

total motion

vehicle management

**Vehicle Monitoring
Survey
Q2&3 2007**



driving to a new dimension

TOTAL MOTION VEHICLE MONITORING SURVEY

Q2&3 2007

CONTENTS

Introduction	Pg3
Summary	Pg4
Results:	Pg5
1. Percentage of Vehicles Found to be Unroadworthy	
2. Percentage of Vehicles Not Properly Maintained	
3. Tax, Insurance and Driving Licences	
4. Driver Attitude Towards Health & Safety	
5. Comparison of New Inspections & Retests	
Conclusions & Comment	Pg11
Total Motion Vehicle Management	Pg14

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 11,406 vehicles, including 5,445 company owned and 5,961 privately owned/cash for car vehicles. This is the largest fleet driver survey of its kind.

The survey also contains the results of retests on 1,182 vehicles, including 545 company and 637 privately owned vehicles.

Results up to end September 2007 are shown on a cumulative basis. For the first time the results for the last survey period (Q2 & Q3 2007) are also given separately to show how the situation is changing. This period includes tests on 5,734 vehicles - 1,984 company vehicles and 3,750 private vehicles.

SUMMARY

Inspections during Q2 & Q3 2007 revealed a serious and worsening problem with private cars used on company business. Two out of every three private cars surveyed by Total Motion were found to be unroadworthy and almost 60% were not properly maintained.

The number of drivers found to be driving on company business without valid tax, insurance or licences also increased.

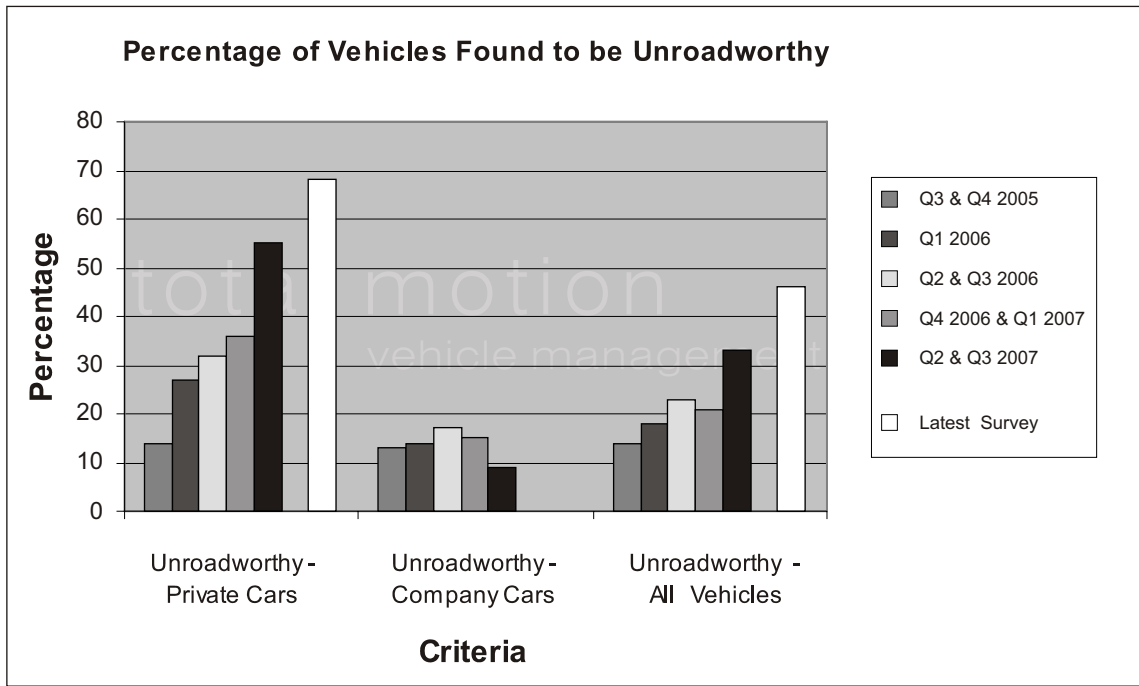
The Survey demonstrates that the majority of drivers are still not making the most basic safety checks, and companies are doing little to enforce compliance. 98% of drivers surveyed said their companies did not monitor whether safety checks were being carried out.

A comparison between new inspections and retests carried out this period demonstrates the effectiveness of conducting regular vehicle and driver checks.

By contrast, the condition and safety of company-owned vehicles continues to improve, with just 0.2% of those surveyed this period found to be unroadworthy.

