

## This Week's Briefing

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*Business Car* Techies Awards winners revealed

### First showing for new Volkswagen up!

July sees a rise in car manufacturing

### Used LCV values climb in July

HR Owen sees profits double while Pen-dragon profits climb

### SMMT appoints new vice presidents

## The Editor's View

It's a fairly obvious fact of life that young drivers – particularly male ones – are more dangerous on the roads than older motorists. An IAM report this week points out that while they make up just 15% of the driving population, they account for 30% of all accidents. Indeed 27% of all fatalities are youngsters. What isn't so obvious is why the Government has so far done very little to ensure that young drivers get more training so that fewer of them are killed and injured. The driving test, for example, still has no requirement for any motorway driving as part of the test. The IAM's suggestion is simple yet effective and comes from Austria, where the death rate among youngsters has been cut by 30%. The plan is purely to require newly-qualified drivers to undergo extra training for up to 18 months after they gain their licences. Not only would such a plan save lives but it would prove a huge perk to the UK's driver training industry too. Sadly, as with so many good ideas, it will probably be brushed under the carpet and forgotten while the deaths and injuries mount.

## Fleet file

### Training needed to tackle aggressive young drivers

YOUNG drivers are 15% more likely to crash than older drivers because of mistakes at the wheel or reacting badly to risks on the road, according to road safety charity the IAM.

The IAM's report, *Licensed to skill, contributory factors in accidents* shows that for the under 20s, 'driver and rider error or reaction factors' account for 50% of crashes. As experience grows this falls to 42% of driver and riders in their 20s and 33% of those aged between 40 and 60.

Factors associated with a more aggressive driving style are also more prevalent in the crashes of younger drivers. These include 'loss of control' (a factor in 14.5% of crashes), 'travelling too fast for the conditions' (10.5%), 'exceeding the speed limit' (6%) and 'sudden braking' (5%).

Alcohol was a factor for 4.6% of crashes for the 17-24 age group compared to 3% for the 25 – 69 age groups. Young car drivers made up 27% of all car driver fatalities, and more than 2,000 were killed or seriously injured in 2009. With driver and rider error being the top cause of fatal and serious crashes for this group, the message is clear – young drivers need more experience and training.

The IAM is calling for post-test training for young drivers in the first 12 to 18 months after passing their driving test, based on a scheme in Austria that has cut the death rate for young male drivers by 30%.

IAM chief executive Simon Best said: 'Seventeen to 25-year-olds are only 15% of the driving population and yet they have 30% of all accidents and account for 40% of insurance claims. It's clear that handing a driving licence over without offering further help is putting far too many young people at unacceptable risk.'

'The Government, the motoring industry and insurance companies need to work together to ensure that young people continue to improve their driving, particularly after passing their test.

'Post-test training that gives extra hours behind the wheel, including coaching on the critical risks such as rural roads, night time driving, weather and the effect of passengers, will save lives.'

## **Ford survey reveals drivers lack confidence**

A FORD survey of British motorists reveals a lack of confidence behind the wheel. While women believe themselves to be the safest drivers, many male and female motorists confess to potentially dangerous driving habits.

The majority of drivers reckon they could not easily pass the driving test if they took it today, with the newly-qualified having the least belief in their ability to pass a second time.

### **Men or women: who's safer on the road?**

Nearly half of all women believe they are safer behind the wheel, a view shared by only one in five males. Adrian Walsh, director of motoring safety partnership RoadSafe, said: 'Women are generally much safer drivers than men; every piece of substantial research done on this subject reveals that. Fundamentally it's because they take fewer risks.'

### **Driving test anxiety**

Around 67% of drivers are not confident they would easily pass the driving test if they had to take it again today. Worryingly this is highest amongst the newly qualified, with 73 of 17 to 24-year-olds not confident of passing a retest.

Walsh said: 'The driving test is primarily about skills, it's not a measure of motoring attitudes. It's the attitude this age group takes to risk which has a negative impact on road safety. Males aged 17 to 24 are high risk drivers and so are involved in proportionately many more accidents. There is a need for people to learn again how to drive. Advanced driving lessons are an extremely good idea.'

The most dangerous pastime at the wheel is texting (including posting messages on social networks using a handheld phone). The 10% of UK driver's texting on the move doubles among 17 to 24-year-olds.

The data shows other hazardous behaviours are frequently displayed at the wheel. Motorists confess to being driven to distraction: changing the CD or radio station is the most common habit (60%), followed by driving with one hand (40%), eating and drinking on the move (30%), driving when tired (20%) and talking on a hand-held phone (10%).

When asked which features and new technologies would make drivers feel safest, respondents ranked airbags first (32%), Active City Stop (19%) and voice control (11%).

## **Warning over theft of catalytic converters**

GROUPS of opportunistic thieves and organised criminals are targeting catalytic converters from cars, 4x4s and, in particular, LCVs.

BVRLA members have reported thefts in Hounslow, Croydon, Forest Hill and Slough, Solihull, Reading and Cambridgeshire.

'Cats' are mainly being stolen for their precious metal value – if properly recycled they can be worth between £50 and £100. Catalytic converters contain varying amounts of platinum group metals, such as palladium and rhodium, to increase the burn and split NO<sub>2</sub> into its component molecules of nitrogen and oxygen.

A new catalytic converter can cost more than £2,000 to retrofit and, even if covered by insurance, the excess on most policies makes it a heavy loss.

These thieves are not sophisticated. Any vehicle with ground clearance can have the catalytic converter ripped off within seconds, according to the police, as they typically use plumber's pipe cutters or a cordless saw to slice through the exhaust and supports.

Truckpol puts vehicle component crime, which includes 'cats', as the second biggest problem after diesel theft. So far the most commonly hit vans seem to be Mercedes- Benz Sprinters and Ford Transits, perhaps simply because of their prevalence, but Nigel Carter, sales and marketing manager at Kent-based CatClamp,

said they most frequently receive enquiries from people who have lost 'cats' from many vehicles, including Fiat Ducatos, Ford Rangers and motor homes.

The advice from the industry is still fairly generic: keep it garaged or parked in well lit, camera-monitored areas, being among the most obvious.

However, more permanent deterrents are available. Several companies offer indelible marking which can render the parts less attractive to thieves. Retainagroup, which currently marks all Iveco product for the manufacturer, offers a special label which when washed with solution will etch the contact details into the metal beneath.

The label is almost impossible to remove as, when a corner is tugged at, it will fragment. Retainagroup works closely with police and keeps a security register of all the parts and vehicles it has marked. It costs £9.95 for the vehicle to be marked and registered with Retainagroup.

Retainagroup said that there is evidence that thieves have avoided those vans which were marked in recent incidents.

Datadot and Datatag are two more companies who offer vehicle marking. Retainagroup also works in partnership with CatClamp. The CatClamp product relies on two tamper-proof bolted brackets either side of your catalytic converter through which aircraft-grade steel cable is wound over the converter and through the chassis into a simple 'cat's cradle'.

The cage can be fitted – or removed – by the owner or a mechanic, but it takes about 30 minutes to do – time which CatClamp says thieves are not willing to spend.

The company says that no product is 100% effective against determined thieves but such products require high-performance tools and significant time to disable.

The CatClamp costs £199, with a money back guarantee if it doesn't deter thieves. Rival product Armacat offers similar preventive caging, and some body shops will weld a steel plate over the cat.

There is a question about such products invalidating warranty, although CatClamp says there is no conflict. Manufacturers are reluctant to endorse third-party products which they cannot guarantee will protect the vehicle.

## **Survey reveals motoring habits**

MORE people pamper their cars each week than go to church, according to new research from Kwik Fit.

Its new study reveals that 6.2 million car proud motorists (19%) religiously clean and check their motor at least once a week compared to 4.9 million who go to church. On a monthly basis the gap grows even wider: there are almost three times as many (21.5 million) car worshipping motorists as regular churchgoers (7.6 million).

