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Latest Motor Industry News

This Week's Briefing

Corporate sales continue to drive new car registrations

Fleet focus on cost and efficiency drives up van sales

Used vehicle sales to be 'fairly strong' in New Year, says VRA

Chancellor under growing pressure to cut fuel duty rises

Ford triumphs with four trophies at 2011 ACFO awards

New car prices accelerate with further increases expected

IAM calls for 80 mph motorway speed limit trial

Model update: Audi, Citroen, Nissan, Vauxhall, Volkswagen

The Editor's View

BRITAIN'S contract hire and leasing sector has undergone radical change in the past 12 months - and continues to shrink - according to this year's survey of the top 50 firms by industry publication *Fleet News*. Headline figures revealed a collective leased fleet on which companies take RV risk of 1,242,503 units - the third consecutive annual fall and just below the *FN50* fleet size in 2000. Sector consolidation, difficulties in obtaining finance and corporate closures are the key reasons for the shrinkage. Interestingly the entry-level to the top 50 has dropped to below 1,000 vehicles. Further leasing company consolidation is expected in the next 12 months and, no doubt, there will also be casualties, with many of the smaller companies seemingly vulnerable to the availability of funds in a challenging economic climate. Rumours also suggest that some leasing companies are in acquisitive mood. However, will they bid serious money or wait for the weaker companies to struggle and then snap them up at cut price? The only certainty is that the leasing sector will continue to shift in 2012.

Fleet file

Leasing sector shrinks as mergers and collapses impact on business

THE number of cars and vans leased by Britain's 50 largest vehicle leasing companies has dropped by 56,792 units or 4.4% in the last 12 months, according to this year's *FN50* survey compiled by industry publication *Fleet News*.

The 50 largest vehicle leasing companies collectively have 1,242,503 vehicles on their books on which they take the financial risk. It is the third consecutive year-on-year decline from an all-time high of 1,494,460 units in 2008 and the lowest fleet size declared for more than a decade..

Lex Autolease remains the UK's largest vehicle leasing company with 280,218 vehicles - almost 27,000 fewer vehicles than 12 months ago and 57,000 vehicles down on its 2009 fleet size.

LeasePlan has seen its fleet size rise almost 7,000 units in the last 12 months to 130,200 vehicles, according to the listing with Alphabet rising to third spot with a fleet of 99,154 units following its recent acquisition of ING Car Lease.

The rest of the top 10 is completed by: Arval (86,591 vehicles), Lombard vehicle Management (70,621), ALD Automotive (63,561), Daimler Financial Services (55,084), Volkswagen Group Leasing (49,437), Arnold Clark Finance (49,339) and GE Capital Fleet Services (43,495).

This year's 50th ranked company is Burnt Tree Vehicle Rental with 967 vehicles on its books on which it takes residual value risk - the lowest entry point for a company in the FN50 in recent years.

The report suggests that acquisitions and company collapses as a result of the challenging economic situation have been instrumental in reshaping this year's *FN50*.

And, it would seem, that the shape of the market is set to change further over the next 12 months with rumours abounding about further consolidation in the contract hire and leasing sector and slow economic growth forecasted for several years to come.

Bank-owned leasing companies are thought to be most likely targets with Lombard Vehicle Management, part of the Royal Bank of Scotland Group, known to be up for sale.

BMW and Volkswagen lead way in fleet car and van reliability

BMW produces the most reliable company cars while the most reliable vans are built by Volkswagen, according to the UK's largest vehicle reliability survey.

Commissioned by *Fleet News*, the annual analysis of the top 50 (by fleet size) leasing companies in the UK, the *FN50*, asked participants to rank the best vehicles and manufacturers for reliability, with scores compiled to create a top 10 for cars, and a top five for vans.

FN50 companies have a combined fleet of more than 1.2 million vehicles, and the reliability survey is the UK's largest.

German brands have caught up with Japanese cars when it comes to reliability: six German cars appear in the top 10 (three of them in the top five), while three of the top five car manufacturers for reliability are also German.

The BMW 3 Series is the most reliable company car, according to the survey, retaining its number one position from 2010, while the Honda Accord retains its second place from 2010.

The Volkswagen Golf has leapt to third place from 10th, while the Audi A3 takes fourth place after appearing outside the top 10 last year.

Two British-built cars take fifth and sixth places - the Burnaston-produced Toyota Avensis and the Sunderland-built Nissan Qashqai - while the Volkswagen Passat takes seventh place in the table, coming from outside the top 10 in 2010, with last year's third place car, the Audi A4, in eighth place.

The final two places in the table are taken by two cars absent from the top 10 last year, with the Mazda6 taking ninth place and the BMW 5 Series securing 10th place.

BMW also takes the top spot as the most reliable car manufacturer, with Audi taking second place. Honda falls from joint first place in 2011 to third place, with Volkswagen fourth and Toyota in fifth place. Nissan takes sixth place ahead of Mercedes-Benz in seventh, while Ford, Lexus and Skoda make up the remainder of the top 10.

The Mercedes-Benz Sprinter has knocked the Ford Transit off top spot in the *FN50* van reliability index, while Volkswagen has leapt ahead of Ford in the manufacturers' table.

But Ford still claimed a strong second place, with the Transit Connect and Transit taking second and fourth places in the model table. Volkswagen took third and fifth places with the Caddy and Transporter, while the Volkswagen Crafter large panel van took sixth place in the table.

Mercedes-Benz was the third most reliable van manufacturer, while Fiat and Renault made up the top five.

Taxman set to make diesel hybrids exempt from 3% surcharge

TAX officials may be about to revise their ruling that the 3% company car benefit-in-kind tax surcharge applied to traditional diesel models should also be applicable to diesel hybrids.

The anomaly in HM Revenue & Custom's (HMRC) own tax rules was highlighted last month by David Rawlings and Jeff Whitcombe, tax and fleet experts at BCF Wessex Consultants *(Digest: October 20, 2011)*.

Now, the *Digest* understands, that HMRC has acknowledged the discrepancy highlighted by BCF Wessex Consultants and will revise tax rules to ensure that the 3% supplement does not apply to diesel hybrids.

However, an official announcement has yet to be made by HMRC and no date has been fixed for the rule change to become effective.

The issue came to a head with the imminent UK showroom arrival of the Peugeot 3008 HYbrid4, the world's first full diesel hybrid.

The official range goes on sale early next year - following the arrival of a special launch derivative later this year - with two versions available with carbon dioxide emissions of 99 g/km and 104 g/km respectively. That means that both models in 2011/12 fall into the 10% company car benefit-in-tax bracket (13% for diesel cars).

Peugeot's second diesel hybrid, the four-wheel drive 508 RXH, will go on sale in spring 2012 with emissions of 109 g/km. But from April 6 next year a shake-up in benefit-in-kind tax scale charges means that the 10% rate applies to cars with emission up to and including 99 g/km. A model emitting 109 g/km will fall into the 12% tax bracket (15% for diesel cars).

An initial inquiry to HMRC's Employer Helpline suggested that the 3% supplement must be applied to all diesel cars, including diesel hybrids, subject to the overall benefit-in-kind tax cap of 35%.

However, Section 139 of the Income Tax (Earnings & Pensions) Act 2003 explicitly says that the 3% supplement only applies to 'a car which is propelled solely by diesel'.

Following the abolition from April 6 this year of various benefit-in-kind tax discounts on all alternatively fuelled cars, except electric vehicles, applicable secondary legislation only refers to hybrid models which are now included within the code for petrol vehicles (type A cars) for HMRC tax reporting purposes.

Last month Whitcombe said: 'There no longer seems to be a statutory definition by which a hybrid car is restricted to one that is capable of being propelled by electricity and petrol. So, we should resort to the only other relevant legislation, Section 141 (5) ITEPA, which unambiguously states that the 3% supplement only applies to cars that are solely propelled by diesel. Therefore I contend that the supplement should not be applied to diesel hybrids.'

It is understood that the argument has been won and that, in due course, HMRC will revise its interpretation of the legislation and update its guidance and statutory returns (Forms P46 (Car) and P11D).

Ford triumphs with four trophies at 2011 ACFO awards

FORD, Britain's largest supplier of company cars and vans, has scored a sensational quartet of wins at the prestigious 2011 ACFO Awards.

The 'blue oval' won four of the seven award categories, which included the Ford Focus being voted the nation's number one company car by influential fleet decision-makers for the first time since 2004.

The Ford Transit Connect Van was voted the nation's favourite Small Van for the ninth time in succession, while its Transit stablemate returned to the winner's rostrum after a two-year absence to claim the Large Van of the Year title for the 15th time in the history of the awards.

Ford's dominance of the Awards, which was hosted by ACFO at the Birmingham Hilton Metropole Hotel, was completed with the manufacturer winning the Fleet Safety Initiative Award for its Focus Driver Assistance Pack.

This Pack is a £750 option on the Focus and includes seven potentially life-saving features: Traffic sign recognition, which uses a forward-facing camera behind the rear view mirror to scan the roadside for speed limit signs and flashes up helpful reminders on the dash so drivers always know the speed limit; lane keeping aid; lane departure warning; auto high beam; blind spot alert; driver alert if sensors detect erratic driving; and Active City Stop, which monitors the road ahead and brakes the car automatically if a collision is imminent.

