ASSET ALLIANCE GROUP

Industry Monitor

2019 edition

In association with

Commercial Motor

MotorTransport

Welcome...

This is the second year that Asset Alliance Group has commissioned a survey of key decision makers in the UK road transport and commercial vehicle sector, and for the second year running I think you'll be surprised at some of the results.

In the pages that follow, we discover this year's most pressing concerns for operators, their views on the changing legislative and political climate, and their performance predictions for the year ahead.

There is also helpful context comparing the latest results with last year's research, alongside commentary and perspective from key industry bodies.

And we've given special focus to alternative fuels and included a guide to the solutions being provided by the seven major truck manufacturers – the first time I believe such information has been documented in one place.

As a business that supports the acquisition of commercial vehicles through sale and finance, the health and confidence of the sector is of the utmost importance to us. I'm confident this Industry Monitor adds real value to our sector and I'm grateful to everyone who has contributed, especially the survey respondents and the team at Commercial Motor and Motor Transport.

I hope you find this report interesting reading, and a useful tool for your business. Should you require tailored and independent advice on finance and commercial vehicles, please don't hesitate to contact our team.

Willie Paterson
CEO, Asset Alliance Group

This report is a barometer of the health and confidence of the UK road transport and commercial vehicle sector in 2019. It is a measure of the size and scope of the haulage and logistics sectors and their predictions for business performance this year. It looks at their prospects for acquiring commercial vehicles and how clean air zones and alternative fuels will affect those decisions. It also looks at the availability of labour and the effect this is having on this vitally important part of the UK economy

Contents

Pages 4-5: Fleet operation

This section looks at those surveyed as part of this report and how our sample compares with the composition of O-licence holders in the UK; what types of O-licences they hold and how many vehicles they run.

Pages 6-7: Predictions for 2019

We look at key concerns for the haulage and logistics sectors, in particular, the predicted economic growth in the sector and how this translates into turnover and profit performance among UK operators. We also hear predictions from the major trade associations.

Pages 8-9: Buying patterns

Our survey asked operators their plans for buying commercial vehicles in 2019, and what effect this will have on the size of their fleet. We look into the preferred way of acquiring HGVs and hear from three Asset Alliance Group customers about their experiences.

Pages 10-11: Clean air and low emissions

Charging zones for the most polluting HGVs are set to be rolled out across major UK cities. We look at the effect they are having on vehicle purchasing strategies and the cost to businesses. We also look at charging zones in London, Leeds and Birmingham.

Pages 12-15: Alternative fuels

Be it electric or gas, the transition to cleaner fuels and electric by all seven major manufacturers will have a profound effect on the way operators run fleets, and the way commercial vehicles are supplied. We also showcase the alternative fuel offerings from all seven major manufacturers.

Pages 16-17: Driver shortage?

The availability of skilled labour is an essential part of any successful business. Here we look at factors influencing driver recruitment and see what the composition of the driver workforce looks like this year.

Page 18: Conclusion

What does this report tell us? Is there a bright future for the road transport industry?

Page 19: Meet Asset Alliance Group

Our easy explainer to Asset Alliance Group, its business divisions and key personnel.

A numbers game

We've crunched the numbers so you don't have to, and it makes for some interesting reading on average fleet size, number of O-licences and turnover

To produce this report *Commercial Motor* and *Motor Transport* surveyed their readers: of the sample, 68% were MDs, owners or senior managers at UK road transport operators, with a further 25% comprising middle management (the remainder comprises a variety of other roles). All have degrees of influence on purchasing and company strategy.

The average fleet size of the sample was 148 vehicles, with approximately 10% of respondents operating more than 500 vehicles. Average company turnover was £99.4m per annum. Third-party logistics was the most common response for the type of business operated (at 52%) with 28% describing themselves as own-account (8% described themselves as municipal and waste or public sector, with the remaining 12% marked as 'other', such as removals).

Each business holds an O-licence for an average of 2.13 operating centres and are most likely to be found in the east of England or the West Midlands, with operating centres in the north-west and north-eastern traffic areas also common.

148
AVERAGE FLEET SIZE OF THOSE SURVEYED

TOTAL O-LICENCES, BY TYPE, IN GB AND NORTHERN IRELAND: 2016-17/2017-18

Type of licence	Restricted		Standard national		Standard international		Total licences in issue	
Year	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018
Eastern traffic area	6,543	6,494	4,578	4,575	1,854	1,949	12,975	13,018
North Eastern traffic area	5,613	5,458	4,458	4,387	1,213	1,236	11,284	11,081
North Western traffic area	5,325	5,234	3,859	3,753	1,013	1,012	10,197	9,999
South Eastern traffic area	4,973	4,916	2,868	2,794	1,178	1,169	9,019	8,879
West Midlands traffic area	4,267	4,188	3,002	2,980	821	821	8,090	7,989
Western traffic area	5,653	5,620	3,780	3,704	1,177	1,212	10,610	10,536
Scotland	2,994	2,893	2,627	2,588	520	525	6,141	6,006
Wales	2,764	2,711	1,968	1,901	410	427	5,142	5,039
TOTAL: GB	38,132	37,514	27,140	26,682	8,186	8,351	73,458	72,547
Northern Ireland	4,038	3,917	381	376	1,719	1,765	6,138	6,058
TOTAL: UK	42,170	41,431	27,521	27,058	9,905	10,116	79,596	78,605

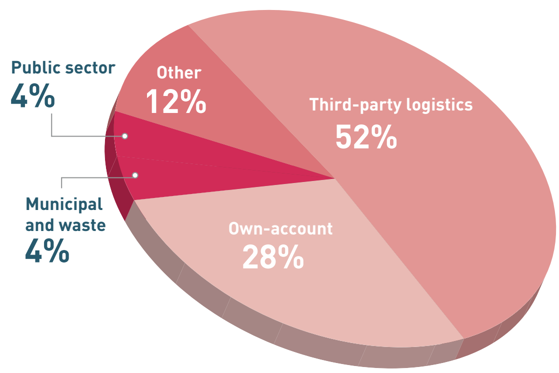
Source: Office of the Traffic Commissioners and Transport Regulation Unit.

The overall number of O-licence holders in the UK fell by 1.2% year-on-year, according to the latest information available from the Office of the Traffic Commissioners in GB and Northern Ireland's Transport Regulation Unit. While the overall number of licence holders continues to fall, the drop has primarily come from restricted and standard national licence holders. The number of standard international operators, both in GB and Northern Ireland has risen. It would be easy to suggest that this trend is a result of operators preparing for Brexit, ensuring that they have the correct licensing arrangements for international operation should the need exist, but there is no further evidence to back this claim up.

TOTAL O-LICENCES IN GB AND NORTHERN IRELAND: 2012-13 TO 2017-18

UK: GB and NI	Total number of O-licences in issue: GB	Total number of O-licences in issue: NI	Total number of O-licences in issue: UK	Year-on-year % change
2012-13	80,894	6,571	87,465	
2013-14	77,732	5,930	83,662	-4.3
2014-15	75,595	5,739	81,334	-2.8
2015-16	77,002	5,980	82,982	2
2016-17	73,458	6,138	79,596	-4
2017-18	72,547	6,058	78,605	-1.2

Source: Office of the Traffic Commissioners and Transport Regulation Unit. The long-term trend for O-licence holders is a fall in the overall number of operators in the road transport sector in the UK. The year 2015-16 stands out as an anomaly with a rise in the number of operators in the sector – in the past six years 10.3% of the sector has been lost.



How would you primarily describe your fleet and logistics operations?

