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Latest Motor Industry News

This Week's Briefing

AA and RHA call for fuel price cut as MPs debate costs

Government seeks tax and NI integration by 2017

Fleets positive on EVs after five-month trial

Ogilvie looks to fleet expansion with new funding stream

Fleet used car values fall 3.5% as 4x4 prices strengthen

Damage wipes thousands of pounds of van values

Doctors call for total smoking ban in cars

Model update: Audi, Ford, Mercedes, SEAT, Toyota

The Editor's View

BATTLE lines are being drawn over fuel duty in the run-up to the Chancellor's Autumn Statement on November 29. MPs debated the issue this week with one calling fuel duty 'the number one issue in Britain'. Duty increases are scheduled for January 1 and August 1, 2012 and, combined, are predicted to add 8p a litre to pump prices. However, organisations such as the AA and Road Haulage Association have gone further than calling for those rate rises to be abandoned and, instead, want duty cuts. They suggest such a move will help stimulate the economy. Meanwhile, many businesses, it is suggested, could help trim their own fuel bills by cutting mileage allowances - it is suggested that some employers are paying around £6 in expenses for every litre their drivers use - and cracking down on driver fuel 'fiddles'. In appearing to rule out a fuel duty cut Business Secretary Vince Cable warned drivers not to expect 'freebies' in the Statement. However, given the state of Government finances a freeze or even a fuel duty cut is only likely to mean a tax rise elsewhere.

Fleet file

Low and zero emission technology helps cut fleet and driver costs

COMPANIES and drivers are united behind the belief that they can reduce motoring costs through the adoption of electric and hybrid vehicles.

The news will be a boost to both vehicle manufacturers and the 'green' lobby as it seeks a faster uptake of ultra low or zero emissions vehicles for business use.

Lex Autolease's survey of financial directors and company car drivers shows that reduced fuel spend is the primary benefit of adopting low and zero emission vehicles among financial directors (73%) and drivers (67%).

Chris Chandler, principle consultant at Lex Autolease, said: 'For battery-based technologies to survive and prosper, it's important that companies and drivers have common ground when it comes to vehicle selection.

‘Not surprisingly, the cost of fuel is that binding agent which brings these two parties together and relationships can only strengthen in the face of rising oil and pump prices.’

While both believe the low cost of fuel is the primary benefit, they differ on the supplementary benefits of low and zero emission vehicles. While drivers feel that they can also profit from lower benefit-in-kind (67%) and cheaper parking/congestion charges (41%), financial directors are drawn towards such vehicles due to the potential corporate responsibility and environmental benefits (65%).

The ‘feel good factor’ of low and zero emission vehicles is also a clear benefit, with just over a quarter (26%) of drivers claiming that the adoption of such technologies made them a ‘green pioneer’. Similarly, just over one in 10 also thought that being behind the wheel of such a vehicle offered greater refinement in the form of quietness and comfort.

Meanwhile, more than one in five financial directors think that electric vehicles and hybrids will reduce maintenance (23%) and improve the marketability of their organisation (22%).

Chandler added: ‘Some of the so called ‘soft measures’ - such as reputation, refinement and kerb appeal - can be underestimated, but companies and their employees will not select vehicles on cost alone.

‘Running costs will remain the primary motivating factor, of course, but low and zero emission vehicles will need to compete with petrol and diesel alternatives in all areas to ensure their slice of the market grows.’

The surveys were conducted among 230 company car drivers and 70 finance directors of UK companies.

Financial director findings:
In which areas do you think your company can gain most from introducing plug-in hybrid or fully electric vehicles?

Fuel	73%
Corporate responsibility/environmental objectives	65%
Maintenance	23%
Marketing/marketability	22%
Corporate tax	15%
VAT	7%
National Insurance	5%
Employee retention and recruitment	5%

Driver findings
In which areas do you think could gain most from leasing a plug-in hybrid or fully electric vehicle?

Reduced fuel costs	67%
Lower benefit-in-kind tax payments	67%
Cheaper motoring (parking and congestion zone privileges)	41%
Feel good factor (green pioneer)	26%
Greater refinement (quieter more comfortable vehicle)	12%
Enhanced professional status (kerb appeal)	3%

Fleets positive on EVs after five-month trial

FLEETS that took part in a major five-month electric vehicle trial are more likely to add zero emissions models to their transport operations, it is claimed.

Cenex, the UK’s first Centre of Excellence for low carbon vehicle technologies, has announced the results of the trial incorporating electric vehicles into 12 major fleets across the UK.

Run by Cenex and funded by the Department for Business, Innovation and Skills the Smart Move Case Studies trial included fleets from Asda, national car club Commonwheels, the Groundwork regeneration charity, Indesit and Stagecoach.

A total of 68% of fleet managers said that trial involvement had accelerated their company's interest in electric vehicles, with 63% seeing that they could be integrated into their fleets before 2013, compared to just 25% prior to the trial.

Three quarters of fleet managers said their opinion of electric vehicles improved over the course of the trial, demonstrating the importance of experiencing the new generation of electric vehicles.

The trial, which used the Smart ed (electric drive) and the Mitsubishi i-MiEV (Mitsubishi Innovative Electric Vehicle) aimed to establish both driver and fleet manager attitudes to electric vehicles in a real world setting, as well as measuring the technical, economic and emission performance of the vehicles.

The trial was conducted at a pivotal moment for electric vehicles in the UK, with 2011 seeing the introduction of a new generation of vehicles from mainstream manufacturers. Combined with UK government grants for both vehicle purchase and the creation of charging infrastructure it demonstrates the potential for growth in electric vehicle adoption, said Cenex.

The fleets that gained the highest benefits from EVs were those of companies such as Stagecoach which adopted an 'opportunity charging' policy, recharging during the working day rather than relying on a single overnight charge.

Economic analysis of the trial findings shows that the cost premium for electric vehicle ownership was falling, with potential for future cost reductions.

Taking current energy prices and the mileage experienced in the trial, the average annual electric vehicle ownership cost premium was £462 per vehicle, which reduced to £202 when the daily mileage was stretched to 62 kms (representing 12,000 miles per annum).

Based on a modelled linear rise in energy costs, a marginal and in some cases significant operating cost reduction was available from the electric vehicles, especially when combining high annual mileage with off-peak electricity prices, said Cenex.

However, fleet managers in recognising that electric vehicles cost more said they were willing to spend up to 50% more to buy one, attracted by lower operating costs and emissions

A total of 75% of drivers involved in the trial said they would be happy to change working procedures to use an electric vehicle. However, drivers said they wanted a higher real world range (up to 130 kms) than those experienced during the trial, where the range averaged under 80 kms.

'The Smart Move trial shows an increasingly promising forecast for electric vehicles within UK fleets,' said Robert Evans, CEO at Cenex. 'The opportunity to try the latest vehicles has helped positively change perceptions with drivers, fleet managers and company management, with a greater number now looking at rolling out electric vehicles before 2013. This real-world data combined with government grants and increased infrastructure points to a low carbon future for UK fleets.'

Julian Walker-Palin, head of corporate sustainability at Asda, said: 'Trialling an electric vehicle at Asda House enabled colleagues to see how the technology performs; and it also answered questions over speed and range. Working with Cenex was very useful when considering the use of electric vehicles in our pool car fleet.'

Citroën welcomes taxman's diesel hybrid BiK concession

CITROËN has welcomed HM Revenue and Customs' confirmation that its soon-to-be-launched DS5 Hybrid4 models will not incur the 3% benefit-in-kind uplift that applies to conventional diesel powered cars.

As reported by the *Digest* last week (November 10, 2011), HMRC has acknowledged a discrepancy highlighted by BCF Wessex Consultants and plans to revise tax rules to ensure that the 3% supplement does not apply to diesel hybrids.

An initial inquiry by BCF Wessex Consultants 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'.

