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Fleet Matters

Best practice in fleet management



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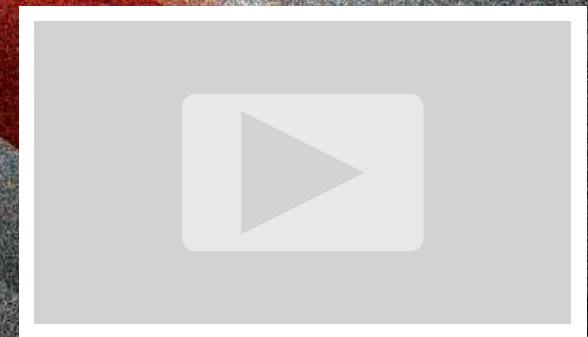
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Fleet Matters from Fuel Card Services brings you the news that matters most to help you manage your fleet more easily. In this issue, we cover five subjects that could help your vehicle operations. These include a warning about driver monitoring on motorways, ways to manage your grey fleet more successfully, whether diesel and petrol will be banned by 2030, whether hybrid vans are worth buying yet, and how Brexit uncertainty is affecting our fleets - all with clear recommended actions for busy fleet managers.



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Poor driver behaviours being filmed and prosecuted

In 2017, it was revealed that an unmarked HGV operated by Highways England had caught over 4,000 dangerous drivers since April 2015. Last year, it was reported that a whole fleet of these ‘supercabs’ are taking to our roads, supported by multiple police forces across the country.

Unlike normal HGVs, these supercabs have derestricted speed limiters so they can accelerate up to the national speed limit. Their elevated position enables easy filming of unsafe lorry driver behaviour, as well as cars, as they pass alongside vehicles on high speed roads.

Drivers are then pulled over by police cars following behind and issued fines – and prosecutions – for a wide variety of offences. Road Police Units have even posted on [Twitter](#) some of the dangerous and sometimes ridiculous behaviour they’ve spotted from these HGVs.

Richard Leonard, Head of [Road Safety at Highways England](#), said:

“Hundreds of thousands of drivers use our roads every day and the vast majority are sensible behind the wheel, but some are putting themselves and others at risk.”

“We introduced the three new HGV supercabs (in 2018) to help keep the roads safe and tackle dangerous driving by people who have either got into bad habits or are simply ignoring the law.”

The Highways England supercabs patrol motorways and major A roads across England. They’ve been used by 29 police forces over the past two years, including Avon & Somerset, Devon & Cornwall, and Gloucestershire and Wiltshire Police in the South West, in a safety initiative known as [Operation Tramline](#).

The Operation shows no signs of slowing. On the contrary, Richard went on to say that they “*remain committed to tackling those who take unnecessary risks with their own safety and the safety of others on our roads by allowing themselves to be distracted while driving*” because “*the consequences of these actions are often devastating.*”

Do your drivers know all the risks?

There are several motorway driving offences in the UK that could land your fleet drivers with a hefty fine, penalty point endorsements, or even a total ban. You can review the most common ones [here](#).

Action Point:

Use [Tele-Gence](#) to improve driver behaviour, while increasing productivity by up to 10% and MPG by up to 20%.

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How to manage your Grey Fleet more successfully

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Grey fleets are a help to many businesses, but they can be hard to manage. Mileage reporting, vehicle maintenance, duty of care, and accident management are common concerns for fleet managers who are liable. There's even been a call for the public sector to ban grey fleets. So, are they worth it?

In short, yes. And the number of grey fleets in the UK is rising. According to HM Revenue and Customs' data, there are now over 14 million privately-owned vehicles driven on work-related journeys. And the British Vehicle Rental and Leasing Association (BVRLA) in its Getting to Grips With Grey Fleet report found that employees travel 12 billion miles a year in 14 million grey fleet vehicles, costing employers around £5.5 billion.

But the increase of grey fleets poses an **increased risk for compliance** which has led the ACFO (the UK's leading representative organisation for fleet decision-makers) to say that **better grey fleet management** is now critical.

Simon Turner, campaigns director for RoadSafe (which delivers the Driving for Better Business campaign), said: "I see a lot of inconsistency in the way many companies of all sizes approach 'grey fleet'. That includes small ones that get it right, and well-known larger ones who are getting it wrong or ignoring it completely."

The reasons for poor grey fleet management are numerous, says Turner, including misunderstanding driver/employer rights, fear of confrontation, misplaced trust, and a lack of commitment to provide resources.