Nationwide, the most popular TLC (Time to Love your Car) is between 10am and 11am on a Sunday, which clashes with thousands of church services. Collectively, motorists spend over five million hours a week on TLC at an average of 26 minutes each.

When it comes to the amount of TLC spent, men take almost 10 minutes longer than women (30 minutes versus 21 minutes) on washing, waxing and vacuuming their cars as well as checking oil, water, tyre pressure and screenwash levels. Regionally, Londoners give the most TLC – 33 minutes on average – while motorists in Wales are the least generous at 22 minutes.

While motorists on average apply TLC every two to three weeks, 1.1 million confess to cleaning their cars once a year at the most and over two million motorists (6%) never do so.

David White, customer services director of Kwik Fit, said: 'Keeping faith with regular car maintenance may not be spiritually rewarding but can certainly save money. Well maintained cars are more likely to keep their value and owners are in a better position to spot faults before they become more expensive to fix and more likely to affect road safety.'

'Motorists who've spotted a fault or would like a second opinion are welcome to visit their nearby Kwik Fit for a free check. As most of our centres are open on a Sunday there's the option to have two different types of service in the same day.'

## **Highways Agency in plea over litter**

**THE Highways Agency has called on fleet drivers to help tackle roadside litter on England's motorways and major A roads.**

The agency collects around 240,000 sacks of litter from England's motorways every year and is asking road users to make sure their rubbish is responsibly disposed of. Drivers are encouraged to keep a bag for rubbish in their vehicles, until it can be disposed of in a bin.

Roads minister Mike Penning said: 'Litter is an unsightly and unnecessary burden and one that we can easily avoid – that's why we are asking all road users to do something very simple to make the roads safer and more pleasant for everyone. The money and resources spent removing nearly a quarter of a million sacks of litter from England's motorways could be much better spent elsewhere.'

'We have a simple 'Bag it, Bin it!' message: an easy way to help us reduce litter is for drivers to keep a bag in their vehicle to store rubbish, and dispose of it safely. If we all took this simple step, it would be a really positive move in tackling roadside litter.'

Roadside litter is not only unsightly, but is also a threat to the environment and wildlife and can block drains and cause flooding. For highway authorities, clearing litter diverts much-needed resources away from road maintenance and repairs, while items thrown from moving vehicles can be a hazard to other road users.

Environment minister Lord Henley said: 'Throwing rubbish out of a car window is completely antisocial and unnecessary. It damages the environment, spoils other people's enjoyment of the countryside and costs taxpayers millions of pounds each year to clear up. We are looking at ways to crack down on drivers who litter our roads instead of doing the right thing - holding on to their rubbish until they find a bin.'

During the summer holiday period the Highways Agency will use Twitter and some roadside variable message signs to remind drivers to dispose of their litter responsibly.

Keep Britain Tidy chief executive Phil Barton said: 'Litter is a blight on our environment, making places look unloved and run-down.'

'It is not a problem that should be difficult to solve. Doing the right thing is easy and costs nothing. Everyone needs to simply take responsibility for their rubbish. Even when driving, it's not difficult to put it aside and to bin it when you arrive.'

'Our roads should not be seen as being one giant litter bin – the cost of cleaning up after the thoughtless minority is too high and the environmental impact is unacceptable. It is time for us all to take some pride in our country – to love where we live.'

The agency is also working to encourage commercial vehicle operators to ensure their vehicles do not spill litter or debris. In North West England, Highways Agency Traffic officers and contractors will report any spillages from commercial vehicles to the regional Traffic Commissioner, and operators will be warned that their licences could be at risk if loads are not properly secured.

## **Safety seminars for Scottish fleets**

FIRMS based across South Lanarkshire and Grampian are invited to attend free seminars next month that will help them play a part in making Scotland's roads safer.

For many people, driving is the most dangerous thing they do for work and two Driving Risks at Work seminars, hosted by the Royal Society for the Prevention of Accidents (RoSPA), aim to help businesses reduce the risk to their employees and others.

Taking place on Wednesday, September 14 from 9.30am-4pm at Aberdeen Douglas Hotel and on Thursday, September 15 from 9.30am-4pm at Chatelherault Country Park, Ferniegair, Hamilton, both events are sponsored by the Scottish Centre for Healthy Working Lives (SCHWL) and are free to attend.

Aimed particularly at small and medium-sized firms, the seminars will explore various issues involved in driving for work, such as the condition of vehicles, driver impairment and accident reporting, and will consider the business benefits of managing occupational road risk. There will be opportunities to put questions to the speakers and share best practice with other firms, and details will be given of sources of further advice and support.

There will also be an introduction to the new Driving Risks at Work toolkit, which is available for SMEs free of charge. Funded by Transport Scotland and available through the Scottish Occupational Road Safety Alliance (ScORSA) website, the toolkit includes film clips to help managers identify and manage occupational road risk (funded by SCHWL), a film for employees, presentation slides, online supporting materials and situation cards to stimulate discussion with drivers.

Kathleen Braidwood, RoSPA Scotland's road safety officer, who will be among the speakers at both events, said: 'With 'at-work drivers' involved in around a third of crashes, it makes good business sense to manage employees' road risk effectively. There are also clear ethical and legal imperatives to taking employees' safety on the road seriously.

'We know small firms face challenges in terms of time and money when it comes to investing in safety, which is why these seminars and the resources they will promote are free of charge and easy to access. We hope to see many firms from across South Lanarkshire and Grampian at the events and believe they will learn a great deal from each other, as well as from the panel of speakers.'

Visit [www.rospace.com/about/aroundtheuk/scotland/driving-risks-at-work.aspx](http://www.rospace.com/about/aroundtheuk/scotland/driving-risks-at-work.aspx) for full details about the seminars, including a list of speakers and an application form for places, or call 0131 449 9378 for more information.

## **Hitachi Capital reports 6% growth in profits**

HITACHI Capital Vehicle Solutions has announced a profitable end to its financial year, fuelled by portfolio acquisitions and organic growth. The Vehicle Solutions division of Hitachi Capital has reported a 6% increase in profit to £11.5m before tax for the 12 months ending March 31.

During this period, Hitachi Capital Vehicle Solutions saw its fleet grow by 16% to more than 50,000 vehicles which increased turnover by 14% to £134m. This growth is partially driven by an acquired portfolio of 6,200 vehicles from Newtown Vehicle Rentals Limited.

James Worraker, head of finance said: 'The excellent financial results demonstrate our commitment to delivering profitable growth through our three centres of excellence: contract hire cars, commercial fleets and the driver instructor market.

'Looking ahead, with our committed and experienced employees and provision of funding through the strength of our parent company, Hitachi Capital Vehicle Solutions is strongly placed to meet both new and existing customers' requirements. We are committed to maintaining high service levels and delivering innovative solutions.'

Simon Oliphant, chief executive at Hitachi Capital Vehicle Solutions, commented: 'Following a successful year we are pleased to report an increase in our overall company turnover and profit as well as fleet size. I am confident these figures reflect the achievements of our business strategy and commitment to providing the highest levels of customer service which has enabled us to grow our fleet portfolio.'

## **Manheim rails at lax safety checks by motorists**

'SAFETY First' has become 'Safety Last' as motorists are ignoring some basic safety checks on their cars. A recent survey by Manheim Auctions has discovered that one in five motorists never check their brake fluid, one in six don't check to see if their brake lights are working and a staggering one in nine don't bother to check their tyre tread.

The research also suggested that motorists simply don't understand the risks involved with running their vehicles without completing regular safety checks. For example, one in five motorists couldn't explain why brake fluid needs to be checked and almost 85% don't know the legal tyre tread depth.

