

total motion

vehicle management

**Vehicle Monitoring
Survey
Q4 2006 / Q1 2007**



driving to a new dimension

TOTAL MOTION VEHICLE MONITORING SURVEY

Q4 2006 & Q1 2007

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INTRODUCTION

The results of the Total Motion Vehicle Monitoring survey are obtained from the appraisals of company drivers and vehicles driven on company business conducted on clients' behalf through Total Motion's Vehicle Monitoring service. Physical checks of the vehicles and the drivers' documentation are undertaken on-site by industry-qualified engineers.

Since the third quarter of 2005, checks have been conducted on 5,672 vehicles, including 3,461 company owned and 2,211 privately owned/cash for car vehicles. This is believed to be the largest fleet driver survey of its kind.

For the first time, the Q4 2006 / Q3 2007 survey also contains the results of retests on 398 vehicles, including 184 company and 214 privately owned vehicles.

SUMMARY

Cumulative results to the end of the first quarter of 2007 suggest that companies and company drivers are beginning to recognise the importance of driving-related health & safety.

For the first time, the condition of vehicles used on company business was shown to have improved. However, the improvements all relate to company-owned vehicles, while the problems with privately owned vehicles still continue to rise. The total figures also remain worryingly high. Since the survey began in July 2005, more than a fifth of all vehicles driven on company business have been found to be unroadworthy and more than a third have not been properly maintained.

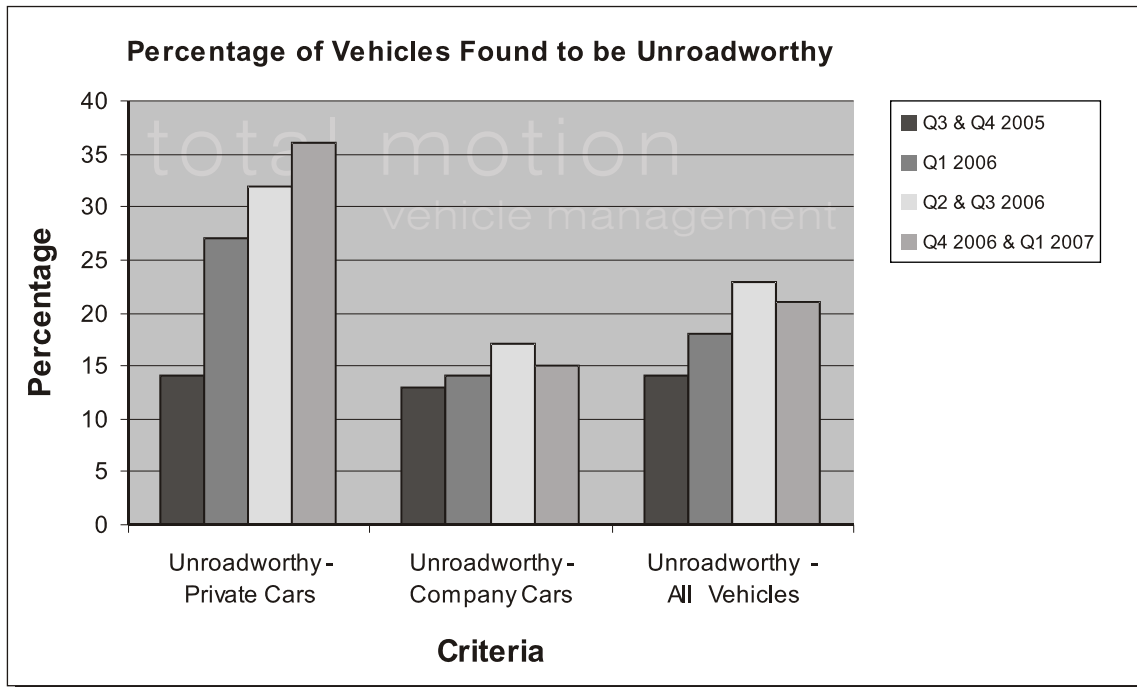
A reduction was also found in the percentage of company drivers driving without proper insurance or a valid driving licence.

