of the biggest and most professional UK fleets to present insight that will help every decision-maker to make better decisions.



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

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# Pandemic makes last year's challenges look like a walk in the park

But fleet decision-makers, as ever, have responded well to the problems posed by Covid-19. *Stephen Briers* reports

**I**n the Fleet200 analysis 12 months ago, we laid out all the challenges fleet decision-makers were facing during 2019. Among them were the WLTP emissions testing regime, Brexit, clean air zones and indecision over future benefit-in-kind (BIK) taxation rates. Had there ever been another year like it for market upheaval and uncertainty? we mused.

Well, strike 2019 from the record books; 2020 has plumbed new depths for economic, business and personal crises, as the coronavirus pandemic ripped through the UK fleet sector leaving widespread confusion, financial strife and a workplace revolution in its wake.

Fleet decision-makers, like in 2019 and on countless occasions before, didn't falter. They picked themselves up, dusted themselves off and set to work introducing new fleet procedures, driver management controls, maintenance scheduling and rigorous utilisation to ensure their operations remained efficient, safe and effective.

Essential services fleets found themselves under huge workload pressures; other businesses were fielding queries from furloughed company car drivers looking to offload their BIK burdens. All are finding their way through.

National lockdown has passed, for now, although localised tightening of the rules does continue. However, fleets fear that the worst is far from over; almost half of companies in the Fleet200 say coronavirus is one of the biggest challenges facing their fleet over the next 12 months.

Sean Clifton, senior manager national fleets at Asda, highlights some of the key concerns.

"Customer demands have changed and are likely to be different when we come out of the situation," he says. "Supply chains have been significantly affected meaning reduced certainty of product either for resale or for use in the running of the business."

Then there are the vehicle supply delays caused by global production shutdowns and general concerns over financial stability – of manufacturers, dealers and suppliers.

Undertaken during the lockdown period, the 2020 Fleet200 is, understandably, down on numbers compared with previous years, with some members having been furloughed or in no position to respond.

The survey, undertaken by *Fleet News* partner Fleet Intelligence, compiled insight and figures from 127 fleets, slightly lower than last year's 135, although 47 companies didn't return data this year, so there has been considerable fluctuation within the listing.

Total car and van fleet size is 288,631 at an average of 2,273, compared with 305,791 and a near-identical 2,265 average last year. Vans account for 62.1% of the Fleet200 (2019: 61.5%) at 179,200, and cars 37.9% at 109,431. The Fleet200 also operates 17,435 trucks, averaging 311 across 56 companies (2019: 32,957 operated by 93).

Nine of the top 10 remain the same, albeit with some positional shuffling, with Amey and The AA (which shared ninth place last year with Defra) dropping out to be replaced by Mitie.

The top four are unchanged in order – Royal Mail, BT, Centrica and SSE – but that doesn't mean there hasn't been internal flux for some. Three of the four are running fewer vehicles than a year ago; the fourth, BT, is entered on its 2019 fleet size.

Major changes are afoot at the UK's biggest fleet operator. Paul Gatti has left Royal Mail after more than 20 years holding directorial positions within the organisation, the past seven as director of fleet. Duncan Webb, commercial director, has also left in the wake of Royal Mail's decision a year ago to pull the plug on its third-party fleet management and SMR business, which was utilising spare capacity within its network of 100-plus owned workshops.

Webb was one of four people to be brought across to the business four years ago from the former BT Fleet Solutions (since purchased from Fleet200 No2 BT Group by Aurelius and renamed Rivos – more change) specifically to help Royal Mail develop and expand its fleet proposition. However, within two years of launch, a change in business strategy saw the operation wound down.

It had more than 10 blue-chip customers with strategic co-operations with Hitachi and ARI to handle any SMR overspill. All had to go elsewhere.

The decision was part of a business revamp as

“CUSTOMER DEMANDS HAVE CHANGED AND ARE LIKELY TO BE DIFFERENT WHEN WE COME OUT OF THE SITUATION”

SEAN CLIFTON, ASDA

## FLEET200 BY NUMBERS

179,200

number of vans operated by Fleet200

108

average car CO<sub>2</sub> emissions (93g/km on orders)

78%

the proportion of Fleet200 members offering cash allowances

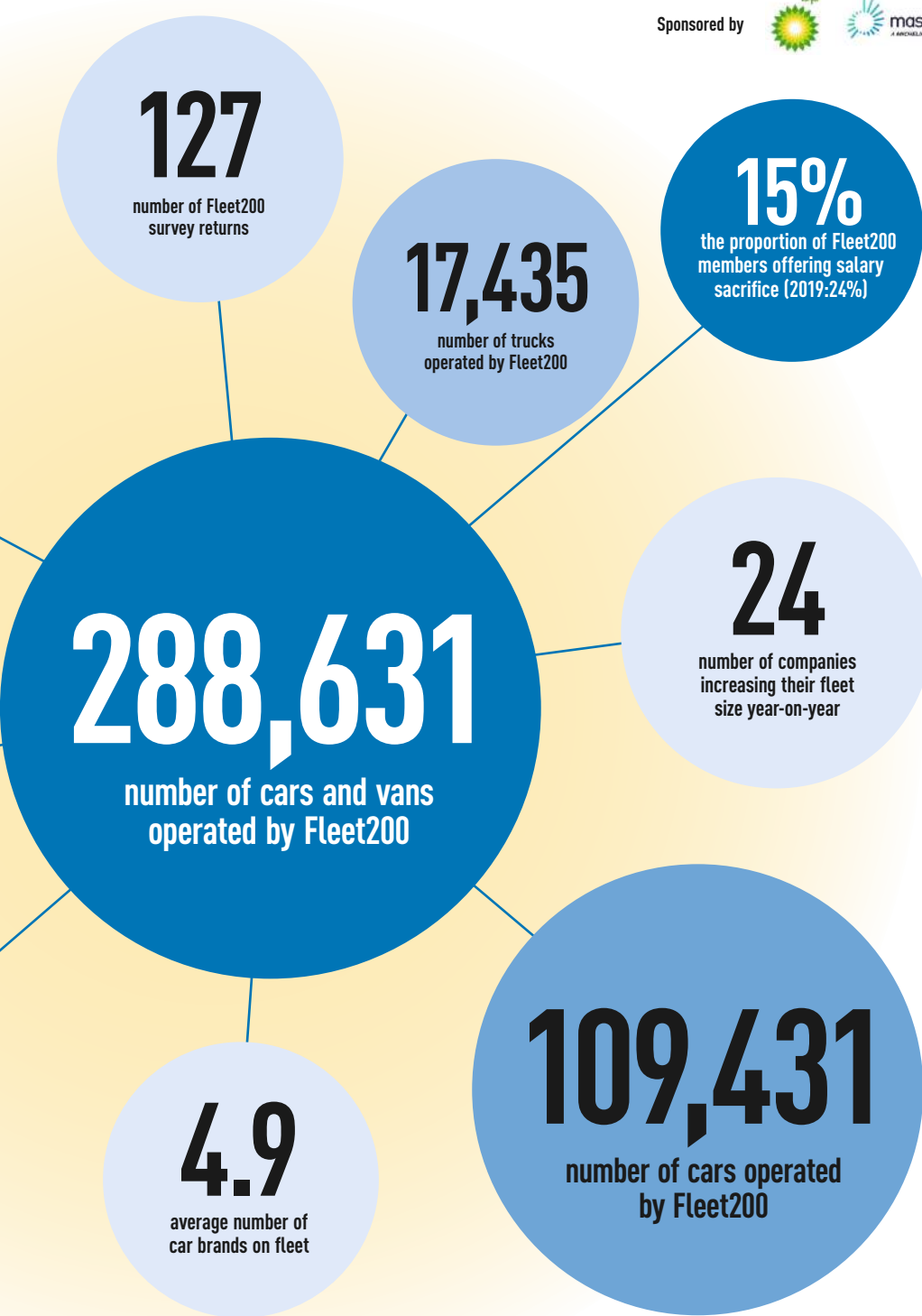
Royal Mail's emphasis switched to delivering bigger parcels. It required investment and reclaiming the surplus space within the workshops to accommodate the growth aspirations.

Now, though, the business looks set for another restructure, including the fleet operation, due to significant ongoing losses exacerbated by the coronavirus pandemic.

Nevertheless, it remains the UK's biggest fleet operator, with 46,690 cars and vans (down on last year's 47,300 – by just less than 400 vans and a couple of hundred cars), plus another 3,770 trucks (down a more sizeable 2,615).

Third place Centrica has reduced its fleet size by 700 vehicles – 300 cars, 400 vans – as it continues to max out utilisation. It is currently running at 98% for the van fleet; the 2% are surplus vans located at strategic sites to help reduce hire costs when engineers' vehicles are off the road.





Energy giant SSE remains in fourth, but has cut its fleet size by a quarter, from 9,500 to 7,038. Vans account for almost 1,500 of the near 2,500 reduction, which is due to the disposal of the company's retail business to Ovo Energy at the start of the year, as well as a "right-sizing" of the fleet, according to head of fleet and travel Simon Gray.

Of the 90 Fleet200 companies present in both last year's and this year's listings, 62 are running smaller fleets than a year ago, while 24 have more vehicles. Four are unchanged (including BT). Of the 62, 14 have reduced by at least 20%.

GE has experienced the largest drop in fleet size, down 63% – from 1,900 to 700, all cars. However, the difference is down to a fleet reorganisation.

Fleet optimisation leader Damion Bennett's role changed from GE Global Operations to GE Healthcare a year ago with a corresponding realignment of his fleet. While the UK numbers fell, the new

position is a European one, with a combined total fleet of 5,000.

"I transitioned to GE Healthcare to basically deploy all the best practices in terms of policy design across the other countries," Bennett says.

"It's been a whirlwind, but very exciting, and I've been able to make some real positive changes to the offering, especially in the top five countries (France, Germany, Spain, Italy and UK) that represents about 75% of my total fleet."

The remainder of the GE fleet has been back-filled with a fleet manager based out of the Hungary operational centre, but more as a contact manager for funding partner Arval.

DPD is opening new depots and employing more staff due to the boom on home deliveries, so its 28% fall in fleet size is surprising. The company, No6 in the Fleet200, shed 2,740 vehicles, almost all vans, taking its fleet to 6,280. It did, though

exceed its aspiration of converting 10% of its LCV fleet to electric this year, giving it more than 700 electric vans – the most of any UK fleet operator.

On paper, The AA's fleet fell by 48.9%, resulting in it dropping out of the top 10 to No20; however, the company has not included its driving school cars this year, totalling around 3,000 units in the 2019 Fleet200. Its core recovery fleet has actually grown year-on-year by 150 vans.

Contrasting fortunes in the housing market are on display. Estate agent Countrywide Group saw its company car fleet shrink by 51%, from 5,530 to 2,712, while house builder Countryside Properties is expanding with a 10% increase in its total fleet, from 600 to 660, thanks to the addition of 100 cars, although it has 40 fewer vans.

A change in business strategy is behind a 32% reduction in fleet numbers at Yodel across its car, van and truck fleet. The delivery firm closed its company car scheme a year ago due to a lack of interest and, instead, now has 200 cash takers.

Yodel's decision has saved money, says head of fleet Ian Leonard, due to not carrying spare cars every month and a 40% drop in mileage claimed through the expenses system since August 2019, although he recognises that a large proportion of this will be Covid-related.

Leonard adds: "Van numbers are reducing annually as the business transitions from employed drivers to moving parcel volume out to third party 'man in van' and neighbourhood couriers."

He anticipates further falls in the van fleet from 530 now (2019: 750) to around 400 come January 2021. The tractor unit fleet has decreased from 400 in 2019 to 270, while Yodel is also running few trailers. Both are because "we are getting better at what we do and reducing empty running", Leonard explains.

Meanwhile, Yodel's 7.5-tonne fleet has fallen from 101 to 27 currently but will disappear completely throughout the next year as it no longer has a role for vehicles of this size.

The year of coronavirus hasn't all been about shrinking fleet sizes, however, with 24 Fleet200 organisations reporting strong growth.

Siemens accelerated its car fleet from 2,700 to 4,000, although its van fleet reduced from 1,500 to 1,000. Overall, its fleet has risen by 19%.

Hampshire County Council is one of the few local authorities to increase its fleet size year-on-year, adding 62 cars and 52 vans for a near-20% rise.

Among other notable rises across a real mish-mash of industry sectors are kitchen specialist Nobia, up 14%; laundry and catering equipment supplier JLA, up 13.5%; asbestos removal company Rhodar, up 33%; housing provider Radian, up 17%; and electronics manufacturer Panasonic, up 16%.

## THANKS FOR TAKING PART

Thanks to all the companies who supplied us with their fleet figures this year. Thanks also to our partner Fleet Intelligence for collating the data and providing the tables for this report. If you believe your company should be in the Fleet200, please email the editor [stephen.briers@bauermedia.co.uk](mailto:stephen.briers@bauermedia.co.uk)

Position	Company	Cars and van total	Cars	Vans	Trucks	Car replacement cycle (months)	Van replacement cycle (months)	Funding method cars and vans
1	Royal Mail Fleet	46,690	4,373	42,317	3,770	48	108	OP/OL
2	BT (2019 figures)	31,864	4,000	27,864	1,440	n/a	n/a	OL
3	Centrica	11,200	1,700	9,500	0	48	39	OL
4	SSE	7,038	1,994	5,044	222	48	60	OP/OL/ECO
5	M Group Services Plant & Fleet Solutions	7,000	3,500	3,500	300	n/a	n/a	OL
6	DPD Group UK	6,280	680	5,600	1,120	36	60	OL/ECO
7	Defra Group Fleet Services	5,900	4,300	1,600	35	48	60	OP/OL
8	Network Rail	5,894	1,600	4,294	182	60	60	OP/OL
9	Kier Group	5,800	2,800	3,000	900	48	48	OP/OL/FR
10	Mitie	5,500	1,900	3,600	0	48	60	OL
11	Siemens	5,000	4,000	1,000	5	48	48	OL/FR/FL
12	Amey Fleet Services	4,875	1,875	3,000	2,500	48	84	OL/ECO
13	Metropolitan Police	4,535	3,384	1,151	0	n/a	n/a	OP
14	Cadent	4,100	800	3,300	0	48	n/a	OL
15	Volkswagen Group UK	3,767	3,767	0	0	6	n/a	ECO
16	Police Scotland	3,581	2,674	907	41	48	48	OP/FL
17	John Lewis Partnership	3,500	1,500	2,000	700	42	96	OL/OP
18	Chiltern Transport Consortium	3,486	2,705	781	104	56	96	OP
19	LKQ Euro Car Parts	3,258	158	3,100	115	48	60	OP
20	The AA	3,065	150	2,915	272	36	48	OP/FL
21	Asda Stores	3,000	700	2,300	1,100	48	60	FL
22	E.ON UK	2,882	820	2,062	64	48	60	OL
23	National Grid	2,828	1,722	1,106	0	36	72	OP/OL
24	Johnson Controls	2,800	1,200	1,600	0	n/a	n/a	OL
25	UK Power Networks	2,734	978	1,756	241	60	60	OP

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



Position	Company	Cars and van total	Cars	Vans	Trucks	Car replacement cycle (months)	Van replacement cycle (months)	Funding method cars and vans
26	Countrywide Group	2,712	2,700	12	0	60	60	OP/OL
27	Interserve	2,700	1,400	1,300	20	40	48	OP/FL
28	Anglian Water	2,550	800	1,750	100	48	70	OP/FL
29	Alliance Automotive	2,500	300	2,200	48	60	n/a	OL/FL
=30	Capita	2,200	1,800	400	30	48	48	OL
=30	Kelly Group	2,200	140	2,060	50	48	54	OL/OP/FR
=30	Surrey Sussex Joint Transport Service	2,200	1,600	600	0	48	60	OP
33	Yorkshire Water Services	2,153	592	1,561	118	48	84	OP/OL
34	HSBC	2,012	2,012	0	0	48	n/a	OL
=35	Essex and Kent Transport Services	2,000	1,800	200	10	n/a	n/a	OP/FL/ECO
=35	G4S Fleet Services	2,000	1,200	800	0	48	48	OL/FR
37	Iceland Foods	1,995	295	1,700	0	36	60	OL
=38	PHS Group	1,900	300	1,600	0	36	54	OL
=38	Rolls-Royce	1,900	1,900	0	0	n/a	n/a	OL
40	DHL International (UK)	1,850	450	1,400	0	48	60	OL
41	Babcock International Group	1,800	900	900	10	48	48	OL/FL
=42	Galliford Try	1,780	1,700	80	0	42	50	OL
=42	FedEx Express	1,780	930	850	0	60	84	OL/OP
44	Laing O'Rourke	1,745	1,395	350	0	48	36	OL/FR
45	Howdens Joinery	1,700	1,600	100	115	48	48	FL
46	Scottish Power	1,650	200	1,450	60	48	60	FL/ECO
47	Northumbrian Water Group	1,544	523	1,021	0	42	72	OL
48	Devon & Cornwall Police and Dorset Police	1,500	1,300	200	0	120	120	OP
49	Speedy Asset Services	1,496	597	899	206	48	54	OP/OL/ECO
50	Morgan Sindall	1,491	1,041	450	32	48	42	OP/OL/FR

Position	Company	Cars and van total	Cars	Vans	Trucks	Car replacement cycle (months)	Van replacement cycle (months)	Funding method cars and vans
51	Integral UK	1,464	598	866	0	48	48	OL/FR
52	South West Water	1,450	450	1,000	42	48	84	OL
53	Scottish Water	1,439	230	1,209	170	48	84	OP/OL
54	Fujitsu	1,430	1,400	30	0	36	36	OL
55	Vodafone	1,425	940	485	0	48	60	OP/OL
56	Schneider Electric	1,403	1,223	180	0	48	48	FL/FR/ECO
57	Murphy Plant	1,400	400	1,000	150	48	72	OP/OL
58	Altrad Services	1,230	230	1,000	90	42	48	OP/OL/FR
59	Coca-Cola European Partners	1,210	1,014	196	0	39	39	OL
60	Wales & West Utilities	1,176	225	951	36	36	72	OP
61	Bosch Group	1,175	800	375	14	n/a	36	OL
62	West Yorkshire Police	1,085	793	292	5	48	72	OP
63	Foxtons	1,060	1,050	10	0	38	36	OP/OL
64	Kuehne + Nagel	1,050	850	200	1,200	48	36	OL/FR
65	Computacenter	1,010	940	70	0	48	60	OL/ECO
66	London Ambulance Service NHS Trust	983	196	787	0	n/a	n/a	OP/FL
67	The Salvation Army	980	780	200	0	36	84	OP/FL
68	WM Morrison	960	0	960	463	n/a	n/a	OP/OL
69	Emcor Group (UK)	930	240	690	0	48	54	OP/FL
70	Driver & Vehicle Standards Agency	907	832	75	5	36	54	OP/OL
71	Tubelines Distribution Services	900	100	800	50	60	60	OP/OL
72	South Yorkshire Police and South Yorkshire Fire and Rescue	847	639	208	46	60	84	OP
73	Arcus FM	800	50	750	0	60	60	OL
74	Aviva	771	770	1	0	36	36	OL
75	McCurach UK	755	750	5	0	48	n/a	OL/FR

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



Position	Company	Cars and van total	Cars	Vans	Trucks	Car replacement cycle (months)	Van replacement cycle (months)	Funding method cars and vans
76	Nobia UK	750	740	10	0	48	36	FL/FR
77	Dundee City Council	745	314	431	0	66	90	OP
78	Northern Powergrid	740	0	740	80	n/a	72	OL
79	CLC Contractors	733	170	563	0	48	96	OP/OL/FR
80	South Central Ambulance Service	715	50	665	0	n/a	n/a	n/a
=81	NHS Blood and Transplant	708	500	208	66	36	48	OL
=81	Thales Group	708	552	156	0	48	48	OP/OL
83	GE Healthcare	700	700	0	0	n/a	n/a	OL
84	Hampshire County Council / Hampshire Transport Management	689	297	392	0	n/a	n/a	OP
85	Affinity Water	680	230	450	5	48	60	OP/OL/FR
86	London Borough of Southwark	670	350	320	30	36	60	FL
87	Countryside Properties (UK)	660	600	60	0	36	48	OL
88	FM Conway	646	82	564	0	n/a	n/a	n/a
89	AstraZeneca UK	644	640	4	0	48	60	OL/FR
90	Close Brothers	640	640	0	0	n/a	48	FL
91	Well Pharmacy	639	89	550	0	n/a	n/a	FL
92	BCA	626	593	33	0	42	60	OP
93	SCC	600	350	250	2	48	84	OP/OL
94	Gamestec Leisure	582	454	128	0	48	36	OL/FL/FR
95	Genus Breeding	562	202	360	0	48	36	OL
96	3M	555	530	25	0	48	48	OL
=97	Novus Property Solutions	550	100	450	0	60	72	OP
=97	West Mercia Police	550	400	150	0	n/a	n/a	n/a
99	Yodel	530	0	530	300	n/a	60	FL
100	Innserve	520	82	438	0	n/a	n/a	OL

# Electric vehicles and Covid-19, biggest challenges facing fleet

Desire to switch to EVs has increased as a result of the pandemic. *Stephen Briers* reports

**T**wo challenges head the myriad issues facing fleet operators over the coming months: uptake of electric vehicles (EVs) and the fallout from Covid-19.

Dig deeper and the real diversity in fleet becomes evident. Some businesses are confronting personal challenges as they take action to address individual priorities, while others are consumed by the holistic challenges affecting every company across the country. No matter the size of fleet, everyone has something to occupy their time.

EVs are omnipresent. For a range of reasons, companies are focusing on shifting their fleets from diesel to full electric or plug-in hybrids. Supply is a concern for many, some are juggling complications in setting up a workplace charging infrastructure, while others still can't quite make the sums add up for certain wholelife cost comparisons.

Three-quarters of the 68 Fleet200 fleets that provided details of their challenges for the year ahead pointed to EVs. And those challenges intensify for companies looking to convert their van fleets where choices are fewer and range is less viable – particularly when, like Centrica, they are

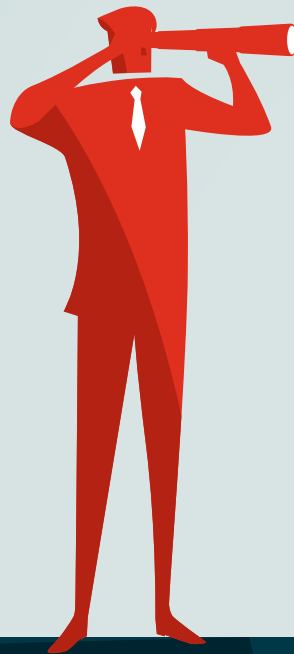
striving to comply with Government legislation as well as meet internal business ambitions.

As one of the partners in the three-year Optimise Prime initiative, Centrica is committed to transitioning its fleet. In July, it placed an order for 1,000 e-Vivaro medium panel vans from Vauxhall which will be introduced over the coming 12 months.

"We're trying to get up the EV ladder quite quickly. We've operated EVs since 2014 and our total cost of ownership (TCO) modelling says we can move to them as soon as the vehicles are readily available," says Steve Winter, Centrica head of fleet.

"Because we're looking at charge points now, we should be able to switch as soon as we can get available product."

Bizarrely, Centrica faced some negative publicity on social media following the announcement of the Vauxhall deal, with some claiming the company would monopolise supply of the electric vans, shutting the door to them. However, Centrica is a trailblazer for EV; it's been the early adopter when others were reluctant to take the plunge, while the profile of its fleet with a high proportion of urban mileage is ideal for the technology.



“WE SHOULD BE ABLE TO SWITCH (TO ELECTRIC VEHICLES) AS SOON AS WE CAN GET AVAILABLE PRODUCT”

STEVE WINTER, CENTRICA





Nevertheless, supply is an issue, and one which fleets are urging manufacturers to address.

Galliford Try, Countrywide, Panasonic and Defra are among those fearing a shortage of electric vehicle supply, although some fleets, including AT&T, Rhodar and Xerox, worry about access to replacement vehicles irrespective of fuel type, due to the knock-on from production shutdowns during coronavirus and uncertainty about what happens in a post-Brexit trade deal.

Z-Tech Control Systems commercial director Luke Stanbridge is one of those concerned about "delays in delivery due to Covid-19 – this is both to replace vehicles which are past our current operating age, and additions during growth".

Stanbridge has sign off to introduce a new fleet policy. "We are going to move over to a pure electric car option policy for director, manager level 1 and 2, with a cash alternative," he says. "All level 3s have one car choice, a 1.0 Ford Focus."

Supply is not the only issue for fleet operators looking to increase their EV numbers. Delivery operator DPD, which has taken on more than 700 electric vans this year, also highlights concerns about costs for electric cars.

Ray Govier, DPD fleet operations manager, says: "With regard to company cars, the lease rates for PHEV/BEV are much greater than their petrol or diesel equivalents and, as such, the choice for a user is limited compared with an internal combustion engine (ICE) alternative. The industry needs to ensure that the residual values (RVs) for these cars are realistic and thus bring the lease cost down, then more drivers will choose them."

Speedy Asset Services is also struggling to get plug-in hybrid or full electric vehicles into the right company car bands, with a lack of options between

£35,000 in one of its grades.

Its ordeal is recognised by Altrad Services. Head of fleet Matthew Hammond agrees that electrification is "the biggest challenge", adding: "The drive and push to reduce our dependency on ICE vehicles is limited by the lack of available options, costs and infrastructure issues."

Decision-makers in charge of the UK's biggest fleets are keen to be given greater insight by manufacturers into their model production plans to enable them to start preparing the transition to electric.

However, clarity from Government policymakers is also essential, according to SSE head of fleet Simon Gray.

"Availability of insight into what we can expect manufacturers to develop in the commercial vehicle product line will enable planning for the transition to alternative fuels is a big challenge," Gray says, "and what strategic policy will develop from Government on charging infrastructure outside of mainstream locations."

Murphy Plant fleet manager Tony Murphy added his own concerns: "For commercial vehicles, plug-in hybrids do not really work in the civil engineering sector yet the Government is still going ahead with ceasing the sales of new petrol and diesel vehicles from 2040 – if not sooner."

Howdens Joinery is already setting out robust plans to convert its fleet across to alternative vehicles and is taking early action in partnership with its leasing provider to pre-empt any predicted fall in RVs for diesel.

Chris Woolfenden, Howdens head of trade operational IS and support, explains: "We are in discussion with our lease provider to agree early terminations of as many vehicles as possible and

place orders for hybrid, plug-in hybrid and EVs. Rationale is that auction value of diesels will drastically fall over the one, two and three years left on our leases. The plan is that we can come together with our leasing company limiting losses by selling now and with us, the customer, benefiting from new vehicles with lower wholelife costs and huge BIK benefits for our employees."

Kings Secure Technologies is confident 2021 will be the year it adds EVs to its fleet.

The challenges, according to fleet and logistics manager Jacob Telemacque, include: selecting the right vehicle, ensuring the infrastructure is sufficient to meet its operating conditions, educating drivers – "getting them to change their driving style to get the best out of EVs" – and ensuring drivers can plan their journeys.

He is also mindful of working to find solutions for employees without driveways being able to access charging and having a clear process for replacement EVs if one is off the road.

Overall, Telemacque says, there must be "financial benefits to the business", rather than a cost.

UK Power Networks is rewriting its fleet policy to allow the integration of electric vehicles to "best advantage company and drivers".

The includes reviewing funding options to best utilise purchase of EVs and changing the budgeting model to match the new criteria with electric vehicles' upfront cost versus wholelife cost, says fleet manager Ricki Sayer.

For Coca-Cola, communication with employees will be essential to engage them with an evolving fleet policy in the transition to a lower carbon fleet.

EVs are "the ultimate aim", says fleet manager Steven Pope, but it isn't suitable for all drivers or job functions. He'll be looking at how hybrid can



INSIGHT INTO  
WHAT WE CAN EXPECT  
MANUFACTURERS TO  
DEVELOP IN THE LCV  
PRODUCT LINE WILL  
ENABLE PLANNING

SIMON GRAY, SSE



fill the gaps and give the company the "correct fuel mix on fleet in the short- and medium-term without removing the flexibility to further adopt EVs where possible".

Coronavirus is casting a dark cloud across the UK economy with rising debt and worries about jobs. It was highly disruptive for many companies during lockdown, with company cars sitting idle on drive-ways while essential services fleets were sometimes pushed close to breaking as they sought to handle mounting levels of demand for services.

No surprise, then, with no end in sight to the pandemic, that it remains high on the agenda for fleet decision-makers.

Social distancing in vehicles which traditionally carried multiple people is vexing Kier, among others, potentially resulting in more vehicles on the road with sole occupants and a subsequent knock-on for fuel costs. Kier Group head of fleet Julie Madoui also recognises the need to introduce a range of mobility solutions for employees who no longer want a company car due to the reduction in commuting mileage.



**"THERE MUST BE FINANCIAL BENEFITS TO THE BUSINESS, RATHER THAN A COST (WHEN ADOPTING EVs)"**

**JACOB TELEMACQUE,  
KINGS SECURE TECHNOLOGIES**

Interserve also anticipates a surge in interest in cash rather than company car, while Thales raises the prospect of the closure of dealers and manufacturers – already starting with Mitsubishi's announcement of its exit from Europe – which could reduce choice and levels of support.

Aviva is already seeing issues with parts supply for some brands.

Sean Clifton, Adsa senior manager national fleets, focuses on the changing landscape affecting business.

"Customer demands have changed and are likely to be different when we come out of the situation," he says. "Supply chains have been significantly affected, meaning reduced certainty of product either for resale or for use in the running the business."

At a more immediate and practical level, Kelly Group has been dealing with having 900 vehicles off the road and getting staff back working again.

West Yorkshire Police, meanwhile, is already planning implementing disaster planning with the conversion of its transport building to ensure that social distancing can become the normal practice for future years and protect the organisation and its employees against further pandemics.

Despite the new fuel and emissions testing procedure being introduced as the CO<sub>2</sub> measurement for BIK on all cars five months ago, while all new vans registrations have been subject to the test since September 2019, WLTP remains a worry for some fleets.

Few go into detail, although ABM fleet manager Denise Hawkins is looking closely at the implications of the new testing results on car drivers' tax liabilities.

However, for SCC, the issue has been and gone. Fleet manager Steve Deeley says: "Biggest challenge was WLTP and making cars fit to budget; now it's how to recover from Covid-19 and all the implications this will lead to."

Away from the holistic, economic and big-ticket topics are a number of more individualistic challenges facing fleet decision-makers.

Millers Vanguard is looking to improve its driver training to continually reduce claim frequency, while high on LKQ Euro Car Parts' agenda is a reduction in service, maintenance and repair budgets as part of a universal reduction in fleet costs.

Kelly Group is redesigning its management training as it has more personnel in charge of vehicles that tow and more HGV drivers.

JLA is targeting a reduction in insurance premiums, while BCA and Genus are both expecting to adjust or re-write their fleet policies.

Two companies are seeing a reduction in resource.

For Clarion Response fleet and environmental manager Colin Hutt, it's about managing the fleet with less administration support, while E.On no longer has a fleet manager after the departure of Ellie Barnes, senior contract manager – UK fleet, in June.

E.On is now restructuring its national fleet to move management responsibility into individual business units, rather than being controlled centrally. Contract and supplier management will be a head office function, but day-to-day operations will move to business level.



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# Going down: Number of fleets expecting to have fewer car grows

But rapid growth in online shopping means commercial vehicle operators have less reason to be gloomy. *Gareth Roberts* reports

**O**ne-in-six fleets expects the number of company cars they operate to decrease over the coming 12 months, new data suggests. This represents a dramatic change compared with just a few months ago.

The Pulse analysis in quarter two, taken from a survey of 300-plus fleet decision-makers, shows that 17% of respondents are now predicting car fleet operations to reduce.