RESULTS

1. Percentage of Vehicles Found to be Unroadworthy



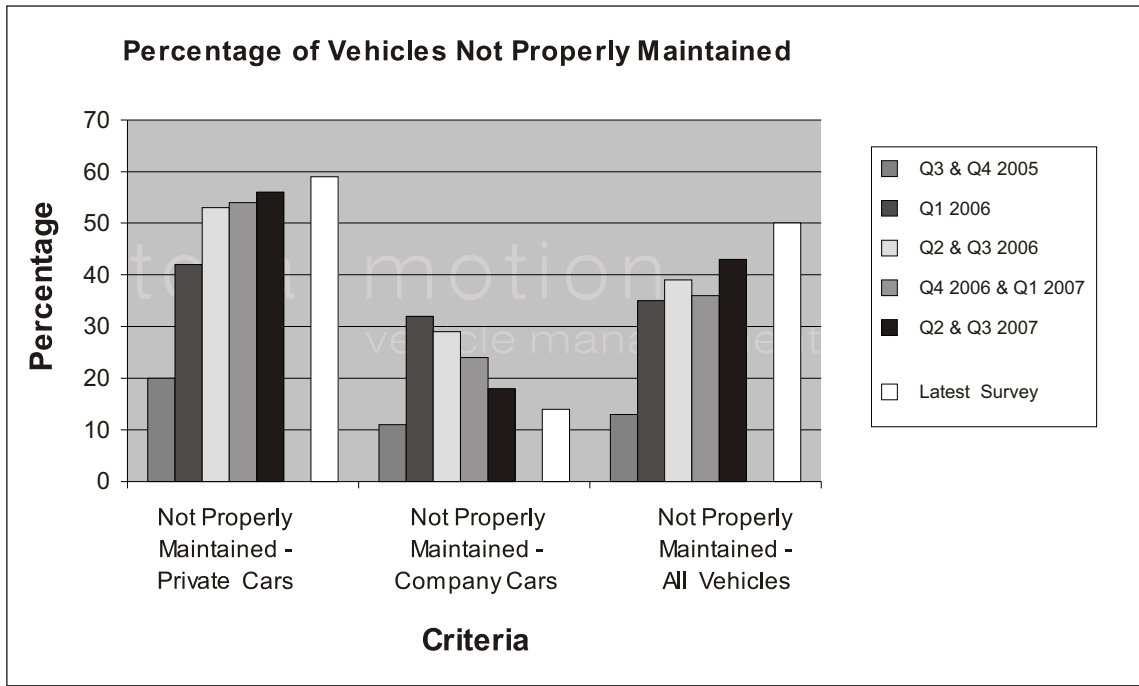
Vehicles were physically checked and declared to be unroadworthy based on a number of criteria including defective brakes, illegal tyres, low oil levels etc.

- Cumulatively, the percentage of private vehicles found to be unroadworthy has risen to 55%. Of the 3,750 private vehicles surveyed in Q2 & Q3 2007, 68% were found to be unroadworthy.
- Cumulatively, the percentage of company vehicles found to be unroadworthy has fallen to 9%. Of the 1,984 company vehicles surveyed in Q2 & Q3 2007, 0.2% were found to be unroadworthy.
- Cumulatively, the percentage of all vehicles driven on company business found to be unroadworthy has risen to 33%. Of the 5,734 vehicles surveyed in Q2 & Q3 2007, 46% were found to be unroadworthy.

The condition of company vehicles continues to improve, with just 4 of the company owned vehicles surveyed this period found to have faults that made them unroadworthy. However, the issue of drivers using unroadworthy private cars on company business is a very serious problem. More than half of the private vehicles checked since the Survey began have been found to be unroadworthy. The situation continues to worsen with survey results from the last six months showing 2 out of 3 private vehicles to be unroadworthy.

Further investigations show that 71% of the problems are tyre-related. Government figures show that under-inflated and defective tyres are responsible for a third of all road crashes resulting in injury.

