

Managing an ageing, high mileage fleet



Barrie Wilson

Commercial Fleet Consultant
FleetCheck



Construction
Logistics and
Community Safety



Driving for
Better Business

An aerial photograph of Havana, Cuba, showing a dense urban landscape with various buildings and a waterfront area. The text "Havana, Cuba" is overlaid in large white font across the center of the image. The background shows a mix of colorful buildings, a prominent white building with horizontal stripes, and a body of water in the foreground. The overall scene is captured from a high angle, providing a comprehensive view of the city's layout and its proximity to the water.

Havana, Cuba

United States



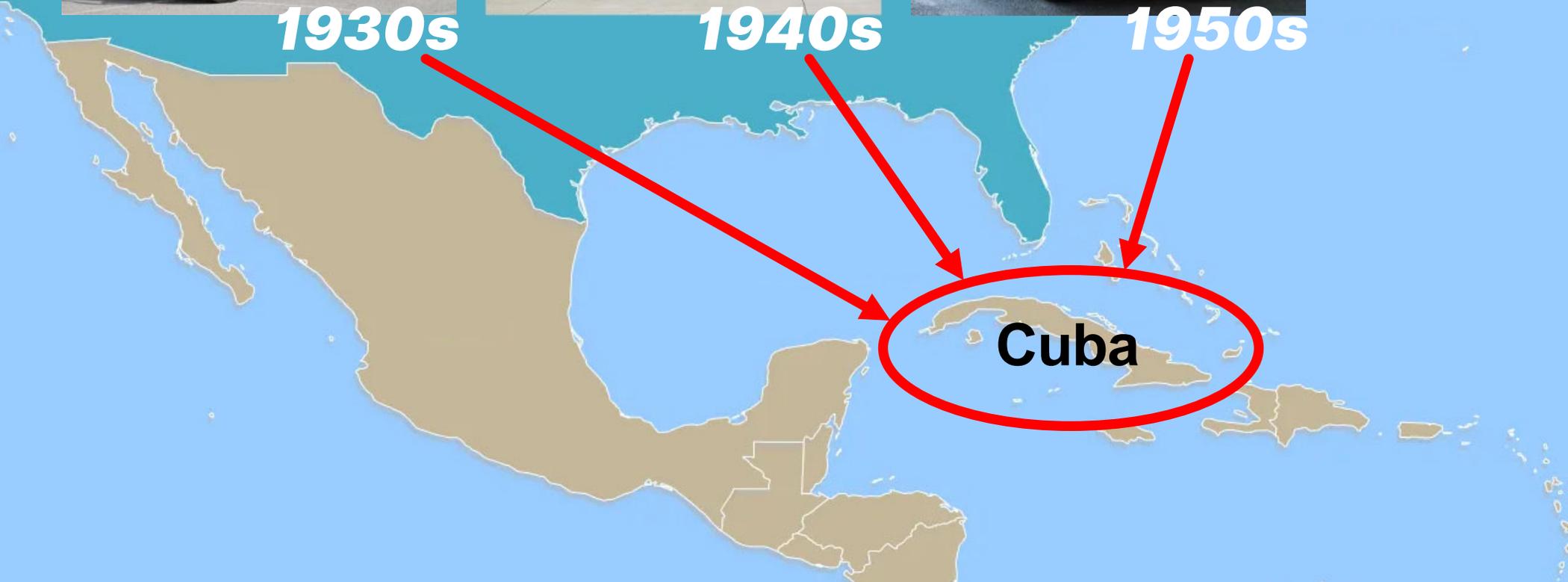
1930s



1940s



1950s



Cuba

Running an ageing, high-mileage vehicle



1947 Pontiac Torpedo
