



**Europcar**

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WHITEPAPER

## **Clearing the air:**

Are fleet managers ready for the Clean Air Revolution?

# Contents

3

**Foreword**

---

4

**Chapter 1:**  
Clean Air Zones:  
The facts

---

6

**Chapter 2:**  
Clean Air Zone  
awareness

---

9

**Chapter 3:**  
Planning for  
Clean Air Zones

---

12

**Chapter 4:**  
Making the switch

---

13

**Chapter 5:**  
Going from  
grey to green

---

14

**Chapter 6:**  
Taking the  
rental option

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# Foreword

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**Across the UK there are an increasing number of local authorities implementing vehicle restrictions to improve air quality in our cities.**

Known as Clean Air Zones (CAZ) in England, Low Emission Zones (LEZ) in Scotland and the Ultra Low Emission Zone (ULEZ) in London, these zones have a daily charge for vehicles that do not meet the required emission standards. And there are penalties if this charge isn't paid.

While the clean air zones are welcome to improve health and the city environment in general, they present new challenges for fleet managers, who need to ensure business mobility and continuity without undue additional costs.

Europcar Mobility Group UK commissioned research of 300 fleet managers across the UK to understand their knowledge of clean air zones and how they planned to adjust and adapt their businesses. This report examines the findings, with the aim of providing today's fleet managers with some useful insights into building a flexible fleet that does not put cashflow or capital expenditure under pressure when preparing for the clean air zones.

If the insights provide useful food for thought for your business, please don't hesitate to talk to our Business Development Team to find out more about how Europcar Mobility Group UK can help you optimise your business fleet for the future.



