

A Guide to Comprehensive Fuel Management

How SMEs can cut fuel consumption, carbon emissions and ultimately their business costs.

The Chancellor may have confirmed in his recent Autumn Statement that the freeze in fuel duty will remain in place and oil prices may be at an all time low, but fuel costs continue to be Britain's second biggest SME cost area after wages. You can't afford to become complacent.



Whilst many business managers may believe that little can be done to reduce fuel costs, this couldn't be further from the truth. There are a number of key actions that managers can take to quickly reduce costs that directly impact the bottom line. First on the list should be a reevaluation of your vehicle choice lists. Thanks to recent technological advances the UK car market now boasts a vast array of low-emission vehicles, ranging from electric and hybrid cars to greener petrol and diesel models.

Assessing the suitability of such vehicles will demonstrate the savings they can deliver – as well as also other ancillary benefits, ranging from increased capital allowances to lower Vehicle Excise Duty payments and a decline in Class 1A NICs, and drivers also benefiting from lower BiK bills. And that's not to mention the benefits to the company's carbon footprint and public profile from going greener.

Businesses should also look at any so-called 'grey fleet' drivers who are using their own private cars on company business and reclaiming the costs. As such cars are typically older than traditional company cars, they tend to be less fuel-efficient and more polluting. Instead company car schemes such as salary sacrifice can provide an effective mechanism for equipping drivers with both cheaper and more eco-friendly vehicles.

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But even with more efficient vehicles on the fleet it remains vital that businesses take control of fuel costs. This can include instructing drivers on using the cheapest local supermarket forecourts and to steer clear of high-cost motorway fuel stations – which can be up to 15p a litre dearer according to the RAC.

However, a key solution for managing both fuel costs and driver fuel fraud is the implementation of a fuel card scheme. This can not only help assess how vehicles are driven but also brings benefits including increased security and reduced administration thanks to comprehensive fuel management

reports. These can then be used to help cut fuel expenditure. In addition, this can help with controlling where drivers refuel by steering them away from expensive outlets.

Telematics technology, such as the ProFleet2 system offered by Lombard Vehicle Solutions, can also provide another highly effective method for cutting fuel costs, firstly by providing an HMRC-compliant means of mileage capture that can avoid drivers either deliberately or accidentally inflating mileage claims.

And telematics technology can also be used to identify those drivers with an unacceptably high level of fuel consumption, thanks to in-depth management information that can help identify unnecessary mileage, excessive speeding, harsh acceleration and sharp braking, etc. Such drivers can then be targeted with training that can help them cut fuel bills by 5-10%.

Whichever changes you introduce, the impact on your fuel budget could be significant – and is likely to make any change to your fleet policy worthwhile.

If you would like to find out more about what Lombard Vehicle Solutions could do for you, or would like to see our vehicle special offers, please click [here](#).

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