Professionally restored to 'as new'



1947 Pontiac Torpedo in Havana
Maintained by a Cuban with a spanner!



The ZEV Mandate

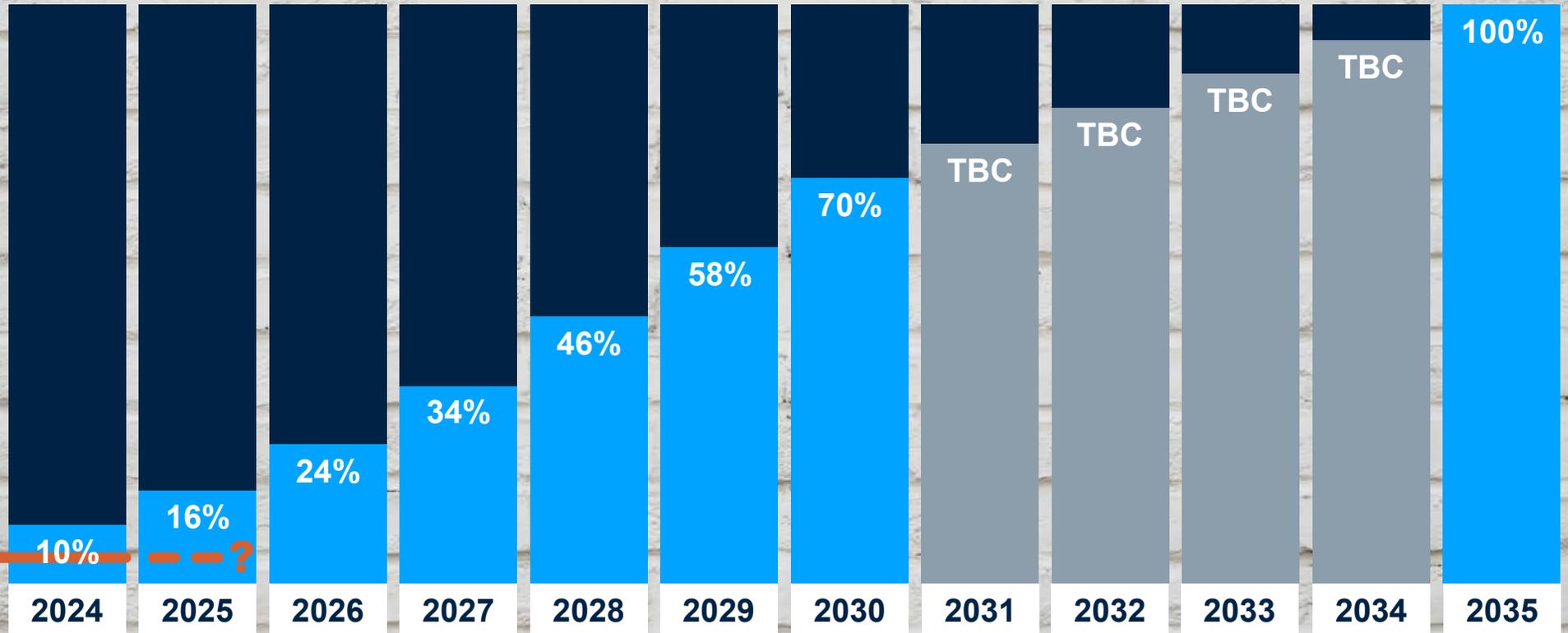


ZEVs not always suitable

- Acquisition costs
- Range and charging time
- Load capacity
- Charging infrastructure



ZEV Mandate: Van sales targets



Sales not matching targets

SMMT
DRIVING THE
MOTOR INDUSTRY



OCTOBER	2024	2023	% change	Mkt share -24	Mkt share -23
BEV <3.5t	2,143	1,362	57.3%	7.9%	5.2%
BEV Rigid >3.5-4.25t	120	37	224.3%	0.4%	0.1%
Diesel <3.5t	23,809	24,356	-2.2%	87.9%	92.3%
Others <3.5t	1,022	624	63.8%	3.8%	2.4%

Year to date	YTD 2024	YTD 2023	% change	Mkt share -24	Mkt share -23
BEV <3.5t	15,087	15,658	-3.6%	5.1%	5.5%
BEV Rigid >3.5-4.25t	1,364	1,112	22.7%	0.5%	0.4%
Diesel <3.5t	270,900	261,652	3.5%	91.6%	91.7%
Others <3.5t	8,326	7,011	18.8%	2.8%	2.5%

