

## PRESS RELEASE

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### **COST, SAFETY AND THE ENVIRONMENT TO DOMINATE COMMERCIAL VEHICLE OPERATIONS IN 2008**

Three fundamental and linked issues face businesses and fleet decision-makers in the New Year - cost control, employees driving more safely and cutting the impact of at-work driving on the environment.

While none of the issues are new they are linked by a common theme - legislative changes that impact on light commercial vehicle operations with the 2008 introduction of the London Low Emission Zone being one of the most significant.

Although, cost control and budget management is the perennial 'big' issue facing fleet decision-makers; managing occupational road risk has been in the spotlight in recent years; while global climate change concerns and companies reducing their carbon footprint has accelerated 'green' issues to the top of the fleet agenda.

However, says Phil Moorhouse, managing director of Northgate Vehicle Hire, Britain's largest daily rental company with a fleet of more than 65,000 vehicles, company directors and fleet managers must treat all three issues collectively and not individually.

He said: "Cost control, rightly, underscores all fleet decisions. However, that does not simply mean choosing the most cost-effective fleet funding option. Implementing best practice health and safety procedures will result in bottom line financial savings, while selecting the most environmentally-friendly vehicles will bring savings in fuel costs for most businesses," he said.

"The introduction of digital tachographs into commercial vehicles and new speed restrictions on these vehicles combine to help businesses comply with occupational road safety legislation and improve operational efficiency, while also cleaning up the environment and cutting operating costs."

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## **Cost control**

With fuel prices at record levels and inevitably one of the biggest operating costs facing businesses, one of the challenges for Northgate in 2008 is to encourage more businesses, particularly smaller businesses to operate newer vehicles.

Mr Moorhouse explained: "Older vehicles are less fuel efficient due to outdated engine technology. Therefore, they are inevitably less environmentally-friendly and are not equipped with the latest safety features. As a leading supplier of modern vehicles, we must continue to explain to businesses the operating cost advantages of running new vehicles and turning to rental is one of the simplest and quickest ways for a business to achieve that aim.

"The flexibility of rental also aids cash flow with money no longer tied up in a depreciating asset. Meanwhile, new vehicles are inevitably more cost-effective to operate with vehicle downtime and maintenance costs kept to a minimum.

"Vehicle rental will enable fleets to achieve operating best practice in all three core areas - cost control, environmental management and safety, but companies that continue to outright purchase must make sure they also take to heart these three key issues.

"Expert advice is vital particularly for smaller companies that don't have fleet managers. Northgate fleet management subsidiary Fleet Technique with its team of experienced engineers and a network of independent workshops can deliver on all fronts and that service is available to small fleets running a few vehicles as well as the larger fleet operators."

## **Road safety**

Driving on business, for most employees, is the most dangerous task they undertake during their working life.

In the last decade, the number of van drivers on the UK's roads has increased by around a third and overall van traffic has increased by 40%, according to the Department for Transport. Meanwhile, male drivers aged 17 to 39 years old, who drive as part of their job, have the highest incidence of being involved in a work-related road crash in a van.

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Northgate works in partnership with road safety charity Brake to promote best practice advice and recently published its own '*Drivers' Guide to Road Safety*'. The guide is available free by emailing [roadsafety@northgateplc.com](mailto:roadsafety@northgateplc.com).

Covering key issues ranging from drink and drug driving to mobile phone laws and driver tiredness to safe vehicle maintenance, tyre safety and reversing, the pocket guide is a 'must read' for all commercial fleets and their drivers.

Throughout 2007, the fitment of digital tachographs to vehicles has been a key industry issue - all Northgate's new 7.5 tonne vehicles are now fitted with the technology and so are minibuses, which from this month (December) must also be similarly equipped.

Mr Moorhouse said: "Digital tachographs enable commercial vehicle operators and drivers to retain a comprehensive record of every aspect of work ranging from drivers' hours to vehicle servicing and journey patterns to emission checks. This all helps cost control and safety and environmental compliance in accordance with corporate social responsibility."

Meanwhile, from January 1, 2008 new speed limits come into force for commercial vehicles over 3.5 tonnes, while passenger-carrying vehicles such as minibuses with more than nine seats are speed limited to 60 mph.