**Ron Santiago**

*Managing Director*

Europcar Mobility Group UK

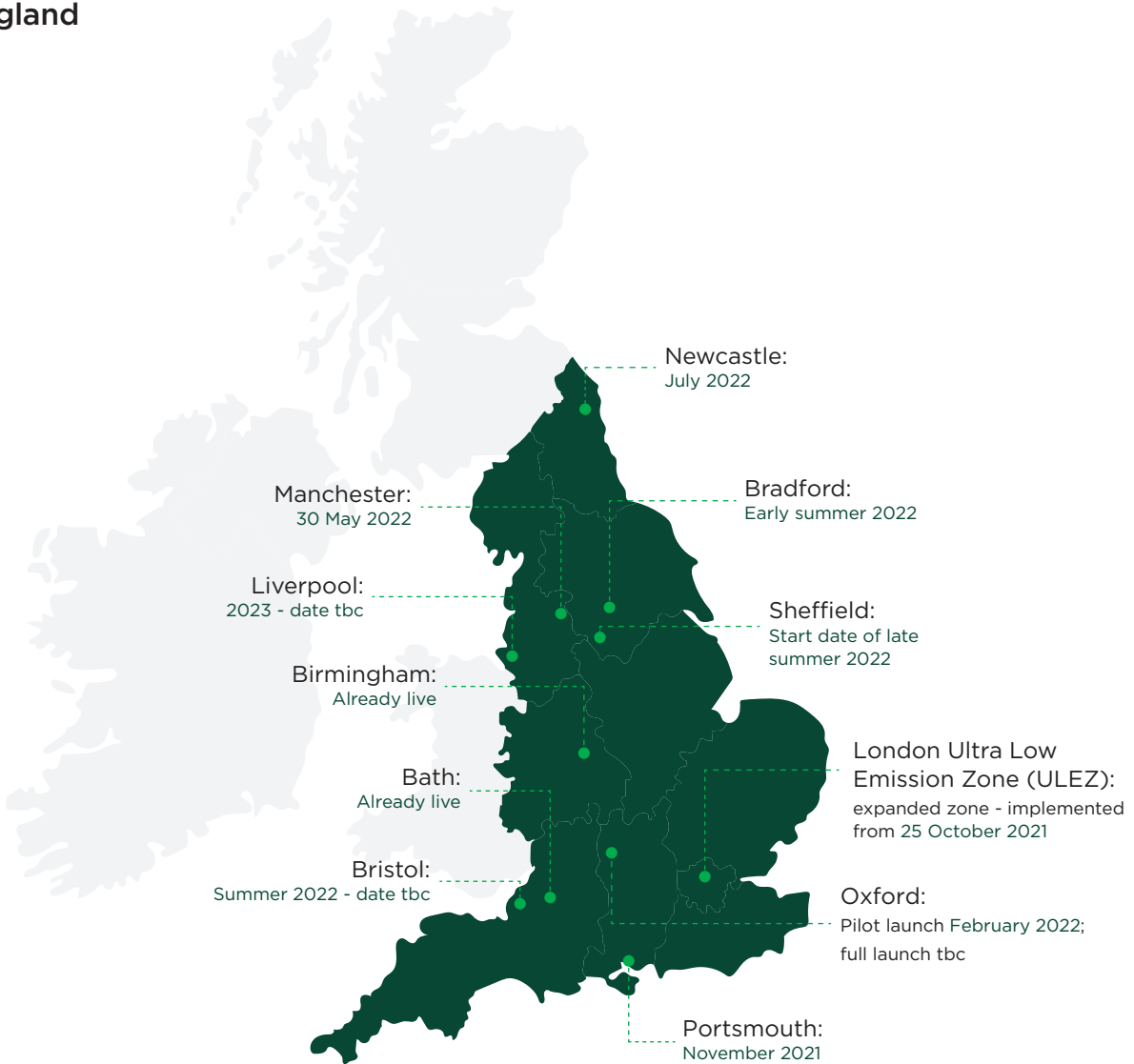
CHAPTER 1

# Clean Air Zones: The facts

## Key dates for Clean Air Zones

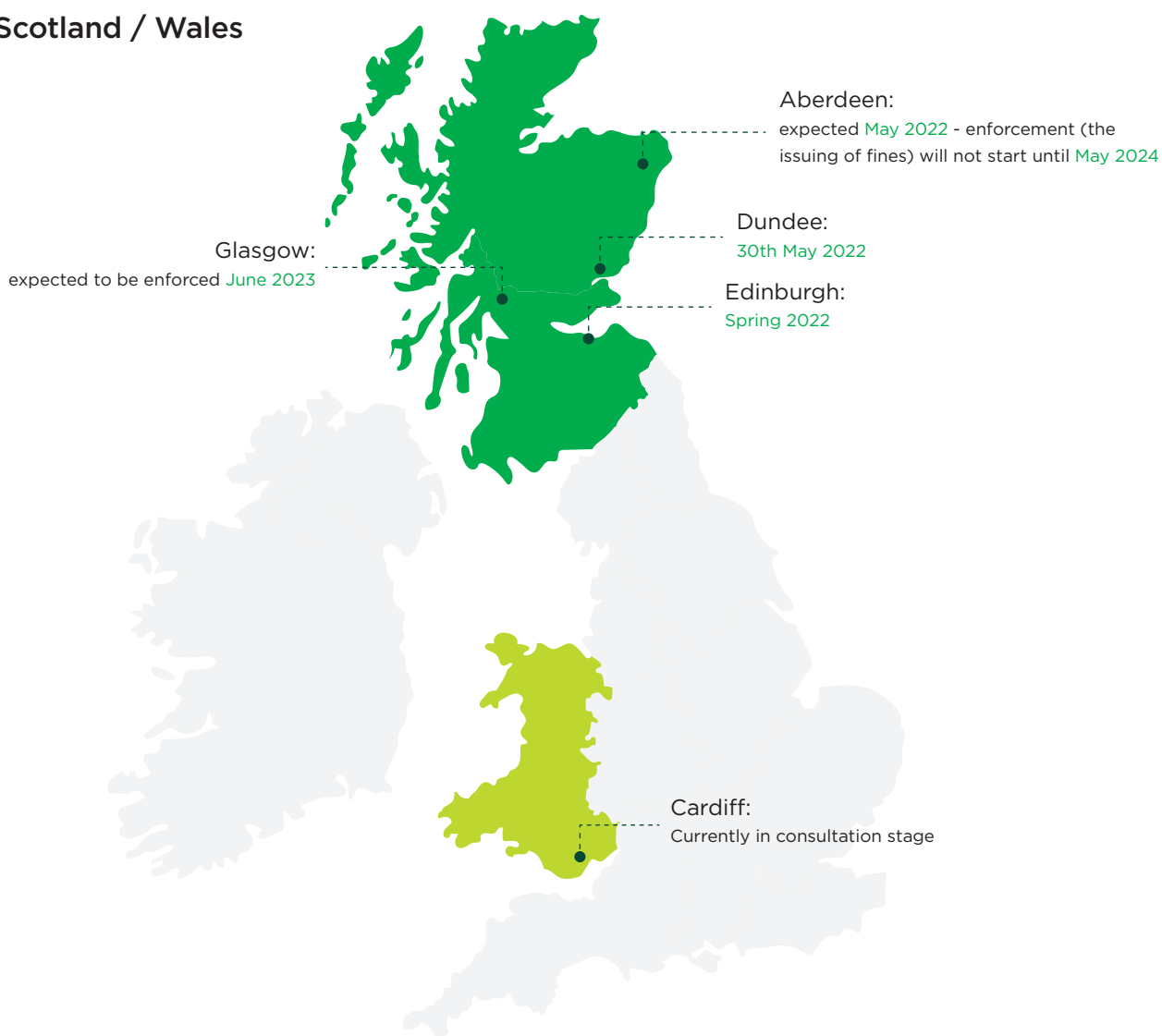
While some local authorities are still in the planning stage, several cities have already implemented, or have scheduled to implement these charges.