Now a comment by an HMRC spokesman on *BusinessCar's* website has been highlighted by Citroën. The spokesman was quoted as saying: 'The 3% supplement cannot apply to a diesel hybrid because s141(3) of ITEPA 2003 (the regulatory document) defines a 'diesel car' as being 'propelled solely by diesel'.'

Andy Wady, Citroën's fleet director, said: 'This is fantastic news as we gear up for the launch of DS5 early next year. It's also great news for many company car drivers already attracted to DS5 and the Hybrid4 powertrain with its impressive fuel economy, low emissions, free VED, no London Congestion Charge…and now a benefit-in-kind taxation rate at just 10%.'

DS5 is the first Citroën model to feature Hybrid4 diesel hybrid technology and is a sister model to the Peugeot 3008 HYbrid4 and Peugeot's four-wheel drive 508 RXH, which will go on sale in spring 2012.

The HMRC spokesman said the organisation would update its company car tax guidance in the near future.

Ogilvie looks to fleet expansion with new Barclays funding stream

A NEW funding stream has become available to Ogilvie Fleet to enable it to achieve expansion objectives and deliver further product and service enhancements to benefit customers.

Parent company Ogilvie Group, the Stirling-headquartered business with construction, house building, communications and commercial development divisions as well as a 10,500+ vehicle leasing operation, has appointed Barclays Corporate as its new corporate bankers.

Already significant funders to Ogilvie Fleet through its Asset Finance arm, Barclays Corporate has structured an additional and increased borrowing facility which is available to Ogilvie for use across all of its operations, providing greater liquidity to the Group.

Following the decision that Barclays Corporate has replaced Royal Bank of Scotland, which had funded Ogilvie Group for 12 years, Gordon Stephen managing director of Ogilvie Fleet, said: 'The new funding stream ensures that the fleet division, just like the rest of the Group, has access to funds to achieve its growth aspirations.

'In a challenging economic climate in which we regularly hear that funding is difficult to obtain for many businesses, the willingness of Barclays Corporate to work with Ogilvie Group underlines the strength of the organisation, including its fleet division.'

Eighteen months ago the Ogilvie Fleet board devised a strategic growth plan that focused on operating a 10,000-strong company car and van fleet within three years. That target has already been achieved and now the business is aspiring to a fleet size of around 12,000 vehicles through organic growth over the next two to four years.

Additionally, Ogilvie Fleet has invested around £750,000 in state-of-the-art IT solutions that has included the launch of a new website featuring a sophisticated industry-leading online fleet manager portal that securely delivers critical live fleet operational data in real-time to the desktops of fleet chiefs.

Stephen said: ‘Ogilvie Fleet will continue to invest heavily in IT as we firmly believe that technology is key to the successful safe and efficient future operation of any fleet. Our investment in technology is second only to our investment in our people, the combination of which provides us with our award-winning levels of service.

‘The appointment of Barclays Corporate as the Group’s funders ensures the availability of cash that will help fuel fleet growth through the delivery of even better service and the development of new and innovative products.’

Andy Hall, head of business development for Barclays Corporate in Scotland, said: ‘Duncan Ogilvie [Ogilvie Group chief executive] and his team have managed market risks really well through the cycle and while we are sure they will continue to expand cautiously, it seemed to us that providing more capacity to help Ogilvie play its part in sector recovery was a decision justified by their track record and strong balance sheet.’

Fleet warning with licenceless drivers more common than thought

NEW research that shows 13% of people know someone who regularly drives but does not have a licence has prompted CFC Solutions to issue a warning to fleets.

The company, which specialises in licence checking software, says that this is a much higher figure than previously thought and underlines the importance of ensuring that all employees who drive on business have a valid licence.

The research was carried out by price comparison web site confused.com, which also reports that rises in the cost of gaining a licence are seeing fewer driving tests being taken on a year by year basis.

Neville Briggs, managing director at CFC, said: ‘These figures are actually quite shocking and, if accurate, indicate that the number of drivers taking to the road without a licence is much higher than we previously believed.

‘Perhaps worryingly, it also shows a possible growing disregard for motoring rules in general - a large number of people have been driving in the last few years without insurance and now they may not even be bothering with a licence.’

Briggs added that this issue meant it was ever more important for employers to check employee licences properly with the DVLA because it was clear that the risks were higher than previously thought.

He said: ‘If a licenceless driver is involved in an accident in their own vehicle on a private journey that causes serious injury then it is a tragedy. However, if a licenceless driver is involved in the same type of accident on business then it is not just a tragedy but a severe failure of duty of care that could lead to major problems for your company. It is something that you cannot afford not to take seriously.’

Briggs added: ‘More and more fleets are taking the whole issue of licence checking seriously but we still talk to large fleets every month where the issue is dealt with in a manner than probably wouldn’t stand up in court.’

LeasePlan starts Toyota Plug-in trial

LEASEPLAN has become the first UK leasing company to trial the production prototype Toyota Prius Plug-in hybrid prior to its launch in autumn next year.

The loan enables LeasePlan to undertake a one-week internal trial before making it available to interested clients on a two-week basis. By having the opportunity of advance testing LeasePlan says it will be able to assess residual value and on-road performance ahead of the vehicle's launch.

The Prius Plug-in Hybrid is powered by a high capacity rechargeable lithium-ion battery and a 1.8 litre petrol engine. Combined emissions are predicted to be 49 g/km with combined cycle fuel consumption of 134.5 mpg.

The battery technology allows the car to be driven for approximately 14 miles on electric power alone after a charge from a normal house-hold plug taking approximately 90 minutes. Once Prius Plug-in Hybrid has reached the limits of its electric range it switches to its full hybrid system using the electric motor and petrol engine thus avoiding the range anxiety associated with full electric vehicles.

David Brennan, managing director LeasePlan UK said: 'We believe it is important for our team to gain first-hand experience of new green vehicles to ensure we can deliver the best advice to our customers. This trial will represent another step in delivering the best possible value and innovation to our clients across the UK.'

Ewan Shepherd, general manager Toyota Fleet, said: 'The technology provides all the benefits of an electric vehicle but without the downsides of limited performance or driving range. Our partnership with LeasePlan provides their clients with first hand experience of the practical application of this technology prior to the 2012 launch.'

Halfords looks to increase fleet business share

HALFORDS says it is looking to increase its share of fleet vehicle servicing and tyre sales and is planning to have a network of up to 600 Autocentres nationally.

The growth plans were revealed as the company announced total group revenue of £454 million for the six months to September 30, 2011 - 0.5% down on 12 months earlier (£456.3m). Halfords Autocentres share of the revenue was up 9% at £53.4m (2010: £49m), although car maintenance sales on a like-for-like basis were down 3.1%.

Chief executive David Wild blamed the drop in vehicle maintenance revenue on motorists continuing to be affected by inflationary rises in fuel and insurance costs, so their spending on maintenance was subdued.

However, he added: 'Our strategy to bring the Halfords brand into the garage sector and offer quality repairs and servicing at affordable prices is resonating with motorists especially in the current climate. In particular, we have seen strong demand for services and tyres.

'Against this background of strong growth in Autocentres we continue to invest in developing the business. This activity plus expected start-up losses from the opening programme means that first half operating profits for Autocentres are below last year.'

The company opened six new centres in the first half of its 2011/12 financial year and says it expects to accelerate openings during the rest of the year.

Wild continued: 'Our proposition is to offer dealership quality service at more affordable prices backed by a real focus on creating trust with our customers.

‘Car aftercare is a large and highly attractive market with a value of £9 billion. Capacity is shrinking as the number of independent garages decline, leading to increasing demand from motorists for a reliable, quality independent operator.

‘The long-term growth opportunity of this business remains compelling given the market size, its fragmentation, the strength of the Halfords Autocentres proposition and the potential to leverage the Halfords brand.

‘In the medium term we believe there is an opportunity to open up to 600 centres nationally. Further growth opportunities exist from fleet customers and growing tyre sales.’