Motorists are not only risking their own safety and the safety of other road users, they're also at risk of facing points on their licence and a hefty fine. For example, illegal tyre tread can result in three points and a fine of up to £2,500, while a broken brake light may cost the driver three points and a fixed penalty fine of £60. Driving with four bald tyres could cost drivers their licence.

'Ignoring the most basic car safety checks is not only dangerous, it's illegal. The police will, quite rightly, stop and fine cars with illegal tyre tread or broken brake lights. Not only will this be costly but the points on your licence will impact on your car insurance,' commented Craig Mailey, marketing director, Manheim Auctions.

'We'd recommend performing basic safety checks on your vehicle regularly, and especially before long journeys. If you know what you are doing, it takes minutes to check tyre pressure and tread, and if your lights are working properly. If you don't know what you are doing, get yourself down to any reputable service centre and ask them to show you. It could prove to be a very valuable 15 minute lesson. Remember it's not just your life you are risking but that of your family and other road users.'

Manheim Auctions' guide to safe motoring:

- Check your tyre pressures every week.
- Keep a close eye on your tyre tread and make sure you inspect your tyres for bald patches.
- Check your brake fluid level regularly.
- Check your lights, front and rear.
- Make sure you understand the warning lights.

The survey was conducted by One Poll in May 2011 with 3,000 respondents.

### **Bid to cut rush hour roadwork chaos**

**INNOVATIVE measures to cut the number of rush hour road works have been announced by transport secretary Philip Hammond.**

Under 'lane rental' schemes councils would be able to charge utility companies to dig up the busiest roads during peak times when road works cause the most disruption. Companies would be able to avoid the charges by carrying out works during quieter periods or, if appropriate, at night.

Hammond said: 'Everyone knows how frustrating it can be when you are sat in a traffic jam, unable to get to work or drop off the children at school because someone is digging up the road.'

'This disruption is expensive as well as inconvenient, with one estimate valuing the loss to the economy from road works congestion at £4 billion a year. We simply cannot afford this. That is why I am putting forward proposals which would incentivise utility companies and local authorities to carry out their works at times when they will cause the minimum disruption to the travelling public.'

The Department for Transport has published a consultation and draft guidance to councils outlining how lane rental schemes could be implemented. Any councils wishing to put in place a lane rental scheme would need to gain approval from the Department.

In order to gather evidence on the effectiveness of lane rental, the Department has proposed that schemes should initially be used in one urban and one non-metropolitan area.

The proposals are clear that lane rental charges must be avoidable and proportionate to the costs of congestion. Councils are also being encouraged to apply the same principles to their own works and come forward with lane rental schemes which fit the needs of their local area.

Any revenue raised from the implementation of lane rental charges would be used by councils to fund measures which could help to reduce future road works disruption. This could include infrastructure work, research or measures to improve the management of works. The consultation will close on October 31.

## **Brake and Greenroad organise seminar**

BRAKE, the road safety charity, has announced a partnership with GreenRoad Technologies to deliver a workshop for fleet managers on the key fleet safety topic of driver behaviour and safe, eco-friendly driving. The workshop, 'Smart solutions for greener, safer drivers', takes place on Thursday 29 September in central Birmingham.

Leading academics and suppliers to the fleet industry will discuss using in-vehicle technology and driver training to improve driver behaviour and lower crash rates, emissions and costs.

Dr Will Murray, of Interactive Driving Solutions, will advise on how to implement driver training initiatives successfully and Michael Gwilt of GreenRoad will discuss the latest innovations in driver training techniques and in-vehicle technology. Speed control, fuel efficiency, and achieving board level support for initiatives, will be discussed, along with the best ways to achieve driver buy-in to initiatives.

Mark Moore of Bunzl will provide a best practice case study on how Bunzl uses in-vehicle technologies to run a targeted training programme for its drivers. As a result of the programme, Bunzl has seen a significant reduction in its crash rate and insurance premium, as well as reduced fuel usage and vehicle maintenance costs. The scheme is also popular with drivers.

Attendance costs £80 + VAT for Brake subscribers, or £90 + VAT for non-subscribers. For further information, visit [www.fleetsafetyforum.org](http://www.fleetsafetyforum.org). If you would like to book a place, book online via [www.fleetsafetyforum.org/events](http://www.fleetsafetyforum.org/events), or contact Brake on 01484 559909 or [admin@brake.org.uk](mailto:admin@brake.org.uk).

**Caroline Perry, development director at Brake said:** 'This workshop provides a valuable insight into improving your fleet's safety, efficiency, and finances through easy to implement initiatives. I would urge all fleet professionals with an interest in driver training and driver behaviour to attend.'

## **Risk management dilemma over MOT tests**

PROPOSALS to change the current MOT regime being considered by the Government could create a risk management dilemma for fleets, says CFC Solutions.

Press reports over the weekend indicate that a new system could be adopted so that the first MOT happens after four years and then every two years, rather than the current three years and then annually requirement.

Neville Briggs, managing director at CFC, said that in high mileage fleet situations, the proposed gaps, notably for the first MOT, could be too long to ensure safety and may potentially create a risk management headache for employers.

He said: 'Fleet managers who run a four year/80,000 mile cycle already know that the current, three year MOT will often pick up minor – and occasionally more significant - faults on a car that could be a contributory factor in an accident. A vehicle that has covered 60,000 miles in three years may have some problems.'

'In an ideal world, these faults would be identified by the dealer as part of the general service and maintenance regime or by drivers undertaking regular, basic safety checks – but the overall condition of the vehicle is not their responsibility and the three year MOT remains an important point where a car or van receives a clean bill of health just at the point in its life where it may be developing problems.'

Briggs added that the proposed change could also put fleet managers in the difficult position of downgrading their risk management requirements.

He said: 'Fleets have spent the last decade dramatically increasing the attention that they pay to issues such as safety and regular vehicle checks but this proposal would actually reduce their obligations. It is difficult to reconcile this with the health and safety requirements of comprehensive fleet risk management policies.'

Briggs said that the only positive that could be drawn from the move was that it could reduce fleet running costs marginally.

He concluded: 'The expense of the three year MOT would be removed but seeing as the actual price of the test itself is quite low and that any resulting costs will normally be safety-related, this seems very much like a false economy.'

## ***Business Car Techies* award winners revealed**

WINNERS of the *BusinessCar* Fleet Technology Awards, or Techies, have been announced.

**Best Risk Management System:** GreenRoad 360. Highly commended last year, GreenRoad 360 wins the award for Best Risk Management system. The real-time system feeds back to drivers instantly while the on-line portal gives analysis of trips and fleet performance with areas of risk.

**Best Green Development – Manufacturer:** Renault Business Electric Vehicles. In the words of one judge, this award goes to a company 'putting its money where its mouth is' as the debate surrounding electric vehicles is still gathering pace, with large question marks placed over issues such as range and cost.

**Best Fleet Management System:** Jaama Key2 Vehicle Management. Jaama scoops the award for best fleet management system this year for its web-enabled software system Key2 Vehicle Management.

**Best Servicing, Maintenance and Repair System:** IFS Downtime Management. The winning technology for keeping cars on the road goes to Inchcape Fleet Solutions' system, Downtime Management. The software aims to combat costly business issues.

**Best Remarketing System:** BCA Auto Grade. Three different winners in three years for the remarketing award, and it's the biggest name in the business that finally gets its hands on the prize.

**Best Telematics System:** Satmo. Having been Highly Commended in 2010, Satmo has made the step up to the top of the podium thanks to a series of improvements to the system that already impressed last year.

**Best Daily Rental System:** Leasedrive Rental:Manager. It's a third consecutive win for Rental:Manager, a vehicle rental management system from leasing firm Leasedrive Group, which allows its clients to facilitate all rental requirements online 24/7.

**Best Leasing and Contract Hire System:** Tusker Fleetdesk/SS4C. Last year's winner in this category has built on its victory and improved the system in the last 12 months.