### England

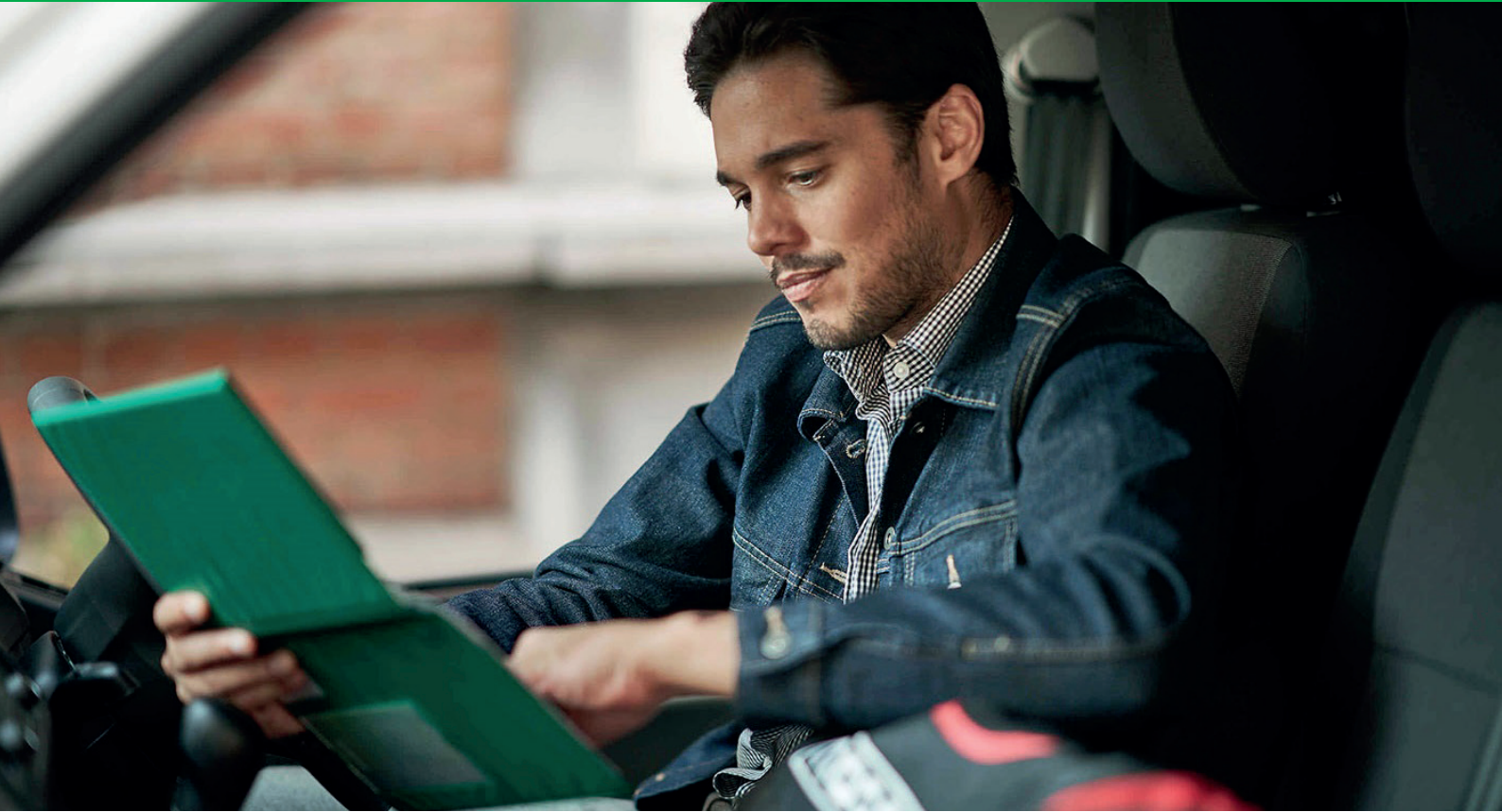




## Scotland / Wales







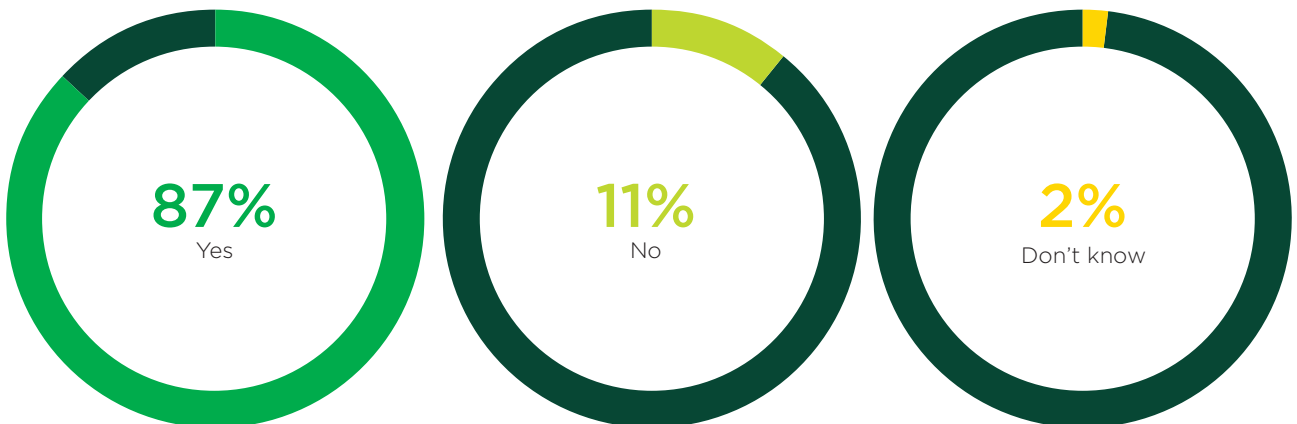
## CHAPTER 2

# Clean Air Zone awareness

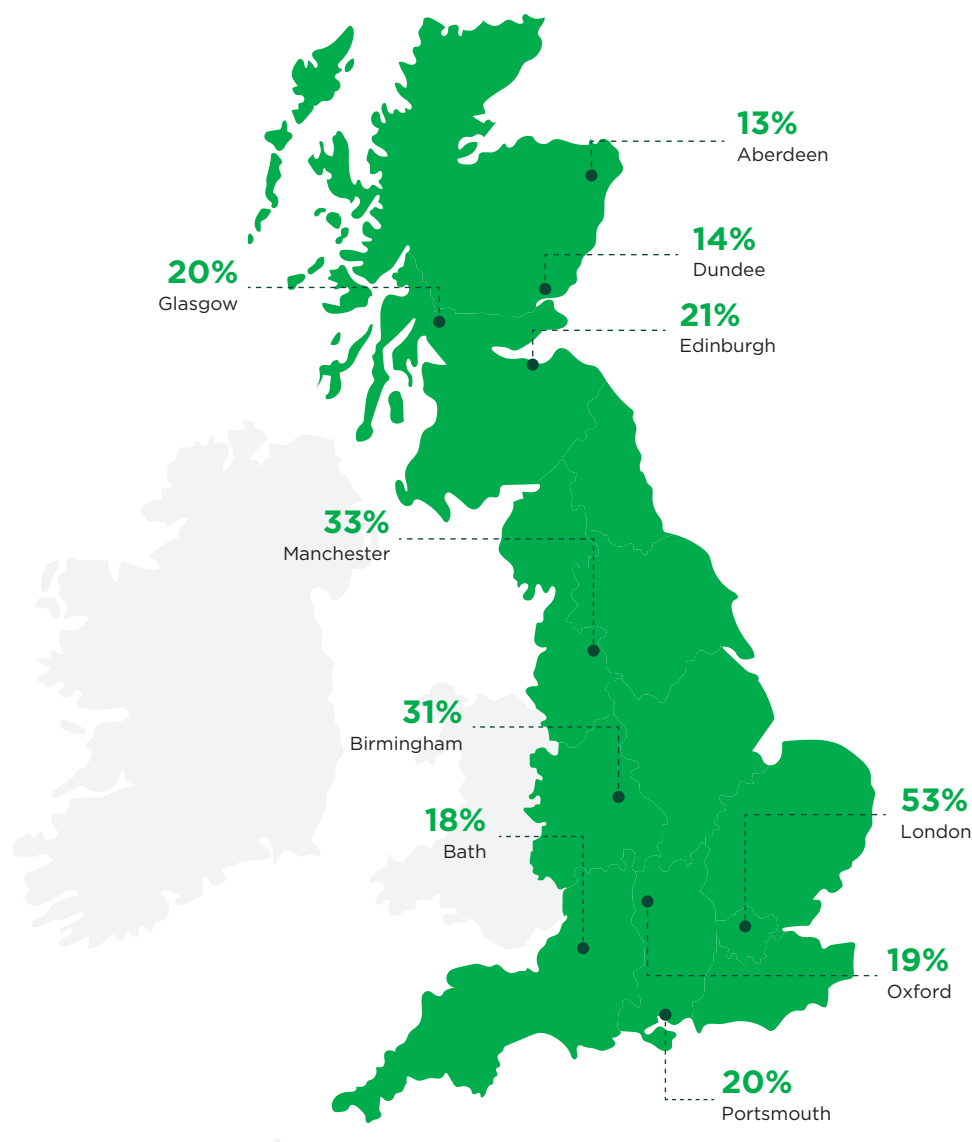
### Most businesses will be impacted by Clean Air Zones

The Europcar Mobility Group UK research found that over 87% of businesses thought their business will be impacted by the growing number of clean air zones across the UK.

**DO YOU THINK YOUR BUSINESS WILL BE IMPACTED BY THE GROWING NUMBER OF CLEAN AIR ZONES ACROSS THE UK?**



More than half of businesses surveyed (53%) operate in London's Ultra Low Emission Zone. Travel into the growing network of Clean Air Zones is also a critical factor for many businesses.



