

Fleet support guidance

Downsizing your fleet

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Background

Downsizing your fleet reduces the cost and greenhouse gas emissions associated with vehicles. In many cases, it can make the transition to battery electric vehicles (BEVs) more affordable.

There are two ways to downsize your fleet:

- Reduce the size of the vehicles.
- Reduce the number of vehicles.

Reducing the size of vehicles

It's more cost effective to have a fully loaded small vehicle than a half-empty large one. You can cut costs by using smaller vehicles where possible and avoiding the one-size-fits-all procurement model.

When vehicles are due for replacement, you should carry out a robust independent review of current usage and question whether you need large vehicles. This is particularly important if you're replacing an internal combustion engine (ICE) vehicle with a BEV. A two-tonne BEV will have a much lower whole life cost than a three-tonne model. Factors to consider include:

- Using a pool or rental vehicle when you need a large or long-range light commercial vehicle (LCV).
- Holding rarely used specialist equipment in a central store or depot.
- Using a bespoke fit-out in smaller vehicles to add extra carrying or seating capacity. For example, you can use advanced racking solutions to maximise available space.
- Closely tailoring the vehicle and equipment carried to the service level being delivered.

Moving to a smaller BEV model can reduce how often you need to charge it. This puts less pressure on the electrical capacity at depots or sites. Where current assets are underused, you should challenge replacements because of the high capital cost of BEVs. A well-used, right-sized BEV can save money. An underused, overweight BEV costs money.

Table 1 shows the increase in capital cost associated with three LCVs currently on the market. Capital costs rise sharply when moving from a small to medium-sized BEV. If a large BEV has low annual mileage, the lower fuel cost may not be enough to recover the higher purchase cost (compared with an ICE vehicle).

Table 1: Impact of downsizing on capital costs of a battery electric LCV fleet

BEV model	Size class	GVW/MAM (kg)	Battery (kWh)	OTR list*	ICE equivalent
Vauxhall Combo-e Cargo 2300 Prime	Small LCV	2,455	50	£35,509	£26,604
Vauxhall Vivaro-e L1 3100	Medium LCV	3,025	75	£69,350	£36,210
Vauxhall Movano-e F35 L4 HD 120 Prime	Large LCV	3,500	75	£77,252	£42,498

**The on the road price is usually subject to manufacturer discounts. Vehicle data from KeeResources KWIKview (May 2024)*

Reducing the number of vehicles

It's important to use each vehicle in a fleet as efficiently as possible. This involves checking vehicle usage and disposing of any with low mileage where possible. Having fewer vehicles in your fleet means the cost of switching to electric vehicles will be lower. It also removes vehicles with the lowest usage which have the lowest potential emissions savings and the longest payback from carbon emissions embedded in the production of vehicles and batteries.

We recommend reviewing fleets regularly to check if any vehicles can be retired. This is especially important after working patterns change. For example, more employees are working remotely since the COVID-19 pandemic, which may lead to a surplus of unused fleet vehicles.

For vehicles that drive under 6,000 miles per annum (an average of 25 miles a day over 240 working days), it may be cheaper to use hire cars or shared vehicles – for example, pool vehicles or car clubs. There may be a good reason for low use, such as maintenance issues or the nature of duties. However, it may be because of departmental 'silos' preventing the vehicle from being shared. If available, you can use telematics to record the number of days vehicles are used and the distances travelled.

Low mileage negatively impacts BEV whole life costs. This is because low mileage results in lower energy cost savings. Even if low usage vehicles are kept for the full battery warranty (typically eight to ten years), the higher capital cost may not be recovered. Similarly, the greenhouse gas emissions associated with their manufacture may not be offset. This minimises the environmental benefits of switching to a BEV.

Our mission is to address the climate emergency. [Our team of expert fleet consultants can support you](#), wherever you are on your fleet decarbonisation journey. We work with all types of public and private sector fleets, from cars to heavy goods vehicles, providing bespoke advice and training to transition your fleet towards net zero.