2. Percentage of Vehicles Not Properly Maintained

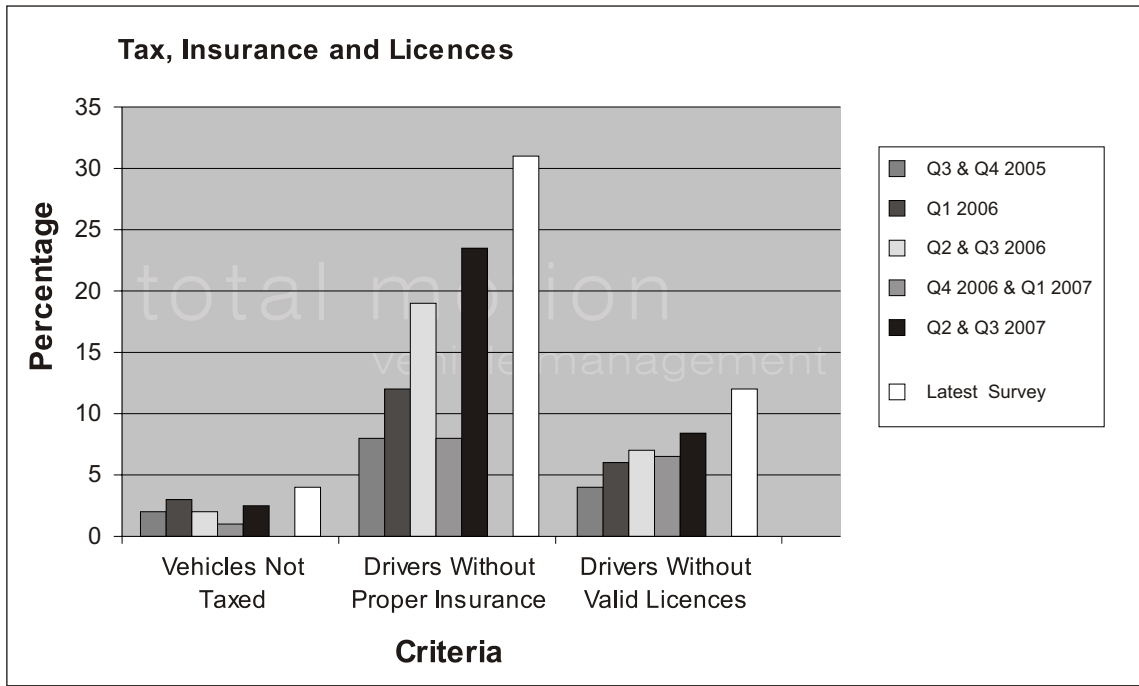


Vehicle maintenance was assessed according to manufacturers' service and maintenance schedules using service log books and physical checks.

- Cumulatively, the percentage of private vehicles found not to be properly maintained was 56%. Of the 3,750 private vehicles surveyed in Q2 & Q3 2007, 59% were not correctly maintained.
- Cumulatively, the percentage of company vehicles found not to be properly maintained was 18%. Of the 1,984 company vehicles surveyed in Q2 & Q3 2007, 14% were not correctly maintained.
- Cumulatively, the percentage of all vehicles driven on company business found not to be properly maintained has risen to 43%. Of the 5,734 vehicles surveyed in Q2 & Q3 2007, 50% were found not to be properly maintained.
- 19% of all vehicles also had unreported damage, down slightly from 21% last time.

Again, the Survey indicates that the situation is improving in relation to company vehicles, but continues to worsen for private vehicles used on company business.

