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Truck operating costs: the granular analysis

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EDITORIAL
Aztec Media Services Ltd
1 Bankside
Churt Road
Hindhead
Surrey GU26 6NR
www.aztec-media.co.uk
www.cvengineer.com

Managing editor
Tim Blakemore
01428 605605

e-mail: timb@aztecxpress.com

Design
David Tarbutt

ADVERTISING
Advertisement sales
Denise Blakemore
+44 (0) 1428 605605

e-mail: ads@aztecxpress.com

Katie Molyneux
+44 (0) 1984 618707
e-mail: katie@truckandbusbuilder.com

Subscriptions management
Denise Blakemore
+44 (0) 1428 605605

e-mail:denise@cvengineer.com

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Aztec Media Services Ltd
1 Bankside
Churt Road
Hindhead
Surrey GU26 6NR
www.aztec-media.co.uk
+44 (0) 1428 605605

www.aztec-media.co.uk
e-mail:info@aztecxpress.com
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Now it is well and truly broke, so please fix it

If it ain't broke.......... No need to complete the cliché. Everybody surely is familiar with it. Everybody except the Society of Motor Manufacturers and Traders (SMMT), it seems. This long-established, London-based trade association exists, according to its website, to "support and promote the interests of the UK automotive industry at home and abroad". Heavy commercial vehicles such as trucks, buses and coaches play just as significant a role in this industry as cars and light vans. For decades, one of the most significant tangible elements of SMMT industry support has been regular, timely publication of new vehicle registration statistics, based on data provided by the government's Driver and Vehicle Licensing Agency (DVLA). Not any more, at least not for trucks, buses and coaches. About two years ago, apparently on the basis of advice from excitable, petulant, well-heeled lawyers smarting from a European Commission decision to impose a whopping fine on truck-makers for what was described (wrongly, incidentally, in our view) as a "price-fixing cartel", the SMMT took the decision to stop collating and publishing truck, bus and coach registration figures in the well-proven, familiar way. Instead, only the skimpiest of registrations information is now published on commercial vehicles above 6.0 tonnes gvw. The information is several months out of date, and often inaccurate. The upshot is that vehicle buyers, dealers, manufacturers and indeed anyone seeking, perfectly reasonably, up-to-date, detailed information on the UK's heavy commercial vehicle market is being denied access to it.

Now several truck manufacturers are becoming more outspoken in their condemnation of what is clearly a backwards step (page 10).

Never mind the irony of anti-trust action resulting in the unintended consequence of the hiding of data that surely stimulates competition rather than hinders it. This sudden lack of transparency is indefensible at every possible level. It applies only in the UK, not in any other EU country in which the price-fixing was alleged to have taken place.

Hats off to Scania for sticking to its principled position and filing an appeal in the EU General Court (EGC), a constituent court of the European Court of Justice, against the commission's decision last September to fine it €880 million. Scania's top management have always insisted that they never entered any unlawful agreement with other truck-makers on price-fixing, or on the introduction of exhaust emissions control technology, and that therefore the fine is unjustified.

The outcome of this appeal could render obsolete the whole shaky legalistic rationale behind the UK's loss of commercial vehicle market information. But regardless of the eventual EU General Court decision, it is surely high time that the lawyers behind this retrograde step were thanked politely for their advice and then told that it is now going to be disregarded. It is time for the SMMT to fix what it has broken, or for some other body to step forward to do so.

Points of view

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Write to the editor at Aztec Media Services Ltd, 1 Bankside, Churt Road, Hindhead, Surrey GU26 6NR,
e-mail: timb@aztecxpress.com, telephone 01428 605605. Please include your postal address and a daytime telephone number.

How thorough is your "thorough examination" knowledge?

If you oversee fork-lift operations you will surely be familiar with the term "thorough examination". But what does it actually mean? Being unable to answer this question correctly could bring a heavy cost penalty.

Recent changes to legislation mean that employers need to understand what it is, why it's required and, most important of all, what it means in practice. This is why CFTS has identified the nine things you need to know about thorough examinations (but may have been afraid to ask).

1) What is a thorough examination?
A thorough examination is an essential, mandatory check to ensure that your fork-lift trucks are in safe working order. In simple terms, a thorough examination can be thought of as the fork-lift truck equivalent of an MOT. It is not the same as any regular checks your trucks may have as part of a scheduled service plan.

It is required by law, and covers two different sets of Health and Safety regulation(s): LOLER (The Lifting Operations and Lifting Equipment Regulation of 1998) and PUWER (The Provision and Use of Work Equipment Regulations of 1998, 1999 in Northern Ireland). These two pieces of legislation cover different areas of a truck's operation. So a truck that satisfies LOLER could still leave you liable under PUWER, and vice versa. This is why a thorough examination is paramount. It means you're completely covered.

2) Why is it so important now?
The costs for non-compliance are higher than ever. With the introduction of the Health and

Safety Executive's "fee for intervention" rules, updates to the HSE's L117 code of practice, and increased fines for individuals under the Corporate Manslaughter and Corporate Homicide Act, it's never been more pressing for managers and supervisors to be fully aware of what's required to fully comply.

3) How often do you need one?
At least once every 12 months is stated in legislation, though under LOLER this could be more frequently, depending on how, when, and where the truck is used.

4) What parts of the fork-lift must be checked by law?
LOLER covers the lifting parts of the truck, as well as lifting accessories. PUWER (generally less well understood by fork-lift owners) covers risks associated with the non-lifting parts of the truck, such as brakes and steering.

CFTS has developed a standardised test that covers both PUWER and LOLER.

5) Who is responsible for ensuring your truck has a valid report of thorough examination?
If the truck is owned outright or is on a long-term hire of 12-months or more then the responsibility lies with the truck's owner or user. When a truck is hired for less than a year, the rental company is responsible for arranging the thorough examination.

But whether you hire a truck for a day or a year, you should insist that a copy of the truck's report of thorough examination is included with the rental documentation. That way you can be satisfied that your employees are operating a truck that is safe and legal.

A fork-lift should also have a valid thorough examination report whenever it changes hands: temporarily or permanently.

6) What if I fail to comply?
Non-compliance with LOLER and PUWER comes at a heavy cost. You run the risk of prosecution and financial penalties, as well as putting your workforce at risk of serious injury or even death.

7) What is CFTS?
The FLTA (Fork Lift Truck Association) and BITA (British Industrial Truck Association) came together, in consultation

with the HSE, to establish CFTS. Our primary aim is to deliver a safe, national, quality-controlled process for thorough examination.

The number of CFTS-accredited companies in the national network has passed 450 over the past twelve years and continues to grow. A CFTS-accredited company can be identified by a distinctive kitemark on literature, certification, reports, and truck stickers. Only officially accredited companies are allowed to use this mark.

8) What types of industrial trucks can be inspected by CFTS accredited companies?
The CFTS thorough examination standard has been developed to cover the widest range of lift trucks, including counterbalance trucks, telehandlers, rough terrain trucks, man-up models, and reach trucks.

A rigorous 34-point thorough examination quality-control procedure specifically for attachments has been introduced recently. The new criteria includes separate inspections of the security of attachment mounts, winch and chain brake tests, chain and sling wear checks, damage inspections, checks on wear plates and warning signs, along with an entirely new checklist to cover platforms, safety cages and tail-lifts.

9) Why CFTS?
With CFTS-accreditation you can be assured that a thorough examination check will be of the highest standard. Few can claim such authority and familiarity with the procedure as a combination of the FLTA and BITA working with the HSE.

As legislation changes, so will we.

Geoff Martin
Chairman
Consolidated Fork Truck Services (CFTS)
Newbury
Berkshire
www.thoroughexamination.org

Do these additive claims really add up?

I read with interest the letter from HCH Europe's Mark Burnett (*Commercial Vehicle Engineer* December 2017). I

Alan Bunting

would not want to make sweeping snake-oil accusations about his company's DPF Protect additive. However, if it indeed fulfils those claims, the question arises as to why the same chemistry has not been adopted by the likes of Lubrizol and Infineum (the joint Shell-Exxon additive development organisation based at Abingdon, Oxfordshire). They invest millions in fuel and lubricant additive research, the fruits of which are incorporated into their clients' regular fuels, albeit often at different premium levels and prices. In this context the word "additive" is perhaps misleading. To non-specialists it implies something added afterwards, perhaps by an end-user after a fuel has left a refinery, rather than a basic ingredient of the kind supplied by Lubrizol and others. I suspect that if those big-name global additive suppliers were asked to comment on NCH's product they would either politely decline or, under pressure, cite one or more downsides to its use.

Alan Bunting
Harpenden
Hertfordshire

Beware remote tachograph download pitfalls

Now that remote tachograph download (RD) has been available for seven years, most haulage companies are ticking this particular option box, it would seem. There are dedicated third-party solutions, truck manufacturer onboard solutions, and options from many telematics providers. The choice is a potential minefield for the uninitiated. Here is the view from Tachosys on what you should look out for and what you have the right to expect as a minimum.

Remote tachograph download is all about saving time, energy and ultimately money involved in downloading vehicle tachos and collecting driver card data. It is commonly argued that RD can pay for itself in the first year of operation through savings in time and needless processes. And as there is the potential to collect data more regularly, compliance can become more controlled and timely.

Collection of driver card data has a higher priority than vehicle data given that the legal requirement is to collect driver data every 28 days and vehicle data every 90 days. But if you could collect driver data on a weekly or even daily basis imagine how much sooner you could pick up on driver issues and warn drivers of infringements. You may well imagine that the ability to download driver card data to a defined schedule would be a given. But this is simply not the case for all systems.

All RD system developers originally will have referred to the same European Union open-source specification documents. Developers then translated this quite loose specification into hardware and software solutions. This has resulted in many different interpretations of RD. Some developers have taken shortcuts or simply not understood the nature of tacho data.

Many systems will download on a set schedule, every seven days for example, and the choice of higher frequencies is not available. Worse still, the most rudimentary systems do not distinguish between a driver card and a vehicle unit. Consider the example of John, who works on a Thursday and a Friday. Yet remote download for the fleet is performed every Monday. With some systems John's card will not be downloaded as there is no separate schedule for drivers. Consider too double-manning, where a system may pick up the first driver but when the drivers change over the second driver is missed. To maximise your investment in RD you should avoid such oversights in design as they may mean you still have to collect driver card data manually.