‘Green’ education helps drive down emission on Lex fleet

LEX Autolease has lowered the average carbon dioxide emissions of cars taken onto its 300,000-strong fleet in the past year to 132.7 g/km.

This makes it one of the ‘cleanest’ in the country, according to the company, especially when benchmarked against the industry’s new car average which stands at 138.5 g/km, according to the Society of Motor Manufacturers and Traders.

The fleet, as a whole, including its older heritage vehicles is down 3% on 2010 to 144.6 g/km.

Lex Autolease says it has been able to achieve this by helping customers ‘green’ their fleets through leading edge consultancy advice and dedicated fleet managers.

New technology, says the company, is also playing its part in helping to guide customers with initiatives like the interactive online portal - ‘The Green’ and Lex Interactive, the online whole life cost quoting tool and mobile app.

A series of free customer workshops on issues including fuel and combating the reduction of light commercial vehicle emissions within fleets has also allowed Lex Autolease to engage with fleet operators on the benefits of ‘greener’ fleets.

Mark Chessman, commercial director with responsibility for sustainability at Lex Autolease, said: ‘Using environmental best practice is a great way to lower overall fleet costs, but it’s important to keep pushing the boundaries in order to mitigate against the impact of strengthening emissions legislation on corporation tax, benefit-in-kind tax and other levies such as VAT and National Insurance.’

Leasedrive adds BDR Thermea cars to van deal

LEASEDRIVE has added cars to the existing van contract hire agreement held with BDR Thermea, a world leading manufacturer and distributor of innovative heating and hot water systems and services.

The new contract, covering 550 cars and vans, is for three years with an option for BDR Thermea to extend for a further two years.

Leasedrive commercial director Roddy Graham said: ‘Before its merger to form BDR Thermea in 2009, Baxi had been a Masterlease UK light commercial vehicle customer since 2004, converting to a sole supply arrangement four years later. Last year, Masterlease was selected to provide accident management and short-term hire services for the entire BDR Thermea UK fleet. Missing was the car contract hire business. So when BDR Thermea issued a tender earlier this year for its car fleet, we knew we could offer the service and experience to manage its whole fleet.’

Janey McDonald, UK indirect procurement manager at BDR Thermea, added: ‘When we went out to tender, a robust selection process was undertaken to identify the best partner to manage our car fleet.

‘Leasedrive had worked closely with us to improve the operational performance and financial efficiency of our light commercial vehicle fleet and it was critical that we delivered the same for the car fleet but not necessarily with the same partner. During the selection process, Leasedrive was able to demonstrate the quality of its service provision, the value it had added to our LCV fleet and also demonstrate the financial and operational benefits of a consolidated fleet. We remain impressed with Leasedrive’s consultative expertise and like its holistic approach to total cost management.’

ESB receives Ireland’s largest order of electric vehicles

ESB Networks has taken delivery of 10 electric vans and trucks, which is part of the single largest order of electric vehicles ever placed in Ireland.

ESB ordered a mixture of Smith Edison vans, based on the Ford Transit panel van, and Smith Newton 10 tonne trucks early this year and the first batch has just been delivered.

The zero emission vehicles will be used in Dublin, Cork, Dundalk, Waterford and Portlaoise and are testament to ESB Networks commitment of carbon footprint reduction.

ESB Networks has purchased Smith Edison vans every year since 2008 inclusive and the company currently has about 50 electric vehicles on its 2,700 vehicle fleet.

‘These vans are doing the exact same work that their diesel equivalents can do in urban areas,’ according to John Seale, investment manager, of ESB Networks Fleet and Equipment.

The vans are fitted with a 90kw motor and the very latest Lithium-Ion batteries. Top speed is limited to 50 mph for urban use and a range of up to 100 miles is achievable on a single charge.

ESB Networks Ltd, a ring-fenced subsidiary within ESB Group, is the licensed operator of the electricity distribution system in the Republic of Ireland. It is responsible for building, operating, maintaining and developing the electricity network and serving all electricity customers, nationwide. As Meter Operator, it installs, maintains and reads all electricity meters. Construction of all the sub-transmission, medium and low voltage electricity network infrastructure and its management is also its responsibility.

- SMITH Electric Vehicles US has just filed its form S-1 with the Securities & Exchange Commission, which is the first step on the road to an Initial Public Offering (IPO, or stock market listing) on NASDAQ.

Just a mo! Run Your Cars’ staff grow moustaches for charity

STAFF at specialist fleet services provider RunYourCars are ‘bristling’ in November by growing moustaches to help raise money and awareness for prostate and testicular cancer.

‘Movember’ is the brainchild of the Movember Foundation and is supported by the Institute of Cancer Research and The Prostate Cancer Charity.

Five employees, including managing director Steve Whitmarsh, have pledged not to shave their top lip this month and are hoping to raise hundreds of pounds for the organisation.

Whitmarsh said: ‘We are looking for individual sponsorship and every organisation that joins Run Your Cars during November we will donate the first month’s membership fee from those companies to the fund.’

‘Movember’ aims to raise awareness of men’s health issues as men are known to be more indifferent towards their health, especially when compared to the efforts of women, who proactively and publicly address their health issues.

Apart from Whitmarsh, colleagues also growing a ‘mo’ in November are Jamie Normansell (sales director), Simon Shiner (finance director), Craig Pullen (systems development manager) and Luke Savage (sales executive).

Run Your Cars has also given its website a new look this month and is asking customers and supporters to click on the ‘mo’ link to donate. The website is accessible at www.runyourcars.com.

As a thank-you, those supporting the ‘Run Your Cars six’ will be sent a Run Your Cars stick on moustache to enable them to join in the fun.

Run Your Cars’ buying power means that it is able to deliver financial savings normally only available to major fleets to small and medium enterprises (SMEs).

For £5 (+VAT) per vehicle per month, Run Your Cars’ membership includes RAC breakdown and accident management services and access to a range of other fleet benefits at discounted rates from leading suppliers including: accident management and crash repair through Nationwide Crash Repair Centres, tyre repair and replacement via Kwik-Fit Fleet, car rental through Enterprise Rent a Car, windscreen replacement and vehicle servicing through a network of 6,000 franchise and independent garages.

Further services, including risk management, are available at a small additional cost, while access to a range of vehicle funding options is also available.

The monthly fee also enables customers to manage their fleet using Run Your Cars’ own online fleet management system.

Car leasing quote comparison gets easier for SMEs

A NEW facility has been launched by comparecontracthire.com that enables SMEs to choose the initial payment terms they require, making price comparison for car leasing even easier.

Prices can now be compared on three, six and 12 rentals in advance. All suppliers provide their pricing through www.comparecontracthire.com on two, three or four year contracts, inclusive or exclusive of vehicle maintenance, covering 10,000 and 20,000 miles per annum.

Robert Wastell, managing director of Comparecontracthire.com, said: ‘The market is awash with car leasing rentals, with different payment profiles being advertised. Using a high initial rental is one way to advertise a cheaper ongoing monthly rental and we have enhanced our quote engines to assist SMEs in comparing like-for-like quotes.

‘Standard payment terms are usually three monthly rentals in advance, but if you have a quote on six payments in advance or even 12 rentals, Comparecontracthire.com can now display comparable rentals.’

Once the company has decided on a vehicle and price, a contact form can be completed and is sent through to the relevant car finance partner who will then handle the order.

www.comparecontracthire.com claims to be the UK’s only car leasing price comparison site that provides online, like-for-like quotes on any model of car/van, with prices direct from the UK’s top vehicle leasing companies.

Companies such as Alphabet, Arval, BMW Corporate Finance, Days Contract Hire, FleetLine and TCH Leasing are among those supporting the site.

Model update

Ford unveils new 1.0 litre EcoBoost engine

PRODUCTION of Ford's smallest petrol engine - a 1.0 litre, turbocharged, direct injection EcoBoost engine, which will debut in the UK in the all-new Focus next year - has started.

