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AVOIDING UNNECESSARY

# VEHICLE RENTAL

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COSTS



Avoiding unnecessary  
vehicle rental costs



**Businesses are spending thousands of pounds unnecessarily each year on vehicle rental and, in many cases, paying for things that could easily be avoided.**

Unless you have the right corporate rental supplier, it can make the job of controlling rental costs very difficult. But if you choose wisely, your supplier can work with you to keep unnecessary costs to an absolute minimum – while providing you with the service and support your business needs.

**This guide will steer you through the common vehicle rental pitfalls and help you save money.**



# Choose vehicles (and your rental partner) carefully

Ensure you choose the correct vehicles for your company's needs. Take into consideration the different types of journeys your staff will be making and select the vehicle and fuel types accordingly.

In the short-term rental market, getting hold of the vehicles to meet your precise requirements can often be a challenge. It's frustrating to have your rental request refused, delivered late or even have the wrong type of vehicle delivered.

To counteract this, industry-leading corporate rental providers operate a multi-supply network with all of the leading rental suppliers which, between them have over 1,500 outlets in the UK. This provides around-the-clock access to a whole range of cars and vans capable of matching the requirements of corporate customers at extremely competitive rates.

**Partnering with a specialist corporate rental provider means the following benefits can be achieved:**

- **Consolidated buying power to gain competitive prices without the hassle of shopping around**
- **No refusals on all core bookings**
- **Cars delivered to an address of your choice within two hours and vans within four hours**
- **Full nationwide coverage**
- **UK and International rentals**
- **A dedicated rental team, which means one phone call for all of your needs**



# Let someone else handle the admin

Daily rental invoicing is notoriously complex and can add significantly to your costs simply due to the amount of administration involved. Invoices being submitted from different suppliers, with administration charges on top, mean it's easy to lose track of things and potentially end up paying charges that are not valid.

The answer lies in a corporate vehicle rental booking system that genuinely works for you - a system where your invoices can be emailed or saved on the system so you can generate reports anytime you need them. The best systems will also provide online consolidated invoices for all rentals and the option to resolve disputed invoices at the touch of a button. A corporate vehicle rental provider with a leading booking system will be able to offer:

- **Graded access to ensure appropriate vehicles are booked**
- **Online invoicing and reporting, including P11D reporting**
- **The ability to accept or decline rental invoices, with an immediate response if you decline**
- **Paper-free communications**
- **Complete overview of rental bookings to help avoid unnecessary admin and rental booking costs**



# Reduce your spend on pool cars

Pool cars often seem to spend more time sitting in the company car park than on the road, either waiting for a new employee to start or simply being under-utilised. **This is an expensive luxury.**

Corporate vehicle rental can help reduce your need for pool cars and cut your costs by providing vehicles for longer than traditional daily hire time periods. A solution called a mini-lease which is available for 3, 6 or 12 months is perfect for new starters or to fill the gap when waiting for a new contract hire or lease vehicle to be delivered.

Mini-lease is highly flexible as there is no penalty for altering the length of the period regardless of the reason. Service delivery is exactly the same as with daily rental and there is a substantial pool of new vehicles to draw on.



# Cut the costs of your grey fleet

Many companies still allow their employees to use their own cars for business and reclaim a mileage allowance. However, these vehicles may not have been serviced regularly, the condition of tyres may be questionable or the vehicle may be in generally poor condition. In many instances, drivers will only have social, domestic and commuting insurance rather than the necessary cover for business use... meaning they won't be covered in the event of an accident.

**Given the facts that if anything happens to a grey fleet driver when driving for business, it is the employing company, not the driver, that is liable and that many employers fail to check the condition of their employees' own cars, there are potentially significant costs in the form of legal liabilities and fines.**

Reimbursing drivers of grey fleet vehicles for the miles they cover can also be a large cost for many businesses and as such must be managed correctly. HM Revenue & Customs allows employers to pay grey fleet drivers up to a certain level of business mileage reimbursement tax-free – currently 45p per mile for the first 10,000 miles and 25p thereafter. This can soon add up and become more expensive than a hire car would have been!

To avoid these onerous responsibilities and costs, rental should be a consideration. Rental partners can provide highly cost-effective vehicles to meet your business travel needs and, because you'll be hiring a new, well-maintained vehicle, this will help your company's duty of care scheme.