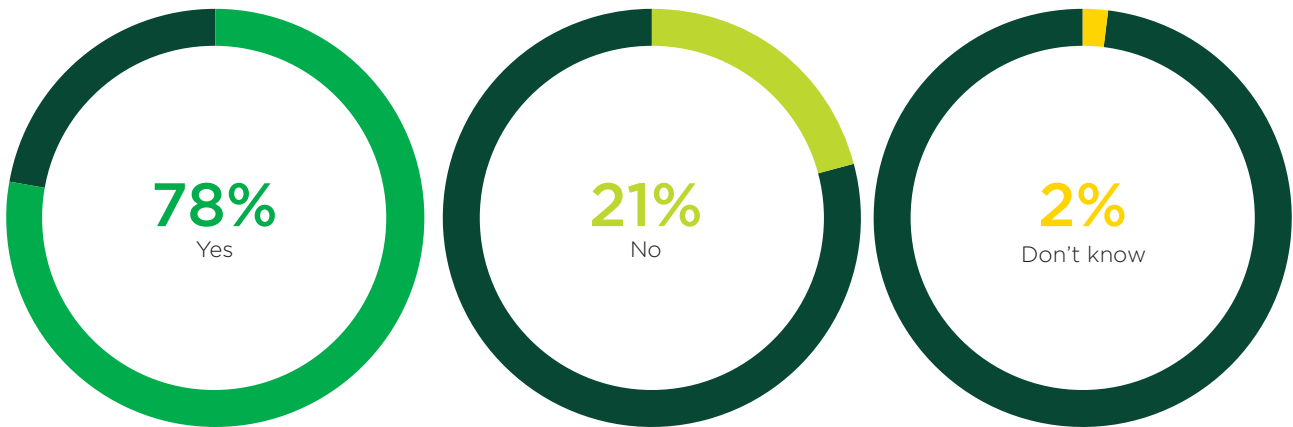
### 1 in 5 businesses are not aware of the rules for different zones

Awareness of where the zones operate, the times they operate, and the cost to drive a higher-emission vehicle through the zone is essential if businesses are to avoid penalties. Yet 21% admitted to not being fully aware of the rules for the different types of Clean Air Zones.

Understanding the clean air rules and requirements is imperative; if a vehicle exceeds emission standards, the business has to pay a charge and there are penalties if this charge isn't paid.

Fleet managers need to fully understand the rules and regulations of Clean Air Zones to fully assess their financial impact and to consider other options to reduce costs.

**DO YOU FEEL FULLY AWARE OF THE RULES FOR THE DIFFERENT TYPES OF CLEAN AIR ZONES?**



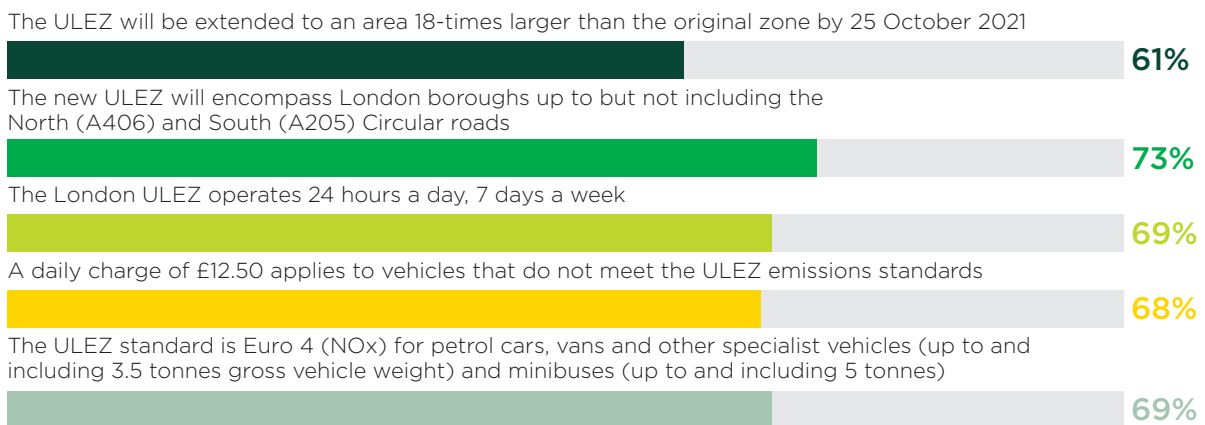
**Knowing the facts about London's ULEZ**

Furthermore, while half of businesses operate in London's Ultra Low Emission Zone, the research revealed over two thirds of businesses do not fully understand the size of the zone, what times the zone is in operation, the costs involved, and the type of vehicles to which the rules apply.

Only just over a quarter of respondents could correctly identify how big the ULEZ extended area is (29%) and which additional London boroughs it encompasses (27%).

Worryingly, over 1 in 5 businesses thought the London ULEZ only operates Monday - Friday from 6am to 7pm. And highlighting the financial risk, 23% thought a daily charge of £5 applies to vehicles that do not meet the ULEZ emissions standards. These are both wrong assumptions and could prove costly to businesses.

**HOW MANY FLEET MANAGERS DON'T KNOW THE RULES FOR THE EXTENDED LONDON ULTRA LOW EMISSION ZONE?**



It seems there is not a strong understanding of the correct rules/requirements, which could lead to unexpected fines.