Just one-in-50 respondents – some 2% – were predicting a decrease at the start of the year, while those expecting car numbers to increase has almost halved from 43% to 28%. Nevertheless, while the gap has closed (from +41% to +11%), fleet operators are still, overall, anticipating growth in their car fleets.

The new research, commissioned by Fleet200 research partner Fleet Intelligence, also shows a similar, but less marked, decline in demand for commercial vehicles.

One-third (34%) of fleet operators expect the number of commercial vehicles they operate to increase over the next 12 months, down from almost one-in-two (47%) at the start of the year.

Furthermore, one-in-10 (11%) now expects the number of commercial vehicles on their fleet to decline, up from just 1% in quarter one.

Commercial vehicle operators are more optimistic – some 89% expect the number of commercial vehicles they operate to stay the same or increase – thanks, in part, to the pandemic-induced rapid boom in online shopping.

Tesco announced 3,000 permanent new driver roles recently, to cope with what it described as a massive surge in online shopping.

Before the pandemic, around 9% of Tesco's sales were online. The figure is now more than 16%, with Tesco expecting online sales of more than £5.5 billion this year, up from £3.3bn last year.

Morrisons, meanwhile, has struck a deal with Amazon to offer free, same-day deliveries on produce sold on the 'Morrisons on Amazon' store to customers with Amazon Prime membership.

The service, which is being delivered by Amazon Flex Delivery Partners, has launched in Leeds, before being rolled out across the country.

Morrisons had previously announced plans to



create 3,500 jobs to help expand home deliveries to get groceries to vulnerable people at the start of the pandemic.

Courier fleets have also been among the biggest winners, with DPD recently announcing it was recruiting 6,000 new staff, including 3,500 drivers, in response to the unprecedented boom in online shopping.

The delivery firm is investing £200 million this year to expand its next-day parcel capacity, including £100m on vehicles, £60m on 15 new regional depots (10 more than originally planned in 2020) and the remainder on technology.

The new jobs will include delivery and HGV drivers, warehouse staff, management positions and support staff, including mechanics.

DPD CEO Dwain McDonald said the business was experiencing the "biggest boom in online retailing in the UK's history".

That demand has begun to be seen in new van registration figures, with the market reporting a 7.1% increase in registrations in July, its first month of growth since January, according to the Society of Motor Manufacturers and Traders (SMMT).

Growth was particularly pronounced in medium-sized vans weighing more than 2.0-to-2.5 tonnes, which saw an 12% increase in registrations. Heavy vans made up the lion's share of overall sales, with 17,566 registrations, an increase of 5.4%.

The less positive outlook for company car growth over the next 12 months, reflects a much more complicated picture.

#### COMPANY CAR OUTLOOK

Redundancies and eligibility changes will see some businesses reduce company car numbers, while new benefit-in-kind (BIK) tax rates, including a zero percentage rate for pure electric vehicles (EVs) during 2020/21, will attract drivers to choose company cars, as some swap cash for car or take advantage of salary sacrifice schemes.

Gavin Davies, Alphabet's general manager for customer relationship management and public sector, says: "For many businesses, it is too early for them to make a firm decision regarding their ongoing mobility requirements, and this will likely be reviewed given the increased ease of digital interactions over face-to-face meetings, in recent months.

"However, there will, ultimately, still be a requirement for 'job need' journeys as trade begins to return to normal, and with reduced mileage patterns becoming more prevalent, more journeys will be suited to pure EVs and range anxiety will diminish."

The public sector and transport, retail and distribution sector were the only two to have a higher proportion of fleet operators predicting growth than the survey average.

More than a third (36%) of fleet operators in the transport, retail and distribution sector are predicting they will operate more company cars in the next 12 months – the fleet average was 28%. An even greater proportion – some 38% – of public sector fleets expect their car fleet to grow.

Fleets operating in the business services sector had the least optimistic outlook, with fewer than one-in-five (19%) expecting company car growth during the next year.

Matthew Walters, head of consultancy and customer data services at LeasePlan UK, says: "Working from home over the past five months has meant fleet managers are now evaluating their fleet sizes, mileage needs and whether some, or parts of their fleets, are still business-critical, or if they've fallen into the perk category."

More than half (60%) of respondents to this latest survey refer to a downturn in business or staff redundancies and cost cutting as a driver for a reduction in company cars.

Business growth is cited as a driver for more than two-thirds (69%) of those fleets expecting their car fleet operations to grow.

Professor Colin Tourick, management consultant specialising in the automotive fleet and asset finance markets, explains: "The negligible amount of BIK tax payable over the next few years on zero emission cars offers a real opportunity for leasing companies to bolster the number of vehicles on their books.

"If they can persuade employees who formerly took cash allowances to take EVs as company cars, or persuade employees who have never had a company car to take EVs under salary sacrifice, the leasing companies should be able to cushion some of the blow they are undoubtedly going to experience."

#### ECONOMIC DATA

The latest data, from the Organisation for Economic Co-operation and Development (OECD), shows that the UK was the hardest hit by coronavirus among major economies from April to June.

The UK suffered its biggest slump on record over the three-month period as lockdown pushed the country officially into recession.

It reported a 20.4% contraction, which was well above the 9.8% drop for the 37 OECD nations as a whole. Spain was the next worst, with a 18.5% decline.

The decline for the OECD area was its largest on record, far outstripping the 2.3% drop recorded in



**“WORKING FROM HOME OVER THE PAST FIVE MONTHS HAS MEANT FLEET MANAGERS ARE NOW EVALUATING THEIR FLEET SIZES**

**MATTHEW WALTERS, LEASEPLAN**



**“THERE WILL, ULTIMATELY, STILL BE A REQUIREMENT FOR 'JOB NEED' JOURNEYS AND, WITH REDUCED MILEAGE PATTERNS BECOMING MORE PREVALENT, MORE JOURNEYS WILL BE SUITED TO PURE EVS**

**GAVIN DAVIES, ALPHABET**

the first three months of 2009 at the height of the financial crisis.

The Government says that the UK economy had performed worse than its EU counterparts because it was focused on services, hospitality and consumer spending.

However, while Q2 fell 20.4% in the UK, May and June showed strong signs of recovery, with GDP rising 1.8% and 8.7% respectively, ahead of analysts' expectations.

That recovery continued into July, although it slowed slightly to 6.6%.

Consequently, the Bank of England expects the economy to shrink by 9.5% this year, a more optimistic forecast than its earlier estimate of 14%.

# Average CO<sub>2</sub> emissions show a slight drop compared with 2019

And that's despite new WLTP testing regime producing higher figures. [Matt de Prez](#) reports



The WLTP system favours low-emission models like the BMW 330e

**A**verage car CO<sub>2</sub> emissions across the Fleet200 have reduced this year, despite the introduction of more stringent WLTP figures.

The reduction is modest, at just one g/km, from 109 to 108. But it represents a shift towards more efficient models.

At the time the data was collected, it's likely that the majority of vehicles within the Fleet200 still had an NEDC (New European Driving Cycle) emissions figure rather than a WLTP (Worldwide harmonised Light vehicle Test Procedure) one, as they only came into force for all new car registrations in April.

The survey also asked fleet operators what the average CO<sub>2</sub> emissions were for their forward orders and this figure suggests a significant shift towards lower-emission cars within the Fleet200 car parc, as operators recorded an average of 93g/km across their order books.

WLTP CO<sub>2</sub> emissions figures are much higher than those derived from the old testing method. While the move was welcomed for bringing more accurate fuel economy data to consumers, the higher CO<sub>2</sub> figures saw company car tax rocket.

HM Treasury created two new benefit-in-kind (BIK) tables for company car drivers; a table for those driving a company car registered after April 6, 2020, and one for those driving a company car registered before that date.

For cars first registered from April 6, 2020, most company car tax rates have reduced by two percentage points to account for the higher emissions reported under WLTP.

The system favours low-emission models, such as the electric Tesla Model 3 and plug-in hybrids, like the BMW 330e.

Company car drivers choosing pure electric vehicles with zero tailpipe emissions are taxed at 0%, paying no BIK tax at all, and plug-in hybrids attract a maximum of 12%.

Traditional diesel company cars continue to be hit with a 4% diesel surcharge, unless they meet the more stringent RDE2 requirements.

The appetite for electrification is increasing among fleets, with leasing companies reporting record levels of demand from company car drivers.

A study commissioned by London First of more than 500 UK companies found that almost a third (30%) of fleets are already using EVs, while 46% have active plans to make the transition and a further 16% have begun to discuss it.

For those who have not yet made the switch, 50% think they will have transitioned within five years and a third (35%) think it will be within two years, well ahead of a ban on the sale of new petrol, diesel, or hybrid cars in 2035.

Jon Lawes, managing director of Hitachi Capital Vehicle Solutions, says: "Many customers are looking to either partially or fully electrify their fleet. This is being driven by the desirability of longer-range models coming to market and the

enhanced tax position over other drivetrains."

Looking at the distribution of fuel type on vehicles over the past six months, Lawes says the share of PHEVs and battery electric vehicles (BEVs) has more than doubled, with diesels showing a marked decline.

Its renewals in Q1 of this year found further evidence of the move to hybrids or pure EVs. Only 44% of diesel drivers have chosen to replace with another diesel.

The shift appears to be to hybrids, said Lawes, with just 2% of customers making the full leap from diesel to electric, while three quarters (74%) of petrol hybrid drivers replaced their vehicle with another hybrid and a further 22% made the switch to a BEV.

Looking across the Fleet200, the average fleet make-up is 67% diesel, 16% petrol, 7.1% plug-in hybrid and 5.9% hybrid. EVs account for 2.8% of cars.

However, just two years ago, 80% of company cars were diesel, 11% petrol, 6.9% hybrid and 1.9% electric – the rapid move away from diesel is no surprise when looking at the monthly new car registrations data.

The latest Sewells Pulse report suggests there will be a further 13% decline in diesels on fleets over the next 12 months, while hybrid and electric models will increase by 7% and 8% respectively. Plug-ins will rise by 2%.

**30%**  
of 500 UK fleets surveyed  
by London First are  
already using EVs



In the commercial vehicle segment, diesel remains far more dominant. On average, it fuels almost 95% of vehicles.

But many businesses are investing heavily in electric vans. DPD has already exceeded its target for 10% of its van fleet to be zero emission by the end of 2020.

As a result, it now claims to have the biggest, greenest delivery fleet in the UK. At the start of 2020, the delivery firm had 130 EVs on the road. It now has more than 700.

DPD chief executive Dwain McDonald, says: "Despite everything that is going on, we've been really focused on getting EVs on the road and delivering for us this year."

"The feedback from the depots, our drivers and our customers has been fantastic and that has just encouraged us to go faster. We know retail customers want this and the reaction on the doorstep is great when recipients see that their parcel has been delivered emission-free too."

Mitie has committed to switching 20% of its car and small van fleet, around 700 vehicles, to electric by the end of this year, adding an average of 75 new EVs to its fleet every month. With 600 additional EVs on order to join the fleet, Mitie is ahead of this target. It has also pledged to convert its entire fleet of around 5,000 vehicles to EV by 2025.

The John Lewis Partnership (JLP), which includes Waitrose, will significantly increase the use of electric vans for home deliveries as part of its ambition to end the use of fossil fuels across its fleet by 2030.

The retailer is also building a dedicated biomethane gas filling station to enable its largest heavy goods vehicles to use a low-carbon alternative to diesel. This will reduce CO<sub>2</sub> emissions by 80%, with each truck saving more than 100 tonnes of CO<sub>2</sub> every year.

Justin Laney, partner and general manager of Central Transport at JLP, said: "As our online services rapidly expand, we're working hard to meet our goal of operating a zero fossil fuel in the next 10 years."

"Our new electric vans are an ideal solution for home deliveries; the innovative design means they're more efficient, but also respectful to the environment and the growing number of neighbourhoods in which we deliver."

According to the Sewells Pulse report, diesel vans are expected to reduce by around 8% with electric models increasing by 2% on average (fewer models and less availability explains the slower growth rate compared with cars). Respondents also expect petrol, hybrid and plug-in hybrid



#### AVERAGE CARS CO<sub>2</sub> 2019 VS 2020

Sector	Average CO <sub>2</sub> cars 2019	Average CO <sub>2</sub> cars 2020
Primary/Manufacturing/Construction	110	108
Transport/Wholesale/Retail/Distribution/Information/Communication	105	105
Business Services	112	113
Other services	111	108
Public sector	109	106
Fleet200 average	109	108

vans to become more commonplace on their fleets in the next year.

One driver towards electrification is the planned introduction of clean air zones (CAZs) in major cities around the UK.

Arval Mobility Observatory research asked businesses how they will respond to the introduction of CAZs and the London's ultra-low emission zone (ULEZ). It found that more than three-quarters (76%) said they will replace vehicles to meet the new standards, whereas 27% said will find other types of transportation to allow them to continue doing business within the zones, and 27% will make no changes, accepting the impact and cost.

Shaun Sadler, head of Arval Mobility Observatory in the UK, said: "Overall, more than four out

of 10 (fleets) believe they will be affected and, of these, around three-out-of-four plan to meet the challenge by operating vehicles that meet whatever new regulations are being introduced.

"In most places, CAZs are designed to remove the older, less clean technology vehicles from cities and the truth is that because the regulations are relatively straightforward, many fleets are already compliant. Over the next couple of years, just through the normal replacement of vehicles, most should meet the rules."

The current requirement for free entry into a CAZ is Euro 6 diesel or Euro 4 petrol, but many operators are opting to go electric as soon as possible due to the combined socio-economic benefits and cost-savings.

#### FORECAST CHANGE IN CAR AND LCV FUEL TYPES

Sector	Petrol		Diesel		Hybrid		PHEV		Electric	
	Car	LCV	Car	LCV	Car	LCV	Car	LCV	Car	LCV
Primary/Manufacturing/Construction	-5%	1%	-12%	-6%	9%	3%	2%	1%	8%	2%
Transport/Wholesale/Retail/Distribution/Information/Communication	-5%	2%	-14%	-9%	5%	4%	4%	2%	9%	1%
Business services	-5%	-8%	-11%	-12%	2%	-2%	3%	9%	9%	11%
Other services*	-1%	4%	-15%	-11%	12%	=	-4%	=	1%	6%
Public sector*	-10%	1%	-4%	-1%	3%	=	1%	=	11%	1%
Fleet200 average	-5%	1%	-13%	-8%	7%	3%	2%	2%	8%	2%

\*Small sample size





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# Replacement cycles stay much the same – but for how long?

Vehicles are usually kept longer during economic downturns. But full Covid-19 impact is yet to be seen. *Sarah Tooze reports*

**T**he economic impact of the Covid-19 pandemic has not yet translated into a shift in the average car replacement cycles for the Fleet200.

It remains the same as last year at 46 months, based on 102 responses. However, 118 companies gave a figure last time and the make-up of the Fleet200 is not identical this year so a direct comparison is difficult.

It is also worth bearing in mind that the current survey results were gathered between mid-March and June and those answering at the start of the UK lockdown (March 23) will have a different perspective to those replying a month or two later.

Traditionally, fleet operators have extended replacement cycles during an economic downturn and this can become a permanent change. The 2008-to-2009 recession led many businesses to shift from replacing company cars at three years/60,000 miles to four years/80,000 miles.

With the UK officially in recession as of last month when Office for National Statistics (ONS) figures showed two consecutive quarters of economic decline, with a record fall of 20.4% in the second quarter, history could repeat itself.

Since the start of lockdown, leasing companies have been supporting fleet customers with informal contract extensions, mileage adjustments and payment holidays.

When *Fleet News* asked fleet operators in May whether they had extended their lease contracts, more than a third (37%) had, with most of those favouring a rolling month-by-month extension. A small number had chosen to extend by either three, six or more than six months.

Longer replacement cycles were not the most popular option when fleet operators were asked about the long-term impact of Covid-19 on their fleet, however.

Greater use of video conferencing, budget constraints/financial pressure and reduced mileage for company cars were seen as the main impacts, followed by fewer company cars, less use of public transport, longer replacement cycles, more flexible rental/short-term contracts, greater use of telematics and increased mileage for company vans.

Fleet operators appear to be adopting a 'wait and see' approach, particularly with many different factors at play, including the winding down of the Government's Coronavirus Job Retention Scheme, which ends on October 31.

Whether company car drivers who have been working from home return to the office or change to becoming home-based permanently with fewer face-to-face meetings will have a bearing on how long company cars are kept for and at what mileage term or, indeed, if the employee retains a

company car. A job-need driver could see their mileage dip below the traditional 10,000 miles threshold that many businesses set for a company car, for instance.

However, if a car is provided for recruitment and retention purposes and is primarily a 'perk' rather than job-need, businesses are unlikely to remove it unless they face severe financial pressure.

They may also choose to stick with the same replacement cycles as an older car could prove less attractive to employees.

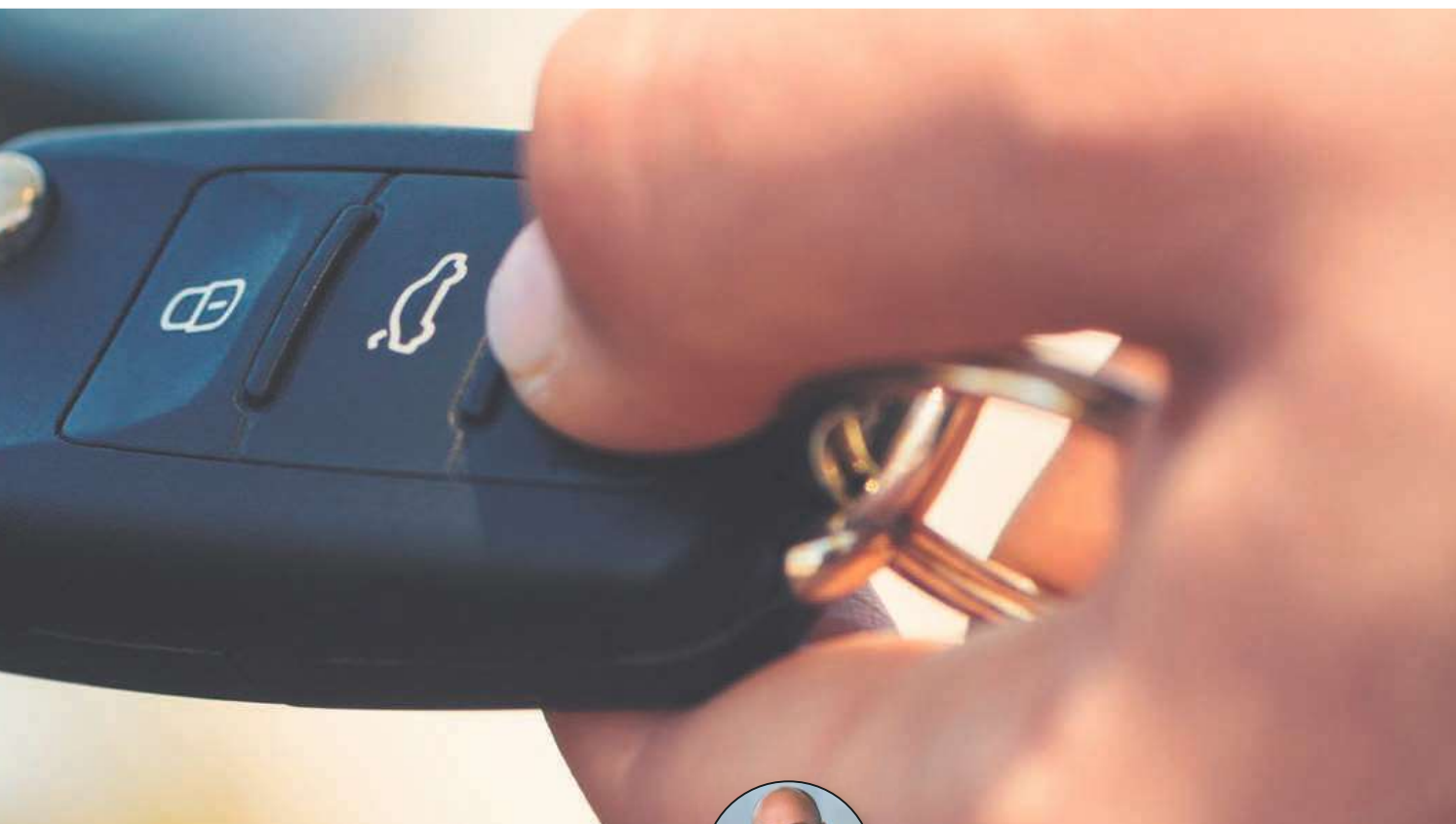
LKQ Euro Car Parts, which sits at number 19 in this year's Fleet200 with 3,258 vehicles, provides company cars primarily to field-based and branch management roles as part of their recruitment and retention packages.

The cars are replaced at four years or 100,000 miles and Tony Shearer, branch operations director, who has overall responsibility for the fleet,

## CAR REPLACEMENT CYCLES

Sector	Average car replacement cycle – months	Average car replacement cycle – mileage
Primary/Manufacturing/Construction	45	84,560
Transport/Wholesale/Retail/Distribution/Information/Communication	45	77,421
Business services	46	79,678
Other services	42	72,500
Public sector	54	86,000
Fleet200 average	46	81,157





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has no plans to increase this. "I think most people after four years of having one car normally want to change," he says (see case study, pages 106-108).

The length of the car replacement cycle also depends on the nature of the business.

The Volkswagen Group has the shortest company car replacement cycle of the Fleet200 companies that responded to this year's survey (as it did last year) with cars kept for six months with an average of 9,000 miles.

Andy Lamb, group company fleet operations manager, says: "The rationale for the relatively low holding for our car fleet is in the nature of being a car importer.

"To ensure a supply of good quality, relatively new used cars to our retailers, as well as ensuring our employees are familiar with all the latest features of our new cars, we manage a relatively fast turnover of cars for staff. Our retailers then benefit from quality used vehicles to attract customers into their premises too."

He adds that this is "relatively common across all car manufacturers, and not just here in the UK, with perhaps some local variations – with the domestic manufacturers having some additional differences due to their own local needs and local manufacturing cost base".

He does not believe that an increase in home working will change the replacement cycle although Volkswagen "continues to look at holding periods and mileage in order to fine-tune the benefits of the scheme to all participants".

While it has the shortest replacement cycle, the Volkswagen Group does not have the lowest



**“MOST PEOPLE  
AFTER FOUR YEARS  
OF HAVING A CAR  
WANT TO CHANGE”**

**TONY SHEARER, LKQ EURO AUTO PARTS**

annual business mileage. NHS Blood and Transplant, UK Power Networks and Amey Fleet Services all have lower averages (7,000, 7,250 and 7,500, respectively).

Julie Davies, group fleet and plant compliance manager at Amey, explains that even prior to the Covid-19 pandemic the business had a strategy in place to ask employees to think about the environmental impact of the vehicle fleet and to reduce travel where possible by using Skype, Microsoft Teams or video conferencing.

This sits alongside other green and road safety measures such as monitoring driver behaviour; fuel usage and type, using telematics, eco driver training and ensuring drivers do not carry unnecessary loads.

Similarly, local authorities and other public sectors fleets such as Defra Group Fleet Services

were trying to discourage business journeys prior to the pandemic. The Environment Agency, which falls within Defra Group Fleet Services, has had a travel hierarchy in place for a number of years. The hierarchy encourages employees to consider teleconferencing or web meetings in the first instance.

Average replacement mileage for the Fleet200 this year is 81,157 miles with average annual business mileage at 17,481 accounting for the vast majority of the 21,171 total average annual mileage.

Devon & Cornwall Police and Dorset Police has the longest car replacement cycle at 120 months (10 years) and 150,000 miles, although that gives it a below average annual business mileage of 15,000, while Police Scotland and West Yorkshire Police replace their cars at 120,000 miles over 48 months for a much higher annual average of 30,000. Fleet operators that outright purchase also tend to keep vehicles longer and all three police forces buy virtually all their cars.

Of the private sector organisations in this year's Fleet200, specialist engineering and construction company Murphy Plant has on paper, the highest replacement mileage at 150,000.

However, fleet manager Tony Murphy explains that it is not the case that employees are made to keep the vehicles until they have reached 150,000 miles. It has a four year or 150,000 miles limit, whichever comes first.

"We have some employees that do very high mileage (or at least used to) so, if they declare the annual mileage at 40,000, it would then reduce the lease term to meet the 150,000 miles," he says.

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- **Environment** – enabling you to keep pace with policy changes, ULEZ and CAZ zones rather than being left with vehicles that may be subject to charges
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# Fleets seek flexibility to allow the introduction of electric vehicles

Desire to be eco-friendly encourages shorter LCV replacement cycles. *Matt de Prez* reports



**U**K fleets are covering fewer miles in their light commercial vehicles (LCVs) according to this year's Fleet200 survey, which uncovers a significant drop in average mileages.

The 2020 data shows that, on average, Fleet200 vans cover 20,500 miles per year. That's an annual reduction of around 7,000 miles, compared with last year's study, no doubt affected by the drop in business for many companies during the coronavirus lockdown, which overlapped with the data gathering for the Fleet200 survey.

However, the reduction clearly started before 2020, with fleets improving their route optimisation and efficiencies.

Currently, replacement cycles stand at an average of five years and 102,000 miles across the 102 fleets that provided data for this survey section.

Due to higher mileages in 2019, fleet operators were replacing vehicles more regularly, with an average replacement time of 58 months.

Average replacement mileage remains closely aligned to 2019's figure, which was 103,000. It continues the downward trend in average replacement mileage, since 2017 when it peaked at 119,600. This year's figure is closer to that of 2016, where the average replacement mileage was just above 103,000.

Replacement cycles appear to be similar when comparing smaller fleets with larger ones, but the difference between public and private sector businesses is more pronounced.

Fleet200 data shows that private sector fleets recorded an average replacement cycle of 58 months and 99,500 miles, while those in the public sector keep their vehicles longer, on average.

Public sector fleets reported a replacement cycle of 71 months, although mileages remain lower. The average private sector LCV covers 16,000 miles per year.

Their vehicles are replaced at just beyond 100,000 miles, on average, suggesting that, no

matter which sector the vehicle operates in, fleets are largely unwilling to keep vehicles far beyond the six-digit mileage benchmark.

Similarly, none of the fleets have replacement cycles of less than three years or more than 10.

There are exceptions to the mileage rule, of course. Of all the fleets in the Fleet200, 26 reported replacement cycles of above 100,000 miles with the highest peaking at 240,000 (36 months) at a global logistics company.

Last year, many operators outlined plans to speed up the replacement of older, more polluting vehicles ahead of the introduction of clean air zones (CAZs) and London's Ultra-Low Emissions Zone (ULEZ).

Van registrations boomed in March 2019, ahead of the introduction of the ULEZ. More than 66,000 new vans were sold then, the highest on record.

There was another peak in June, ahead of the introduction of WLTP emissions regulations, as businesses rushed to replace vehicles. There

## LCV AND HGV REPLACEMENT CYCLES

Sector	Average LCV replacement cycle – years	Average LCV replacement cycle – mileage	Average HGV replacement cycle – years	Average HGV replacement cycle – mileage
Primary/Manufacturing/Construction	59	100,917	80	266,182
Transport/Wholesale/Retail/Distribution/Information/Communication	59	106,053	72	492,429
Business services	56	97,857	71	247,857
Other services	60	110,000	96	n/a
Public sector	71	105,000	111	129,167
Fleet200 average	60	102,014	83	286,613





Replacement cycles on HGVs are seeing an upward trend, Fleet200 data shows



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Were fears that vehicle supply might be affected due to delays in type approval testing. This affected September's registrations, combined with uncertainty over the UK's exit from the EU.

This year, operators face further uncertainty. Together with coronavirus-induced economic issues, there is also the Government's ambition to end the sale of petrol and diesel cars and vans. While initially billed for 2040, the Government has since indicated that 2035 is the target, while environmental groups are pushing for 2030. That means some Fleet200 fleets face the possibility of not being able to buy petrol or diesel vehicles within their next replacement cycle.

As a result, businesses are looking for more flexible contracts that will enable them to replace diesel vans with electric ones if availability allows – or extend their current vehicles, if not.

Centrica's vans are on a mix of cycles dependent on their use: in most instances it operates a six-year/72,000-mile replacement programme, although this is cut to five years/100,000 miles on some of its higher mileage vehicles.

In the past 12 months, it has reduced the lease length for new small vans to three years as part of a programme to electrify its fleet.

Steve Winter, head of fleet at Centrica, says: "We put them on to a three-year lease with a view to drop them back into the replacement cycle when we think there'll be many more EVs available on the market. If there isn't, then we have the option in the lease to extend for one or two years."

"Putting them on three-year leases has given us more confidence to go to the business to say we can start our EV programme straight away."

Earlier this year, Centrica ordered 1,000 all-electric Vauxhall Vivaro-e vans and these will be rolled out nationwide over the next 12 months.

These will be on six-year leases but, like its internal combustion engine (ICE) fleet, Centrica will have the ability to flex the terms if the need arises, such as new technology becoming available, or lower than planned mileages.

Strong residuals help make shorter replace-



DATA CONFIRMS  
AVERAGE PRICES  
ACROSS ALL AGES  
AND SECTORS HAVE  
RISEN 39% VERSUS  
JULY LAST YEAR

ANDY PICTON, GLASS'S

ment cycles more affordable. At the moment, used van demand is high, caused by a shortage of new vehicles and a strong appetite for used Euro 6 models to avoid potential restrictions in cities.

Glass's auction data suggests the number of sales in July were up 14% versus July 2019, with first-time conversions increasing for the fourth month in a row.

Andy Picton, chief commercial vehicle editor at Glass's, says: "There is a growing appetite from trade buyers to purchase good quality stock. Sales of Euro 6 light commercial vehicles increased to just less than 50% of the overall total in July, with the number of different online buyers increasing as well."

"Supporting this enthusiasm is data confirming average prices across all ages and sectors have risen 39% versus July last year."

It's good news for fleets that want to switch to EVs and dispose of their existing vans sooner.

Whether the price boom remains for the rest of the year remains to be seen, however.

## HGV REPLACEMENT CYCLES

Average HGV replacement cycles are 83 months and 286,000 miles, according to the 2020 analysis of professional fleets.

The data shows a significant rise in average replacement cycles, up from 81 months and 214,000 miles in 2019.

An upward trend in average HGV replacement cycles is apparent. In 2018, HGV replacement cycles stood at 131,000 miles.

The data also shows some fleets are operating vehicles on much shorter terms than before, with one fleet keeping vehicles for just eight months.

This is because truck fleet operators, especially those distributing goods on behalf of third parties, are seeking greater flexibility in times of economic unrest.

Their own customers may be offering shorter contracts than they did in the past, with no guarantee of renewal, which makes commitment to a long-term arrangements more risky.

As a result, a fleet might be more inclined to sign a two-year deal than a four- or five-year one.

"If you enter into a five-year contract hire agreement, but the contract you have with your customer only covers a couple of years, then you have to work out what you are going to do with those vehicles once those two years are up," says David Potter, managing director – contract hire and leasing at Asset Alliance Group.

Short-term agreements sound as though they might be expensive, but much depends on how the residual value of the vehicle is viewed, explains Potter. "There is an appetite in the used market at present for younger second-hand assets specified to a good standard. Buyers will pay a premium for them," he adds.

Nailing down RVs over a longer period is proving to be more of a challenge, say some industry insiders given rising hostility towards diesels.

When looking at individual responses within the Fleet200 survey, it is clear that many fleets are seeking to introduce more electric vehicles, but are concerned about availability.



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# One-in-four fleets is taking a blended approach to car funding

Popularity of leasing is growing with more than three-quarters of company cars now financed this way. *Gareth Roberts reports*

**T**he flexibility offered from a finance lease option could prove attractive to fleet operators looking to manage cashflow post-Covid.

But, while the popularity of leasing has increased for the Fleet200, with almost eight-out-of-10 company cars (78%) now funded this way, just one-in-seven (14.5%) is funded via a finance lease.