If you have no prior knowledge of an RD system it is essential that you test before you buy, no matter how good your provider may be with other services. As most systems you try will successfully download a vehicle and the driver card present at that time it is important that you look more deeply under the bonnet. Test on a vehicle that sees plenty of changes of driver and varying shifts as you will then see if you get reliable driver downloads independent of the vehicle unit. Ask to download your drivers daily, ask for speed data and also ask for VDO Special data which includes speed at 4Hz. The 4Hz data are extremely useful if a vehicle is involved in an accident.

Ask whether you can make a one-off or immediate download. Make sure that if your driver has been on leave you see that his card is downloaded as soon as he starts driving the vehicle again. The best systems will find overdue drivers irrespective of the vehicle they drive so you may wish to expand your test to two vehicles to ensure this is possible.

Part-time or agency drivers can create a challenge for RD systems as they may only drive for one day. Some systems have a button the driver can use to force a download at the end of the shift, irrespective of any other schedules in place.

The RD process requires that a vehicle is able to remotely connect to a company card with the tachograph unlocked. This part of the process is the most poorly translated of all by many system developers. The company card can be accessed only by one vehicle at a time so it is essential that the card is locked for as short a time as possible, or other vehicles will not be able to access it. Many systems lock the card for long periods necessitating use of multiple cards. These systems may limit one company card to one computer, so this could easily become an IT (information technology) nightmare. Talk to your proposed provider about how many vehicles one card will support and what they would do if multiple cards were required. The best systems allow you to host the card anywhere on the internet and will support hundreds of vehicles with one card.

Finally, you need to consider the process of tachograph data collection. It's not just about getting the data from the vehicle to an online portal. If you then have to manually transfer data from the internet to a personal computer and then on to your chosen analysis provision, this is all work and hence time and money that is *not* being saved.

All the leading online analysis providers in the UK have automated solutions for remote tachograph downloads. Talk to your provider about what they would recommend. For those using stand-alone software identify solutions that will allow you to obtain your data easily. Some systems offer personal computer synchronisation with their "cloud" solution, meaning in effect that files end up in one folder on your computer.

Remote download is now widely available but there is no single standard. Before investing in it, consider the quality of service you are getting. Does the system provide complete integration with your tachograph analysis provision? Consider the whole-life cost. Charges may be hidden. Most important of all, test the solution thoroughly and ask around for recommendations. Your tachograph analysis provider is a good source of information.

Chris Cuffe
Sales and marketing manager
Tachosys
Reigate
Surrey
www.tachosys.com ❑

Chris Cuffe

Truck-makers speak out against London's misguided "direct vision" standard

Calls for an end to increasingly localised regulation of commercial vehicle design and operation are growing louder. The latest flurry of planned new regulations on UK city-by-city clean air zones and fresh proposals from London for an "hgv safety permit" scheme were summed up last month as "local lunacy" by Renault Trucks UK commercial director Nigel Butler (*Commercial Vehicle Engineer* December 2017).

Now the top brass at Iveco UK have joined in the criticism. Speaking this month at the company's latest annual UK truck market review press conference, managing director Stuart Webster and alternative fuels director Martin Flach highlighted how legislative changes invariably have huge impacts on the UK truck market, often unforeseen ones. They pointed to digital tachographs, European Union exhaust emissions limits and whole vehicle type approval as examples. "All disrupted the market enormously but at least they reflected national legislation and impacted operators the same way all around the country," said Webster. "What we face today is legislation that's being driven locally, and by disparate, unconnected groups. It's uncoordinated, and in most cases city specific. It's being driven by well intentioned officials. They have a reasonable idea of what they want to achieve but they're not too clear about the right way to go about achieving it. They're trying to tell us as manufacturers what to do when the reality is that they lack the breadth of understanding to enable them to do so to best effect. Like all truck manufacturers, we absolutely support the need to improve air quality levels and maximise safety for all road users. But the trend for us as the acknowledged experts to be given a series of *fait accomplis* to respond to, all too often does not match up to the real best way forward."

Like Nigel Butler at Renault Trucks UK and engineers at many other truck manufacturers and operators, Martin Flach is especially critical of Transport for London (TfL) plans for a "direct vision standard" as part of its "hgv safety permit scheme". Consultation on the latest proposals for this opened last November and close this month (24 January). Part of the TfL plan is to categorise truck cabs with a star-rating system according to driver field of vision. Only those rated "three-star" or better, or fitted with an "advanced safety system" will be allowed into London from 2024, according to a TfL statement.

Martin Flach: Euro V residual values could go "through the floor."

"As a manufacturer, we applaud the objectives (of this safety scheme)," said Flach. "None of us wants to see anyone being hurt or killed by vehicles. But local politicians should not be trying to make vehicle design legislation. They are hopeless at it. We still have no clarity on how the direct vision standard will be evaluated."

A TfL website created to offer guidance on the standard was taken down after two weeks,

Through the looking glass: truck-makers are adapting cabs (like this new Scania L-series) to suit TfL requirements, but these remain unclear.

according to Flach, because it was "misleading, to say the least." Most manufacturers complained about its many errors, he says. Flach is deeply sceptical about the basic rationale behind TfL's proposed cab star rating system: that accidents can be avoided and lives saved simply by increasing the field of vision from the driver's seat. "A truck cab with a deep windscreen and glass in the passenger door looks a bit like a bus or a bin wagon (refuse collection truck) to me," he says. "If this was the real answer then buses and bin wagons wouldn't hit people and hurt them. Unfortunately, they do."

Turning to the fast-growing number of city and regional plans for clean air zones, Flach reveals some startling headline conclusions from Iveco research into likely effects on the new and used truck markets in the UK. "There is really nothing concrete yet on cities' clean air zone plans but we expect London's to be in operation by 2019, probably followed by Leeds, Birmingham, Nottingham, Derby and Southampton," he said. "Buses, trucks and vans will probably have to meet Euro VI limits to go into these zones by 2020, with many more places set to follow. London's ultra low emissions zone (ULEZ) will apply to the same area as the current congestion charging zone from 2019, but it's not going to stop there. The zone could expand out as far as the M25." Iveco has calculated the likely impact of all this on the market, taking into account the number of Euro VI trucks currently in service and replacement cycles based on total new truck registrations (six tonnes plus) at around 45,000 a year. The number of non-Euro VI trucks still in service in the UK by the end of 2020 will be about 175,000, reckons Flach. "Each of these trucks will either have to pay to enter clean air zones or will not go into them," he says. "As a result, we expect to see residual values of Euro V vehicles go through the floor at that point. So our message to operators is: don't wait until the last minute. There is no way that manufacturers collectively can produce 175,000 vehicles in one year."

Flach expects demand for used Euro VI trucks to grow strongly in the UK over the next two or three years. ❑

Cautious welcome for MOT proposal U-turn

An abrupt government U-turn this month on proposals to relax rules on the frequency of mandatory roadworthiness tests of cars and light commercial vehicles (MOT tests) has been greeted with cautious sighs of relief from many trade bodies and road safety campaigners. The proposals were made a year ago by the then transport minister Andrew Jones (now one of a host of Conservative Party vice chairmen). His successor as transport minister, Jesse Norman, this month announced that the MOT test is to be left unchanged, though he seems to hint that this may only be for the time being.

"After careful consideration, I have decided not to proceed with the changes proposed to the timing of the first MOT test," he says. "Great Britain has a comprehensive testing system for vehicles which makes an important contribution to road safety. The changes proposed had potential for both benefits and risks, and after due consideration I do not consider it right to take them forward at this time. This is in the light of the views expressed, the age of some of the evidence base and the potential wider issues associated with testing (such as its relationship with insurance and capability related to safety and environmental outcomes)."

National Tyre Distributors Association (NTDA) chief executive Stefan Hay was among the first of many to welcome the government's climbdown.

"From day one, we considered the proposal to change the MOT testing frequency to be ill-advised, unnecessary and potentially harmful to motorists' safety," he says. "There was no support from the leading motoring bodies or automotive trade associations. Motorists, overwhelmingly, appeared content with the 3-1-1 frequency. I am delighted at this outcome which shows the democratic process at its best."

Even senior figures at the government's own Driver and Vehicle Standards Agency (DVSA) were understood to have been privately concerned at the road safety implications of the January 2017 proposal, including a possible extension of the period before a first MOT test is required from three to four years following a vehicle's initial registration. The Andrew Jones proposal came five years after a previous government minister had been forced into a U-turn on similar plans in the face of a storm of criticism. ❑

Greater transparency demanded on UK truck market statistics

Pressure is mounting on the Society of Motor Manufacturers and Traders (SMMT) trade association and government bodies such as the Driver and Vehicle Licensing Agency (DVLA) to lift an extraordinary veil of secrecy which has been brought down on UK truck and bus registration statistics. All new vehicle registrations (from cars to 44-tonnes-gcw tractive units) in the UK have been processed for decades by DVLA and then analysed by SMMT, through a system called MVRIS (Motor Vehicle Registration Information System). Summaries of the MVRIS analysis were then published by SMMT month by month, with a more detailed annual report covering separate truck market sectors including 7.5-tonners, multi-axle rigids and two- and three-axle tractive units coming early in the new year. But this changed dramatically two years ago, with scarcely a word of explanation. Seemingly as a result of petulant over-reaction by lawyers to a huge European Commission fine on truck-makers for alleged "price-fixing", the SMMT ceased publishing monthly truck and bus registration statistics and now only publishes broad-brush annual figures, far later than previously and not including any specific information on discrete truck market sectors. Though monthly and annual MVRIS figures on cars and light commercial vehicle registrations (below 6.0 tonnes gvw) have continued to be published as usual by SMMT, all that is now available on UK truck, bus and coach registrations are quarterly summaries, published late with no data on distinctly separate sectors, and with bus and coach figures often clearly wrong. In the rest of Europe there has been no such censorship of registration statistics in the wake of the truck-maker cartel fine.

In an interview last year (*Commercial Vehicle Engineer* September 2017), SMMT chief executive Mike Hawes sought to explain the change by emphasising that MVRIS "belongs to SMMT members" and that "everything is done according to what the members want." Pressed on whether SMMT was willing to restore the greater truck market transparency provided by the old system, seemingly regarded almost universally as better than the current one, Hawes said: "If the consensus was to change then we would see what we could do to reflect that. It really depends on the members and what they want."