# Avoid misleading websites

Car hire websites are often confusing. With unclear charges that make it impossible to compare prices and find the cheapest deal.

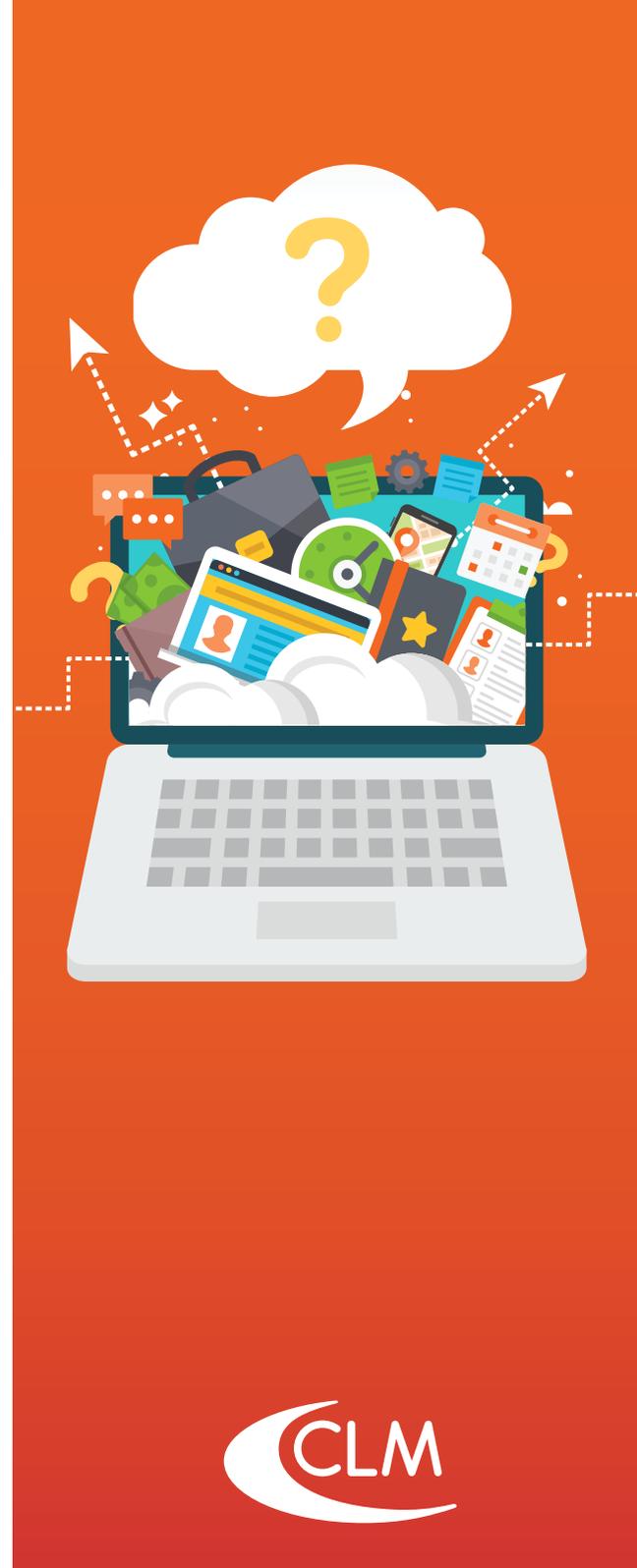
**Ultimately, you can end up paying more for rentals than you need to. A survey of car rental websites by Which? found that the total price of the rental was unclear on more than 50% of booking sites.**

Car hire website prices can also fluctuate depending on the time of year and current demand. Selecting a corporate rental supplier will ensure consistent and competitive rates all year round.

**With this in mind, if you decide to rent a vehicle, ensure the website clearly defines the following:**

- **mileage limits**
- **the amount of excess**
- **the cost of the excess waiver and what it covers**
- **the cost of compulsory fuel and the company's fuel policy**

Be sure to search for industry-leading suppliers that have the ability to offer clear and transparent pricing with the best possible rates. By selecting the right partner, you will see the financial benefit to your business and reduce your administration time.



# Educate your drivers to take care while on the road

Recent research found that **86% of vehicle fleets have experienced an accident**, often because vehicles are covering high mileage on a regular basis. So, the cost of repair, the vehicle downtime, and the chance of an employee being injured and unable to work, can all mount up to considerable outlay and lost business revenue.