However, that's still a year-on-year increase in cars funded by finance lease of 3.5 percentage points, with operating leases remaining static on 2019 at around 63% of all cars.

Analysis of this year's Fleet200 data also shows one-in-six cars (16.7%) is owned outright by the end-user fleet – down almost two percentage points on 2019's Fleet200 figure of 19% – while 4.8% of cars are funded via employee car ownership schemes, down slightly on last year's 6%.

Andy Barrell, head of business development at Lex Autolease, explains: "An operating lease is an attractive method of funding for businesses who wish to minimise their exposure to the usual risks associated with vehicle ownership – depreciation, low resale value, and so on.

"It also comes with benefits for cashflow and budgeting, thanks to the relatively lower costs."

Running an operating lease fleet is relatively light on administration, adds Barrell, plus there is no balloon payment required at the end of the agreement – making the overall investment easier to manage.

However, he warns that with those benefits come with some drawbacks. "The business never owns the vehicles and they cannot be purchased at any stage of the agreement," he says.

"In some cases, contracts may stipulate mileage

limits and the acceptable condition of vehicles upon return – and penalties can be incurred if these stipulations aren't adhered to. This is especially important for those operating large fleets to bear in mind, since penalties across a number of vehicles can quickly add up."

## RISK AND REWARD

In contrast, finance leasing transfers all of the risk – and rewards – of ownership to the business.

"This method is an ideal funding option for companies who want to keep the vehicles at the end of the contract, so they can either keep running them or sell them on to a third party," says Barrell.

"If they don't mind the risk that residual values might not hold up, the method of funding can be an attractive offer to businesses who want more flexibility with their leasing agreement."

## PROPORTION OF FLEETS USING THE FOLLOWING METHODS TO FUND CARS

Sector	Outright purchase	Contract hire/operating lease	Contract hire/finance lease	ECO scheme	Other
Primary/Manufacturing/Construction	19%	68%	16%	11%	5%
Transport/Wholesale/Retail/Distribution/Information/Communication	4%	81%	26%	19%	7%
Business Services	22%	78%	15%	7%	7%
Other services	0%	50%	50%	0%	0%
Public sector	74%	32%	21%	5%	0%
Fleet200 average	25%	67%	20%	11%	5%





“THE FLEXIBILITY  
THAT IS AVAILABLE  
WITH A FINANCE  
LEASING OPTION,  
MIGHT BECOME  
MORE ATTRACTIVE”

DAVID BUSHNELL, ALPHABET

Some of the country's largest fleet operators fund all their cars via finance lease, including Siemens, The AA and the Salvation Army.

David Bushnell, principal consultant at Alphabet (GB), says, in many ways, both options are similar, but the “risk and reward” of the lease changes hands dependent on which you choose. “It's this that should be the deciding factor for customers, based on their particular situation,” he says.

Bushnell contends that choosing an operating lease is better suited for those looking for a short-term option.

“The running costs, such as maintenance, servicing, insurance, etc. are all included within the lease for the agreed term for a simple monthly fee,” he says. “So, while the monthly cost may be higher than with a finance lease, this is a great option for people looking to quickly and easily have access to a vehicle for a fixed time without worrying about the additional admin.”

Conversely, a finance lease places the responsibility for managing the vehicle upkeep and administration on the customer.

“But for longer-term rentals, a finance lease could be the better choice as it is often cheaper per month and allows the customer the option to take a secondary lease at a reduced rental cost at the end of the primary term or sell the vehicle on,” he explains.

#### ACCOUNTING STANDARDS

The treatment of the two different lease types depends on which accounting standards the organisation adheres to. For organisations that report to International Financial Reporting Standards (IFRS), the introduction of IFRS16 from January 1, 2019, means that both operating leases and finance leases must be reflected in the company balance sheet and profit and loss account.

Prior to this, operating leases were treated as ‘off-balance sheet’ items.

Most small- and medium-sized enterprises (SMEs) currently report to the UK's generally accepted accounting principles (UK GAAP).

The change to the treatment of leases will only filter through to companies applying UK GAAP if they convert to IFRS/FRS 101 Reduced Disclosure Framework, rather than FRS 102, says Maxxia.

The expectation from the independent regulator, the Financial Reporting Council, is that the earliest UK adoption could be 2022/23, but it will be monitoring the international impact until then.

#### RESIDUAL VALUE RISK

Bushnell says the change in how contract hire leases are reported may mean we start to see “more of a balance” between the two leasing options.

Barrell also believes that finance leases could gain traction in the current climate.

He explains: “The flexibility that is available with a finance leasing option – including extending the vehicle's agreement beyond the end of its lease –

might become a more attractive offer as many businesses look at how they can manage cashflow in the shorter term.”

The residual value (RV) risk will be a major consideration and, despite some concerns around the potential impact of coronavirus, the latest analysis from Cap HPI suggests there is a healthy used car market.

Pricing experts reported that the used car market remained strong in August, with values up by a minimal 0.2% at the three-year point, which equated to around £30 on average.

So far this year, it says there has only been one month where values dropped and that was during the run-up to lockdown in March.

On average, used car values when calculating the same models at the same age and mileage point as a year ago, are some 7% higher than they were in August 2019.

Cap HPI says that consumer demand is still being driven by people wanting to avoid public transport, buyers downgrading and savers looking to upgrade.

#### BLENDED APPROACH

In 2018, the vast majority of Fleet200 organisations – some three-quarters (74%) – chose one funding route for their cars, before falling to 60% of operators in 2019. This year that has risen to three-quarters (76%) again – a difference predominantly down to a change in some of those fleets responding to the Fleet200 survey, year-on-year.

Almost one-in-four (24%) Fleet200 fleets take a blended approach to funding their cars, with Haymarket Media employing four – outright purchase, operating lease, finance lease and an ECO scheme – the most of any of the Fleet200 fleets.

In terms of the proportion of funding methods used: one-in-four fleets (25%) use outright purchase in some way; operating lease/contract hire is employed by two-thirds (67%); one-in-five fleets (20%) use a finance lease; and one-in-10 (11%) fund cars via an ECO scheme.

Whatever funding method is being considered, Bushnell says: “We recommend post-tax wholelife cost and discounted cash flow exercises are completed to ensure the fiscal arguments are measured, and more importantly, operational implications and benefits of all funding methods are considered, before simply doing what you always did.”

16.7%

of cars owned outright

63.4%

of cars funded by  
operating lease/  
contract hire

14.5%

of cars funded via  
finance lease



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**ŠKODA**



# Sole funding option grows in popularity

Greater number of fleet operators are limiting funding partners to one leasing company. *Andrew Ryan reports*

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**O**perating lease continues to be the most popular method of funding vans among organisations which took part in this year's Fleet200 research, but it is less widespread than 12 months ago.

In 2019, 60% of respondents said they use it to procure light commercial vehicles (LCVs), but this year the proportion has fallen to 48%.

Outright purchase remains the second most used funding method, but this, too, has seen its popularity reduce: last year it was used by 52% of respondents – this time it is 47%.

Last year's biggest change was the increase in the number of organisations using flexible rental: 24% said they procured LCVs this way compared with 13% in 2018. This year, however, the proportion has fallen slightly to 19% – the same as use finance lease.

Fleet200 organisations are also using fewer funding methods than last year. In 2019, 55% of respondents used one funding method, 35% used

two, 8% used three and 3% used four (all percentages are rounded to the nearest whole number, so may not add up to 100%).

This year, 73% used one, 19% used two, 9% three and none used four.

Countryside Properties is one of those organisations which reduced the number of its funding methods from two to one in the past year.

It now uses operating lease for 100% of its van fleet, whereas last year it was equally split between operating lease and outright purchase.

Chris Connors, head of facilities and fleet at Countryside Properties, says this follows his organisation's acquisition of affordable homes builder Westleigh in 2018.

"It had various different procurement methods for its LCV," he adds. "We, as Countryside Properties, have traditionally used contract hire.

"We looked at the modelling, we looked at what it had, we looked at the benefits and we've taken the view that contract hire is still right for us.

"As part of the transition, we sold some of the vehicles and used sale and leaseback with our provider for some of the others we wanted to keep."

Connors says one major reason it moved the whole fleet to operating lease is down to Countryside Properties' small in-house facilities and fleet team. Consequently, it looks to outsource to specialists wherever possible.

"Keeping that one-stop shop and that ease of having a fully-managed contract hire arrangement just means we can have a smaller, leaner in-house team, which helps with ease and convenience," Connors says.

"The finances also stacked up when we looked at the cost between what we do now against what was being done.

"Contract hire is less risky for us because, as long as we meet the criteria of the contract, we can budget and we can map spend, and we don't have to worry about residual values and what the market is doing because at the end of the four- ➔

## LCV – FUNDING METHODS USED

Sector	Outright purchase	Contract hire/ operating lease	Contract hire/ finance lease	Flexible rental	Other
Primary/Manufacturing/Construction	54%	43%	19%	22%	5%
Transport/Wholesale/Retail/Distribution/ Information/Communication	31%	62%	31%	15%	4%
Business Services	29%	68%	11%	29%	0%
Other services	50%	0%	100%	50%	0%
Public sector	81%	14%	10%	5%	0%
Fleet200 average	47%	47%	19%	19%	3%





## TRUCK/HGV FUNDING

Outright purchase, as in 2019, is the most used funding method for trucks/HGVs, with 45% of Fleet200 respondents selecting it as a funding mechanism.

Operating lease is used by 29% of fleets, 14% use finance lease and 13% employ flexible rental.

Responding fleets collectively operate a total of 16,835 trucks above 3.5 tonnes with 68% saying they use one funding method, 26% two, 4% three and 2% four.

The buying of trucks is most popular in the Public Sector organisations with 68% of fleets in this category using it, followed by Primary, Manufacturing and Construction (38%), and Transport, Wholesale, Retail, Distribution, Information and Communication (13%), and Business Services (10%).

Of the fleets with 100 or more trucks, 45% use outright purchase as their main funding method, with 35% favouring operating lease. Finance lease accounts for the remaining 20%.

In contrast, of the fleets with 99 trucks or fewer, 50% used outright purchase as their only or major funding method, followed by operating lease (33%) and finance lease (4%).

Year term, we just hand the vehicle back to the lease company.

"Had we purchased outright, then we'd be looking at the markets and having to work out when would be the right time to sell.

"[Funding] is probably an area we need to review in the next 12-to-18 months just to make sure that what we thought two years ago remains relevant today as well as going forward."

Countryside Properties sits in the Business Services sector in the Fleet200, in which 57% of fleets use operating lease.

It is the most popular funding method in this category, followed by outright purchase and flexible rental (both 27%) and finance lease (10%).

In contrast, outright purchase (50%) is the most used method by Primary, Manufacturing and Construction fleets, followed by operating lease (40%), flexible rental (20%) and finance lease (18%).

The mix of funding in Transport, Wholesale, Retail, Distribution, Information and Communication sector more reflects that of the Business Services category: 53% use operating lease, 27%

use finance lease 23% use outright purchase and 13% use flexible rental.

Kelly Group, which sits in this sector, goes against the grain by funding 70% of its vans through outright purchase and 30% by flexible rental. This was the same mix as in 2018, while last year it was 80:20.

Dermot Coughlan, fleet director at Kelly Group, says this approach gives his employer a mix of stability and flexibility.

"We are set up to run an in-house fleet; we do all our own racking, beacons, Chapter Eight, etc., so we're pretty much self-sufficient," he says.

"When the company grew, the fleet got bigger and now have our own bodyshops, our own garages and mobile mechanics, so it suits us to run our own vehicles and we can run them efficiently and keep our wholelife costs down.

"Outright purchase means we can keep them as long as we want, but it also gives us another flexibility in that it's quite easy to dispose of them quickly if we needed to reduce our numbers."

As they are not leased, they are not subject to

any early-termination charges if they were returned before the duration of their contract.

Flexible rental, says Coughlan, adds a different type of flexibility to the Kelly Group fleet. "A lot of the contracts we do are not long term – they could be six, 12, 18 months or they could even just be a six-week contract.

"If we have a short-term project we'll use flexible rent for the whole thing, and, if we get a longer contract at short notice, then we might hire some vans just to get going, so we can mobilise quite quickly.

"You can't always just run down before dinner and buy a van. Those days are long gone. We do have a very good supply chain, but it's good to have that kind of flexibility.

"The contracting businesses is not always very steady. It goes up, it goes down, and you need to be able to be in a position to react to what's going on. With Covid-19 for example, we had a lot of vehicles we had to park up, and we were able to send an element of our flexible rental back to our suppliers."

## TRUCKS – FUNDING METHODS USED

Sector	Outright purchase	Contract hire / operating lease	Contract hire / finance lease	Flexible Rental	Other
Primary/Manufacturing/Construction	75%	35%	10%	20%	0%
Transport/Wholesale/Retail/Distribution/Information/Communication	50%	63%	38%	25%	0%
Business services	33%	56%	44%	11%	0%
Other services	n/a	n/a	n/a	n/a	n/a
Public sector	80%	10%	10%	10%	0%
Fleet200 average	64%	38%	21%	17%	0%

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# “To EV or not to EV?”

It's the question an increasing number of Fleet Managers are now asking...



The economic impact of COVID-19 has resulted in changes to both business operations and ways of working – prompting many to rethink their fleet strategies. To better understand the impact caused and how we, as the UK's second largest leasing provider can help, we invited Fleet Managers to take part in our survey. The key findings are;

## 1 in 3 Fleet Managers are considering EV

Fleet Managers have a renewed focus on how EVs can play a crucial part in delivering the cost efficiencies and driver flexibility their business now needs. But are EVs the right choice for *your* business? To help you decide we've developed a comprehensive package of advice, tools and personal support to enable you to make the right decisions about whether plug-in hybrid or electric vehicles are suitable for your fleet. Why not try our 'EV Ready?' tool? [www.vwfsfleet.co.uk/electric-car-van-ready-tool/](http://www.vwfsfleet.co.uk/electric-car-van-ready-tool/)

## 1 in 5 Fleet Managers want clear EV cost comparison to inform their decisions

At a time when Fleet Managers are considering whether electric cars and vans are a viable option for their businesses, Service, Maintenance and Repair (SMR) of fleet vehicles is a key consideration to ensure both costs and downtime are kept to a minimum. So, it's no surprise that a lack of clear cost comparison between existing petrol and diesel vehicles against EVs is stated as the biggest obstacle in making the move. We have all the tools and expertise on hand to help make an informed decision.

## 1 in 5 Fleet Managers aren't getting the advice they need

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# Tax incentives helping to steer the trend back towards company cars

Grey fleet has been growing, but the low BIK on BEVs may reverse that, reports [Andrew Ryan](#)

**T**he future of the company car has long been a subject of debate and disagreement in the fleet industry, and it doesn't look like that discussion will be settled any time soon.

Ever-increasing tax bills for both employers and employees, uncertainty over future benefit-in-kind (BIK) tax rates and the rise of personal contract hire (PCH) and personal contract purchase (PCP) deals for retail buyers have been among the key reasons why growing numbers are opting out of company car schemes.

This year's Fleet200 research found 78% of respondents offer company car drivers the choice of opting for cash, and it does appear popular. In total, these 62 fleets have 22,654 cash allowance takers between them.

But there is a growing groundswell of opinion this trend may be reversed. This is due mainly to the Government announcing new BIK tax bands with exceptionally favourable rates for certain ultra-low emission vehicles (ULEVs).

For example, employees driving a battery electric vehicle (BEV) will pay no tax in the 2020/21 tax year and just 1% in the 2021/22 tax year.

The rates have also been confirmed for the subsequent three tax years at 2% (until 2024/25), giving fleets and drivers the certainty (and low costs) they lacked before.

Many fleets are now reporting increasing numbers of drivers wanting to return to company car schemes to take advantage of the rates.

Simon King, director of sustainability, social value and fleet at Mitie, says: "If you drive a BMW 320d and switch to a Tesla Model 3, how much BIK will you save a year? It's £4,500 take home.



**IF I TAKE AWAY  
YOUR BMW 3 SERIES  
AND GIVE YOU A  
TESLA INSTEAD,  
THAT'S THE SAME AS  
GIVING YOU AN £8,000  
PAY RISE**

**SIMON KING, MITIE**



Choosing an electric vehicle has significant tax benefits

"So, if I take away your BMW 3 Series and give you a Tesla instead, that's the same as giving you an £8,000 pay rise, assuming you are a 40% taxpayer. What's not to like about that?"

Martin Saxton, fleet and transport manager at BCS Group, adds: "I've got 110 cash allowance takers, and a lot are looking at BEVs or PHEVs now and want to come back into the scheme."

It's a similar situation at Altrad Services, but head of fleet Matt Hammond says many are waiting for a wider range of EVs to become available before taking the plunge.

"We've seen a mass migration to grey fleet over the past 12 to 18 months, and from talking to those drivers, most didn't want to do that," he adds.

"They like the comfort of a company car, but they didn't want to pay the tax. A lot of those drivers had company cars for 10, 15 or 20 years and suddenly they've had to go out into this big bad world of insurance quotes and running a car, and they don't like it.

"It is surprising just how many squeaks you start to hear on a car when you suddenly go from a company car to owning one, and our drivers don't like it, they want to come back into the

scheme as soon as the electric cars are right."

Not all company car drivers will have access to BEVs or PHEVs as supply of the vehicles continues to be constrained.

And still a consideration is that more readily-available petrol or diesel models do not qualify for the favourable BIK tax bands.

The Covid-19 pandemic could also have a significant effect as lockdown and the significant reduction in mileages will cause many employees to question whether they need a company car, says Stewart Lightbody, deputy chairman of AFP (the Association of Fleet Professionals).

Instead of face-to-face meetings, people have got used to conducting business via video, while people working from home has significantly reduced commuting.

"There will be a growth in people saying they don't want a new car but they want to take the money and run a second-hand vehicle, so strong car allowance and usership policies will be key," says Lightbody.

"Grey fleet has always been a challenge and I don't see that stopping soon. I think the volume coming through might increase significantly."

**78%**  
of survey respondents say they offer employees the option of taking cash instead of the company car



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# Fleets gear up as the demand for home delivery looks set to grow

Extra drivers and vehicles needed to cope with increased volumes. *Sarah Tooze* reports

**R**oyal Mail remains the largest private sector fleet in the Fleet200 and the overall largest fleet in the Fleet200 with 46,690 cars and vans (slightly down from last year's 47,300).

Collectively, the 102 private sector organisations which feature in this year's Fleet200 operate 253,816 cars and vans, with an average fleet size of 2,488.

It is not possible to make a direct comparison with last year's survey as the make-up of the Fleet200 is not identical with 115 private sector organisations responding in 2019.

The impact of the Covid-19 pandemic is also not yet fully reflected in the responses. The Fleet200 survey was conducted between mid-March and June this year, before it was announced that the UK was in recession.

Private sector fleets have experienced mixed fortunes during the pandemic with postal and delivery fleets seeing high demand for their services due to the upturn in online shopping and sectors such as hospitality and travel experiencing a downturn.

DPD, the largest delivery firm in this year's Fleet200 and the sixth largest private sector fleet with 6,280 cars and vans, has been handling parcel volumes more akin to the festive seasonal peak – its volumes during Easter were double that of the same period in 2019.

Despite shops reopening, DPD believes the upward trend will continue and is now preparing itself for what it predicts will be the busiest Black Friday/Cyber Monday (November 27/30) and Christmas period in its history.

It is recruiting 6,000 new staff, including 3,500

drivers, in time for Black Friday (November 27) and investing £200 million this year to expand its next-day parcel capacity, including £100m on vehicles, £60m on 15 new regional depots (10 more than originally planned in 2020) and the remainder on technology.

Similarly, smaller fleets, such as Well Pharmacy, which sits outside the top 10 private sector fleets with 639 cars and vans, has had to recruit extra delivery drivers and get them fully trained in a short space of time during the pandemic.

Private sector fleets in this year's Fleet200 research already do average van mileage of 99,652 at replacement, with the average business mileage per annum 20,694 and some industry experts are concerned about the road safety implications if van mileages continue to increase and service, maintenance and repair (SMR) slips.

Royal Mail has been keeping on top of its SMR during the pandemic by making greater use of its fleet of mobile

technicians, allowing it to provide more on-site service rather than the operator having to bring the vehicles back into the workshop.

Company car fleets and those fleets not defined as essential/key workers have experienced a different SMR challenge with vehicles parked up as a result of home working and with SMR being postponed while garages were closed.

One private sector respondent says their biggest challenge is "dealing with having 900 vehicles off the road and sorting getting them back working".

The average car replacement ↻

**102**

private sector  
organisations  
responded





cycle for private sector fleets in this year's Fleet200 is 46 months, with average mileage of 80,604 and annual business mileage of 17,796. The latter is likely to drop significantly in next year's survey if businesses decide to make home working permanent.

In that scenario, some employees may no longer do sufficient mileage to qualify for a company car or employees may decide they no longer want one.

Some private sector fleets that responded to this year's Fleet200 research say they are looking at mobility solutions instead of company cars and some anticipate company car drivers will move to cash allowances.

Other concerns expressed by private sector fleets include vehicle supply, cost-cutting, the impact of Brexit and the Worldwide harmonised Light vehicle Test Procedure (WLTP).

Their chief concern, aside from the impact of Covid-19, is transitioning their fleet to electric, with several citing availability of electric vehicles (EVs) and charging infrastructure as their biggest challenge.

National Grid, the nineteenth largest private sector fleet this year with 2,828 vehicles, intends for its fleet to be zero emission by 2030, although fleet manager Lorna McAtear acknowledges that on the heavy commercial vehicle side it will be

challenge, dependent on what comes to market.

National Grid, along with a number of other private sector fleets, are already operating pure electric light commercial vehicles such as the Nissan e-NV200.

DPD recently added 300 e-NV200s to its fleet, bringing its total EV tally to 450 by May.

It has achieved its aim of having 10% of vehicles at all of its 68 UK depots to be electric.

The vehicles are used for local, multi-drop deliveries, travelling up to 100 miles a day and employees have been trained on how to adapt to driving an EV, with vehicle handover sessions.

DPD and Royal Mail are also among the 25 businesses trialling a prototype version of LEVC's new range-extender electric van, the VN5, which goes on sale in November (see *Fleet News* 27/8/20).

A feature DPD finds particularly appealing is that the vehicle can switch auto-

matically to electric-only on entering urban areas, including low emissions zones.

Both Royal Mail and Centrica (the third largest private sector fleet in this year's Fleet200 with 11,200 vehicles), together with Uber, are involved in the world's biggest electric commercial vehicle trial, Optimise Prime.

Collectively, they will be operating 3,000 EVs over the three-year project involving UK Power Networks and data business Hitachi Vantara, supported by Scottish and Southern Energy Networks and Hitachi Capital Vehicle Solutions.

The aim is to develop solutions to enable fleets to charge at home, depot or en route with least disruption.

On the company car side, more private sector fleet operators have moved beyond the EV trial stage. Scottish Power, number 39 of this year's private sector fleets with 1,650 cars and vans, has the highest percentage of pure electric cars – they make up 16% of its fleet.

Amey Fleet Services is number 11 in the sector with 4,857 cars and vans.

EVs account for 10%, as do plug-in hybrid (PHEV) and hybrid vehicles.

Close Brothers, which sits at number 74 in the private sector this year with 640 cars and vans, has one of the highest rates of EV and hybrid adoption (5% pure EV, 60% PHEV and 10% hybrid).

Head of fleet Steve Cuddy opened up the fuel policy from diesel-only three years ago as "the benefit-in-kind (BIK) was getting more expensive".

He put in place strict policies as part of the agreement to allow plug-in hybrid vehicles on the fleet. Employees must sign a disclaimer when they order their vehicle that they will have a charger fitted at their home address at their expense and that they will charge the vehicle at home or at the office. They are not allowed to reclaim the electricity cost.

Employee uptake has been growing in line with company car tax incentives. This year's 0% benefit-in-kind rate is encouraging more drivers to opt for EVs, fleet operators and leasing companies report.

That, in turn, is helping to lower fleet emissions.

The average CO<sub>2</sub> emissions figure for company cars operated by private sector fleets is 109g/km while car orders are sub-100g/km (93g/km), which is marginally higher than the Fleet200's 108g/km.

Close Brothers is already below that at 89g/km for its current fleet and an average of 47g/km for cars on order.

Nine other private sector fleets have also achieved average emissions below 100g/km, despite the challenges posed by WLTP.

60%

PHEVs in the Close Brothers fleet

16%

of Scottish Power's cars are pure electric

## PRIVATE SECTOR FLEETS

Company	Total car/LCVs	Cars	LCVs	Truck/HGVs
Royal Mail Fleet	46,690	4,373	42,317	3,770
BT (2019 figures)	31,864	4,000	27,864	1,440
Centrica	11,200	1,700	9,500	0
SSE	7,038	1,994	5,044	222
M Group Services Plant & Fleet Solutions	7,000	3,500	3,500	300
DPD Group UK	6,280	680	5,600	1,120
Network Rail	5,894	1,600	4,294	182
Kier Group	5,800	2,800	3,000	900
Mitie	5,500	1,900	3,600	0
Siemens	5,000	4,000	1,000	5
Amey Fleet Services	4,875	1,875	3,000	2,500
Cadent	4,100	800	3,300	0
Volkswagen Group UK	3,767	3,767	0	0
John Lewis Partnership	3,500	1,500	2,000	700
LKQ Euro Car Parts	3,258	158	3,100	115
The AA	3,065	150	2,915	272
Asda Stores	3,000	700	2,300	1,100
E.ON UK	2,882	820	2,062	64
National Grid	2,828	1,722	1,106	0
Johnson Controls	2,800	1,200	1,600	0

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# Checkered progress in pursuit of vehicles with lower emissions

Pressure to improve felt more keenly among public sector fleets. *Sarah Tooze* reports

**T**wenty-five public sector organisations feature in this year's Fleet200, collectively operating 33,265 cars and vans.

The biggest public sector fleet is Defra Group Fleet Services, which consists of the Environment Agency as well as smaller agencies within the Department for Environment, Food and Rural Affairs. It operates 5,900 vehicles (4,300 cars, 1,600 vans). At the other end of the scale is West Suffolk Council with 107 vehicles (27 cars, 80 vans). The average fleet size for public sector organisations this year is 1,331 vehicles.

Outright purchase continues to be the most popular funding method for both cars and vans as public sector organisations typically combine their buying power through framework agreements and joint tenders.

The Covid-19 pandemic has played havoc with

some public sector tender processes this year, notably the national framework agreement for police vehicles, which was due to close at the end of March but had to be put on hold as manufacturers were unable to respond to the tender during lockdown.

The process is now due to restart shortly.

However, it has meant that some police fleets have had to run their vehicles for longer than planned, without any reduction in mileage as they have remained busy throughout the pandemic.

Police vehicles already clock up some of the highest mileages in the Fleet200. All of the police fleets who responded to this year's survey replace their cars after more than 100,000 miles, with Devon & Cornwall Police and Dorset Police (the seventh largest public sector fleet with 1,500 vehicles) the highest at 150,000 miles.

Devon & Cornwall Police and Dorset Police also keep vehicles the longest with an average replacement cycle of 120 months (10 years) for both cars and vans.

Some police forces replace their vehicles much sooner, however. Police Scotland, the third largest public sector organisation in this year's Fleet200 with 3,581 cars and vans, replaces its vehicles after 48 months (four years) on average.

The London Borough of Southwark, which sits at number 16 in this year's public sector fleets with 670 cars and vans, has the shortest car replacement cycle of the public sector fleets in this year's Fleet200 at 36 months (three years) and 30,000 miles, with drivers typically doing 10,000 miles per annum, although this does vary dependent on individual use. Tracey Dean, fleet service manager, explains the short car cycle is linked to the council's funding method as it uses contract hire rather than outright purchase for its entire fleet and its aim is to have newer, cleaner vehicles.

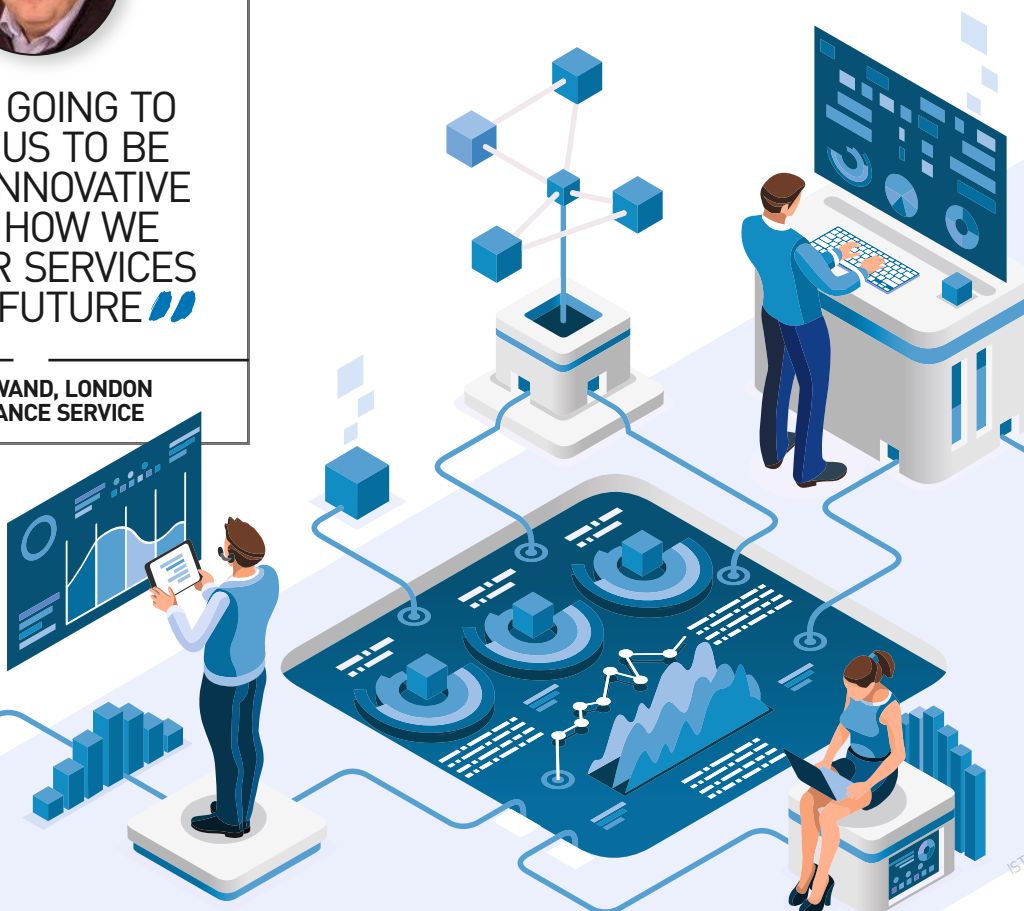
Its vans are replaced at 60 months (five years) and 60,000 miles with the latter being the lowest average mileage for public sector fleets in this year's Fleet200.

The shortest age for van replacement for public



“IT'S GOING TO PUSH US TO BE MORE INNOVATIVE WITH HOW WE DELIVER SERVICES IN THE FUTURE”

JUSTIN WAND, LONDON AMBULANCE SERVICE





sector fleets is 48 months, with a number of fleets choosing this cycle.

The average for public sector fleets in this year's Fleet200 is 71 months (almost six years), while the average mileage for van replacement is 105,000 miles, and the average annual business mileage is 16,001 miles (or 94,673 over the full term).

For cars, the average replacement cycle for public sector fleets in this year's Fleet200 is 51 months (a little more than four years), 86,000 miles with 14,172 business miles a year (60,231 over the full term).

Public sector organisations have to weigh up the cost of replacing their vehicles sooner with the benefit of having the latest technology and lower emissions from newer vehicles.

The pressure to reduce emissions has always been felt keenest among public sector fleets as they are expected to lead by example, with average CO<sub>2</sub> emissions targets and now targets set for electric vehicles (EVs).

