

Minimising the environmental impact of your company vehicle fleet

The amount of CO₂ in the atmosphere is at a record high across the world and company vehicle operators are under increasing pressure to include environmental considerations in their management decisions.

One of the pressures put on businesses to reduce vehicle emissions comes via Benefit in Kind (BIK) tax imposed on company cars and free private fuel, based on vehicle CO₂ emissions. In addition the extended area of Congestion Charging in London and proposed introduction of road tolls all penalise drivers of vehicles with high CO₂ emissions.

Below are some actions you can take to reduce the environmental impact of your fleet.

1. Assess the current environmental impact of your fleet

Start by assessing the current carbon footprint of your fleet based on the overall fuel consumption and set targets for reducing the amount. Review or develop any corporate social responsibility or environmental policies to ensure they consider your fleet. (It is possible to check the emissions of vehicles using the CO₂ emissions calculator at www.vcacarfueldata.org.uk).

2. Review vehicle choice lists

Encourage a change in driver behaviour by removing the worst performing vehicles from your fleet by applying minimum MPG and maximum CO₂ limits to the vehicles on the choice list. Provide information to drivers on the environmental impact of vehicles as this will allow them to make informed choices.

Why not incentivise staff to choose cleaner vehicles by calculating trade down allowances on the basis of CO₂ levels.

Consider fuel type choices – diesel or petrol based on operating conditions of your fleet. Some employers are using diesel fleets to cut emissions and increase MPG.

Exemptions apply to some alternative fuel vehicles in the LCZ and similar discounts are likely to apply in other proposed road user charging schemes.



3. Reduce fuel consumption

Improving your fleet's fuel performance is important for the environment and makes sound commercial sense as typically fuel costs may account for 20% or more of the total operating costs.

Driving style has a major impact on fuel efficiency. Encourage drivers to drive more smoothly with no aggressive braking or acceleration and by choosing appropriate gears. Advise drivers to use air conditioning only when needed as it adds about 15% to fuel consumption when in use. Drivers should remove unnecessary weight from vehicles (e.g. roof boxes, golf clubs and other luggage unnecessarily left in the boot) and maintain correct tyre pressures.

Efficient route planning can help drivers avoid congestion (hot spots). Consider providing satellite navigation as a means to achieve this. Drivers should be encouraged to allow sufficient time for journeys to reduce the need for speeding to get to appointments. The amount of road travel can be further reduced through the use of teleconferencing, video conferencing or rail travel.

You may want to offer employees a range of incentives to car share, e.g. reserving well located parking spaces in the car park.

Arval fuel cards can help to reduce route deviation as they are accepted at the largest network of fuel stations in the UK including low cost supermarkets. The Arval reporting system will highlight the fuel expenditure of all your fleet drivers.

4. Maintain your vehicles

Ensuring vehicles are properly maintained has financial, health and safety and environmental benefits including reducing fuel consumption and emission levels.



Regular maintenance and vehicle checks have a positive influence on fuel use and a well-maintained engine can improve fuel economy, so manufacturer's recommendations on servicing should be followed. The wrong tyre pressure could reduce tyre life by approximately 25% and potentially increase fuel consumption by up to 2.5%.

5. Reduce accidents

Improving employees' driving techniques can reduce accidents, maintenance costs such as tyre and brake wear and vehicle damage recharges. Repairing vehicles after accidents causes waste, both financially and environmentally from spare parts, oil, and workshop resources.

All accidents should be investigated and reviewed with drivers and driver training should be implemented where appropriate. Your fleet policy should include a target for the reduction of accidents.

6. Review cash allowances

Government research shows that drivers opting out of company cars typically move to a vehicle with 20g/km worse CO₂ performance. Review the options you offer for cash allowances and incentivise the choice of efficient vehicles through ECOS / PCP schemes with discounts for better performing vehicles or increase / decrease allowances based on vehicle choice (using CO₂ emissions and MPG performance as benchmarks).

7. Monitor performance and market development

Improving the environmental performance of your fleet should reduce your costs. Monitor savings, measure fuel consumption, carbon reduction and accident rate improvements. Benchmark drivers against key performance indicators such as mpg, tyre wear and licence points.

Successful cost reductions should be publicised to employees, shareholders and as general PR stories and drivers should be awarded for demonstrating cost savings or good practice.

Although it is preferential to reduce the amount of carbon emissions, your company may want to additionally investigate carbon-trading options. Emissions can be offset through investment into forestation, alternative energy projects or other carbon reduction projects.

Keep a close watch on technological advances in vehicles such as improved engine efficiency, alternative fuel development and new vehicle design.

Any updates to your fleet policy designed to improve your environmental impact should be communicated to drivers and you should gain signed acceptance of new policy from them where applicable.

The advantages of making your fleet greener could be reduced vehicle and fuel costs, increased productivity and improved company image. Your drivers benefit from reduced driving hours, and safer driving techniques and the benefits to the environment are reduced traffic levels and emissions and safer roads.