For these reasons, it's worth implementing a company driver education programme. Driver risk assessment and training (especially for those employees that travel the most miles) can ensure your employees are as safe as possible and your company is minimising its risk of downtime.

One important aspect of driver education is the recording of details of any incident that they are involved in while on company business or in a company provided vehicle. **If an accident results in your employee's rental vehicle being damaged, even if it's only cosmetic, ensure everything is recorded in as much detail as possible to minimise the risk of being charged more by the rental company.**

Your rental partner should also understand your business needs and mobility requirements and aim to provide you with a replacement car to get your employee back on the road as quickly as possible.



# Prompt off-hiring

Off-hiring is the process of ending your rental period and returning the vehicle.

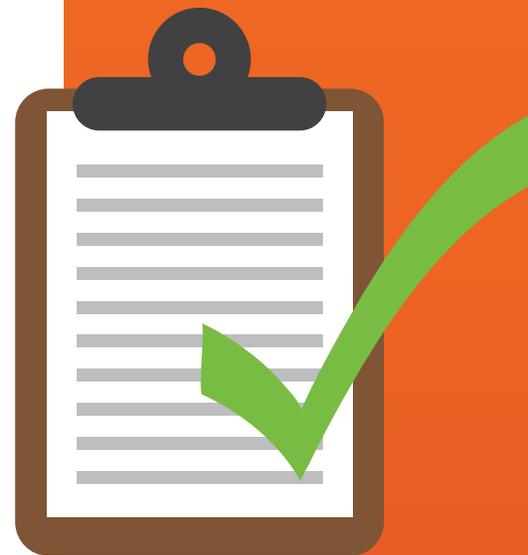
- **Off-hire promptly** so that you don't incur unnecessary rental costs, and **refuel to the agreed level**
- **Leave the vehicle in an appropriate place**, and ensure that if the car is left in a pay and display car park, it has a valid ticket for that period
- **Ensure the key location is given**, in order to avoid abortive collection costs. You also need to **leave the keys in a safe place**. *So, if you're off hiring the vehicle at a vehicle repair body shop or service centre, always ask for the name of the employee you're leaving the keys with and ensure they're wearing an appropriate uniform, or can present I.D.*
- **You'll need to report any damage** that has occurred to the vehicle, and it's a good idea to take dated photographs
- **Ensure all congestion charges (if applicable) have been paid**, as the supplier does not cover this cost
- You can then contact the rental company to **inform them the vehicle is ready for collection**
- **If the hire ends prior to the given off-hire time, the supplier can collect and turn the vehicles around sooner**, which will further aid availability

By partnering with a corporate rental supplier that offers a comprehensive online portal, you can quickly and easily see all vehicles you have at any given time and those which have been off-hired. This overview can help avoid any late off-hiring charges or unexpected costs.



# Checklist to remember:

- ✓ Ensure you choose the correct vehicles for your company's needs – consider the different types of journeys your staff will be making, and select the vehicle and fuel types accordingly
- ✓ Let someone else handle the admin with a comprehensive corporate vehicle rental booking system that will take care of the administration involved with vehicle rental
- ✓ Reduce your spend on pool cars by utilising highly flexible mini-leases that carry no penalty for altering the length of the lease period
- ✓ Cut the costs of your grey fleet by renting cost-effective vehicles from a rental partner
- ✓ Fulfil your duty of care obligations to employees by renting, as the maintenance and safety will be the responsibility of the rental company
- ✓ Avoid misleading car hire websites by selecting a corporate rental supplier that can ensure consistent and competitive rates all year round, and clearly defines factors like mileage limits and excess amounts
- ✓ Educate your drivers to take care while on the road by implementing a company driver education programme that includes driver risk assessment and training
- ✓ Ensure employees record details of any incident they're involved with while in a company provided vehicle, to minimise the risk of being charged more by the rental company
- ✓ Off hire vehicles promptly so you don't incur unnecessary rental costs
- ✓ When off-hiring, take care to leave the vehicle in an appropriate place, leave the keys in a safe place, report any damage that has occurred, and ensure all congestion charges have been paid



**To find out more about corporate vehicle rental that's cost-efficient and meets all of your business' needs, speak to one of our experts on 0845 643 5794 or email [info@clm.co.uk](mailto:info@clm.co.uk)**

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