Drivers' awareness and attitude towards health & safety seems to have improved. All drivers now claim to be making safety checks on their vehicles at least once a month, although only 8% are doing this at least once a week. However, more than a quarter plan to continue using hand held mobile phones despite the new legislation, while a third are still unaware of their company's fleet policy.

For the first time, the survey included a number of drivers and vehicles that were being tested for the second time. Their results clearly showed the effectiveness of introducing regular monitoring and enforcement policies, with just 2% of rechecked vehicles proving unroadworthy and 4% not being properly maintained. None of the rechecked drivers were found to be driving without tax, insurance or a valid driving licence.

RESULTS

1. Percentage of Vehicles Found to be Unroadworthy

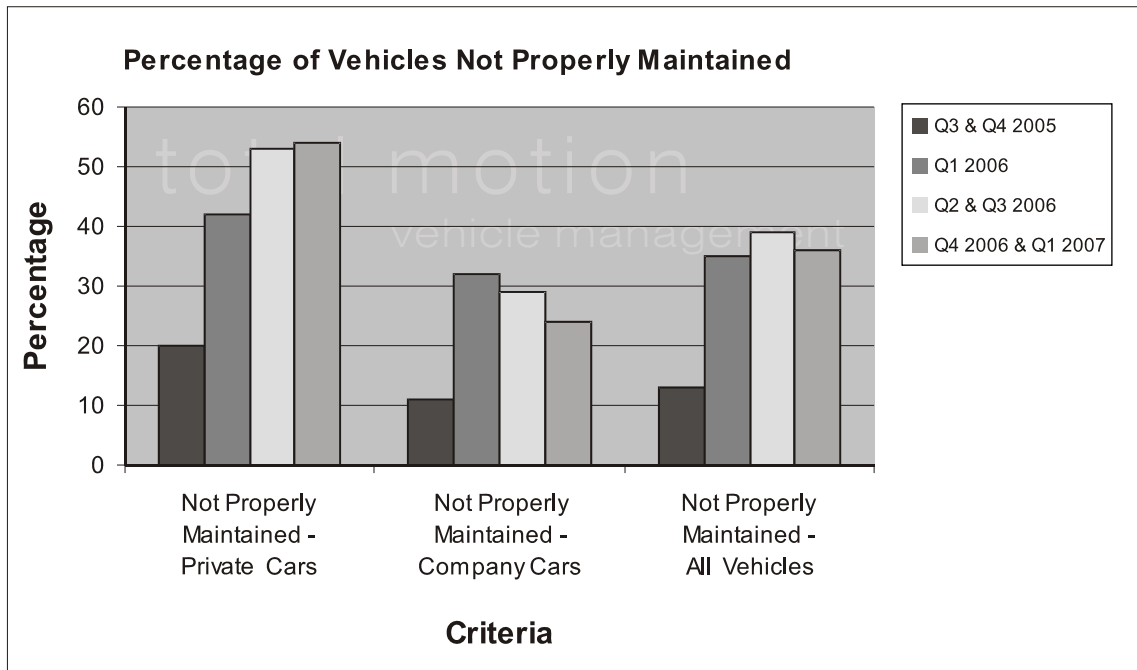


Vehicles were physically checked and declared to be unroadworthy based on a number of criteria including defective brakes, illegal tyres, low oil levels etc.

- The percentage of private vehicles found to be unroadworthy has risen to 36%.
- The percentage of company vehicles found to be unroadworthy has fallen slightly to 15%.
- The percentage of all vehicles driven on company business found to be unroadworthy has fallen slightly to 21%.

There is a small improvement in the condition of company vehicles, although the figures are still worryingly high. However, the problem of drivers using unroadworthy private cars on company business continues to worsen.