Meanwhile, BMW retained the Environmental Initiative Award for its low emission EfficientDynamics technology, which is gradually being rolled out across the manufacturer's model range. It is a combination of systems involving a mixture of Auto Start/Stop, Brake Energy Regeneration, Active Aerodynamics, low rolling resistance tyres, Electric Power Steering, on-demand ancillary systems and optimum gearshift indicator features.

The Volkswagen Golf is a four-time ACFO Car of the Year winner and this year the range's 1.6 TDI BlueMotion model, which offers combined cycle fuel economy of 74.3 mpg and has carbon dioxide emissions of 99 g/km, was named Green Vehicle of the Year.

Finally, while all suppliers strive to deliver customer satisfaction through a high quality fleet service, ALD Automotive, one of the UK's largest vehicle leasing and fleet management companies, won the accolade as Fleet Service Company of the Year with ACFO members declaring that the organisation offered the best overall combination of quality products, service and integrity and fully understood the requirements of fleet decision-makers.

The Awards are in their 28th year and they were presented at a gala dinner attended by more than 220 ACFO members and their guests.

The Awards, which are voted on line exclusively by the ACFO membership, are highly prized because unlike many other awards they reflect the day-to-day operational experience and expertise of fleet decision-makers.

ACFO chairman Julie Jenner said: 'Fleet decision-makers are reliant on motor manufacturers to deliver vehicles that are cost effective to operate, safe, reliable and environmentally-friendly and supplier companies to provide a first class service.

'Operating successfully in partnership it means that through the availability of top quality vehicles and first rate suppliers, vehicle downtime can be kept to an absolute minimum and fleet managers can focus on the efficient and effective operation of their vehicles to support their businesses.'

May Gurney acquires TransLinc in £34.9m deal

MAY Gurney has acquired TransLinc, a market leader in the UK's £730 million per annum local authority specialist fleet services and £3 billion local authority passenger services markets.

The support services company providing essential maintenance and enhancement services to the public and regulated sectors paid £34.9m in cash for the equity and loan notes of the business. In addition, May Gurney will assume approximately £30.7m of customer contract-backed fleet financing obligations.

May Gurney said the acquisition of the Lincolnshire-based company strengthened its market leading positions in highways maintenance and environmental services and augmented its existing plant management expertise. The company said it also reflected the trend for the provision and maintenance of vehicles to be included in 'bundled' tenders.

Additionally, May Gurney said that the deal gave it significant cross-selling opportunities, extended its national coverage and client base and allowed it to broaden its existing offering to current clients

Philip Fellowes-Prynne, chief executive of May Gurney, said: 'This acquisition is a good strategic fit and is expected to be earnings enhancing in the first year. It brings into the May Gurney Group a portfolio of services and clients which are highly complementary to our existing business, augmenting our strong positions in highways and environmental services as well as further establishing the Group as the leading support services business in the UK.'

TransLinc was originally part of Lincolnshire County Council and is now the UK's leading provider of specialist fleet management and passenger services to the public sector. Managing over 2,800 specialist vehicles from 20 locations for over 40 customers, TransLinc has worked across the sectors for more than 30 years.

For the year to February 28, 2011, TransLinc achieved earnings before interest, tax, depreciation and amortisation of £17.6m on revenues of £34.7m. TransLinc has total assets of approximately £53.6m.

TransLinc employs more than 400 employees and its management team will be joining the May Gurney business. Under the terms of the deal they are incentivised to drive the combined TransLinc/May Gurney specialist fleet services business forward.

Zenith rolls out new online fleet intelligence system

ZENITH is rolling out a new advanced online diagnostic reporting platform to its customers.

Pulse is a data-rich system that is delivered via a centralised web interface, enabling customers to interrogate any element of their fleet, anywhere in the world.

It has been developed by Zenith's in-house teams and integrates all the previous management systems (including vehicle orders, maintenance, accident management, finance and payroll), linking all departments in one business intelligence database and reporting function.

The Pulse platform provides data in real time, instantly serving information on orders and delivery status, vehicle carbon dioxide emissions, terminations, end of contract information (such as early termination, excess mileage etc), accident statistics, hire car spend, fines and many more areas.

At Zenith all fleet transactions are managed in house by dedicated teams of experts. Each transaction is recorded and can now be cross matched by any given parameter. Effectively any data that passes through Zenith can be analysed, providing customers with a level of visibility that, the company says, has never been available before.

Fleets can also compare the SMR costs of franchised dealers versus independents.

Results are delivered in a dashboard, in both tabular and graphical format, combining instant analysis, with simplicity and ease of use. All data is loaded in memory ensuring a speed of response and delivering results in seconds.

Pulse is adapted for iPad and other tablet devices, as well as smartphones meaning that fleet and human resources professionals can have access to all data relating to their vehicles anywhere, at any time

The system has been developed over the last six months and has been tested by a number of Zenith's large corporate customers. It will be made available to all Zenith customers as part of their existing fleet management arrangement by early next year.

Justin Patterson, head of fleet management at MITIE Group, said: 'Zenith has always provided us with online management information and full analysis at quarterly review meetings, which was very comprehensive and invaluable in the ongoing decision making process.

'With Pulse we now have the ability to interrogate any data on our fleet ourselves at any time and can view and download comprehensive graphs and tables. We know exactly what the fleet is costing us on a day by day and vehicle by vehicle basis, what the trends are and which areas can be improved upon.'

Fleet cans also benchmark their costs, on a whole life cost basis, against fleets of similar composition and instantly identify where cost savings and efficiencies can be made.

KeeResources installs EV recharging facility

KEERESOURCES, a leading provider of automotive data to vehicle manufacturers, retailers and the fleet industry, has bought a new Nissan Leaf and installed an electric vehicle recharging point at its new headquarters, Automotive House, in High Wycombe.

Managing director Denis Keenan said: 'As vehicle valuation experts, it is essential we keep ahead with all types of pioneering automotive developments. The Nissan Leaf won the 2011 European Car of The Year Award - the first full electric car to do so - and we are happy to lead from the front in embracing such a genuinely remarkable vehicle.

'We have installed an electric vehicle recharging point at Automotive House and we will all be using the car for routine journeys between our three offices, in Oxfordshire, High Wycombe and Basingstoke, along with picking up international clients from Heathrow and trips into the City of London, free through the congestion zone.

'This very significant milestone in the way our driving is powered will feasibly lead us all to consider the best or most appropriate vehicle types for our own circumstances in future.

'The technology changes that Leaf and others herald has led us to pro-actively redesign our own cost forecasting and spend-capturing systems to take us forward over many years, being able to reflect changing technology types in great detail as each arrives to market. This will ensure we can provide the quality of information to allow us, and our clients operating our software and data platforms, to properly evaluate needs, costs and benefits from each emergent technology.'

- NISSAN is accelerating plans for a European-wide quick charge (QC) network for electric vehicles by giving away 400 new quick charging stations free of charge. The new points will boost existing networks and give electric vehicle customers greater freedom and flexibility by effectively extending the range of their car. Countries across Europe have been asked to pitch for a charging network and the best 'bids' will win an allocation of chargers. In the UK, Nissan has put in a bid for 65 chargers which would be strategically located at selected service stations along the motorway network, creating a 'pathway' on major routes across the UK. Contact has already been made with the three largest motorway service station chains who have a total of 100 stations across the country. In addition, QCs would be located in some city centres and other key locations such as airports.

ICFM conference to focus on driver behaviour

THE theme for this year's Institute of Car Fleet Management (ICFM) annual national members' conference to be held on Tuesday, November 29 at Peugeot UK's headquarters in Coventry is 'Driver behaviour - the real cost'.

Repeating the format of the past two years, the conference programme includes a variety of keynote speakers and free training workshops.

The ICFM conference is open to members and one guest each and is rated a 'must attend' event for anyone serious about influencing driver behaviour and reducing costs.

ICFM chairman Roddy Graham said: 'As ever members are under considerable time and cost pressures but this is an event definitely not to be missed. Influencing driver behaviour to reduce accidents, downtime, repair, fuel costs and carbon footprint is critical in today's tough economic environment.

'Following the very positive reactions to the two previous conference formats, interactive workshops now form an integral part of the programme to help members address today's challenges.'

The workshops will reinforce to members and their guests the very high standards of the ICFM and its forward-thinking approach and demonstrate how its accredited education and training programmes can make a real difference to organisations. This will be reinforced by the training awards presented later in the day.

The first keynote speech, focusing on 'Assessing and Influencing Driver Behaviour' will be delivered by Dr Gerhard Manogg of Imagitech. The second keynote speech, looking at 'Driver Behaviour - the Impact on Fuel Costs' will be made by Mike Waters, director of market insight at Arval. The third, on 'Driver Behaviour - the Environmental Perspective' will be delivered by Neil Fulton, head of sales and marketing at the Millbrook Proving Ground.

After lunch, motivational speaker Leon Taylor, Olympic silver medallist, will talk about the application of sports psychology to fleet administration. It will be followed by the outcomes of the interactive workshops and a Peugeot presentation.

For more details, members should contact Lynn Eldridge at the ICFM on 01462 744914. The deadline for registration is November 21.

Leasedrive claims 98% driver satisfaction

DRIVER satisfaction levels among blue chip clients of the Leasedrive Group, the largest independent privately-owned vehicle management group in the UK, are at an all-time high with 98% either 'satisfied' or 'very satisfied' with the service levels they receive, the company has claimed.

