



WLTP and changes to BiK

What is WLTP?

WLTP, or Worldwide Harmonised Light Vehicle Test Procedure, is a new, more accurate, test for measuring CO₂ emissions for all new vehicles registered after 31st August 2018. It takes into consideration factors like the mass of the vehicle, including optimal equipment, tyre rolling, resistance class and aerodynamics.

The test replaces the New European Driving Cycle (NEDC), an older and out-dated testing system.

The new test is more representative of real world driving, with a longer testing period over a longer distance, and a higher average speed, supplemented by Real Driving Emissions (RDE) testing which is done on public roads, to verify that the lab test measurements are consistent with on-road measurements.

During the RDE test, a Portable Emissions Measurement Systems is used to measure emissions. As of now, it is not reliable to measure CO₂ figures or fuel economy so is only used for verifying pollutants like NO_x.

The WLTP testing system also takes into account the various factors that affect the MPG and CO₂ emissions, like the model options of wheel size or roof design, which could alter the fuel consumption of a vehicle model.

As a result, you get a much more accurate picture of fuel consumption and emission profile of your vehicle than you did with the NEDC tests.

Why the new testing system?

One of the biggest concerns of our times is the air quality and how emissions from vehicles affect it. With the older NEDC testing system, it was noted that while car manufacturers showed that their cars were compliant with new regulations for CO₂, there was a big difference in the published emissions figures and real-world usage.

This is because NEDC was a testing system that was developed in the 1970s. In the following decades, vehicle technology has developed tremendously and vehicles today are much more sophisticated, and carry more equipment and systems than the NEDC takes into account.

The WLTP is a modern testing system that is designed to give highly accurate figures which are more in line with real-world usage.

How does it affect you?

With increased emission rates, vehicle taxes will be affected. The new system will also affect the rental rates as well, through adjusted rentals due to writing down allowance movements, company car tax etc.

It will also affect the whole life cost of the vehicle, giving you a more accurate view of fuel expenses and tax rates.

CO₂ driven costs such as Fuel Scale Charges on fuel VAT will be affected too.



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How can you make the most of the changes?

The new testing system relies on sophisticated testing techniques, stringent procedures, and 'real world' driving styles to determine fuel economy that better reflects your vehicle usage. It even takes into account manufacturer options like wheel size and roof designs that could have an impact on fuel consumption.

The figures will also take into account the fuel economy of the cars and vans you want in various types of journeys. This allows you to pick the best option for your specific needs based on the type of journey you undertake the most.

With WLTP, new vehicles will have a more reliable, more accurate, official fuel economy estimates. These will cover a greater number of every journey options, giving you a realistic picture of your fuel expenditure.

How is the new test conducted?

Both WLTP and NEDC are conducted in laboratory conditions. However, the WLTP test cycle has been redesigned to match customer driving, with more load and higher speeds.

It provides the fuel consumption for different driving conditions including:

- Low speed city centre driving
- Medium speed town driving
- High speed rural driving
- Extra high speed motorway driving
- Or a combination of the above

The rates are based on the acceleration and deceleration in different circumstances and speed variations. The key points of difference between the tests are:

	NEDC	WLTP
Temperature	20°-30°	23°
Coastdown procedure	Coastdown	New coastdown procedure, mass definition, tyres, aero equipment
Test weight	Reference mass	Reference mass + mass of optional equipment + % Payload
Phases (sample bags)	2	4
Pollutants	CO, NO _x , THC, PM & PN	CO, NO _x , THC, PM, PN, as well as NO ₂ , N ₂ O, NH ₃ , aldehydes, and ethanol
Gear shifts (manual transmission)	Fixed speeds defined	Vehicle-specific, based on vehicle power, mass, gear ratios. Calculated for each car individually
Cycle driven	Both	Cycle subject to Rated power to mass in run-ning order ratio, W/kg, and its maximum velocity in km/h



How will WLTP affect company car tax (BiK)?

Since Vehicle Excise Duty (VED) and Benefits in Kind (BiK) tax are both linked to the vehicle's emission, and WLTP emission figures are higher than NEDC, there might be an increase in your car tax and company car tax.

However, both vehicle excise duty and company car tax will continue to be based on the NEDC CO₂ emissions until 5th April 2020. Any cars registered before this will not have the VED or BiK affected. Only cars that are registered after this time will use the WLTP CO₂ emissions figures. The government has also announced a zero rate of BiK tax for EVs for the 2020-21 tax year. This will rise to 1% in 2021-22, and 2% in 2022-23.

Here are some examples to give you an idea of the changes in BiK rates (Excluding any OpRA implications).