TOTAL COMMERCIAL VEHICLES (3.5-TONNE GVW>) TO O-LICENCES IN GB: 2016-17 TO 2017-18

Vehicles specified	Restricted		Standard national		Standard international		Total number of specified vehicles	
Year	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018
Eastern Traffic area	16,383	**16,414**	35,474	**35,873**	17,714	**18,003**	69,571	**70,254**
North Eastern traffic area	14,441	**14,322**	30,225	**30,455**	14,171	**14,326**	58,837	**59,993**
North Western traffic area	13,466	**13,530**	26,517	**26,816**	11,464	**11,647**	51,447	**51,993**
South Eastern traffic area	14,381	**14,212**	21,257	**21,093**	9,897	**9,704**	45,535	**45,009**
West Midlands traffic area	10,166	**10,114**	19,794	**20,080**	10,006	**10,221**	39,966	**40,415**
Western traffic area	13,769	**13,750**	28,012	**28,420**	11,007	**11,162**	52,788	**53,332**
Scotland	7,055	**6,970**	20,218	**20,160**	5,368	**5,367**	32,641	**32,497**
Wales	6,040	**5,970**	10,774	**16,714**	3,007	**3,189**	19,821	**25,873**
TOTAL: GB	95,701	**95,282**	192,271	**199,575**	82,634	**83,619**	370,606	**378,476**

Source: Office of the Traffic Commissioners

Despite the continuing fall in the number of O-licence holders in the UK, the number of vehicles specified to those licences continues to rise, up 2.1% year-on-year. Standard national O-licence holders are responsible for the majority (52%) of vehicles in GB, with standard international licences accounting for 22%. Vehicles specified to restricted O-licence holders account for 26% of the market, but were the only sector to record a year-on-year fall in overall assets, albeit a fall of just 0.4%. By comparison, vehicles specified to standard national O-licence holders increased 3.9% year-on-year, while vehicles specified to standard international O-licence holders rose 1.2%. There are no corresponding statistics for vehicles specified to O-licences in Northern Ireland from the Transport Regulation Unit.

£99.4m

AVERAGE ANNUAL TURNOVER OF THOSE SURVEYED

TOTAL COMMERCIAL VEHICLES (6-TONNE GVW>) REGISTERED IN GB: 2013-2018

New commercial vehicle registrations 6-tonne GVW>		
Year	Units registered	Year-on-year % change
2013	49,430	
2014	41,469	-16.1
2015	43,898	5.9
2016	46,231	5.3
2017	45,045	-2.6
2018	43,103	-4.3

Source: SMMT. Over the past six calendar years an average of 44,863 vehicles over 6-tonne GVW were registered in the UK, however that figure is somewhat skewed by the final year of Euro-5 (2013), which saw a large number of vehicles registered under derogation. Since the introduction of Euro-6 in 2014, 219,746 HGVs over 6-tonne GVW have been registered in the UK at an average of 43,949. By that measure, 2018 was 2.4% below average for Euro-6 new vehicle registrations.

Projections for 2019

You heard it here first: industry outlook for the year; Brexit concerns and how it will affect business; clean air legislation; growth; and the driver shortage

At the time this survey was conducted it was unclear as to what kind of Brexit, if any, would occur. When you read this, the hope is that there will be some clarity for businesses as to what the future of the country holds.

However, an uncertain legislative future of the UK outside of the EU was the biggest concern for just 19% of those surveyed, while a poor economic outlook for the UK (for many a concern directly linked to leaving the EU) was the biggest concern for 14% of those surveyed.

One person surveyed said: "A poor economic environment will put pressure on customers to reduce costs. The haulage industry has a very short-term outlook in these circumstances and rates can be driven downwards. These rates then take a long time to recover as conditions improve."

Cardiff Container Link added five new DAF XF530s to its fleet, thanks to Asset Alliance, in March 2019

Another added: "I operate solely on UK to EU traffic . The handling of Brexit in general, and transport in particular, has been atrocious and the ECMT permits process is an absolute fiasco."

The single biggest concern – the lack of skilled HGV drivers – topped the list with 33% of those surveyed. "The current average age of drivers is 54, and no youngsters are being attracted into the market," said one, while another said: "Driver shortages are pushing up rates, particularly at seasonal times."

The effect of clean air legislation was the biggest concern for 13% of the sample (one of those surveyed cited the lack of "joined-up thinking" between different cities), while rising costs – either fuel or operational costs – stood for a combined 18% of the biggest concerns of the sample surveyed.

Just one person surveyed said that "all of the above" factors were their biggest concerns for 2019.

PERFORMANCE

Weighting answers to the question "How do you expect your business to perform in 2019 compared with 2018 in terms of growth?" finds a business confidence index of 0.33 – when we asked the same question in the first iteration of this report in 2018, business confidence stood at 0.62. While not a significant fall, these figures still demonstrate a low-level of confidence.

Levels of growth are anticipated to be low this year, and lower than they were in 2018.

Of those anticipating growth (47% of those surveyed), growth levels are expected to be an average of 5.11%.

CHRISTOPHER SNELLING, HEAD OF UK POLICY, FTA

"The reaction to, or preparedness for, Brexit will still be a major factor in 2019. Clearly, it will be massive for international hauliers, but for domestic less so.

"The price of fuel could go back to the top of the agenda if there is economic volatility. It depends on the position of the pound, and how it relates to the price of oil, which is in dollars.

"If there is a period of continued uncertainty then there will be questions around the economic health of the UK. And austerity has still not gone away. For our members dealing with local authorities that is still a challenge.

"Skills remain high on the agenda. The HGV driver shortage will continue irrespective of the way Brexit goes and we still expect it to continue. It will be a big point for us for lobbying throughout the year.

"The government has finally admitted there is a problem regarding driver facilities. We need to deliver secure parking spaces for drivers. We admit that we are not going to make it perfect, but we need to see that the government is delivering something.

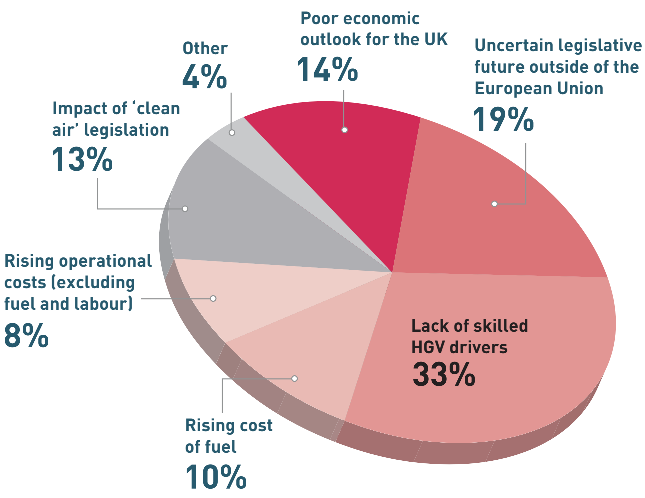
"We are hopeful there will not be a problem this year with tax and we are not expecting a fuel duty increase with this parliament.

"The big thing we are working on this year is the clean air zone agenda. Urban access is a growing issue, the second phase of clean air zones will begin to dictate what they are doing and London's Ultra Low Emission Zone has already come into effect. Also on the agenda are zero-emission streets, which are already in place in Hackney. There are discussions for these in Oxford and the City of London. These are only going to grow so we need to get it right.

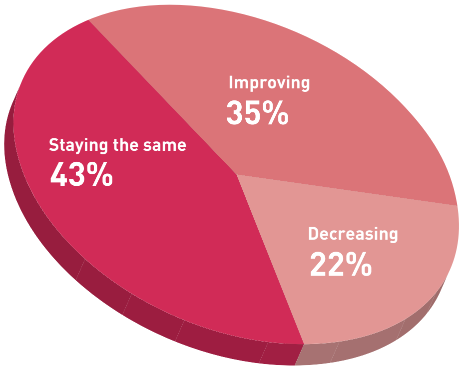
"Finally, we need a commitment from government on infrastructure spending. Our members want to see an investment but they also don't want to be disrupted in the short-term by continued delays and roadworks."