Roddy Graham, commercial director at Leasedrive, said: 'We do not normally publicly disclose the results of our regular driver satisfaction surveys but given that 2011 has been a year of significant change for our business with the integration of the Masterlease business and a completely new IT implementation in our Birmingham office we are particularly proud of these exceptional results.

'As a forward-thinking company, we continually strive for improvements in all areas of our business and never rest on our laurels. We have won many new high profile clients due to our excellent track record for customer service and we will strive to improve this record still further as we grow the business. The quality of service delivery is a key differentiator for us and we will continue to invest in improving standards still further.'

Sixty-four per cent of drivers among Leasedrive Group customers were 'very satisfied' with the service they received, an increase of 5% over the previous year. Thirty-four per cent were 'satisfied' and 2% 'dissatisfied'. Across all the parameters surveyed including vehicle ordering, vehicle delivery, SMR, accident management, fuel card and vehicle rental, driver responses showed an improvement in customer satisfaction levels over the previous year.

Leasedrive Vehicle Management operates a fleet size of more than 45,000 vehicles.

Jaama achieves ISO9001 accreditation

LEADING fleet, leasing and rental software specialist Jaama has achieved ISO9001 accreditation for its quality management systems.

The standard, published by the International Organisation for Standardisation, underlines Jaama's commitment to quality across its entire business.

The company's process improvement quality system (PIQs) is designed to ensure its customer-focused approach is built on a quality platform across its various departments including research and development, implementation, customer service, sales and marketing.

Jaama managing director Jason Francis said: 'The company is the industry's benchmark for quality and innovation and is established as the UK's most recommended software supplier in the fleet, leasing and hire markets.

'Our quality commitment is further strengthened by achieving ISO9001 accreditation as it recognises the quality of both our Key2 Vehicle Management suite of products and service levels as well as our internal business processes.

'Additionally, many tender documents that we respond to from across the public and private sectors highlight the importance of quality standard accreditation.

'Thus ISO9001 gives Jaama a reference point and a framework to ensure that the business is consistent in its organisational functions and is continually striving to improve.'

Companies urged to enter Fleet Safety Forum Awards 2012

ORGANISATIONS that have worked to improve fleet safety are being urged to enter the annual Fleet Safety Forum Awards for Excellence, organised by Brake, the road safety charity.

The awards will be presented at a gala dinner at the MacDonald Burlington Hotel in Birmingham, on Thursday, June 14, 2012.

For the first time, entries can be submitted online this year via www.fleetsafetyforum.org. The deadline for submitting an entry is Friday, March 16, 2012.

These awards, sponsored by Arval and now in their 10th year, recognise the achievements of those working to help reduce the number of costly, and in many cases fatal, road crashes involving at-work drivers.

Entries are invited from organisations running any type of fleet, and from companies that provide products or services to fleets, who have worked to improve safety. There are 10 award categories.

Tickets for the event cost £110 each or £1,000 for a table of 10. As an extra incentive, a year's subscription to the Fleet Safety Forum is free with every table booking.

To enter or book tickets for the dinner dance, visit www.fleetsafetyforum.org and click on Awards, or contact Brake on 01484 559909 or email admin@brake.org.uk.

Learn how to risk manage your fleet with IAM Drive & Survive

DRIVER training company IAM Drive & Survive is offering free driver risk management seminars to help organisations understand their obligations towards their drivers, and to implement and maintain the necessary standards to ensure compliance.

Employers have a legal obligation to provide an assessment for any employee considered to be exposed to manageable risks including driving for work.

The free two-hour seminars will be led by expert speakers from IAM Drive & Survive's training team, who will explain all of the benefits of the driver risk management programme, including: risk assessments, duty of care, health and safety, on-road learning, eco driving and driving in winter.

The seminars are being run in London on November 30 at 10am and 2pm at Euston House, 24 Eversholt Street, London, NW1 1AD. For information about IAM Drive & Survive phone 0870 120 2910 or visit http://www.iamdriveandsurvive.co.uk

IFS selects Auto Windscreens as a preferred supplier

INCHCAPE Fleet Solutions, one of the country's leading fleet management and lease companies, has added Auto Windscreens to its panel of glass suppliers.

Inchcape Fleet Solutions is an independent international automotive distributor and manages around 50,000 vehicles.

Commercial manager Peter Eldridge said: 'We always look long and hard to find suppliers that can help us deliver unbeatable customer care. During a trial period, Auto Windscreens demonstrated it could offer a faultless service, so we had no hesitation in offering the company a contract to work with us. In addition, Auto Windscreens' operational systems provide us with management information and performance reporting that is not available anywhere else.'

Leasedrive re-signs Experian fleet

LEASEDRIVE, the largest independent privately-owned vehicle management group in the UK, has re-signed Experian, the leading global information services company, as a fleet management customer for a further five years after the latter went out to tender.
Experian was originally one of Masterlease UK's five largest customers, with a fleet size of around 650 vehicles, and, following the integration of Masterlease UK, it recognised the new Leasedrive Group as the best fleet partner.

Leasedrive commercial director Roddy Graham said: 'Masterlease UK had been Experian's sole fleet supplier since 2002 and had provided a full range of additional services, under a continuous development programme, including accident management and short-term hire.

'Throughout the recent tender process we were able to demonstrate not only the excellent service Experian and its employees have received from the Birmingham team and help desk but also the product and service evolution which has seen Experian's scheme remain competitive both as an employee benefit and from an employer cost perspective.'

Brian Hill, head of P2P and billing at Experian's EMEA Shared Service Centre, said: 'Under our procurement policy, we periodically review our major suppliers and earlier this year issued a formal tender for our fleet supply.

‘We had always enjoyed a comprehensive and consistent service from Masterlease UK whose holistic approach ensured a continuous track record for innovation. The product and service offering has evolved over the years and been accompanied by demonstrable cost savings.

‘We have also enjoyed an honest and open approach where both sides challenge each other to do better. Successful change management convinced us to continue the relationship with the new Leasedrive Group, which will see us benefit from its award-winning online total fleet management system, Drive:Manager.’

Model update

Order books open for new Audi A4 as prices are revealed

PRICING and specification has been confirmed by Audi for the new A4 with order books open for the range featuring styling upgrades and major efficiency gains.

First customer deliveries will take place in March 2012 for the new saloon and Avant range with on-the-road prices starting at below £24,000 for the 1.8 TFSI 120 PS six-speed manual SE, which will be available from early next year and topping out at £41,115 for the S4 3.0 TFSI quattro 333PS seven-speed S tronic SE.

Across the range the new generation A4 carries a premium of just £200 over their outgoing equivalents.

Efficiency was at front of mind during the redevelopment of the eighth generation A4 range, so as a starting point all nine of the turbo charged and directly injected engines that power it are linked without exception to start/stop and recuperation systems.

That helps to bring about economy improvements that average 11% across the board, but actually amount to as much as 21%.

The petrol range will kick off, as it did before, with the 1.8 litre TFSI with 12 PS, which is due to open for orders in early 2012, slightly later than the first phase.

Until then, the lead-in unit is a more powerful 1.8 litre TFSI, which has been completely redesigned for the A4 to include ground-breaking innovations in many areas, including control of the valves and their lift, thermal management, fuel injection, turbocharging and the integration of the exhaust manifold.

With power increased from the previous 160 PS to 170 PS, and a torque hike from 250 Nm to 320 Nm, it combines 49.6 mpg economy potential with emissions down from 169 g/km to 134 g/km - a 21% improvement.

With the departure of the 3.2 litre naturally aspirated V6 petrol engine from the latest range, the perennially popular 2.0 litre TFSI unit with 211 PS now completes the petrol line-up.

The bulk of the engine range changes are reserved for the TDI contingent, which now offers six options employing either four or six cylinders.

Of the four 2.0 litre four-cylinder units, two power TDIe models. The 136 PS version which performed this role originally continues, and has been joined by a more powerful 163 PS version. Emissions drop to 112 g/km from 120 g/km in the A4 2.0 TDIe 136 PS, and the 2.0 TDIe 163 PS runs this figure close at 115 g/km. Combined cycle economy figures stand at 65.7 mpg and 64.2 mpg respectively.

In the interest of maximum breadth of choice, particularly for business users, the 143 PS version of the 2.0 litre TDI continues alongside a 177 PS unit - with power up from 170 PS - that heads the four-cylinder line-up.

The 136 PS, 163 PS and 177 PS units have been further refined by a new pendulum type absorber in the dual mass flywheel which makes engine running even smoother and more refined at low revs.

In the V6 camp, a 204 PS 3.0 litre unit first seen in the A6 saloon and A7 sportback is adopted in place of the 2.7 litre TDI, and brings up to 57.6 mpg to front-wheel-drive models. A 245 PS version is linked exclusively to quattro all-wheel-drive in saloon, Avant and allroad quattro variants.

A six-speed manual transmission is standard for saloon and Avant models with front-wheel drive, and most variants offer the continuously variable multitronic automatic transmission as an option. The quattro versions feature either the manual transmission or the seven-speed S tronic twin-clutch automatic. The A4 allroad quattro employs a manual transmission or S tronic with all engine versions.