2. Percentage of Vehicles Not Properly Maintained

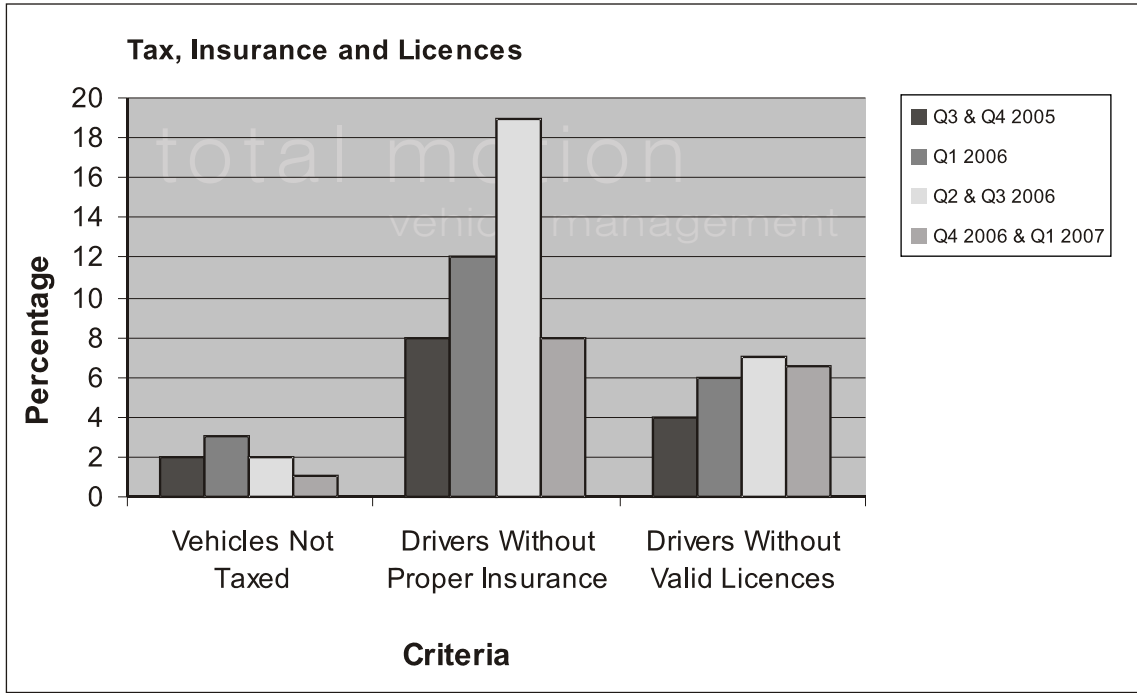


Vehicle maintenance was assessed according to manufacturers' service schedules using service log books and physical checks.

- The percentage of private vehicles found not to be properly maintained has risen slightly to 55%.
- The percentage of company vehicles found not to be properly maintained has fallen again to 24%.
- The percentage of all vehicles driven on company business found not to be properly maintained has fallen overall to 36%.
- 21% of all vehicles also had unreported damage that was the result of negligence, up from 18% last time.

Again, the situation appears to be improving in relation to company vehicles, but continues to worsen for private vehicles used on company business.