CHAPTER 3

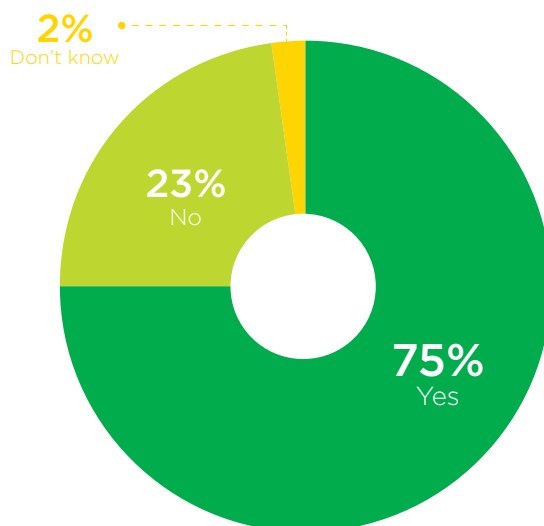
# Planning for Clean Air Zones

## Nearly a quarter of businesses have not planned for driving into London

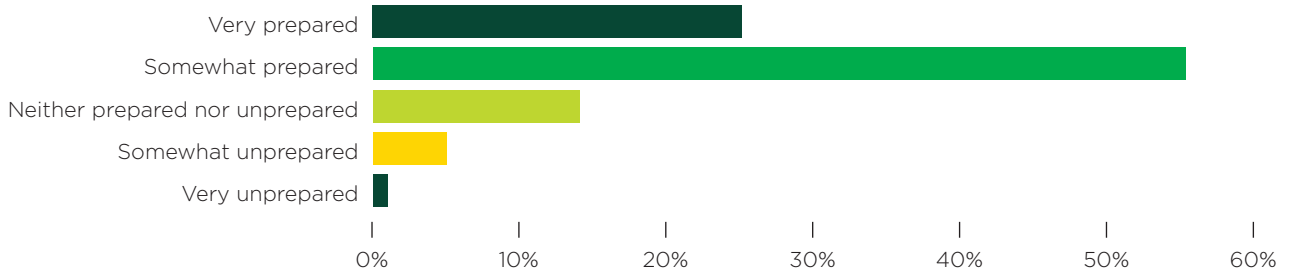
The pandemic and environmental policies are bringing about new challenges for businesses. It is vital, therefore, that fleet managers have a robust plan that will preserve cash and protect profitability.

At the time of the research, nearly a quarter (23%) of businesses had not planned for travelling into London’s Ultra Low Emission Zone, and only just over half (55%) felt somewhat prepared for travelling in and out of Clean Air Zones.

### HAS YOUR BUSINESS PUT A PLAN/STRATEGY IN PLACE TO DEAL WITH THE CHANGING ULTRA LOW EMISSION ZONE (ULEZ) RULES?

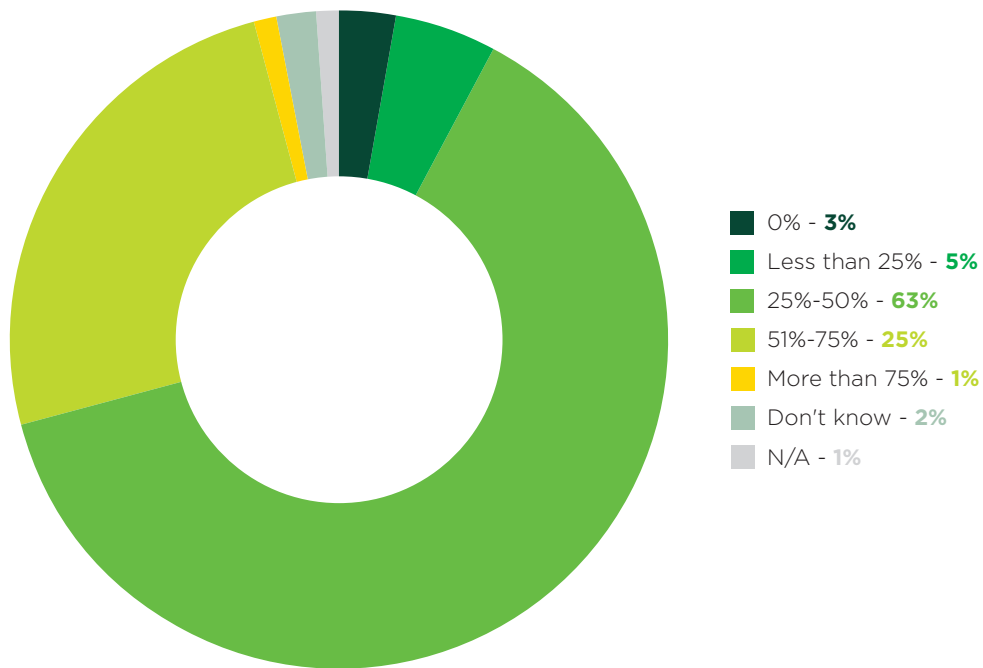


**HOW PREPARED OR UNPREPARED DO YOU FEEL FOR MANAGING BUSINESS TRAVEL IN AND OUT OF CLEAN AIR ZONES?**



With well over half of the businesses questioned (63%) saying that between 25% to 50% of their fleet need to enter a Clean Air Zone at least once a week, they could consider more sustainable fleet solutions to avoid further costs, and potentially save on fuel and management time in the long run.