Costs and risks can be controlled and reduced, however, by implementing a grey fleet policy that covers both drivers and their vehicles. **Here are the five ways to manage your grey fleet more successfully:**

1 Assess grey fleet usage

How and why do your employees use their own vehicles? Gathering solid data on journey patterns and mileage is crucial; mileage capture solutions are the key to achieving this.

2 Define vehicle standards

Do you have a **policy** defining acceptable standards and employee responsibilities? This should cover vehicle age, safety, maintenance, emissions, and breakdown cover.

3 Ensure driver compliance

Do you check and record grey fleet drivers as thoroughly as those with company vehicles? From sight tests to document and vehicle checks, the same scrutiny is needed.

4 Communicate rules clearly

Have you communicated your policies to employees at all levels? It's essential to inform all your drivers of their responsibilities and what the company expects from them.

5 Enforce those rules

Do you make sure that adherence to your driver policy is monitored and backed up with appropriate action? Software can help you track, manage, and see driver alerts – well worth it.

Action Point:

Ensure you have a Grey Fleet policy and use a **mileage capture** solution to reduce mileage claims by up to 21%.

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The proposal to ban diesel and petrol by 2030

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Despite the fuming about diesel, it was reported last year there are MORE diesel vehicles in the UK than ever. And most drivers who switched away chose petrol, instead of electric or hybrid. So the Government's proposal to ban both fuels by 2040 is concerning for fleets. But what's really worrying, is the Committee on Climate Change's call to bring the ban forward 10 years to 2030.

Will it happen? Public opinion is a powerful factor. In a recent poll about whether diesel and petrol vehicles should be banned by 2040, the answer from fleets was loud and clear: over two thirds said NO. Less than one quarter said yes. And only a small percentage didn't know.

Why the 2040 (and certainly the 2030) ban looks unlikely

Reason 1 Diesel engines power over 90% of all commercial fleets in the UK today. And there are many good reasons why diesels are still so popular. As such, it's going to take longer than 10 years to begin to significantly phase them out. Especially as no other engine type yet matches its performance for commercial vehicle needs.

Reason 2 It's been found that with their new engine designs, diesels are now 71% cleaner than petrol models. This news is slowing the move away from new diesel purchases, with businesses being encouraged by Fleet Logistics to reconsider uptake of the latest diesel models. As for businesses that switched to petrol, they now have an incentive to switch back. And if they don't, the vast majority still prefer the performance of a fossil-fuelled fleet.

Reason 3 Even the very latest hybrids don't comply with the Government's 2040 zero emission target. As Richard Bruce, director of energy, technology and innovation at the Department for Transport (DfT), observed: *"hybrid technology... has comparatively short ranges before the engine kicks in and most of the driving is using the internal combustion engine"*. So, exemptions for fossil fuel engines will most likely have to apply in the future.

"There may be scope in certain niche areas for internal combustion engines to persist if they are much more efficient", adds Richard. It's easy to see how these could include even more efficient petrol and diesel engines.

Action Point:

Don't worry about the 2030 ban. Save on diesel and petrol by ensuring vehicles are well-maintained and use the right Fuel Card.

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Are hybrid vans now worth considering?

Plug-in hybrid electric vehicles (PHEVs) are apparently the 'ideal solution', claims Ford. But is this true? Only a couple of years ago, hybrids were among the 'highest polluting' vehicles. So, are they really the solution, or just a solution?

Ford analysed the data from over 110,000 miles of driving. It found their PHEVs ran on electric-only for 35% of the time, increasing to 49% in greater London and 69% in central London. Average daily mileage ranged from under 20 miles to 110 miles.

Clearly, they are now a viable consideration for urban use, due to their low-emission capability. Whether they have "no compromise on range, volume or capacity," as director of Ford Commercial Vehicle Mobility Solutions Mark Harvey claims, is less certain.

Lower emissions, but higher costs

The reality for a significant number of fleet managers is that operating large numbers of plug-in hybrid vehicles can push them outside of the economic comfort zone.

Because PHEVs use dual technologies, they are more complex machines and therefore more likely to go wrong. This was confirmed by a Nationwide review that concluded hybrids are more expensive to maintain. Carrying an internal combustion engine, fuel tank electric motor, and battery means they're also heavy. When the battery's flat, the engine has to carry the equivalent of a boot full of luggage.

So, unless your fleet of PHEVs is plugged-in regularly, and at every opportunity (usually after every 20-mile journey), you're likely to incur higher operating costs – namely, fuel bills.