3. Tax, Insurance and Licences

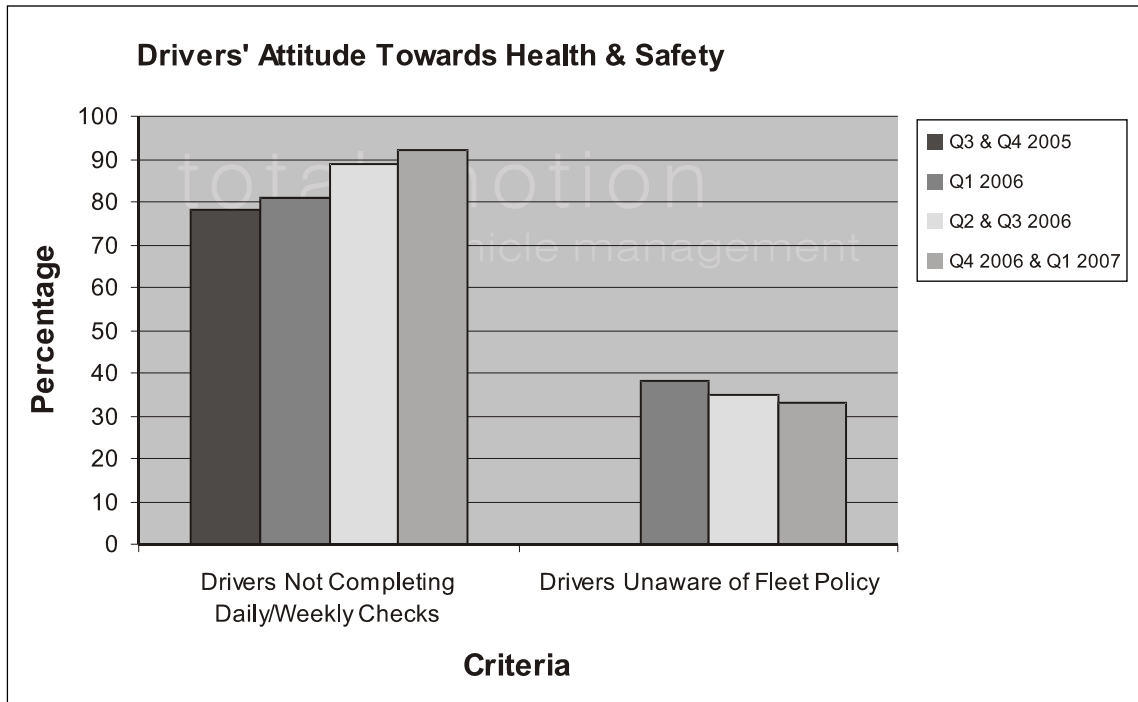


Physical checks were conducted on the vehicle's tax disc and on the driver's licence and insurance documentation.

- The percentage of vehicles without an up-to-date tax disc has fallen slightly to 1%.
- The percentage of drivers using their own vehicles on company business without the correct insurance has fallen to 8%.
- The percentage of drivers without a valid driving licence has fallen to 6.6%.

These results show a marked improvement, suggesting drivers are beginning to realise the importance of these issues, or that companies are introducing more stringent checks and making non-compliance a disciplinary matter.

4. Driver Attitude Towards Health & Safety



Drivers were asked a number of questions related to their knowledge and understanding of driving-related health & safety issues and the company's fleet policy.

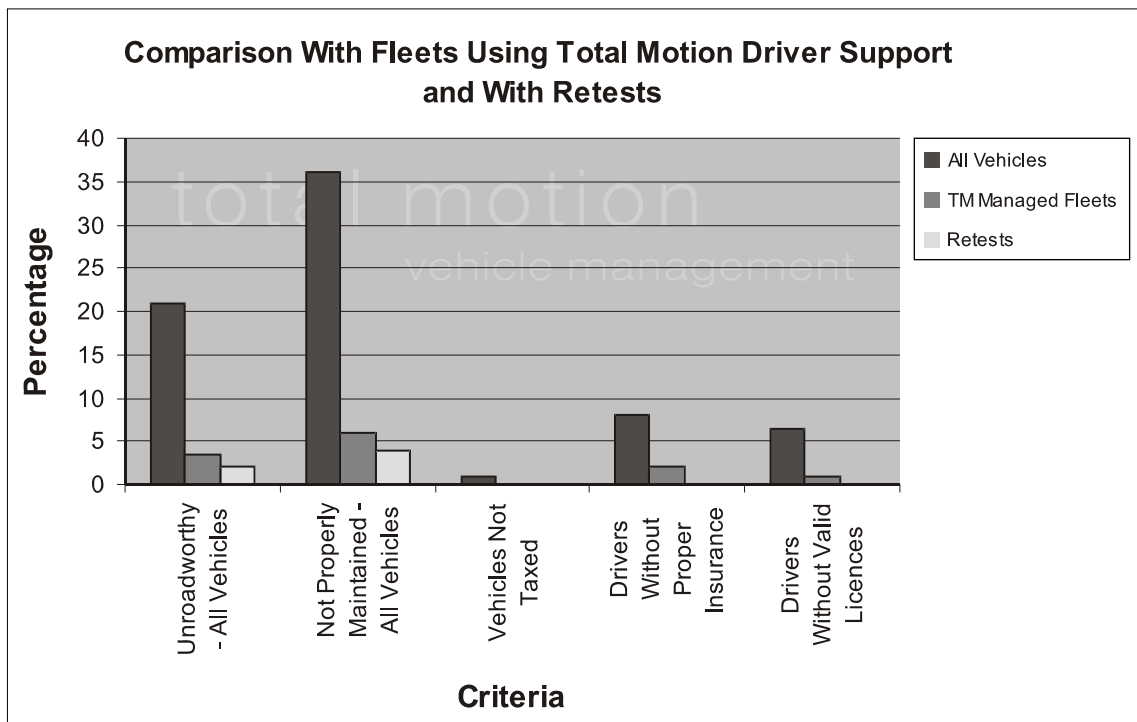
- The total percentage of drivers admitting to not completing daily/weekly checks on their vehicle rose to 92%. However, all drivers now claimed to make safety checks on their vehicles at least once a month.
- 33% of all drivers were not aware of a fleet policy (even though their company had one)