Central Government departments have to electrify 25% of their fleets by 2022.

Defra Group Fleet Services has already exceeded this target on its car fleet. In fact, pure EVs, plug-in hybrids (PHEVs) and hybrids account for 50% of its car fleet (10%, 15% and 25% respectively). Its average CO<sub>2</sub> emissions for cars sits at 91g/km, while the average CO<sub>2</sub> for its car orders is 80g/km.

On vans, 15% of its fleet has been electrified (5% pure EV and 10% PHEV).

That is the highest percentage of pure electric vans operated by public sector fleets in this year's Fleet200.

Gateshead Council, which sits at number 20 in this year's public sector fleets with 400 cars and vans is the only other public sector fleet to achieve that percentage.

On the car side, Gateshead has the highest percentage of pure EVs of the public sector fleets with 25% – reflective of the fact that fleet manager Graham Telfer, a member of the Fleet News Hall of Fame, has long been a pioneer of EVs.

Overall, average CO<sub>2</sub> emissions for public sector car fleets in this year's Fleet200 is 106g/km, with orders standing at 96g/km.

The public sector car fleet with the lowest average CO<sub>2</sub> emissions is Hampshire County Council/Hampshire Transport Management at 84g/km (followed by Defra Group Fleet Services), while the highest is bluelight operator Chiltern Transport Consortium at 121g/km.

Shifting to EVs is not necessarily problem-free and several public sector fleets highlight the move as a key challenge (alongside the Covid-19 pandemic) in this year's survey.

Police fleets are particularly concerned given the specialist operational nature of their work and highlight the cost and infrastructure challenges they will face.

While the public charging infrastructure network is growing, public sector fleet operators still tend to need to install workplace charging.

Procurement of chargers should now be made easier for some by the Crown Commercial Service (CCS) introducing a vehicle-charging infrastructure solutions agreement earlier this year.

This gives public sector fleets which use CCS access to a range of charging-related services including consultancy and feasibility, groundworks, civil engineering and construction, hardware, software and back office solutions, and full end-to-end service.

However, introducing EVs at older buildings or when the buildings are leased can still be problematic.

Public sector fleets also highlight the supply of EVs as a challenge. Before the Covid-19 pandemic there were long lead teams for EVs and some fleets are still reporting issues.

Dale Eynon, director at Defra Fleet Services, says the organisation is not able to be strategic about its EV procurement at the moment. It

buys whichever EVs it can get hold of, provided the price is right.

It has benefitted from others cancelling their EVs orders as companies re-evaluate their vehicle requirements in light of the pandemic.

"That is putting EVs back in the market, in some cases, on a first come first served basis," he says.

However, supply is improving with most of the major manufacturers planning to deliver EVs before the end of the financial year, or the end of the calendar year in some cases.

"I think the situation will improve as we go into 2021," Eynon says.

Public sector fleets have also faced the challenge of sourcing additional vehicles during the Covid-19 pandemic due to issues such as restrictions on van occupancy and to meet additional demand for services.

Gateshead Council, for instance, had to have an additional 40 vans on hire from its provider Northgate Vehicle Hire.

London Ambulance Service (LAS), meanwhile, had to scale up its fleet with an additional 176 ambulances within just three weeks to meet demand.

Despite the challenges faced, Justin Wand, director – strategic assets and property at LAS, feels able to sound a note of positivity about the pandemic.

"It's going to push us to be more innovative with how we deliver services in the future," he says.

**50%**

of Defra's fleet is a combination of EVs, PHEVs and hybrids

**25%**

of central Government fleets are required to be electrified by 2022

## PUBLIC SECTOR FLEETS TOP 20

Company	Total car/LCVs	Cars	LCVs	Truck/HGVs
Defra Group Fleet Services	5,900	4,300	1,600	35
Metropolitan Police	4,535	3,384	1,151	0
Police Scotland	3,581	2,674	907	41
Chiltern Transport Consortium	3,486	2,705	781	104
Surrey Sussex Joint Transport Service	2,200	1,600	600	0
Essex And Kent Transport Services	2,000	1,800	200	10
Devon & Cornwall Police & Dorset Police	1,500	1,300	200	0
West Yorkshire Police	1,085	793	292	5
London Ambulance Service NHS Trust	983	196	787	0
Driver & Vehicle Standards Agency	907	832	75	5
South Yorkshire Police and South Yorkshire Fire and Rescue	847	639	208	46
Dundee City Council	745	314	431	0
South Central Ambulance Service	715	50	665	0
NHS Blood and Transplant	708	500	208	66
Hampshire County Council / Hampshire Transport Management	689	297	392	0
London Borough of Southwark	670	350	320	30
West Mercia Police	550	400	150	0
East of England Ambulance Trust	510	230	280	600
Hertfordshire County Council	417	320	97	0
Gateshead Council	400	50	350	150

# THE VIRTUAL FLEET & MOBILITY

[fleetandmobilitylive.co.uk](https://fleetandmobilitylive.co.uk)

## COUNTDOWN STARTS TO VIRTUAL FLEET & MOBILITY LIVE 2020

By Stephen Briers

**T**he best and most knowledgeable industry experts are being assembled to speak at Virtual Fleet & Mobility Live, as *Fleet News* prepares its digital festival of learning and networking across three days in November.

Virtual Fleet & Mobility Live (vF&ML) will feature 24 seminar sessions offering visitors insight, advice and guidance to improve their strategic planning and their day-to-day operations.

Each day will include two sessions focusing on electric vehicles, two on mobility and four on operational excellence, with topics ranging from safety and cost efficiency to fleet procurement (see panel).

Although coronavirus has prevented the show from going live at the NEC, the virtual event will offer delegates a host of features and benefits.

In addition to the seminars, vF&ML will parade the latest electric and hybrid models in the Electric and Hybrid Showroom as well as offering access to exclusive interviews with manufacturer bosses on their expectations for the market and their plans for the fleet sector.

Already, BMW, FCA, Ford, Renault, Toyota and Volvo have confirmed their attendance at the show.

Across two main exhibition halls, 24 supplier partners will showcase their latest products and services for fleet decision-makers on enhanced interactive stands with video, live chat and

demonstrations of new technology. Among them are six FN50 leasing companies – Alphabet, Athlon, Grosvenor, LeasePlan, TCH and Volkswagen Financial Services – plus a range of software providers, rental companies and driver training providers.

Each hall will also feature eight stand-only standard exhibition partners offering additional networking opportunities for delegates. They include two more leading leasing companies: Hitachi Capital and Zenith, as well as fleet management company ARI which is breaking into the funding sector.

"Our virtual show will be informative, enjoyable and useful – and as worthwhile attending as going to the real thing," says *Fleet News* editor-in-chief Stephen Briers.

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- Decarbonising transport: the Government plan for zero emission fleets
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- MaaS opportunities and barriers to adoption in the UK
- Electric vehicle (EV) procurement best practice
- Making the switch to electric: a fleet case study
- Using data to run an efficient fleet
- Freight and last mile strategies: the Department for Transport's future freight strategy
- Running a safe fleet: a fleet case study

### Day 2: November 18

- Optimise Prime: one year on for the UK's biggest EV trial
- Accelerate your uptake of electric vehicles
- Mobility and the changing role of the fleet manager
- Mobility strategies in action
- Mental health and wellbeing: looking after your drivers
- Minimising cost while maximising operational efficiency: a fleet case study
- Learnings from Covid-19 and future disaster planning tactics
- How the direct vision standard will affect your fleet

### Day 3: November 19

- Creating the UK's first zero emission city: learnings for fleets
- Implementing a workplace charging infrastructure
- How MaaS will transform business mobility
- Innovative last-mile solutions for urban transport
- Running a safe fleet: case study
- Safety and efficiency on a connected strategic road network
- Covid-19: keeping staff safe
- Procurement best practice

### Exclusive Virtual Fleet & Mobility Live features

- Two auditoriums with 24 showcase suppliers with interactive stands and 16 suppliers with static stands
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- Take away leaflets and brochures in your personal virtual goody bag
- Watch supplier product videos on their virtual stand
- Missed a session? No problem – you can watch it on demand at a time to suit you
- All content and virtual stands are available for 28 days post event



# The Virtual Fleet & Mobility Live platform looks stunning and – vitally – is easy to use

Visitors to Virtual Fleet & Mobility Live will be greeted by the welcome video in the Fleet News lobby, the central point from which they can access all the key features across the three-day event.

First, though, they need to register for the show via <http://fleetandmobilitylive.com/registration>.

Log-in details will be emailed out ahead of the event, giving access to all three days as well as 'on demand' once the show has finished. Content will be available for 28 days afterwards.

The event is accessible from desktop, mobile and tablet devices on the following browsers: Google Chrome, Safari, Firefox and Edge.

As with the live event, Virtual Fleet & Mobility Live will have the exhibition at its heart, spread across three auditoriums.

One hall will feature manufacturer partners, showcasing their latest electric and hybrid vehicles,

plus interviews with senior management on company strategy and views about the fleet sector.

Two supplier exhibition halls, each with up to 20 suppliers, some with enhanced interactive stands, will enable fleets to network with existing and potential partners. You can watch videos, download PDFs and chat directly with exhibitor staff – via text chat, voice or video call.

You won't miss anything during the day as pop-up boxes will alert you when seminars are about to start, giving you plenty of time to join in the sessions. Meanwhile, the navigation bar allows instant access to any part of the show.

Fleet decision-makers can also meet and chat to their peers in our networking lounge. The *Fleet News* team will be there, as well as members of the visitor advisory board who will be on hand to provide advice on key fleet topics.



"I wasn't sure how you could replicate a floor exhibition in a virtual world.

However, the team has done a fantastic job to create a format that will achieve this. I am very excited to participate in the industry-leading event remotely. Hopefully, this also means that many more can attend."

**CHRIS CONNORS,**  
COUNTRYSIDE PROPERTIES



## Register now at: [fleetandmobilitylive](http://fleetandmobilitylive).



"I didn't quite know how this event would work virtually as it's all about the people, the networking and the seminars. But, having seen the virtual platform, one word – wow! It is amazing and I can't wait to meet up with all my industry colleagues in the lounge, on a stand and at the seminars. It really takes virtual to another level. Well done events team."

**DEBBIE FLOYDE,  
BAUER MEDIA**



"Having now seen the platform and 'walked' through the exhibition hall, I am really excited for the event. There is still the interaction with colleagues and peers that makes F&ML such an important annual event, and the seminars are going to be very insightful and relevant to today's fleets. I'm looking forward to catching up with everyone."

**ALISON MORIARTY, DRIVE**



"I've been really missing my colleagues in the industry, so I'm really excited with the event the team has designed in order to bring us all together."

**LORNA McATEAR,  
NATIONAL GRID**

## EXHIBITORS TO DATE

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Assetworks
Athlon
BMW
BP Fleet Solutions
Chevin Fleet Solutions
Civica
Davis
Drax
DriveTech
Driving for Better Business
E-Driving
FCA
Fleet Operations
Ford
Geotab
Grosvenor Leasing
Highways England
Hitachi Capital Vehicle Solutions
Jaama – Fleet Software
Kwik Fit
LeasePlan
Locks 4 Vans
Lytix
Masternaut
Nexus Vehicle Rental
Northgate Vehicle Hire
Quartix
Reflex Vehicle Hire
Renault
Samsara
SG Fleet UK
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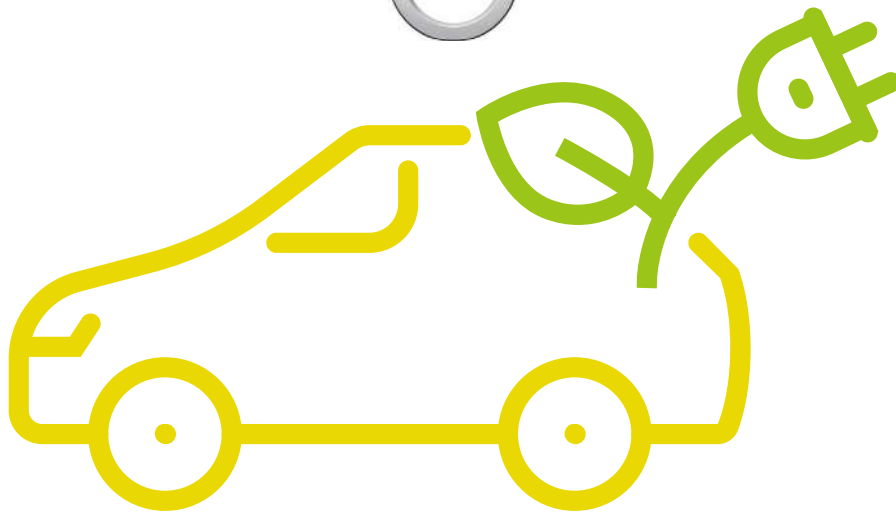


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# FLEET & THE ENVIRONMENT

**Pg86 | How to green your fleet**

Leading fleets share experiences on how they are cutting their carbon emissions

**Pg94 | The pursuit of EVs**

Consultant urges fleets not to panic over the transition to electric vehicles



# HOW TO... GREEN YOUR FLEET

Improving the environmental credentials of an organisation is at the top of the agenda for many of the country's most successful businesses. Here, some of the UK's leading fleets share their experiences on how they are cutting their carbon emissions. *Andrew Ryan* reports

1

## COMMIT TO A TARGET

Committing to a clear target is an important step on the way to reducing a fleet's emissions.

"The reason why targets are hugely significant is that they enable us to drive the right behaviours across different parts of our business and with our colleagues," says Ian Caveney, head of Tech for Good at BT Group.

"For any business to meet their targets, they need to collaborate and work with others. You can't achieve these ambitious things just on your own."

BT has a target of becoming a net zero emission business by 2045. Penny Guarnay, carbon programme manager at BT Group, adds: "We've got the second largest fleet (around 32,000 vehicles) and the most diverse commercial fleet in the UK.

"Last year at BT and openreach, engineers drove approximately 250 million miles, and this produced

about 100,000 tonnes of CO<sub>2</sub>. We're looking to reduce this by converting our fleet to electric vehicles (EVs) by 2030 where it's feasible and technologically possible."

BT Group is a member of The Climate Group's EV100 initiative, which aims to bring together "companies committed to accelerating the transition to EVs and making electric transport the new normal by 2030".

In partnership with The Climate Group, BT Group





BT and openreach drivers covered 250 million miles last year

## SPONSOR'S COMMENT

**By Steve Beattie, Head of Fleet and Remarketing, Volvo Car UK**



Volvo continues to lead the UK market in offering a plug-in hybrid version of every model in our range and, as we begin to realise our electrification

ambitions, it is great to see our progress reflected by positive enquiry levels.

Our wide-ranging electrification programme has recently delivered a second plug-in petrol-electric hybrid powertrain for the multi-award-winning XC40 compact SUV. The XC40 Recharge T4 plug-in hybrid with a P11D from £39,075 and 12% BIK has been well received by our business customers. This is in addition to the T6 plug-in hybrid powertrains which were introduced earlier this year on the XC60, V60 and V90 with a lower list price than our top-end T8s.

Until the end of September all our new plug-in hybrids benefit from our Take Charge electricity offer, which gives buyers a year's reimbursed electricity to charge their car – this includes company car drivers.

This reimbursed electricity offer is just part of Volvo's wide-ranging plans to reduce the lifecycle carbon footprint of all its new cars by 40% by 2025. And over the next five years, Volvo Cars will launch a range of fully electric cars, starting with The XC40 Recharge P8 which is available to order now.

Volvo is here to assist you in taking the next step towards electrification. We aim to provide an effortless experience for our business customers, offering dedicated fleet support and ensuring individual needs are met.

**For more details on how Volvo can**



**support your business please call the Volvo Car Business Centre on 0345 600 4027 or visit [volvocars.co.uk/business](http://volvocars.co.uk/business)**

has also launched a new partnership, the UK Electric Fleets Alliance, to promote a faster switch to EVs.

Other members of EV100 include Heathrow, Centrica, Foxtons, NatWest Group, Severn Trent and Mitie.

Facilities management company Mitie has Plan Zero. This will see it become net zero carbon by the end of 2025, says Simon King, director of sustainability, social value and fleet. He adds: "At Mitie, a huge amount of our carbon – more than 90% – is associated with our fleet. Therefore, it clearly follows that we have to make sure our entire fleet is zero carbon by 2025 in order to meet our wider commitments."

Targets can also be more modest. DPD, for example, aimed to have 10% of its fleet electrified by the end of this year – an ambition it met by the end of July.

"That is a 400% increase in the number of EVs we had in just seven months – we had only

139 EVs at the end of last year," says Olly Craughan, CSR general manager at DPD Group UK.

"And it's not just 10% fleet, it's 10% of every depot's fleet across the UK. It's not centralised in the capital, it's everywhere from London to Lincoln to Leeds. It's all over the UK and everyone has bought into this."

He says key to the organisation's success in this area was making sustainability a key part of the organisation's focus.

Until the start of this year, DPD operated on a "three-box strategy": to deliver the best service money can buy, to use the best technology available to man, and retain and develop the most customer-centric people in the industry.

Earlier this year, it added a fourth box: to be the leader in sustainable delivery. "That fourth box was huge," adds Craughan. "It brings everyone together. It's at the heart of DPD's strategy and in everyone's DNA at the business."



V O L V O

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Fuel consumption and CO<sub>2</sub> figures for the Volvo plug-in hybrid range, in MPG (l/100km): WLTP Combined 83.1 – 166.2 (3.4 – 1.7). WLTP CO<sub>2</sub> emissions 76 – 38g/km. WLTP electric energy consumption 2.8 – 4.3 miles/kWh. Equivalent all electric range 26.1 – 36.7 miles. Figures shown are for comparability purposes; only compare fuel consumption, CO<sub>2</sub> and equivalent electric range figures with other cars tested to the same technical procedures. These figures were obtained using a combination of battery power and fuel. The Volvo plug-in hybrid vehicles require mains electricity for charging. These figures may not reflect real life driving results, which will depend upon a number of factors including the accessories fitted (post-registration), variations in weather, driving styles and vehicle load.



UPS has announced a partnership with electric van manufacturer Arrival

## 2 CHOOSE THE RIGHT VEHICLES

Renewable electricity is the fuel of choice for smaller vehicles, says Justin Laney, general manager of fleet at John Lewis Partnership (JLP).

"For [cars and vans] the move to electric vehicles is very doable either now or very soon," he adds.

Simon King, of Mitie, which now operates more than 500 EVs, agrees. "Two years ago I would certainly have said the vehicle area was a really significant challenge, but this challenge is reducing.

"It is really important to do that analysis of your fleet, understand what the mileages need to be, understand what the bespoke solutions for your business are and then look at which manufacturers can provide the vehicles.

"Generally, I would say those vehicles are there. And my message to any fleet manager would be there is no need to ever buy a diesel car again.

"It is cheaper for the employee and for the business to transition to electric: across our transition so far, we've saved about £1 million per annum.

"Those savings are not going to linearly increase as we go across the fleet because the larger vehicles are more challenging from a financial point of view.

"But if you do a blended fleet transition, then it's genuinely our belief that you can deliver zero carbon for zero cost. And that's the approach we've been taking."

EV capability and availability is certainly improving: Call Openreach, for example, last month ordered 270 fully-electric Vauxhall Vivaro-e vans and nine Corsa-e cars.

But fleets are also innovating in this area. To reach its electrification target, DPD has sourced a variety of vehicles from e-cargo bikes, Nissan e-NV200 vans and the Mitsubishi eCanter.

It is currently trialling a LEVC VN5 electric van and will also test a Volta Zero fully-electric 16-tonne truck within London's ultra-low emission zone in Q1 next year.

However, it has had issues finding suitable EV replacements for 3.5-tonne vans – the "workhorses in any parcel delivery firm", says Olly Craughan of DPD Group UK.

"They are the largest part of our fleet and provide flexibility," he adds. "We don't want to be getting more smaller vans to cope with the amount of parcels we deal with: that just isn't sensible, so we really need access to more 3.5-tonne vehicles.

"This is the biggest challenge we face with DPD and the electrification of our fleet.

"We've got 100 MAN eTGE vans being delivered at the moment, but they've had to be transferred to right-hand drive by MAN because of issues with the availability of 3.5-tonne vans in right-hand drive. The cost of some of those vehicles is prohibitive."

At the beginning of the year, UPS announced a partnership with electric van manufacturer Arrival to invest in the company and develop purpose-built commercial EVs.

"We backed that up with an initial order for 10,000 vehicles," says Luke Wake, international

director of automotive engineering and advanced technology group at UPS.

"When we looked at commercial vehicles, there are a lot of improvements that you can make from a usability perspective.

"Having a vehicle built on a 'skateboard' platform allows us to really optimise the overall user experience for our employees."

JLP is to trial two Arrival EVs from Q2 next year. Laney sees the benefits of this extra practicality.

It will take on two versions of the EV: one to replace a 3.5-tonne van and the other to replace a 7.5-tonne LCV.

"Two-man deliveries for items such as sofas and washing machines tend to be done out of 7.5-tonne vans, not because of the payload – we need about two tonnes on those – but the size.

"We think we can get the payload on [the standard Arrival van] but it will have the same size box as the standard 7.5-tonner.

"There are other benefits of a vehicle like this: a typical 7.5-tonne diesel truck has got a fairly high floor, so you tend to fit a tail lift on it but that's expensive, it's also quite heavy and the floor being high also presents a safety problem.

"A vehicle like this can have a very low floor which means you don't need a tail lift and it's much easier for the driver to load and unload."

Laney also believes JLP will be able to run these types of EV for much longer than a standard diesel.

"The lifecycle of a diesel vehicle tends to be limited by either body corrosion and general degradation or else major unit failures such as the engine," he says.

"These EVs have an aluminium chassis and composite panels which bolt on, so there's no rust and damage repairs are quite straightforward.

"Also with EVs, you can upgrade batteries and motors because it all plugs together instead of being the integrated drivetrain you get in a diesel.

"There are some real possibilities there to take advantage of advances in technology and also to replace units as and when they fail.

"We think a vehicle like that could have a very long service life, maybe as long as 20 years." ➡



DPD is trialling a LEVC VN5 electric van





## 3

## USE A CAR CLUB

Highland Council cut its vehicle CO<sub>2</sub> emissions by 377 tonnes in the first 12 months after launching a low emission vehicle car club.

Through Enterprise Car Club, more than 60 vehicles – the majority of which are plug-in hybrids as well as five Nissan Leaf pure electric vehicles – are available for booking by the hour or day by employees who would previously have used a grey fleet vehicle.

“The vehicles do about 100 miles a day, so we saved the equivalent of 377 tonnes of CO<sub>2</sub> in the first year alone,” says Andrew Morgan, business analyst at Highland Council, which was a finalist in the best travel and mobility initiative at this year’s Fleet News Awards.

The council estimates this is equivalent to a 19% cut in CO<sub>2</sub> emissions from staff travel through transferring grey fleet mileage to its car club vehicles.

It says it also saved around £400,000 in grey fleet mileage payments over this timescale, representing a 15% reduction in overall business travel costs.



## 4

## GET EV CHARGING RIGHT

Many fleets think EV capability and availability is the biggest obstacle to uptake, but the charging infrastructure is far more of a challenge, says Simon King, of Mitie.

“You are having to put together an integrated energy system which vehicles just happen to be connected to,” he adds.

The vast majority of Mitie’s 500-plus EVs are taken home by employees and it has so far installed more than 650 charge points at homes and offices – wherever the vehicles are stored overnight.

“One of the key benefits of an EV is that when you get into the vehicle at the start of the day, it’s 100% charged and ready to go so you need to make sure that the charging infrastructure is where the vehicle spends its nights,” says King.

DPD operates a similar business model where the majority of its owner-drivers, who account for 75% of its drivers, take their vans home.

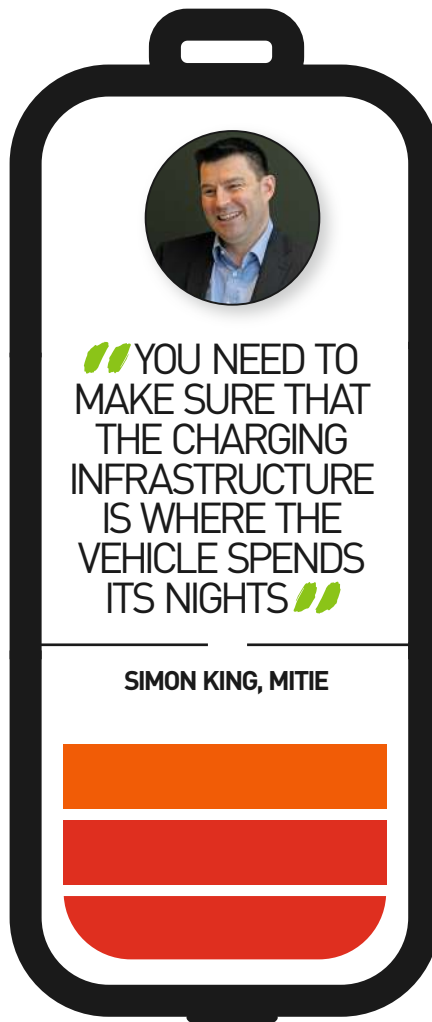
Ollie Craughan, of DPD, says the company pays “the majority” of the cost of its drivers’ charge points after the Office for Low Emission Vehicles (OLEV) grant.

“That’s part of our initiative to get the buy-in for electrifying our fleet,” he adds. “The owner-drivers are self-employed and we see it as an incentive to have a home charger paid for: it is theirs to keep.

“However, not everyone has a driveway or a private property where they can have a charger installed, so we have chargers in certain depots.

“When recruiting, we try to search out street chargers to make sure it’s possible for the driver to charge the vehicle.”

UPS operates a back-to-base system so its vehicles are all parked at its sites at the end of



the working day. “That means we have the overnight period to charge the vehicles,” says Luke Wake, of UPS.

“At our London facility we started with the conventional way where we plugged the vehicles in, stuck them on charge and just let them draw at full capacity.

“That was very inefficient because the overall peak capacity of the building was quickly reached and we hit a capacity of only 63 vehicles.”

To tackle this, UPS implemented a smart grid project, where algorithms were used to manage the charging.

“That allowed us to iron out the peaks and troughs within the building,” says Wake.

“We can now get a capacity of more than 170 EVs. Smart charging will be important as we move forward with an increasing number of EVs in specific locations.

“Charging is something a fleet shouldn’t underestimate when developing a strategy. It can quickly catch up with you as you start to scale up your number of EVs.

“It’s important that you think about not where you are today, but where will you need to be.”

Another way to increase charging capacity is to upgrade a local substation, but Justin Laney, of John Lewis, says the current procedure needs to be changed.

“It can’t be right that a company has to pay for a local upgrade which other businesses then can benefit from and you can end up with a stand-off where people are waiting for the first company to pay for that infrastructure,” he adds.

“If you filling up with diesel, you don’t pay for a filling station that’s publicly accessible, but I think we’d be happy to sign up for a tariff that includes the cost of infrastructure because that’s how we buy diesel and alternative fuels.” ➔



V O L V O

# Electrifying business



## How you can bring plug-in hybrid benefits to your fleet

As plug-in hybrids grow in popularity, infrastructure is improving and the choice of vehicles is widening – and there are still lots of government incentives and tax benefits to enjoy if you act soon.

But how can you maximise the benefits to your business? Here at Volvo Car UK, we've partnered with fleet tax specialists BCF Wessex to make a guide that does just this, as well as answering many of the key questions you might have about plug-in hybrids along the way.

## Plug-in hybrids are here to stay

With a greener future at the forefront of everyone's mind, the sales of plug-in hybrids are continuing to grow. And as the industry progresses, now is a great time to capitalise on this shift.

## Making the most of government incentives

Inside the guide, we explore the various ways a plug-in hybrid fleet can benefit from the government's ongoing Road to Zero strategy, from tax relief to charging point grants. Making the most of these can be easy, but time is a factor as some of these incentives may change in the future.

## A close look at Total Cost of Ownership (TCO)

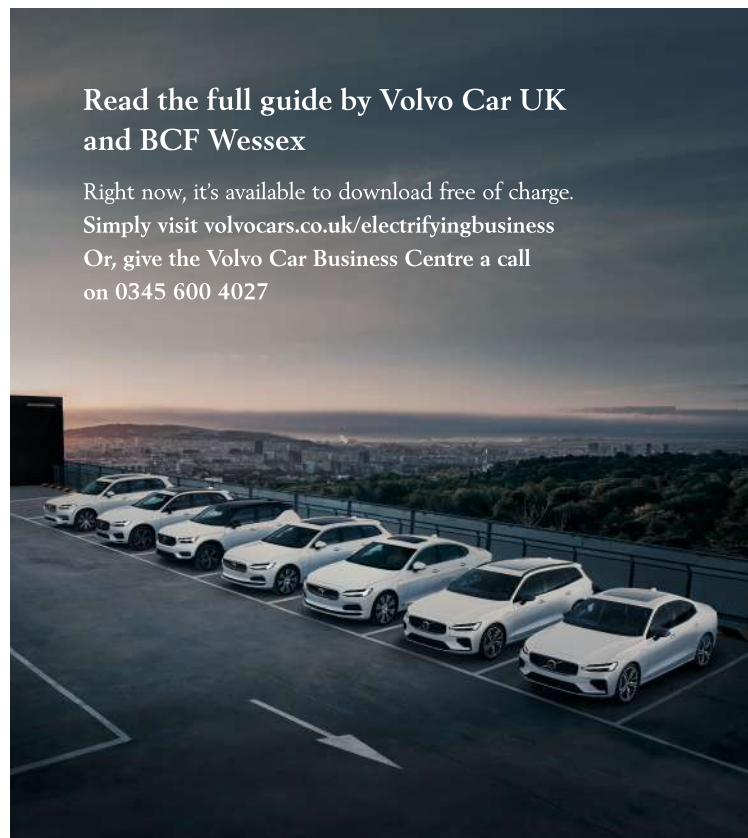
In the long-run, plug-in hybrids can be cheaper to run than traditionally fueled cars – a fact that becomes apparent when you look at the TCO. See where you could save with our detailed calculations.

## What can Volvo offer your business?

As the first manufacturer to offer a plug-in hybrid across every model in our entire range, we've led the way on electrification. With that experience behind us, we can offer you the expertise of our dedicated fleet team to help you on your electrification journey.

## Read the full guide by Volvo Car UK and BCF Wessex

Right now, it's available to download free of charge. Simply visit [volvocars.co.uk/electrifyingbusiness](https://volvocars.co.uk/electrifyingbusiness) Or, give the Volvo Car Business Centre a call on 0345 600 4027



**5**

**RECYCLE PARTS**

Grocery and milk doorstep deliver service Milk and More is undergoing a massive vehicle electrification programme and now operates more than 500 battery electric vehicles (BEVs).

However, its work to improve its green credentials also extends to other aspects of its fleet operation.

"Our older diesel vehicles used to have aluminium open back bodies on them and for 20 or 30 years we've been sending them back with the vehicle at the end of its life-cycle," says Marc Ling, fleet manager at Milk and More.

"We've decided to reutilise and recycle those bodies on to our new EVs, which is cost saving as well as being more environmentally friendly."



ISTOCK.COM/PIKSEL

**6**

**IMPROVE LOCATION INFORMATION**

The courier company Hermes UK has adopted the What3words system to increase efficiency and cut emissions through greater delivery accuracy.

The system divides the world into 57 trillion three metre squares, giving each square a new, simplified address made up of three dictionary words.

This gives the operator the ability to direct people with far more accuracy than a street address can, for example to a specific building entrance, or a place that doesn't have an address at all, such as some large industrial estates.

Using the Hermes app, customers can add the What3words address to their profile. The driver will then have the What3words address in addition to the traditional address information, such as postcodes, providing an extra layer of detail for the last mile of the delivery.

In a test last year conducted with DPD and Mercedes-Benz vans in Germany, overall delivery efficiency was improved by 15% when drivers used What3words to find the exact drop-off location.