The quattro permanent all-wheel-drive system is standard for the A4 allroad quattro and 245 PS A4 3.0 TDI quattro models, and available at extra cost for 211 PS 2.0 litre TFSI petrol and 177 PS 2.0 litre TDI variants.

The A4 saloon's luggage compartment retains a 480 litre capacity, or 962 litres with the rear seats folded down. The A4 Avant and the A4 allroad quattro offer 490 and 1,430 litres respectively.

The specification levels for this latest generation model begin with the more comfort-oriented SE designation, which includes features such as 17-inch alloy wheels, three-zone climate control, a ten-speaker, 180-watt Concert CD audio system with auxiliary input and 6.5-inch monitor, cruise control, rear parking sensors, light and rain sensors, Bluetooth mobile phone preparation and a colour driver's information system.

S line specification is as usual the choice for more performance-oriented drivers, and includes larger 18-inch alloy wheels, lowered sports suspension, S line exterior and interior styling enhancements and xenon headlamps with LED daytime running lamps and rear LED lights.

The Audi S4, available in saloon and Avant body styles and with either six-speed manual or seven-speed S tronic transmissions, employs the most powerful engine in the line-up - the 3.0 litre TFSI with 333 PS and 440 Nm of torque.

Volkswagen drops Passat name as it unveils new CC

VOLKSWAGEN has released the first details of its new CC, which will be officially unveiled at the Los Angeles Auto Show on November 16.

The new four-door car with its coupé-like styling is the replacement for the Passat CC.

At the front, the new radiator grille has horizontal lines that represent Volkswagen's new design DNA, flanked by new bi-xenon headlights and topped with a reprofiled bonnet. The bumper is different, too, with a new extra air intake, and silver-coloured 'winglets' that frame the fog lights.

Along the side, the frameless doors are carried over from the previous model, but more sculpted sills, revised bumpers and the new bonnet add up to create a subtly updated silhouette.

The rear bumper has also been completely redesigned, with more emphasis on horizontal lines and a reworking of the characteristic chrome strip. The tail lights are new as well, not just in their design, but in their use of LEDs. The numberplate lights are also now LED. As before, the Volkswagen logo doubles as the handle for the boot, and it can now optionally contain a rear-view camera.

While the name may have changed, the list of standard equipment has been expanded to include features such as the standard driver alert system, as found on the Passat, and front head restraints with four-way adjustment, to reduce the risk of whiplash.

From launch, the UK engine range will comprise 1.8 litre TSI 160 PS or 2.0 litre TSI 210 PS petrol engines and a 2.0 litre TDI common rail diesel with either 140 or 170 PS.

All models with 170 PS or more also now get a standard XDS differential, an electronic cross-axle traction control system for improved traction and handling.

UK retailers will start taking orders for the new car early next year with first deliveries due in March. More details including pricing will be available nearer the launch date.

Vauxhall unveils most powerful Astra ever built

VAUXHALL has revealed first details of the new Astra VXR, which with 280 PS and 400 Nm of torque is the most powerful production Astra ever built.

On sale in 2012, the Astra VXR is based on the Astra GTC's platform and is powered by a 2.0 litre turbo-charged direct injection engine which achieves a top speed of 155 mph.

But while the Astra VXR is based on the new GTC, it has benefited from a raft of bespoke chassis modifications, transforming it into a focused, high-performance coupe.

Setting it apart from all other current Astras is a specially developed mechanical limited slip differential (LSD), which works on the front wheels. In conjunction with the GTC's HiPerStrut (High Performance Strut), the LSD provides the Astra VXR with exceptional lateral grip and traction through bends.

Further changes to the chassis include brakes developed by competition supplier, Brembo, and standard fitment of Vauxhall's fully adaptive FlexRide system. In the Astra VXR, FlexRide features not only a Sport button, but a VXR button, offering drivers the choice of two, more focused stages of damper, throttle and steering control.

Visual identifiers for the Astra GTC comprise a set of specially sculpted front and rear bumpers, side skirts, an aerodynamic roof spoiler and two exhaust tail pipes in a trapeze shape.

Inside, the VXR's cabin gets bespoke performance seats with embossed logos in the backs, a flat-bottomed VXR steering wheel and upgraded instruments.

Further details, including pricing and on-sale dates, will be revealed early next year.

Vauxhall reveals pricing for Zafira Tourer

ON-the-road prices for the Vauxhall Zafira Tourer will start at £21,000 for the 1.6i 16v 140 PS ES entry-level model and extend to £28,465 for the 2.0 CDTI (165 PS) Elite derivative.

There will be 32 models in the line-up with a choice of five trim levels - ES, Exclusiv, Sri, SE and Elite.

Two new engines - a 1.4 Turbo petrol and a 2.0 CDTi diesel with three outputs (110 PS, 130 PS and 165 PS) - join a 1.8 litre petrol unit.

The Zafira Tourer will be positioned above the current Zafira model in Vauxhall's line-up with the manufacturer saying the model will raise the bar for design, luxury, flexibility and innovation in the MPV sector.

Toyota holds prices for new Avensis model

ORDERS for the new UK-built Toyota Avensis can be placed now with deliveries starting at the beginning of December - but the good news is that there is no price increase over the out going model.

Production of the new Avensis started at Toyota's Burnaston factory this week and on-the-road prices for the line-up start at £18,450 for the 1.8 Valvematic six-speed manual T2 and rise to £28,885 for the 2.2 D-CAT 150 six-speed automatic T Spirit Tourer.

The new Avensis promises extra equipment, new styling and improved performance compared with the previous model.

Unveiled at this year's Frankfurt International Motor Show, the new-look Avensis builds on the spaciousness, practicality and fuel efficiency that Toyota says are the established hallmark qualities of the model, delivering sharper contemporary styling, a quieter and more comfortable cabin and improved driving dynamics.

In addition, its top-selling 2.0 litre D-4D engine has been significantly revised to achieve lower emissions and better fuel economy with emission levels brought down to 119 g/km.

While prices for the T2, TR and T Spirit saloon and tourer are matched to those of the current model, there is a small decrease in the price of T4 models, taking into account revisions to the specification.

Volvo C70 gets a new look with Inscription model

VOLVO has extended its C70 range with the launch of the Inscription edition available from £33,855 on-the-road for the D3 SE.

The C70 is the world's first four-seater convertible car with a three-piece folding hard top as standard and the Inscription blends distinctive exterior details such as the painted grille and black 18-inch wheels with exclusive interior features, including Sovereign Hide upholstery and a leather-covered dashboard.

The Inscription can be combined with both five-cylinder 2.0 litre diesel engines offered in the UK: the D4 (177 bhp) and D3 (150 bhp).

Inscription can be ordered from mid-November with first deliveries in February 2012.

Additionally, for model year 2012, the C70 is now available with a two-tone colour scheme, with selected colours being able to be combined with a silver roof. New LED day running lights incorporated into the front bumper and a new chrome detailing strip became available for the rear bumper as an option.

Citroën launches lowest emission diesel model

CITROËN has announced the introduction of its most carbon dioxide efficient conventionally powered model to date - the new C3 e-HDi 70 Airdream EGS VTR+.

With emissions of 87 g/km and combined cycle fuel economy of 83.1mpg, the new version of the C3 supermini is now Citroën's most fuel and emission efficient diesel powered car, ranking it amongst the very best in its class.

First displayed at the 2011 Frankfurt International Motor Show in September, the e-HDi 70 Airdream EGS VTR+ is available to order from this month with an on-the-road price of £15,290, complete with the C3's panoramic Zenith windscreen.

The new model uses Citroën's e-HDi micro-hybrid Stop & Start technology, combined with a 68 bhp HDi diesel engine, to deliver fuel economy of up to 88.3 mpg in extra urban driving.

Nissan gears up to launch uprated GT-R flagship model

THE 2012 model year Nissan GT-R 'supercar' will arrive in UK showrooms in early 2012.

Powered by an uprated 550 PS (+20 PS) engine, the GT-R comes with improved fuel economy (24 mpg from 23.5 mpg) and lower emissions.

Significant improvements to the engine, chassis and transmission which accentuates the performance potential of the GT-R are the key changes to Nissan's flagship model for 2012.

Meanwhile, a new version within the GT-R line up is currently being planned for the UK, designed for customers who want to enjoy a more track biased driving experience.

Further details of that version and pricing of the model year 2012 GT-R are expected in early December.

Manufacturer news

Ford could face first strike ballot since the 1970s over pension scheme

UNITE, Britain's biggest union, has walked out of negotiations with Ford UK which is insisting on closing its pension scheme to new entrants, raising the possibility of the first strike at the company since the 1970s.

This week union representatives for 2,500 Ford staff walked out of the negotiations claiming the company's move was the 'thin end of the wedge' and would lead to the ultimate closure of its staff final salary pension scheme.

The breakdown in talks also followed Ford's hourly paid staff who rejected a similar offer.

Unite national officer Roger Maddison said: 'Our members have made it crystal clear that they fiercely oppose the closure of the final salary scheme to new entrants. They also believe it is the thin end of the wedge and the company wants to ultimately close the entire scheme. We call upon Ford management to restart negotiations with an open mind, rather than demanding changes to long standing agreements that could lead to Ford's first strike since the 1970s.'