In the 2006 Q4 Survey, 904 drivers were also asked whether the new mobile phone legislation would stop them using a hand-held phone while driving.

- 27% said they would carry on using them
- 69% said they would not use them unless in an emergency
- 4% did not respond

Drivers' awareness of and attitude towards driving-related health & safety is improving, but there is still a great deal of work to be done.

5. Comparison of All Vehicles with Fleets Using Total Motion Driver Support Services & Retests



In the Q2 & Q3 2006 survey, the total results of the survey were compared with the findings from the 800 vehicles (392 Company / 418 Private) in fleets using Total Motion driver support services. These include ongoing vehicle and driver monitoring, maintenance, road tax and insurance reminders and monthly fleet management reports. The results demonstrated the impact of stricter enforcement and penalties.

For the first time, the Q4 2006 / Q1 2007 survey included the results of retests on 398 vehicles, including 184 company and 214 privately-owned vehicles. Comparing these with the full survey results and the Total Motion fleets clearly shows that regular checks are even more effective.

- 2% of vehicles rechecked were found to be unroadworthy, compared to 3.5% of vehicles supported by Total Motion and 21% of all vehicles surveyed.
- 4% of vehicles rechecked were found not to be properly maintained, compared to 6% of vehicles supported by Total Motion and 36% of all vehicles surveyed.

- None of the vehicles rechecked or supported by Total Motion were untaxed, compared to 1% of all vehicles surveyed.
- None of the drivers rechecked were found not to have proper insurance, compared to 2% of drivers supported by Total Motion and 8% of all drivers surveyed.
- None of the drivers rechecked did not have a valid licence, compared to 1% of drivers supported by Total Motion and 6.5% of all drivers surveyed.

There is no difference in the results on first or retests between vehicles on contract hire, personal contracts or employee car ownership schemes compared with vehicles sourced on outright purchase.

The companies whose drivers were re-tested all said they had seen a reduction in their vehicle repair and maintenance costs over the 12 months since the vehicle monitoring inspections were introduced.

CONCLUSIONS & COMMENT

The results of the Total Motion Vehicle Monitoring Survey (Q4 2006 / Q1 2007) are encouraging and suggest that the importance of driving-related health and safety is beginning to get through to drivers and companies.

The survey shows a marked reduction in the percentage of vehicles used on company business that are unroadworthy or improperly maintained. The percentage of company drivers without valid licences, tax or insurance has also reduced.

The results revealed no differences between vehicles on contract hire, personal contracts or employee car ownership schemes compared with vehicles sourced on outright purchase. This shows that these products do not give any protection from risk. It is not the leasing companies that are having an impact on the condition of their cars, but that companies are becoming more proactive and establishing a culture of driver responsibility.

However, there is no room for complacency. Over a third of drivers are still unaware of their company's fleet policy, and while all now claim to make checks, just 8% are doing so at the recommended frequency.

Significantly, the improvements all relate to company owned vehicles while the problems with privately owned vehicles used on company business continue to worsen. It is more difficult for companies to monitor and enforce policies on these vehicles, but it is clearly a problem that must be addressed.