You can't rely on drivers to keep them charged

Until the country is covered in charging points, drivers will continue to find reassurance in a full tank of fuel. This means your drivers will continue with their habit of filling-up at petrol stations rather than switching to a strict regime of plugging-in to power whenever – and wherever – that is even possible.

It's the fleet manager's responsibility to not only educate drivers about this vehicle type, but also to ensure they've put in place practical and adequate charging infrastructure in the workplace – which larger fleets will probably have to share on a rota-basis.

For some drivers in some fleets, for some jobs, PHEVs are indeed now a viable option. However, the majority of fleets are cautioned to weigh up the pros and cons very carefully before making the switch.

Action Point:

Avoid PHEVs for high mileage. Keep diesel and petrol vehicles well maintained with MyServiceExpert to emit less Greenhouse gases.

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How Brexit will affect UK fleets

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2019 didn't start well for the UK vehicle sector. Investment halved last year said the Society of Motor Manufacturers and Traders (SMMT) due to Brexit fears. And this April, car manufacturing plummeted by 44.5% in anticipation of us leaving the EU without a deal. And that's all before Brexit actually happens.

Brexit's already "done enormous damage", said SMMT chief Mike Hawes. But the impact so far on output, investment and jobs will be "nothing" compared to the "permanent devastation" that would be caused by severing frictionless trade links, not just with the EU but all global markets with which we currently trade freely.

In response to the Brexit extension, Mike replied: "While we've avoided a 'no deal' Brexit... it is utterly unacceptable that, more than two years since negotiations started, industry still does not know what the UK's relationship with the EU will be in the coming weeks and months. Uncertainty has already caused serious damage – car plants are on enforced shutdown, investment has been cut and jobs lost."

Last year, more than half of all fleets expect costs to increase after Brexit. In a recent poll, 64.1% of UK business owners expect the same.

But just how will Brexit affect the cost of fleet vehicles?

The truth is, nobody knows for sure. But all warning signs point to it costing the UK economy heavily. Following the announcement of Brexit then new vehicle taxes in April 2017 the fleet market started heading into decline. Actual Brexit is expected to pile even more costs of owning vehicles outright on to businesses. Here's why.

Availability and price of vehicles and parts Your fleet relies on parts largely imported from mainland Europe. The pound's already lost value against the Euro, so they're more expensive. If we leave the EU, we'll probably lose the right of free movement of trade. So, we'll have to pay trade tariffs on imports which will increase the cost of parts, servicing, and repairs.

Shortage of labour Theresa May's already said that EU-workers will require a work permit to stay in the UK. The migration of EU workers out of the UK will then leave a costly labour shortage. UK companies will find it harder to recruit foreign workers and those that do will have to pay higher salaries. So, costs for servicing and repairs would go up again. And there could be delays with fewer mechanics.

No deal A 'no deal' Brexit would be bad for UK fleets. If a deal can't be reached with EU negotiators, the UK will revert to World Trade Organisation rules which mean tariffs will be enforced. If this is the case, the cost of living in Britain will go up due to rising general inflation. The knock-on effect for fleets will be fuel prices going up, together with an even higher cost of buying and maintaining vehicles.

Action Point:

Any Brexit will be expensive. Use all the tools available in My Fleet Hub to reduce your fleet management costs.

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Our help is available to you

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Fuel Card Services has many years' experience in helping with cost-effective fleet management, gaining an invaluable depth and breadth of expertise. Our help is readily available to fleet managers through [My Fleet Hub](#) – the cost-saving services you need, all in one place.



Poor driver behaviour
increasing fuel bills?

Save miles with [Tele-Gence](#)

Mileage expense claims
costing too much?

Save up to 21% with [MileageCount](#)

Fleet servicing & maintenance
costs getting out of control?

Save up to 30% with [MyService.Expert](#)

Drivers not doing their daily
vehicle checks?

Get peace of mind with [MyDriveSafe.Expert](#)

Rising fuel costs becoming
unmanageable?

Control costs with a [fuel card](#) to suit all
businesses

Whatever your fleet management question, you can also call us directly. Either Fuel Card Services or one of our specialist partners is likely to have met the issue many times already. You can be assured of straightforward answers, based on deep fleet insight and long experience.

Action Point:

Visit [My Fleet Hub](#) or contact [Fuel Card Services](#) with your fleet management issue. Find out how much money and time you could save with solutions that meet your specific refuelling and fleet management requirements.



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