Under the new rules, goods vehicles (3,501 kg-7,500 kg) are limited to 56 mph on dual carriageways and motorways, 50 mph on single carriageways outside built-up areas and 30 mph in urban areas. Goods vehicles above 7,500 kg are limited to 56 mph on motorways, 50 mph on dual carriageways, 40 mph on single carriageways outside built-up areas and 30 mph in urban areas.

Mr Moorhouse said: "Speed is one of the biggest contributory factors in road crashes and companies can play a significant part in improving the safety of their drivers and all road users by ensuring achievable work and delivery schedules are in place.

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"If drivers are going to be late, they should be encouraged to stop in a safe place and telephone ahead rather than 'race' to catch up time. A move that could prove fatal."

## **The environment**

Reduced speed limits and the introduction of digital tachographs also have a key role to play in cutting vehicle exhaust pollutants.

However, perhaps the biggest change facing commercial vehicle fleet operators in 2008 is the introduction of the UK's first Low Emission Zones (LEZ) in London.

February 4, 2008 marks the start of the phased introduction of the capital's new LEZ and the first vehicles having to conform to the standard (Euro III for particulate matter) are HGVs over 12 tonnes.

Vehicles with emission levels conforming to Euro I and Euro II standards and registered before October 1, 2001 will have to undergo testing prior to being granted either a Reduced Pollution Certificate or a Low Emission Certificate by the Vehicle and Operator Services Agency to enter the LEZ without being charged.

Vehicle testing is already underway and operators of lorries that do not meet the LEZ emissions standards must pay a £200 daily charge if they wish to drive the vehicle in Greater London. Non-payment of the charge could lead to a £1,000 penalty charge.

The phased introduction through to January 2012 means that different vehicles will be affected over time and increasingly tougher emissions standards will apply. Cars, motorcycles and small vans will not be affected.

From July 2008, a standard of Euro III for particulate matter for lorries between 3.5 and 12 tonnes, buses and coaches will be introduced. That will be followed from October 2010 with a standard of Euro III for particulate matter for larger vans (1.2-3.5 tonnes) and minibuses and from January 2012, a standard of Euro IV for particulate matter for lorries over 12 tonnes, buses and coaches will come into force. The daily charge will also be £200 for buses and coaches, and £100 for large vans and minibuses that fail to meet the standards.

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The aim of LEZ is to improve air quality in London by deterring the most polluting vehicles from being driven in the area.

Mr Moorhouse said: "Fleets that operate older vehicles will find administration increasing significantly as a result of the London LEZ. To ensure regulatory compliance, the avoidance of any penalties and reduced fleet administration operating the 'cleanest' vehicles is essential - and for many fleet operators rental and getting access to a modern range of vehicles should form part of their decision-making process."

### **ABOUT NORTHGATE PLC**

Northgate plc, quoted on the London Stock Exchange and a FTSE 250 company, is Europe's leading light commercial vehicle rental business with extensive operations in the UK, Republic of Ireland and Spain. There are plans to extend this coverage into new markets.

In the UK and Ireland, Northgate has a network of 21 local hire companies operating from some 90 depots with a rental fleet in excess of 65,000 vehicles, most of which are light commercial vehicles.

The company's core business has been to provide business and corporate customers with NORFLEX – a completely flexible vehicle rental package which gives customers the ultimate freedom in managing their vehicle fleet without any contractual commitment or early termination penalties backed up by the largest support infrastructure offered by any UK rental company.

Since developing NORFLEX as a market-leading vehicle rental brand, Northgate has also extended its service offering to include:

- Fleet Technique, which manages on behalf of fleet owners the maintenance and administration for more than 15,000 vehicles. More information can be found at [www.fleet-technique.co.uk](http://www.fleet-technique.co.uk)
- Van Monster, which operates from six main sites offering retail and trade customers a wide range of quality used vans with some 1,500 vehicles in stock most of which are less than three-years-old. For further information go to [www.vanmonster.com](http://www.vanmonster.com)

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- easyVan is a low cost van rental partnership between Northgate and easyCar providing more than 120 convenient locations through the UK. Visit [easyVan.com](http://easyVan.com) for more details.

For more information on the Northgate Group please go to [www.northgateplc.com](http://www.northgateplc.com)

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