

TOP TIPS ON FLEET FINANCE



A recent report has highlighted that small to medium-sized businesses are finding it expensive or time-consuming to take out loans. Often companies require additional capital to finance fleets, but in light of the report and the current financial situation faced by many firms, Thrifty Car & Van Rental is providing some top tips for companies looking to get best value and fund their fleets on a smaller budget:

- 1. Don't always go for a big vehicle, think about running costs.** It's not just the initial financing of the vehicle you need to consider, but also the ongoing costs such as fuel consumption, carbon emissions and insurance groupings. Choosing vehicles emitting 120g/km or less of CO₂ can lead to considerable savings in a number of areas, including benefit-in-kind tax and Vehicle Excise Duty.
- 2. Think about the length of time you require the vehicle for.** If you need vehicles on a short-term basis, whether it's for temporary staff or to service a

contract, then look at the alternatives available to you that avoid being tied into a set period of hire. There are a number of companies that can provide daily hire options through to flexible fleet. For example, Thrifty Car & Van Rental's FlexiFleet is cheaper than conventional daily car and van rental packages and offers all the benefits and peace of mind of contract hire – without the associated termination penalties or long term agreements.

- 3. Look at hidden extras, as the upfront cost may not be what you ultimately pay.** For example, make sure you are clear and as accurate as possible when setting the limit for what mileage the vehicle may do while in use, otherwise there could be penalties. Also, make sure you are aware of any additional costs for wear and tear and that you are clear on what you may be charged for.
- 4. Don't be tempted to keep old vehicles.** Having older vehicles doesn't necessarily equal savings. Not only are newer vehicles more efficient to run, but they also require less servicing and maintenance and have a better rate of capital allowance.
- 5. Optimise your fleet to make sure it's running as efficiently as possible.** Areas to look at include closely monitoring employee expense claims; car sharing for meetings; reducing the use of vehicles if a conference call will suffice; and be flexible around the time you drive to help avoid rush hours and being stuck in traffic, which consumes more fuel and isn't time efficient.
- 6. Look at your 'grey' fleet.** The Energy saving Trust recommends that anyone travelling more than 100 miles would be better serving the company by using a rental car than claiming mileage for their own motor. This is because hiring a modest car will typically have lower CO2 emissions and therefore a reduced carbon footprint compared with many grey fleet vehicles. Also, it means you have more control over the state of the vehicle, helping you to meet your duty of care responsibilities.