The powerplant, developed by UK engineers, delivers 125 PS with emissions of 114 g/km and combined cycle fuel economy of 56.5 mpg. It is a level, says Ford, that is unmatched by Focus competitors.

A 100 PS version of the same engine will deliver outright best-in-class petrol emissions of 109 g/km. That engine will also feature in the Ford C-Max and Grand C-Max, plus the new Ford B-Max, which enters production in mid 2012.

Ford says that the new EcoBoost engine delivers performance to rival a traditional 1.6 litre engine. Its torque figure of 170 Nm (with 200Nm overboost gives the engine the highest power density of any Ford production engine to date.

Ford has invested £110 million to develop a special high-tech line at the Cologne Engine Plant to build the engine. The plant's 870 employees will build up to 350,000 units a year of the new engine.

European production capacity could increase to up to 700,000 units per year as production of the small EcoBoost engine at Cologne is joined by Ford's new engine plant in Craiova, Romania, in early 2012.

In the years ahead, Ford anticipates production to expand outside of Europe to deliver global capacity of up to 1.3 million 1.0-litre EcoBoost engines per year.

Thailand floods delay Honda Civic sales

HONDA will be a month late launching its new UK-built Civic which now isn't expected to go on sale until early February.

The floods in Thailand are the latest natural catastrophe to hit the car industry's supply chain.

In Honda's case, the floods have delayed the production and delivery of several small components leading to a 50% cut in production at its Swindon factory. The situation is being monitored daily, says Honda. Dealers are still on schedule to receive their demonstrators in December.

Honda UK managing director Dave Hodgetts is philosophical about it. The earthquake and tsunami in Japan in March had already cost the company around 10,000 sales in the UK with two months of lost output.

But he is buoyed by October's sales performance. With supply returning to something like normal, Honda UK says it had its best month for some time taking a 3.6% share of the market.

'It was our best retail result and highest market share for some years,' he explained. Even so the year will end with sales of around 54,000, 'a low point for Honda in the UK', said Hodgetts.

The target is to get back to 90,000 annual sales by 2014 as part of a four-year plan that stretches to 2015. By then, the present six-strong model line-up will have grown to 10 with a performance version of the Civic and an estate - or tourer as Hodgetts describes it - as well as a new CR-V in less than a year.

About the same time, a new 1.6 litre diesel engine will debut offering sub 100 g/km emissions. It is part of a new family of petrol and diesel engines that will be used across most of the current Honda range.

Audi adds new diesel engine to A1 range

AUDI has added a new 143 PS 2.0 litre TDI engine to its A1 model range to supplement its existing 1.6 litre 105 PS TDI powerplant.

Linked to six-speed manual transmission, the A1 2.0 TDI is available to order now in conjunction with Sport, S line and new Black Edition and Contrast Edition specification priced from £17,945 on-the-road

The A1 2.0 TDI completes the 0-62 mph sprint in 8.2 seconds, has a top speed of 135 mph, combined cycle fuel economy of 68.9 mpg and emissions of 108 g/km.

The new Contrast Edition specification is available for a premium of £1,350 over the price of an equivalent A1 Sport model, and in conjunction with all engines in the A1 range with the exception of the 1.4 TFSI 185 PS. It brings a contrasting colour for the roof line and for aerodynamic body styling elements that are also added over and above the Sport specification, plus larger 17-inch ‘five-arm’ design bi-colour alloy wheels that expand on the Sport model’s 16-inch examples.

The new Black Edition alternative is based on the top S line specification, and is available exclusively in conjunction with the 185 PS 1.4 litre TFSI petrol engine and the newly introduced 143 PS 2.0 litre TDI. For a premium of £1,100 over the S line models, it adds a black styling treatment for the single frame grille surround and number plate holder, dark tinted rear privacy glass, 18-inch five-arm rotor design alloy wheels in a titanium finish in place of the S line model’s 17-inch equivalents and Xenon Plus headlights with LED daytime-running lights. Inside, it also brings full electronic climate control as an enhancement to the S line model’s manual air conditioning and the Audi Sound System speaker upgrade giving 180 watts of output.

2012 Avensis model marks debut for Toyota Touch and Go Plus

ACROSS the board, equipment specifications have been raised for the new, British-built Toyota Avensis with no price increase.

Foremost among the improvements is the provision of Toyota’s Touch and Go integrated multimedia and navigation system as a standard feature on all models bar the entry level T2 grade.

Claimed to take in-car connectivity to an even higher level, new Avensis also marks the introduction of the latest development of Touch and Go, Touch and Go Plus. A standard feature of the top-of-the-range T Spirit models, Toyota Touch and Go Plus broadens the functionality and versatility of the system to include features such as access to email, advanced traffic data improved mapping, and voice recognition.

Future upgrades will enable text messages and emails to be dictated, and for the screen to display Google Search Street View.

Additionally, making its debut in the2012 Avensis is the new 119 g/km 2.0 D-4D diesel engine.

The new Avensis range retains the same grade structure as the current model, with improved equipment specifications at every level.

The T2 entry model now comes as standard with Bluetooth, daytime running lights, leather steering wheel and improved interior trim.

TR remains the best-selling core grade in the new line-up. It builds on the T2 with Toyota Touch and Go multimedia connectivity and satellite navigation, 17-inch machine-finished alloys, dusk-sensing headlights and rain-sensing windscreen wipers, auto-dimming rear-view mirror and, on versions powered by the 2.2 D-4D 150 engine, Smart Entry and Start.

New elements of the Avensis T4 include Toyota Touch and Go with an 11-speaker audio system, leather and Alcantara upholstery, new-design 17-inch alloy wheels and a nickel and wood effect centre console. The grade also provides electrically retractable heated door mirrors and, on the saloon, rear window sunshades.

At the top of the range, the new T Spirit saloon and tourer gain the Toyota Touch and Go Plus system with 11-speaker audio system, plus daytime running lights that use LEDs in place of halogen bulbs. The features of the T Spirit also extend to 18-inch alloys, black leather upholstery, heated front seats, electric steering wheel adjustment, rear parking sensors and bi-xenon headlamps, plus a panoramic roof for the tourer.

Audi launches electric A1 fleet trial

AUDI has flicked the switch on 20 examples of the electric A1 e-tron, bringing the 148 mpg premium sub-compacts to life on the streets of Munich as part of an extensive pilot trial and data capture exercise.

The fleet trial project has been initiated by Audi, the power company E.ON, the public utility Stadtwerke München (SWM) and Technische Universität München (TUM), and will help those organisations to consolidate their thinking on the integration of electric power into day-to-day motoring, and to identify how the existing transport and communications infrastructure might need to adapt to support this.

E.ON and SWM are responsible for expanding and maintaining the charging infrastructure in the Munich metropolitan area, and have already installed a demand-oriented charging network there - SWM within the Bavarian capital’s city limits and E.ON primarily in outlying areas. All the electric ‘fuelling stations’ offer power generated via renewable energies.

This trial is part of a project referred to as Electric Mobility in Munich as a Pilot Region, sponsored by Germany’s Federal Ministry of Transport, Building and Urban Development. The Ministry is providing the region with some €10 million for electric mobility.

The fleet project will address a number of issues, ranging from the power grid itself to data transfer between drivers, vehicles, and electric fuelling stations. For example, the use of a smartphone as a driver’s main interface will be examined.

Franciscus van Meel, head of electric mobility strategy at Audi AG, said: ‘We want to use this fleet trial to learn more about our customers’ usage of electric cars, and their expectations in this regard. We are planning additional fleet endeavours in strategically important markets.’

The Audi A1 e-tron is a range-extender electric car with an output of 102 PS and a top speed of 81 mph.

If the battery runs low on charge, a compact combustion engine - the range extender - recharges it as needed to boost the vehicle’s operating range to 155 miles. The electric car is a zero-emissions vehicle for the first 31 miles of a trip - in city traffic, for instance.

The battery comprises a package of lithium-ion modules mounted in the floor assembly in front of the rear axle. It offers ‘fuel economy’ of up to 148.7 mpg, for an emissions equivalent of 45 g/km.