TOTAL VAN SALES 2024
ICE + ZEVs

10% →
5.6% →

2024 TARGET FOR ZEV SALES
ACTUAL SALES TO END OCTOBER

Consequences: 2024

Full year van sales 2023	340,000
10% ZEV target 2024	34,000
Total ZEV sales at 5.6% demand	19,000
Shortfall in ZEV sales	15,000
Total fine at £9,000 per unit	£135m

The fine is a collective fine across all van manufacturers

Consequences: 2025

Full year van sales 2023	340,000
16% ZEV target 2025	55,000
Total ZEV sales at 5.6% demand	19,000
Shortfall in ZEV sales	36,000
Total fine at £18,000 per unit	£648m

The fine is a collective fine across all van manufacturers

Manufacturer responses

FT Conference, May 2024

Executives from Ford, Stellantis and VW said that they would not pay fines for selling too many ICE vehicles in the UK.

In other words, if they cannot sell enough EVs, they will reduce the number of ICE or hybrid vehicles available, reducing supply and almost certainly raising prices of those sold in the UK.

This goes for both vans and cars.



Manufacturer responses

Martin Sander of Ford said...

“You cannot push vehicles into the market against demand.”

“Ford is not going to pay penalties. The only alternative is to take our shipments of ICE vehicles to the UK down and sell them somewhere else.”

“I don’t know if consumers will like seeing the ICE prices going up.”



Manufacturer responses

Stellantis

More recently at an SMMT event in June, Stellantis' UK Managing Director raised the prospect of Stellantis pulling out of UK van production altogether because of the demands of the ZEV mandate.

Stellantis van brands include Vauxhall, Peugeot, Citroen and Fiat.