According to RoSPA, one in five company drivers will be involved in some kind of incident or accident in the next 12 months. On the basis of this survey, that means 241 drivers will still be in unroadworthy cars when this happens, 85 will not be properly insured and 70 will have invalid driving licences, massively increasing the financial risk to their employers.

Total Motion also estimates that the lack of proper care and maintenance is costing the average fleet around £480 per vehicle over and above what it expected.

The effect of introducing more proactive fleet management was demonstrated by comparing the full survey results with those of the vehicles and drivers managed by Total Motion. However, the results from vehicles checked for the second time prove that regular monitoring and enforcement is the most effective at changing driver behaviour. This benefits their companies which all reported that their fleet maintenance and repair bills had fallen since introducing Vehicle Monitoring and every road user.

FLEET POLICIES & FLEET MANAGERS

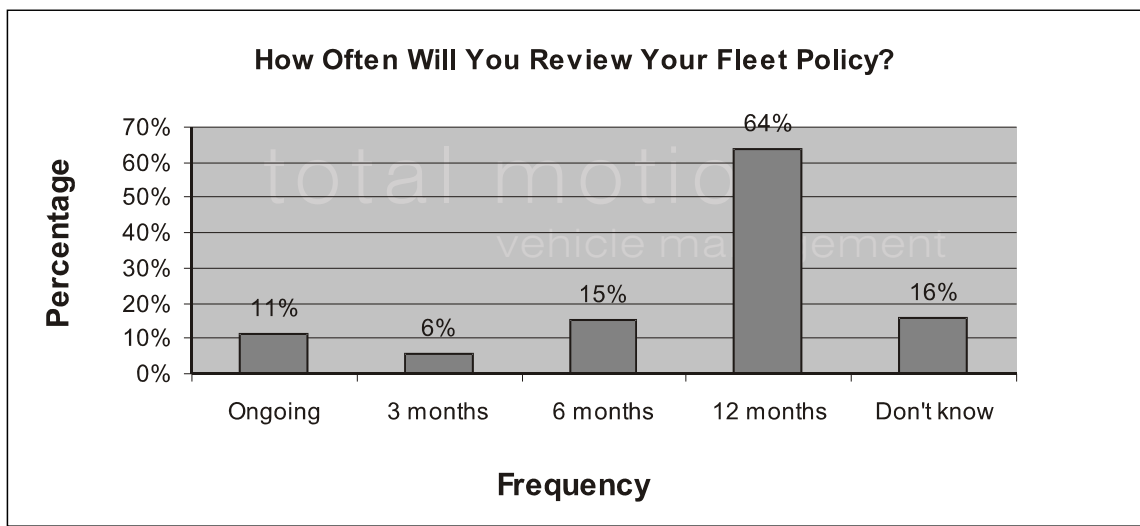
Total Motion has now completed Vehicle Monitor inspections for 52 clients. Of these, 31 had developed their own policies or used Total Motion to develop bespoke policies for them, while the remainder have used standard policies downloaded from industry associations or from their leasing company.

When the results of the survey were analysed, it was found that almost 80% of the failures and exceptions came from the 21 companies who had not developed their own policies.

Over Q3 2006 & Q4 2007, Total Motion conducted interviews with 361 financial, HR and commercial directors responsible for managing fleets of more than 50 vehicles to find out more about their policies.