General Motors to block Saab's Chinese sale

THE future of Swedish motor manufacturer Saab continues to remain uncertain this week as it was revealed that General Motors has threatened to block its proposed acquisition by Chinese motor manufacturers.

Last week it looked certain that Saab Automobile and its subsidiary Saab GB would be sold to Chinese motor manufacturers for €100 million *(Digest: November 3)*.

Swedish Automobile, which owns both companies, signed a memorandum of understanding with Pang Da and Youngman for the sale and purchase of 100% of the shares of the two organisations.

However, now it has emerged that General Motors, which sold Saab as part of its revival plan, fears that its technology could be transferred from its former subsidiary.

General Motors, said the *Financial Times* (November 5), was understood to be nervous about its intellectual property being transferred to two little-known players in the car industry.

General Motors still owns preference shares in Saab and supplies vital components, meaning Saab needed its approval for a new sale.

Victor Muller, the boss of Saab's parent company Swedish Automobile, said it was 'back to the drawing board' for the Swedish car brand.

Mazda's digital servicing record adds value to vehicles

CARS with full service histories are worth up to £1,500 (26%) more and are easier to sell, according to new research carried out by ICM Research.

Mazda was the very first car company to have a fully operational digital service record (DSR) across the range, adding more value to its cars.

'DSR replaces the traditional service record book which sits in the glovebox for 364 days of the year, emerging once every 12 months to be stamped when the car has its annual service,' said David Wilson-Green, aftersales director at Mazda UK.

The research showed that more than one-in-three buyers (34%) would not buy a car without a full service history and that greater value is placed on cars with a full service history from a franchised dealer rather than an independent dealer.

In fact, only 32% valued the car the same if serviced by an independent garage, suggesting that 68% valued the car greater if it had a full service history from a franchised dealer.

This means that using a franchised dealer for servicing will add value to a car when it comes to selling it, says Mazda. With the average used car selling for £5,500, the findings indicate that a full service record could be worth up to £1,500.

'DSR is much more secure than the traditional paper service record,' said Wilson-Green who has overall responsibility for DSR on behalf of Mazda's 151-strong dealer network. 'Service histories can be falsified; but with an electronic service record it is very difficult to be fraudulent.'

Behind DSR lies a whole reporting suite that lets dealers know which customers are due into the dealership, the customers that have visited recently, those that have missed a service and who has been taken off the database because they no longer own a Mazda.

DSR was launched for all new Mazda vehicles in 2006, but any Mazda built since 1998 can be added retrospectively to the database.

Light commercial vehicles

Fleet focus on cost and efficiency drives up van sales

FLEET operator focus on reducing costs and improving efficiency is driving demand for new light commercial vehicles, according to the Society of Motor Manufacturers and Traders.

Van makers are responding to commercial needs by continually introducing new models and that has contributed to October LCV sales totalling 19,370, up 6.7% on 12 months ago (18,147).

The rise in sales means that in 2011, 219,054 LCVs have been sold - 17.3% up on 2010's 10-month total (186,701).

SMMT chief executive Paul Everitt said: 'The commercial vehicle market remains buoyant. Efficiency is a key driver as operators are investing in the latest models across almost every market sector to reap the rewards of greater load carrying ability and fuel economy.'

He added: 'These remain challenging economic conditions and we are looking to the Chancellor's Autumn Statement later this month [November 29] to set out measures to boost growth and steady business confidence.'

Van registrations increased for almost every weight category although the rate of increase on 2010 has eased from the highs seen early in the year but, despite that, rolling year figures are still up 18.2%.

Sales of sub two-tonne vans totalled 3,072 last month (October 2010: 2,581) to take year-to-date sales to 39,615, up 4% (2010: 38,083); sales of 2.0-2.5-tonne vans totalled 2,813 last month (October 2010: 2,037) to take this year's volumes to 28,108, up 22.6% (2010: 22,935); sales of 2.5-3.5-tonne vans fell 3% last month to 11,370 (October 2010: 11,716) to take this year's volumes to 123,584 (2010: 104,804); pick-up sales rose 20% last month to 1,692 (October 2010: 1,410) to leave annual sales up a third at 22,101 (2010: 16,526); and 4x4 demand rose 5% last month with 323 vehicles registered (October 2010: 403) to take 2011 volumes to 5,646, up 29.7% to 4,353 units.

Mercedes-Benz Sprinter is back in the frame for windows giant

ONE of Britain's leading home improvement companies is keeping its own house in order - by replacing all 650 of its vans with Euro5 Mercedes-Benz Sprinters.

Best known for its hugely successful range of uPVC windows, doors and conservatories, Anglian Home Improvements has long experience of Mercedes-Benz vans as most of its established vehicles wear three-pointed stars.

Anglian did acquire a batch of 90 vans from another manufacturer on a lease deal a couple of years ago. But now, with business levels growing encouragingly, the company has resolved to once again become an all-Mercedes-Benz operation.

Anglian's UK headquarters are in Norwich and its new vans will be entering service via city dealer Orwell Truck & Van over the next two years.

Racked to Anglian's own design to carry tools and access equipment, as well as the product to be installed at customers' homes, the vans can also be fitted with removable frails for transporting large sheets of glass.

All are Euro5 Sprinter 313CDIs with high roofs; most will be of medium length although the operator has also ordered several long models. The 129 bhp Sprinter 313CDI is 15% more fuel efficient than its Euro4 predecessor, this equating to an extra 4.5 mpg with emissions down by 13%.

In another 'back to the future' move, Anglian is reverting from its previous leasing arrangement to outright ownership, and is purchasing its new Sprinter fleet with support from Mercedes-Benz Financial Services.

Anglian Group fleet manager Mick Shepherd said: 'Although our vans don't cover huge mileages we will run these new ones for six years or more, so durability is going to be crucial. We know Mercedes-Benz vehicles can stand the test of time; indeed, we have a few Sprinters which are nearly 10 years old and are still going strong.'

Despite this previous, positive experience, Anglian's procurement team invited several manufacturers to tender for the new fleet, with a host of factors including vehicle size, payload, and fuel consumption all being taken into account.

Shepherd added: 'When it came to whole life costs the Mercedes-Benz Sprinter emerged as the clear winner.'

Residual value update

Used vehicle sales to be 'fairly strong' in New Year, says VRA

VEHICLE remarketing companies are predicting that the early part of the New Year will be 'fairly strong' as dealers stock up forecourts and ramp up their used vehicle marketing activity.

Supply of both cars and light commercials is however still expected to be fairly light but that, says the Vehicle Remarketing Association, should fuel some positive sentiment in the used market.

With falling new vehicle registrations since 2008 - down by at least 400,000 units per year on the years before recession - to know that the shortage of one to four year old used vehicles will continue for some time to come, says the VRA.

Currently used vehicle buyers are tending to shy away from anything where substantial refurbishment is required.

That applies across most segments and is an indication of an ongoing element of nervousness from dealers about length in stock, reflecting the importance of quick turn around on the forecourts.

Hence, vehicles with sensible mileages requiring minimal work, or better still in 'ready to retail' condition, are attracting plenty of interest. Those over-worked vehicles where mileages have been allowed to creep up above normal levels are also struggling, unless offered very realistically or below market value.

Feedback from VRA members close to the retail market suggests the current basket of quite aggressive new car offers may be diluting some interest away from used cars.

However, there is no doubt, says the VRA, that franchised dealers have increasingly turned their attention to used vehicle retailing to support profitability in the last few recession-driven years.

In many cases it has become the most profitable income stream and has driven plenty of demand into the wholesale area as new car dealers compete with the independent used car specialists over stock which has traditionally been the domain of the latter.

Those models feeling a cold draught, as autumn bites says the VRA, include convertibles, most sports cars and a number of larger engine executives models. In this latter case the more fuel and tax efficient counterparts from the same ranges are looking increasingly more attractive and that trend which is expected to continue. Conversely, the seasonal popularity of 4x4s is back again with demand and corresponding values on the up once more.

With diesel now taking 50% of the overall new car market the demand for used diesel models is also strong and there is now a clear gap now between diesel and petrol derivatives in the mid to large segments, favouring diesel.

Nevertheless, petrol models in the smaller segments are still very strong and often more popular than diesel, says the VRA.

The van market continues be short on used stock. All light commercials which arose through the numerous corporate casualties seen throughout the year have pretty much now been swallowed up. Consequently demand is still not being met by supply and that, says the VRA, applies across most age segments.

Car values stall in response to seasonal pressure and rising volumes

RISING supplies of used cars in October combined with seasonal issues and relatively static demand in the wholesale sector saw average values fall by over 4%, according to BCA's latest report.

On average, values fell by £289 (4.6%) to £5,963, with both the fleet and lease sector and nearly-new models dropping in value. Values rose marginally for dealer part-exchange vehicles, posting a £17 increase (around half of 1%).

Year-on-year, October 2011 is £171 (2.9%) ahead of the same month in 2010, but is £58 (1%) behind the figure recorded two years ago, when the market was peaking.

BCA's communications director Tony Gannon said: 'Market performance is increasingly polarised into good and poor condition cars, and the rising volumes from fleet and lease sources have thrown this into sharp relief over the past five weeks.

'Values remain healthy for Grade one and two cars, because there is an ongoing shortage of retail ready stock for professional buyers to take away and put on sale immediately. But there is little appetite for cars in Grade four or five condition - unless they are realistically valued to sell.