Supply shortfall: new vehicles

SUPPLY

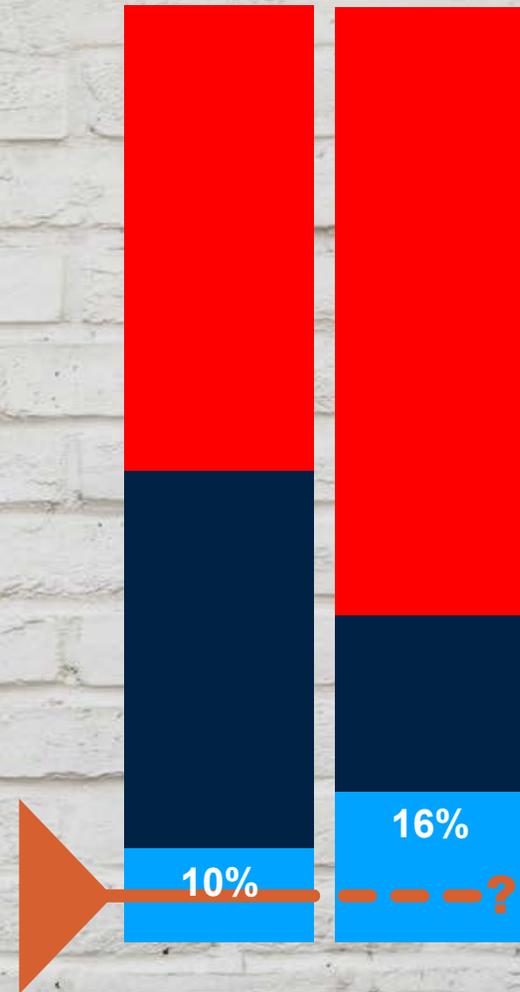
2024: 169,000 vehicles

2025: 221,000 vehicles

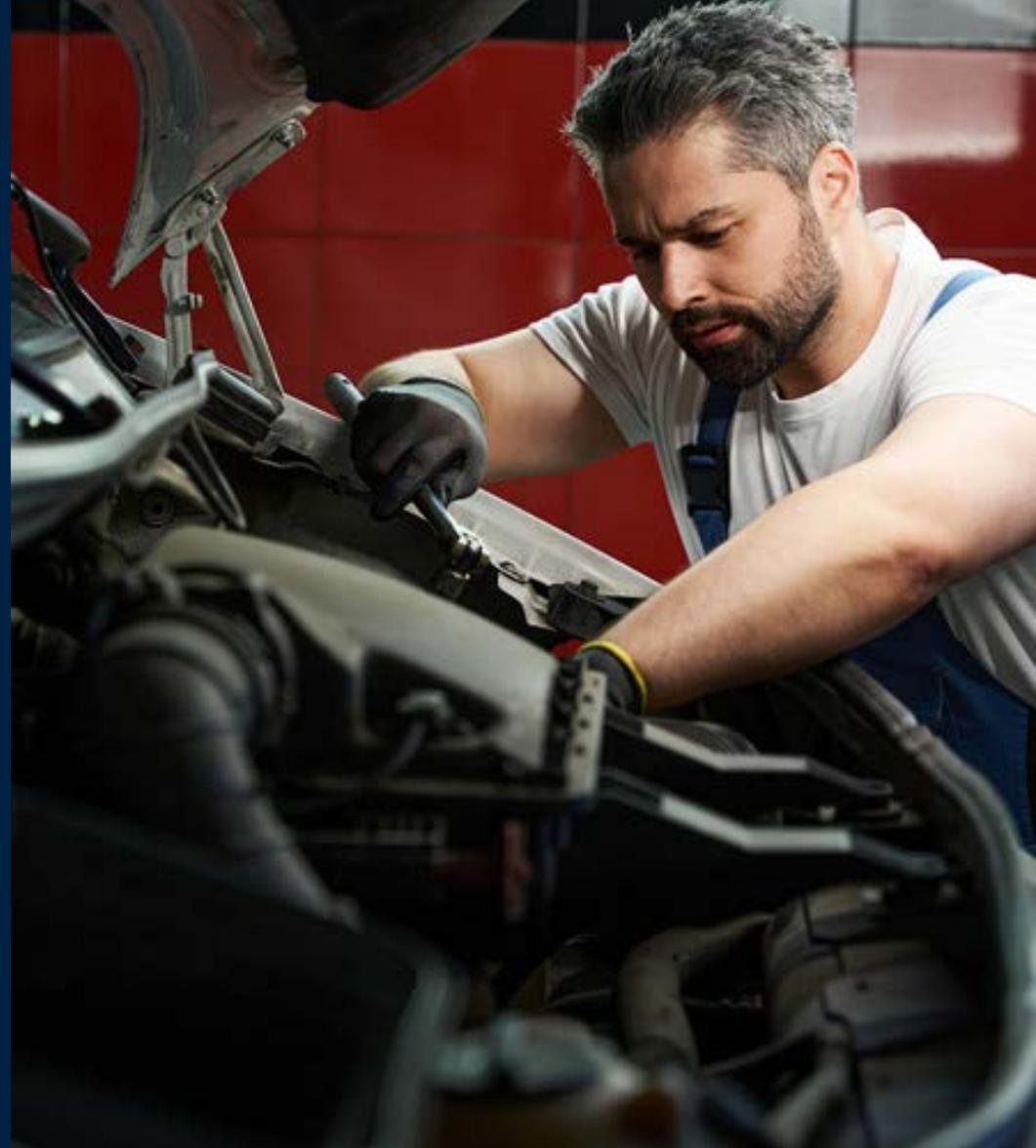
EVs not right for you?

Need new diesel vans?