Now that greater transparency is being demanded both by SMMT members and many others. Stuart Webster, boss of Iveco's UK and Irish Republic sales and marketing operation, and Mike Belk, managing director of Mercedes-Benz Trucks UK, are among the most forthright recent critics of the current system. Speaking this month at the latest in a long-established Iveco series of annual UK truck market review press conferences, Webster said that his company, a subsidiary of the giant multinational CNH Industrial group, "shared the sentiment" of those who see the current lack of transparency as outrageous. "I do believe that many others share our view, that we want to see more transparency with registrations data," he said. "But we don't make the decision. Our friends at the SMMT got some advice and decided on what they thought was the best route. They were supported by *some* input from *some* OEM (original equipment manufacturers). Some now want to share the data again. Maybe one or two still don't. We want it. It's really hard to have discussions with journalists or anyone else involved in planning or forecasting when we are working on so little data that is so far behind."

In an interview late last year (*Commercial Vehicle Engineer* December 2017), Mercedes-Benz Trucks UK boss Mike Belk confirmed that his company had responded to a recent SMMT request for comments from truck and bus manufacturers on the level of registrations data that should be published. "We commented, after taking legal advice, of course," said Belk. "Nobody wants to run foul of anti-trust rules." He raises the question of exactly what the role of the DVLA ought to be. "The reality is that the licensing authority should be able to produce the data," he said. "That is the system that drives market share data in most other jurisdictions. It is when you want to get into the granularity of axle configurations and model types that DVLA-based data can be supplemented by manufacturer inputs. It's that level of granularity that seems to present the anti-trust problem. I'm not a lawyer. The advice I'm given is that it's the granularity that is the problem, not the overall shape of the market."

But Belk does not dispute that from the point of view of truck operators and buyers, as well as that of many others including dealers and various other aftermarket businesses, the current level of registrations data published by SMMT is inadequate and smacks of greater secrecy, not less. "It is up to vehicle manufacturers to provide as much transparency as possible, within the limitations of the law," he concedes. "Our view is yes, we want to contribute information, but not beyond the point where it strays into areas that could cause legal problems." ❑

Stuart Webster: "Planning is hard when we are working on so little data that is so far behind."

Mike Belk: "We want to contribute information."

Three-axle tractors: last year's registration figures are being kept hidden by SMMT.

Grim first-year report for apprenticeship levy

Less than twelve months after its introduction, the full scale of dissatisfaction with the apprenticeship levy introduced by the government last year has been revealed in a survey by the respected Chartered Institute of Personnel and Development (CIPD). This London-based body has been established for more than 100 years and has around 140,000 members worldwide. Its survey of around 1,000 employers reveals that more than half (53 per cent) already want the apprenticeship levy replaced with a training levy. Support for the current system is expressed by only 17 per cent of employers currently paying the levy.

"Our research shows that the straitjacket of the apprenticeship levy is forcing many firms to re-badge a lot of their existing training as apprenticeships, as they seek to claw back the levy they pay," says CIPD skills adviser Lizzie Crowley. "In many instances this is not adding any additional value and is creating a lot of additional bureaucracy and cost. Apprenticeships are extremely important, but other forms of training are equally valuable and often more flexible and better suited to the needs of organisations. A move to a more flexible training levy would have the effect of continuing to prompt greater employer investment in skills, including apprenticeships, but in a way that is much more responsive to employers' needs. Another side effect of re-badging is that an increasing proportion of apprenticeships are going to existing and often older employees, including already well-qualified managers, meaning fewer are available to help young people make the transition from education to the workplace – the original purpose of apprenticeships."

The government's declared aim in introducing the apprenticeship levy, seen by many simply as an additional tax by another name, was to greatly increase apprentice numbers. But Department for Education (DfE) figures reveal that in fact the number of people starting apprenticeships plunged by nearly 60 per cent last year. In the final three months of the 2017 academic year there were 48,000 apprenticeship starts in the UK. This compares with 117,000 in the same period in 2016. The figures are described as "shocking" by EEF (formerly the Engineering Employers Federation). Even before these DfE statistics were published, the levy was described by Institute of the Motor Industry (IMI) boss Steve Nash as a "car crash".

The levy is intended to fund the costs of apprentice training and assessment. It is set at present at 0.5 per cent of an employer's paybill (total employee earnings subject to Class 1 national insurance contributions) and came into force on 6 April last year. An annual allowance per employer of £15,000 is offset against the levy. This means, in effect, that the levy is paid only by employers with annual paybills of more than £3 million (because 0.5 per cent of £3 million is £15,000). The levy is paid monthly through the established PAYE (pay as you earn) scheme. Funds raised by the levy are supposed to be distributed through a new online service for employers to use on apprenticeship training and assessment. This applies to England only. Separate arrangements are in place in Scotland, Wales and Northern Ireland.

As many as 22 per cent of employers still don't know whether or not they are paying the levy, according to the CIPD survey and the report based on it. The proportion of employers who know they will have to pay but have yet to calculate what the full cost will be is put as high as 13 per cent.

The survey suggests that nearly half (49 per cent) of all levy-paying firms are thinking of "re-badging" current training schemes to take advantage of the new rules. And 19 per cent of levy-paying firms (including 35 per cent of small and medium-sized enterprises) are not planning to use the levy at all to develop apprenticeships but are simply writing it off as a fresh tax.

"Evidence from our report and the latest official statistics suggest the levy will also continue to drive the creation of far too many level-two apprenticeships, which offer much poorer returns to individuals in terms of future wages and often provide limited progression opportunities," says the CIPD's Crowley. "The government needs to seriously review the levy to ensure it is flexible enough to respond to employers' needs and to drive the greater investment in high-quality training and workplace skills needed to boost UK productivity. There also needs to be much better support for small and medium-sized firms (SME), both for those that pay the levy and those that don't, to help them to design and implement effective apprenticeship schemes. Our research shows too many SME are either not planning to use levy funding to invest in apprenticeships or are planning to write the levy off as a tax." ❑

Moving higher up electric avenue

The latest battery-powered version of Daimler's Fuso Canter 7.5 tonner is claimed to be Europe's first all-electric truck in series production. But this is by no means the only reason why last month's formal handover of a handful of eCanters to some big German fleet operators is being seen as a significant milestone in the electrification of commercial vehicles. Tim Blakemore reports from Berlin.

The temptation is to dismiss a glitzy truck handover ceremony in Berlin last month as just another of those fleeting news stories about unconventional truck driveline field trials. A handful of big German fleet operators have taken delivery of a tiny number of 7.5-tonnes-gvw trucks with an all-electric driveline instead of a diesel engine. So what? Yes, it is true that the Fuso eCanter is as claimed, Europe's first all-electric truck in "series production" (not simply another battery-powered prototype or concept vehicle, in other words). The long-established Canter assembly plant in Tramagal, Portugal began building eCanters last July. But it is also true that this latest Canter is in essence not much different from the E-Cell battery-powered model first unveiled in Germany way back at the 2010 Hannover commercial vehicles show. That truck was in turn a development of the Eco Hybrid (diesel/electric) Canter which first started trials with UK fleets as far back as 2006.

Marc Llistosella: passionate advocate of electrification but leaving Daimler in March.

The global launch of the production version of the latest eCanter came last September in New York City, followed soon afterwards by more fanfare at the October 2017 Tokyo motor show where the Daimler group announced plans to electrify its entire Fuso division over an unspecified number of years. So is there really much more to be read into the Berlin event than a quartet of the most environmentally-aware German fleet operators (DHL, DB Schenker, Rhenus Home Delivery and Dachser) finally taking delivery of a truck which has been under development one way or another for decades? Well yes there is actually, though some of the real significance began to emerge only afterwards. The Berlin presentation by Mitsubishi Fuso Truck and Bus Corporation

Current affairs: the latest eCanter was unveiled last September in New York City.

(89 per cent owned by Daimler with all remaining shares owned still by various Mitsubishi group companies) turns out to be the final one with Marc Llistosella at the company's helm. Llistosella, a 50-year-old Daimler group high-flyer, has surprised many observers by resigning as head of Daimler Trucks Asia (encompassing Fuso as well as Daimler India). He is to leave the group entirely by the end of March this year, "to pursue new career challenges", according to a Daimler statement (*Commercial Vehicle Engineer* December 2017). His successor as boss of the Asia division is Hartmut Schick, head of Daimler Buses for the past nine years.

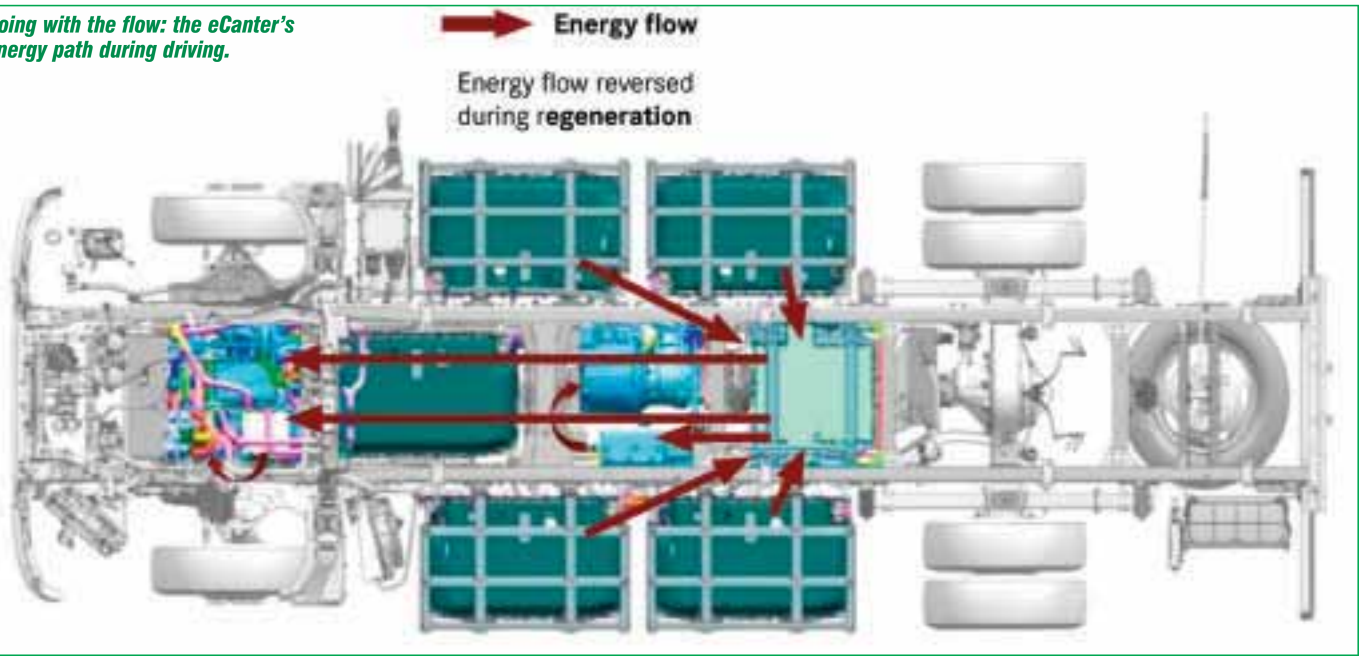
Llistosella is a passionate and eloquent advocate of electrification of truck drivelines. Though nobody is suggesting that his departure from Daimler signals any radical change of direction there, speculation is rife that he could be about to join one of its up and coming rivals in electric truck development. The much-hyped, battery-powered US Class Eight tractor from US-based electric car-maker Tesla was unveiled last October. Arguably more significant still is an announcement from Wabco, a leading global supplier of truck braking systems and various electronic control equipment, that came less than a week after the eCanter presentation in Berlin. Wabco has spent about US$10 million (£7.4 million) acquiring shares in Nikola Motor Company, a Utah-based truck-maker set up only four years ago and focused exclusively on hydrogen/electric heavy trucks (*Commercial Vehicle Engineer* May 2016). Wabco now has about a one per cent Nikola shareholding and has agreed to work closely with the fledgling truck-maker on accelerating development of safety-related technologies, including electronic braking systems, specifically for electric commercial vehicles.