3. Tax, Insurance and Licences

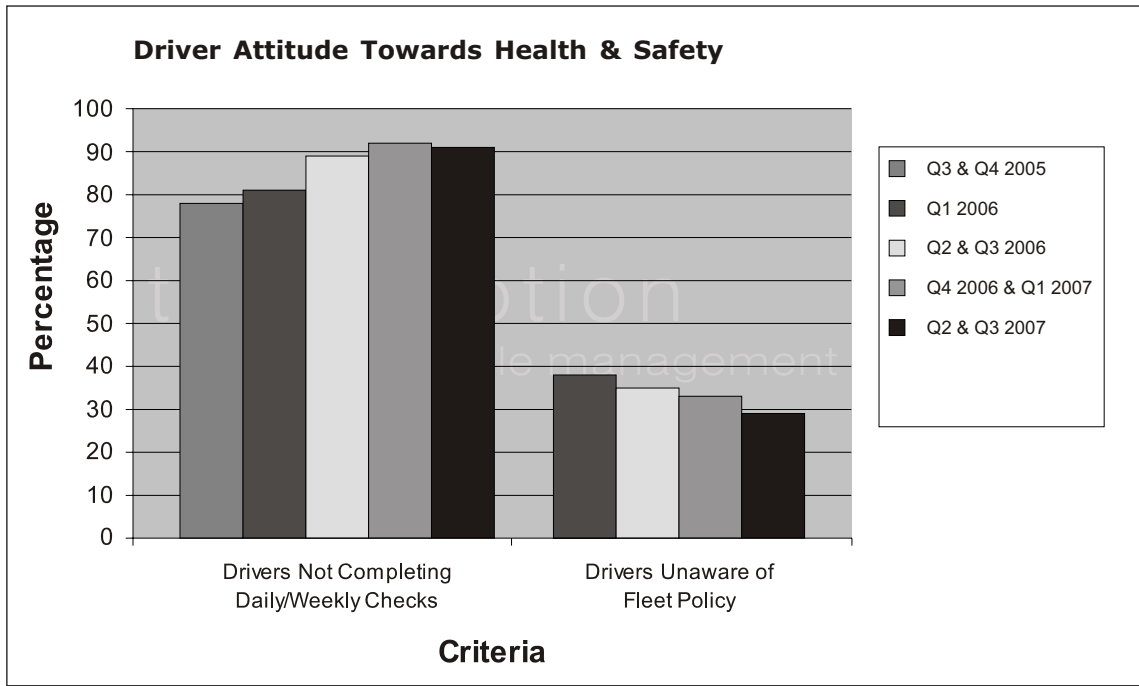


Physical checks were conducted on the vehicle's tax disc and on the driver's licence and insurance documentation.

- Cumulatively, the percentage of vehicles without an up-to-date tax disc has risen slightly to 2.5%. Of the 5,734 vehicles surveyed in Q2 & Q3 2007, 4% did not have an up-to-date tax disc.
- Cumulatively, the percentage of drivers using their own vehicles on company business without the correct insurance has risen to 19%. Of the 3,750 private drivers surveyed in Q2 & Q3 2007, 31% were not correctly insured.
- Cumulatively, the percentage of drivers without a valid driving licence has risen to 8.4%. Of the 5,734 drivers surveyed in Q2 & Q3 2007, 12% had invalid licences.

After a marked improvement in late 2006/early 2007, the last 6 months show a continuing and worsening situation. Again it is believed that this may be due to the increasing number of drivers using private vehicles on company business. These are often not subject to the same checks and scrutiny as drivers of company-owned vehicles.

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 their company's fleet policy.

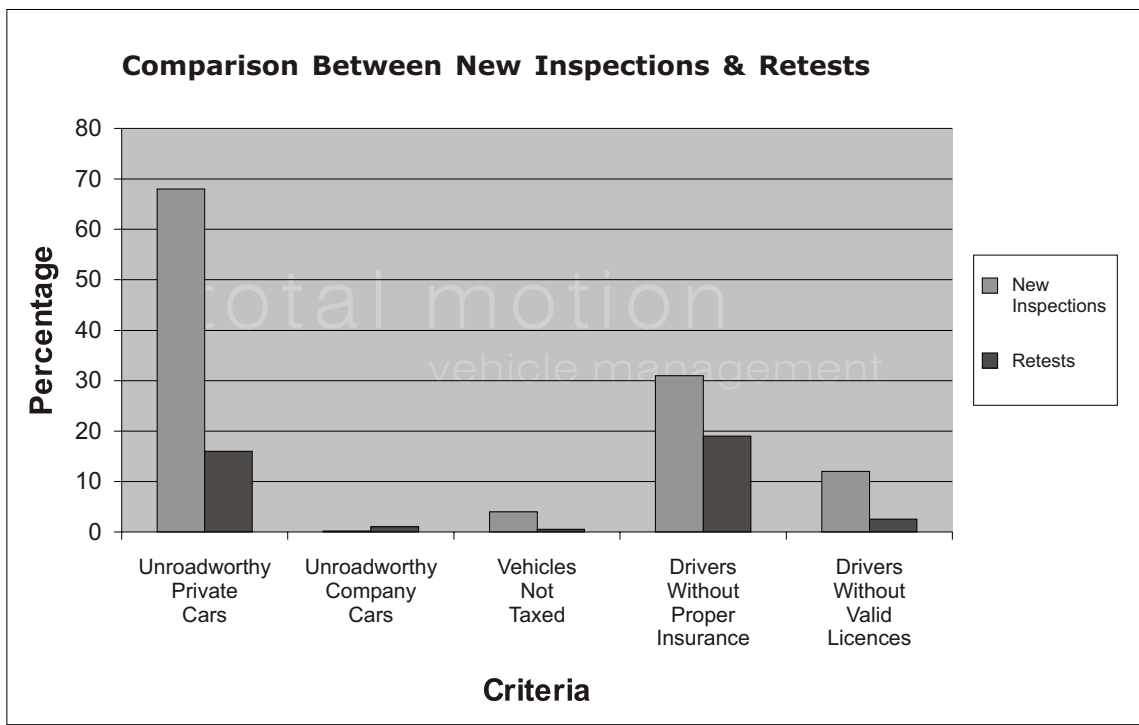
- The total percentage of drivers admitting to not completing daily/weekly checks on their vehicle fell slightly to 91%.
- 29% of all drivers were not aware of a fleet policy (even though their company had one)

The failure of drivers to conduct basic safety checks is demonstrated by the fact that 71% of the unroadworthy / maintenance problems on the privately-owned cars were tyre-related.