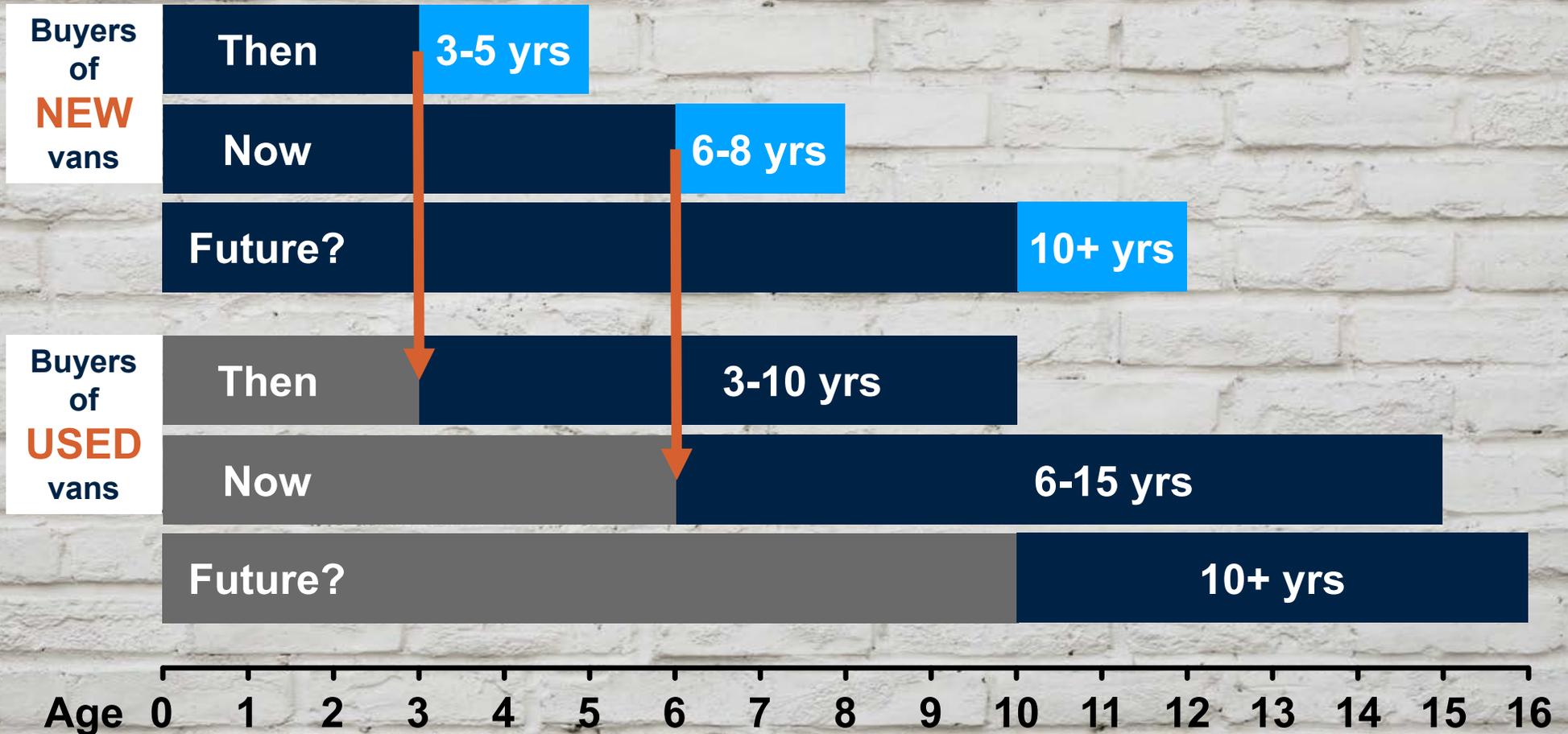
There may not be any!