Rhenus and DHL: two of the four fleets leasing a few eCanters from Daimler's CharterWay division.

Nikola Motor Company: Wabco has bought a small shareholding.

In his December Berlin presentation and during the subsequent question-and-answer session, Llistosella made it clear how acutely aware he is of the speed at which Chinese automotive giants are developing electric and autonomous vehicle technology. Most buses in operation now in China are electrically powered, he points out, and there are plans for the country to have no fewer than 4.5 million electric vehicle fast-charging stations up and running within the next three years. Anyone who doubted that such developments in China could soon have a huge impact on European truck manufacturers and truck operators must have had quite a shock only two weeks after the Berlin event. That was when news broke that China's Geely Holdings (owner of Volvo Cars and London Taxi Company) has bought an 8.2 per cent shareholding in AB Volvo (manufacturer of Volvo trucks, buses, construction equipment and marine engines), worth around US$3.3 billion (£2.4 billion) at

Going with the flow: the eCanter's energy path during driving.



current market prices. This makes Geely the biggest single AB Volvo shareholder. Though Geely is reported to have no plans to try to bring Volvo Cars and Volvo Trucks back together again under its control, it has surely not escaped AB Volvo's top brass, including chief executive Martin Lundstedt, that Volvo Cars is already firmly committed to switching entirely from petrol and diesel engines to electric drivelines in the near future. And Volvo Cars boss Håkan Samuelsson is no stranger to the commercial vehicle world and to Lundstedt in particular. The two worked together when Samuelsson was Scania research and development chief. He subsequently headed MAN for several years before falling out with the newly formed Volkswagen Truck & Bus top brass and moving to Volvo Cars.

All in all then, the formal handover last month of the first Fuso eCanters in service with European truck fleets may go down in history almost accidentally as a turning point in European truck electrification.

There is certainly nothing revolutionary about the latest eCanter specification. The truck's diesel engine is replaced by a lithium-ion battery pack and 129kW BorgWarner electric motor driving through a single-ratio gearbox to the rear drive axle. As with all electric vehicles, torque is impressive, 420 Newton metres in this case, giving the truck ultra-smooth rapid acceleration. This was underlined by a brief test drive around central Berlin. Exceptionally low driveline noise by comparison with even the quietest diesel-engined 7.5-tonner will surely be welcomed by drivers but there are some evident downsides to this. One is that sounds which a driver would normally never notice because they are masked by engine noise suddenly come to the fore. Thus on the truck we drove it was clear that a fan was cutting in from time to time even though ambient temperature was low, around freezing point. A Fuso engineer doubts that the noise came from the battery pack cooling fans and suspects it was the truck's air-conditioning - something that would go unnoticed by the driver in a diesel-engined truck.

Far more serious is the risk posed to other road-users, pedestrians in particular, by a truck emitting none of the usual noises that automatically warn of its presence in built-up areas. This risk has long been recognised by regulators worldwide and in another sign of how electric commercial vehicle development is gathering pace, the European Parliament has now signed off legislation designed to minimise this risk. The EU regulation on "acoustic vehicle alerting systems" (AVAS) for vehicles with hybrid and pure-electric drivelines comes into force next year. It spells out precisely what sound-generating systems are required by such vehicles.

Thus on sound type and volume, for example, the regulation specifies: "The sound to be generated by the AVAS shall be a continuous sound that provides information to the pedestrians and other road users of a vehicle in operation. The sound shall be easily indicative of vehicle behaviour, for example, through the automatic variation of sound level or characteristics in synchronisation with vehicle speed. The sound shall be similar to the sound of a vehicle of the same category equipped with an internal combustion engine."

BorgWarner: supplier of the eCanter's HVH250 electric motor and its eGearDrive transmission. The compact motor boasts novel, rectangular-section windings.

Lars Schroeter, the Daimler engineer based in Tokyo who heads the eCanter development programme, confirms that AVAS is by no means the only innovation we can expect to see on this truck within the next couple of years. "The eCanter will be continuously upgraded to maximise profitability for our customers and to lead the industry forward," he says. "The key challenges for us are range extension, payload increase and charging infrastructure."

Range on a full charge at present is put at "over 100 kilometres". Battery pack weight is about 600 kilograms. The aim is to increase that range by 2019 by 20 or 30 per cent and to cut battery weight, according to Schroeter. A drive axle specifically for the eCanter is now under development, he reveals. This will offer greater mechanical efficiency not least as a result of the electric motor being mounted closer to it.

Even before such developments reach production stage, operators like DHL need little convincing of the benefits of pure electric trucks by comparison with diesel, it seems. Uwe Brinks is chief executive of DHL Freight. "The use of alternative drivetrains, as in the all-electric eCanter, plays a major role in reaching our corporate goals to reduce all logistics-related emissions to zero by 2050," he says. "DHL Freight is firmly committed to playing its part in this. With the help of the eCanter we want to reduce the emissions and local air pollutants of our logistics and so optimise our own CO_2 (carbon dioxide) footprint as well as those of our customers." ❑

The Truck Advocate

GRT is a transport and training organisation specialising in road transport legislation and regulation, offering a range of commercial vehicle compliance services, advising on a number of issues, and operating across Scotland and the north of England.

In conjunction with Transport News, GRT presents this regular Q&A column dealing with compliance and legislation issues relating to road haulage. Readers who have any queries can call 01236 422517, visit www.grtconsultants.com or post questions on Twitter page, @GRTConsultants.

Q. I have applied for an operator licence and have been informed that I will have to attend a preliminary hearing before the Traffic Commissioner. Can you tell me what this involves?

A. A preliminary hearing is a type of legal hearing held by the Traffic Commissioner as a less formal alternative to a full Public Inquiry. They are usually held in private in the Public Inquiry rooms at the Traffic Commissioner's office. In Scotland, these hearings are normally held in Edinburgh however venues in Aberdeen, Glasgow and Inverness can also be used.

They can be called for a number of reasons, one of the most common being the consideration of new applications. If the Traffic Commissioner is concerned about a certain part of an application, a preliminary hearing provides the opportunity to resolve this issue before being escalated to a Public Inquiry.

Evidence is not formally set out in the same way as at a Public Inquiry, but records, documents and verbal explanations will be taken into account. The Traffic Commissioner will listen to your submissions and then make a decision at the end of the hearing.

If no satisfactory outcome can be reached at the hearing, it will then move forward to a Public Inquiry.

Whilst the Traffic Commissioner can decide to grant your application at the preliminary hearing, a full Public Inquiry would be required to formally refuse your application.

Should the Traffic Commissioner be inclined to refuse your application at the preliminary hearing, it is unlikely that the decision would change at Public Inquiry unless new supporting evidence is available.

Q. I am thinking of applying for an operator licence; how much finance would I need to demonstrate for a one vehicle licence?

A. It will depend on the type of licence that

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ROAD TRANSPORT CONSULTANTS

you are intending to apply for. Applicants will be assessed against levels of finance which are adjusted on an annual basis.

As of January 2018, Standard National and International licence applicants will be required to demonstrate £7,950 for the first vehicle and £4,400 for each additional vehicle.

The rates for Restricted licence applicants remain at £3,100 for the first vehicle and £1,700 for each additional vehicle.

It should be noted that the above figures are not required just at the time of the application; you must be able to demonstrate financial standing throughout the time you hold your licence.

Q. I have just recently started pulling containers from a port, could you tell me what a 'statement of weight' is in relation to hauliers? Is this enforced by DVSA?

A. As of 1 October 2017, a 'statement of weight' was required for the domestic leg of an international export journey, where the container is bound for an ocean going journey aboard a container ship, it requires that shippers and consignors provide hauliers, prior to the vehicle leaving the depot, with a statement of weight to prevent them from carrying heavier loads than are legally permitted.

The aim of this is to reassure hauliers that the container or swap body does not exceed the maximum legal weight capacity and clarifies legal responsibilities in the event of a roadside inspection.

The verified gross mass (VGM) for an import container under the International Convention for the Safety of Life at Sea (SOLAS) rules will be accepted as a shipper statement of weight. The shipper or consignor is free to decide what format the statement of weight will take.

A statement of weight is not needed for empty containers but operators should have robust processes in place to ensure that containers presented as empty are in fact empty of any burden.

The requirement to have a shipper statement of weight will be enforced by DVSA within the existing roadside check system. Hauliers will be expected to provide the statement of weight to the enforcement officer on request. Failure to do so may result in the vehicle being deemed non-compliant and subject to a prohibition until the statement is provided.

Q. My father died suddenly and he was the holder of an operator licence for five vehicles. He operated as a sole trader for a number of years and was fulfilling a profitable contract prior to his death. Can we still operate under his licence?

A. Unfortunately, you are not permitted to continue trading under your father's licence indefinitely.

However you may appeal to the Traffic Commissioner under Section 31 of The Goods Vehicles (Licensing of Operators) Regulations 1995 to allow the licence to continue for 12 months. Under special circumstances, this may be extended up to 18 months.