However, companies do not seem to be taking any measures to improve the situation, with 98% of drivers surveyed saying that their companies never verified whether these checks were being made.

In addition to this survey, Total Motion questioned 261 fleets with between 30 - 340 vehicles and found that more than 65% had no proper compliance processes in place for duty of care.

5. Comparison Between New Inspections & Retests



The Q2 & Q3 2007 inspections included retests on 784 vehicles, 361 company and 423 privately-owned vehicles. Comparing these with the results of the total 5,734 inspections illustrates the effect of conducting regular vehicle checks.

- 16% of private vehicles rechecked were found to be unroadworthy, compared to 68% of all private vehicles.
- 1% of company vehicles rechecked were found to be unroadworthy, compared to 0.2% of all company vehicles.
- 1% of vehicles rechecked were found to be untaxed (all private vehicles), compared to 4% of all vehicles inspected.
- 19% of drivers rechecked were found not to have proper insurance, compared to 31% of all drivers inspected.
- 3% of drivers rechecked did not have valid licences, compared to 12% of all drivers inspected.

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.

CONCLUSIONS & COMMENT

Trends from recent Total Motion Vehicle Monitoring Surveys had suggested that the situation was improving and the importance of driving-related health and safety was beginning to get through to drivers and companies.

However, results from the last six months show a marked deterioration, due almost entirely to the failure to maintain and check privately-owned vehicles and their drivers. Over this period, 2 out of 3 private vehicles checked were found to be unroadworthy, 59% were not properly maintained and almost a third of their drivers were not correctly insured.

Total Motion believes this is due to a number of factors:

Driver Factors

- The Survey reveals that 91% of drivers do not conduct the most basic regular safety checks. 71% of the maintenance problems identified were tyre-related and should have been picked up by the driver.
- Privately-owned cars are often older and cost more to maintain than company-owned vehicles. Total Motion believes that the substantial increase in unroadworthy vehicles seen this period is partly the result of higher interest rates. When people have less disposable income, "inessential" car maintenance may be one of the first things to suffer.
- Drivers offered cash-for-car allowances often spend their full allowance on special deals for expensive, high-specification cars. This leaves nothing to cover maintenance and repair costs, which can be high on such cars, and results in vehicles being neglected. Total Motion estimates that around one third of the drivers surveyed were in this position.

Company Factors

- Many companies are putting policies in place but are failing to enforce them. 98% of drivers said their companies did not monitor whether they were conducting safety checks. Companies need to make drivers more aware of their responsibilities and enforce driving health & safety policies.

- More and more companies are offering cash-for-car schemes as they are perceived as a cheaper alternative to company cars. However, this is often because they fail to incorporate the necessary processes and procedures to ensure that these cars are roadworthy and comply with duty of care legislation. Companies should also ensure that cash-for-car schemes stipulate full maintenance contracts as a condition or limit the amount drivers can spend solely on vehicle purchase.

Supplier Factors

- There is evidence to suggest that leasing suppliers are often not providing the right level of support, especially where companies are operating without a specialised fleet manager. In a separate company survey, Total Motion found that 90% of businesses questioned had higher fleet costs than expected because of misguidance by suppliers on general management or duty-of-care issues.
- Contact hire and leasing brokers are often encouraging cash-for-car drivers to buy the most expensive car they can afford with their allowance and are failing to give sufficient information on running and maintenance costs.
- Standards within dealerships, garages, tyre fitters etc are inadequate. Many of the faults found by Total Motion inspectors had been previously missed, misdiagnosed or passed as safe by qualified technicians.
- There is evidence that certain vehicle manufacturers are also cutting costs by using cheaper and lower quality components which are causing maintenance and safety issues. Total Motion has identified a number of vehicle types where a high percentage of drivers have reported identical faults or problems.

As the number of private cars used for business continues to grow, these problems are only likely to increase. Total Motion believes the whole industry needs to look at its processes and procedures and refocus on safety rather than profits.

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
www.totalmotion.co.uk

TOTAL MOTION VEHICLE MANAGEMENT
Dimension House, 3 Westbridge Close,
Leicester LE3 5LW

Tel: 0116 251 1122