**Best Green Development - Suppliers:** Bosch Auto Stop-Start. Bosch is the supplier of many auto stop-start systems, one of the biggest innovations in cutting emissions in vehicles in recent years. Such a big contribution to this competitive area certainly means it deserves the prize.

**Innovation Award:** Experteeye Touchpoint. Experteeye recently launched what it claims is the most innovative, advanced and intuitive driver satisfaction system in the sector, and *BusinessCar's* Techies judges agreed.

**Best App:** Volvo. The Best App is a new category which recognises the growing business in mobile-based applications designed to make life easier for the business car community.

**Best Car Safety System:** Ford Focus Driver Assistance Pack. When the new Ford Focus was launched earlier this year, on offer with the new product was a package of safety systems Ford pulled together as the Driv-

er Assistance Pack.

## **Leasedrive takes on BCA rental business**

THE rental management division of the Leasedrive Group, the UK's largest independent privately-owned vehicle management group, has secured the vehicle rental business for BCA, the UK and Europe's largest vehicle auction company.

Roddy Graham, commercial director, Leasedrive said: 'We are delighted to have won the BCA rental business and look forward to developing a mutually beneficial partnership as we see more of our ex-lease vehicles sold through BCA auction centres.'

Marie Jarrold, car fleet controller, at BCA said: 'Leasedrive Group offers a simple transparent pricing policy and nationwide coverage encompassing our 21 auction centres. The interactive online reservation Rental:Manager system delivers comprehensive online reporting and electronic invoicing which helps with our management controls.'

Leasedrive Rental Management has access to nearly a quarter of a million vehicles from over 1,200 locations in the UK, including airports. The company offers a simple and transparent pricing policy with no hidden surcharges. Rates are constant throughout the country and customers benefit from special all-inclusive pricing including free delivery and collection. For rentals of 28 days or more, there is the Stopgap solution and for rentals of 90 days or more, Stopgap Plus.

## **Model update**

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### **New Lexus GS unveiled**

LEXUS unveiled the new GS at the Pebble Beach Concours d'Elegance in California on Thursday. The car will reach the UK market in 2012.

The new GS brings a more engaging driving experience, bolder design and a more spacious, contemporary interior, heralding a new chapter in the history of Lexus.

A new grille - set to be a signature feature of future Lexus models - is supported by a redesigned chassis with a wide, strong.

Lexus engineers challenged themselves to develop a more spacious interior environment for the new GS. Leaving exterior dimensions virtually unchanged, they increased cabin and boot space to create a fresh interior designed to transport passengers and their luggage in comfort, regardless of distance.

The new Lexus GS will be launched in early 2012, including hybrid and F-Sport versions. For the UK there will be the GS 450h full hybrid and GS 250 petrol-engined derivatives. Details will be announced later this year.

### **Kia set to unveil sports concept**

KIA is set to unveil a four-door sports saloon concept at the Frankfurt Motor Show in September.

Kia's new concept car signals the company's distinctive new design direction. This rear-wheel drive four-door sports sedan marries sleek, muscular proportions with an elegant four-seater cockpit.

'No matter from which perspective you look at it – this concept car is roaring with energy and ready for take-off,' said Peter Schreyer, Kia Motors chief design officer,

'I believe the car is a strong statement from Kia: we are ready to fast forward to an all new chapter.'

Visitors to the Kia stand will also see the world premiere of the three-door version of the all-new Rio and a facelift version of the Kia Soul.

## **Fourth generation for Kia Rio**

THE all-new fourth generation Rio goes on sale in the UK on September 1 and is a major step forward in Kia's drive to upgrade the style and quality of its entire model range while lowering fuel consumption and CO<sub>2</sub> figures.

By 2012 Kia aims to have the newest product line-up on offer in the UK. The arrival of the new Rio, and for the first time as a three-door from early 2012, is a significant milestone towards that ambition.

Globally, Kia expects B-segment sales to rise from 9.2 million in 2012 to 14 million in 2014. In Europe the sales growth over the same period is predicted to go from 4.78 million to 5.22 million. The new Rio, with its greater emphasis on style and quality, lead in fuel economy and emissions and wider range of equipment, is set to capitalise on that and to build on the success of its predecessor. Kia expects the new Rio to be a top-ten contender in the supermini market.

The new Kia Rio will be available with four engines - two petrol and two diesel - including a 1.1-litre three-cylinder turbodiesel with lower fuel consumption and CO<sub>2</sub> emissions than any other non electric car on sale in the world, including hybrids and eco specials from rival companies.

Fitted with 15-inch wheels and sporting the full gamut of Kia's EcoDynamics fuel-saving technologies - including Intelligent Stop & Go engine technology, low rolling resistance tyres, a drag-reducing front grille, gearshift indicator and rear spoiler - this model is capable of 88.3mpg, with CO<sub>2</sub> emissions of only 85g/km. Yet with 74bhp and 170Nm of torque from 1,500rpm, it delivers sprightly performance. All 1.1-litre diesel versions of the new Rio five-door have CO<sub>2</sub> emissions below 100g/km and combined cycle fuel economy of at least 74.3mpg.

EcoDynamics technologies will be a standard feature with all new Rio diesels, including the 1.4-litre models scheduled to be added to the line-up shortly after launch. The 1.4-litre diesel is a four-cylinder engine from the same U2 family as the 1.1. It develops 89bhp and 220Nm of torque. Economy and emissions figures are 70.6mpg combined and just 105 g/km of CO<sub>2</sub>.

There are also two petrol engines in the new Rio. The entry-level unit is the 1.25-litre Kappa engine which recently made its debut in Kia's smallest car, the new Picanto. This engine develops 83bhp and 121Nm of torque. The new Rio is also available with Kia's 1.4-litre Gamma engine, developing 107bhp and 137Nm of torque. It also offers buyers the convenience of an automatic gearbox as an option to the standard manual.

## **First showing for Volkswagen up!**

THE first photos of the Volkswagen up! have been released, ahead of the new small car making its debut at the Frankfurt motor show in September.

The up! is an entirely new design, offering maximum space on a minimal footprint (3.54 x 1.64 m), making it ideal for driving in the world's cities. It will be launched in Europe in December. There are three versions: take up! is the entry-level car, move up! the comfort-oriented model and high up! the top version. At the car's market launch, there will also be two models based on the high up!: up! black and up! white.

Making its debut in the up! is a new generation of three-cylinder petrol engines, with outputs of 60bhp and 75bhp. Combined fuel consumption as a BlueMotion Technology version (including a Stop/Start system) is 4.2 l/100 km (60bhp), and CO<sub>2</sub> emissions for this version are less than 100 g/km. There are also plans for an up! with electric drive.

An important new safety technology in the up! is the optional City Emergency Braking system. It is automatically active at speeds under 18mph, and uses a laser sensor to detect the risk of an impending collision. Depending on speed and situation, City Emergency Braking can reduce accident severity by initiating automatic brake interventions that can even avoid a crash. So far, the up! is the only vehicle in the segment to be offered with this function.

At 3.54 metres in length and 1.64 metres in width and 1.48 metres in height, the up! is one of the smallest four-seater cars. Its overall length consists of short body overhangs and a long wheelbase of 2.42 metres. Use of space in the car is exceptionally good, because of the wheelbase, which is one of the longest in the segment, combined with an engine that is mounted well forward. The 251-litre boot is also larger than is typical in this class. When the rear seat is fully folded, cargo space is increased to 951 litres.

The interior is colourful, with either decor paint or body colour (depending on the equipment line) used in the interior, including across the dashboard facia. The layout of the interior of the up! also offers clever details, fun styling and a level of quality that will enhance the market segment.

For the first time in a Volkswagen, the maps + more system is now being offered, which is a mobile Personal Infotainment Device (PID). In the up!, this is a system that was developed to organise navigation, telephone, information and entertainment, and was designed in cooperation with Navigon, one of the world's leading suppliers of navigation systems.