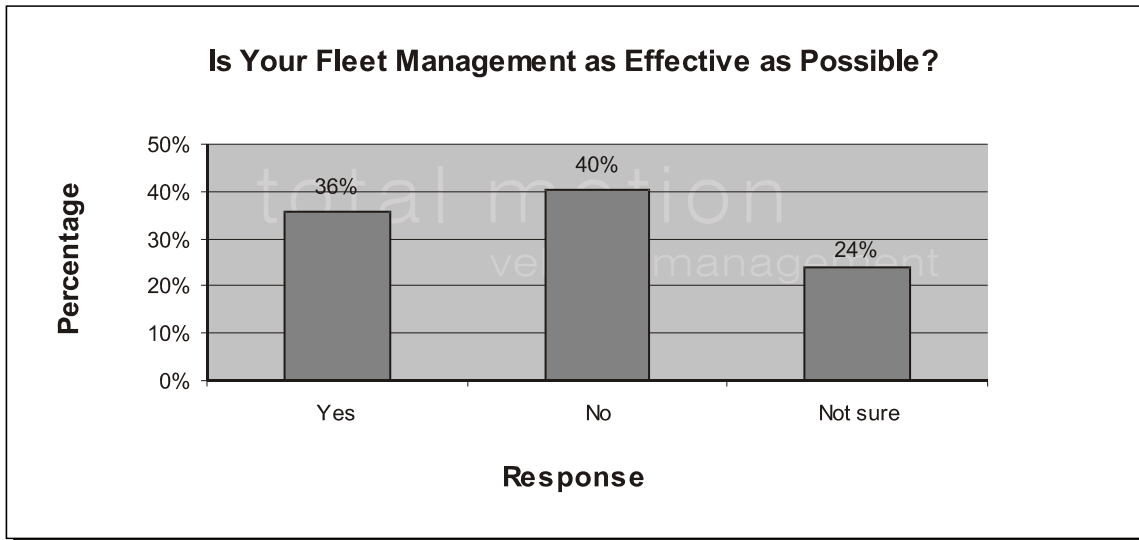
These are the results:

Q1. How often will you review your fleet policy considering the duty of care implications?

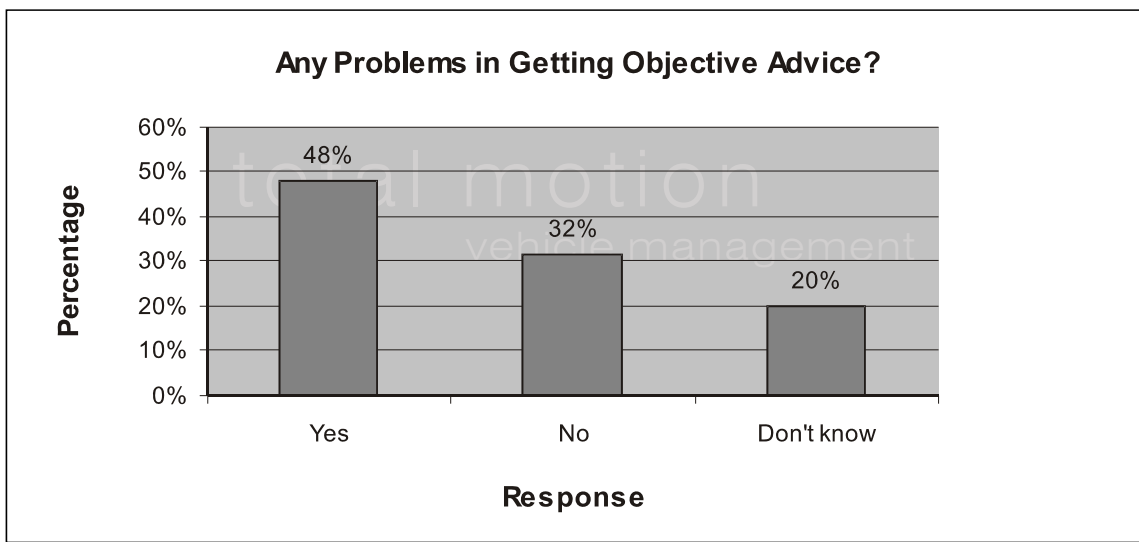


Total Motion always recommends that policy reviews and analysis should be ongoing, with a full more comprehensive review every 12 months. As things change so much, reviews need to be conducted more frequently to ensure policies incorporate all the latest legislation. It is also easier for drivers to adjust to changes gradually rather all at once.