Following the expiry of this period, you would require a new operator licence in your own name (or that of your business) to continue trading. We would strongly advise you to seek advice in relation to this matter.

Far from out of the woods

The cost of operating trucks in the UK has not risen quite as sharply as had been feared in the wake of the EU referendum and sterling's crash. But fleet operators are struggling to keep a lid on mounting cost pressures, most of which are outside their control. Tim Blakemore reports on the latest annual instalment in the definitive series on operating cost analysis.

At a Road Haulage Association (RHA) conference many years ago a sharp-witted and fearless guest speaker captured his audience's attention straight away with a quip about how he had noticed that RHA members span the entire political spectrum: "from right to extreme right". That observation is probably a lot farther from the truth today than it was back then. Why? Because more and more truck fleet owners and operators are experiencing at first hand how the latest antics of politicians, especially the incompetent, ultra-right-wing variety to be found occupying an alarming number of UK government ministerial posts at present, can have direct and immediate adverse effects on vehicle operating costs. Conventional wisdom is that a Tory government will always naturally be better at understanding the priorities of businesses of all kinds than any administration leaning more to the left. This notion seems now to have been tested to destruction. This is underlined time and again in our painstaking research for this analysis of precisely what has happened to UK truck operating costs over the past twelve months. It is not just the knock-on effects of the collapse in the value of sterling following the bungled and wholly unnecessary EU referendum of June 2016. That was taken into account in our cost table calculation of twelve months ago. Sterling's slide against the US dollar, euro and other currencies mercifully has not accelerated greatly since then. Also on the ever-growing list of complaints we hear from fleet operators of all sizes about monumental government cock-ups are the apprenticeship levy (introduced last April and described by some expert observers already as a "car crash"); the insurance premium tax, rising at an astonishing rate and thus inevitably pushing up insurance costs, in much the same way as government U-turns on the "discount rate" affecting personal injury claims; failure to take any effective action on spiralling gas and electricity prices; and similar abject failure to do anything to control proliferating and hugely costly local rules on commercial vehicle design and operation, with London and several other UK cities now evidently determined to go their own way. And then there is the business rates fiasco. Rates rose sharply for many firms last April, only for the chancellor to attempt to ease the pain a little in his autumn budget. But the strongest and most commonly heard government criticism of all from hard-pressed truck operators comes when the subject of Brexit negotiations is raised, as it invariably is in any discussion on truck operating costs. Has government dithering and evident incompetence here really had a direct effect on these costs over the past year? The clear answer is yes, not least as a result of the government's persistent inability to spell out exactly what it is seeking to achieve from the UK's

Destination unknown: international hauliers still have no idea exactly how their costs will be affected by next year's UK departure from the EU.

departure from the European Union. Lest you have forgotten, this is set to happen, in theory at least, scarcely more than one year from now.

The 16,000-member Freight Transport Association (FTA) does not have a reputation for immoderate comments on the activities of politicians of any stripe. Yet here is what FTA had to say this month about government proposals to postpone until next year publication of its "migration advisory committee" (MAC) recommendations on the future status of EU citizens working in the UK.

"The UK is a trading nation, and trade needs to continue to flow freely across its borders whatever political negotiations are under way," says FTA deputy chief executive James Hookham," "The country's businesses will need time to plan efficiently in the run up to, and after, Brexit, and leaving crucial members of the workforce under a cloud of uncertainty as to their legal status and right to work in the UK is an irresponsible move. Lack of available skilled staff will pose a serious threat to links at every stage of the nation's supply chain, and could jeopardise supplies of goods and services to homes, businesses and manufacturers at a time when they can least afford it. Logistics operators are already facing serious issues in recruiting sufficient skilled workers to cover the varied and urgent requirements of a sector which serves every area of our daily lives.

Repair and maintenance: online data is improving efficiency but costs are still rising fast.

To continue to function effectively, the sector relies on the expertise and knowledge of a wealth of skilled labour from the UK and across the EU. If those EU workers are to be denied access to work as the UK leaves the European Union, their employers need to know now so that plans can be made now, not with only two days' notice, which is all that the planned MAC publication date will provide. To suggest that industry should be kept waiting like this is simply irresponsible, and ignores the needs of those businesses which rely on foreign workers to keep Britain trading."

One surprise finding in our research this year is that the skilled labour shortage which worries Hookham and many others apparently has yet to have as serious an effect on pay as might have been expected. Though several reliable sources in dealer workshop management tell us of technician pay rate increases of as much as ten per cent over the past year, we can find no hard evidence of transport and logistics sector pay rates more generally, and those of drivers in particular, rising by more than between about 2.5 and 3.0 per cent last year. This is still less than the current rate of inflation as measured by the consumer prices index (CPI).

As a result mainly of that modest driver pay increase and of a fall in the cost of diesel fuel for much of the year (a trend reversed sharply in the final quarter) operating costs overall have risen by less than many had feared. The overall bottom line operating cost rises over the past 12 months, taking into account all standing and running costs, range between 3.0 per cent and 3.4 per cent for rigid trucks, about the same for most tractive units, and rather more for semi-trailers (between 4.1 and 4.6 per cent) largely as result of steep capital cost increases and higher maintenance and repair costs.

It could be argued (perhaps by the government) that cost rises on this scale, only marginally above the rate of inflation, should not be seen as a serious cause for concern. In a sector where thin profit margins, often less than 3.0 per cent, are the norm, many pundits would disagree. Insolvency Service statistics also paint a worrying picture. These reveal that the number of road-freight companies filing for insolvency between April and June last year was double the number of the same period one year before, and at the highest level for five years. More alarming still is one of the latest reports from Creditsafe, a big multinational business information firm specialising in company creditworthiness reports. According to Creditsafe, there were nearly 6,000 more active companies in the transport sector in the UK in the final quarter of last year compared with the same period in 2016. But in the same period there was a year-on-year increase of more than 400 per cent in company failures. And this report was compiled before this month's collapse into liquidation of the huge Carillion group, Britain's second biggest construction firm. Many small and medium sized road transport operations are already being badly hit by the Carillion crash, so badly surely that some will be forced out of business. Small wonder that the competence of transport secretary Chris Grayling is being called into question, for the umpteenth time, even more than that of many of his cabinet colleagues. Grayling cheerfully ploughed on with awarding huge government contracts to Carillion even after multiple dire profit warnings had been issued last year and the company's share price had plunged by 90 per cent.

Capital costs

Sterling's value against the US dollar, euro and many other currencies plunged in June 2016 immediately following the UK referendum on European Union membership. That 20 per cent currency devaluation was always bound to have a big impact on the capital costs of everything, certainly including most trucks and trailers, sourced mainly from continental Europe. The only real questions for truck operators were how long the impact would take to be felt and how serious it would be. This varies from one manufacturer to another and indeed from one model to another. At this time last year, only six months or so after the June plunge in sterling's value, the full effect had still to be seen on truck and trailer prices. Truck capital costs were raised by only two per cent in our 2017 cost tables. It is a different story this year. Sterling's value has recovered a little over the past twelve months and indeed hit a 19 -month high against the dollar this month. But it is still considerably weaker than in pre-Brexit referendum days. That unquestionably is feeding through into truck and trailer prices. So too is the rising price of raw materials such as steel. A source at one of the UK biggest contract hire and fleet management companies, regularly buying large numbers of trucks from all the leading manufacturers, tells us that capital costs rose by between five and seven per cent in 2017.

In January last year an average 3.6 per cent price rise was announced by Krone, Europe's second biggest trailer-maker. The boss of Germany-based Krone Commercial Vehicles cited "massively rising raw material prices for steel, aluminium, oil and gas" as the

Rapid growth in raw material costs is driving up trailer capital costs. A 3.6 per cent price was announced by Krone last January.

Going with the grain: tridem axle configurations are becoming increasingly popular. Massey Feeds replaced a 6x2 with this CF 440 FAQ 8x2.

main reason for the move. Eight months later came a similar move from Schmitz Cargobull, Europe's biggest trailer-maker. Its prices went up, across the board, by "at least four per cent" in September.

But there is another reason, quite apart from currency exchange rates and raw material costs, why capital costs have been increased substantially, by five per cent, in this year's cost tables. We have detected a clear trend towards greater customisation of trucks, trailers and bodywork among a wide range of UK operations over the past twelve months. The rationale invariably is to spend more time and cash initially on getting vehicle specification spot-on, with the aim of greater efficiency and lower overall operating costs in the long run.

One good example of this can be found at Preston, Lancashire-based Massey Feeds, a family-owned company specialising in agricultural feedstuff for cattle, poultry and game. The latest addition to the fleet of 24 trucks run by Massey Feeds is its first 8x2 rigid with a tridem axle configuration.

"We had been waiting for a tridem truck to be available from Daf, and are really pleased with the additional accessibility and load capacity it gives us compared to a basic 6x2," says Preston-based transport manager Angela Shorrock. "We deliver into a wide variety of farms and feed merchants. Especially with smaller farmyards, access can often be a real issue. We've had the Daf CF 440 FAQ working for some three months now and it is proving its worth. We did a lot of pre-order number-crunching with the help of our local dealer, Lancashire Daf, and that convinced us it was the right way forward for us."