More details and pricing information will be available closer to launch.

## **SLK Roadster adds first diesel engine**

**FOR the first time, Mercedes-Benz is offering the SLK Roadster with a diesel engine. The 204bhp four-cylinder power unit puts the two-seater at the top of its class in numerous respects.**

**With a fuel consumption of 56.5mpg on the combined cycle, it is the most economical roadster in its segment. Thanks to its torque of 500Nm it accelerates from 0-62 mph in 6.7 seconds. Like the other models in the latest SLK family, which launched in June 2011, it combines lively sportiness with high-quality appointments and excellent comfort.**

Its four-cylinder diesel engine with a displacement of 2,143cc generates an output of 204bhp and 500Nm of torque – as much as a petrol engine with twice the displacement would normally generate. This makes the new SLK 250 CDI the most powerful diesel model in its class, and gives the roadster the potential for extremely sporty performance.

Equipped with the standard 7G-TRONIC PLUS automatic transmission (a six-speed manual transmission will follow in the second quarter of next year), the diesel SLK sprints from 0-62 mph in 6.7 seconds and achieves a top speed of 150 mph.

Apart from this, the SLK 250 CDI is the most economical and therefore environmentally compatible roadster in its segment. It returns 56.5 mpg and emits CO<sub>2</sub> emissions of just 132 g/km

The new SLK 250 CDI will go on sale in the UK early in 2012, pricing is still to be confirmed.

## **Mia set for UK sales in 2012**

A NEW electric vehicle brand, mia electric, is set to hit UK shores next month when it showcases three variants of its Microbus at this year's EcoVelocity motor show (September 8-11).

Having been one of the highlights at last year's Geneva Motor Show, this will be the first time these cars have been seen in the UK and the first opportunity for the general public to get behind the wheel and experience mia's zero-emission urban mobility for themselves.

Head of UK sales at mia, Richard Deslandes, said: 'We're delighted to be debuting our cars in the UK. To be launching our innovative approach to 100% electric zero-emission mobility in the shadow of the iconic chimney stacks of Battersea Power Station, in their day one of the largest producers of CO<sub>2</sub> in the capital, seems very fitting.

'The mia has been designed with cities like London firmly in mind and we consider the UK as a priority market for us (alongside France and Germany). We've been overwhelmed by the response we've received since we launched in Geneva and now have 3,000 confirmed orders. Production started in June and we will be producing 4,000 vehicles this year to meet this initial demand. We hope to ramp up production at our factory in Cerizay, France, to a total capacity of about 14,000 by the end of 2012.'

The cars, which go on sale in the UK in the first quarter of 2012, were designed by the former head of design at Volkswagen, Murat Günak, and come in three configurations – the standard short wheelbase model and two extended models, the mia L and the mia box van.

Thanks to its lightweight design concept, the standard model weighs only 750kg (extended models weigh 759kg) giving it economical power consumption and low running costs (approx £1.30 per 100 kms).

All three vehicles are powered by an 18kW electric motor at the rear of the car that gives a top speed of 68 mph. A 120 to 130km range is available from the 12 kWh battery pack that comes as standard and the lithium ion phosphate batteries can be fully charged in five hours.

This technically sound battery system is exceptionally safe and helps alleviate range anxiety by allowing 'no memory effect' charging. This means the battery can be charged for short top-up periods with no adverse effect to the life of the battery.

## **Added value for MG6GT and Magnette**

CUSTOMERS buying new '61 plate MG6 GT and MG6 Magnette models will get better value for money. MG Motor UK is introducing a special three-year fixed price servicing cover for £199 on all new MG6 models sold during the new '61 plate month of September.

The latest MGs also benefit from low insurance group ratings of 13E, and 14E on top TSE models, which reduce premiums for most drivers.

Clint Cordle, MG Motor's marketing manager, said: 'The fixed price servicing offer adds to an already very impressive list of cost savings for buyers.'

'The MG6 models have a truly fantastic value-for-money package. When you look at all the kit fitted to the cars as standard it's amazing and would cost up to £6,000 on some competitor vehicles.'

The MG6 GT in TSE specification includes a list of standard equipment including 18-inch alloy wheels, cruise control, iTPMS tyre pressure monitoring, leather sports seats, rear view parking camera with front and rear reversing aids, driver and front passenger electric seat adjustment, heated front seats, automatic dual-zone air conditioning, electronic rain sensing wipers, a built in full colour display satnav system with full European mapping, RDS radio, CD player, MP3, USB, Aux-in capability and Bluetooth mobile phone integration. MG6 GT fastback range starts at £15,459 for the S model, £16,995 for the SE and £18,995 for the TSE.

MG6 Magnette four-door sports saloons range from £15,995 for the S, £17,495 for the SE and £19,995 for the TSE. Both cars have been designed and engineered at MG Birmingham where final assembly also takes place. Currently more than 400 people are employed at the site.

### **Chevrolet to launch Malibu in Europe**

HAVING celebrated its world debut at concurrent shows in the US and China, the new Malibu will form a cornerstone of Chevrolet's presence at the 2011 Frankfurt Motor Show. In Europe, where Malibu was not previously available, the all-new version will go on sale next year and be the brand's new flagship.

'The Malibu will come on top of the seven new entries launched in Chevrolet's centennial year,' said Wayne Brannon, president and managing director of Chevrolet Europe. 'The Chevrolet Malibu is the brand's new top-of-the-range offering, bringing proven value with a premium feel to Europe's midsize segment.'

Customers will be able to choose between two four-cylinder petrol or diesel-fueled engines with 2.0-litre and 2.4-litre displacements and a power output of 164bhp and 169bhp, respectively. In Europe, the all-new Malibu will be available with both manual and automatic transmission.

### **First showing for new Porsche Carrera**

PORSCHE has revealed the new 911 Carrera, a new generation of the iconic coupe that has been acclaimed as one of the world's benchmark sports cars since its launch in 1963.

The 911 Carrera is powered by a new 3.4-litre engine developing 350bhp and the Carrera S features a 400bhp version of the familiar 3.8-litre. These new engines offer performance improvements for both models. The 3.4-litre Carrera with PDK accelerates from 0-62mph in 4.6 sec, 0.1 sec quicker than the prior model. Pressing the Sport Plus button on the optional Sport Chrono Pack cuts that to 4.4 sec. The 3.8-litre Carrera S with PDK can accelerate from 0- 62 mph in 4.3 sec (Sport Plus 4.1 sec), 0.2sec quicker than its predecessor.

The new model celebrates its world premiere at the 2011 IAA Frankfurt Motor Show and the new 911 models will be in UK Porsche Centres from December 17 2011.

The 911 Carrera is priced from £71,449 and the 911 Carrera S is priced from £81,242. Standard equipment on all models is leather interior, sports seats, automatic climate control, Bi-Xenon headlights, 7-inch colour touch-screen Porsche Communication Management with satellite navigation, a universal audio interface offering MP3 connectivity, Porsche Stability Management (PSM) and a three year warranty.

The Carrera S adds 20-inch alloy wheels, Porsche Active Suspension Management (PASM) and Porsche Torque Vectoring (PTV) with rear limited slip differential, in addition to the power advantage of the larger 3.8-litre engine.

### **Bentley upgrades Continental convertible**

THE second generation of Bentley's iconic Continental GTC convertible will debut at next month's International Automobile Exhibition (IAA) in Frankfurt.

Taking cues from its GT coupe sibling launched last year, the new Continental GTC builds on the successful foundation of the previous cabriolet, which premiered in 2006. Bentley's design and engineering teams have improved virtually every aspect of the iconic convertible with an uncompromising focus on quality.

While the first Continental GTC was elegant and understated, the sharper radii and assertive stance of the new model delivers a more contemporary and muscular presence. Advanced manufacturing techniques produce aluminium front wings without the need for seams or welds, creating the look and feel of a coach-built

car. Twenty-inch wheels are now standard with three styles of 21-inch wheel, a first for GTC, available as an option, reinforcing the distinctive, sporting stance of the new Bentley.