47%

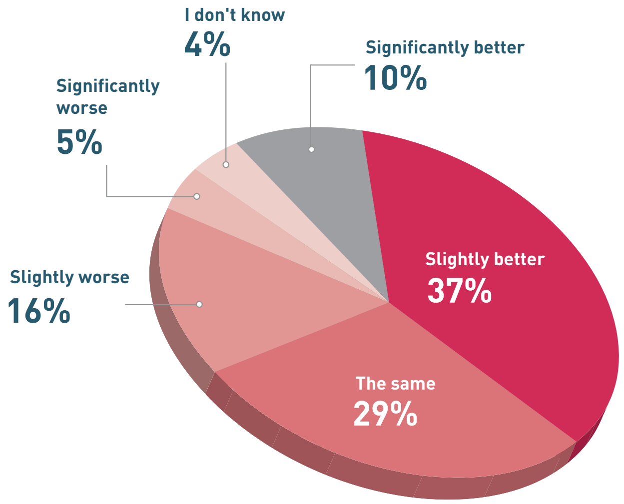
OF ROAD TRANSPORT OPERATORS ANTICIPATE BUSINESS GROWTH IN 2019



What is your biggest concern for the road transport and logistics sector in 2019?



How would you describe the projected profit-performance of your business in 2019?



How do you expect your business to perform in 2019, compared with 2018, in terms of growth?

This compares with anticipated growth levels of 6.59% in 2018, again showing a slightly diminished confidence even among those expecting to grow.

SAME STORY

Of those expecting their business to experience a downturn in performance in 2019 (accounting for 20% of those surveyed), the respondents expected a downturn at an average of 5.83%, compared with 4.83% in last year's Asset Alliance Group Industry Monitor.

It is worth noting that 29% anticipated business being exactly the same in 2019.

Profit has been a perennial struggle in the road transport industry. Average profit, according to the Motor Transport Top 100 ranking of the largest road transport operators in the UK by turnover, was 2.35% in 2018. Average profit of the Top 100 fell 17.7% year-on-year.

Of those surveyed for this report, 35% anticipated an improving profit performance in 2019, with 22% seeing it decrease. The majority (43%) believed their profit would remain the same.

20%

OF ROAD TRANSPORT OPERATORS ANTICIPATE A DOWNTURN IN THEIR BUSINESS IN 2019

RICHARD BURNETT, CHIEF EXECUTIVE, RHA

"The big issue is still driver shortage. This industry has paid £140m into the Apprenticeship Levy but it has only drawn down £10m. It doesn't work for our industry. We have a shortage that is increasing and is being exacerbated by Brexit because EU labour is essentially going home. We also have low levels of unemployment, so we need to find ways to make this industry more attractive. 85% of this market are SMEs. If you are a small SME business you are effectively only making 1% or 2% margin. That could be just £60 per truck, per week, which is £3,000 a year. Companies do not have the money to bring people on board and train them.

"We are talking to government, saying it has got to recognise, with the low levels of unemployment in the UK, that it needs to pay for the first 12 weeks training while people become productive and get their licences. One size does not fit all and the £140m paid into the levy is disappearing into the Treasury coffers. That is a travesty.

"There are lots of issues, rates are very tight as the industry has been screwed down by retailers and manufacturers. There needs to be an acceptance with the driver shortage that if we want to keep and retain drivers then pay rates need to go up. That is an element that needs to be considered, as well as conditions for drivers when sleeping in cabs overnight.

"Clean air is also a big issue facing hauliers. But also the devolution within that. An organisation like ours is used to dealing with Westminster, Stormont, Holyrood and the Welsh Assembly, but we now have to deal with local authorities because that power base is moving. And when you have so many differences in terms of how local authorities want to apply directives from government to address clean air it creates a challenge for members. Equally, when you're only making a profit of £60 a truck a week, how can a haulier pass those costs on?"

To buy or not to buy?

What will it be then? Invest, replace or add trucks to fleets. And how best to pay for such an investment when legislation demands Euro-6 trucks for city work

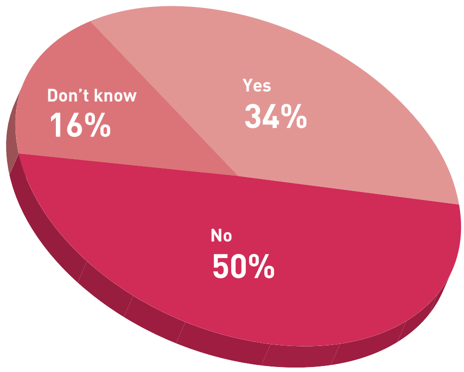
Adding to, and replenishing, commercial vehicle fleet assets is the crux of business for multiple suppliers and service providers across the UK. However the long term-trend, exacerbated by the recession in 2009/10, had been to run trucks for longer before they entered the used market. Since then, trends have changed. Following the introduction of Euro-6 in 2014 there are more than 200,000 Euro-6 HGVs in the UK. Operators, after a cautious start, have spent heavily on such technology in recent years – and clean air legislation has only compounded this trend for many. This has put pressure on Euro-5 prices, putting some operators in a catch-22 situation. They'll relinquish fleet assets at a lower residual value, and have no option but to do so as

CASE STUDY: JOHN MCNALLY HAULAGE

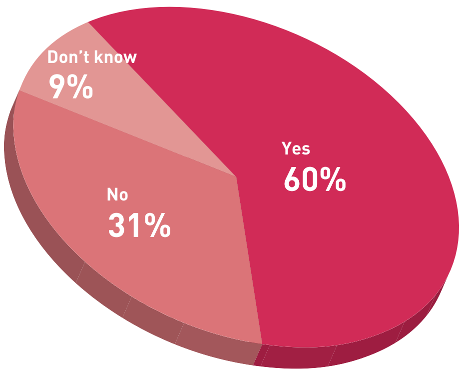
North Lanarkshire-based family haulier John McNally Haulage worked with Asset Alliance Group in 2018 to upgrade the majority of its owned vehicles to Euro-6 Mercedes-Benz Actros 510 6x2 GigaSpace tractor units. It took the vehicles on a three-year full service contract hire agreement while Asset Alliance bought six of its used units. The operator now benefits from full repair and maintenance support, which includes all safety inspections, maintenance, servicing and repairs required in one monthly payment.

Owner John McNally said: "Updating our fleet with Asset Alliance Group was quick and simple and really refreshing. It sourced and supplied the new trucks we wanted without any fuss and gave us a competitive price for our used vehicles. It's been a seamless transition and saved us a lot of time and money."

The new tractor units will be used on John McNally Haulage's main contract with P&O Ferrymasters, transporting general haulage through the ports of Hull, Immingham, Liverpool and Teesport, and for distributing goods nationwide.



Are you planning to add trucks to your fleet in 2019?



Are you planning to replace trucks in your fleet in 2019?

CASE STUDY: DREAMS

UK bed specialist Dreams updated its fleet with a £2.5m order with Asset Alliance in 2018. The deal included 25 curtainsiders, 25 box vans and three double-deck trailers – all manufactured by Montracon and taking Dreams' total fleet to 137 assets.

Asset Alliance Group had been working with Dreams for more than a year before the order was placed, providing tractor units and trailers on a contract hire basis.

Dreams fleet controller Nick Lawrence said: "Buying new trailers is a large financial investment for Dreams, but I knew Asset Alliance Group would make the process easy. Over the past 12 months we have seen how dedicated the team is at finding the most cost-effective option for our business on a contract hire basis. We were confident its expertise in the market would also get us the best purchase package and we're very pleased with the result."

The Dreams fleet comprises 103 trailers and 34 trucks.

the law requires Euro-6-compliant trucks to enter some cities, which operators need to service clients and contracts (see pages 10 and 11).

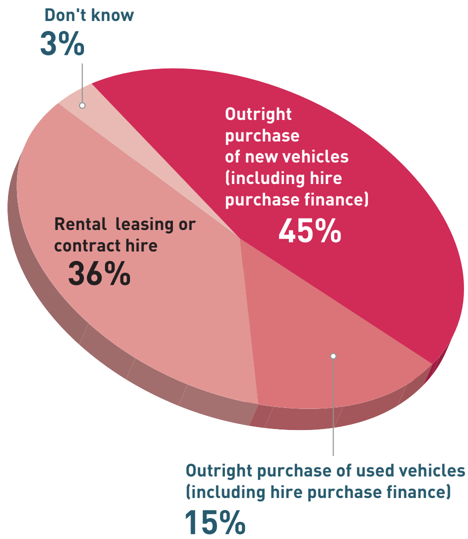
Furthermore, additions to HGV fleets are usually made during times of economic growth. Yes there are exceptions – such as winning a contract from a rival – but an overall growth in the number of trucks on UK roads needs the economy to grow. As detailed on pages 6 and 7, there is little expectation among operators for this to happen in 2019.