'Vehicles that are perceived to be over-valued or poorly presented are simply being overlooked. This is causing additional re-entries back into a marketplace that is already experiencing rising volumes and no better than adequate demand. The most obvious effect of this is that conversion rates have fallen sharply and are now some ten points lower than they were in the first days of September.'

Gannon added: 'Neither history nor the current economic outlook suggest that retail activity and wholesale demand will improve between now and the end of the year. The critical issue for vendors is to get vehicles on sale the first time they are offered - on average, vehicles sold first time around are making £900 more than vehicles being re-offered for a second or third time.'

Fleet values fell back after two consecutive monthly improvements, dropping by £270 (3.5%) compared to September and CAP performance fell by nearly three points to 96.6%. Year-on-year values are adrift by £132 or 1.8%.

Gannon concluded: 'It is worthy of note that average values for fleet and lease stock in 2011 have declined for seven out of the ten months - further proof, if it were needed, that fleet cars are depreciating assets.'

Three-year-old cars hold 'firm' with volumes low

USED car prices on three-year-old models were firmer across most sectors between September and November than the previous three months, according to used car pricing experts CAP.

The CAP Used Car Price Index also reveals an increase in values for 4x4s over the period while convertibles are hitting the doldrums.

A reduction in the number of used cars available overall, at the benchmark three-year-old point, is helping to keep prices relatively stable in most cases, says CAP. That stems from the credit crunch and recession of 2008 which saw a dramatic reduction in the number of new cars produced and registered.

The low volume of available stock is helping to compensate for muted retail demand, due to consumer caution.

Superminis are benefiting from the relatively stronger demand for running cost economy and fell, on average, by just 1.9% between September and November. Lower medium - or small family - cars are also enjoying similar demand, falling in value by an average of just 2.6% over the same period.

Also worthy of note are upper medium - large family - cars, which have historically often been especially vulnerable to oversupply and consequent heavy depreciation. However, those vehicles saw an average reduction of just 2.3%.

The weakest performers over the past three months have been convertibles, which are notoriously vulnerable to seasonal fluctuations in demand, which are down by an average 9.6%.

Returning to favour, following a period of significant reductions over the summer months, are 4x4s with an average increase of 3.2%.

A CAP spokesman said: 'Although there remains precious little economic good news and consumers remain nervous about making big ticket spending commitments, the positive message is that more stable used car values means slower depreciation for owners.

'Thanks to low volumes of cars available, even the usual suspects for heavy depreciation, such as large family cars and popular executive models, have been seeing relatively strong value retention as we head toward the end of the year. Indeed, many used car values moving into November have been unusually strong at a time when historically prices have tended to be much weaker.'

LCV values on a high as stock issues continue

LCV values continued at exceptionally high levels as October recorded the second highest average monthly value for 17 months.

The combined effect of stock issues and strong demand kept values firm, according to BCA's latest data.

While the October figure of £4,301 slipped against September's £4,409, average values remain well ahead of those seen earlier in 2011. Model mix is the most likely source of the month-on-month drop in the headline figure, as both the fleet/lease and dealer part-exchange sectors recorded improved values compared to September, with just the nearly-new sector declining.

With stock in even shorter supply - October volumes were 5% down on September - the ongoing strong buyer demand ensured conversion rates remained at high levels, with many vendors continuing to enjoy 100% conversions in individual sales sections.

Performance against guide prices remained exceptionally strong, with values across the board averaging 103% in October, with all three sectors of fleet/lease, dealer part-exchange and nearly-new achieving well over 100% for the third month running. Year-on-year values are ahead by £122, equivalent to a 2.9% improvement.

Duncan Ward BCA's general manager - commercial vehicles, said: 'The continuing gap between supply and demand is keeping values firm. In review much of 2011 has seen exceptional values for used LCVs, particularly in the spring when the market was flooded with liquidation stock. The third quarter was extraordinary, with sustained demand through the holiday period, even with lacklustre business confidence and Stock Market wobbles and there are signs that values are likely to remain strong into the New Year.'

Ward added: 'However, we are still seeing far too many vehicles entering the remarketing chain with high levels of damage which reduces their desirability and value to used buyers.'

He continued: 'While everyone accepts a van is a working tool, we see examples of basic negligence every day that have a real financial impact for vehicle owners. As vans are often staying in service longer, some additional decline in condition is inevitable, but often steps can be taken to 'manage damage'. Driver training, a culture to report and repair damage and independent in-service inspections are all examples of good practice that can make a real difference.'

Values in the fleet and lease LCV sector improved again to £5,111, reaching the highest point since the spring months of 2010. The October 2011 average is the third highest on record and year-on-year values are ahead by £229 (4.7%). Fleet vans averaged 103.6% of CAP in October.

Lex's record-breaking £7m Manheim sale

A TOTAL of 1,086 buyers attended the UK's biggest ever one day auction for a single vendor as 1,100 Lex Autolease vehicles went under the hammer at Manheim Auctions, Colchester.

All the lanes at Europe's only four-lane auction centre were packed with a mix of stock including; 600 fleet units, 200 Black Horse vehicles, 200 commercial vehicles and 100 convertibles.

The mega sale attracted a record 425 buyers to the Colchester site with a further record breaking 661 buyers bidding online via Simulcast across the four lanes.

The overall conversion rate of 93% resulted in over 1,000 vehicles being sold on the day at a total value of just under £7 million. The overall conversion rate of 93% was all the more impressive, said Manheim, considering the volume of convertible vehicles on offer which still managed to achieve a 78% conversion rate.

Strong values were achieved against the October CAP values, with the Lex Autolease fleet vehicles achieving 99.1% of CAP 'clean', Black Horse vehicles 94.2% of CAP 'clean' and commercial vehicles achieving 106% of CAP 'average'. Even the convertible market, which is usually dormant as winter looms, held up well achieving 91.6% of CAP 'clean'.

Examples of some of the hot performers included a 2009 Fiat Multipla 1.6 with 24,000 miles which achieved 142% CAP 'clean'; a 2007 Mercedes-Benz C-Class 200K Elegance with 37,000 miles which achieved 137% CAP 'clean'; a 2005 Land Rover Discovery with 70,000 miles which achieved 110% CAP 'clean' and a 2008 Audi A3 1.9 TSi Sport Cabriolet with 36,000 miles which achieved 106% CAP 'clean'.

Commercial vehicles were also in great demand selling just short of £800,000 of stock with an average value of £4,272 per vehicle. Most notably were the values achieved by a 2007 Toyota Hi Lux 4x4 with 137,000 miles achieving 155% CAP 'average' and a 2007 four-berth Fiat Ducato Ace Airstream 61 with 5,600 miles achieving 129% CAP 'average'.

Politics and regulation

Chancellor under mounting pressure to cut 2012 fuel duty rises

PRESSURE continues to build on Chancellor of the Exchequer George Osborne to axe next year's fuel duty increases when he stands up in the House of Commons on November 29 to make his Autumn Statement.

The petrol division of the Retail Motor Industry Federation has already urged the rises, scheduled to be implemented on January 1 and August 1 next year, to be abolished *(Digest: October 29 and November 3)*.

Now, the AA and the British Retail Consortium have joined the call, while forecasters at the Ernst & Young ITEM Club have warned that filling up the average car could soon cost £100.

If next year's two fuel duty rises go ahead, it is estimated that they will add 8p a litre to the cost of petrol and diesel at the pumps. With just a small upward adjustment to global oil prices, the UK will be facing average prices of 150p per litre for diesel and 145p per litre for petrol by next summer, according to RMI calculations.

The British Retail Consortium says that the Chancellor could restore confidence to the economy by softening fuel duty increases.

Meanwhile, AA president Edmund King said: ‘Most [people] could not imagine life without a car and yet the price of fuel and other items, for example parking costs, are now becoming a heavy burden for many.’

The ITEM Club is forecasting that oil and petrol prices, which made a significant contribution to inflation over the last 12 months, will start to fall next year as supply chain disruptions from Libya and Hurricane Irene fade.

However, it simultaneously warns that the strength of demand from the emerging markets, a depreciating pound - expected to reach $1.44 by 2015 - and planned fuel duty increases will prevent a major correction in prices.

The report forecasts that oil prices will bottom out at just over $93 per barrel in early 2012 and that by the end of 2015 the average retail price for a litre of unleaded petrol could reach £1.54.

At the pumps, supermarket group Asda started another price war by cutting 2p off the price of a litre of petrol and 1p off the price of a litre of diesel. The company said that drivers filling up at its 192 forecourts would pay a maximum of 128.7p a litre for petrol and no more than 136.7p a litre for diesel.

Tesco said it would immediately follow suit and reduce its forecourt prices by up to 2p a litre.

IAM calls for 80 mph motorway speed limit trial

THE Institute of Advanced Motorists (IAM) is calling for the Government to pilot an 80 mph speed limit on a controlled and managed motorway to assess its practicality and safety, and road users’ reaction to it.

In September the Government announced that the motorway speed limit could be raised to 80mph.

On uncongested motorways more than half of car drivers exceed the 70 mph speed limit, and around a fifth exceed 80 mph, it is claimed with it being rare for the police to prosecute drivers travelling between 70 and 80 mph.