SEAT unveils first all-electric car and plug-in hybrid

SEAT is predicting that it will put newly unveiled Altea XL Electric Ecomotive and plug-in hybrid Leon TwinDrive Ecomotive models into production from 2015.

Over the next few months the Spanish car maker will make available units of both models to government institutions in Catalonia and Madrid for use in their vehicle fleets.

That will provide SEAT with information on use of the cars for assessment with a view to mass production of electric vehicles in the medium-term. SEAT envisages the launch of its first electric plug-in hybrid car in 2015, to be followed a year later by an all-electric vehicle.

SEAT’s strategy is to commit to a wide range of alternative technologies. To this end the Spanish manufacturer is unveiling two different but complementary models at the same time.

With customers requiring a diverse range of sustainable travel requirements, SEAT says it believes that a parallel strategy of developing two different technologies will put the manufacturer in the best position to meet requirements.

The announcement of the launch of the first electric vehicles coincides with the start of the biggest new product offensive SEAT has known. The company will launch four new models over the next 12 months, the first being the Mii urban vehicle.
The Altea XL Electric Ecomotive produces 115 bhp and 270 Nm of torque. That translates into a limited top speed of 135 kph. Batteries are located under the rear seats and the boot meaning that there is no intrusion into the passenger compartment.

The Leon TwinDrive Ecomotive has a range of 52 kms in electric mode, with a top speed of 120 kph. In combined mode (electrical plus combustion) the consumption forecast is 1.7 litres of fuel and 18.5 kWh per 100 kms, the emissions equivalent of 39 g/km, with a top speed of 170 kph.

Mercedes to launch new M-Class AMG

THE new Mercedes-Benz ML 63 AMG will launch in the UK in spring 2012 with pricing and specifications still to be confirmed.

The model is powered by a 5.5 litre engine that returns 23.9 mpg on the combined fuel cycle and has emissions of 276 g/km - a 28% improvement in efficiency over its predecessor.

The engine delivers 525 bhp and maximum torque of 700 Nm, representing an increase of 15 bhp and 70 Nm from the outgoing model. The optionally available AMG performance package boosts the V8 engine’s power output to 557 bhp and its maximum torque to 760 Nm.

Power transmission to all four permanently driven wheels is performed by the AMG Speedshiftplus 7G-TRONIC system.

Jaguar unveils fastest open-top GT

THE XKR-S Convertible is the most powerful and fastest open-topped GT Jaguar has ever built and it will go on UK sale next year with prices estimated to start at £103,000

The supercharged V8 petrol engine mated to a six-speed automatic gearbox produces 550 PS and 502lb/ft (680 Nm) and has a top speed of 186 mph. The 0-60 mph sprint is completed in 4.2 seconds. Emissions are 292 g/km.

The new XKR-S model line-up sits at the pinnacle of the XK range, which now consists of XK, XKR and XKR-S derivatives in coupe and convertible format.

The XKR-S Convertible takes the raft of performance, dynamics, design and interior upgrades already introduced on its coupe sibling to create the flagship.

Exclusive to the XKR-S models are carbon-leather trimmed versions of Jaguar’s performance seats which feature integrated head rests, racing harness cut-outs and increased side and squab support to hold driver and passenger securely during high speed cornering. The 16-way adjustable, heated seats feature highlights of carbon leather and contrast micropiping unique to the model.

Ford unveils newest SUV

THE all-new Ford Escape - known as the Ford Kuga in the UK and Europe - has been unveiled at the Los Angeles Auto Show.

Ford's newest sport utility vehicle will arrive in Europe next year. It will be first seen at the Geneva Motor Show in March and will offer unique European powertrains and features, which will be announced closer to launch.

Manufacturer news

GM's European arm under pressure as losses mount

THE European division of General Motors, which includes Vauxhall and is undergoing a major restructuring, recorded a $292 million loss in the third quarter of this year meaning it won't return to profit this year as previously hoped.

Nevertheless, the loss was a $268m improvement on the third quarter last year. General Motors is now forecasting that due to weaknesses in Europe, coupled with seasonal trends in North America, it expects fourth quarter figures to be little changed from last year.

Overall General Motors' third quarter profits fell to $1.7 billion from $2bn last year on sales of $36.7bn compared with $34.1bn in the third quarter last year.

The poor European performance led to speculation that General Motors could shed more plants and workers as it looks to stem losses.

Dan Ammann, the manufacturer's chief financial officer, was quoted as saying: "We're not going to rule anything out, we have to look at the whole picture."

The European division has now recorded losses of $580m in the first nine months of the year, less than half the losses recorded in the equivalent 2010 period. It was a performance which Ammann described as 'not sustainable and not acceptable'. He is aiming to 'get the break-even point lower and the profitability higher'.

Jaguar Land Rover creates 1,000 new jobs in Solihull

JAGUAR Land Rover (JLR), the UK's largest automotive design, engineering and manufacturing employer, is looking to further expand its workforce as it embarks on its most ambitious growth plan in recent history.

The company has announced plans to recruit more than 1,000 members of staff at its manufacturing plant in Solihull. The expansion will increase the plant workforce by 25%.

The posts are being created in support of the business's stated ambition to deliver 40 significant product actions over the next five years thanks to a multi billion pound investment in product creation.

Nissan wins top low carbon award for electric Leaf

LEADERS in the drive to cut carbon emissions from road transport have been announced at a ceremony in London.

The Low Carbon Vehicle Partnership's Low Carbon Champions Awards recognise best practice in key areas from vehicle manufacturing and fleet operation to the development of products and services that reduce greenhouse gases from road transport operations.

The winner of the overall award was Nissan GB. In making the award the judges said that Nissan has been at the forefront of electric vehicle and battery technology development and its efforts had culminated in the launch of the ground-breaking fully electric Leaf in March.

The Low Carbon Heavy Duty Vehicle Manufacturer of the Year Award went to Iveco UK as it offered the most extensive range of low carbon commercial vehicles available in Europe. Its natural gas-powered range spans the complete 3.5 to 32-tonne sector with vehicles available in van, chassis, crew cab and articulated configurations. It also produces an electric-powered light commercial range from 3.5 to 5.2 tonnes.

The Low Carbon Vehicle Operator of the Year title went to the Stagecoach Group for its commitment to reducing the carbon footprint of its bus and rail services across the UK and North America.

Light commercial vehicles

Ashwoods win trio of awards for Hybrid Drive System

A NEW hybrid system used by large fleets to reduce emissions and increase fuel efficiency has been awarded three Institution of Engineering and Technology (IET) Innovation Awards.

Developed by Ashwoods Automotive, the Hybrid Drive System won awards in the power/energy, sustainability and transport categories.

The Ashwoods Hybrid Drive System works by taking wasted energy from braking and decelerating and storing it to be used to assist vehicles when required.

Designed as an alternative over low range, high cost electric vehicles, the Ashwoods Hybrid Drive System is fully commercialised and used by over 35 companies including Royal Mail, BT, TFL and NHS.

The vehicles currently in operation using the system are estimated to save 356 tonnes of carbon per year and Ashwoods Automotive confirm that as more customers adopt the technology, the fuel savings made will continue to contribute to high carbon dioxide emissions savings in general.

The IET Innovation Awards recognise the most creative companies operating within a wide variety of engineering and technology disciplines, with 15 categories including asset management, telecommunications and product design.

Residual value update

Fleet used car values fall 3.5% as 4x4 prices strengthen

AVERAGE used car wholesale values in the fleet sector fell by 3.5% (£215) to £5,939 while 4x4 values strengthened in all three sectors - fleet, dealer part exchange and manufacturer, according to Manheim Auction's latest analysis.

Overall average wholesale values in October increased by just 0.8% (£58) to £6,970, dealer part exchange values were up 2.6% (£59) to £2,348 while manufacturer stock values increased by 5.4% (£661) to £12,937 despite an increase in average age and mileage.