Yet, of those surveyed, just over a third (34%) are looking to make additions to their fleets in 2019, and 60% said they plan to replace trucks on the fleet as well. However, 31% of respondents have no intention of replacing trucks in their fleets, while 50% have no intention of adding fleet assets.

For those looking to replace vehicles in their fleet, the most popular response was replacing just one to five vehicles (44.6% of all respondents). Far more lucrative for suppliers would be targeting the 8% who are looking to replace 51 to 100 vehicles (8%) or 101 plus (4.3%). Furthermore, more than 37% of respondents are looking to replace anywhere between six and 50 vehicles. The average number of vehicles to be replenished is 22.

Adding between one and five vehicles to existing fleet assets in 2019 was the most popular option, accounting for 63% of those surveyed, followed by 24% looking to add anywhere between six and 30 vehicles to current fleet assets. Just 1% of respondents said they would add 101 or more vehicles to existing fleet assets – giving an average of 10.19 vehicles looking to be added to fleets.

Of those looking to buy, the most popular option is the outright purchase of new vehicles – including hire purchase (45%), followed by rental, leasing or contract hire (36%) and the outright purchase of used vehicles – including hire purchase (15%).



What will be your primary way of adding or replacing vehicles in your fleet in 2019?

CASE STUDY: BULLET EXPRESS

Bullet Express took delivery of 12 DAF XF 530 6x2 Super Space tractor units and 11 Montracon tri-axle curtainsiders on a three-year, full-service contract hire agreement from Asset Alliance Group in 2018. The trucks run out of its site in Prestwick airport, south-west Glasgow. Eight of the trucks deliver wing parts for planes from the airport to sites in Bristol, Chester and Nottingham.

Bullet Express MD David McCutcheon said: "Asset Alliance Group was the clear standout of all the suppliers we approached. It offered us the most comprehensive and cost-effective solution and was honest and straightforward throughout, delivering everything on time and as promised.

"Its approach to business – open, flexible and efficient – is a perfect match for our own, and it understands the importance of maximising fleet uptime throughout the contract. The customer service has been continually excellent, and we look forward to replacing more of our fleet with them in the future."

Asset Alliance's comprehensive full-service contract hire offering includes all safety inspections, maintenance, servicing and repairs, plus tyre cover and full roadside assistance.

Communication is key

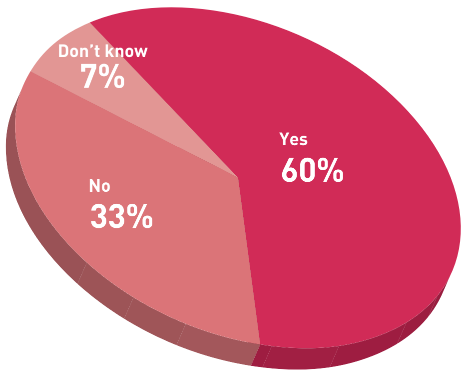
Clean air and low-emission zones are being introduced throughout the UK, affecting operators' buying patterns

In February 2019 the Greater Manchester Authority joined cities such as London, Birmingham and Leeds with its plans to create a clean air zone across the entirety of Greater Manchester (incorporating not just Manchester city centre but Salford, Trafford, Stockport, Thameside, Oldham, Rochdale, Bury, Bolton and Wigan). This means that Euro-6 trucks would escape the £100 per day fine for non-compliance in the zone, but anything else would be liable to pay from 2021.

The survey found that clean air zones are having a major effect on business operations at road transport haulage and logistics businesses.

Some 34% of operators surveyed said they were having to buy vehicles to comply – while 31% were already compliant across existing fleet assets. Just 28% said that such clean air zones did not affect their operations.

Six in 10 of those surveyed said that having to purchase compliant vehicles was having a detrimental effect on the cost of them doing business in 2019, so much so that a remarkable 60% of operators said they would consider moving on from a client if a clean air or low emission zone meant that doing business with them was no longer cost-effective. Just 23% said they would not move on from a client given the effect of



Is the purchase of compliant vehicles having a detrimental effect on the cost of you doing business in 2019?

CASE STUDY: LEEDS

Leeds' Clean Air Zone, which covers more than half of the city, will go live on 6 January 2020. This means that while Euro-6 (be it diesel, LNG or CNG), battery and hydrogen-powered HGVs are exempt, any HGV outside of this criteria will have to pay a £50 daily charge to enter the city.

Operators that are based in, or that primarily operate within, the zone will be able to apply for government grants of up to £16,000 per affected vehicle via Leeds City Council. This support will be distributed via a competitive process and will be capped at a maximum of 10 vehicles per operator.

Operators that have ordered a compliant vehicle(s) or retrofit solution(s) by 31 July 2019 will be eligible to apply for temporary exemptions. Operators will then be protected from having to pay charges if they do not receive the compliant vehicle by the time the zone goes live. The exemption period will apply until the order has been delivered or until after 31 December 2020, whichever is soonest. Non-compliant HGVs driving in the zone because of, for example, a road diversion, that would otherwise not have entered the zone, will also be exempt.

CASE STUDY: LONDON

As of 8 April 2019 Euro-6 HGVs are exempt from the £100 daily charge (and £1,000 penalty charge for failure to pay the daily charge) to enter the Ultra Low Emission Zone in central London. Any operator running an HGV below Euro-6 will have to pay the charge, plus a £10 administration fee.

The charge runs from midnight to midnight so if an operator runs vehicles within the zone across two days, for example before midnight and after midnight, it will be liable to pay two daily charges if the vehicle is not compliant.

The Ultra Low Emission Zone charge is in addition to the weekday Congestion Charge – both of which cover the same area.

From 25 October 2021 the Ultra Low Emission Zone area will be expanded to the inner London area bounded by the North and South Circular roads. However, HGVs will need to be Euro-6-compliant to enter Greater London from 26 October 2020 or face fines of up to £300 for the oldest models. HGVs meeting Euro-4 or Euro-5 standards will pay a £100 daily fee to enter the capital, while Euro-3 and older will pay £300.

This means that the Ultra Low Emission Zone expansion will not affect HGVs, which will already be covered by extended Low Emission Zone regulations, but it will require cars and vans to be Euro-4 petrol or Euro-6 diesel or pay a £12.50 daily charge.

The new Ultra Low Emission Zone will cover an area 18 times larger than the existing central London zone. Emissions regulations will be in place 24 hours a day, seven days a week, 365 days a year.

localised clean air legislation.

London, and its Ultra Low Emission Zone, was the most commonly recognised clean air zone that would have an effect on fleet operations, closely followed by Birmingham and Leeds. Cities such as Glasgow also had mentions, while the survey was conducted before Greater Manchester announced its plans.

Some 59% of respondents said that local authorities had not been effective in communicating clean air or low emission zone plans with the road transport industry, with only 19% saying that they had.

There are a further 33 local authorities looking at introducing some form of clean air legislation, but smaller cities such as Nottingham, Derby and Southampton have ruled out charging zones, in the short-term at least.

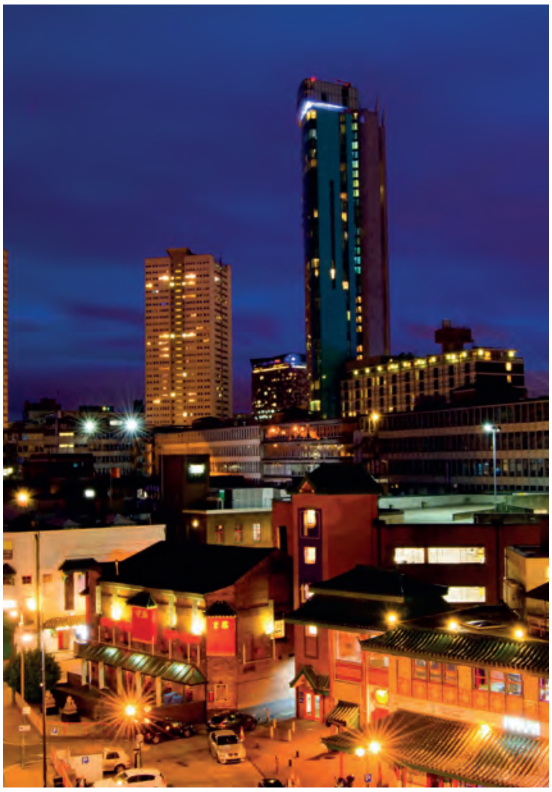
With over half of those surveyed for this report indicating an intention to walk away from customers located in such zones, because clean air legislation would make it cost-prohibitive for them to provide a service, the findings of this survey show it is imperative that other cities improve communications with all affected businesses.