On the face of it, the choice of a double-bunk sleeper cab, Daf's CF Space Cab, on this truck may seem like an extravagance. Not so, according to Shorrock. "We involved the driver in specifying the truck because we wanted it to be right for both him and us," she says. Already she is thinking of ordering a second, similar Daf 8x2 tridem, this time with curtain-sided bodywork. Massey Feeds buys most vehicles outright and favours long (up to seven years) repair and maintenance contracts with franchised dealers.

tractive units

	4x2 tractor (310-360hp) compact sleeper cab 31 tonnes gcw 2+2 artic		4x2 tractor (380-410hp) standard sleeper cab 38 tonnes gcw 2+3 artic		6x2 tractor (400-430hp) standard sleeper cab 38 tonnes gcw 3+3 artic		6x2 tractor (420-460hp) high-roof sleeper cab 44 tonnes gcw 3+3 artic		6x2 tractor (460-540hp) premium-spec high cab 44 tonnes gcw 3+3 artic	
parameters										
capital cost (£)	68,200	68,200	72,000	72,000	81,000	81,000	88,700	86,700	96,600	96,600
annual distance (km)	90,000	140,000	90,000	140,000	90,000	140,000	90,000	140,000	90,000	140,000
ownership period (years)	5	5	5	5	5	5	5	5	5	5
fuel consumption (mpg)	10.3	10.6	9.0	9.3	8.8	9.1	8.1	8.3	7.8	8.0
standing costs										
overheads	14,600	14,600	15,500	15,500	15,600	15,600	16,400	16,400	16,700	16,700
vehicle excise duty	650	650	1,200	1,200	650	650	1,200	1,200	1,200	1,200
insurance	2,650	2,650	2,980	2,980	2,980	2,980	3,100	3,100	3,100	3,100
depreciation	12,317	12,440	12,312	12,456	13,705	13,867	14,097	14,288	15,186	15,398
finance (over 5 years)	2,482	2,482	2,621	2,621	2,948	2,948	3,156	3,156	3,516	3,516
drivers	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000
standing costs per year (£)	**70,699**	**70,822**	**72,613**	**72,757**	**73,884**	**74,046**	**75,953**	**76,144**	**77,702**	**77,914**
total standing costs per km (p)	*78.6*	*50.6*	*80.7*	*52.0*	*82.1*	*52.9*	*84.4*	*54.4*	*86.3*	*55.7*
running costs										
fuel and oil	24,461	36,973	27,994	42,142	28,630	43,068	31,105	47,219	32,301	48,990
AdBlue	257	388	294	442	300	452	326	496	339	514
tyres	1,047	1,599	1,130	1,729	1,378	2,110	1,437	2,205	1,527	2,321
maintenance and repairs	4,200	5,000	4,400	5,100	4,500	5,300	4,800	5,600	5,000	5,900
running costs per year (£)	**29,964**	**43,960**	**33,818**	**49,413**	**34,809**	**50,930**	**37,668**	**55,519**	**39,167**	**57,725**
total running costs per km (p)	*33.3*	*31.4*	*37.6*	*35.3*	*38.7*	*36.4*	*41.9*	*39.7*	*43.5*	*41.2*
total cost per year (£)	**100,664**	**114,782**	**106,431**	**122,170**	**108,692**	**124,975**	**113,622**	**131,663**	**116,869**	**135,639**
total cost per km (p)	*111.8*	*82.0*	*118.3*	*87.3*	*120.8*	*89.3*	*126.2*	*94.0*	*129.9*	*96.9*
percentage change	+3.3	+3.2	+3.2	+3.1	+3.3	+3.1	+3.3	+3.1	+3.4	+3.1

Tall order: Dennis Distribution is seeking to shrink its carbon footprint and cut operating costs with this Gray & Adams lifting deck trailer.

Evidence of a similar trend towards greater customisation among trailer buyers is easy to find. Yorkshire-based Dennis Distribution operates 32 tractive units and 50 semi-trailers. The company's first double-deck trailer, built by Gray & Adams, was delivered in June. This temperature-controlled trailer with a Carrier Vector 1950 refrigeration unit boasts a carrying capacity of 44 pallets. This compares with 26 pallets in a standard, 13.6-metre single-deck trailer.

"We identified a daily route that offered an opportunity to achieve some significant efficiency gains by making full use of the lifting-deck trailer's additional carrying capacity," explains general manager Andrew Revely. "This increased productivity and the resulting reduction in road miles is benefiting the environment, through the reduction in emissions. By maximising utilisation of our tractor unit fleet it has also freed up a vehicle for other work."

Standing costs

The really big numbers under this heading in our costs table come, as always, from depreciation; overheads (comprised mainly of gas and electricity costs, water charges and business rates); and drivers pay. This year, probably more than ever in the 20-year history of this annual analysis, there is a curious mixture of stability and volatility in this section. Depreciation is stable, so far. But several of the many contributors to our research highlighted concerns that this may not continue for much longer, as an indirect result of continuing uncertainty over the outcome of Brexit negotiations between the UK government and the EU 27. The specific worry is that the 2018 new truck market will be affected by continuing lack of clarity on what deal if any will be agreed and therefore whether or not there will be tariffs on new trucks imported from continental Europe from April 2019. Some pundits say the result of this uncertainty could easily be an unexpected spike in demand this year for new trucks as canny fleet operators bring forward acquisition plans to avoid punishing price increases starting next year: pre-buying, in a nutshell. Who knows what effect this could have in a few years time on the used truck market? Hence the worries about residual values and thus depreciation.

Up and over: overhead costs overall have risen 5.0 per cent in the past year.

Business rates rose sharply for many businesses last April, following the first adjustment in seven years of rateable property values. But then, reacting to an outcry over this move and following a June general election in which the Tories lost their overall majority, chancellor Philip Hammond in his autumn budget announced various government U-turns on business rates designed to ease the pain.

There were similarly spectacular changes of direction in government policy last year on insurance. In March it announced a new formula for calculating compensation payments for injured people making claims against insurance companies. This the "discount rate" in insurance industry jargon. The announcement came at a time when insurance premiums were rising sharply anyway, not least as a result of steep rises in insurance premium tax. Then in September the government changed its mind, about the discount rate not insurance premium tax, following an outcry from insurance companies. New draft legislation has been published to change the way the discount rate is calculated. When and if this legislation makes its way on to the statute book amid all the Brexit-related parliamentary time-wasting, it will probably mean insurance premiums falling slightly, along with compensation payments to people injured in road accidents. Truck-related insurance premiums meanwhile are certainly on the rise. The cost has been increased by 4.0 per cent in this year's tables.

Breaking bad: operators are managing risk more and more carefully but premiums are still on the rise.

The government's Department for Business, Energy & Industrial Strategy (BEIS) paints a similarly blurred picture on gas and electricity prices for "non-domestic" users. Between the third quarter of 2016 and the third quarter of last year, electricity prices for most businesses increased by between 2.3 and 7.6 per cent, according to BEIS. Gas prices, on the other hand, are said to have fallen by between 2.1 and 15 per cent for small businesses, whereas businesses classified as “very large” have been hit by a 13 per cent increase in gas prices. Crunching all these numbers has led us to raise overhead costs overall by 5.0 per cent in our cost tables.

Perhaps the biggest surprise of all from our research this year came on driver pay. Twelve months ago we reckoned it had risen by only 2.5 per cent in 2016.

Curtain call; there is reckoned to be a UK-wide shortage of 35,000 drivers of vans, fork-lift trucks and hgv. Yet still pay rose generally last year at less than the rate of inflation.

This year with a driver shortage worsening again and inflation on the rise, we expected to find a large number of employers increasing driver pay in 2017 at well above the rate of inflation. FTA reckons that the UK freight transport and logistics sector overall now has a shortage of no fewer than 35,000 drivers of vans, fork-lift trucks and large goods vehicles. In these circumstances upward pressure on driver pay surely must be irresistible? Seems not. All our research points to driver pay settlements on average last year being no more than 2.5 per cent.

Running costs

Volatility is the name of the game again in two of the elements under this heading this year: fuel and AdBlue. Falling global urea prices had driven down AdBlue prices during 2016. For the first two quarters of 2017 that trend was reversed with AdBlue prices in

rigids 7.5 - 32 tonnes gvw

	7.5 tonnes gvw boxvan		12 tonnes gvw curtain-sider		18 tonnes gvw curtain-sider with tail-lift		26 tonnes gvw 6x4 tipper		32 tonnes gvw 8x4 tipper	
parameters										
capital cost (£)	42,300	42,300	51,900	51,900	66,400	66,400	99,600	99,600	112,900	112,900
annual distance (km)	60,000	80,000	60,000	80,000	60,000	80,000	60,000	80,000	60,000	80,000
ownership period (years)	5	5	5	5	5	5	5	5	5	5
fuel consumption (mpg)	17.9	19.0	15.3	16.3	13.3	14.3	8.7	8.9	7.5	7.9
standing costs										
overheads	6,700	6,700	8,200	8,200	9,200	9,200	11,600	11,600	13,200	13,200
vehicle excise duty	165	165	200	200	650	650	650	650	1,200	1,200
insurance	1,540	1,540	1,700	1,700	1,850	1,850	2,250	2,250	2,850	2,850
depreciation	7,208	7,267	8,636	8,719	10,797	10,876	15,916	16,115	17,703	17,906
finance (over 5 years)	1,540	1,540	1,889	1,889	2,417	2,417	3,625	3,625	4,110	4,110
drivers	28,500	28,500	29,700	29,700	31,200	31,200	32,900	32,900	32,900	32,900
standing costs per year (£)	**45,653**	**45,712**	**50,325**	**50,408**	**56,114**	**56,193**	**66,942**	**67,141**	**71,962**	**72,166**
total standing costs per km (p)	*76.1*	*57.1*	*83.9*	*63.0*	*93.5*	*70.2*	*111.6*	*83.9*	*119.9*	*90.2*
running costs										
fuel and oil	9,383	11,787	10,978	13,739	12,677	15,661	19,306	25,163	22,395	28,348
AdBlue	74	93	92	115	100	123	177	231	206	260
tyres	938	1,225	1,050	1,374	1,088	1,426	3,917	4,156	4,614	4,901
maintenance and repairs	3,050	3,550	3,300	3,900	4,200	4,900	5,300	6,300	6,200	7,300
running costs per year (£)	**13,445**	**16,655**	**15,420**	**19,129**	**18,065**	**22,110**	**28,701**	**35,850**	**33,415**	**40,810**
total running costs per km (p)	*22.4*	*20.8*	*25.7*	*23.9*	*30.1*	*27.6*	*47.8*	*44.8*	*55.7*	*51.0*
total cost per year (£)	**59,098**	**62,366**	**65,746**	**69,538**	**74,178**	**78,303**	**95,642**	**102,991**	**105,377**	**112,975**
total cost per km (p)	*98.5*	*78.0*	*109.6*	*86.9*	*123.6*	*97.9*	*159.4*	*128.7*	*175.6*	*141.2*
percentage change	+3.1	+3.0	+3.1	+3.1	+3.4	+3.3	+3.2	+3.2	+3.3	+3.2

AdBlue: small beer in the whole operating costs calculation but on the rise and attracting attention from some operators. Oakley Transport of Hereford is impressed with the low AdBlue consumption of its new Daf XF 460.

the UK rising by 5.2 and 9.5 per cent respectively, according to the useful price index published by AdBlue supplier Greenchem. This index also shows that in the third quarter of last year AdBlue prices fell by 7.7 per cent. The cost per litre factored into our tables has risen from 25 pence in 2016 to 26 pence last year.