Notable falls in average values for the fleet sector in October - average mileage rose to 62,047 a 12-month high - included small hatchbacks down 4.7% (£211) to £4,292, medium family cars down 3.8% (£210) to £5,360, large family cars down 2.2% (£106) to £4,795 and compact executive down 7.6% (£652) to £7,927.

4x4 values increased across all three sectors: the fleet sector was up by 5.4% (£627) to £12,293, dealer part exchanges were by 19.4% (£913) to £5,610 and manufacturer stock 4x4s increased by 1.2% (£244) to £19,907.

Other notable increases in average values in October included dealer part exchange superminis, up 7.1% (£102) to £1,528 and large family cars up by 3.5% (£59) to £1,759. Meanwhile manufacturer stock superminis were up by 2.3% (£121) to £5,440 and executive cars were up by 6.8% (£1,496) to £23,354.

Mike Pilkington, managing director, Manheim Remarketing, said: 'Despite the uncertain economic outlook prices did not fall as dramatically as had been anticipated after the strong performance in September.

'Having said this, values have had to settle to more realistic levels and, as is typical for the time of year, vehicles requiring an element of refurbishment to bring them up to retail standard are becoming less desirable.

'Meanwhile the 4x4 market continues to go from strength-to-strength with some very strong values being achieved which is of no surprise after the last two winters.

'The outlook remains in the balance with the supply and demand equation undoubtedly entering a crucial point in the year. Although the strength of the November market will in part be driven by the retail demand leading up to the Christmas holiday period it is also clear that some buyers are stocking up early for the New Year to avoid the seasonal Q1 price uplift and because of fears of stock shortages.'

4x4 used values more than double since 2008, says Manheim

VALUES of used 4x4s have increased significantly since 2008 as the severe winter weather of recent years has turned the traditional off-roader from a much criticised mode of transport to the vehicle of choice for many motorists, according to Manheim Remarketing.

When compared with October 2008, values of seven-year-old dealer part exchange 4x4s have increased by 119% to £5,610 despite an increase in average age of two months and an increase in average mileage of 7,000 miles to 79,000.

During the same period values of four-year-old ex-fleet 4x4s increased by 56% to £12,293, average age increased by seven months and average mileage by 12,500 miles to 60,000.

Recent sales at Manheim Auctions have seen a variety of 4x4s of all shapes, sizes and prices going under the hammer. The £5,000 price range included a 2004 Land Rover Freelander TD4 HSE with 73,000 miles and a 2005 Nissan X-Trail 2.2 DCi Sport with 63,000 miles. Meanwhile for £12,000 the choice included a 2007 BMW X3 2.0D SE with 58,000 miles and a 2006 Land Rover Discovery 2.7 TD V6 XS with 83,000 miles.

Daren Wiseman, valuation services general manager, Manheim Auctions, said: 'The demand for used 4x4s following the winter storms of recent years has driven the massive increase in values since October 2008. We noted that demand for 4x4s increased earlier this year with buyers targeting this sector as early as September.'

Fleets lead the way as average used car prices tumble

THE average values of used cars sold at auction decreased from £4,718 to £4,558, equivalent to a 4% price cut, according to the latest report from the National Association of Motor Auctions (NAMA). However, fleet car values fell by 6% last month.

Nevertheless, NAMA says that year-on-year, the average price of cars at auction has increased by just 0.1% from £4,554 a year ago to £4,558 this year.

Bob Anderson, NAMA committee member, said: 'The fact that average auction prices for cars of all ages are virtually unchanged from last year would appear to be quite encouraging.'

October's month-on-month price reduction is somewhat normal for this time of year as auction houses re-market the influx of supply created by the September plate change, says NAMA.

Buying from dealers has also begun to wane as they prepare for the seasonal downturn in retail sales.

However, NAMA says there have been signs of even more buying apprehension in recent weeks in comparison to previous years. While the economy remains fragile and consumer confidence remains low, consumer buying intentions become increasingly unpredictable, it warns.

Consequently, dealers have not been able to price cars with the intention of achieving customary trading margins because consumers are unable to pay higher prices for the vehicles.

That, in turn, is causing dealers to evaluate the amount of stock they have and consequently overall stock levels are likely to be lower than what might be considered customary for this time of year.

Anderson said: 'The mix of cars on offer in October was biased towards lower condition grade vehicles. However, dealers were more focused on acquiring stock that required little remedial attention and could be presented to potential buyers without delay. Higher grade vehicles are currently not in high supply and the likelihood is that this situation will not change for the foreseeable future.'

He added: 'All indications are that the auction market is likely to perform to expectations for the remainder of 2011. We expect to see stock inventories fall steadily between now and the end of the year, with condition grade 4 and 5 cars continuing to be more difficult to sell if unrealistically priced. Trade demand is likely to ease but competition for the best vehicles will remain high.'

Damage wipes thousands of pounds of van values

THE real cost of damage when light commercial vehicles are sold is rising, according to new data released by BCA.

Figures outlining the total average cost of damage on LCVs inspected by BCA has risen by 18% year-on-year, from £683 to £808 on average, with some examples of damage breaking the £2,000 barrier.

That is in spite of the fact that average age has remained static at 54 months, and average mileage has only risen from 71,000 to 73,000 over the same period.

Duncan Ward, BCA's general manager - commercial vehicles, said: 'This is a worrying trend that cannot be blamed wholly on contract extensions. Far too many vehicles are entering the remarketing chain with increasingly high levels of damage which reduces their desirability and value to used buyers - even when supply is restricted.

'We are seeing a widening two-tier market, where the scarce good condition vans are becoming even more sought after, while damaged, poorly presented vehicles run the risk of being overlooked completely.

‘More often than not, we see vans being sold where damage obviously occurred some time ago and has not been addressed by the vehicle owner or operator. It has deteriorated over time, rust has set in and economical SMART repair techniques cannot be used.

‘A small area of damage that might potentially cost tens of pounds to put right when it first occurred becomes a major repair costing hundreds of pounds some months later.’

Advocating a cultural change in the way vans are managed as a result, Ward said: ‘Repairing or even stopping the first dent might mean that a second, third or fourth dent does not occur. If a driver gets in van and it barely has a straight panel on it, it is inevitable that less care will be taken of that vehicle.’

He added: ‘Similarly, drivers should be aware that it is their responsibility to report damage when it occurs. Drivers should also be encouraged to keep the cab space in good order, because replacing interior trim, seats and headlining fabric is prohibitively expensive - again accidents will happen, but there is no excuse for negligence.’

He believes that mid-term inspections are vital as a management control, saying: ‘If a van is inspected two or three times during a typical four-year working life it will identify damage that could be rectified immediately, rather than waiting for this to be picked up at defleet time, when the cost to repair may have risen many times over.

‘A proactive and positive attitude to commercial vehicles will bring its own rewards. Van drivers should be managed with the same mindset as company car drivers. If a company car gets damaged, it gets repaired. The same stance should be taken with company vans.’

BCA’s six-step plan to managing in-service damage includes:

- Driver Training
- Driver logs and damage reporting
- Stop the first dent
- Rectify damage as it happens
- Introduce annual costed independent inspections
- Invest in meeting industry best practice standards

Ward concluded: ‘Vehicles are regularly being offered for sale in a condition that wipes hundreds of pounds off their potential value. In the current economic climate, surely every business should be paying close attention to costs that can be controlled and managed?

‘Investing in driver training and mid-life inspections could save the operator or asset owners many thousands of pounds. 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.’

Photo caption: This damaged four-year-old Mercedes-Benz Sprinter sold for £3,800, against a trade value of £6,300 for the same van in average condition.

BCA report strong end to 2011

AUCTION giant BCA is reporting a strong start to Q4 with additional volume through physical and online channels, even though much of the market is experiencing supply issues.

Good results in October have been followed by the company announcing a number of new business and incremental contract gains from manufacturer, fleet, contract hire and dealership sources in the final quarter of the year.