59%

SAID AUTHORITIES HAD NOT BEEN EFFECTIVE AT COMMUNICATING THEIR PLANS FOR CLEAN AIR OR LOW EMISSION ZONES

CASE STUDY: BIRMINGHAM

Birmingham plans to introduce a Clean Air Zone covering all roads within the A4540 Middleway Ring Road (but not the Middleway itself) from 1 January 2020. It will operate 24 hours a day, 365 days a year. Charges will be applied daily. A non-compliant vehicle will have to pay £50 a day for unlimited movements in the zone. Compliant vehicles include Euro-6 diesel, electric, hydrogen and CNG, which meet Euro-6 standards.



57%

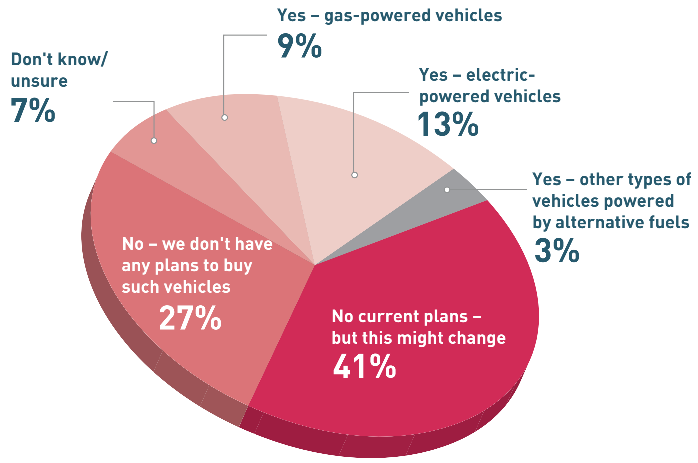
WOULD CONSIDER MOVING ON FROM A CLIENT IF A CLEAN AIR OR LOW EMISSION ZONE MEANT THAT DOING BUSINESS WITH THEM WAS NO LONGER COST-EFFECTIVE

Alternative thinking

They're all at it: manufacturers are producing alternatively fuelled engines. But are operators ready to move away from diesel?

Anyone who attended the IAA show in Hannover, Germany – Europe's largest commercial vehicle exhibition – last year would be forgiven for thinking that the diesel engine had ceased to exist, so much was the focus on alternative fuels.

For the majority of operators, diesel remains the most cost-effective and operationally efficient fuel. But it doesn't mean there isn't a growing interest in alternative options, with all seven major manufacturers offering a mixture of options (see boxes, p13-15).



Manufacturers are promoting vehicles powered by alternative fuels, such as gas and electricity. Do you plan to buy such vehicles over the next three years?

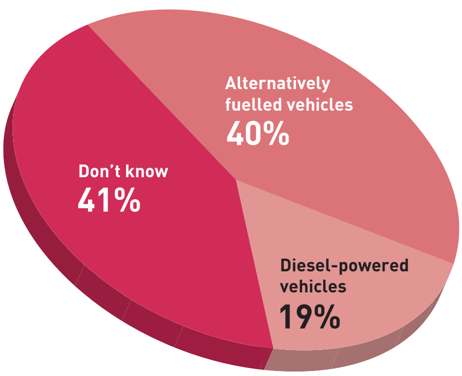
MARKET PENETRATION

In total, 27% of those surveyed plan to buy such vehicles in the next three years. If this materialises it is a remarkably quick level of market penetration for diesel alternatives. The most popular option is electric (13%), followed by gas (9%). And while other types accounted for 3%, it showed some confusion in the market, with survey participants choosing options including various types of gas. One respondent said: "We are in the early stages of trialling a gas-powered truck. Initial figures show a 30% reduction in fuel use but it is too early to say how other factors are performing."

Other respondents cited the lack of a refuelling network throughout the UK – both for gas and electric – as a reason for holding back.

Just over 41% of operators said they had no plans to buy alternatively fuelled vehicles in the next three years, but with the caveat that "this might change". Only 27% of those surveyed said they did not have any

> **23%**
> OF OPERATORS SAID THAT THE UNKNOWN RESIDUAL VALUE OF AN ALTERNATIVELY FUELLED VEHICLE HAS DISCOURAGED THEM FROM MAKING A PURCHASE



Which of the following comes with a higher running cost?

plans at all to buy such vehicles over the next three years.

With such new technology yet to be established in the industry, there are concerns over the residual values of alternatively fuelled vehicle assets. Buying such a vehicle is a risk as to its lifecycle and value in the second-hand market. But almost six in 10 operators said this would not affect their purchasing decision (with only 23% saying it would), showing that the appetite is there to explore market options.

"At the minute there are no established parameters to work with, residual values on alternative-fuelled vehicles may be poor because second-life users will have no guide as to repair costs etc. We would be more inclined to stick to diesel vehicles for the foreseeable future," said one respondent.

Running costs need to be addressed though. Four in 10 of those surveyed believed that alternatively fuelled vehicles come with higher running costs than diesel, while a further four in 10 said they did not know the comparison costs.

MERCEDES-BENZ

Electric

Mercedes-Benz has the FUSO Canter Eco Hybrid 7.5-tonner available in the UK: the first series-production hybrid light-duty truck in Europe. Generating energy as it brakes, Mercedes claims the hybrid system reduces fuel consumption by up to 23% compared with a standard diesel engine.

Additionally, several FUSO customers have the first series fully-electric 7.5-tonne truck – the eCanter, which has a range of 62 miles and a 4-tonne payload. These are operating in and around London for Hovis, DPD and Wincanton.

In Europe, Mercedes-Benz has the 2- and 3-axle rigid eActros, which is undergoing customer trials.

Coming soon: More eCanters. Mercedes is also working on an all-electric version of the Econic and in January 2019 it announced it would put a 4x2 tractor version of the eActros into operation in spring 2020, to be tested with German operator Logistik Schmitt.

Gas

Mercedes has offered the Econic NGT (natural gas technology) since 2014. It is available as a 4x2, 6x2/4, 6x4 and uses a 6-cylinder, charged M936 G in-line engine with an output of 222kW, and 1200Nm torque. It has a standard-fit torque converter automatic Allison transmission and has a range of up to 400km.

Coming soon: the New Actros NGT will be available as a 2- or 3-axle rigid, making it an attractive alternative for heavy-duty distribution haulage with daily routes of up to 250km. Its highly stable tanks made of steel and composite material carry four x 145 litres of gas, which can be supplemented by a further four x 100 litres of gas as an option. It uses the same M936 G engine as the Econic NGT, and runs on compressed natural gas.

Financial support

For electric vehicles, the government offers the workplace charging scheme and the eCanter is also eligible for the plug-in van grant.

SCANIA

What alternative fuels are available across the Scania range?

Scania offers the widest choice of alternatively fuelled vehicles on the market – incorporating biodiesel (both FAME B100 – a diesel fuel consisting of 100% fatty acid methyl esters – and hydrotreated vegetable oil, HVO); gas (LNG and CNG); ethanol and hybrid, while electric vehicles are under development.

FAME B100 is available on 320hp, 360hp, 410hp, 450hp, 580hp engines, while HVO can be used across the diesel engine range (220hp to 730hp). LNG and CNG can be used on 280hp, 340hp, 410hp variants, while ethanol is available on 410hp. Hybrid engines run at 130kW on 280hp to 360hp output.