There were big ups and downs too last year in the cost of diesel, again driven more by global events affecting the price of oil rather than by any domestic developments. There was no change in UK fuel duty last year. But if the government was expecting gratitude from hauliers for another fuel duty freeze it must have been disappointed. This is what RHA chief executive Richard Burnett had to say following the autumn budget.

"At a time of Brexit uncertainty, the chancellor had the golden opportunity to make the production and distribution of UK goods more competitive. Fuel duty makes the UK less competitive. We have the highest fuel duty in Europe - nearly 50 per cent higher than the European average. And despite the seven-year freeze, at 57.95 pence per litre, fuel duty remains grossly excessive. It has a negative effect on everything we buy and makes all UK made goods more expensive to transport. We implore the chancellor to amend his budget and introduce a fuel duty rebate scheme for essential users of fuel – a system already adopted by eight EU member states, including our nearest neighbours – the Republic of Ireland, Belgium and France. An essential user rebate of 10 pence per litre would enable our hauliers to gain advantage over their European counterparts and would considerably lessen the fiscal drain on our emergency services which are also in a financial stranglehold as a result of the high price of diesel."

Hot news on telematics: this Devon operator is using Volvo's Dynafleet system to keep costs under control.

There is no sign of the government heeding RHA advice on fuel duty.

The RAC Foundation, a respected charity and transport policy and research organisation, points out that when EU pre-tax diesel prices are compared, the UK ranks number 23. RAC Foundation figures also show clearly how petrol and diesel prices in the UK over the past twelve months have followed crude oil prices down and up. Brent crude oil started the year at around US$55 per barrel, fell to a twelve month low of $44 in June but had climbed to $68 by the year end. The UK average pump price of diesel (including all duties and value added tax) started the year at £1.22 per litre, fell to £1.15 in July but was at a twelve month high of £1.24 by the end of the year. The average bulk diesel price per litre in our cost tables for the whole year has been raised from 96.8 pence in 2016 to 98.8 pence for 2017.

Raw material cost rises (including natural rubber as well as steel) have driven up tyre prices over the past year. The devaluation of sterling has also had an effect in the UK. List prices of most tyres went up in the second half of the year, we reckon. But the impact of all this has been mitigated in many fleets by shrewd management of contracts and, increasingly, adoption of the latest tyre monitoring technology.

One Cumbrian waste management fleet operator, Brampton Skips, tried Continental's tyre pressure monitoring system, ContiPressureCheck, for the first time last year on one of its 20 multi-axle rigid trucks. Fleet manager Neil McPhillips says that the system paid for itself within one month by providing early warnings of pressure loss.

"We spotted tyres that had very low-grade pressure losses and so were able to remove and repair them before they got any worse," he recalls. "Before the arrival of ContiPressureCheck, these would have simply deteriorated further and may have resulted in blow-outs and complete loss of the tyres. Blow-outs can cost more than simply replacing the tyres, with

Tyre costs under pressure: customers of Tructyre are keen to see what its sale to Michelin will have on service levels.

body and light damage always a possibility, and far, far worse, injuries or even fatalities among drivers and other road-users." The system is now being fitted to the entire Brampton Skips fleet of eight-wheeler hook-loaders and two- and three-axle skip-loaders.

Repair and maintenance costs have come under close scrutiny in many fleets over the past twelve months. Parts prices have been rising sharply, largely as a result of sterling's weakness. Truck manufacturers and their dealers have been doing all they can to hold down repair and maintenance (R&M) contract rates in a highly competitive market, often with increasingly imaginative use of telematics systems for condition monitoring and workshop planning. But many workshop managers say that a dire and worsening shortage of skilled technicians is forcing them to increase pay rates substantially. A director of one truck manufacturer's dealer operation says that technician pay rates have risen by as much as ten per cent in much of the country.

Fleet managers and transport engineers have been fearful of rising maintenance and repair costs on Euro 6 trucks, simply as a result of their complex and costly exhaust aftertreatment systems. But with the number of Euro 6 trucks in service now growing fast,

Red diesel for refrigeration units: rising faster than other fuel costs.

those fears seem largely unfounded. Diesel particulate filter regeneration remains a bugbear in many fleets however. Fleet managers complain that too many drivers are failing to respond to warning lights telling them that manual DPF regeneration is required. The upshot is that the filters then have to be cleaned in workshops more frequently than planned, adding significant cost and downtime.

Another subject raising hackles among fleet managers and engineers is the apprenticeship "levy" introduced by the government last April. In effect, this is a new tax on firms with annual wage bills of £3 million or more. The scheme was described in 2016 by Institute of the Motor Industry boss Steve Nash as "a car crash". Figures published last year suggest it is turning out to be even worse than he and others had feared (page 11). The government's stated aim with the "levy" was to greatly increase apprentice numbers. In fact in 2017 the overall number of people starting apprenticeships in the UK plunged by nearly 60 per cent. Companies with between about 50 and 200 employees now have to pay the government ten per cent of the cost of apprentice training. Previously they paid nothing. Department for Education figures show that in the final three months of the 2017 academic year, 48,000 people started apprenticeships in the UK. This compares with 117,000 in the same period in 2016. The figures are described as "shocking" by EEF (formerly the Engineering Employers Federation).

Taking all these factors into account, maintenance and repair costs in our tables have been increased by 4.0 per cent this year. ❑

semi-trailers

	tandem-axle boxvan trailer		tri-axle curtain-sided trailer		tri-axle sliding skeletal trailer		tri-axle single-temperature refrigerated trailer		tri-axle stepframe lifting-deck trailer	
parameters										
capital cost (£)	20,475	20,475	20,370	20,370	15,550	15,550	48,500	48,500	63,200	63,200
annual distance (km)	50,000	80,000	50,000	80,000	50,000	80,000	70,000	100,000	70,000	100,000
ownership period (years)	10	10	10	10	10	10	10	10	10	10
standing costs										
depreciation	1,888	1,921	1,762	1,795	1,295	1,333	4,423	4,452	5,688	5,745
finance (over 5 years)	745	745	741	741	566	566	1,765	1,765	2,300	2,300
standing costs per year (£)	**2,633**	**2,666**	**2,503**	**2,536**	**1,861**	**1,899**	**6,189**	**6,218**	**7,988**	**8,045**
standing costs per km (p)	*5.3*	*3.3*	*5.0*	*3.2*	*3.7*	*2.4*	*8.8*	*6.2*	*11.4*	*8.0*
running costs										
tyres	552	835	831	1,283	878	1,355	1,136	1,588	1,453	2,041
red diesel for fridge	n/a	n/a	n/a	n/a	n/a	n/a	2,280	3,249	n/a	n/a
maintenance and repairs	1,668	1,916	2,068	2,356	1,901	2,168	3,455	4,016	3,643	4,336
running costs per year (£)	**2,220**	**2,751**	**2,899**	**3,639**	**2,779**	**3,523**	**6,871**	**8,853**	**5,095**	**6,377**
running costs per km (p)	*4.4*	*3.4*	*5.8*	*4.5*	*5.6*	*4.4*	*9.8*	*8.9*	*7.3*	*6.4*
total cost per year (£)	**4,853**	**5,417**	**5,402**	**6,175**	**4,640**	**5,422**	**13,060**	**15,071**	**13,084**	**14,422**
total cost per km (p)	*9.7*	*6.8*	*10.8*	*7.7*	*9.3*	*6.8*	*18.7*	*15.1*	*18.7*	*14.4*
percentage change	+4.4	+4.3	+4.3	+4.2	+4.2	+4.1	+4.6	+4.6	+4.5	+4.4

TruckScot Scene

Inverness based Highland Surfacing and Contracting Ltd put this new Scania G450 Streamline eight wheeled tipper to work in early November. Photo: Ian Lawson.

Forres based D&S Metals took delivery of this new Scania S500 6x2 tag unit. Supplied by Scania in Inverness. Photo: Ian Lawson.

This 67 reg is one of a new batch of four S Series replacing the fleet's 15 plates. The D Steven & Son fleet is now up to 11 new Next Generation Scanias. Photo: Darren Green.

A new Actros 1840LS for Perthshire Caravans, with factory sat nav; supplied by Western Commercial.

New in the Joinery Timber Creations fleet; a Mercedes-Benz Atego 1527L with high roof sleeper cab and 270hp engine. It will be maintained in the Dundee branch of Western Commercial on a five year contract hire.

DAF XF510 Superspace with BMI ejector trailer in Inverurie Skip Hire colours. Photo: Sharon Moffat.

Tennents of Elgin's Scania P380 ready mix concrete lorry on the A96 outside Elgin. Photo: Sharon Moffat.

Scania R580 V8 Topline and logging trailer in the livery of W Taylor & Son, Finechty. Photo: Sharon Moffat.

New Volvo FH460 for the Forsyth of Denny fleet, wrapped by Appeal Media, Falkirk. Photo: Darren Green.

Finechty based haulage contractors Wm Taylor & Sons put this new Mercedes Actros 6x2 tag axle to work taking round timber work. Supplied by Caledonian Truck & Van. Photo: Ian Lawson.

Chisholm's Recovery Specialist of Ballachulish and Inverness have taken a new Kassbohrer four axle extendable low loader with two rear self tracking axles and front lifting axle. Photo: Darren Green.

Barclay Transport of Inverness have taken delivery of this Mercedes Actros MP4 530 GigaSpace, replacing a three year old similar model. Graphics by SignRight, Inverness. Photo: Darren Green.

New Arnold Clark DAF XF 4x2 440 Super Space and Voyager S7 semi trailer made by Transporter Engineering. Photo: Darren Green.

Gow Transport of Halkirk, Caithness are running this smart 17 reg Scania Topline Streamline R580 V8 with dual wheel tag axle. Photo: Darren Green.

Norscot Truck & Van Ltd have delivered this new DAF XF FTR 530 to W&H Leslie (Aberdeen) Ltd. Paintwork was completed by Smart Refinishers Ltd of Dyce, Aberdeen and vehicle livery completed by Rood Signs Ltd of Inverurie.

Ferguson Transport and Shipping's latest Volvo FH460 to join the fleet. Graphics by SignRight (Highland). Photo: Darren Green.

Latest 6x2 Volvo tractor unit to join the fleet of Turriff based Enlim Scotland Ltd. Photo: Alan Shearer.

European temperature controlled transport specialists J&D Cowper are known for running 4x2 units, but something a bit different has been added to the near all DAF fleet in the shape of this Scania R450 Topline. Photo: Darren Green.