Both vans were loaded with 50 packages and driven by professional delivery drivers who were not familiar with the area. Both drivers were using the same delivery order based on a real, historical route from DPD.

The driver with What3words was able to end his route more than 30 minutes before his colleague, who used a navigation system with traditional addresses.

The test showed that 80% of the efficiency gain came from providing the What3words address for the optimal parking spot, which reduced driving time spent searching for the parking spot.

The remaining 20% efficiency gain came from having a What3words address for the precise handover point, reducing time on foot.







## 7 GO FOR IT

Fleets should be bold and not be afraid to innovate to cut emissions, says Angela Hultberg, head of sustainable mobility at Ikea Group (INGKA Holding).

The retail giant has set ambitious emission reduction targets for its global operations, installing EV charge points at its 400 stores by the end of this year and having 100% of customer deliveries and services carried out by electric vehicles or other zero-emission options by 2025.

It also wants all its company and pool cars to be zero emission by 2025, and reduce its relative emissions from employee and customer travel to its sites by 50% by 2030.

"We can't wait for the perfect solutions because they don't exist. Are the vehicles perfect? No," she says.

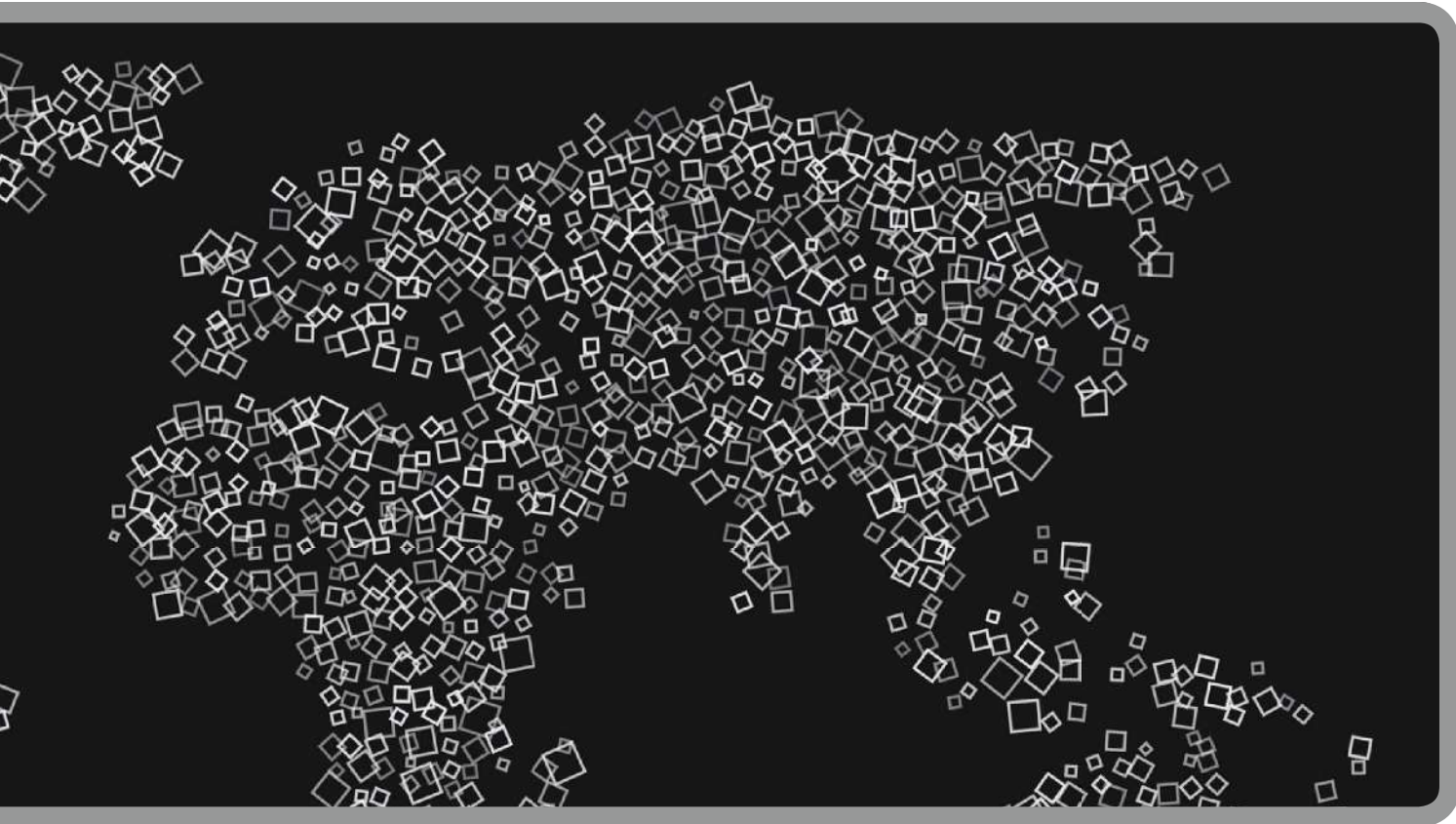
"Is there enough charging infrastructure? No. Is the cost still too high? Yes, absolutely, but just because something is difficult doesn't mean you don't do it.

"If I'm going to sit here and wait until all energy is renewable and all batteries have a super-secured supply chain, then this will take a very long time and we don't have that much time.

"We can't sit down and wait for innovation to save us because innovation means nothing unless someone deploys it, and that's what we need to do.

"So for us, it's about taking the best available option we can find, deploying it, and then working to make it better."

She adds: "People are scared of failing. If you don't fail it means you didn't try anything, you never thought out of the box, you never did anything innovative."





# KEEP CALM AND CARRY ON

Zero Carbon Futures MD Colin Herron urges fleets not to panic over the transition to electric vehicles. *Andrew Ryan* reports

**C**olin Herron is not your typical electric vehicle (EV) consultant. There can be a tendency for them to look at the technology through rose-tinted spectacles, playing down any potential pitfalls of EVs as their enthusiasm glosses over many of the environmental and cost challenges facing fleets.

But not Herron, who is managing director of electric vehicle consultancy Zero Carbon Futures and a visiting professor at Newcastle University.

"I've got a reputation for telling it as it is," he said when introducing himself to some of the country's leading fleet managers at a recent virtual Fleet200 meeting. "So I will probably have a lot of empathy with some of you."

This was shown by his advice to fleets looking to take on EVs. "My honest opinion – and what I say to local authorities and (fleets) – is just stay calm and look at where you're working," he said.

"If you're delivering in the zero emission zone in London and you're being charged £20 a day to go in, that will change your habit. If you are delivering around rural Northumberland I would stick with what you've got, quite frankly.

"I really don't see the point of giving yourself and your drivers a massive amount of pain at the

moment when there is no viable alternative (to petrol or diesel vehicles).

"I'm just concerned fleet managers are getting very, very worried about trying to buy a product that they might have to wait a year for and is not going to do what they really want, while in two or three years' time, that product might be there."

His advice is not to be interpreted as any anti-EV feeling: quite the opposite, in fact.

"We need to phase out the internal combustion engine (ICE), but we have to identify the constraints and understand what is possible," says Herron, who was awarded a CBE in 2018 for services to business and energy.

Earlier in his career, he worked at Nissan for 17 years where he took on several roles in quality, new product development and supplier support, before moving to the former regional development agency, One North East in 2005.

While he was at One North East he worked closely with Nissan to help secure the production of the Leaf in Sunderland, as well as running a project for the region to become a testbed for EV charge points.

When it was announced in 2011 that One North East would close, Herron set up Zero Carbon

**ORGANISATION:** Zero Carbon Futures

**MANAGING DIRECTOR:** Colin Herron CBE

**TIME IN ROLE:** Nine years

**BASED AT:** Sunderland

**OTHER POSITION:** Visiting professor at Newcastle University

“I REALLY DON'T SEE THE POINT OF GIVING YOURSELF AND YOUR DRIVERS A MASSIVE AMOUNT OF PAIN AT THE MOMENT WHEN THERE IS NO VIABLE ALTERNATIVE (TO PETROL OR DIESEL VEHICLES)”

COLIN HERRON, ZERO CARBON FUTURES

Futures as a subsidiary of Gateshead College.

Since then, he has worked with companies such as Nissan, BMW, Renault and Volkswagen to develop a national charge point network as well as providing advice to other EV manufacturers and local authorities, and running projects which investigate renewable energy sources.

#### BEVs ARE NOT A QUICK FIX

But, while his commitment and belief in the technology remains high, his experience and insight tells him zero emission cars and vans are not the quick fix to solving all air quality issues as often touted by Government and local authorities.

Instead, he points out road transport is responsible for just 27% of the UK's CO<sub>2</sub> emissions, with cars and taxis accounting for 55% of that.

Nevertheless, the Government is banning the sale of any new petrol, diesel or hybrid car or van by 2040 in its Road to Zero strategy, and recently held a consultation about bringing that date forward to 2035.

“Just mandating something doesn't mean it's going to happen,” says Herron. “And we need a transition plan.”

“We need to understand the real constraints of range, vehicle size and supply and then have to develop a realistic strategy.”

He also cautions about getting too excited by the seemingly massive year-on-year increases in ultra-low emission vehicle (ULEV) sales.

“Be aware of the percentages,” warns Herron. “The percentage is a nightmare which everyone



C quotes and says 'whoa' ULEVs are up 197.4%. "That is true, but it works out to an extra 12,000 on the year, which works out at 49 per district of the UK.

"In June, EVs were up 262%, but that's 6,500 vehicles, which works out to 26 per local authority, so just be aware of the percentage."

Analysis of Society of Motor Manufacturers and Traders figures also shows how few ULEVs are on the road in comparison with ICE vehicles.

"At the end of 2019, we had about 96,000 BEVs and 166,000 PHEVs in the UK, which is about 0.73% of the car parc," says Herron.

This puts the UK well adrift of the Government target of having about 680,000 ULEVs by this time, he adds.

"The other thing to be aware of is when we get told how many new models are coming to the market," says Herron.

"It's not how many new models are being launched, it's what the manufacturing capacity for those new vehicles is: the Porsche Taycan is a very nice car, but they'll not be producing two million of them."

This points to a supply problem of vehicles and batteries, says Herron. Both are currently too low to meet Government expectations.

When Nissan started production of its Leaf in Sunderland in 2013, it had an annual capacity of 55,000, he adds. Seven years later, it is exactly the same.

"Tesla has actually carried on with what it said it would do and has opened up plants all over the place," says Herron.

"The rest have made an awful lot of noise and made not a lot in the past 10 years. They're just starting to gear up now, but everybody thought things were going to happen around 2012/2013."

### FINES ARE BIGGEST DRIVER

Herron feels that although increases in EV production may have been influenced by mandates from governments to cut transport emissions, it is mainly due to European Union legislation.

This has set carmakers a target to achieve average CO<sub>2</sub> emissions of 95g/km across their model range by 2021. Manufacturers will be fined €95 (£85) for each g/km above the target multiplied by the number of vehicles it registers in the year.

"If you look at someone like Volkswagen, which is making 3.8 million vehicles a year, you are talking about substantial amounts of money," says Herron.

"This is focusing the attention of the carmakers independently of what nations are trying to do with regard to clean air zones."

However, dependent on the nature of Brexit, this legislation could have significant implications on EV supply in the UK.

"It is possible that if the Brexit negotiations don't go the right way, any EV sold in the UK would not count towards the offset of the fines in the EU," adds Herron.

Colin Herron is very aware of the limitations facing fleets who are keen to move to EVs, but he remains an electric fan







# HERRON ON....

"If that was to take place, there would be no incentive for manufacturers to shift any EV to the UK, or have any UK-made electric vehicles stay there as we don't control any of the vehicle manufacturing capacity in this country.

"Where the limited supply of vehicles will go is determined in Munich, Paris and Tokyo, etc. We can legislate as much as we want, but the vehicles will go where the manufacturers will make the most money.

"I've told the Department for Transport this and you tend to get a standard reply of 'we are considering all aspects, blah, blah, blah'.

"If anyone is working with MPs or government, they should be absolutely clear that any EV sold in this country contributes to the EU targets for fleet average."

There is also an 'arms race' developing when it comes to battery production, says Herron.

"There is a simple equation which seems to confuse the hell out of the people who do the forecasting and set the targets, and I don't understand why," he adds.

"And that is, basically, one car needs one battery. You can make as many cars as you want, but if you haven't got the batteries they won't go anywhere.

"Until recently, the total annual manufacturing capacity of batteries in Europe was about 200,000, so how were we ever going to hit the multi-million targets? It was never going to happen, but people still extrapolated sales figures and said we were going to have one million EVs by 2020."

Herron says Europe is now forecast to have annual battery production equivalent to 348 gigawatt hours in 2030.

"If you take an average BEV battery size of 50kWh and all of those batteries go into cars, none for storage, buses, trucks or anything else, and none of those vehicles are exported, then you are looking at seven million vehicles," he adds.

"Currently 16 million vehicles a year are made in Europe. So we're either going to have to import around 10 million vehicles or we will have to accept that not all new cars sold will be EVs, it's just not going to happen."

A further issue to overcome is a geopolitical one. "China is controlling most of the materials and minerals going to the factories," says Herron. "Most of the battery plants have got some China heritage. America is completely asleep on this and Europe has just woken. Africa and other areas are many, many years behind and India has got about 3,000 EVs now, so they are going to come on stream soon with their demands."

## HYDROGEN IS 'DEAD'

Hydrogen-powered fuel cell electric cars are not part of the future, he adds. "Hydrogen, in my opinion and the opinion of many others, is dead for cars," says Herron. "It is simply not going to happen.

"It could happen for some bus and long-distance coaches. It is possibly going to happen for some trains and heavy trucks, but it's not going to happen for passenger cars.

**“WE CAN LEGISLATE  
AS MUCH AS WE  
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MOST MONEY”**

**COLIN HERRON, ZERO CARBON FUTURES**

"This is for two simple reasons: it takes two-and-a-half times the electricity to go a mile as a battery electric car, and everybody except Hyundai and Toyota has binned it."

A further obstacle to overcome before the widespread adoption of EVs is the charging infrastructure and Herron says this stems from there being no national plan for it.

"I hear a lot of people say there is not enough infrastructure, and I always ask 'how much do we need?'," he adds.

"No one has given me that answer because it's just too complicated.

"What is happening is we are carpet bombing the UK with charge points.

"Nobody knows how many are being planned or are going into the ground: the only time it is known is when the DNO makes the connection and somebody tells Zap-Map.

"In my region I'm watching publicly-funded rapid chargers appear next to privately-funded rapid chargers.

"I've seen Morrisons put them in and across the road Shell stations are putting them in, and so on, and because of this – and I measure the utilisation of a lot of these big, urban areas – some of them are used once or twice a day.

"Some of them are used twice a week. Bizarrely, the more that go in, the less viable they are, the more expensive they are to maintain.

"You are still talking around £25,000 to put one in. The average power delivery to a car is between 9kWh and 14kWh, so they are delivering about £2.50- to £3-worth of power a time to pay back the cost of installation and maintenance: they are a big drain on money.

"They will not survive unless there is consolidation of the networks and there is an additional package where people will get other things like utility bills included.

"We are seeing the big companies vying for this business. Car companies are trying to sell electricity, petrol companies are trying to sell electricity and the electricity companies are trying to maintain their market selling electricity.

"So it's all being shaken out now and it will become clearer in the future."

## ...clean air zones

"My way of looking at these is that when a local authority decides it needs to do something, it announces a clean air zone.

"And then the question comes: 'Have we got the vehicles to go in them?' Well, not really, because we haven't enough of what we can get and we haven't got any of what we can't get.

"So what we're going to do is just price (non-compliant vehicles) out, therefore the job's done. However, if you can afford to go in, the job's not done and all you get is a very expensive clean air zone.

"I heard a lady from Royal Mail say recently that if it drives across London, one of her vans can be fined, not fined, fined, fined, not fined and (then) fined as they drive through the boroughs.

"We now get low emission zones, ultra-low emission zones, clean air zones and zero emission zones.

"In my area of seven local authorities, they're not the same. So which type of vehicle can go into which one? What's applicable? And is it with or without charges?

"This is causing massive confusion, especially for people who run fleets."

## ...Wireless induction charging

"Dynamic induction charging is as dead as hydrogen because the cost of putting that in the roads, providing the power to it and maintenance for the profit that you will make is really not going to happen.

"Some upmarket vehicles are going to offer a pad on your drive which you'll be able to drive over and charge if you park absolutely spot on.

"The thing to watch with this is the vehicles have to be modified to do this, or it's an aftermarket fix because the motor compartment has to be raised to take the pads underneath.

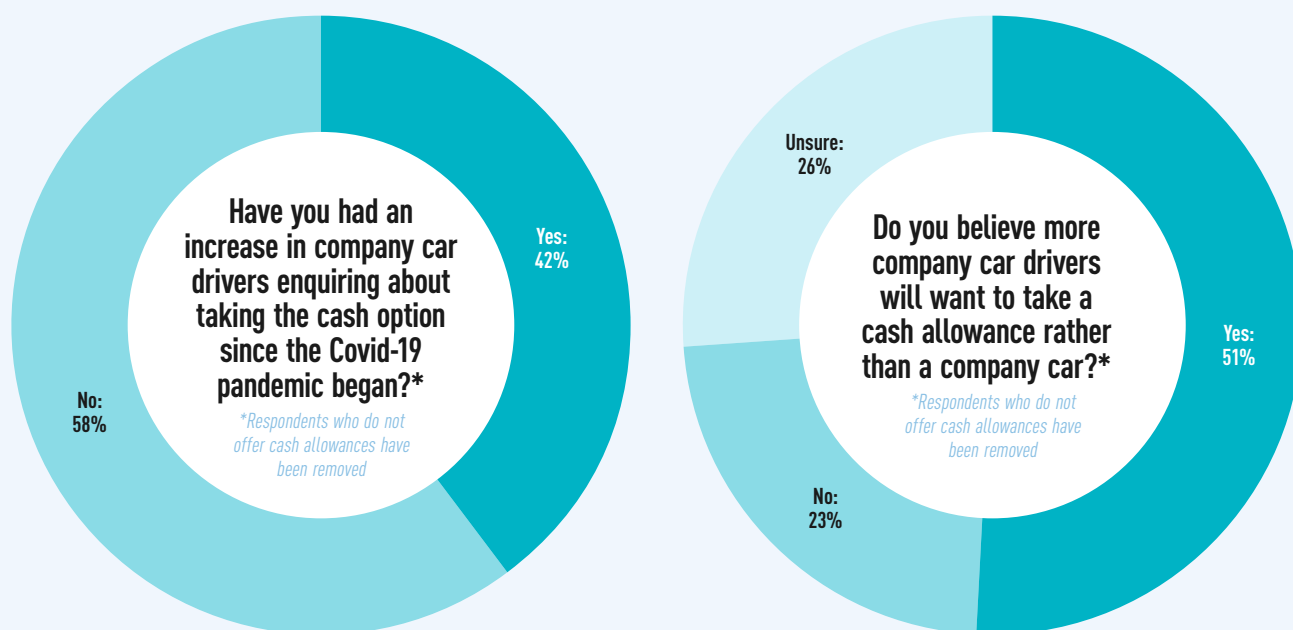
"Cars have something like an eight-year cycle on their platform, and the new cars being built now like the Volkswagen ID aren't being built with this in mind.

"It needs a platform change, so I don't see (wireless charging) being mass market for many, many years."



# 'Knee-jerk reaction' in the cash vs company car debate

Company car drivers reassess the benefit in wake of pandemic. *Sarah Tooze* reports



**M**ore than half (51%) of fleet decision-makers believe more company car drivers will choose the cash option ahead of the vehicle, according to the third *Fleet News* Covid-19 survey.

Already, 42% of those respondents who offer a cash allowance have seen an increase in enquiries since the pandemic began as drivers grow increasingly disgruntled that they are paying company car tax for a vehicle which many are currently not using.

From a company perspective, if drivers switch to cash, but still need to do some business journeys, this will increase the size of the grey fleet (drivers using private vehicles for business journeys), bringing associated risk management and CO<sub>2</sub> emissions concerns.

The drift to cash had started prior to the pandemic for some businesses and the move to homeworking during lockdown has only served to accelerate the trend.

Matt Hammond, Altrad Services UK fleet and transport manager, says: "We have seen

a mass exodus towards cash, with company cars falling from 230 to 110 in 12 months.

"This has been driven by the increased tax implications associated with company cars. Drivers no longer see the value in company cars – the increased P11D costs far outweigh the benefit. Drivers can easily get a personal contract hire agreement for less or can benefit from the buoyant used car market.

"The Covid situation will only fuel this migration as drivers embrace online meetings and new ways of working that no longer require the face-to-face appointment. The car is no longer the mobile office to many, it is now seen as an expensive luxury."

Such is the shift to cash that Hammond has only had two car orders in the past 12 months.

Tony Murphy, fleet manager at Murphy Plant, has also noticed an increase in employees wanting to take the allowance due to new working practices.

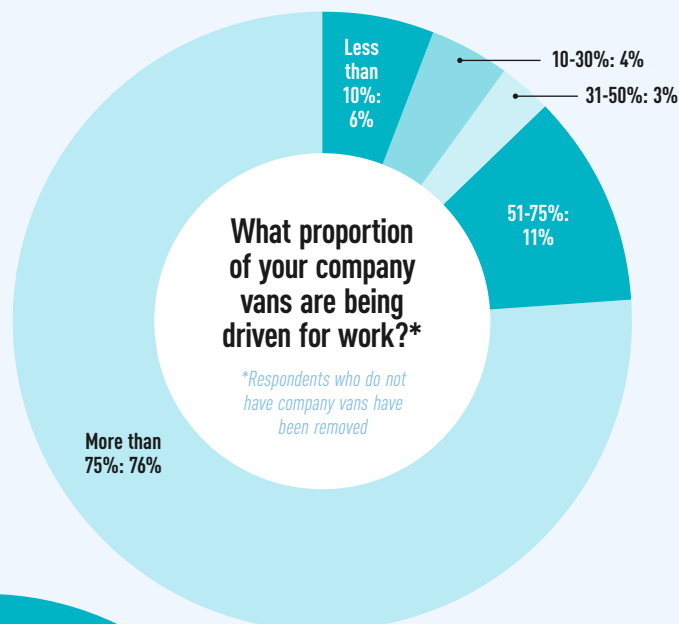
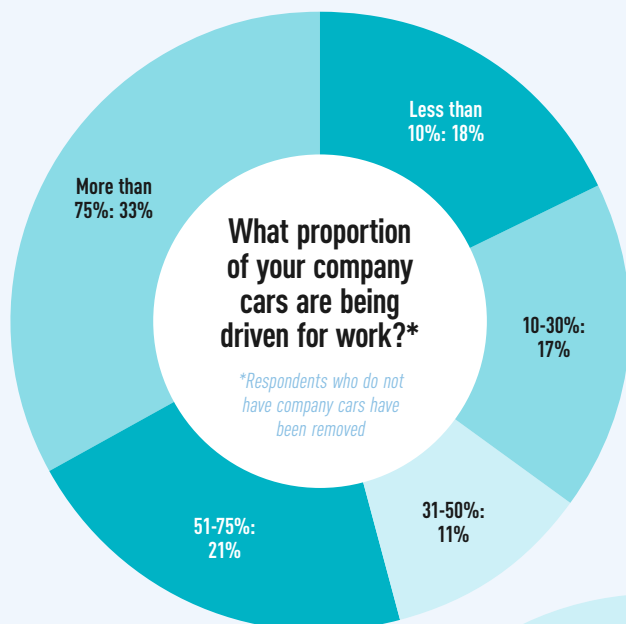
He says: "In these uncertain times, methods of working have changed, there is more flexibility on working from home and Micro-

soft Teams/Zoom have reduced the amount of travel we need to do for meetings. Benefit-in-kind (BIK) has a huge impact on someone's wage, especially the fuel element. Unfortunately, not everyone does their homework on this before selecting vehicles and after year one /two they then see the impact."

National Grid, which has a fleet of 1,722 company cars, has experienced an increase in drivers wanting to return their cars and take the cash, but fleet manager Lorna McAtear believes this is "a short-term, knee jerk reaction", exacerbated by drivers having to pay higher company car tax following the switch to WLTP-based CO<sub>2</sub> emissions on April 6 – just a few weeks after the UK went into lockdown on March 23.

This has left company car drivers in higher-emitting diesel vehicles feeling "penalised" as National Grid, like many organisations, has not been able to facilitate drivers returning their keys in order for them to stop paying company car tax under the HMRC guidance.

"My challenge has come from those that



took the vehicles, but didn't get them registered before the WLTP changes because of Covid and then they got stung by the increase," McAtear says. "It's costing them money so they want to do something different, which is a natural response to the challenges."

#### ELECTRIC VEHICLE APPEAL

Pure electric vehicles (EVs), which have zero BIK this tax year, may tempt drivers to stick with company cars or to re-join company car schemes, particularly if their mileage profile is now suitable, and several fleets are reporting this trend (see Fleet200, page 73).

The vast majority (82%) of respondents operating company cars expect their mileage to fall and, of those offering EVs, 69% believe more company car drivers will opt for them as a result of reduced mileage.

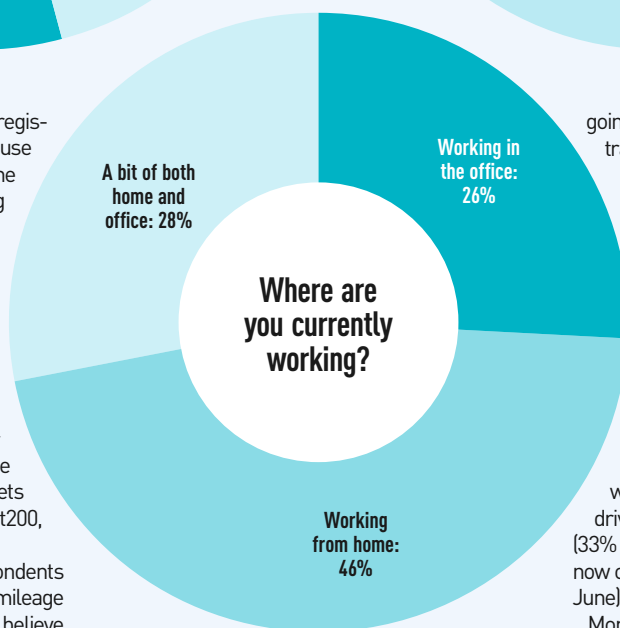
At ABM, although the company car is no longer desirable for some drivers due to more homeworking, overall there are more people switching from having a cash allowance to a company car than moving from car to cash owing to a new wholelife cost-based company car scheme, which has brought EVs and hybrids into scope.

The move has become popular, with ABM set to exceed its target of 10% of the fleet of 70 cars becoming EV this year.

Altrad Services does not yet have pure electric vehicles on its company car scheme and Hammond believes a new, EV-based offering instead of traditional ICE (internal combustion engine) vehicles is "the only way drivers would return".

However, he doesn't think enough EVs have been brought to market yet, particularly in the mid-sector price band for Altrad Services to be able to offer "a suitably TCO (total cost of ownership) balanced list for our drivers".

"As a fleet manager, I would like to think the trend to cash will be reversed but in all



likelihood I cannot see this happening for at least another three years," he says.

A little less than half (45%) of fleet decision-makers believe their company car fleet size will decrease as a result of the economic impact of Covid-19. Of those, 48% predict a reduction of less than 10% while 37% foresee a 10-30% reduction.

This is far more pessimistic than data from researcher Fleet Intelligence, whose Q2 Pulse survey showed 17% of companies predicting a reduction in fleet size.

One respondent, who wished to remain anonymous, says: "As a result of redundancies following the impact of Covid-19 we have paused all new car orders (not vans) and are only offering reallocation vehicles to drivers at the time of renewal."

Another anonymous respondent predicts his fleet size will bounce back.

"Business leaders have an illusion that business travel will not return to pre-Covid 19 levels," he says. "However, the reality is very different as our industry (education) is always

going to require physical visits to provide training and demonstrations.

"Leadership do not seem to understand that not everyone has a laptop to attend virtual sessions and using a small smartphone screen has limited applications for viewing presentations or engaging with groups.

"Fleet size is anticipated to reduce, before rebounding within 12 months as colleagues feel the impact of using private and, most likely, very old vehicles."

There are already some positive signs with more company cars now being driven for work than earlier in the pandemic (33% say more than 75% of their car fleet is now operational, compared with 24% in May/June).

More offices are reopening to staff with 54% of fleet managers saying they now either work in the office or are doing a combination of office and home (up from 46% in May/June and 27% in the first few weeks of lockdown).

Van operators continue to be busiest with 76% of respondents saying more than three quarters of their company vans are being driven for work (up from 42% in May/June).

McAtear believes it's time for businesses to analyse vehicle usage and potentially redefine job-need vehicles.

The traditional model is for drivers doing 10,000 miles to have a company car but she suggests that drivers who have had to do business journeys during the pandemic are the true 'essential users'.

She also suggests Covid-19 provides the opportunity for fleet managers to consider offering a mobility allowance or mobility credits, although only 14% of respondents say they are looking at the concept. In some cases this is because travel is not part of their responsibility and is managed at a global level; in others because the cash allowance does give drivers the flexibility to use public transport or they are not aware of the concept.





# “Grab the opportunity to make things better”

Now is the time for businesses to review how the fleet is managed and how mobility is provided to all staff, say industry experts at the *Fleet News Covid-19* webinar. [Sarah Tooze](#) reports.

**F**leet operators rarely get the chance to review every aspect of their fleet and make wholesale changes. The Covid-19 pandemic offers that opportunity – and fleet operators should grab it.

That was the advice from the latest *Fleet News* webinar, sponsored by Sixt, which looked at the impact of Covid-19 on future fleet policy.

Dale Eynon, director of Defra Group Fleet Services, which consists of the Environment Agency as well as smaller agencies within the Department for Environment, Food and Rural Affairs, said: “There is a huge opportunity here, from the terrible situation that we’re all facing, to completely review how we manage our fleet, how we provide mobility to our staff.

“And I say grab that opportunity to make things better, to improve things, look at every aspect of your fleet, work with your supply chain, look for solutions to get people from A to B in the best way possible.”

Stuart Donnelly, global sales director at Sixt, agreed: “Now is the right time to think and act and do things differently.”

Funding methods, replacement cycles, entitlement to company cars and grey fleet policies should all be considered along with broader issues such as active travel, commuting and how business journeys are classified.

Much rests on whether the shift to home working and having virtual meetings rather than face-to-face becomes permanent.

“You can argue working from home is far more productive than sitting in a car or an airplane, and sitting in front of different people in meetings on a daily basis,” Donnelly said. “Companies I have spoken to have said their offices are staying shut until the end of the year and so it begs the question: will that trend become permanent?”

Simon Turner, campaign manager at Driving for Better Business, added that companies are demanding “much greater justification for any kind of business travel”

and he thinks that is “only going to increase”.

“The Driving for Better Business team is spread all over the country, across all regions. So, if we all get together that’s a major amount of time and travel expense and we’ve found that working with Microsoft Teams and Zoom is just so much better... so I think that element of it is here to stay,” he said.

Turner has seen a variety of working arrangements with some companies opting for permanent flexible arrangements, allowing those who can work from home to do so and other companies instigating rigid schedules whereby employees work from home on set days of the week and have internal or client meetings on other fixed days.

However, he pointed out that if employment contracts are changed and staff are re-designated as home workers, it brings in different definitions of a business journey and has potential implications for grey fleet.

Paul Hollick, chair of the Association of Fleet Professionals (AFP), added: “It means their ‘commute’ is a business journey and fleet operators need to deal with that commute as effectively a business trip and need to make sure they manage the grey fleet.”

## BIG SWITCH TO HOME WORKING

Having shifted 8,000-plus employees to home working during lockdown, the Environment Agency is now looking for a new balance between home/office working that it will look to move towards gradually over the course of the next six months.