The four-seater luxury convertible features a new, even more spacious and sumptuous hand-crafted cabin, with soft-touch leather hides, an extensive range of wood veneers, cool-touch metals and deep-pile carpets. There are 17 standard soft-touch leather hide colours with six colour split combinations, complemented by a range of seven veneers, all produced by Bentley's talented craftsmen and women.

A wider track, front and rear, sharper steering and retuned suspension provides a more exhilarating drive. Bentley's advanced all-wheel drive system features a new 40:60 rear torque bias (compared with 50:50 of the original GTC) minimising understeer during hard cornering and allowing the spirited driver to manage the car's line and balance via precise throttle control.

This package is combined with a more powerful 6.0-litre, twin-turbocharged W12 engine as well as a new QuickShift transmission enabling faster gear changes than ever before. Power output is raised from 560bhp to 575bhp and the Bentley 'wave of torque' has been increased by a further 50Nm to 700Nm.

The Bentley Continental GTC is now available to order and first customer deliveries will begin in late 2011. Price is £149,350

## **Manufacturer news**

### **July sees rise in car manufacturing**

CAR manufacturing in the UK rose again by 1.3% in July, with the industry now 3.7% ahead in the first seven months of 2011, compared to last year.

Commercial vehicle production declined 5.9% in July and is down 5.1% year-to-August, the Society of Motor Manufacturers and Traders data shows.

Engine production remained stable, with a 0.4% July dip but keeping 4.% ahead year-to-August.

The SMMT said UK vehicle manufacturing is forecast to stay ahead, with focus on supplying markets overseas.

'Economic growth remains fragile but thanks to a strong export market, automotive manufacturing continues to outperform the broader economy,' said SMMT chief executive Paul Everitt.

'SMMT expects vehicle and engine production to continue to rise fuelled by demand in the fast growing BRIC economies, as well as mainland Europe and the US. The UK industry is globally recognised for its high quality, innovative design and exceptional reliability.'

### **Kia gains environmental certificates**

KIA Motors Corporation has been awarded three environmental certificates by TÜV Nord, an independent technical inspection organisation, in recognition of the strong eco-credentials of its three newest models.

The low tailpipe emissions of the new Kia Picanto, Rio and Optima, and the advanced manufacturing processes used in their production, resulted in all three models being certified according to the ISO 14040 Life Cycle Assessment (LCA).

The LCA inspection examines the environmental impact of both the car and its overall manufacturing process throughout the course of its lifetime, taking into account factors such as choice of materials, engine exhaust emissions and recycling.

Benny Oeyen, vice-president marketing and product planning, commented: 'Kia models continue to receive recognition from a wide range of independent industry organisations across the globe – for the quality and efficiency of their production methods, for achieving the highest levels of safety and for their striking design.'

'Kia is deeply committed to minimising its vehicles' impact on the environment, and this latest honour follows similar accreditations for the striking new Sportage and for our state-of-the-art manufacturing facility in Zilina.'

All three of the Kia models accredited this month offer competitive running costs, and, in the case of the all-new Rio B-segment hatchback, the lowest CO<sub>2</sub> output (from 85 g/km) of any internal combustion engine car currently on sale in Europe – including Hybrids.

The new Picanto went on sale in the UK in June while the new Rio will go on sale from September 1 with the new D-segment Optima saloon following on in the latter part of the year.

Kia's manufacturing facility in Zilina, Slovakia was certified in 2008 as an 'environmentally-friendly' facility, earning an ISO 14001 International Certificate of Environmental Management. The plant employs cutting-edge technology to ensure that production and waste-management have a minimal impact on the environment. The Kia Sportage compact SUV, which is manufactured at Zilina as well as in Korea, was also awarded LCA status by TÜV Nord in 2010.

## **Saab workers' wages in doubt**

CASH-strapped Swedish carmaker Saab has said it may not have the funds to pay its employees' wages on time in August.

If so, this will be the third consecutive month that at least some of Saab's 3,700 employees will have seen their salaries delayed.

Saab was bought last year by Swedish Automobile, formerly known as Spyker. The new owner has been trying to find new sources of funding since April, when production was halted as unpaid suppliers stopped deliveries.

Analysts say Saab needs a long-term investor to solve its liquidity problems. Last week, Swedish authorities started seizing assets from the carmaker in an attempt to recover money owed to suppliers - a move that some see as a potential first step towards bankruptcy.

'There is a risk of delayed payment of August wages to Saab Automobile employees as some of the funds that were committed by investors may not be paid in time,' Saab and Swedish Automobile said in a statement.

It added that Saab was taking all necessary actions to collect these funds in time but there could be no assurance that the necessary funding will be obtained or the funds collected.

## **Light commercial vehicles**

### **Fleet LCV values climb in July, says BCA**

THE LCV markets remained steady in July, with a marginal fall in average value of just £10 recorded between June and July, according to auction specialist BCA.

Figures for July show that average values fell to £4,130 from the £4,140 recorded in June. It was the second consecutive monthly fall recorded, although values remain well above the April low point.

Typical seasonal price pressures affected dealer part-exchange and nearly-new values, although fleet & lease values actually rose during the month. With limited stock reaching the market volumes fell compared to June, with sold numbers decreasing in both the larger volume sectors of fleet & lease and dealer part-exchange.

While values fell marginally compared to June, CAP performance actually improved by a further two points to over 100%. Year-on-year values are virtually flat, with just £18 separating this year from last year – although it is notable that July represents the first time that year-on-year values have been ahead in 2011.

Values improved by £70 (1.5%) in the fleet & lease LCV sector, to reach the highest point recorded since January – although values remain well behind those recorded in 2010, when the market peaked in excess of £5,000. With this in mind, year-on-year values were adrift by £147 (3%) in July – halving the deficit recorded in June. Fleet vans averaged 101% of CAP in July, nearly a four point increase from June.

Part-exchange values were relatively flat for the second month running at £2,429 in July, falling by just £18 compared to June. CAP comparisons fell back to 98% in July from the 100.5% recorded in June.

Year-on-year values were ahead by £134 (5.8%) – the first annual improvement recorded since October of last year.

Nearly-new values fell sharply to £9,487 from £12,098. As always, this has to be taken in the context of the low volumes reaching the market and the model mix factor. CAP average performance fell by three points to 101%.

Duncan Ward, BCA's general manager – commercial vehicles commented: 'While prices have stuttered in the past few weeks, the long-term prognosis is for values to rise again. The summer months are traditionally very quiet in terms of demand, but with buyers recognising that stock will be in short supply for some time, this has not applied in 2011.

'The markets are already experiencing a shortfall of three- to five-year-old one owner used LCV stock and as demand begins to pick up even further in the autumn months, we could see prices rise sharply in the used market.'

Ward added: 'We are already seeing some professional buyers moving away from their traditional age and mileage profiles, either competing for the even scarcer late plate vehicles or looking at the best presented part-exchange and privately entered vehicles coming back to market. There has also been a significant uplift in professional buyers searching further afield via BCA Live Online because their traditional sources are starting to dry up.'

## **Operators choose to 'replace' not 'retrofit' over LEZ**

VAN operators faced with new London Low Emission Zone (LEZ) requirements are more likely to replace their non-compliant vehicles than retrofit them. The recent survey by the Freight Transport Association (FTA) also found that companies with operating centres outside of London would consider redistributing their non-compliant vehicles elsewhere in the UK to avoid the LEZ.

Natalie Chapman, FTA's head of policy for London, said: 'More operators are looking to replace their fleets and looking past retrofitting as the solution because their fleets are coming to the end of their lifespan. Due to the financial constraints of recent years operators have chosen to stretch the lives of their existing fleets but the new LEZ requirements may have forced their hands into replacing their oldest and least compliant vehicles.'

