

Fleet Logistics offers further guidance to help fleet operators manage through these troubled times

During the Coronavirus crisis with many companies in lockdown, advice on keeping drivers safe and engaged, reducing operating costs and helping cash flow could be critical for fleet operators.

Birmingham-based fleet management specialist, Fleet Logistics UK and Ireland (FLUK), and parent, Fleet Logistics Group, which has around 180,000 vehicles under its care worldwide, are offering further advice to help fleets.

Train your drivers

Fleet Logistics believes that now is the perfect time to train drivers as downtime or furlough presents the perfect opportunity, especially as an employers' duty of care to its employees remains, during social distancing.

Fleet Logistics Group is offering support to fleets with one of its health and safety partners which comprises free-of-charge training for a period of three months.

The deal is with Applied Driving Techniques (ADT), a multi-award-winning, global provider of driver safety and risk management solutions.

The offer includes three training modules on Driver Fatigue, Speed Awareness and Emotional Distractions, which also includes reporting, an audit trail and ADT customer service.

Oliver Stockhecke, Chief Sales Officer of Fleet Logistics Group, said: “Social distancing is a reason to strengthen communities and focus on the safety and wellbeing of those around us.

“That is why ADT and Fleet Logistics are offering free access to three driver safety modules. We want to support staff during the current crisis or when returning to work.”

More details available at: <https://www.fleetlogistics.com/en/industry-update/>

Re-examine fleet policy

Following the latest HMRC advice in the UK, drivers must still pay their Benefit-in-Kind tax bills as they have access to private use of their vehicles – even if the places they can drive to are currently limited.

HMRC advice says: “The benefit charge applies where a car is made available for private use, whether or not it is so used. For example, a car kept on an employee’s driveway during a period of furlough would still be considered to be made available. ”

The new April 2020 BIK tax system incentivises electric cars and those with CO2 emissions of less than 50g/km, so there are valid reasons why drivers could prefer now, and going forward, to be in low-emitting cars.

Now could be an ideal time to review fleet policy to look at introducing a number of new, tax-efficient vehicles to choice lists for drivers to consider when we come out of lockdown. From a Corporate Social Responsibility (CSR) perspective, this measure should also help mitigate against the higher CO2 ratings that the new WLTP emissions system will bring in.

New, low-emitting, tax-beating vehicles could encourage cash drivers back into the corporate fleet, which could help to improve company control and reduce the risk posed by grey fleet vehicles.

Sue Branston, Country Head for Fleet Logistics UK and Ireland, commented: “The key thing is to speak with your fleet management provider and get as much advice as possible on your specific fleet and circumstances.

“Given the myriad of options available, your provider should be reviewing every area of spend – large and small – as well as looking at mileage parameters and contract extensions to reduce and manage costs.

“Ensuring that actual mileages are being used to write lease contracts, not simply relying on pooled mileages to manage excess of under mileages is crucial for accurate budgeting - particularly if you find yourself in an ongoing rolling credit basis, but never actually receive the credit,” she said.

Support your drivers

The impact of Covid-19 on household incomes could mean that some drivers may not want to have the responsibility for a leased car or salary sacrifice car and have this as a monthly outgoing.

Currently, HMRC rules allow for employees to opt out of a salary sacrifice car arrangement where a lifestyle change, such as marriage, divorce or a partner becoming redundant or pregnant, significantly alters their financial circumstances.

The UK Government has now changed its ruling on salary sacrifice and allowed drivers who opted for a car under this type of scheme to hand it back in favour of having the

cash sum previously sacrificed instead, provided their circumstances have changed as a direct result of coronavirus.

Companies may need to be prepared to support their drivers in any way possible during the current crisis and be as sympathetic as possible to their position, even if it means that they may face early termination charges from their leasing provider.

Consider sale and leaseback

For companies that own their own vehicles, a sale and leaseback arrangement can be a good way of realising some much-needed cash flow for the business.

With a sale and leaseback agreement, an organisation frees the capital tied up in its owned vehicles by selling them to a leasing company and contract hiring them back for an agreed monthly rental. This releases capital and, currently, cash is king.

The business gains the advantage of fixed monthly expenditure, which can include maintenance, tyres and servicing so that full fleet costs can also budgeted for, giving true fixed cost motoring.

Lease rentals are corporation tax deductible, which helps remove the burden of any existing banking arrangements so that released cash can be used elsewhere in the business.

At the same time, the business no longer bears the financial risks associated with vehicle depreciation or the concern around residual values, which, with a recession on the horizon, may not be a desirable position for a business.

About us

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 is jointly owned 40% by TÜV SÜD Auto Service GmbH, a wholly owned subsidiary of TÜV SÜD AG, and 60% by Volkswagen Financial Services AG.

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.

Fleet Logistics UK is the UK arm of Fleet Logistics International, one of the world's largest independent providers of fleet management services, with around 180,000 vehicles under management, on behalf of corporate customers around the world.

Here in the UK, we work with our clients to optimise the efficiency and services in their fleet supply chain, helping them make the right business decisions, not only for their company but also for their drivers. We manage and reduce costs by providing sustainable procurement strategies, helping to plan for future mobility needs.

With over 20 years' experience, we offer our clients an unrivalled level of expertise, consultancy and advice to provide a one-stop shop for all their fleet needs. Our aim is always to reduce the total cost of ownership of clients' fleets through the application of fleet innovation, strategy and controls and to optimise all aspects of their fleet operation.

For more information please don't hesitate to get in touch:

3500 Parkside
Birmingham Business Park
Birmingham
B37 7YG
United Kingdom
sue.branston@fleetlogistics.com
+44 121 717 1060