Road safety groups have raised a concern that legalising today’s tolerated, yet unofficial, 80 mph speed limit would simply create an unofficial 90 mph limit. If this happened average traffic speeds would increase, as would accidents and their severity - more people could be killed and seriously injured, says the IAM.

The IAM wants to see a full risk assessment of an increase in the speed limit, and believes strict enforcement is required to ensure greater compliance with the limit. For example driving at 82 mph should risk a speeding ticket.

Consequently, the IAM wants to see 80 mph trialled initially on ‘controlled motorways’ and ‘managed Motorways’ where variable speed limit technology is used. These have already been implemented on the M25 orbital motorway in Surrey and the M42 in the West Midlands.

IAM CEO Simon Best said: ‘A fifth of motorway-users already travel at this increased speed, and more than half exceed 72 mph when they can, suggesting that a properly controlled 80 mph limit may not show huge increases in carbon or road casualties.

‘A detailed trial is needed to assess these risks though, and if they are shown to increase significantly, of course a better-enforced 70 mph limit may be a more appropriate system.

‘Raising the motorway speed limit has been debated for many years, and the evidence is that the motoring public are ready for it. The Transport Secretary should now publish a consultation with firm proposals.’

CBI calls on Government to build roads to get Britain moving

A MAJOR road building programme has been called for by the CBI with the identification of 26 schemes to get the British economy expanding.

The plea to Government comes with publication of the CBI's 'Plan A', which calls on Chancellor of the Exchequer George Osborne to stick to current deficit reduction plans in his Autumn Statement on November 29 and consider specific measures to kick-start growth by unlocking private sector investment and removing 'road blocks'.

John Cridland, CBI director-general, said: 'We are highlighting ways that the Government can boost the economy, at little extra cost to the Exchequer. To unlock private sector investment, kick-start growth and create jobs, we need the Government to deal with the road blocks.

'The Government should introduce road-tolling and bring forward 10 major road infrastructure projects, getting spades in the ground, improving congestion and creating new jobs.'

The CBI proposes:

- Two road-tolling projects financed by the private sector - widening the A14 from Rugby to Felixstowe and improving the A1 in the North East.
- Bringing 10 publicly-funded road projects forward within the existing spending programme, to get shovels in the ground and ease congestion in transport networks. These include projects on the M25, M1 and M60.
- Re-instating a further 14 major road projects delayed in the 2010 spending review to fill the gap created in the pipeline from 2013, analysing whether or not private sector investment could be used. These include projects on the M1, M6 and A38.

Councils lack spark in establishing EV recharging points

ONLY a third of councils surveyed by the RAC Foundation say they have installed public charging points for electric vehicles, and the promotion of green vehicles varies significantly between local authorities.

Even the most progressive authorities are only using a fraction of the powers available to them to encourage drivers to use low and ultra-low carbon cars, it is claimed.

The survey of councils was carried out by the transport consultancy SKM Colin Buchanan on behalf of the RAC Foundation. All 207 councils in England, Scotland and Wales were invited to take part in the survey, with 58 (28%) agreeing to do so.

Of these 58 local authorities, only 20 said they had installed public charging points, and of those that were in place none were of the rapid charge type. In total, councils reported they had installed 275 charging points.

Councils have 12 different statutory powers - covering such areas as parking and planning - that they can use to 'nudge' people towards the use of greener vehicles of all kinds: hybrids and super-efficient conventional engines as well as pure electric vehicles.

But the use of those powers is sporadic, reveals the survey, with many authorities having considered the options available to them and decided against implementing them for financial or political reasons.

Of the 58 councils that responded to the survey:

- 17 councils have Low Emission Zones, but 14 of these relate solely to air quality with only three also taking account of carbon dioxide emissions.
- Only seven councils are implementing, or have implemented, reduced public parking rates for greener vehicles.

- Only one council is considering a dedicated lane for greener vehicles.
- However 15 councils have implemented, or are implementing, minimum standards for the number of charging points in residential developments.
- More encouragingly 33 councils are, or will be, introducing greener vehicles into their own fleets and 13 are demanding their contractors also use such vehicles.

The results of the poll are published in *'Going Green: How local authorities can encourage the take-up of lower-carbon vehicles'*.

RAC Foundation chairman David Quarmby said: 'This survey should serve as a reality check. Councils have statutory responsibility for a lot of things, but promoting the wider use of green vehicles is not one of them. While they have the powers to influence the adoption of lower carbon cars, using these powers does not seem to be a priority for many. Given all the other obligations on councils, and their reduced budgets, this does not come as a surprise.

'The reality is probably worse than this report portrays because we would expect those councils that did agree to participate in the survey to be the ones which were most enthusiastic about the green agenda. In fact about half of the responding authorities were part of the Government's Plugged-In Places scheme.

'If Government is serious about carbon emission reductions to meet the climate change targets, it should consider the role that local authorities can play in 'nudging' the use of lower carbon vehicles of all kinds, and encourage them to use the powers they already have to do so.

'There seems to be a particular opportunity to tie together and strengthen local authority air quality responsibilities with carbon emission reductions, but it will require central government to take a lead on this to make it happen.'

Commenting on the report, John Lewis, chief executive of the British Vehicle Rental and Leasing Association, said: 'Electric vehicles will play a major role in the future transport mix, but they will remain a niche product for some time.

'For some time the BVRLA has been arguing that Government incentives and policy needs to focus on encouraging the use of all lower carbon vehicles, whether they are run on biofuel, petrol, diesel, electricity or hybrid systems.

'Planning for the future on the basis that businesses and people will either use trains, buses or an electric vehicle is not a viable option.'

Funding shortage means 100 congestion-busting road schemes on hold

ALMOST one hundred high-value road schemes that could be implemented relatively quickly and contribute to the country's growth agenda are sitting on the shelf waiting for funds.

Analysis by the consultancy firm Arup and the RAC Foundation identifies 96 different motorway and main road projects which have been assessed by officials to have high benefit/cost ratios but for which there is no cash to proceed.

The funding shortfall is at least £12.8 billion and the majority of the schemes would be the responsibility of the Highways Agency, though a large minority would come under local authority control.

By contrast, the Agency's investment budget stretches to only £2.3bn over the four years to 2014/15.

Many of the 96 schemes have exceptionally strong business cases, delivering more than £5 of economic benefits for every £1 invested, and the top 10 schemes all give more than £6 of benefits for every £1 spent, says the RAC Foundation.

Typically the projects are not new routes or 'megaprojects', but localised interventions at key bottlenecks; bypasses, widening projects and junction improvements.

Professor Stephen Glaister, director of the RAC Foundation: 'This research will worry drivers and should concern Government. With ministers talking up the need for infrastructure investment they should turn their attention to the offices of the Department for Transport where there are scores of schemes which deserve to be built.

'Congestion is set to increase dramatically in the coming years and these projects could make real differences to the lives of individuals and the economic needs of the country.

'If there are scarce resources to be spent on transport then a fair share should be spent on the roads. Where there isn't a ready source of public funds then ministers should speed up the process of encouraging private investment in new capacity, something they have already promised to do.'

Alexander Jan, transaction director with Arup added: 'There is a real opportunity for central Government to look closely at what has worked internationally in getting essential infrastructure funded and delivered. Part of that solution needs to be about giving local and regional government the opportunity to help get important infrastructure funded through tried and tested methods available from abroad. Such an approach should be entirely consistent with the ministers' localism agenda.'

The report - *'Providing and Funding Strategic Roads'* - also reveals how, many other countries are far out-stripping the UK in providing the road infrastructure required to keep a nation on the move.

Projects still on the starting blocks include a £2.2bn scheme to widen a stretch of the A30 in Cornwall and a £1bn plan to widen the A14 near Cambridge.

FTA slams Olympic parking charge extension

PROPOSALS to impose additional parking charges beyond the Olympic Route Network during the 2012 Games period in London have been attacked by the Freight Transport Association (FTA).

The trade body believes that London Councils' plans to extend the £200 parking fine penalty currently set for the Olympic Route Network (ORN) to surrounding areas is an 'unjustified, cynical move' to cash in on the Games at a time when businesses will be under intense pressure to keep London moving.

Companies delivering goods kerbside on the high street typically attract penalty charge notices (PCNs) quite innocently. Although these are often successfully contested, which in itself costs time and money, many are not and the industry still pays many millions in PCNs each year.

FTA's head of policy for London Natalie Chapman, said: 'We all know that next summer is going to pose an enormous challenge for the logistics sector already - the last thing it needs are further financial burdens. If we want the Games to be a success we need to get behind the logistics companies that are so crucial for allowing businesses to keep up with heightened demand and to making everything run smoothly.

'These proposals are unjustifiable and heap on added pressure at a time when many companies are still trying to work out how the ORN is going to affect customer delivery. By extending out these PCN costs beyond the ORN, the goalposts have been moved once more and companies are going to be left with a bigger logistical headache if they want to avoid incurring fines for doing their jobs.'

The FTA is encouraging responses to the consultation, which can be found at http://www.surveymonkey.com/s/SSWHZ9Z

Corporate sales continue to drive new car registrations

STRONG fleet and business sales resulted in new car sales in October increasing 2.6% to 134,944 units (October 2010: 131,495), the second increase in three months.

However, new car registrations over the first 10 months of 2011 are down 4.5%, at 1,688,038 units (2010: 1,767,154).