**ROUGHLY WHAT PERCENTAGE OF YOUR FLEET VEHICLES NEED TO ENTER THE ULTRA LOW EMISSION ZONES AT LEAST ONCE A WEEK?**



**What's the cost?**

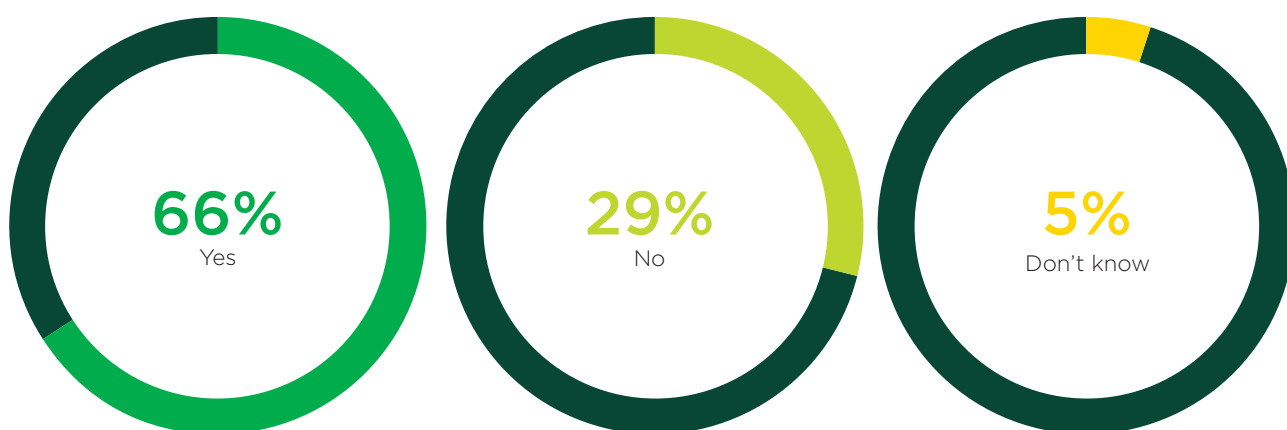
Nearly a third of businesses do not know the potential cost of entering the Ultra Low Emission Zones (ULEZ) and Clean Air Zones (CAZ).

Clean Air Zones will inevitably bring more costs for the business, and this will affect the bottom line.

How much a business will be affected depends on how often it enters the zones and the size and make up of its fleet.

With charges starting at £8 per day for cars, taxi and LGVs for [Birmingham's Clean Air Zone](#) and, for [London's Ultra Low Emission Zone](#), up to £100 in daily charges per lorry or larger vehicle, businesses that aren't prepared could face a significant rise in outgoings.

**HAVE YOU CALCULATED THE POTENTIAL COST FOR YOUR FLEET TO ENTER THE EXTENDED ULTRA LOW EMISSION ZONES (ULEZ) AND CLEAN AIR ZONES (CAZ)?**



The easiest way to avoid these charges is to replace non-compliant vehicles with more sustainable electric, hybrid or low emission vehicles. However, purchasing vehicles isn't always a viable option – especially in these challenging times for vehicle supply – and particularly where a fleet needs to be flexible if business needs change.

However, nearly 40% are looking at long-term and flexible rental which is good for business flexibility.

**HOW, IF AT ALL, DO YOU PLAN TO INCREASE THE LEVEL OF COMPLIANT VEHICLES WITHIN YOUR FLEET?**

Outright purchase of vehicles as and when they are needed	41%
Leasing - upgrade of leasing agreements to compliant vehicles as and when old lease contracts end	40%
Long-term/flexible rental of compliant vehicles based on company needs and workload requirements	40%
Wholesale purchase to replace all non-compliant vehicles	35%
I do not plan to increase the level of compliant vehicles within my fleet or N/A	4%



## CHAPTER 4

# Making the switch

While the majority of fleet managers are not concerned about switching to lower emission vehicles (79%), for over 1 in 5 businesses, the main concern about making the switch is cost.

Renting an electric vehicle can be a cost-effective solution and can take away the immediate pressure of leased or owned vehicles, particularly as electric vehicle technology is advancing all the time. Introducing corporate car sharing policies for business travellers going into Clean Air Zones should also be considered.

Around two thirds of businesses (64%) are looking to other alternatives and are planning to make more use of public and shared mobility solutions.

### DO YOU PLAN ON INCREASING THE USE OF PUBLIC TRANSPORT AND/OR SHARED MOBILITY SOLUTIONS FOR YOUR EMPLOYEES IN RESPONSE TO THE EXTENDED ULTRA CLEAN AIR ZONES (ULEZ) AND CLEAN AIR ZONES (CAZ)?