Which make(s) and model(s) are alternative fuels available on?

Gas: 9-litre engines (280hp and 340hp) available on L-, P- and G-series, 13-litre gas (410hp) available on G- and R-series. L-series models take 9-litre engines only (280hp, 320hp and 360hp) only, while V8 engines (520hp, 580hp, 650hp and 730hp) only on R- and S-series models. Other options are available across the Scania PGRS model range.

Why is this the best option for customers?

Scania's philosophy is to support its customers by providing the widest possible choice. When the operator has specified which option it would like to pursue, Scania's in-house specialists work with it to determine the optimum specification for its needs, the objective being to always deliver the best possible total operating economy for whichever fuel is chosen. Range and infrastructure need to be considered in the given application, as different solutions offer different benefits and limitations, so it is important to understand the demands and operations.

What support is available for customers new to alternative fuels (from financial to operational)?

Scania provides a full consultation service for all customers, which includes specification recommendations based on local knowledge and data captured from similar transport operations worldwide. Scania stands by its customers from initial enquiry, through to delivery and beyond. Particularly important is driver coaching to ensure the best performance is gained and maintained over the long term; Scania offers a comprehensive ongoing coaching service. Scania Financial Services provides a bespoke vehicle acquisition service and a broad portfolio of aftercare support services spanning vehicles, trailers and ancillary equipment.

Will there be any alternatively fuelled vehicles launched this year?

Scania's most recent alternatively fuelled vehicle announcements – for the hybrid and plug-in hybrid – were made at the IAA Hannover show in September 2018. The hybrids are powered by Scania's DC09, an inline 5-cylinder engine that can run on HVO or diesel, working in parallel with an electric machine generating 130kW of power and 1,050Nm. The lithium-ion rechargeable battery's energy window is set to 7.4kWh to secure a long battery life.

VOLVO

What alternative fuels are available across the Volvo range? Volvo's primary alternative fuel offering in the UK is the FH and FM, powered by liquefied natural gas (LNG).

Which make(s) and model(s) are alternative fuels available on?

Volvo FH and Volvo FM 4x2 and 6x2 with D13420 and D13460 engines in both tractor and rigid configurations.

Why is this the best option for customers?

Volvo claims high performance, low emission, reduced fuel cost and reduced environmental impact.

What support is available for customers new to alternative fuels (from financial to operational)?

There is a dedicated UK support team comprising LNG business manager; technical support; product quality engineer; and aftermarket parts support manager. There is also its LNG specialist dealer network and fuel partners network – and it offers all operators driver training.

Will there be any alternatively fuelled vehicles launched this year?

A fully electric FL and electric FE will be available to order towards the end of 2019.

MAN

What alternative fuels are available across the MAN range?

Electric, and first and second generation biodiesels can also be used in some vehicles.

Which make(s) and model(s) are alternative fuels available on?

MAN Germany is running a series of in-service trials with customers and full-electric vehicles. It has a number of MAN eTGE vans (electric) that are on trial and a customer can order a left-hand-drive vehicle. It is also working with nine customers in Austria with eTGM 26-tonne rigid (6x2) electric vehicles. In December 2018 MAN delivered an eTGM (electric) 4x2 tractor to Porsche for the parts delivery of its Mission e-sports car. The MAN CitE, the new all-electric, low-entry vehicle from MAN, was unveiled at Hannover 2018.

Why is this the best option for customers?

In the UK, MAN's focus surrounds diesel engines at Euro-6D for long-haul operation. However, MAN UK is in discussion with MAN Germany and is following the electric vehicle trial with interest. It is talking with customers and promoting its future electric vehicle technology. All new dealership developments will have specialist alternative fuel service bays and trained technicians. And a number of its franchised dealers are investing in new premises, built to service alternative fuelled vehicles.

What support is available for customers new to alternative fuels (from financial to operational)?

MAN in the UK works with MAN Financial Services to tailor make a number of finance packages suited to alternative fuelled vehicles, their operation and customer needs.

Will there be any alternatively fuelled vehicles launched this year?

Our Euro 6D engines will run on 100% hydrotreated vegetable oil, which is a second generation biofuel (to EN15940) without the need for extra warranty or increased service intervals.

DAF

What alternative fuels are available across the DAF range?

Phil Moon, marketing manager, DAF Trucks UK

To better answer the perceived demand for alternative fuels the question should be phrased in terms of the overall objectives that are being sought by switching from diesel. These objectives are usually categorised in terms of air quality (lower NO_x and PM), global warming (lower CO_2 and CH_4), improved social acceptance (lower noise for instance) and energy security.

Thus, when considering alternative fuels it is important to consider how each will perform against these objectives compared with regular fuels. And in many areas, today's Euro-6-compliant diesel-powered vehicles take some beating. Diesel-fuelled vehicles can produce lower NO_x and particulate levels than, for instance, many natural gas alternatives. They can offer lower noise levels, and, against fossil natural gas, can be more fuel and carbon efficient.

For operators looking to improve air quality DAF Trucks promotes the use of the latest Euro-6-compliant models, as for many fleets simply upgrading from previous Euro levels will provide the most positive benefit to the environment.

To go a step further with reducing NO_x and particulates, drop-in fuels like gas-to-liquid (GTL) and hydro-treated vegetable oils (HVO) burn cleaner than diesel and, importantly, can be used in existing fleets. HVO also offers a dramatic well-to-wheel reduction in CO_2 emissions compared with diesel because it is made from waste and renewable feed stocks.

Which make(s) and model(s) are alternative fuels available on?

PM: The entire DAF range can operate on drop-in fuels, including HVO and GTL. This also includes pre-Euro-6 models. The switch to these drop-in fuels is seamless and can be completed without changes to vehicle maintenance or warranty conditions.

Why is this the best option for customers?

PM: HVO undoubtedly offers the best alternative to diesel. It offers improved air quality benefits and emits up to 90% less well-to-wheel CO_2 to atmosphere, and it requires no changes to vehicles or refuelling infrastructure. And operators can switch back to diesel at any time.

What support is available for customers new to alternative fuels (from financial to operational)?

PM: DAF Trucks can advise on the practicalities of operating on GTL and HVO, introducing interested operators to fuel suppliers and existing users with experience of drop-in fuels. But the main support for customers is the reassurance that in moving from diesel to HVO they are not risking any of the downsides in terms of vehicle performance, reliability, chassis packaging, weight or vehicle range that other alternative fuels can bring.

Will there be any alternatively fuelled vehicles launched this year?

PM: DAF Trucks is entering the field trial phase of battery electric and electric and diesel/electric hybrid vehicles. This is an important part of the development process before entering into production to meet the need for zero-emission vehicles, which are predicted to start in European cities around the middle of the next decade.

RENAULT TRUCKS

What alternative fuels are available across the Renault range?

Andrew Scott, head of product management, Renault Trucks

We work closely with individual operators to determine the best fuel source for each vehicle and fleet, whether that be low-carbon diesel, natural gas, electric or another fuel.

Which make(s) and model(s) are alternative fuels available on?

AS: All Renault medium- and heavy-duty trucks can be fuelled by hydrotreated vegetable oil (HVO), as a drop-in alternative to conventional diesel. All diesel engines can also use GTL where this offers performance or fuel-efficiency benefits. Biodiesel in 100% and 30% mixes can be specified for Range D distribution models and compressed natural gas (CNG) is also available on Range D for refuse and wider distribution applications. Renault Trucks Master is available as a 100% electric model, the Master ZE.

What is this the best option for customers?

AS: The most immediate opportunity comes from HVO, which can be used on all Renault Trucks' medium- and heavy-duty diesel engines at 5-litre, 8-litre, 11-litre and 13-litre capacity. A number of leading operators are investigating or undertaking HVO fuel trials with their Renault Trucks fleets. Biodiesel and CNG options can be attractive in specific applications, and electric is a compelling option where local environmental conditions require zero tailpipe emissions. Renault Trucks expects the demand for fully electric vehicles to increase significantly as environmental demands increase and electric vehicles such as the ZE range become more widely available.