As well as a tightening up of LEZ regulations for trucks, for the first time vans will also come under scope. However, the van sector seems well prepared.

Chapman continued: 'While 45% of respondents reported that not all their HGV fleets operating in London were fully compliant with the new standards, only 10% said the same of their van fleets.'

'As only vans over 10 years old will be affected by the changes, on the whole the impact on FTA members, who represent half the UK van fleet, will be limited. However the move from Euro 3 to Euro 4 standards for lorries is far more painful - we can see from poor new truck sales that companies have already stretched their assets as far as possible.'

Commercial vehicle operators also indicated that they would consider redistributing vehicles that are already compliant to perform deliveries in the LEZ. Around three-quarters felt it would be relatively straightforward to redistribute non-compliant HGVs away from London, whilst around four out of five operators felt it would be possible to redistribute non-compliant vans away from London.

FTA has produced an LEZ compliance guide to help operators understand and plan for the changes. This is available for FTA members to download at [www.fta.co.uk/lez](http://www.fta.co.uk/lez)

## **Enterprise warns van renters to plan ahead**

AFTER another summer that has seen a surge in demand for vans, businesses in the South East that use commercial vehicles are being advised to plan ahead for July and August next year.

With the Olympics only 12 months away, van rental requirements are likely to increase further as businesses look to scale up to meet the anticipated demand from visitors.

Enterprise Rent-A-Car, which operates 360 branches in the UK, of which over 80 are located in London and the South East, has noted that demand for vans traditionally jumps considerably in the summer months: in July this year, for example, its van rentals were 29% higher than in April.

However, the summer of 2012 is likely to see many companies in the South East looking to increase their van fleets for the duration of the Games. This will include not just the Olympics' business partners, but also utilities and infrastructure firms, couriers, support services in the region and smaller businesses looking to ensure they can cope with the increase in demand for their goods.

Rob Ingram, director of business rental at Enterprise Rent-A-Car, said: 'We find van demand often peaks in the summer months. It's a time when many businesses need to expand their operations to meet normal increases in demand. There's also an increase in consumer demand as customers realise they need a larger vehicle to move house or clear out the garage.'

Next year that demand is likely to be even higher. A lot of local businesses may need additional vans before, during and even after the Olympics: thousands of tourists means more work for delivery companies and shopkeepers. There will also be additional pressure on rental firms in the region to meet this increased demand.

Ingram continued: 'We're growing our van fleet and working closely with our business customers to plan their likely demand cycle during 2012. That way we can help them meet any potential business commitments and still manage the increased summer demand among motorists.'

'The key message is that businesses in London and the South East need to start thinking now about the vans they may need during July and August 2012. They don't want to get caught on the hop.'

## **Manheim warns of van shortage ahead**

AS Transport for London (TfL) calls time on older vans in January 2012, Manheim Remarketing is warning that the spike in demand for three to five year old vans could result in a shortage of vehicles, even though the majority of van dealers do not believe there will be a problem.

A recent survey shows that within the London Low Emission Zone (LEZ) 51% of dealers do not believe they will have a problem sourcing vehicles. This rose to 67% outside the LEZ. The survey also showed 42% of dealers outside the LEZ were not aware of the forthcoming changes, even though 67% have had customers from within the LEZ contact them about the changes and looking for replacement vehicles.

From January 3, 2012 London's low emission zone will include pre-Euro 3 engines. This is bad news for owners of large vans, 4x4 utility and pick-ups with an unladen weight greater than 1.205 tonnes, and registered before January 1, 2002.

Minibuses over nine seats also need to be compliant. While this change will not affect major van fleet operators or rental fleets whose vans are usually renewed between 30 and 60 months, it will have an impact on the majority of small businesses and sole traders who tend to use older vehicles. These vehicles usually operate within a relatively limited radius of base so travel lower annual mileages.

James Davis, general manager, commercial vehicles, Manheim Remarketing said: 'I would encourage dealers to source vans now rather than wait until later in the year. De-fleet volumes are reducing right across our network and we have seen total sale conversion rates increase by just over 20% in the last two weeks.

'Many vendors are experiencing conversion rates well into the eighties, and now increasingly the nineties. Online activity has increased significantly with the average number of log-ons regularly exceeding 150 buyers per auction.

'Combined with physical attendees some sales are seeing in excess of 350 buyers vying for a diminishing volume of stock. This situation is not likely to get any better in the foreseeable future as the impact of the near 40% fall in new registrations in 2008 begins to be felt in the used market. With up to 70,000 vans likely to be impacted by the LEZ changes, having the right stock to meet that demand should be an absolute priority.'

## **Residual value update**

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### **New online tool suggests best motor auction site to fleets**

A NEW tool added to epyx's 1link Disposal Network e-commerce platform suggests to fleet managers the best motor auction to dispose of each car and van.

Auction Allocation recommends a site from the independent motor auctions registered with the platform based on criteria chosen by the user such as recent sales performance and geographical constraints.

Additional features include the ability to use the tool to manage all correspondence with auctions, view details about forthcoming sales, examine results of past sales and reassign vehicles to a future sale if they are unsold - including the option to move them to a different site.

Independent auctions that use 1link Disposal Network include Aston Barclay, Fleet Auction Group, Scottish Motor Auctions and Wilsons.

Ken Trinder, head of business development at epyx, said: 'We have been adding new functionality to 1link Disposal Network over the last couple of years, with developments such as our iPhone app and, more recently, our Trade-to-Trade dealer trading tool.

'However, we believe that Auction Allocation represents a real step change for the platform. It provides fleets managing disposal with the means to put in place a structured disposal process that is largely automated based on the criteria that they decide to put in place.

'Alongside the other capabilities of the platform - from online auctions and sales to vehicle preparation and movement - it means that fleets of all sizes can use 1link Disposal Network to manage almost every aspect of their disposal activity easily and efficiently online.'

Trinder pointed to the fact that the number of transactions through 1link Disposal Network had doubled in the first six months of the year as evidence of the speed with which it was gaining ground.

He said: 'This is our fastest growing platform. Fleets are rapidly waking up to the advantages of selling through an online tool - whether that means online sales or managing a physical auction sale - while dealers are learning that acquiring stock online is a faster, cheaper and generally more efficient way to do business.'

Designed for large fleets to efficiently manage car and van disposal online, and for dealers to quickly and easily find the used stock that they require, 1link Disposal Network forms a component in the 1link cradle-to-grave e-commerce vehicle life cycle which includes e-commerce platforms covering vehicle procurement, service and maintenance, taxation and rental.

## Politics and regulation

### **Tribunal finds in favour of HMRC**

HM Revenue and Customs (HMRC) has successfully overturned a first tier tribunal decision from August 2010 that business motoring allowances paid to staff were exempt from National Insurance Contributions (NIC).

The tribunal decided that in order for the payments to be exempt from NIC they had to be more closely related to business miles driven than was the case.

The upper tribunal judge Colin Bishopp said the first tier tribunal reached its finding after asking itself the wrong question, or an inadequate question, and the answer given was based on an error of law.

Total People – now Cheshire Employer and Skills Development - paid a minority of employees a mileage allowance of 40p per mile, but the majority – 160 employees, who travelled at least 2,500 miles per annum - received a reduced mileage allowance of between 12-13p per mile, with an additional annual lump sum payment of between £3,600 and £3,700.

Total People had paid NIC on the allowance and had not taken account of the 28/27p per mile remaining from the 40p per mile NIC free limit.

HMRC took the view the lump sum was simply a payment of cash earnings for NIC purposes and, as such, NI was due on the payments made.

However, Total People disagreed suggesting the lump sum was actually part reimbursement of the motoring costs incurred in using the car for business and should be treated as relevant motoring expenditure and therefore not subject to NIC.

