

How to beat the Budget at the CV Show 2013

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It may have been well trailed, but the Chancellor's Budget announcement, as we go to press, that this September's fuel duty increase has been cancelled, will be welcome news to hard-pressed operators.

Yes, George Osborne didn't go the extra mile and actually reduce fuel duty by three pence per litre, as requested by the FTA (Freight Transport Association), among others, "to ease cost pressure on domestic freight activity and stimulate economic growth through consumer demand". But, in these austere times we should be grateful.

Grateful, too, that a new £2,000 national insurance rebate will give smaller firms a little more confidence to take on badly needed extra staff. That's a £1.25 billion tax break. As the Chancellor put it: "A company could hire someone on £22,000, or four people on the minimum wage, and now pay no jobs tax at all." And there's the fact that a further cut to the headline rate of corporation tax, to 20% in 2015, will give the UK the lowest rate in the G20.

Does any of that merit the Chancellor's claim of a budget for the 'aspiration nation'? Not really: certainly not as far as transport operators are concerned. Is the FTA's James Hookam, managing director of policy and communications, right to rebuke him, with: "The Chancellor has once again squandered an opportunity to support UK industry, jobs and economic recovery, by failing to reduce fuel duty rates." Maybe. But, to be fair, Osborne was dealt a weak hand in weak times.

But good or bad, given that there will be no more hand-outs from HM Treasury, what should we do now? The name of the game has to be twofold: cutting costs and winning more profitable business – the latter, almost certainly by offering better and more flexible customer service.

Easier said than done? Agreed, but, if your truck, van or bus fleet is ageing, not only is your uptime likely to be suffering, but you'll also be paying through the nose, in terms of fuel bills and maintenance costs. Quite simply, vehicles even just a few years old just won't have the advantages of the latest generation, which has been engineered not only for emissions reduction, but also for improved fuel efficiency. And that absolutely includes the emerging Euro 6 engine-powered heavy diesels (see page 20).

Similarly, if your vehicles are not equipped with decent telematics and tracking systems, how can you expect to be getting the most out of them? On the one hand, you won't know accurately where they are; on the other, you'll have no insight into how they're being driven. The former means you can't take advantage of spot business. The latter means potentially even higher fuel, repair and maintenance, and insurance bills.

And, if the workshops you use are looking a little tired, chances are your vehicles will be off the road for longer during routine service, they're less likely to be in top condition and they may well be contributing to an OCRS (Operator Compliance Risk Score) that you really don't want.

Transport Engineer's advice: invest at least one day in visiting the CV Show (9–11 April, NEC, Birmingham). Virtually the entire industry will be there (see page 13). This is your one chance during 2013 to see for yourself how you could be doing better: potentially much better.



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