CHAPTER 5

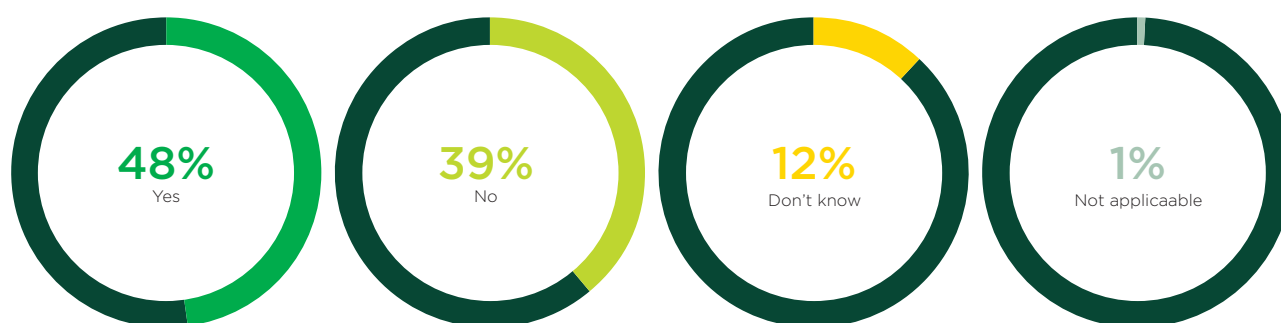
# Going from grey to green

As well as the environmental benefits of the new Clean Air Zones, the new regime is also prompting fleet managers to address the age-old issue of grey fleet usage.

As well as issues associated with the cost of upkeep and duty of care, grey fleet vehicles tend to be older, and less environmentally friendly. As a consequence, they are likely to incur costs associated with the new Clean Air Zone charges.

This could well be the reason that nearly half of the fleet managers surveyed said they plan to decrease the use of grey fleet to reduce the cost risk of the new Clean Air Zones.

**DO YOU PLAN TO DECREASE THE USE OF GREY FLEET (EMPLOYEES OWN VEHICLES) TO ENSURE YOUR BUSINESS DOESN'T FACE ADDITIONAL COSTS?**



On demand car share and longer term rental can remove the need for grey fleet – whether that is for a couple of hours or a year or more. This will not only mean businesses can avoid the new Clean Air Zone charges, and reduce fuel costs, but it will also reduce emissions and support environmental policies.

Rental also cuts out the cost of maintaining ‘spare’ vehicles, or company cars used infrequently.

People are becoming more environmentally conscious, and employees may opt for a company car if they are given the option of an electric or hybrid model that will help them to reduce their own environmental impact without the upfront cost to purchase such a vehicle as their private car.



## CHAPTER 6

# Taking the rental option

In the uncertain market in which we find ourselves today, businesses of all sizes need to avoid any unnecessary financial burdens. Fleets are an easy place to make changes that benefit balance sheets and environmental performance as well as driver wellbeing.

Older fleets are a financial liability in terms of repair costs, charges for entering Clean Air Zones, fuel inefficiency, increased risk of breakdown and downtime. They also have a far greater environmental impact and do not provide drivers with the latest safety features.

When older vehicles need replacing, long-term rental offers even the smallest business access to safe, up to date, environmentally friendly vehicles without the upfront cost of purchasing a new vehicle.

Long term rental provides businesses with essential agility, allowing them to shift fleets to meet current demand and serve customers consistently. Without the significant investment in a new vehicle, businesses free up cash to invest where it is really needed – upgrading essential equipment, expanding premises, increasing stock levels to meet seasonal demand, growing their customer base through advertising.

Looking ahead to the zero emissions target, the upcoming shift to hybrid and electric vehicles will be expensive for smaller companies buying their fleet vehicles outright. Long term rental provides more affordable access to zero emissions vehicles and allows for a longer transition period.

Corporate car sharing is also an effective option for businesses that want a dedicated and low-emissions fleet at their offices. Employees can access compliant vehicles as needed, ensuring that fleet use is not only optimised but that the environmental impact of business travel is also reduced.

For companies operating a fleet of higher-emission vehicles, and who regularly operate in a Clean Air Zone, renting low-emissions vehicles can be a cost-effective alternative. These vehicles will be within the emissions limit, so there will be no cost to enter the Zones. For example, the annual cost saving for a business which has just 25 vehicles a week entering a Clean Air Zone would be £16,250.

And the advantages go beyond the obvious environmental benefits. Businesses will save on the fleet manager's time in administering the necessary paperwork to pay the Zone charges, and it will give peace of mind as there will be no unexpected costs should a non-compliant vehicle inadvertently enter a CAZ.

### **A partner for the future.**

Call us now on **0371 384 0140** to discuss your specific requirements for a more flexible future or visit our website to understand more about our long-term rental offering:

**[europcar.co.uk/business/long-term-solutions](https://europcar.co.uk/business/long-term-solutions)**