UK managing director Andrew Hulme said: 'BCA's investment in buyer services and products, and the outstanding execution and fulfilment of the core physical business has created a key differential between BCA and its competitors.

'Our market leading residual value performance and higher sales conversions combine to deliver faster cash-to-bank performance for our vendor base, and this has been the trigger point for a number of business gains including Inchcape, BMW Group, Arval and Prudential among others.'

Hulme concluded: 'As the market continues to endure stock shortages and issues over age, mileage and condition of stock, buyers can be sure that BCA will continue to offer the widest choice of vehicles through the most comprehensive sales programme.'

New BCA Assured Scheme to boost used car market

BCA - the UK's biggest seller of used cars - has launched a new sales product that claims to offer a range of benefits to buyers and sellers alike.

BCA Assured provides peace of mind to buyers by providing a report on a 30-point mechanical check carried out by an independent motoring organisation.

Only cars under eight years old and 120,000 miles are eligible and vendors must sign up in advance to have the check on their vehicles.

The check includes an onsite drive to test brakes to VOSA standards, warning lights, tyre depths, engine noise, limited gearbox check, suspension and fluid levels. The subsequent report will appear in pre-sale cataloguing on the BCA website and a printed copy will be available with the vehicle when it is sold.

Buyers will have up to 48 hours or 500 miles to inform BCA if the vehicle they have purchased does not match the report it was sold with. BCA will agree to rectify faults on any vehicles that are misreported and in extreme circumstances provide a full refund.

The roll out of BCA Assured started at Blackbushe and Brighouse this month, and will reach Measham, Nottingham, Derby and Bedford before the end of the year. By the end of the first quarter of 2012, BCA Assured will be operating at all UK centres with LCVs planned to be introduced there after.

BCA's UK operations director Simon Henstock said: 'This new BCA Assured scheme will provide peace of mind for private customers and another level of product confidence for trade buyers. Sellers meanwhile have the opportunity to create an even stronger following for their brand at BCA by adopting this new scheme.

'Improved buyer confidence means more buyer power and that will inevitably lead to more robust sales at BCA.'

Politics and regulation

Government seeks tax and NI integration by 2017

GOVERNMENT plans to integrate income tax and National Insurance - including the treatment of benefits-in-kind such as company cars as well as business expenses - in to one single figure could become a reality by 2017.

Exchequer Secretary David Gauke has set out the Government's vision for what it calls 'a more transparent, open, and easier to understand personal tax system'.

Chancellor of the Exchequer George Osborne indicated in the last Budget that he wanted to see income tax and National Insurance brought together.

The Government has now published a discussion paper - 'Modernising the Administration of the Personal Tax System' - which sets out a range of ideas as to how people can more easily access information on their personal taxes.

The Government is calling on taxpayers, representative bodies, and tax professionals to give their views on: what taxpayers know about the tax they pay; what areas of the personal tax system create the most difficulty; how technology can help them better access and understand their tax position; and how it can engage with individual taxpayers in hearing their views on how the tax system could be modernised.

In parallel, and as part of its ongoing reform of the UK tax system, the Government has published a paper setting out the next steps in its work on looking at the options to integrate the operation of income tax and National Insurance contributions.

The paper summarises the results of the recent call for evidence on the issue, and establishes the principles and parameters by which Government will assess options for reform. The Government is establishing technical working groups to identify and explore options over the coming months, and is looking for employers, tax and payroll professionals to join the groups.

Gauke, said: 'At the moment, for a lot of people, the tax line on their pay slip is the only time they see just how much they're paying in tax, but the Government doesn't think that's good enough.

'We plan to lift the lid on tax so that people understand how much they are paying, what their overall tax rate is, and what they should be paying, in the same way that the Government has lifted the lid on what they are paying for.

'We are also exploring ways in which we could integrate the operation of income tax and National Insurance, with benefits for employers and employees. The Government will be working in partnership with external stakeholders to identify options and will report on progress at Budget 2012.'

The Government hopes that integrating the income tax and National Insurance system will reduce the burden on employers of operating two different systems and two different sets of rules.

Doctors call for total smoking ban in cars

DOCTORS have called for a total ban on smoking in motor vehicles in the light of what the British Medical Association (BMA) calls 'compelling scientific evidence'.

A BMA board of science briefing paper highlights evidence indicating that second-hand smoke in vehicles presents a serious health hazard, with toxin levels reaching more than 23 times those of smoky bars.

It says an estimated 4,000 adults and 23 children die each year as a result of second-hand smoke in the UK, with global figures running into the hundreds of thousands.

Smoking can also be a road-safety risk and distract drivers. In 2007, the Driving Standards Authority updated the UK Highway Code to include smoking under the list of distractions from safe driving.

Smokefree legislation applying to public places was introduced throughout the UK: first in Scotland in March 2006, then in Wales and Northern Ireland in April 2007 and in England in July 2007.

The current regulations require enclosed vehicles to be smokefree at all times, if they are used:

- By members of the public or a section of the public (whether or not for reward or hire), or

- In the course of paid or voluntary work by more than one person, even if those people use the vehicle at different times, or only intermittently.

Although UK smokefree legislation does not apply to private vehicles, in June a Private Members' Bill was presented to the House of Commons to ban smoking in private vehicles when children were present. The Bill won a slight majority in favour and is due to have its second reading on November 25.

BMA director of professional activities Vivienne Nathanson said: 'The UK made a huge step forward in the fight against tobacco by banning smoking in all enclosed public places, but more can still be done. We are calling on UK governments to take the bold and courageous step of banning smoking in private vehicles. The evidence for extending the smoke-free legislation is compelling.'

The BMA's *'Smoking in Vehicles'* briefing paper says children are particularly vulnerable to second-hand smoke, as they absorb more pollutants because of their size and have underdeveloped immune systems.

BMA public health medicine committee co-chair Keith Reid said: 'The state has a responsibility to intervene to protect children, and a ban on smoking in motor vehicles would reinforce the message that children are harmed through others' smoking. The evidence suggests that the most feasible way to accomplish this is to implement a complete ban on smoking in motor vehicles.'

Meanwhile, vehicle remarketing company, British Car Auctions (BCA), suggests that any motorist that has smoked in their vehicle over a period of time will see a serious dent in the resale value.

A spokesman said: 'This is an incredibly important health issue. But if drivers aren't motivated by the health of their passengers, perhaps they will be by the diminishing health of their finances. Lighting up inside a car seriously devalues the vehicle for resale.

'Our research shows that presentation is one of the top factors influencing the price of used cars. So if a car is more like an ashtray on wheels, chances are buyers will move on to find one that looks and smells fresh as a daisy.

'Professional valeting can alleviate most of the effects of smoking, but is expensive and time consuming and might mean replacing some interior trim, such as nicotine-stained headlinings.

'Motorists should avoid having a cigarette in their car, especially if they intend to sell it in the near future. This will avoid the lingering smell of cigarettes in the interior, as well as eliminate the risk of scorch marks on the upholstery or dash. All of these things will put buyers off, even if they smoke themselves.'

£293 of drivers' annual motoring tax not spent on roads

EVERY driver is paying £293 a year in fuel duty and Vehicle Excise Duty which is not being spent on roads, according to a new report by the TaxPayers' Alliance.

Its council-by-council report claims that 'excessive motoring taxes' are being paid by many motorists in many part of the country.

The report was published just days ahead of Tuesday's (November 15) vote in Parliament on fuel taxes, which was forced as a result of an online petition earlier this year which was signed by more than 100,000 people and called for cheaper petrol and diesel.

The Taxpayers' Alliance report shows that 'excessive motoring taxes' affect drivers in urban, suburban and rural areas very differently.

The report says that: ‘Motoring taxes at their current rates cannot be justified by the need for spending on the roads and the contribution of road transport to climate change. Those who live in small towns or rural areas, where a car is often the only practical way of getting to work or accessing services, are hit particularly hard by high rates of fuel duty and Vehicle Excise Duty.’