Eynon said the Environment Agency will need to look at further improvements to its IT provision for home workers as well considering the carbon benefits from home working versus office working.

“It’s an emerging picture,” he said.

Eynon said the move to homeworking had been challenging with supplying equipment, display screen equipment (DSE) assessments and not all employees having a dedicated home office.

However, people have adapted to the new way of working with staff able to work flexible hours to manage childcare and other demands.

“People can work anytime between seven in the morning and seven at night – there are no fixed hours,” Eynon added.

Most of the fleet operators that Hollick has spoken to are still working from home because they are able to, but he has seen some businesses gradually facilitating employees returning to the workplace.

He said: “When people have started to go back to work, particularly in the construction industry, they’ve been going back and, effectively, have their buddies that they’re in a bubble with. And then they are staggering the start and end times to make sure everyone is social distancing themselves as best as possible and they’re not in regular contact with lots and lots of employees all the time. There’s always that metre distance, two metres, ideally, but always a constant flow to make sure that they’re not exposed to too many people at any one time.”

Kit Allwinter, senior consultant at Aecom, suggested there is a “new rule of thumb” whereby 30% of staff work from home four-to-five days a week, another 30% work in the office close to full time with maybe one day at home and 40% who sit in between with two or three days in one or the other position. That could have a “huge impact on travel trends, pushing down peak traffic levels,” he said.

From a fleet manager’s perspective it also has implications for company car mileages and fuel spend, with many seeing dramatic reductions during lockdown.

Defra has always reviewed its mileage on an annual basis and adjusted leasing contracts accordingly to “make best value”, according to Eynon and he believes that contracts with leasing companies will become even more flexible.

“I’ve seen those changes happening where more flexibility comes to the customer and the customer demands more flexibility,” he said.



Dale Eynon, director of Defra Group Fleet Services



Simon Turner, campaign manager at Driving for Better Business



Paul Hollick, chair of the AFP



Kit Allwinter, senior consultant at Aecom



Stuart Donnelly, global sales director, Sixt



Leasing companies and their customers will need to work in partnership over the next year or more to manage the situation, he believed.

"But I don't think these issues will resolve themselves until we have a different mobility solution in place, which is probably a couple of years away at least," he said.

Rental companies and mobility providers have traditionally offered more flexibility than leasing, and Donnelly said that Sixt has experienced increased demand for its rental products as an alternative to public transport.

Hollick added that many AFP members have removed their pool fleet in favour of rental vehicles due to no one being at the office to pick the keys up and "the hygiene factor of trying to arrange to clean your own vehicle when the rental companies have got all that process down pretty well to be able to deliver vehicles to people's doors".

#### AVOIDING VAN SHARING

Van fleet operators have also been turning to rental to avoid drivers sharing vans and, in the case of delivery fleets, to meet additional demand with the growth of online shopping.

Turner said: "We can see essential fleets growing and a shortage of vans. So, every available van seems to be commissioned at the moment and working to capacity."

However, he expressed concerns that

increased mileages could lead to "knock-on problems" if van fleet operators let SMR (service, maintenance and repair) slip.

Another major challenge facing fleets is the economic uncertainty, with the prospect of mass redundancies leading to smaller fleets or, in fact, wiping out fleets entirely.

"I think the state of the economy is going to play a big role in this because if we see unemployment hit four or even five million, there's going to be a lot of businesses and potentially whole sectors that just disappear," Turner said.

"Many of those could be smaller fleets where the businesses aren't strong enough to sustain themselves through the coming economic difficulties."

The other unknown is whether the company car fleet will reduce in favour of the cash option with drivers questioning whether it is worth paying company car tax for a vehicle they are using less.

Most fleet operators are taking a short-term view of their future fleet size and replacement cycles, according to Hollick.

"I don't think too many businesses know what their actual economic size needs to be at the moment, they need to right-size themselves post-Covid," he said.

Eynon believes there will be a shift in size and composition of fleets and added that there was an "appetite from fleets and

from the public to change how they travel".

"I think Mobility as a Service will become a much bigger item on people's agendas," he said. "We're doing lots of work with suppliers on that. So I think that multi-modal picking things up, dropping things off, not owning things, will be much more prevalent."

#### WHERE EV IS A BETTER BET

Eynon added: "But I also think when people are using vehicles, the EV (electric vehicle) piece plays into that quite a bit. So, if people are travelling less, EVs work better, air quality issues when there are fewer cars around works into EVs, the range of EVs is building, BIK (benefit-in-kind) clicked in at the beginning of Covid so we're seeing a much bigger appetite to move to EVs."

"But we also see people being much more flexible about what they're willing to do in terms of using e-bikes, walking, things that perhaps before weren't options."

He added: "I think we're living in a world now where there's a solution that's pre-vaccine, and then solutions post-vaccine."

"And we're probably talking early 2021 before that really will start kicking in. So I think we're in a period of at least six months of increased vehicle usage where people need to. But then moving to a more electrified fleet and a smaller fleet."

# Grosvenor's flexibility strikes the right chord in tricky times

We're helping to answer many questions fleet managers wrestle with

Being a fleet manager in today's world probably involves a lot of head scratching and a serious desire for a crystal ball – whether it be a case of waiting for economic recovery, ascertaining staffing levels or the commitment to replacement vehicles.

The pandemic has had a seismic impact on everyone's lives. We have a recession looming and this is all at a time when many policymakers are deciding when to introduce hybrid or electric vehicles (EV) into our fleet policies.

The truth is, no one knows how our society will function in years to come. Despite worrying headlines and sad news about job losses, we still don't know how serious the recession will be. Is now the time to add alternative fuels to your choice lists?

According to Mary Dopson-Taylor, customer services director at Grosvenor Leasing, when uncertainty reigns the priority is to make your fleet operation as adaptable as possible.

"We are now having far broader conversations with our customers," said Mary, "such as introducing cash allowances supported by our personal contract hire solution as a means of giving both companies and drivers more freedom and flexibility.

"Salary sacrifice is also back on the agenda because its financial benefits look extremely interesting again thanks to the Government's hugely attractive benefit-in-kind (BIK) rates on ultra-low



"Stakeholders are grateful that we are pioneering well thought through fleet management concepts"

**Mary Dopson-Taylor, customer services director at Grosvenor Leasing**

emission and electric vehicles. Effectively, anything less than 50g/km CO<sub>2</sub>.

"At Grosvenor Leasing, we have also introduced an innovative 'flexible hybrid fleet transition' service. This offers businesses short-term leases of hybrid vehicles so drivers can grow accustomed to the new era of vehicle without being forced to commit."

According to Grosvenor Leasing, offering a portfolio of solutions that give maximum flexibility, supported by expert advice and support, is helping with many of the questions that fleet managers are wrestling with.

For example, if they place an order now, will the company want that car on their

fleet in three years? If a driver chooses a petrol or diesel, will they regret that decision and wish they'd gone for an EV? Is contract hire the right choice for the business or, over the next three years, will the company wish it had chosen a different funding/acquisition method? Does the company actually need to offer its employees vehicles, or should they simply move to cash?

"It's matters such as these which we're now looking to help with by bringing to the table an open mind and some innovative thinking in how we manage our customers' vehicle fleets," said Mary.

"The good news is that, as well as fleet managers, this seems to be striking the right chord with HR directors, finance directors, operations directors and other key stakeholders who are grateful that we are pioneering well thought through fleet management concepts in a very 'new' world."



Phone: 01536 536 536 • email: [info@grosvenor-leasing.co.uk](mailto:info@grosvenor-leasing.co.uk)  
or visit: [www.thegrosvenorgroup.co.uk](http://www.thegrosvenorgroup.co.uk)







DIRECT LINE GROUP



### Factfile

#### ORGANISATION

Direct Line Group

#### FLEET DECISION-MAKER

Ian Davis, Direct Line Group head of payroll & business support

#### FLEET SIZE

260 cars

#### FUNDING METHOD

Mix of three-to-four-year contract

hire and salary sacrifice

#### LOCATIONS

Bromley head office, eight regional offices

# 'There will be fewer vehicles required for job-need'

The lockdown prompted by Covid-19 has reaffirmed how Direct Line is changing its company car schemes to better fit the 'new normal'. As told to *Tom Seymour*.

**B**eing thrust into a pandemic did not deter Direct Line Group relaunching its company car and salary sacrifice schemes last month.

To an extent, the new ways of working have even helped validate plans, according to Ian Davis, head of payroll & business support, who has had responsibility for fleet for the past 18 months.

Direct Line's all-car fleet consists of 260 fully maintained vehicles, with 220 on three- to four-year contract hire for job need roles and the balance as salary sacrifice perk cars.

The majority of Direct Line's fleet are vehicles that are the main car for the household, so they have still been in use, although at a reduced level due to lockdown.

Davis is supported in his fleet role by Hitachi Capital Vehicle Solutions (HCVS), which handles all service, maintenance and repair (SMR) management.

HCVS restarted routine maintenance for the Direct Line fleet in June. It says it has made sure there are no bottlenecks with a rush of vehicles returning to garages post-lockdown by continuing to schedule bookings for all routine work.

### POSITIVE REINFORCEMENT FOR CHANGE

Davis was in the middle of rewriting Direct Line's company car and salary sacrifice scheme in collaboration with HCVS during lockdown. The process had started at the end of 2019.

He continued to work on refreshing both schemes ready for their August launch, ahead of Direct Line's offices starting to reopen this month (see panel overleaf).

Direct Line wants to put a renewed focus on choosing sustainable cars, with a greater mix of plug-in hybrid electric vehicles (PHEVs) and battery electric vehicles (BEVs). ➔



## FRONTLINE FLEETS: A DAY IN THE LIFE

### DIRECT LINE GROUP

While Davis says the direction of travel with how the company car schemes have changed was not a direct result of Covid-19, all the changes have been reinforced by how the company has been working over the past six months.

The vast majority of the Direct Line Group's 9,000 staff are still working from home and have been since the first week of lockdown. Two-thirds had never worked remotely before.

This was a big change for some in the company that were either on the road 75% of the time as part of their job, or worked in customer service and sales teams.

All job-need drivers were set up to work remotely, with increased use of Microsoft Teams for video conferencing.

Consequently, Davis did not have to scale the fleet up or down as a result of the coronavirus.

From that perspective there hasn't been a large impact compared with some fleets.

Davis has extended 26 contracts that were due to end this month until the end of December. This is to give the business time to see what happens in Q4.

Davis worked remotely two days a week anyway, so transitioning to full-time at home hasn't been a drastic change for him.

He says: "I think we will see the number of company cars we have reduce slightly and I think that would have happened with or without Covid-19.

"We are able to do more of what we do for the insurance and claims process digitally now, whether that's through images or videos being sent through or through apps and online.



**I THINK WE WILL  
SEE THE NUMBER  
OF COMPANY CARS  
WE HAVE REDUCE  
SLIGHTLY**

IAN DAVIS, DIRECT LINE

"It means there will be fewer vehicles required for job-need. Our eligibility criteria has changed too."

Previously an Direct Line employee would need to be doing a minimum of 10,000 business miles a year to qualify for the company car scheme.

However, this has been lowered to 7,500 miles as a result of an overall reduction in mileages across the company as the

business and its customers increasingly embrace digital.

The new salary sacrifice scheme is also solely focused on vehicles of 75g/km CO<sub>2</sub>. This is influenced by the changes in the tax regime and means all future salary sacrifice vehicles as of August 4 will be PHEVs or BEVs.

Previously, Direct Line had around 3% of its fleet as plug-in hybrid and there were only a couple of BEVs before, but Davis is hoping to greatly increase their share of the fleet over the coming 12 months as the new scheme beds in.

Davis anticipates that the company's grey fleet of 200 drivers that do around 2,000 business miles a year will look at salary sacrifice as an option too.

He says: "I would really like to reduce our grey fleet levels and I would much rather they were in a modern, fully managed vehicle that we can provide for them."

The company has agreed to fund all home charging infrastructure for salary sacrifice and company car scheme drivers who choose a plug-in hybrid (PHEV) or full battery electric vehicle (BEV) to make switching as easy as possible.

The company car policy is moving from four-year contracts to three as this will give the fleet a quicker replacement cycle.

Davis says: "Hybrid and BEV technology is moving so quickly and we wanted to make sure we have the opportunity to get employees in the latest vehicles more frequently.

"It fits with our company's ambitions to be more sustainable and make greener choices, but I think the BIK tax situation will also be a big boost to employees choosing these plug-in models this year."

## BACK TO THE OFFICE

All of Direct Line's staff have been working during the lockdown and beyond as it made a commitment not to use the Government's furlough scheme.

In common with many organisations, the business is now re-assessing how it can offer a mix of office and home working to give its employees greater flexibility.

Direct Line began gradually re-opening its nine offices across the UK in August, with around 20-30% of staff returning to work initially.

These are in roles that either benefit more from being back in the office or include those employees who actively sought to return to office working.

A number of measures have been introduced at the offices, including welcome gates with temperature checks on arrival, one-way systems throughout

and the company has 1,000 hand sanitiser dispensers and 300 internal doors that will be kept open to reduce contact transmission.

At Direct Line's multi-storey buildings staff are keeping to the first three floors, as lifts are out of use to maintain a two-metre social distance throughout.

Those that want to continue to work from home can do so.

Davis says: "We really want people to feel comfortable and we don't want to be forcing people to come back to the office if they feel it's too soon, or if they don't feel comfortable commuting on public transport just yet."

Direct Line is in the middle of an employee survey about remote working and will be forming future policy around becoming an even more flexible

employer, spurred on by the ability to continue operating while most company car drivers and other staff have been working from home.

Davis says: "I actually had to renew my insurance during lockdown and if I hadn't known that the person I was speaking to was working remotely, I would never have known."

"So it definitely works for those that enjoy it."

There has been increased use of Microsoft Teams since the lockdown started, with regular check-ins too.

However, these video calls have reduced in frequency, but Davis says this is because teams have become more comfortable with the 'new normal' of how the business has worked during lockdown.

# Are you ready to tackle increase in grey fleet post-lockdown?

Our intuitive portal will help to provide low-cost answers

**I**s your company fully prepared to tackle the post-lockdown increase in grey fleet? Grey fleet has long been an area that has received little or no consideration within many businesses, but Covid-19 has now put it firmly under the spotlight, along with the responsibility that employers have for managing the associated driver risk.

Millions of privately-owned vehicles are used for business purposes and the number looks set to rise more rapidly as lockdown ends and home working becomes ever more commonplace, so much so, it's being referred to as a 'battleground' and a 'ticking time bomb', creating new challenges for fleet managers.

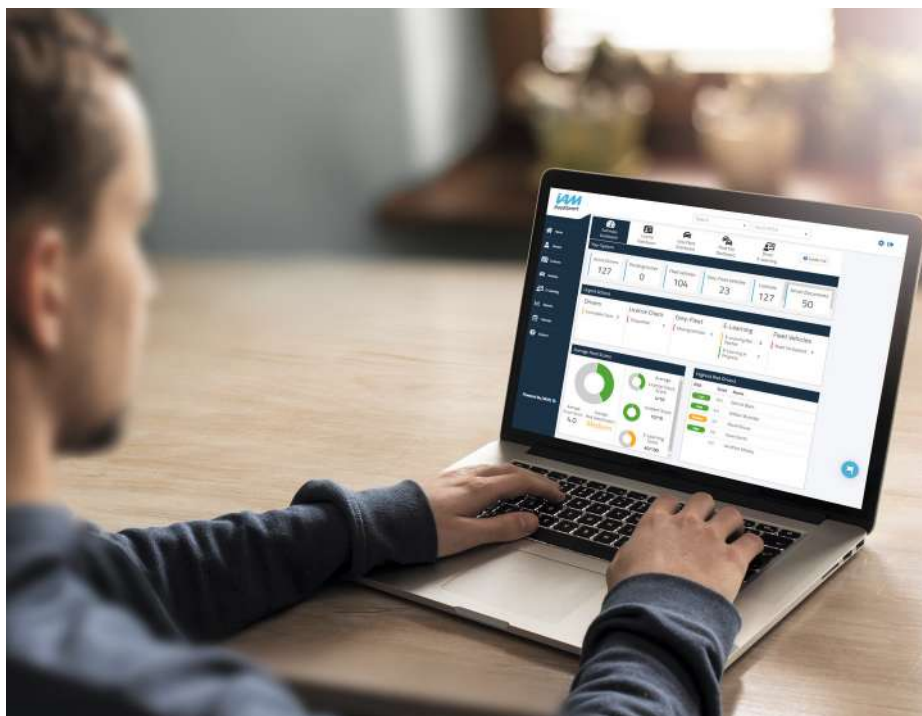
## Time to act on grey fleet

In a recent *Fleet News* poll, 68.1% of respondents said they expected home working to become their 'new normal'. Consider the potential effects within your business. Will some workers become contractually designated as home-based, qualifying their trips to the office as business mileage? Amid ongoing concerns about the safety and availability of public transport, how many will turn to using their own vehicles for business journeys, perhaps unnoticed by management?

There have already been indications from the vehicle industry of a surge in demand for inexpensive used cars during lockdown, perhaps due to a perceived need for an affordable alternative to public transport.

Should some of those older vehicles become part of your grey fleet, how will you be sure they have a valid MOT and insurance for business use?

Have the drivers' licences even been checked if they have not previously been thought of as a business driver?



## What do you need for success?

Over recent years, with vehicle leasing becoming the model of choice for many businesses, fleet management has become increasingly outsourced, leaving many businesses with little internal fleet resource. However, this has raised questions over who now holds the responsibility for grey fleet administration. Is it you? What tools do you have at your disposal?

Contact us for an online demonstration  
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## Take control of grey fleet at minimal cost with CHOICES

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- ✓ Manage all your drivers through one intuitive portal
- ✓ Perform licence checks, driver profiling and e-learning
- ✓ Check MOT and insurance for easy grey fleet compliance
- ✓ Automatically identify and train high-risk drivers

As the UK's leading road safety charity, IAM RoadSmart is here to help you to achieve a safer, more efficient fleet, offering our services on a not-for-profit basis. Get in touch today to find out how our online driver risk management portal can make it easy to tackle the growing challenges of grey fleet compliance and safety.

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# Bouncing back after 'demand dropped overnight' in March

Pandemic gave LKQ Euro Car Parts the opportunity to take stock of its policies and get on the front foot with the maintenance of its fleet. *Sarah Tooze* reports

**L**KQ Euro Car Parts' fleet of 3,373 vehicles (3,100 vans, 158 company cars and 115 HGVs) is now more than 90% operational from a low of 50% at the start of the Covid-19 lockdown in the UK.

The car parts and accessories distributor primarily serves business customers, with more than 300 branches in the UK. Each branch gets a delivery overnight for stock replenishment and customer orders from the national distribution centre in Tamworth.

"It's quite a large logistics business," says operations director Tony Shearer, who has overall responsibility for the fleet, which is nearly all outright purchased (only the HGVs are leased).

When the Government introduced lockdown on March 23 and garages closed to all but keyworkers, LKQ Euro Car Parts had no choice but to park up half of its fleet as "demand dropped overnight".

However, since the Government began

easing restrictions and garages re-opened in June, demand for car parts has naturally grown and Shearer has been increasing fleet use week by week, in line with that.

"We had what we call our 'getting our fleet back action plan' and that was primarily to make sure that vehicles were fit for use," Shearer says.

The action plan included replacing wipers, which may have perished while the vehicle was parked up, as well as checking tyres and fluid levels.

Vehicle checks were done on a weekly basis while they were parked up at branches and the vehicles were monitored using the RAC telematics platform.

Shearer also took the opportunity to introduce a preventative maintenance regime so LKQ Euro Car Parts' repair desk switched from taking inbound, reactive calls about vehicle repairs and arranging daily hires to making outbound, proactive calls to book vehicles in.

"We took the time to see when our vehicles were due for servicing and review measures such as cambelt changes and decided to get those done," Shearer says. "That did two things: it meant we were doing it while the vehicles were not being utilised and it meant we were giving our customers business when they were seeing a huge downturn."

"It also meant we could really get on the front foot with the maintenance of our fleet which, I'm sure, will benefit us further down the line when vehicles don't go wrong because we've maintained them correctly, and that will bleed through to the residual value."

Although a large proportion of the fleet was parked up at the start of lockdown, LKQ Euro Car Parts was able to keep 220 of its branches open and trading to key workers (using its branch continuity plan to adapt the network – see panel overleaf) and this has now increased to 280. It also experienced a big increase in mail orders through its branch network from consumers, providing addi-





## Factfile

### ORGANISATION

LKQ Euro Car Parts

### OPERATIONS DIRECTOR

Tony Shearer (pictured)

### FLEET SIZE: 3,373 vehicles

(3,100 vans, 158 company cars and 115 HGVs)

### FUNDING METHODS:

Outright purchase (HGVs are leased)

tional revenue, and keeping those vans that were out on the road busy doing deliveries.

"We had to very quickly adapt and change the way we were working," Shearer says. "We introduced all the right Government guidelines, social distancing, contactless delivery, etc. And that really helped us to keep our vehicle utilisation at the right level."

That upward trend in B2C (business-to-consumer) trading has continued and LKQ Euro Car Parts is now "delivering more than ever", according to Shearer.

With drivers visiting multiple sites in different areas every day, stringent controls have been introduced, including the use of latex gloves, masks and hand sanitisers.

Cabin filters have been replaced in the vans and the vans are cleaned at the start and end of each day.

Additionally, drivers are expected to wipe down the areas of the vehicle they have been in contact with such as the steering wheel, handbrake and door handles after each delivery and to replace their gloves and sanitise their hands to avoid cross-contamination.

Driver controllers within the branch network ensure that the drivers adhere to the policy but Shearer says that it "manages itself because people are used to it now".

"We're really keen that, even after Covid, the hygiene standards are maintained," he says.

"It's good practice and because the vehicles are visiting customers every day, they're very visible so I'm always keen that they're kept clean and tidy and free of damage because they represent us and the company."

Prior to Covid-19, drivers would occasionally share vans to and from work from an environmental perspective and because there are parking restrictions at some of the smaller branches.

However, van sharing has been banned and Shearer has no plans to allow it while the pandemic continues, even with the drivers wearing masks.

He points out that social distancing is being maintained in the branches and it would therefore be wrong to have a different set of rules that applied to the vans.

"We've been quite clear, regardless of the Government guidelines, these are our policies," he says.

"We are continuously updating and adding things and we are going beyond the Government guidelines because we've got thousands of colleagues that we have a responsibility to do everything we can for their welfare, and customers' welfare. And so, we

we've been really strict in making sure that we do everything possible to mitigate the risk."

LKQ Euro Car Parts has a steering and working group which Shearer is part of, together with other representatives from fleet, health and safety, legal, property and communications, to determine its Covid standards and policies. Virtual meetings are held on a weekly basis (they were daily at the start of the pandemic).

Shearer says: "We are continuously looking at the Government guidelines, what our policies are and anything that's regional so if something is changing in Scotland, how do we need to adapt our policies? We've got a retail store estate mixed in with our trade buildings so we need to make sure we are covering all of the angles."

Alongside the Covid fleet policies, there are policies for inside the branch, for the warehouse, places like canteens and areas that are shared such as the despatch area, sales office and meeting rooms, and a full set of policies for the retail space.

"As with other retailers we have Perspex screens, social distancing stickers and we have a maximum number of people that we will let into the store any one time," Shearer says. ➡



## CORONAVIRUS & FLEETS: BACK TO BUSINESS

### LKQ EURO CAR PARTS

#### HOME WORKING TO BECOME THE NORM FOR FLEET TEAM

LKQ Euro Car Parts moved all of its head office functions to home working early on in the pandemic.

"Fortunately, our systems and the way we are structured meant we could do that really quickly," Shearer says. "It wasn't that we had to redeploy lots of new IT and equipment. Probably the newest thing was Microsoft Teams. We were already in the process of rolling that out and that programme was sped up."

Teams is now used for presentations and document sharing, meetings and messaging.

"It allows communication to be a lot more immediate," Shearer says. "People can see if I'm available or if I'm on a call."

"If anything, it makes people talk more, collaborate more and we've seen an improvement in productivity and employee engagement."

"It's a bit like people were forced to do home shopping and, now they've tried it, they like it."

There are no immediate plans for people to return to the office and when they do it will be done on a phased basis with those who have a stronger need than others to use the office space being able to return first.

Shearer says that from the fleet team's perspective "we're not looking to go back to the old way of working, I think it's here to stay".

Head of group fleet Ted Sakyi, who reports into Shearer, has also been having virtual meetings with LKQ Euro Car Parts' fleet

suppliers including vehicle manufacturers, disposal partners, fuel card supplier and livery provider.

Shearer wants this to continue post Covid-19 as it has environmental benefits, reduces vehicle use and he believes is better for employees' wellbeing than driving a long distance for a face-to-face meeting.

He does not envisage any change to the fleet replacement cycle (vans are five years/150,000 miles while cars are four years or 100,000 miles).

Shearer has just taken delivery of a number of vans which were ordered at the start of the year and were originally planned to go into the network in March/April.

The company cars are provided primarily for field-based roles as part of recruitment and retention and Shearer does not believe drivers will want to keep their cars longer than four years.

However, what will change is the type of vehicles, with Shearer predicting that company car drivers will opt for electric vehicles (EVs) as "their habits and requirements change", particularly in cities which are introducing clean air zones/low emission zones.

LKQ Euro Car Parts has trialled electric vans but the technology doesn't yet suit a high volume, multi-drop business, in Shearer's view.

However, he will continue to look at EVs as the technology develops.

One of the biggest development areas this year for LKQ Euro Car Parts is digitalising

what it calls 'final mile delivery', using Micro-lise technology. It will bring customer benefits such as contactless and digital payments as well as smoothing the returns process, while the fleet will benefit from efficiencies in journey management, which will help with productivity and utilisation, and bring environmental benefits from reduced fuel usage.

The technology will also enable daily vehicle checks and first notice of loss (FNOL) for incidents to be done digitally.

"It's going to be a real game changer for us," Shearer says.



## IT NEVER RAINS, BUT IT POURS: FLOODING ADDS TO THE MIX OF CHALLENGES

LKQ Euro Car Parts faced the twin challenge of dealing with severe flooding at five of its branches last month while also adhering to Covid-19 standards.

Within the space of 24 hours, branches in the north and Midlands were completely flooded, while one site was part-flooded, due to a significant volume of rainfall in a short space of time.

LKQ Euro Car Parts' branch continuity plan (BCP), which is used to adapt the network in the event of a flood, fire or other unforeseen event, kicked in.

The BCP deals with everything from stopping deliveries going to a particular branch that is closed to communicating with customers about click and collect orders and ensuring signage is put up in the window of the branch. It was also used when LKQ Euro Car Parts scaled

down its network from 300 branches to 220 during the pandemic.

"It's a well-rehearsed process we put in place so we can react really quickly," Tony Shearer says.

However, the need to maintain social distancing has meant the policy has had to be adapted.

Ordinarily, when a branch is closed the operation would simply be moved to the next nearest one, but social distancing restricts the number of people branches can accommodate. So either people are not moved to that alternative branch and the existing teams at that alternative branch deal with customers or the operation is spread between alternative different branches.

From a fleet perspective, all the routing is changed within 30 minutes to

the branch that is now going to cover those areas. However, drivers cannot enter the branch to collect their deliveries if it means too many people will be in the building, so deliveries are brought out to the vehicle instead.

"We've adapted the plan for Covid to make sure we're not creating any risks," Shearer says.

Four of the five branches were reopened within 24 hours and the fifth reopened three days later as a precautionary measure.

Shearer says it is a credit to the business that they were reopened so quickly.

The revised BCP now puts LKQ Euro Car Parts in a good position if there is a second wave of Covid-19 or if branches are affected by localised lockdowns.



# An easy way to save money

Choosing the cheapest tyre is a false economy



**T**yres, black and round, they all look the same. So, is there a real difference apart from the price?

Seems like a no-brainer, the easiest way to reduce your fleet's tyre costs is simple... buy cheaper ones, but is that really the answer?

With budget tyres you're taking a risk. Cheap tyres don't quite last as long and the average miles per gallon is a bit worse. Are these risks worth taking? With Continental premium tyres you can rest easier. Your costs are more predictable and tyre performance more reliable. Therefore, the easiest way to save money on tyres is to implement a Continental premium tyre policy.

## Continental cares about fleets

Choosing the right vehicles is essential for every fleet, you evaluate and compare specifications, test drive to assess real-life performance and, after careful deliberation, you choose the best vehicle for your business.

For Continental, that's how the vehicle manufacturers review tyres. They undertake rigorous tests, including resistance to aquaplaning, braking, handling, rolling resistance, noise levels plus safety, comfort, cost and environmental impact. It can take more than three years to be OE approved.

## "For more than 10 years Continental has come out top in independent tests"

Continental has in excess of 800 OE approvals. That's testament to the quality of Continental tyres and dedication to ensure your fleet tyres live up to your expectations.

## How does Continental keep delivering?

By continually striving for excellence and exploring the endless opportunities for improvement, Continental is obsessed about every detail, every choice of material and every innovation that makes a difference to your operation.

Not only cost efficiencies, but safety. Safety is at the heart of everything. It's not just words, it's investment. Continental annually invests hundreds of millions of pounds in creating outstanding tyres, a decades-long investment commitment.

## Investment in testing facilities

All Continental tyres are tested at state-of-the-art facilities. ContiDrom is a world-class in-house track and test facility which includes the world's first fully automated indoor tyres-testing system, AIBA, where tests are conducted year-round on all types of surfaces.

## Investment in tyre technologies

Continental's business is more than tyres. It develops new technologies including radars, sensors, connectivity systems, automated braking functions and innovative electric charging solutions. Continental is at the heart of the automotive industry. Yet, tyres are the only contact with the road, so creating game-changing tyre technologies is essential.

With ContiSeal™, Continental's engineers have managed to ensure 5mm holes will not result in the loss of any tyre pressure on any terrain. With Black Chili Micro Flexibility Compound technology braking distances have been reduced and grip improved in wet and dry conditions. Technologies to keep your drivers safe.

## Tyre testers agree

For more than 10 years Continental has come out top in independent tests.

In 2019, Continental achieved a tyre test first... winner of best summer, winter, all-season and product of the year, amazing! And, most recently, Continental won best tyre in Tyre Reviews' 2020 ultimate summer tyre test.

Independent endorsement for what vehicle manufacturers and many fleets already know.

**Continental, the right choice for your fleet**

# LAND ROVER DEFENDER

Ground-up redesign and a plethora of options should help the Defender to achieve its goals

By Matt de Prez

**F**ew cars undergo a thorough transformation from one generation to the next, but the new Land Rover Defender has done exactly that.

The Defender we all know (and mostly love) has, essentially, been the same since 1948 and, after 67 years in production, Land Rover could no longer keep updating the model to comply with new legislation.

A ground-up redesign was required. But, times have changed. The SUV market is not what it once was. Pick-up trucks have grown in popularity, taking the place of the once popular Defender among commercial users, by providing a similar level of off-road capability and practicality.

Meanwhile, demand for luxurious, yet efficient, SUVs that are packed with technology have driven growth in the passenger car segment.

In its second generation, the Defender aims to bridge the gap between the stripped-out rugged off-roader of the past and the high-tech luxury barge that is in demand right now.

It has a futuristic-looking design, with a host of retro touches weaved into its smart new look.

It's available in three-door '90' or five-door '110' with a range of petrol and diesel engines, as well as a plug-in hybrid.

The range starts with stripped out commercial versions priced from £35,800 (excl VAT). Passenger car models cost upwards of £38,000, but, with an almost endless range of options and configurations, prices can end up beyond £100,000.

There are four core accessory packs available: Explorer, Adventure, Country and Urban. These sit

alongside the usual trims of base, S, SE and HSE, plus a hardcore Defender X variant.