What support is available for customers new to alternative fuels (from financial to operational)?

AS: Renault Trucks' UK engineering team's purpose is to help operators tailor vehicles to specific needs, including ensuring that the optimum fuel type is specified. We have also involved French engineering specialists to analyse the operations being considered for our first medium-duty fully electric vehicles. We work closely with industry bodies such as the Low Carbon Vehicle Partnership and government departments to increase awareness and understanding of the challenges in increasing the uptake of alternative fuels. We hope the government will consider greater support than the £20,000 grant available for fully-electric medium-duty trucks.

Will there be any alternatively fuelled vehicles launched this year?

AS: Renault Trucks is one of the pioneers of mainstream electric vehicle technology and has worked with development partners over the past 10 years on a number of vehicle and technology solutions, including hybrid, range extender and hydrogen fuel cell drivelines. We have now introduced the fully electric Renault Master ZE to the UK market. 100% electric Range D and Range D Wide models, operating at 16-tonne and 26-tonne, will join the Renault Trucks ZE range in Q3 2019 and we are in talks regarding the introduction of the first of these to the UK as soon as possible after this.

IVECO

What alternative fuels are available across the IVECO range?

A choice of electric and gas (CNG and LNG) options in its light commercial vehicle range and gas across its truck product line.

Which make(s) and model(s) are alternative fuels available on?

- Daily Electric (3.5 tonne to 5.6 tonne, with a choice of one to three batteries and a range of 50km to 150km. Van, chassis cab or minibus configuration).
- Daily NP (CNG: 3.5 tonne to 7.2 tonne, available as van, chassis cab or minibus and also uniquely featuring the 8-speed Hi-Matic automatic gearbox).
- Eurocargo NP (CNG: 11 tonne to 16 tonne).
- Stralis NP rigids (CNG only: 19-tonne 4x2 and 26-tonne 6x2).
- Stralis NP tractor unit (CNG/LNG: 40-tonne 4x2, or LNG only: 44-tonne 6x2).

Why is this the best option for customers?

The launch of the Stralis NP 6x2, according to IVECO, has introduced hauliers to the UK's only single-fuel gas-powered tractor unit suitable for 44-tonne operation, delivering what it described as a true competitive advantage for fleets on both regional and long-distance work. With the Stralis NP 6x2 there is no requirement for diesel, SCR/EGR, or DPF, saving operators weight, complexity and money.

What support is available for customers new to alternative fuels (from financial to operational)?

The IVECO dealer network is trained to work on both electric and natural power vehicles, and IVECO offers an extensive range of gas – or as IVECO refers to it, natural power – demonstrators for customer appraisal. It is resourced, trained and tooled to look after any of its gas products in exactly the same way it would a diesel product. It also has the necessary parts on the shelves across the dealer network.

Will there be any alternatively fuelled vehicles launched this year?

The Stralis NP 460 6x2 was launched in the second half of 2018 and is making its way on to UK roads.

Pay, train, gain...

With the driver shortage being operators' main concern and new entrants complaining of poor conditions, is it time to embrace autonomous trucks?

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As the top concern for senior management at road transport operators (see page 6), the shortage of skilled HGV drivers continues to put pressure on the industry.

The exact size of the shortage is up for debate, the FTA estimates it stands at 52,000, while the RHA claims a shortage of between 45,000 and 50,000.

While putting a general strain across the industry to deliver on time and on cost for customers, marketing promotions such as Black Friday have exacerbated the shortage and driven up pay rates during the Christmas peak. Trade union Unite said ahead of the 2018 peak that this meant companies were having to sign up drivers earlier than they would have traditionally done, and place them on short-term guaranteed contracts to secure enough labour to cover demand.

That's good news for drivers looking for guaranteed work, but not so good for operators looking to control costs.

CHRISTMAS RISK

This led to headlines in the national media such as "Lorry driver shortage could put Christmas at risk" and "Shelves could be empty this Christmas if 50,000 truckers aren't found" – hardly the kind of attention the sector wants from either the general public or from clients.

While the number of people applying for, and passing cat C, C1, C+ E and C1+E tests has risen in recent years (see box), it has not made up for the very low numbers who did so at the start of the decade.

The UK needs another 45,000 HGV drivers, according to the RHA

The situation has been further compounded by the absence of cat C+E licence training in the Large Goods Vehicle driver apprenticeship. The 12-month apprenticeship, which was launched in 2016, only includes

20%

TURN AWAY BUSINESS BECAUSE THEY DON'T HAVE ENOUGH DRIVERS the cat C licence, which is limited to rigids, leading to the FTA describing it as "not fit for purpose" because it fails to address most hauliers' needs and fails to tackle the HGV driver shortage.

Both trade associations (see page 7) have been lobbying the Institute for Apprenticeships and Technical Education (IFATE), the body that approves apprenticeships, to allow the apprenticeship to cover the cat C+E licence.

The Apprenticeship Levy is payroll funded, so if an employer has an annual pay bill of more than £3m, it must pay into the levy. Employers then use funds in that account with HMRC to pay for apprenticeship training and assessment for apprentices that work at least 50% of the time in England (Scotland, Wales and Northern Ireland have devolved powers over apprenticeships), and only up to the funding band maximum for that apprenticeship.

27% OF OPERATORS BELIEVE AUTONOMOUS TRUCKS HAVE A FUTURE IN THE UK

If operators need apprentices trained to drive an artic to get employees on the workforce, but the current framework for standardised apprenticeships only covers a rigid licence, it is no wonder trade associations say it isn't fit for purpose.

Of those surveyed for this report, a number of comments were made regarding the poor level of training available for those looking to start a career as an HGV driver, with one saying "there was no government effort to bring in young drivers". Others said the industry had to shoulder the blame, with poor working conditions, pay levels and career opportunities deterring entrants.

LOW WAGES

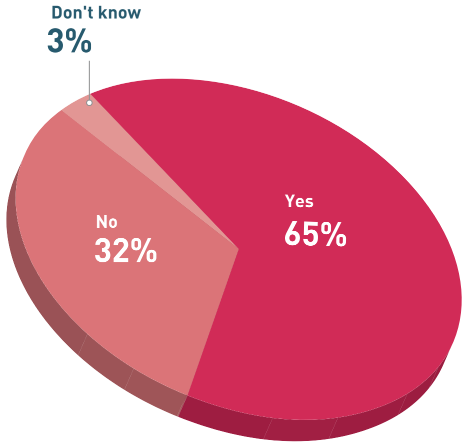
Almost two-thirds of those surveyed for this report (65%) said they were struggling to find skilled drivers, with just 32% saying that they were not. Of just as much concern is the effect this is having on business performance at road hauliers and logistics operators: one in five of those surveyed (20%) said they had turned away customers because they could not source enough drivers.

Less than a third (32%) of respondents said that "low wages compared with other similar jobs" was the number one reason why there were not enough skilled HGV drivers in the UK, second was "current drivers' hours legislation makes work unappealing" (21%) and the "prohibitive cost of Driver CPC training" (12%).

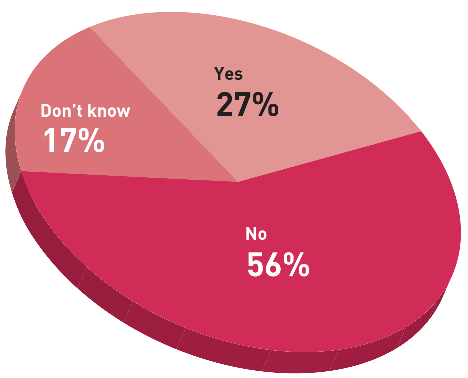
One long-term option could be technology that allows a truck to drive itself. Autonomous (often referred to as driverless) trucks are being trialled worldwide. Total autonomy is a long way off, but the UK's first on-road HGV platooning trial is set to start in spring this year with a convoy of three wirelessly connected DAFs driven by the manufacturer's engineers. The project is part of an £8.5m government-funded trial that will see the platoon incorporated into DHL Supply Chain's day-to-day delivery operations.