The research used census data to reveal how motoring taxes, despite being set nationally, affect motorists in each local authority area very differently. The key findings of the research were:

- Fuel duty and Vehicle Excise Duty raised £31.5 billion in 2009
- Road spending in 2009-10 was £9.9bn and the social cost of road transport emissions was £3.5bn in 2009
- As a result, ‘excess green taxes’ were £18.1bn, or £293 per person
- Excess motoring taxes varied starkly between urban areas like Camden, where they were £64 per person, and rural areas like Maldon, where they were £566 per person

Matthew Sinclair, director of the TaxPayers’ Alliance, said: ‘British motorists are hit unfairly hard by motoring taxes that are far too high. Families in the suburbs and rural areas suffer the most as driving is so often essential outside city centres. Everything from driving to work, to going to the shops, to getting the kids to school is made much more expensive and that squeezes the budgets of people struggling enough with other pressures on their finances.’

The Alliance wants Chancellor of the Exchequer George Osborne to cut fuel duty and freeze it for the rest of the current Parliament.

‘Politicians should stop ripping-off British motorists with the highest taxes on petrol in the EU,’ said Sinclair.

IAM calls for road safety targets

THE Institute of Advanced Motorists is calling for road casualty targets to be reintroduced in its contribution to this month’s House of Commons Transport Select Committee’s inquiry into the Government’s road safety strategy.

Targets were removed by the Government in May this year despite positive reductions in the number of people killed in road accidents in 2010.

However, over the last six months deaths on Britain’s roads have increased by 7% compared to the same period last year, although casualties in total have gone down by 3%.

IAM chairman Alistair Cheyne, writing in the IAM members’ magazine *Advanced Driving*, said: ‘That road deaths have gone up is a tragedy. Emergency services do a fantastic job and manufacturers are making cars safer all the time.

‘But crashes are best avoided and all drivers need to think about how to make their driving style safer. The Government must play a part by reintroducing targets on road safety to give the entire industry a goal to aim for.’

General motor industry news

AA and RHA call for fuel price cut as MPs debate costs

THE AA and Road Haulage Association (RHA) have formally added their voices to the call for Chancellor of the Exchequer George Osborne to abandon fuel duty increases scheduled for January 1 and August 1, 2012 and to cut pump prices instead.

The growing call, which has been led by the Retail Motor Industry Federation - petrol Division, comes with fuel prices at, or close to, record levels.

Rising fuel duty is becoming a socially-divisive tax that is splitting the nation into the 'drives' and 'drive-nots' during the economic downturn, according to the AA, which claims that lower-income and rural drivers are losing mobility faster than better-off motorists.

A House of Commons debate on fuel prices was held this week having been triggered by an online petition signed by more than 100,000 people.

While backbench MPs piled pressure on the Government to make concessions over 2012 fuel duty rises, Business Secretary Vince Cable warned drivers not to expect 'freebies'.

Nevertheless, the backbench motion challenging the Government to help drivers and to 'consider the effect that increased taxes on fuel will have on the economy and examine ways of working with industry to ensure that falls in oil prices are passed on to consumers' was approved without a vote.

Meanwhile, the Chancellor's Autumn Statement is on November 29 when it is hoped he will officially signal the axing of the rises, which could add 8p to a litre of petrol and diesel.

The 3.02p per litre rise in January and then another increase in August that would be around 3.41p per litre - a total increase of 6.63p plus VAT - would be an 11% increase over eight months.

The AA has written to the Chancellor to urge him to revert back to the old system of setting annual fuel duty, which takes into account current economic and social conditions - not an automatic turning of the screw based on inflation.

The AA has also called on the Chancellor to use the Consumer Price Index, not the Retail Price Index, as the inflation indicator for fuel duty considerations.

AA president Edmund King said: 'The AA firmly believes that business and households should be given a break from the annual cycle of fuel duty increases. Motorists do not understand the logic of high fuel duty rises which further increase RPI and force demand down at a difficult time for family and business budgets which need mobility to stay afloat.

'Although we fully recognise the need to balance the books we also believe the time has come for activity to be stimulated through lower pump prices.'

The RHA says that UK growth and competitiveness could ill-afford further increases in diesel duty, which was already by far the highest in the European Union.

The RHA said: 'These duty increases are totally out of step with UK business. The transport industry's customers are looking for rates freezes and even reductions - not the increases that will have to be sought as a result of diesel duty increases.'

However, even if the parliamentary debate ultimately leads to a cut in duty, fleets will continue to feel the pressure on fuel costs, according to Paul Jackson, managing director of fuel and mileage expenses control specialist TMC.

He said: 'While the fuel campaigners are successfully mobilising public opposition to fuel duty at 58p per litre, some organisations still pay their employees almost that much per mile to travel on business. Those employers are paying around £6 in expenses for every litre their drivers use.

'This puts the issue of business fuel costs into perspective. The fundamental problem for UK drivers is the underlying price of oil, which has doubled in the past few years and is on a long term rising trend.

‘As fuel prices continue to outstrip inflation, employers can no longer afford to pay for unproductive driving or exaggerated expense claims. Mileage has always been the main driver of fleet operating costs.

‘According to the AA, the next scheduled rise in fuel duty would cost an average driver an extra £38 per year. But businesses risk losing more than that to common fiddles every time they pay an unaudited travel expense claim.’

The Commons debate was held as the Office for National Statistics revealed that the Government’s tax take from pump prices had reduced from 81% in 2001/02 to 66% in 2009/10.

Government backs mapping of electric vehicle recharging points

THE locations of recharging points for plug-in vehicles are to be systematically mapped across the country to make it easier for motorists to go electric, Transport Minister Norman Baker and Business Minister Mark Prisk have announced.

The National Charge Point Registry, to be developed by POD Point - a UK-based charge point manufacturer - will be a publicly-accessible database of charge points across the UK.

Alongside that, a new system - the Central Whitelist - will be created to make it easier for motorists to access each charge point without having to sign up to new schemes each time they charge in a different location.

Baker said: ‘We know there is public appetite out there for plug-in vehicles and as Government we’re doing everything possible to make them a real option for both motorists and industry.

‘This Registry will get us away from the mind-set of; will I, won’t I get there? And I’m sure that public and private charge point owners alike will get behind the initiative because the more information we have up there the more motorists will be encouraged to make the switch to electric.

‘The Central Whitelist offers charging scheme operators a really straightforward way to share membership card details - it will enable their members to access charge points outside their ‘home’ charging scheme. This freedom to roam between charging schemes is a very important step forward for the plug-in vehicle market.

‘There is no doubt that low-carbon vehicles are here to stay, we will continue to work with industry to create a world-leading charging network that really reflects the needs of its users.’

The Registry, says the Department for Transport, will allow businesses to innovate and provide products, such as satellite navigation and mobile apps, for plug-in vehicle owners to access.

Motorists will then know where and how they can charge along their journey, so addressing concerns about the range of vehicles and the new ‘Central Whitelist’ will increase people’s charging options - enabling members of a particular charging scheme (e.g. the Source East) to easily access charge points in other areas of the country.

Both systems are due to go live early next year.

People on the move

Kia Motors Europe appoints new president

KIA has appointed Byung-Tae (Brandon) Yea as president of Kia Motors Europe with immediate effect.

Yea brings a wealth of diverse executive experience to Kia's European operations having worked in the automotive industry for almost 30 years.

He spent his early years at Hyundai Motors Corporation and later Hyundai Motors America. He then joined Kia Motors Corporation in 1999 and has subsequently held a number of senior executive positions, with a special focus on the development of marketing strategy and brand management.

In October 2010, Yea was appointed president of Kia in the Middle East and Africa region, based in Dubai, and has overseen significant growth in these markets over the past year.

Yea (53) succeeds Sun-Young Kim as president of Kia Motors Europe. He is returning to Korea to take up a new position at the corporation's headquarters.

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