The packs are designed to give the car different characters. Urban, for instance, features 22-inch wheels, a front undershield, side tubes and a scrub plate on the rear; Adventure has side-mounted gear carriers on the rear and undershield guards; Country includes wheel-arch protectors and other guards for light outdoor work; and Explorer has a roof ladder, roof rack and anti-glare bonnet.

Other unconventional options include an electronic winch, pet packs for transporting a variety of animals, a portable shower, a roof-top tent and inflatable waterproof awnings.

The Defender can now be kitted out with just about every gadget and feature from across the Land Rover range. This can include ventilated seats, high-end audio systems, matrix LED headlights and adaptive cruise control.

Fabric seats and steel wheels come fitted to base models, but all versions are equipped with surround cameras, lane-keep assist and JLR's latest Pivi Pro connected infotainment system.

All new Defenders come with an automatic gearbox, powering all four wheels. From launch, two four-cylinder diesels are offered (D200 and D240), alongside a pair of petrols with 300PS and 400PS. From next year, the diesels will be replaced with new six-cylinder mild-hybrid versions badged D200, D250 and D300.

They aren't very benefit-in-kind (BIK) tax-friendly, however, emitting upwards of 199g/km.

The plug-in hybrid P400e uses a 2.0-litre turbocharged engine and electric motor. It



develops 404PS and emits from 74g/km, making it the ideal choice for user-choosers who want some Defender action.

Commercial 'Hard Top' Defenders will only be available with diesel engines. They combine a two-seat passenger compartment – with the option of a third central jump seat (90 only) – with a flexible, hard-wearing rear load bay that provides 1,355 (90) and 2,059 (110) litres of loadspace.

Payloads range from 670kg (90) to 800kg (110), dependent on engine and spec.

Whichever Defender you opt for, they are massive. At more than five metres long, the 110 can accommodate up to seven, with an optional third row of seats.

In a nod to early Land Rovers, the dash is modelled around a central shelf. The 10-inch 'Pivi Pro' infotainment screen is central and can be joined by an optional digital instrument cluster.

All the controls are confined to a small panel, which also incorporates the gear selector. Accessing the off-road settings is done using the



The 10-inch infotainment screen is located centrally on the dash





dual function climate control knobs. We'd rather see independent controls for these features, but it's likely many drivers will never delve into them.

Talking of off-road, the Defender has been designed to offer maximum capability. Optional air suspension allows the ride height to be increased, while the Terrain Response system can adapt to the conditions to provide optimal traction. Buyers can even specify off-road tyres.

It's on-road that the biggest changes are apparent, however. The Defender will happily sit at 70mph and allow its occupants to talk.

Die-hard Land Rover fans may see the new model as just another 'Chelsea tractor', but Land Rover has been clever in developing the model to have greater appeal. The old Defender only amassed sales of around 20,000 units globally towards the end of its life. The desirability of this new model, combined with its greater refinement and technology, should deliver a much-needed boost in registrations both from commercial and company car fleets.



	ENTRY LEVEL Defender 90 D200	TOP SPEC Defender 110 P400 X 7-seat	FLEET PICK Defender 110 D240 SE 5-seat
<b>SPECIFICATIONS</b>			
<b>P11D Price</b>	£38,100	£79,730	£53,810
<b>CO<sub>2</sub> emissions (g/km)</b>	232	260	237
<b>Monthly BIK tax (20%)</b>	37%/£235	37%/£492	37%/£332
<b>Fuel efficiency (mpg)</b>	32.2	24.9	31.7
<b>Fuel cost (ppm)</b>	15.9	19.7	16.2
<b>Annual VED</b>	£2,175 then £150	£2,175 then £475	£2,175 then £475
<b>Class 1A NIC</b>	£1,945	£4,071	£2,748
<b>Residual value (4yrs/80k)</b>	£18,150/47.6%	£26,775/33.6%	£21,725/40.4%
<b>AFR (ppm)</b>	10	17	10
<b>Running cost (4yrs/80k)</b>	47.3ppm	94.2ppm	64ppm

## RIVALS



**MERCEDES G350D**  
AMG Line



**JEEP WRANGLER**  
2.2 Multijet2 Overland 4dr



**TOYOTA LANDCRUISER**  
2.8D Icon 7-seat

<b>SPECIFICATIONS</b>			
<b>P11D Price</b>	£93,910	£47,885	£47,975
<b>CO<sub>2</sub> emissions (g/km)</b>	288	247	253
<b>Monthly BIK tax (40%)</b>	37%/£579	37%/£295	37%/£296
<b>Fuel efficiency (mpg)</b>	25.7	30.1	28.8
<b>Fuel cost (ppm)</b>	19.9	17	17.7
<b>Annual VED</b>	£2,175 then £475	£2,175 then £475	£2,175 then £475
<b>Class 1A NIC</b>	£4,795	£2,445	£2,450
<b>Residual value (4yrs/80k)</b>	£39,450/42%	£13,350/27.9%	£16,500/34.4%
<b>AFR (ppm)</b>	12	12	12
<b>Running cost (4yrs/80k)</b>	96.8ppm	65.6ppm	62.5ppm



# VOLVO XC40 RECHARGE T5



More miles to the gallon and lower BIK – this compact SUV has much that user-choosers want

By Matt de Prez

**V**olvo was one of the first car brands to announce a shift away from diesel engines, back in 2018, and now it is following through with its promise by removing the oil-burning option from its XC40 compact SUV.

The car is now available in B4 and B5 mild-hybrid petrol, T4 and T5 petrol plug-in Hybrid, and P8 fully-electric. The T2 and T3 petrol units remain available.

T4 plug-in hybrid models develop a combined 211PS, while the T5 we test here has 262PS. Both use 10.6kWh battery for a range of 27 miles and produce CO<sub>2</sub> emissions from 47g/km.

A 1.5-litre three-cylinder petrol engine is used in conjunction with a new seven-speed twin clutch transmission and electric motor, powering the front wheels.

In the T4, it serves up 129PS, while the T5 has 180PS. This is boosted by the electric motor's 82PS output in both configurations.

## FLEET PICK XC40 RECHARGE T5 R DESIGN

SPECIFICATIONS	
P11D price	£40,975
Monthly BIK	12%/£82
Class 1A NIC	£679
Annual VED	£0 then £465
RV (4yr/80k)	£14,650/35.8%
Fuel cost	7.8ppm
AFR	12ppm
Running cost (4yr/80k)	45.8ppm
CO <sub>2</sub>	47g/km
Fuel efficiency	134.5mpg



XC40 is said to have a range of 27 miles on electric-only

Like all Volvo plug-in hybrids, the battery is cleverly packaged into the car's chassis, so luggage and passenger space are not affected.

The electric motor is powerful enough to haul the 1.75-tonne XC40 around town in silence. We struggled to get the claimed 27-mile range to show on the trip computer though, but were happily getting more than 20 emission-free miles from the XC40.

On longer trips it's possible to eke out more electric miles by using regenerative braking and the car's charge-on-the-go function.

The claimed 100-plus mpg figure is challenging to achieve unless you rarely fire up the petrol engine. We were achieving closer to 50mpg – however, that's still impressive when compared with the old diesel model, which struggled to get above 40mpg.

Refinement levels from the new powertrain are impressive. The petrol engine remains muted on the move and the new gearbox reacts quickly to driver inputs to serve up the right amount of power when needed.

As the current flagship XC40, the T5 delivers strong performance. It can get from 0-60mph in seven seconds, while the combined force of the engine and electric motor sees punchy mid-range acceleration.

There are two trim levels: Inscription and R Design. The latter is expected to be more popular with its sportier look, although that comes at the expense of ride comfort.

Prices start at £39,075 for the T4 R Design, which is about £2,500 more than the outgoing D4. Benefit-in-kind (BIK) tax is significantly cheaper, however, saving a 20% taxpayer around £150 per month.

The T5 starts at £40,975, with a BIK increase of less than £50 per year.

When it comes to running costs, the plug-in hybrid wins again. Fleets can expect to pay 43p per mile (T4), versus 47p for the diesel (D4 AWD).

Is it a no-brainer then? Well, the XC40 was always a frontrunner in its segment, but its old powertrain line-up meant it fell short when it came to BIK. With that problem solved, the XC40 offers user-choosers a great package.





# RENAULT CAPTUR E-TECH PLUG-IN HYBRID

Impressively smooth SUV is commendably quiet and comfortable even on the motorway

By Andrew Ryan

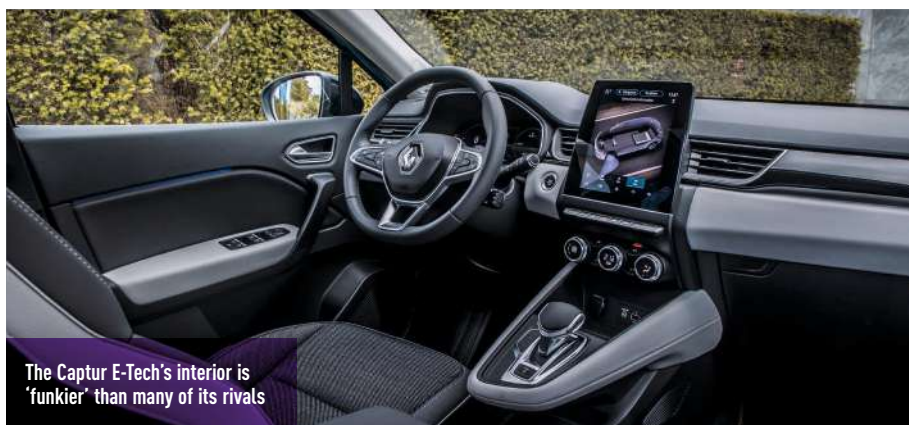
**R**enault is one of the longest-established players in the battery electric vehicle (BEV) sector, with its Zoe supermini and Kangoo ZE van among the best-in-class.

It has now expanded its electric vehicle (EV) reach into the plug-in hybrid and hybrid sectors for the first time through its E-Tech models.

Alongside a Clio hybrid and a Mégane plug-in hybrid is the Captur plug-in hybrid. This is the latest variant of the crossover which has been Renault's best-selling model in the UK since its launch in 2013, with 150,000 registered so far.

Powered by a 1.6-litre petrol engine plus two electric motors, producing a combined 160PS, it offers CO<sub>2</sub> emissions of 34g/km with combined fuel economy of 188.3mpg.

It features a 9.8kWh lithium-ion battery which can be charged from 0% to 100% in three hours and is capable of 30 miles all-electric driving, with a maximum electric-only speed of 83mph.



The Captur E-Tech's interior is 'funkier' than many of its rivals

## RENAULT CAPTUR E-TECH S EDITION

SPECIFICATIONS	
P11D Price	£30,440
Monthly BIK (20%)	10%/£51
Class 1A NIC	£420
Annual VED	£0 then £140
RV (4yr/80k)	£9,325/31%
Fuel cost	2.61
AFR	12ppm
Running cost (4yr/80k)	32.33ppm
CO <sub>2</sub> (g/km)	34g/km
Mpg	188.3

Whether the new powertrain is used in the optional 100% electric-only mode or combined hybrid setting, it is impressively smooth, providing plenty of power when needed.

This is accompanied by a high level of refinement with the SUV commendably quiet and comfortable, particularly at motorway speeds.

The plug-in hybrid Captur offers the experiences which have made its petrol and diesel siblings so popular: it's easy to drive and visibility is good, while the interior is funkier than in some of its rivals.

The quality of the cabin materials is also much improved compared with its predecessor, with the E-Tech models featuring a new 'Smart Cockpit'.

This includes a 9.3-inch touchscreen for the infotainment, a 10-inch TFT instrument cluster and a 'flying console' which houses the gear shifter and wireless smartphone charging pad.

These help give the Captur a high-tech feeling in keeping with its powertrain and this is further emphasised by the white dashboard insert and blue stitching of the Launch Edition, which has a £500 premium over the other trim level

available, S Edition. The extra money also pays for other cosmetic additions including 18-inch alloy wheels (S Edition: 17-inch) and blue and copper details on front bumper, front wing and C-pillar.

Both models are available to order now with first deliveries taking place in October. They are well-equipped, with standard safety and driver assistance features including adaptive cruise control, autonomous emergency braking, blind spot indicator, lane departure warning and lane-keeping assist, LED headlights and front and rear parking sensors and rear camera.

There is ample room inside for four adults although, at 379 litres, its boot is 43 litres smaller than that of its internal combustion engine siblings.

There's plenty to like about the Captur E-Tech and although its P11D price of just more than £30,000 may initially appear expensive, the car does sit in the 10% benefit-in-kind band in the 2020/21 tax year. This means a monthly tax bill of just £51 in 2020/21 for the S Edition model, £56 in 2021/22 and £61 in the following years, making it attractive to SUV-seeking company car drivers.





## ▶ VOLKSWAGEN CRAFTER

CR35 TRENDLINE MWB 2.0TDI 140

**By Trevor Gehlcken**

After a month driving the VW Crafter on a daily basis (I don't own a car), I've had plenty of time to assess its good points. There are a few minor grumbles – with minor being the operative word.

At first, I was slightly concerned about relying on such a big vehicle for everyday use, but it's a nimble beast for its size and so easy to manoeuvre that my fears proved unfounded.

The only slight annoyance I found is that I have to stop on the far side of the car park at my local

supermarket as the Crafter just doesn't fit in those silly little spaces.

Mind you, its usefulness with 11 cubic metres of cargo space at the rear makes up for any parking problems.

On the downside, I don't find the look of the Crafter very inspiring and the dash is positively ugly – but like with many quality German products, it's a matter of function over form and there are certainly no problems with the way it functions.

Put simply, the Crafter is the slickest, smoothest



3.5-tonne van I have driven in 30 years of testing for *Fleet News*.

And, given looks are about the last thing a van fleet manager considers when choosing new vehicles, I'll say no more about the aesthetics.

I've always said that once you get over three tonnes gvw, you can forget about vehicles having a car-like feel – their driving dynamics are more akin to trucks than cars. But, with this van, I have to eat my words.

The VW design engineers have sprinkled their magic dust on the Crafter and, apart from sitting up higher, the driver could for all the world be at the wheel of an upmarket passenger car. It makes my poor old 10-plate Fiat Ducato camper van feel positively prehistoric in comparison.



## ▶ ŠKODA SUPERB

2.0 180PS 2WD SPORT LUX

**By Stephen Briers**

Skoda, you owe me 50p. Readers may recall that the tyre pressure monitoring system alerted me to low pressure in two tyres recently.

Each should be 36PSI. Clockwise, from rear nearside, they were 36/35/36/36! Hardly cause for the warning light to come on, surely. The 50p? That's how much it cost to check the pressures.

The system has now been re-set, so, hopefully, it will settle down for the rest of our time with the car.

Being primarily home-based for work, and without access to a fast charger, the plug-in hybrid

Superb is spending very little time running on electric. However, the 1.4-litre petrol engine is surprisingly frugal.

On steady journeys, it is comfortably averaging 48mpg. The WLTP figure is 148.7-217.3mpg, but the comparison is unfair without regular charging. However, the 1.6-litre diesel with the auto gearbox is only slightly higher than my pure petrol performance, at 52.3mpg, while the 1.5-litre TSI auto petrol Superb is just 43.5mpg.

Given the extra battery weight carried around by the PHEV, 48mpg is a decent return.



Of course, if I was working in – and charging up at – the *Fleet News* office, the electric range of 34 miles would see me home and back again, enabling me to run 100% on electric.

That's where the case for plug-in hybrids is really made. My pre-coronavirus weekly routine was typically three days in the office, two out at meetings – often round trips of 300 miles or more.

The petrol range, which exceeds 450 miles with careful driving, accommodates these longer trips in a way pure electric vehicles currently cannot. At least, not without a mid-journey charge-up, and that's not always possible due to the infrastructure or time.

My driving behaviour hasn't quite made the cultural leap to pre-planning journey times and routes with charging breaks included.

PHEV, therefore, works well (assuming access to the office chargers). And, with BIK of just 10%, the monthly tax bill of £60 for a 20% taxpayer or £120 for a 40% earner only adds to the Superb's appeal as a company car.





## MAZDA CX-30

2.0 180PS 2WD SPORT LUX

By Sarah Tooze

A weekend away in Norfolk earlier this month finally gave me the chance to do some longer journeys in the Mazda CX-30.

Mazda claims its Skyactiv-X petrol engine, which features mild-hybrid technology, gives diesel-like fuel economy so I wanted to see if we could achieve the official combined average of 47.9mpg with 'normal' rather than eco-friendly driving.

I'm pleased to report that during the weekend, which included a 68-mile trip from home to the place we were staying, plus some shorter trips to the coast of 25-30 miles each way, the fuel

economy did reach 47mpg. The 2.0-litre engine has to be worked hard, but the CX-30 handles well with precise steering and very little body lean, which was appreciated on the twisty rural roads in Norfolk.

The seats are comfortable with the position slightly higher than in a hatchback, although the coupé-like design means you do sit lower than in the likes of the Nissan Qashqai.

Since our return, fuel economy has dipped slightly, with an average of 46.4mpg, after travelling around 2,500 miles in total since we took delivery of the CX-30 towards the end of June.



## VW PASSAT

ESTATE GTE ADVANCE 1.4 TSI PHEV

By Gareth Roberts

The Volkswagen Passat estate manages to maintain a premium feel while delivering a level of practicality that will appeal to many a company car driver.

Compared with the outgoing model, the roofline is a bit lower, but headroom has not been compromised and, despite being shorter, there is more room inside.

In fact, there is bags of legroom in the rear, while the boot has grown to offer an impressive 650 litres – 47 litres more than its predecessor. The Mondeo estate offers a meagre 560 litres in comparison.

A wide opening, which comes with the optional electric tailgate on our GTE Advance 1.4 TSI PHEV

test car, is matched with a flat boot floor, making visits to the DIY store less of a back-breaking experience.

Fold the rear seats down and you'll get a cavernous 1,780 litres, more spacious than some London bedsits!

It is also easy to park, with front and rear sensors as standard, and good sightlines when negotiating a tight spot. Our test car comes with the area view and rear-view camera, an £800 optional extra, making it easier still.

The infotainment system features digital radio and Bluetooth as standard and all cars come with a wireless App Connect system to sync your smartphone with Apple CarPlay, Android Auto or Mirrorlink via Bluetooth.

## WARDY'S WORLD

By Martin Ward



April seems such a long time ago. So much has happened or, more accurately, has not happened. Back then I predicted that used car prices would remain much the same during lockdown.

Someone had pressed the pause button. After things fired up again, they pressed play and used car prices returned to how they were.

Many were predicting a catastrophic collapse in values. They were wrong. Used cars are in demand and all that pent-up demand is reflected in sales figures. But, new car orders and sales are still a bit all over the place with no real stability yet.

As car factories resume normal working, or nearly normal, they still have some catching up to do. Also, with model and model year changes due during the shutdowns, getting the parts required has been slow in ramp-up. This must be a nightmare for the assembly lines.

### Strictly regulated event

I attended an event near Harrogate organised by the Northern Group of Motoring Writers in conjunction with Kia UK's press office. Kia took around 10 cars for us to drive. There were strict rules to follow, naturally. Only one person per car; each car was sanitised after each drive and a safe distance at all times.

This is only the second event I have attended since March, and I still feel that a return to the old type of driving event, or face-to-face meetings, are some way off. Indeed, going overseas to drive a new car is only a dream now, whereas not long ago it was the norm, even a bit boring and mundane. Don't think many journalists will ever complain again.

### Fair's fair on used car sale

After buying a new car, I was left with a spare one to sell. I have seen many TV adverts from companies who buy cars. So I thought I'd give it a go.

After putting in all the details, a figure came back, almost immediately of £3,740. Pretty fair. An appointment was made for the next day and I took it to the nearest branch about 20 minutes away.

The gentleman gave it a full appraisal, put all the details into the computer, and it produced a figure of £3,100, a £640 drop. But in the company's defence, he did point out why there was such a big difference. The online value assumes it is in immaculate condition with no marks.

There is no bargaining, that's the price, take it, or leave it. But the service is certainly quick, great friendly staff, and if you accept the offer, the money goes into your bank within four days.



## ▶ VOLVO S90

T8 INSCRIPTION

By Matt de Prez

Car interiors have become a lot better in the past few years, but no one quite manages it like Volvo. The tidy layout, premium materials and comfortable seats make it the ideal chariot for long journeys.

I love covering miles in the S90; it's so refined and quiet on the move, the seat massages you while delivering cool air through the leather's perforations and the Pilot Assist eases the amount of actual driving required.

Not many big saloons do this as well. They tend

to favour sportier handling, have harder seats and lower profile tyres that spoil the tranquillity.

It does mean the S90 lumbers around a bit more in the corners than a 5 Series would, but it doesn't really matter because it's just so effortlessly enjoyable in other ways.

With the ridiculously good Bowers&Wilkins audio system streaming my favourite tunes through the integrated Spotify app in the S90's Sensus infotainment system – perfectly reproducing each note through its array of aluminium-covered speakers



– you really can escape into your own cocoon.

What really matters with this T8 plug-in hybrid, though, is how efficient it is. After 1,000 miles the numbers are telling me I've averaged 43.4mpg. That's not quite the 165mpg that Volvo say it will do, but for a 390PS all-wheel drive land yacht, I'm impressed. Realistically, I'm lucky to achieve more than 40mpg from a diesel saloon – so to have all this extra power on tap for no additional fuel spend is a no-brainer.

Of course, I've been getting lots of 'free' trips in the S90 too. That is because, while it costs around £1.50 to charge the S90's battery – in return for about 25 miles of driving, Volvo is reimbursing plug-in hybrid drivers for any electric miles they cover in the first year (for orders placed up to September 30, 2020).



## ▶ AUDI A4 FINAL TEST

35 TDI TECHNIK

By Andrew Ryan

Much of the past six months or so since lockdown began just seem to have disappeared into the ether, with days, weeks and – recently – months just blurring into each other.

And I think that's one of the reasons why, when our A4 35 TDI Technik long-term returned to Audi a couple of weeks ago, our loan of the car seemed to be over too soon. However, the bigger reason has been just how much I enjoyed my time with the car;

I would have been delighted to run it for longer.

It's an enormously accomplished competitor in the premium car sector. It has the inherent classy Audi looks, both outside and in, with the cabin offering the quality, feel and technology expected from a car in its segment.

A good example of this is its Audi Virtual Cockpit Plus digital instrument panel. Using a 12.3-inch TFT screen, it replaces the traditional dials for speed, rpm and other information with a display which can



also be used to show navigation, media and driver assistance systems.

It looks modern, is clear to read, easy to operate and provides a feel-good factor to the driver. The infotainment system matches this quality, which further enhances the car's technological feel.

The A4 is also accomplished on the road. With 17-inch wheels, it is not a particularly sporty drive, although the 163PS diesel engine provides plenty of power for overtaking, but, instead, delivers a comfortable, cossetting ride.

One of my final journeys was a 200-mile roundtrip from my home in Norfolk to near Milton Keynes, and the miles just disappeared with no fuss.

It proved to be efficient too, with the trip computer regularly reporting average fuel economy of between 65-72mpg for journeys. The official WLTP combined fuel economy is 54.3mpg.

The only issue I can see is that the premium sector is a competitive one, with BMW, Mercedes-Benz and Volvo offering strong products too, but anyone opting for the A4 is unlikely to be disappointed.



# CommercialFleet



## Weighing up the cost of overloading

Fines could prove the least of your worries



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# Dashcams a 'cost-effective' way for police to deal with road traffic offences

Driver uploads are identifying the worst traffic offences and more than half have been acted on

By Gareth Roberts

**F**leet operators and their drivers are being urged to share dashcam footage with police to help prosecute dangerous drivers and improve road safety.

More than 10,000 clips have already been uploaded to the National Dash Cam Safety Portal since its launch last year. The platform allows road users to report serious road incidents and securely upload video footage to the appropriate police force.

In-cab camera manufacturer Nextbase, which developed the portal, told *Commercial Fleet* more than half (52%) of the uploads have been followed up by police, with drivers being taken to court, having to attend awareness courses, sent warning letters or fined.

"This demonstrates the success of the platform in identifying the most severe incidents and linking motorists with police in a bid to crackdown on this behaviour," said Nextbase's Bryn Brooker.

"The whole idea behind it [the platform] was to make the roads a safer place; it was built to remove the most dangerous drivers from our roads."

Drivers uploading a video must first tick a box that says 'I am willing to go to court and testify' if required. Brooker explains this "filters out those people uploading a video of

their neighbour running a red light, for example, and ensures that focus is on only the worst of the worst motorists".

## FLEET ROLE

TRL – formerly the Transport Research Laboratory – wants to increase the role of dashcams, and other filming devices such as smartphones, in a bid to reduce the amount of dangerous driving on UK roads by encouraging drivers to upload footage.

Dashcams can provide crucial evidence to TRL's expert witness and investigations team, but senior consultant Victoria Evers told *Commercial Fleet* that working in collision investigation, the "ultimate aim is improving road safety".

She believes commercial fleet operators using the technology could play a vital role in improving road safety by sharing video footage of dangerous driving, which is witnessed by their drivers.

Evers explained: "It's about volume; the more miles of driving you record, the greater the chance of recording examples of bad driving."

"Fleet operators that are covering much higher mileages than a private motorist have the potential to record more instances [of dangerous driving]."

"They could, potentially, be a vital



**“DRIVERS CAN MAKE USE OF AN ALERT BUTTON SHOULD THEY WITNESS ANY KIND OF EVENT**

**SHAUN ATTON,  
AUTO WINDSCREENS**

source of footage as long as it can be dealt with within the 14-day limit for some offences."

Auto Windscreens began using the technology across its commercial fleet in 2016 with 340 commercial vehicles and 59 cars fitted with devices from sister company Vision-Track.

Group fleet manager, Shaun Atton, said: "We use the 24/7 managed service; there is a team which specif-

ically reviews our footage and events. If one of our vehicles is involved in an RTI (road traffic incident) then the team raise the FNOL (first notification of loss) with our insurers. This allows us to control costs by having early access to the footage and sharing with relevant parties."

Furthermore, Auto Windscreens' drivers can make use of an alert button should they witness any kind of event, which automatically uploads a video for the teams to review.

## POLICE RESOURCE

Currently, the majority of police forces – 33 of 45 in the UK – have signed up to the Nextbase initiative, with many individual forces also having their own portals on individual websites.

They have been promoted through Operation Snap, in an effort to encourage more people to upload examples of dangerous driving.

Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), in a recent report on roads policing, said that video footage recorded on dashcams and helmet cameras was a "cost-effective way" in which forces can deal with road traffic offences.

However, it found examples of forces that had adopted the scheme without enough consideration of



**10,000**

clips uploaded  
to National Dash  
Cam Safety Portal

**52%**

of clips pursued by police

potential demand and the resources needed to meet it.

In some forces, it said, "support functions were overwhelmed by the number of submissions".

This resulted in some being unable to meet the legal requirement to notify registered keepers of vehicles of potential prosecutions.

In others, the process for submitting footage was difficult and there was little or no contact with the people who had been motivated enough to provide it.

The report concluded: "There are obvious benefits to the scheme, but it must be properly resourced and there should be clarity on how and when submitted footage will be used."

Eyers agrees that resourcing is an issue, despite the National Dash Cam Safety Portal reducing the amount of time it takes police to process clips. Nextbase estimates it saves an average of eight-10 hours of police time for each case.

"If resources could improve in the

future then the police could potentially increase the number of prosecutions that result from them," said Eyers.

Responding to findings of the HMI CFSR report, the National Police Chiefs' Council lead for roads policing, Chief Constable Anthony Bangham, said: "Forces are working hard to target those who use our roads dangerously or to commit crime, but we know there is more to do."

#### FLEET BENEFITS

The presence of vehicle technology in general has increased significantly in the past decade, with telematics now said to be in more than 60% of commercial vehicles.

"This data can be used effectively to improve driver performance and reduce claims costs by identifying higher risk drivers so interventions can be provided to change driver behaviours and reduce risk," explained John Dye, director of underwriting for Motor at QBE

Europe.

"Now we see technologies merging together to the new trend of video telematics. This provides the fleet with a single box solution, and for the insurer it provides a wealth of valuable data for risk management and claims purposes.

"The hope is that as the use of the technology improves, we can drive down the frequency and severity of claims."

Dashcams have fundamentally changed the way motor claims can be handled. Dye said: "In the past, we had to take the driver's word for what happened in an incident, which presents challenges. We were often confronted with a pencil sketch of road layouts and positions of third-party vehicles, which also had its challenges."

Dashcam footage, however, allows insurers to view the incident exactly as it happened, applying the industry's technical expertise to consider road conditions, speed of travel, visibility, reactions and

behaviour of drivers.

"This is factual primary evidence which enables us to make accurate and fair liability decisions," said Dye. "Dashcam footage also provides additional insights such as parties involved, passenger numbers and speed of impact so we can consider injury likelihood and extent which gives us an added layer of counter-fraud claims management.

"In seconds, we can often see exactly what happened and who was at fault, which means we can settle claims significantly faster and, therefore, at less cost."

By using video telematics technology, Dye says QBE's customers also raise the "effectiveness of their fleet and gain valuable intelligence about their employees' driving".

"This can be used to inform driver training, improve fuel economy, reduce wear, reduce accident risk and enhance productivity."

Furthermore, it can be reflected in lower premiums, bringing additional savings to a fleet's bottom line.



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PEUGEOT

**PEUGEOT RECOMMENDS TOTAL** Official fuel consumption in mpg (and l/100km) and CO<sub>2</sub> emissions obtained for the PEUGEOT Partner van range are: Combined 36.7 (7.7) – 55.6 (5.1) and CO<sub>2</sub> 125-108 g/km. Official fuel consumption in mpg (and l/100km) and CO<sub>2</sub> emissions obtained for the PEUGEOT Expert van range are: Combined 35.9 (7.9) – 44.2 (6.4) and CO<sub>2</sub> 195-0 g/km. Official fuel consumption in mpg (and l/100km) and CO<sub>2</sub> emissions obtained for the PEUGEOT Boxer van range are: Combined 25.5 (11.1) – 34.9 (8.1) and CO<sub>2</sub> 187-154 g/km.

The fuel consumption or electric range achieved, and CO<sub>2</sub> produced (where applicable), in real world conditions will depend upon a number of factors including, but not limited to: the accessories fitted (pre and post registration); the starting charge of the battery (electric only); variations in weather; driving styles and vehicle load. The PEUGEOT e-Expert is a battery electric vehicle requiring mains electricity for charging. \*The WLTP (Worldwide Harmonised Light Vehicles Test Procedure) is used to measure fuel consumption, electric range and CO<sub>2</sub> figures. CO<sub>2</sub> figures shown are NEDC equivalent, calculated using EC correlation tool which converts WLTP figures to NEDC figures. Figures shown are for comparison purposes and should only be compared to the fuel consumption, electric range and CO<sub>2</sub> values of other vehicles tested to the same technical standard. °Based on 75 kWh battery. ^Based on PEUGEOT Boxer 335 BlueHDI 140 L2H1 S. ^Based on PEUGEOT Boxer 435 BlueHDI 140 L4H3 Professional. ^Standard on PEUGEOT Partner Grip & cost option across range. Information correct at time of going to press.



# Law-makers must keep transport industry's low margins in mind

Continental's CV boss calls for a trade-off between green goals and trucking sustainability

By John Lewis

**T**ruck fleets look set to be hit by a variety of challenges in the aftermath of the coronavirus pandemic, and financial constraints are likely to affect their ability to cope.

These are things that governments must bear in mind as they roll out new legislation, says Gilles Mabire, head of the commercial vehicles and aftermarket business unit at Continental.

New European Union (EU) regulations designed to cut CO<sub>2</sub> emissions from trucks may be laudable, but are likely to land operators with additional costs at a time when profits are wafer-thin.

"The pressure to make transport more environmentally-sustainable will not go away," Mabire said. "However there needs to be a trade-off between the legitimate intention to protect the environment and the transport industry's low margins."

Margins are likely to be especially pinched as economies cope with the ongoing impact of Covid-19 and the downturn it is likely to trigger.