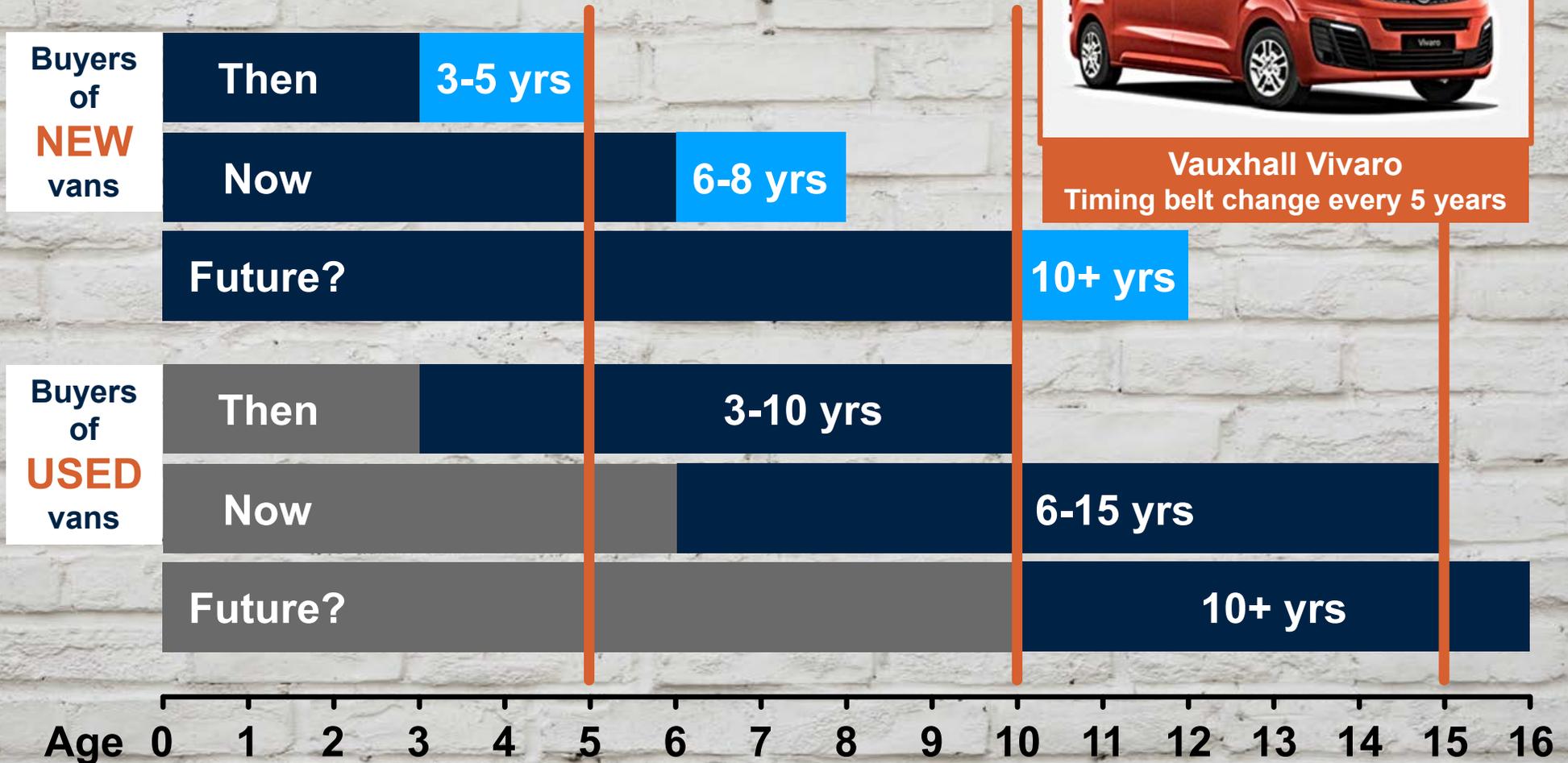
Importance of maintenance



Vehicle age profile



Impact on maintenance regime



Vehicle pre-use checks

- Underinflated tyres can burn additional fuel and handle dangerously.
- Damaged tyres can become blowouts.
- Oil leaks can become wrecked engines.
- A repairable, chipped windscreen can turn into a full replacement with recalibration for ADAS radars and lidars.

Do drivers know what to check?

Do defects reports get actioned promptly?



Look at the data

- Identify wear and tear trends
- Analyse by both vehicle and driver
- Track economic viability of vehicles
- Prioritise necessary vehicle replacements
- Maintain safe and efficient assets as long as possible



Budget pressure

Allowing budget pressure to reduce servicing and maintenance leads to **UNSAFE VANS**

Unsafe vans crash and break down

Is your supply chain scrimping on maintenance to stay in business?

Do due diligence on suppliers!



Future-proof your business

- Increasing trend for evidence of good risk management
- Already happening in construction and some areas of public sector
- Standards such as CLOCS and FORS will become more important
- Evidence of supply chain culling due to ESG Scope 3 requirement
- Good practice now will be minimum standard in future



Summary

- Ensure you stick to manufacturer servicing recommendations
- Action any vehicle recall notices promptly
- Policy for pre-use checks and defect management
- Ensure drivers have been trained on pre-use checks
- Monitor compliance with policy – don't let pre-use checks slip!
- Analyse maintenance spend by vehicle and driver and act on trends