The Society of Motor Manufacturers says that the market is on track to achieve full year sales of 1.923 million units, but the organisation is cautious about 2012 demand and is currently predicting registrations to be around 1.96 million units.

Last month's segment growth was almost 7% and nearly 9,000 units ahead of the SMMT's forecast for the month, but volumes remain almost 20% off the level recorded in 2007, prior to recession.

Registrations in the last three months increased by 0.9% versus 2010, whilst over the last six months they were down 1.5%. This period of relative stability follows a weak start to the year - the reason why year-to-date registrations are down.

SMMT chief executive Paul Everitt said: 'October's new car market rose 2.6% on last year - a positive result despite the uncertain economic climate. Vehicle manufacturers and their dealer networks are working hard to offer consumers value for money through improved fuel efficiency, low running costs and innovative finance. We expect market conditions to remain challenging and hope the Chancellor's Autumn Statement later this month [November 29] will help to boost economic growth and consumer confidence.'

Fleet sales last month increased 7.9% to 73,712 (October 2010: 68,333) to take 2011 registrations to 876,640, up 4.4% on last year's 10-month total (839,788); business sales last month rose 9.7% to 6,189 (October 2010: 5,642) with this year's sales up 2.4% at 87,866 (2010: 85,796); while private sector sales fell 4.3% last month to 55,043 (October 2010: 57,520) to leave this year's volumes down 14% at 723,532 (2010: 841,750).

The Ford Fiesta was the best selling model in both October and over the year-to-date with the Volkswagen Golf the best selling diesel model in October. Demand for diesel and alternatively fuelled cars was stable during the month, whilst petrol cars - helped by growth in small car segments - picked up.

New car prices continue to accelerate with further increases expected

AVERAGE new cars increased by 0.443% or £126 in October from £28,412 to £28,538, according to the monthly DrivenData New Car Price Index.

The index is calculated from the retail prices of every car model currently sold in the UK

October marks the sixth time that prices have increased this year - +2.208% in January +0.210% in February; +0.103% in March; +0.167% in May; + 0.021% in June and
+1.049% in September - and further prices rises are being predicted.

The average annual price of a new car since October 2010 has increased by 3.616%, or £996 from £27,542.00 to £28,538.00. However, the underlying pace of inflation in car prices has slowed down over the past 12 months to 3.616%. It rose by 4.313% between October 2009 and September 2010.

John Blauth, editor-in-chief of DrivenData, said: 'The UK's inflation rate stands at
around 5%; for new car prices it is 3.16%. Nonetheless new car prices increased by £126 in October and one can only conclude that this has come about due to the high cost of running any sort of business in the UK.

‘Once public sector workers start putting the boot into the private sector from November 30 this year, it is safe to assume that prices will start to climb more steeply.’

People on the move

Brit Reilly calls time on 37-year General Motors career

NICK Reilly, the former boss of Vauxhall and the highest ranking Brit within parent company General Motors’ global motor manufacturing empire is to retire.

Currently president of GM Europe, Reilly has elected to retire in March 2012 following a 37-year General Motors’ career included senior leadership positions in Asia, Europe and Latin America.

Karl Stracke will succeed Reilly as president of GM Europe with effect from January 1, 2012.

Stracke will continue as CEO of Opel/Vauxhall and will join the GM executive operations committee immediately. Reilly will remain a member of the GM executive operations committee until his retirement.

Reilly (61) was the first president and chief executive officer of GM Daewoo Auto and Technology in Korea when it was founded in 2002. He moved on to spearhead GM’s growth in Asia Pacific and Latin America and has led GM Europe’s restructuring since December 2009.

‘Nick Reilly has answered the call for GM at every turn,’ said GM chairman and CEO Dan Akerson. ‘He returned to Europe and successfully led the turnaround of our operations there during one of the most tumultuous times in our company’s history.’

Stracke (55) returned to his native Germany in March 2011 to lead Opel/Vauxhall, accelerating the company’s restructuring and helping it achieve a modest profit ahead of plan. He was previously the vice president of GM Global Vehicle Engineering, based in Detroit.

Reilly will continue in an advisory role until his retirement in March 2012.

Audi UK appoints Sander as new director

MARTIN Sander will become the next director of Audi UK on January 3, 2012, replacing Jeremy Hicks who left the company earlier in the year and is now running Jaguar Land Rover in the UK *(Digest: November 3*).

Sander moves to his new role from his current position as president and CEO of Audi Canada.

He has had a career with Audi AG in Germany and other parts of Europe since joining the firm 16 years ago. He has extensive marketing and operations experience and has worked as director of sales for Northern Europe and head of retail marketing and CRM.
He has been in his current role in Canada since 2009.

Sander (44) will be based at the Volkswagen Group headquarters in Milton Keynes, and joins at a time when the UK sales performance of the ‘Vorsprung durch Technik’ brand is at an all- time-high, with the previous milestone of 100,864 cars surpassed during September this year.

Donnelly appointed head of Arval International Business Office

LIAM Donnelly has been appointed head of Arval International Business Office (IBO) and will lead a team of more than 20 people.

IBO is the customer support structure that handles and manages Arval's international customers and their fleets.

Following more than 15 years in the leasing industry, Donnelly is now in charge of nearly 90 customer accounts managed internationally by the IBO Team. In his new role, he will be responsible for increasing the number of IBO customers, while continuing to extend the business and countries where existing customers are serviced.

After nine years in the full-service leasing sector in the UK with Lex Vehicle Leasing, he then established the local subsidiary of Arma Beheer in the UK. Donnelly then joined Arval UK in 2004, a wholly owned subsidiary of BNP Paribas, as sales director when Arval acquired Arma. In 2007, he went to Mumbai, India, as general manager of Arval India, a new established subsidiary.

Inchcape Fleet Solutions appoints Perham to spearhead IT function

INCHCAPE Fleet Solutions has appointed Stuart Perham as technology director. He joins from Kia Motors (UK), where he was based for the last seven years.

At Kia, he was responsible for all of the company's UK and Ireland systems and most recently rolled-out SAP ERP in the UK, Italy, Slovakia and the Czech Republic.

At Inchcape Fleet Solutions, his remit will involve a hands-on approach to the review and enhancement of the company's IT and IS provision, building upon what the company says is its reputation as a technology-centric fleet provider.

Volkswagen appoints new European car chief

VOLKWAGEN has appointed a new European chief for its passenger car sales brand following the move by Alain Favey to become chief executive of Porsche Holding.

Xavier Chardon (40) is to be the new head of sales Europe of the Volkswagen passenger cars brand with effect from January 1, 2012.

He will report direct to Christian Klingler, board member for sales and marketing for the Volkswagen passenger cars brand. Chardon succeeds Favey (44), who will be transferring to Salzburg to succeed Wolf-Dieter Hellmaier (68) at Porsche, who is to retire.

Chardon started his career in marketing with Citroën Italy in 1994 before joining the Citroën sales team in France a year later. In France, he was the regional manager responsible for Italy and Denmark before becoming price and product manager for Western Europe in 1999. He gained further international experience from 2001 to 2007 as managing director in Denmark and Germany. Subsequently, he became head of marketing and PR in France. He has been managing director of Citroën in France since April 2009.

Favey worked for Citroën from 1989 to 2009. After holding various positions in sales and marketing, he was managing director in Denmark, Belgium, Great Britain, Italy and France in succession. In April 2009, Favey joined the Volkswagen Group as head of sales Europe of the Volkswagen passenger cars brand.

New centre manager appointed at Manheim Auctions, Washington

MANHEIM Auctions is continuing to strengthen its management team with the appointment of Steven Cooper as new centre manager at Washington.

Cooper joins Manheim Auctions with a 19-year career in auctions and remarketing behind him. He sold used cars for two years before embarking on a career in vehicle auctions in 1992 when he joined the family firm, Cooper's Motor Auctions located in Birtley, near Washington. He was appointed branch manager in 1998.

Manheim Auctions completes senior management team changes

MANHEIM Auctions has announced four more management changes as it completes the transformation of its senior leadership structure.

Adrian Kelly is appointed regional director (South) and is replaced as general manager, Bristol by Brett Henderson. Meanwhile Nigel Paling is appointed general manager, Bruntingthorpe and is replaced as general manager, Leeds Cars and Commercials by Sean Parnham. The appointments were effective at the start of November.

Chris Cush, operations director, Manheim Remarketing said: 'Adrian, Brett, Nigel and Sean have unparalleled breadth and depth of remarketing experience with more than 90 years combined experience, 60 of which have been working for Manheim.'

Kelly joined Manheim Auctions in 1989 and has worked in a variety of locations before being appointed auction centre manager for Bristol in 2003. More recently he has undertaken additional responsibilities as general manager for Saltash. Brett Henderson joined Manheim Auctions in 2003 and has undertaken a number of roles and more recently as auction centre manager guided Wimbledon to one of Manheim Auctions' top performing branches.

Paling has 17 years experience in used vehicle remarketing and vehicle logistics and was appointed general manager, operations in May 2008. In March this year he was appointed general manager, Leeds Cars and Commercials. Parnham has worked for Manheim since 1984 and spent 29 years in the industry holding a number of key management positions at auction centre manager and general manager level and was an instrumental part of the Seller Advance development team.

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