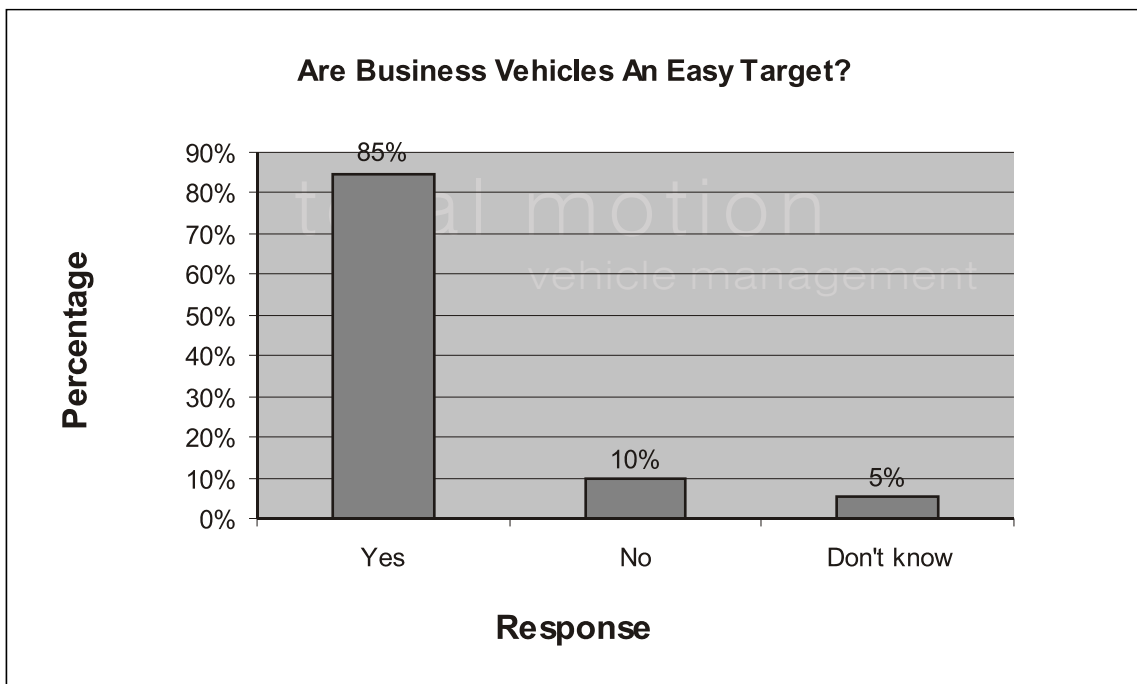
Q2. Do you believe that the way you manage your fleet is as effective as it could be?



Q3. Have you experienced any problems in obtaining objective advice on your fleet options from current or prospective suppliers?



Q4. Do you believe that company vehicles are an easy target for the Government and the Green movement?



Fleet managers are in a difficult position. Only a third believe that their fleet management is as effective as it could be, yet most are unable to get good, objective advice from their suppliers. They also feel that they are an easy target for taxation and environmental measures.

Total Motion believes this demonstrates the need for every company to make proper provision for fleet management, either through a specialist fleet manager or through an administrator supported by a specialist fleet management company. Using an administrator supported by a leasing company is just not working. Companies have to take control themselves to achieve the improvements in driving-related road safety that we all need.

TOTAL MOTION VEHICLE MONITORING

Total Motion is an independent vehicle management company that provides complete, bespoke solutions for financing, maintaining and managing fleets for organisations operating from 15 to in excess of 1,000 vehicles.

Established in Leicester in 1998, it works with more than 300 client companies, mainly in the Midlands, operating 9,000 vehicles across the UK and overseas.

It introduced its Vehicle Monitoring Service in 2005 to help fleet managers meet their duty of care responsibilities under driving-related Health & Safety legislation.

On behalf of clients, industry-qualified field engineers undertake appraisals on all cars driven for business purposes, including company-owned, cash for car or private vehicles. The appraisals can be conducted on a random or scheduled basis, and include checks on the vehicle's roadworthiness, service history and documentation, and the driver's licence and insurance. Completed appraisal forms are submitted to the fleet manager within 24 hours or Total Motion will deal with urgent issues on the spot, including confiscating company vehicles.

For further information, please see
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