Ian S Roger of Keith have taken on this ex Matthew C Aitken Scania Highline R440 wagon and drag. Painted by Dingwall Panel Beaters with graphics by Driver Signs, Huntley. Photo: Darren Green.

David Smith Plant Hire Volvo FMX Tridem driven by Keith Herd. Photo: Alan Shearer.

J&D Cowper put three Mercedes Actros MP4 480 tractor units on the road. Supplied by Caledonian Truck & Van, Nairn with signwriting and painting by Dingwall Panel Beaters. Photo: Darren Green.

The light commercial vehicle division of Iveco's sales and marketing operation in the UK and Irish Republic has a new director from this month. He is **Chris Read**, promoted from national sales performance manager to business line director to fill the vacancy created by the departure of

Chris Read

Emmet Wrafter. He had been in the job for less than a year (*Commercial Vehicle Engineer* March 2017) and had joined Iveco (from LeasePlan) following **Ian Lumsden's** move to Tesco (*Commercial Vehicle Engineer* November 2016). Mr Lumsden left Tesco's online home-delivery operation last August and is now national account manager at Hitachi Capital Vehicle Solutions. Mr Wrafter is understood to have returned to his native Ireland to work in the Volkswagen group's finance division.

For two years before joining Iveco last June, reporting to Mr Wrafter, Mr Read had been corporate business development manager at Ford Motor Company. He previously had lived for nearly eighteen months in Indonesia, working as business development and customer experience manager at the Professional Association of Diving Instructors (PADI). But Mr Read is no stranger to vehicle engineering and the UK car and van market and aftermarket. His career began as a vehicle technician at Vauxhall Motors. By 2002 he was group customer service manager and training manager at what then was still a General Motors subsidiary. For three years before moving to Indonesia Mr Read was Vauxhall Motors regional commercial vehicle and business-to-business sales development manager.

At Iveco UK he now reports to managing director **Stuart Webster**. Speaking this month in Berkshire at the annual Iveco UK review of the UK commercial vehicle market, Mr Read was keen to emphasise that vehicle buyers would be unwise to expect Iveco to respond to a weakening light commercial vehicle market by discounting prices heavily.

"Twelve months ago, we took a proactive position that we weren't going to do volume at any price," he said. "There's no point. We're here to make money to pay for the development of the stunning new products we have, and those we will launch now and in the future. It's a position we stuck to, and it's a policy we'll be pursuing once again in 2018. Daily is a superb product range right the way across the board, but doesn't pretend to try to be all things to all men. For the guy who wants the cheapest way of moving things up to 3.5 tonnes, Daily is not the answer. Our focus is the professional business user the one who needs a proper, mission-oriented van to help run his or her business."

The post of truck business line director at Iveco UK is still vacant, following the departure of **Nick Pemberton** five months ago (*Commercial Vehicle Engineer* September). Mr Webster is confident however that the recruitment process will prove successful soon. Mr Pemberton is now retail sales director at Guest Motors, a West Bromwich-based dealer group claiming, through its Guest Truck & Van and Sherwood Truck & Van divisions, to be Iveco's biggest in the UK.

Iveco Daily: focused on "professional business users".

MAN Truck & Bus chief executive **Joachim Drees** has been elected chairman of the commercial vehicle board of directors at ACEA (*Association des Constructeurs Européens d'Automobiles*), a big Brussels-based European association of vehicle manufacturers. Its commercial vehicle division has been chaired for the past twelve months by Daf Trucks president **Preston Feight** (*Commercial Vehicle Engineer* February 2017).

Mr Drees, 53, has headed MAN (a wholly-owned subsidiary, like Scania, of the Volkswagen Truck & Bus group) since 2015.

His background is in financial management. After studying for business administration degrees in Stuttgart, Germany and Portland in the US, he worked at various management consultancies before joining the Mercedes-Benz truck division in 1996. In the ten years Mr Drees worked for Mercedes-Benz his jobs included commercial director of the Gaggenau transmission plant. In 2006 he moved to a British investment firm, Hg Capital, as a portfolio management partner. Immediately before joining MAN he was finance director at Drees & Sommer, a Stuttgart-based consultancy specialising in land and buildings.

ACEA represents 15 Europe-based car, van, truck and bus

Joachim Drees

manufacturers. They are BMW Group, Daf Trucks, Daimler, Fiat Chrysler Automobiles, Ford of Europe, Hyundai Motor Europe, Iveco, Jaguar Land Rover, Opel Group, PSA Peugeot Citroën, Renault Group, Toyota Motor Europe, Volkswagen Group, Volvo Cars and Volvo Group.

The association's main priorities in the commercial vehicle field for 2018 are, according to Mr Drees, "further reducing carbon dioxide (CO_2) emissions from road transport and continuing our commitment to safety improvements, as well as harnessing the potential of connected and automated driving to contribute to both these goals."

European Union legislation requiring the fuel economy and thus CO_2 emissions of various types of trucks and buses to be certified and declared (based on the VECTO, Vehicle Energy Consumption Calculation Tool, computer software which ACEA helped develop) is expected to begin to come into force this year. So is the latest big revision to the EU's "general safety regulation" on which the European Commission consulted widely last year. These two developments will make 2018 "a landmark year for Europe's commercial vehicle industry," according to ACEA.

General safety regulation measures dealing specifically with trucks and buses include cyclist detection and warning systems (from September 2020) and truck cabs with improved "direct vision" (from September 2028); improved truck and trailer rear under-run protection (from September 2020); and improved sideguards (also from

September 2020). Exactly how the UK government's Department for Transport (DfT) plans to deal with this legislation when and if the UK proceeds with Brexit by the end of March next year remains entirely unclear.

More information at www.acea.be.

Nearly five years after retiring as Society of Operations Engineers (SOE) chief executive, **Nick Jones** is back in charge temporarily at the London-based engineering institute. Last month he was appointed "interim" chief executive, on a six-month contract, following the death of **Ian Chisholm** (*Commercial Vehicle Engineer* October 2017). A recruitment agency is understood to have been called in to find a more permanent successor to Mr Chisholm.

"Nick will provide a huge amount of support to the team as well as a wealth of experience and guidance and we are delighted to have him back," says head of operations **Daniel Moir**.

Mr Jones is an accountant who joined SOE as head of finance in 2001, a year after the body was created by a controversial merger of the Institute of Road Transport Engineers (IRTE) and the much smaller Institution of Plant Engineers (IPlantE).

This merger was the brainchild of the then IRTE chief executive **Philip Corp**, a former senior British Army engineer, who went on to become the first SOE boss. He was succeeded a couple of years later by Tracey Fisher (**Tracey Shelley** following her marriage). Mrs Shelley finally left the organisation in mysterious circumstances late in 2006 following what was officially described as "extended maternity leave." The organisation's well-liked acting head during Mrs Shelley's absence was **Marian Kelly**, who had a long and distinguished IRTE career behind her. But she decided to return with a young family to her native Ireland early in 2007. Mr Jones then took her place as acting SOE chief executive, with the appointment confirmed in September 2007.

Nick Jones

Mr Jones was born in Zambia and came to the UK in 1961. He qualified as a chartered accountant in 1972. Then he worked for various firms in engineering and financial services, including the TI group (with subsidiaries such as Crypton Tuning, Bradbury Lifts and Crane Packing) and Crusader Insurance. Immediately before joining the SOE in 2001, Mr Jones had been working at London Underground.

He retired from SOE in the summer of 2013 and was succeeded by **Peter Walsh**, an Australian mining engineer. Mr Chisholm was called on to assume overall management control when Mr Walsh suddenly quit in October 2014 after less than a year in the job. Mr Chisholm was appointed executive director temporarily while a firm of head-hunters was called in to find a new chief executive. They failed, it seems. In November 2015 Mr Chisholm's appointment as SOE boss was confirmed.

"I will do all I can to ensure our members get the support they need from our organisation," said Mr Jones last month following his appointment.

SOE is one of three bodies (together with the Road Haulage Association and the Society of Motor Manufacturers and Traders) in the partnership behind the UK's Commercial Vehicle Show, next on in April at Birmingham's National Exhibition Centre (NEC).

More information at www.soe.org.uk, www.cvshow.com.

There is more unrest this month at the AA, one of the UK's biggest and most familiar motoring services and breakdown recovery operations, following the announcement of plans to close the heavily indebted organisation's Melton Mowbray, Leicestershire training centre and cut jobs at its Basingstoke, Hampshire head office. The GMB trades union, to which AA patrol staff belong, is worried that the training centre closure will have adverse effects on these staff and on the service they provide. The GMB also accuses AA top management of "squeezing the last drop out of the business before franchising." AA president **Edmund King** told the BBC that "absolutely nothing" is being franchised.

"We are consulting on reducing some management and head office roles so that we can actually invest more in contact centres and patrols," he says. "We are also investing more in state-of-the-art training for our brilliant patrols so that already impressive fix rates can be improved further. These moves are all designed to enhance our performance for our customers on the front line."

The AA was floated on the stock market nearly four years ago. Between August and December last year its share price plunged from about 240 to about 150 pence. There has been boardroom turmoil and several high-profile departures.

The AA was a non-profit association of motorists for 94 years until it was demutualised in 1999 and acquired by Centrica, the British Gas parent group. Five years later the AA was sold on to the private equity firms Charterhouse, CVC and Permira. Then in 2014 a trio of entrepreneurs came along with the flotation plan.

"All those who did nothing to oppose or indeed supported the private equity owner's asset strip of the AA need to hang their heads in shame," says GMB regional officer **Paul Grafton**. "This includes the in-house staff association set up with the help of the management who stood idly by as GMB members were denied their rights to fight the reduction in the numbers of staff by 30 per cent as multi millions were asset stripped by the private equity multi-millionaire elite. It looks as if the latest activity is to squeeze the last drop out of the business before franchising."

Consultation on plans to close the training centre and restructure AA management and administration runs from 10 January until 24 February.

Last month, following the sale in November of the AA's Home Emergency services business, the GMB highlighted the organisation' continuing huge debts. "GMB members working for the AA are seriously worried about the scale of the debts, the cost of financing them, and how this is impacting on their day-to-day lives," said Mr Grafton. "The latest figures show that the AA is saddled with debts of £2.7 billion. The cost of financing these is put at £185 million in the most recently published annual accounts. Financing the debts piled onto the balance sheet by the former private equity owners ate up 66 per cent of the operating profit for the year ending 31 January 2017." ❑

Recovery in doubt: AA training centre closure plan is controversial transaid

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