It argued that its rationale for structuring the payments in this way was that a 40p per mile structure 'risked encouraging staff to maximise their travel so as to maximise their profit'.

Total People claimed it had overpaid £146,165 in NI for the four years ending April 5, 2003, to 2006, with employers able to submit a reclaim for the previous six tax years.

The first tier tribunal ruled in favour of Total People with the tribunal judge Richard Barlow saying that 'the most important single piece of evidence is the absence of a link between the increase in salary and the increase in motoring allowances. The appellant's rationale for structuring the payments as it did is also significant.'

However, following HMRC's appeal to the upper tier tribunal, Bishopp has decided that the payments were not of relevant motoring expenditure because they were not paid by reference to, or with regard to, the use by the employees of their cars on employer's business.

### **Speed camera data published**

**DETAILED information on specific speed camera sites has been published as part of the Government's drive to increase transparency.**

So far 75 English local authorities have published some or all of their information showing accident and casualty rates as well as speeds at camera sites before and after the introduction of speed cameras. This will allow local residents to see whether speed cameras are having a positive impact on accident rates in their areas. All local authorities were asked to publish information about the effectiveness of their speed cameras as soon as practicable and provide a web link to this material by July 20. The remaining 72 authorities plan to publish their data in the next few weeks.

Road safety minister Mike Penning said: 'Local residents have a right to expect that when their council spends money on speed cameras, they publish information to show whether those cameras are helping to reduce accidents or not.'

'I hope that this information will help local people to make informed judgements about the impact cameras are having on their local roads.'

'However, residents can only hold their council to account if it has made information available so I would urge those councils which have not yet published their data to do so as soon as possible.'

Links to the local authorities' information can be found on a central hub on the Department's website.

Police forces are to publish the number of prosecutions arising from each permanent or long term temporary fixed camera site in their area each year, along with the total number of offences recorded by all cameras and the total numbers of offenders given a fixed penalty notice, or taken to court and the numbers of people opting to complete speed awareness courses.

Some forces, including Cambridgeshire, Dorset, Lancashire and Thames Valley, have already provided some offence data but in most cases this information will be published by police forces later in the year. The Department will then review the position related to the publication of speed camera information with the police.

## **Dealer news**

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### **Pendragon rights issue has low take-up**

PENDRAGON'S recent nine for eight rights issue has had only a 67.7% uptake, leaving the underwriting firms to take up nearly 243 million shares at 10p each.

The rights issue, announced on July 14, leaves the underwriting finance houses - RBS Hoare Govett, Barclays Bank (acting through its investment banking division Barclays Capital) and Arden Partners – to fund the remaining £24 million.

Recent European and global financial markets were blamed for the poor performance.

Speaking to the FT, chief executive Trevor Finn said: 'Market conditions have been difficult to say the least, but we're very pleased to have raised £75m, with the support of our major shareholders, which leaves us with the financial strength and flexibility to pursue our growth strategy.'

Following the announcement Pendragon shares were trading just below the 10p rights issue price.

### **HR Owen sees profits double**

THE City may be worrying about the prospect of a double-dip recession, but that has not stopped bankers and the super rich from buying luxury cars.

HR Owen said yesterday that its profits had more than doubled to £1.7 million in the first six months of the year because of strong demand for Ferraris, Lamborghinis and Maseratis.

The seller of luxury cars reported revenues up by 17.9% to £93.1 million during the first half as the sales of new vehicles rose to 277 from 240 in the same period last year.

Andy Duncan, the chief executive and former boss of Channel 4, said that growth in the second half would be driven by new-vehicle launches, including the £227,000 Ferrari FF and the £200,000 Lamborghini Aventador.

Duncan said: 'We are particularly pleased to have grown new-car sales and improved our used-car margins during this tough time. However, there is no room for complacency and we remain realistic about the prospects for the UK economy.'

HR Owen has cut its interim dividend to 0.5p a share from 2p to retain cash to fund future growth.

As part of this growth strategy, HR Owen bought Broughtons of Cheltenham for £1.5 million last month, adding three Bentley and Aston Martin showrooms. In addition, HR Owen opened a Ferrari showroom at the Berkeley hotel in Knightsbridge, West London.

Shares were up by 1p, or 1.3 per cent, at 79p.

### **Pendragon profits ahead of expectations**

PENDRAGON has delivered financial results in the half-year to June 30 slightly ahead of expectations. Underlying pre-tax profits are up 12.7% at £17.7m and the underlying operating margin has improved too, up 20 points from 2.2% to 2.4%.

Analysts said there were no real surprises in the results after most of the detail was released at the time of the rights issue one month ago. They have left their full year profit estimates unchanged at around £33.5m.

The company said improved cash flow has reduced net borrowings by £51.8 million since June 2010 to £294.9 million and the recapitalisation through the rights issue will be a key step forward with a lower debt profile.

It has led to a lower debt facility of £360 million secured to 30 June 2014 on more favourable terms and the group has a new Pension Deficit Reduction Plan that will enable the current pension deficit to be eliminated through a property-backed transaction that reduces cash outflow by £46 million over the period to December 2014.

The company said its new car retail sales volumes outperformed the market, increasing by 0.7% on a like for like basis excluding scrappage. However it has had strong growth in used car sales with like for like used car volumes rising by 13.2% compared to the prior year.

Whilst used margins have fallen slightly, prices in the UK used car market are showing the normal seasonal trends. Overall the combined effect of volume and margin has resulted in used retail gross profit increasing by 4.1% on a like for like basis.

The company said the performance of the aftersales department has been impacted by a reduction in warranty work and the smaller 3-year old car parc. However, despite these conditions, Pendragon's aftersales gross profit remained broadly flat, down just 0.9% on a like for like basis.

Revenue is down £59.8m for the six months to 30 June 2011 compared to 2010 but like for like turnover has increased by £3.5m reflecting improvements in used volume performance.

The company said it continues to move away from lower margin fleet activity. Of the total £3.5 million increase in like for like turnover, used retail turnover is up 14.5% on a like for like basis with new turnover down by 8.6% on a like for like basis due mainly to

## **People on the move**

### **SMMT appoints new vice presidents**

SMMT has announced the appointment of Tim Abbott, managing director, BMW UK; Ralf Speth, CEO, Jaguar Land Rover and Robin Woolcock, managing director, Volkswagen Group (UK) as vice presidents of the society, joining existing vice presidents John Neill CBE, chief executive and deputy chairman, Unipart Group and Bill Parfitt CBE, chairman and managing director, GM UK.

Commenting on the new appointments, SMMT President, Nigel Stein, CEO GKN Driveline, said: 'This is an important time for the UK automotive sector as it continues to lead economic recovery, attract inward investment, develop new ultra-low carbon technology and manufacture products for global export. Our challenge is to ensure government focus remains fixed on sustaining growth, rebalancing the economy and strengthening UK business and consumer confidence. Automotive is a sector with incredible growth potential and I am delighted that our new Vice Presidents have committed to supporting SMMT in its efforts to maximise the opportunities for all its members.'

Tim Abbott said: 'I am delighted to take up this post at such a fascinating time in the history of our industry. Never has this business been more dynamic or changing so fast and I know that everybody at the SMMT relishes tackling the challenges ahead.'

Ralf Speth said: 'Automotive R&D and advanced manufacturing is one of the UK's leading export industries making this an important and exciting period as our sector leads economic growth. I am delighted with this appointment and look forward to working with the SMMT to help shape the future of the UK motor industry.'

Robin Woolcock, added: 'This appointment is a great honour for me personally and for the Volkswagen Group as the largest supplier of cars and light commercials to the UK market. Having already been a member of the SMMT Board for 12 years, I hope I can use this experience to help guide the SMMT into the future.'

SMMT vice presidents are selected from the Executive Board by the president to support him, and the deputy president, currently Joe Greenwell, chairman, Ford of Britain, in overseeing the strategic direction of the society's work.

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