Vehicle					AUDI A4 DIESEL SALOON 35 TDI S Line 4dr S Tronic 2020				
Fuel	Diesel								
P11D Value	£38,225.00								
Registration Date	BEFORE 6th April 2020				AFTER 6th April 2020				
CO ₂ calculation method	NEDC Correlated				WLTP				
CO ₂	109 g/km				145 g/km				
Driver tax band	20%		40%		20%		40%		
BIK Year 2020-2021	£1,853.92		£3,707.84		£2,301.42		£4,602.84		
BIK Year 2021-2022	£1,853.92		£3,707.84		£2,365.35		£4,730.70		
BIK Year 2022-2023	£1,853.92		£3,707.84		£2,365.35		£4,730.70		
3 Year Total	£5,561.77		£11,123.53		£7,032.12		£14,064.23		
Additional BIK (3 Year/PCM)					£41		£82		

Vehicle					MERCEDES-BENZ C CLASS DIESEL SALOON C220d AMG Line Edition 4dr 9G-Tronic 2020.5				
Fuel	Diesel								
P11D Value	£39,650.00								
Registration Date	BEFORE 6th April 2020				AFTER 6th April 2020				
CO ₂ calculation method	NEDC Correlated				WLTP				
CO ₂ rating	114 g/km				139 g/km				
Driver tax band	20%		40%		20%		40%		
BIK Year 2020-2021	£1,989.10		£3,978.20		£2,254.31		£4,508.63		
BIK Year 2021-2022	£1,989.10		£3,978.20		£2,320.62		£4,641.23		
BIK Year 2022-2023	£1,989.10		£3,978.20		£2,770.68		£4,773.84		
3 Year Total	£5,967.30		£11,934.60		£7,345.61		£13,923.70		
Additional BIK (3 Year/PCM)					£38		£55		

Vehicle					BMW 3 SERIES DIESEL SALOON 320d M Sport 4dr Step Auto 2020				
Fuel	Diesel								
P11D Value	£37,940.00								
Registration Date	BEFORE 6th April 2020				AFTER 6th April 2020				
CO ₂ calculation method	NEDC Correlated				WLTP				
CO ₂ rating	113 g/km				137 g/km				
Driver tax band	20%		40%		20%		40%		
BIK Year 2020-2021	£1,904.30		£3,707.84		£2,158.21		£4,316.41		
BIK Year 2021-2022	£1,904.30		£3,707.84		£2,221.68		£4,443.37		
BIK Year 2022-2023	£1,904.30		£3,707.84		£2,285.16		£4,570.32		
3 Year Total	£5,712.90		£11,123.53		£6,665.05		£13,330.10		
Additional BIK (3 Year/PCM)					£26		£61		



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Does WLTP affect electric and PHEVs?

Yes, it does.

For these vehicles, the WLTP test gives a much more realistic electricity consumption and electric range. The results show you exactly how far your car can drive on a single charge and how much electricity it uses.

For PHEVs, you also get an accurate idea of the emissions if you don't regularly charge it.

What new ULEV vehicles are being released?

If you want to avoid vehicles with higher emission values, you may want to consider ULEVs. These give you lower emissions as well as extremely low tax rates.

There are several PHEV/BEV models scheduled for release between now and the end of next year. This is because nearly all manufacturers are supplying electrified drive trains to every new model they bring to the market, and incorporating PHEVs into existing ranges.

Below is a snapshot of some of the vehicles you can expect to see.

Audi	BMW	Ford	Seat	Mercedes Benz	VW	Skoda	Mini	Vauxhall	Fiat	Peugeot	Honda	Tesla	Cupra
A3 E-Tron PHEV	i4 BEV 2021/22	Mustang Mach-E BEV	Leon PHEV	A-Class PHEV	Golf PHEV	Superb PHEV	Electric Hatchback BEV	Corsa-e BEV	500e	e-208 BEV	Honda e BEV	Model Y	Formentor
A6 PHEV	X1 Xdrive 25e		Mii EV	EQV BEV	E-up! BEV	Octavia PHEV		Mokka-e BEV		e-2008 BEV			
A7 PHEV	330e Touring		El-Born BEV		ID 3 BEV	Citigo-e IV BEV				508 PHEV			
A8 PHEV	ix3 BEV				ID Crozz BEV								
Q7 PHEV													
E-Tron Sportback BEV													
Q4 e-tron BEV													



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How can you prepare for the changes?

If you are looking for vehicles that are not ULEVs, we recommend that you place your orders as soon as possible to get your delivery before April 2020.

If you want to avoid vehicles with higher emission values with WLTP, you may want to consider ULEVs. These give you lower emissions as well as extremely low tax rates over the next few years.

At **sgfleet**, we will be monitoring the order bank and will let customers know if any vehicles on order will be affected.

As of the 2nd February 2020, all our quotes will be supplied on WLTP rates. If the vehicles are delivered before April 2020, then we will manually amend your quotes.

eStart

How can eStart help?

If you wish to transition to a greener fleet, but don't know how viable it is, you could make use of our eStart service.

eStart has been designed to realistically evaluate your business requirements, existing infrastructure, and vehicle usage behaviour to advise you on how to cost-effectively increase the number of EVs in your fleet and install the infrastructure required for them.

For any additional information on your policy and how to reduce additional costs, feel free to get in touch with your dedicated CRM.

Your CRM will also be contacting you soon to answer any questions you may have about the WLTP transition.

We will ensure that our systems are updated with all relevant WLTP information and issue an alert stating that CO₂, MPG, NI and VED are subject to change.