While a majority (56%) of those surveyed said that autonomous trucks did not have a future in the UK road transport industry, 27% said that they did, with the remaining 17% saying they did not know.

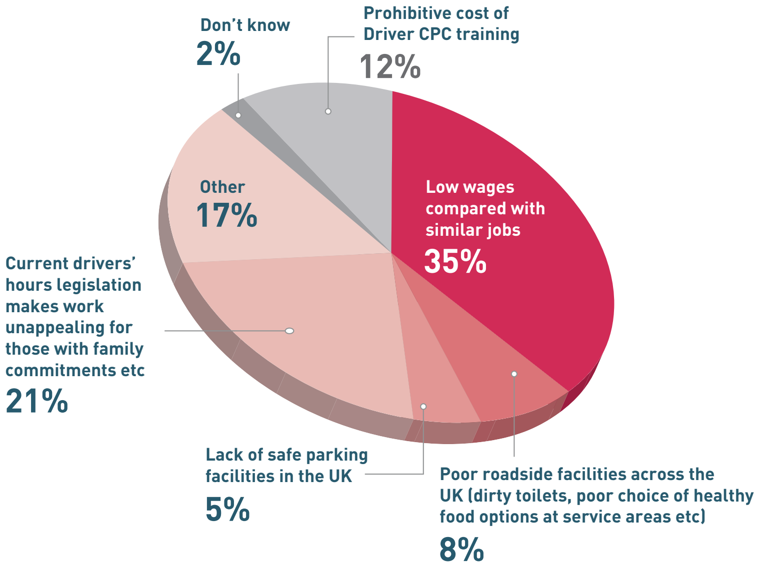
Given the problems the driver shortage is causing for some, perhaps autonomous trucks could provide welcome relief.



As a business are you struggling to find skilled drivers?"



Do autonomous (often referred to as driverless) trucks have a future in the UK road transport and logistics sector?



What do you believe is the number one reason there are not enough skilled HGV drivers in the UK?

It's uncertain times for the road transport and logistics sector as localised clean air zones, driver shortage and, predominantly, Brexit take their toll

Good, but could do better

CONCLUSION

This report sought to perform a health check on the road transport industry in the UK. While the fundamentals are good, and there are no warning signs of impending doom, there are some areas where the industry needs to take better care of itself. Operators are predicting a steady year of economic performance. Yes, confidence is down slightly compared with the first iteration of this report published in 2018, but it is still positive.

Road hauliers and logistics operators are still looking to invest in their fleets, but contract hire, rental and leasing is becoming an increasingly preferred option. As this increases, it could fundamentally shift buying patterns and put pressure on second-hand suppliers finding buyers for used vehicles.

Putting equal pressure on truck buying patterns is localised clean air legislation. Ambitious clean air and ultra-low emission zones – charging any HGV below Euro-6 to enter – will be in force in five of the largest cities in the UK by 2022 (London, Birmingham, Leeds, Glasgow and across Greater Manchester). With some operators willing to walk away from customers in these zones because business is not cost-effective, fundamental shifts will happen in urban deliveries.

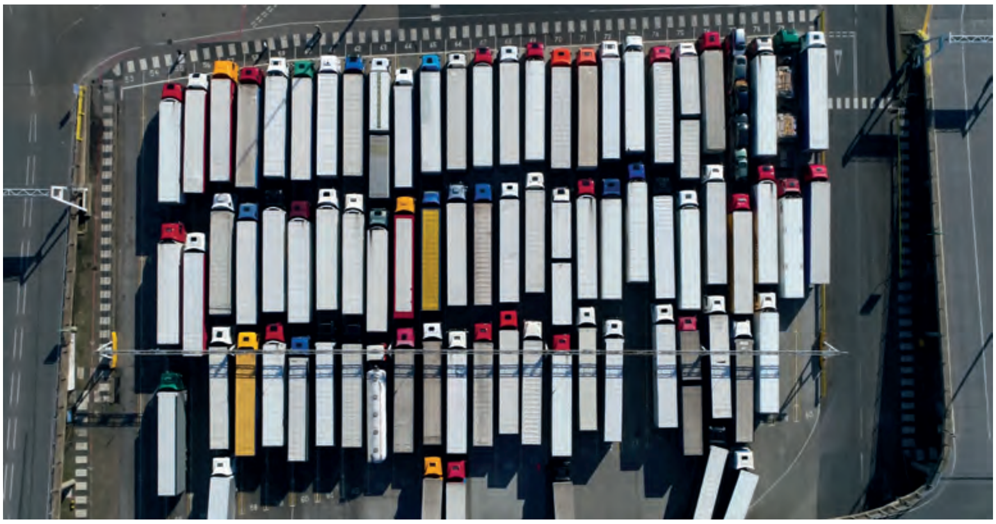
Part of the clean air agenda is the rapid introduction of alternative fuels. All seven major manufacturers have a variety of offerings – predominantly gas and electric – across the spectrum of weight ranges. The market for such technology is in its infancy, so much so that both the government and industry trade bodies are not tracking the purchase of such vehicles. It is unnecessarily hard to determine how many alternatively fuelled vehicles have been bought – but if the industry could demonstrate how many diesel-powered vehicles it is taking off the road then it would start to tell a very positive story to government, business and the general public.

Technology continues to change the road transport industry at a dramatic rate, but the dream of autonomous trucks – removing the need for the human element in the cab (and all the economic and legislative hurdles they bring to the movement of goods by road) is too far away for many. Sourcing the right level of skilled labour, in a UK economy with low levels of unemployment and unknown pressures on immigrant labour, could limit the success of the UK road transport industry as a whole this year.

However, all could change if, as you read this, the UK crashes out of the European Union with huge levels of uncertainty as to the nature of the economy. Tariffs on imports – including trucks and spare parts – would place serious cost pressures on operators already struggling to be profitable. Furthermore, border delays that restrict the flow of goods from the UK's largest trading partner would stifle the road transport industry, curtailing volumes both internationally and domestically.

Regardless of what the Brexit outcome was/is, it could take years for road transport operators and logistics supply chains to adjust to new trading conditions, border controls and labour movements – nobody knows what damage this could cause in the short, medium or long-term. It will be hard for operators to plan for a cleaner, profitable and efficient future if they spend 2019 healing the wounds inflicted on the country. ■

Operators could experience delays at UK and international ports post-Brexit



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New kid on the block

Setting out to be a new type of service provider, Asset Alliance Group has gone from strength to strength

Asset Alliance Group was originally established in 2012 following the merger of Asset Alliance (formed in 2010 and led by former commercial banking and lending specialist – and present day CEO Willie Paterson) and ATE Truck and Trailer Sales, which was established in 1995 by Alan Evans and James Jenkins.

The goal was to be a new type of service provider that understands both finance and how critical- accurate residual value setting and workshops are in providing a tailored and higher-value service for clients in the truck, bus and coach sectors.

In 2013 it acquired refrigerated trailer specialist Total Reefer, expanding its portfolio of clients and assets and adding a short-term rental service. In 2014 it opened a second retail location for ATE Truck and Trailer Sales in Scotland, which has since become the home of its Group Finance and Risk division, while in 2015 it opened the UK's longest authorised testing facility at its Wolverhampton site.

In 2016 the group bought Forest Asset Finance, a specialist lender to the bus and coach sector, and a specialist brokerage business, and it delivered its landmark 2,000th asset – a Mercedes-Benz Actros 2548 tractor unit – to 3GL Transport (pictured, left).

In 2017 it acquired the assets of traffic management vehicle provider Martin Williams. And it won two Commercial Motor Awards – one for Rental, Leasing and Contract Hire Provider of the Year and one for Finance Provider of the Year.

Last year it acquired the industry-renowned used trucks business Hanbury Riverside and retained its Finance Provider of the Year Award.

As of this year, the group moves towards its 5,000th truck and trailer asset and trades as one company: Asset Alliance Group.

■ **For more details, go to assetalliancegroup.co.uk.**

Asset Alliance Group has redefined the way companies acquire commercial vehicles: it uses its own funds and significant buying power to supply multi-brand vehicles on any combination of contract hire, operating lease, finance lease or hire purchase

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