

Fleet managers need to take pro-active approach to WLTP or face rising costs, warns FleetVision

Fleet managers need to take a pro-active approach to vehicle selection following the introduction of the new Worldwide harmonized Light vehicles Test Procedure (WLTP) or face escalating fleet costs.

That's the warning from FleetVision, the fleet and mobility consultancy arm within TÜV SÜD Group, which says that fleets could face additional costs of several hundreds of Euros per vehicle per year if they do not make the right vehicle selections now within their fleet choice lists.

FleetVision is offering to work with fleets - either existing customers of sister company, fleet management provider Fleet Logistics, or companies without any form of connection to either business – to help steer them through the vehicle selection and decision-making process around the introduction of WLTP.

The new WLTP regulations relate to all new cars registered from September 1 and, since that date, only WLTP-type approved cars have been available for sale across the European Union, including the UK.

However, the transition from the previous NEDC (New European Driving Cycle) regime to the new system has not been without problems. And, as so many European countries now use emissions-based tax systems, the European Union has introduced a formula known as CO2MPAS to convert the new WLTP measurements back into something closer to the previous NEDC rating - correlated NEDC.

However, this formula delivers CO2 emission figures that are generally accepted to be higher than those published under the old emissions testing system. Many experts have identified at least a 25% increase in the CO2 emissions' values between the NEDC-correlated figure and

WLTP, a discrepancy which will widely increase registration and annual road tax costs and drivers' tax bills over time.

Waiting until EU member states announce changes in their taxation systems, with most expected to happen in 2020, is a mistake. And fleets could see operating costs rise dramatically in the interim, unless they take a pro-active approach now, said Thibault Alleyn, Global Consulting Director at FleetVision.

"We are advising taking immediate action to avoid a rise in operating costs across the fleet," said Alleyn. "Otherwise, fleet managers could face additional costs on vehicles which will continue to be on their books for several years to come."

Alleyn said there were a number of measures fleets could consider in ensuring their policy lists were adjusted for the new WLTP figures.

"The first is to review the CO2 limit that has been set for the existing fleet policy and assess whether existing vehicles are capable of remaining within that limit under the new WLTP tests. This is especially valid for plug-in hybrid vehicles, which suffer the most.

"The second is to review the existing vehicle selection criteria and calculation formula, taking into account the WLTP values for each vehicle, and question whether this needs amending to ensure a future-proof selection method.

"Thirdly, fleet managers need to look at vehicle segments and engine sizes to assess which are the most affected in terms of higher emissions under the new WLTP rules. Some existing vehicles may automatically disqualify themselves from choice lists, which means having to evaluate the most suitable alternatives.

"And fourthly, fleet managers need to look at equipment levels and options that are available to drivers on their choice lists, as some increase CO2 emissions under WLTP, which takes

equipment into account. These include, amongst others, larger wheels, automatic gearboxes, sunroofs, air conditioning and tow bars,” he said.

Alleyn said that most manufacturers were now down-sizing the number of trim levels and engine combinations in the light of WLTP. As a result, some model configurations are disappearing altogether, while there were longer delivery times on others.

Emission levels for some alternative fuel vehicles, such as electric cars and plug-in hybrids, were likely to increase under WLTP, making them more expensive to operate and presenting drivers with a reduced advantage in benefit-in-kind taxation.

“As a result of these changes in CO2 values, powertrain policies may need reviewing and developing further, including assessing the impact of future taxation,” said Alleyn.

If you require any further information or advice on the above, please contact Thibault Alleyn (below) on mobile: +32 475 705 755 or email talley@fleetvision.biz



Thibault Alleyn, Global Consulting Director at FleetVision

About Fleet Logistics

Fleet Logistics currently has a contracted vehicle fleet of around 180,000 vehicles with a related cost base of around €2.5 billion on behalf of leading multi-national corporations.

The company was acquired by TÜV SÜD in September 2012, the leading international technical service organization catering to the industry, mobility and certification segment. Its experts and technology consultants are dedicated partners in their clients' processes, offering comprehensive industry expertise throughout the entire value chain.

They focus their services on their core competencies of consulting, testing, certification and training. Over 24,000 employees are committed to optimizing technology, systems and know-how at over 1.000 locations in Europe, the Americas, Asia Pacific and Africa. Further information is available at www.tuev-sued.de.

The Fleet Logistics group currently has operations in:

- Austria, Vienna
- Belgium, Vilvoorde
- France, Paris
- Finland, Helsinki
- Greece
- Germany, Mainz, Düsseldorf, and München
- Hungary, Budapest
- Czech Republic, Prague
- Italy, Milan
- Netherlands, Oosterhout
- Poland, Warsaw
- Portugal, Lisbon
- Romania, Bucharest
- Russia, Moscow and St. Petersburg
- Slovakia
- Spain, Madrid and Barcelona
- Sweden, Malmö
- Switzerland, Baden
- Turkey
- United Kingdom, Birmingham.

Fleet Logistics has strengthened its geographical coverage to include the Baltic region -Estonia, Latvia and Lithuania - by creating consulting partnership agreements.

Fleet Logistics has emerged in Europe as a unique, knowledge-based fleet organisation, offering expert and impartial advising and management services, ranging from fleet solutions (fleet cost, policy and practices benchmarking) to strategic procurement (supplier tendering, negotiation and selection) and ongoing supplier monitoring (continuing control on overall costs, suppliers' pricing, and service quality).

Fleet Logistics' support services enable clients to reduce costs, simplify administration, and achieve maximum effectiveness for their policies and operations.