"Cash is king, and everybody is looking to hang on to enough funds to allow them to keep operating," Mabire said.

The need to reduce emissions is not the only source of regulatory and financial pressure on truck manufacturers and their customers, he added. Legislation designed to prevent accidents and injuries is set to get tougher with the roll-out of the EU's latest General Safety Regulation (GSR).



Gilles Mabire is concerned that the 'legitimate intention' to protect the environment may give transport operators additional problems

Among other changes, it makes blind spot assistance systems obligatory on all newly Type Approved trucks from July 2022 and on all newly registered trucks from July 2024.

It is a trend Continental has long anticipated with, for example, the development of its turn-assist system. Capable of being retrofitted, it uses radar to detect the presence of a pedestrian, a cyclist or a scooter rider in a truck's blind spot at junctions and alerts the driver accordingly.

"Traffic is increasing globally and vulnerable road users have to be protected," said Mabire. "Drivers have to be helped to make the right decisions."

Changes such as those mandated

by GSR could lead to truck driving becoming increasingly automated as more intelligent functions are added.

"More safety will help to change the image of trucks," Mabire added; an image that is not always a positive one so far as the general public is concerned.

At the same time, connectivity is becoming increasingly important, allowing trucks to communicate with fleets, fleet customers, manufacturers, service workshops and other vehicles.

It can drive down total cost of ownership (TCO), but Mabire is concerned that only the biggest operators will be able to take advantage of what it has to offer; and at the expense of their smaller rivals.

"We need to democratise connec-

tivity," he said. "We've got to close the digital gap."

Greater reliance on connectivity can make fleets vulnerable to cyber security breaches. "Security is something we cannot compromise on," said Mabire.

However, a recent survey of German transport companies carried out for Continental by the Institute for Applied Social Science has revealed that only half of them have security measures in place to protect against cyber attack.

There is no evidence to suggest that UK fleets are any more cyber security-aware than their German counterparts.

Continental's head of research and processes for product security Mathias Dehm said: "Although fleets have not, as yet, been in the limelight so far as cyber crime discussions are concerned, they can be attractive targets if, for example, they are carrying dangerous goods."

Such goods could be stolen because they are valuable; or for use in a terrorist attack.

"Furthermore, logistics companies face potential danger if criminal hackers decide to shut them down in order to extort ransom money, and there is a cybersecurity gap between the few big players and a multitude of smaller firms," he said.

"Big corporations can develop strategies, hire IT and automotive cyber security specialists, and set up their own cyber units," Dehm added. "But smaller businesses often lack the awareness and the financial means to do so."



## PRODUCT ROUND-UP

Due to be installed in all new trucks from September 2023 onwards, the so-called second-generation smart tachograph – DTCO 4.1 in Continental parlance – will be able to detect breaches of the cabotage rules. It will also be capable of transmitting data from onboard weighing systems to the enforcement authorities.

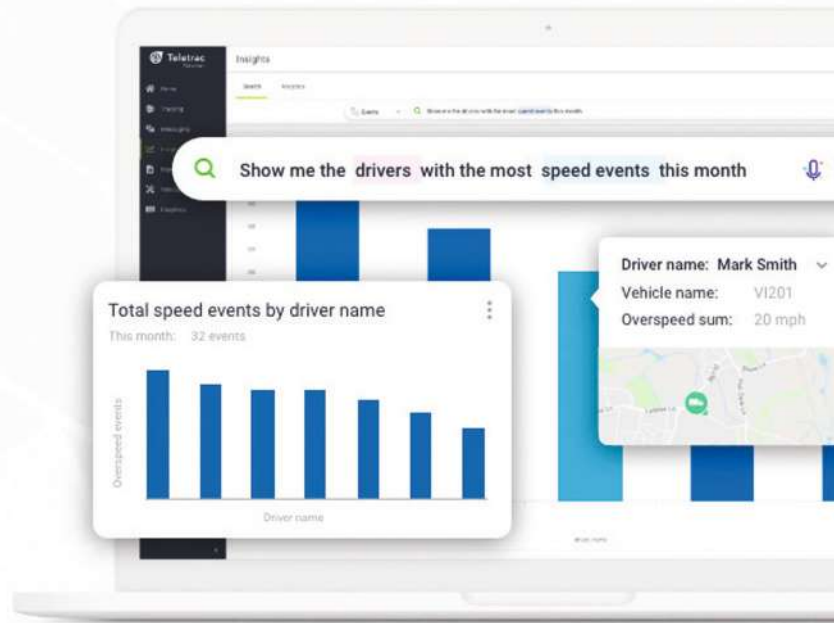
Continental has developed its own onboard weighing technology and is introducing Key as a Service for trucks. Drivers can use an app to unlock the cab and enable the engine to be started.

Virtual keys can be passed to workshop technicians' smartphones and using them allows rental trucks to be collected from the hire depot outside normal working hours.



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### More data means more intelligent insight

The new TN360 system – the first of its kind – uses a scalable cloud ecosystem to bring together data across all integrated systems such as engine information, driver behaviour, sensors, cameras, mobile and third-party applications in real-time, putting this wider range of information into context and offering more of an all-round picture.

### AI-driven to turn data into decisions

But it's what the new Teletrac Navman TN360 system does with that data that's really innovative. Rather than leave Fleet Managers with a mountain of data to analyse and process, it uses Artificial Intelligence to do all the number-crunching and make the figures easy to understand, allowing users to quickly make more timely decisions and recognise opportunities for improving efficiency in areas like route planning, logistic workflows,

maintenance, driver behaviour, compliance and fuel management. It even features voice-command technology, so for the latest business intelligence metrics on your fleet data all you have to do is ask.

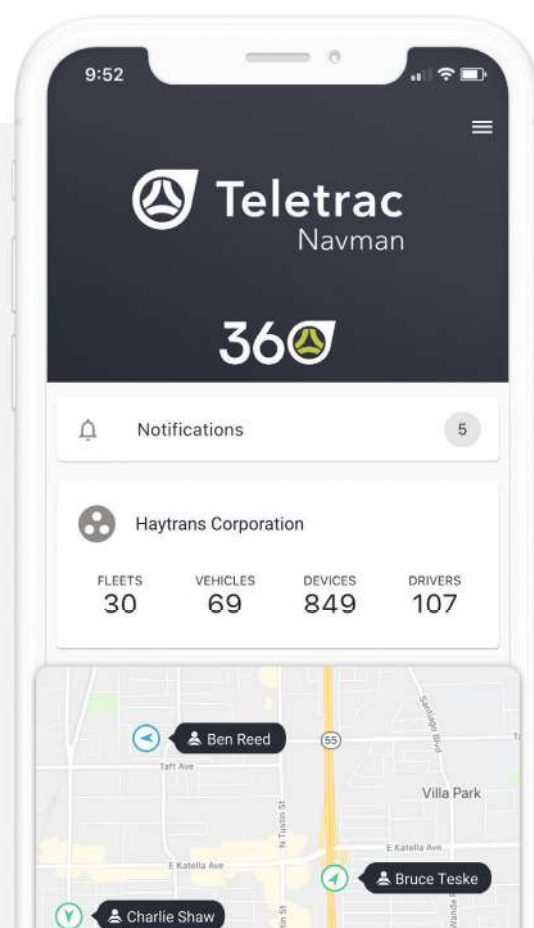
### Transforming telematics

Using the new TN360 platform brings other important advantages too. Crucially, the TN360 system collects all the information it uses in real-time, enabling managers to track second-by-second exactly what's happening across their fleet. And just as significant is the fact that the TN360 integrates quickly and seamlessly with third party systems, such as IFTTT, Zapier and Amazon's Alexa, allowing transport businesses to custom-build their own workflow to improve efficiency – and profitability.

### Putting power in the hands of Fleet Managers

Having real-time insights to hand in an easy-to-understand format on the TN360's dashboard means action can be taken when it can have the greatest impact rather than after the event – leading to better customer service, better safety, better maintenance and better compliance.

In short, the new TN360 system unleashes the power of telematics data, using smarter insights to simplify day-to-day operations – it's the next phase of digital transformation in the fleet management market, and a real step forward in advanced telematics.



**To find out more about the TN360 system, contact Teletrac Navman on 0800 060 8298 or visit [teletracnavman.co.uk/tn360](https://teletracnavman.co.uk/tn360)**



# WEIGHT WATCHERS: THE COST OF OVERLOADING YOUR VEHICLE

Drivers and owners will face fines. But those could prove the least of their worries, reports *Matt de Prez*





**O**verloaded vehicles pose a significant risk to the safety of drivers and other road users. But they also have cost implications and can potentially damage your business's reputation.

Since 2015, Driver and Vehicle Standards Agency (DVSA) has tested more than 44,000 vans at the roadside and found almost a quarter to be overloaded, while there were 80 prosecutions for overloaded heavy goods vehicles (HGVs) last year alone.

If one of your company's vehicles is found to be overloaded, the driver could face a fixed penalty notice from £100 to £300, dependent on the overload.

However, if it exceeds 30%, then the enforcement authorities will report the driver with a view to prosecution. A fine of several hundred pounds is a likely outcome if the individual is found guilty.

The financial implications don't end there. The owner may also be prosecuted for causing or permitting the offence, with penalties on conviction likely to be several thousand pounds for each axle overload, and for the gross overload as well.

Overloading can result in the issuing of a prohibition notice and the vehicle being immobilised by the DVSA until the excess is removed.

Matters are likely to become more serious, and the penalties heavier, if the overload is enough to justify a charge of using a vehicle in a dangerous condition, or if the vehicle happens to be a truck.

If that is the case, the Traffic Commissioner must be informed of any overloading conviction, resulting in action against the operator's O-licence if the offence is sufficiently serious, or if the operator has committed a number of other offences at the same time.

It will also affect the firm's OCRS (Operator Compliance Risk Score) which means its trucks are likely to be stopped by the DVSA more

frequently and it will affect its eligibility for Earned Recognition status.

Derek Hack, sales director at axle weighing company Axtex, says: "The fine that is handed out is usually the least of a business's problems. If you were due to deliver some product to one of your customers and you are found to be overloaded and prohibited from moving, you face a situation where your customer is waiting for the goods. Will that customer use you again? The fine, to some degree, is insignificant."

Overloaded vehicles pose a safety risk to the driver, other road users and the public, according to Logistics UK.

"The brakes, suspension and tyres of vehicles are designed to meet the needs of what is expected to be carried, which is clearly shown on the manufacturer's plate," says Phil Lloyd, Logistics UK head of engineering policy.

"Exceeding these weights can have a detrimental effect on those components which can compromise the safety of the vehicle and, hence, overall road-safety. Additionally, some overloaded vehicles can damage our road infrastructure, causing an unnecessary financial burden on our economy."

"Transporting a load securely not only keeps others on the road safe, but also ensures that vehicles and loads arrive on time, without incident; paying close attention to load security should be a primary concern for all road haulage operators."

It is estimated that overloaded vehicles cost more than £50 million per year through additional wear and tear on the UK road network. Heavy axles cause proportionately far more damage, and overloaded drive axles (legal limit 11.5 tonnes) are the biggest single cause of excessive wear and tear on roads.

Fleets will also pay for excess fuel use, increased wear and tear on the vehicle and an increased risk of downtime due to mechanical failure.

DVSA director of enforcement Marian Kitson says: "Lorries have a maximum load weight for a reason. Operators and drivers are putting the public in serious danger by overloading them."

"Overloaded brakes and tyres don't work properly and the results can be catastrophic. That's why we won't hesitate in prosecuting those who put people's lives at risk and undercut responsible operators."

## DRIVER AND VEHICLE STANDARDS AGENCY FINES FOR OVERLOADING

5%-10% over the limit	£100 fine
10%-15% over the limit	£200 fine
15%-30% over the limit	£300 fine
30% +	Court summons

**DVSA examiners will allow a 5% leeway before issuing a fixed penalty notice, provided the relevant weight has not been exceeded by one tonne or more.**

**Any vehicle weighing 30% more than the limit could trigger a summons.**

**Above 30%, the DVSA would consider the vehicle to be overloaded to the point that it is a clear hazard to other road users. In such cases the driver can be charged with dangerous driving – which potentially carries a prison sentence.**

## KNOW YOUR WEIGHTS

It may sound simple, but understanding the capabilities and restrictions of your fleet is the first step to ensure your vehicles are not overloaded. Consider the following:

■ **Axle weight:** this is the total weight transmitted to the road by all the wheels on one axle.

■ **Gross vehicle weight (gvw):** this is the weight of a vehicle and its load.

■ **Train weight:** this is the weight of a vehicle, a trailer and its load.

■ **Plated weight:** This is either the design weight limit given on a manufacturer's plate or the legal weight limit given on the department's plate.

A vehicle is overloaded if it exceeds the ➔



plated weight limits. A vehicle could be overloaded on all its axles, on its gross weight and/or on its train weight.

Each of these would be separate offences. So, a three-axle articulated truck which exceeded the plated weights on the first axle, second axle and gvw would make both the vehicle operator and driver responsible for three separate offences.

When calculating how much weight your vehicle can carry, remember to include the weight of the driver, passengers and anything else that's usually on board while the vehicle is travelling along the road.

### WEIGHING YOUR VEHICLE

There are a number of ways to weigh a vehicle and it's important to consider which method best suits your business.

Public weighbridges allow drivers to pull up and, for a small fee, weigh their vehicle. The law allows a vehicle to be driven to a weighbridge even if it is overweight.

However, in the view of Logistics UK, there is a shortage of public weighbridges across the UK; furthermore, it adds, there is little information available on where these are located, or their accessibility.

Operators with a larger operation, or a more frequent need to weigh vehicles, should consider installing their own weighbridge on-site.

A static axle weighbridge suitable for weighing light commercial vehicles (LCVs) costs about £8,000.

Fleets operating multi-axle heavy trucks with their more complex suspension systems should consider installing a dynamic axle weighbridge. More expensive than the static type, they typically cost around £20,000.

Hack says: "You have to pick the right machine for the application. Supermarkets send a full load from depot to shop and come back very light. They benefit from having a fixed system in the yard.

"If you were a plant hire company, they are

picking plant up as well. The load on the vehicle is changing throughout the day. In that application you need equipment on the vehicle, so the driver knows if he is overloaded or not."

On-vehicle weighing systems cost from £1,000 per vehicle and allow the driver and/or operator to monitor its weight from an in-cab device or remotely, using a telematics link.

Portable weigh pads are useful for businesses with multiple satellite locations. They cost around £6,000 and allow an operator to weigh an axle by parking on or driving over the device. They're susceptible to damage and not practical for regular use, however.

"I would say 90% of the enquiries we get are for portable weigh pads. They are the most misunderstood product in the axle-weighing industry," Hack says.

It's not common for on-vehicle systems to be installed by manufacturers, but Groupe PSA is installing an overload detector on its new range

of LCVs sold under the Peugeot, Citroën and Vauxhall brands.

The Overload Indicator two-stage system warns drivers when they are within 10% of the maximum gvw and provides a second alert if they exceed the vehicle's limit.

Alerts flash up at the rear of the van and on the instrument cluster display to ensure drivers don't miss the warning when loading and when they are about to set off.

Hyundai is also working on a similar device that will interact with the powertrain on electric commercial vehicles.

The ability to calculate the gross weight of a vehicle on the move means that an electric vehicle's torque output can be optimised to maximise estimated remaining range.

### WEIGHING VEHICLES CAN MAKE YOU MONEY

One of the biggest prohibiting factors of vehicle weighing is the expense of buying the equipment

## HOW TO PREVENT OVERLOADING

Seven recommendations to ensure your load is safe and secure from Phil Lloyd, Logistics UK head of engineering policy

**1 Risk assessment:** Consider the restraint equipment, typical load, and nature of your journey before carrying out a risk assessment as part of your health and safety requirement. Share this information with all those who are involved in the loading process.

**2 Vehicle suitability:** Make sure the vehicle is suitable for carrying the intended consignment and that it is well maintained.

**3 Load and platform:** Make sure the packaging and pallets are in good condition; any degradation could result in the goods coming free of their restraints. Also check the load platform and vehicle bodywork to ensure there is no damage or structural weakness.

**4 Load planning:** Ensure the load is spread evenly over the axles. Arrange the load in accordance with the delivery schedule and keep the load as low as possible to minimise the centre of gravity. Redistribute the load at times of delivery.

**5 Restraint equipment:** Always use appropriate load-restraint equipment, including lashing or ratchet straps, ropes, chains, bars or webbing.

**6 Walkaround checks:** Before leaving the depot, after stops and at the end of each delivery, the driver should examine strap or restraint tension and fitment, goods moved during transit and the security of the trailer curtain, doors and tail lift.

**7 Raising awareness:** Make sure training is provided to drivers and loading assistants. It should focus on driving style, safety equipment, load layout, vehicle configuration and emergency procedures.

It may pay your company to have its own weighbridge





or paying to use a public weighbridge. But, fleet operators could, effectively, get a weighbridge for free if they let other businesses use their's for a nominal fee.

"If you are a pallet network, for example, your yard is quiet during the day. All the action happens at night," says Hack. "If they had a weighbridge that other hauliers could use during the day, they could generate significant income to cover the cost of the installation. The system could pay for itself within two years, then it's earning them a profit."

Operators could typically charge other users

between £6 and £15 for the use of a weighbridge installed on their site.

Not all businesses want to weigh their vehicles to see if they are overweight; some want to check they aren't underweight. If you can accurately measure the weight of your vehicles you can run them at full capacity, which can reduce the number of vehicles you need to send on a particular route.

#### TRANSPORTING OVER-SIZED AND HEAVIER ITEMS

Load should be divided up and transported within the legal weight limits, but there are times when this isn't possible. Some heavy or out-sized items need to be transported by road, including aircraft wings, mobile homes and construction equipment.

In these cases, the vehicle used to take the load, classed as a Special Types Vehicle (STV), will be used under the authority of the Road Vehicles (Authorisation of Special Types) (General) Order 2003 (STGO).

To comply, they must have a valid STGO order issued by Highways England and the Vehicle Certification Agency (VCA). And fleets can still fall foul of the rules.

Three major haulage firms were recently prosecuted for overloading their vehicles under STGO.

WS Transportation, of Runcorn, whose directors are Edward and William Stobart, was fined £27,000 when it transported a heavy crane using a trailer with insufficient load capability.

Last year, Metcalfe Farms Haulage of Leyburn was fined £10,000 for overloading one of its HIAB crane articulated vehicles, while Court Smiths (Gloucester) of Stonehouse was fined £40,000 for overloading a vehicle and breaking its design weight.

Distributing the load evenly will help to ensure the vehicle is safe to drive

## TOWING A TRAILER? THINGS TO CONSIDER

When a trailer is attached to your vehicle, the combination can come within the scope of additional rules.

#### LICENCES

A standard car licence, issued from January 1997, enables the holder to drive a vehicle with gvw up to (and including) 3.5 tonnes and a trailer up to 750kg maximum authorised mass (MAM).

It also allows the towing of a trailer above 750kg MAM, if the gross train weight does not exceed 3.5 tonnes and the weight of the trailer does not exceed the unladen weight of the drawing vehicle.

Licences issued before January 1997 allow a driver to tow a trailer above 750kg gvw, behind a 3.5-tonne vehicle. Drivers who gained their licence after this date will need to take a trailer test in order to tow anything heavier.

#### DRIVERS' HOURS

GB domestic drivers' hours rules apply to drivers on journeys within the UK who are exempt or excluded from the EU tachograph rules.

In any working day, a driver is restricted to a maximum of 10 hours daily driving and an 11-hour daily duty limit (excluding rest and breaks).

However, drivers of goods vehicles not more than 3.5 tonnes gvw and dual-purpose vehicles engaged in a service of inspection, cleaning, maintenance, repair, installation and fitting are exempt from the 11-hour daily duty limit.

In addition, drivers who do not drive for more than four hours on every day of a fixed week (commencing midnight Sunday/Monday) are also exempt from the duty limit.

EU rules may apply if the vehicle combina-

tion exceeds 3,500kg gross train weight and is travelling within the EU, European Economic area or Switzerland. There are a number of exemptions, including the non-commercial carriage of goods or vehicles being used by tradespeople

#### OPERATOR LICENCING

You need a licence to carry goods in a lorry, van or other vehicle if the vehicle and the trailer are plated and the total of their gross plated weights is more than 3,500kg or the total unladen weight of the vehicle and trailer combination is more than 1,525kg.

You'll need a standard licence if you're carrying other people's goods for hire or reward (such as working as a courier or freight transport business) and the vehicle and trailer combination exceeds the weight limits above for a single vehicle.



# ADVICE LINE

By Ray Marshall, senior transport advisor, Logistics UK

**Q** Please can you confirm the amount of time a vehicle can be used at a different operating centre before changing, or adding it to, an operator's licence?

**A** A vehicle can normally be transferred from one operating

centre to another in the same traffic area without informing the Traffic Commissioner, provided the new centre is nominated on the licence.

However, if the transfer affected conditions placed on the new centre covering the number, type or size of vehicles, an application for a major variation of the licence would be needed.

Transfers from an operating centre in one traffic area, to an operating centre on a licence in another traffic area do not have to be specified in the new traffic area for the first three months, provided the number of vehicles allowed on the licence is not increased.



ISTOCK/PAULBRANDING

**Q** Please can you advise on the International Maritime Dangerous Goods (IMDG) code and if it applies to the movement of hazardous clinical waste UN3291 collected from the Scottish Isles then ferried to the mainland for onward disposal?

**A** The transportation of clinical waste (UN3291) on ferries from the Scottish islands to the mainland is subject to the usual IMDG code regulations; vehicle placarding, container/vehicle packing certificates, dangerous goods transport documents etc.

A key consideration is UN3291 Stowage Code SW28 which states: "As approved by the competent authority of the country of origin."

Therefore, to transport clinical waste on ferries from the islands to the mainland, the operator should contact the proposed ferry line directly to enquire if this is permitted.

The ferry lines will, in addition to the IMDG code, have their own terms and conditions for the transportation of dangerous goods and will be able to further advise if they have the relevant approval for the stowage of UN3291.



ISTOCK/TUNART

## Fire safety regs

The Regulatory Reform (Fire Safety) Order 2005 covers general fire safety in England and Wales.

In Scotland, requirements on general fire safety are covered in Part 3 of the Fire (Scotland) Act 2005, supported by the Fire Safety (Scotland) Regulations 2006.

In most premises, local fire and rescue authorities are responsible for enforcing this fire safety legislation. HSE is responsible for enforcement on construction sites, nuclear premises and on ships under construction or undergoing repair.

Most fires are preventable. Those responsible for workplaces, and other buildings to which the public has access, can avoid the risk of fire by taking responsibility and adopting the right behaviours and procedures.

### General fire safety hazards

Fires need three things to start – a source of ignition (heat), a source of fuel (something that burns) and oxygen:

■ Sources of ignition include: heaters, lighting, naked flames,

electrical equipment, smokers' materials (cigarettes, matches etc) and anything else that can get very hot or cause sparks.

■ Sources of fuel include: wood, paper, plastic, rubber or foam, loose packaging materials, waste rubbish and furniture.

■ Source of oxygen is, of course, the air around us.

Employers (and/or building owners or occupiers) must carry out a fire safety risk assessment and keep it up to date. This shares the same approach as health and safety risk assessments and can be carried out either as part of an overall risk assessment or as a separate exercise.

Based on the findings of the assessment, employers need to ensure adequate and appropriate

fire safety measures are in place to minimise the risk of injury or loss of life in the event of a fire.

To help prevent a fire in the workplace, your risk assessment should identify potential causes such as sources of ignition (heat or sparks), substances that burn, as well as the people who may be at risk.

Once you have identified the risks, you can take appropriate action to control them.

Consider whether you can avoid them altogether or, if this is not possible, how you can reduce the risks and manage them. Also consider how you will protect people if there is a fire.

See also [www.commercial-fleet.org/legal/health-and-safety/fire-regulations-top-tips](http://www.commercial-fleet.org/legal/health-and-safety/fire-regulations-top-tips)



ISTOCK/CONCESSIONARY

## Expired licences automatically extended by 11 months

Drivers whose photocard driving licence or entitlement to drive runs out between February 1, 2020, and December 31, 2020, will have their entitlement automatically extended from the expiry date, for a period of 11 months. And, while the initial extension expired at the end of August, this has now been further extended to the end of the year under temporary changes announced by DVLA.

Drivers do not need to apply to renew their licence until they receive a reminder before their extension expires.

DVLA chief executive Julie Lennard said: "Being able to drive is a lifeline for millions of people and this further extension will ensure that in these continued uncertain times, drivers don't need to worry about the admin or the associated costs with renewing their licences."

"The temporary extension is automatic and drivers do not need to do anything. Drivers who have already applied to renew their photocard driving licence or entitlement to drive can usually carry on driving while we process their application, provided they have not been told by their doctor or optician that they should not drive."



# VOLVO FM240CF

Truck operators will welcome latest revision of a firm favourite

By Tim Campbell

**V**olvo Trucks has taken the bold step of upgrading virtually all its range during 2020 and, while many will naturally focus on the top of range flagship FH16, the workhorse of its tractor range, the FM, shouldn't get overlooked.

Its UK history with low and high cabs, of course, started with the legendary F86 and F88 models in the '60s and '70s and this two-step approach has subsequently been copied by many manufacturers.

The contemporary equivalent of the F86 is the FM range. It's been a number of years since it attracted the attention of Volvo's designers and engineers, so UK truck operators will view this latest incarnation as a welcome revision.

Two engines feature in the FM range, the lead-in engine is the 11-litre D11K with four power settings

starting at 335PS and 1,600Nm of torque. In addition there are 385PS and 1,800Nm, 436PS and 2,050Nm versions. The final power setting finishes at 466PS at 1,700-1,800rpm and 2,200Nm of torque between 950-1,400rpm.

Next up is the 13-litre D13K. Interestingly, the first two power ratings of the engine virtually mirror the 11-litre, starting at 426PS with 2,100Nm of torque and 466PS rated at 2,300rpm developed between 900-1,400rpm.

The highest setting for the FM range is delivered by the 13-litre developing 507PS and 2,500Nm of torque, more than enough for this 'pocket rocket' and the type of operations it should be carrying out.

Behind the DK engines sits the well proven I-Shift automated gearbox; in this case, the AT2412F version which is a 12-speed rated for operations up to 44 tonnes.

There are also four alternative gearboxes offering capability up to 60 tonnes and an overdrive as well as a fully-automated six-speed.

The New FM 4x2 has four wheelbases starting at 3,500mm to 3,800mm in 100mm increments. The front axle is plated at 7,100kgs as standard although this can be increased to 9,000kgs dependent on tyres. The suspension is a two-leaf parabolic spring, with a three-leaf parabolic or air suspension as an option, all supported by anti-roll bars.

The 11.5 tonne rear axle (13 tonne max) is a single reduction with differential lock and a hub reduction available for off-road applications. Air suspension is standard with anti-roll bars.

Perhaps the most significant contribution to braking the FM is the very effective and well proven Volvo Engine Brake+ system, which features an exhaust pressure governor and exhaust rocker control to delivering up to 375kW of retardation.

The standard electronic braking systems (EBS) features a hill-hold function and is linked to the

stability control system (ESP), forward collision alert (FCA) and lane departure warning completing the safety system is a driver's airbag in the cab.

Notable options include features such as adaptive cruise control (down to zero), a road sign recognition system, lane-keeping and stability assist displayed in the instrument display to alert the driver. There's also an optional passenger corner camera giving a view of the side of the truck on the side display.

There are six cab variants and all their exteriors have changed subtly, with raised A-pillars giving up to one extra cubic metre of space and more light.

Carina Byström, chief designer Interior for Volvo Trucks explains: "We've also achieved a very good visibility using a lowered door line, new rear view mirrors and a passenger corner camera."

Of course, over the air (OTA) future updates and connected services can be upgraded remotely. By the side of the driver an optional nine-inch side display for infotainment, navigation support and camera monitoring is controllable via the steering wheel, voice control, or the touchscreen display.

The improved insulated sleeper cab has been upgraded with a higher bed position and deeper mattress and improved storage possibilities and an upper rear storage with LED panels in the compartment dividers.

The DK13 426PS made light work of the varied test route we used, even for the 40 tonne gcw we were operating at. It was ably assisted by the active cruise control helping to maintain our progress. When required, the highly effective Volvo Engine Brake+ provided more than sufficient braking power, resulting in little use of the foot pedals.

The in-cab noise is excellent and the extra insulation certainly helps.

The new Volvo FM has raised the stakes in the low cab tractor sector, with excellent in-cab noise and vision matched to state-of-the-art safety systems.

## MODEL TESTED

SPECIFICATIONS	
Model	FM 4x2 420
Cab	Globetrotter
Engine	Volvo D13K
Power	426PS (309kW) @14-1800rpm
Torque	2,100Nm @ 860-1,400rpm
Gearbox	'I-Shift' AT2412 Automated
Front axle	8,000kgs
Rear axles	11,500kgs
GVW	18,000kgs
Chassis Weight	6,260kgs (sleeper)
Wheelbase	3.7m
Brakes	Discs all round
Tank	405 litres/64 litres AdBlue



# THE LAST WORD

## DAVID MORRIS

SALES CHANNEL MANAGER, GOODYEAR

Morris is a big fan of the great outdoors. His interests include looking after a smallholding, off-roading in Land Rovers and, if not in fleet, he would wish to be involved in forest management

The advice I would give to my 18-year-old self is don't sweat the small stuff. The universe has a way of working things out.

The song I would have on my driving playlist is *Summer of '69* by Bryan Adams. That track brings back some great memories of teenage years, having just passed my driving test.

If money was no object I'd have a garage full of Land Rovers. A mixture of both classic and new models. I've driven all sorts of classic Land Rovers and Range Rovers over the years and I love a bit of off-roading.

My first memory associated with a car is sleeping lengthways across the backseat of my dad's old Vauxhall Cavalier on the long drive to Scotland for our summer holidays. Long before it was made illegal, of course.

My pet hate is middle-lane hoggers. They drive me up the wall.

If I were made transport minister for the day I'd introduce more toll roads and use the income generated to repair potholes around the country.

My favourite movie quote is the last line from *Some Like it Hot*: "Nobody's perfect!"

A book I would recommend others to read?

I tend to mostly read reference books. Anything to do with looking after smallholdings would probably be up my street.

My hobbies and interests are developing my smallholding. I like to do a lot of hiking too, and skiing when the opportunity arises. I've skied all over – France, Scotland, Italy. My favourite place to go though, is America.

### Why fleet?

Growing up, I always knew I wanted to work with lots of cars. But I also knew that I didn't want to be a mechanic. So, fleet became the obvious route for my career.

### How I got here

My first role in fleet came by pure chance. I was fresh out of sixth form, looking for a job and I saw an advert in the local newspaper for a fleet administrator. After I'd got the job, it was all about self-promotion, especially during the early days of my career. That was more than 20 years ago and I've been in the sector ever since.

### Latest products, developments and achievements

I'm just about to complete my MBA in business management. It's been five years in the making and Goodyear has supported me from start to finish. I didn't go to university after I'd finished my A-levels, so I leapt at the chance. Just one last hurdle to jump now – an 11,000-word dissertation.

### My company in three words

Supportive. Flexible. Professional.

### Career influence

A previous manager at Goodyear taught me a lot about work ethic, but also about striking a good work-life balance. We've got families. We've got lives. He'd inspire you to strive for personal as well as work goals.

### What makes a good boss?

A good boss needs to be to be communicative and to the point. But they also need to be approachable and supportive. There has to be respect for the people in your organisation and support for them to find a good work-life balance.

### Advice to fleet newcomers

Don't always focus on cost savings. Fleet is more rounded. It needs to encapsulate driver satisfaction and environmental factors.

### If I wasn't in fleet?

I'd be in forest management. It's always been a dream job.



Next issue: Matt Hammond, head of fleet at Altrad Services UK



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