Energy Saving Trust
Grey Fleet

Ian Murdoch
Manager, Scottish Transport
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  • Health & safety, cost and the environment

• Auditing the Grey Fleet
  • The driver; the vehicle; the Journey

• Grey Fleet Solutions
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  • Alternative solutions: company / pool / hire / car club
  • Mileage rates and cash allowances
  • Removing unnecessary mileage
What is the Grey Fleet?

- Business mileage in employee-owned vehicles
  - Public sector - estimated 57% of road mileage is grey fleet
  - Private sector – harder to estimate. Approx. 50% of fleet are grey fleet vehicles

- Private sector
  - Company car opt-outs – ‘cash allowance’
  - Occasional users

- Public sector
  - Essential users – may receive ‘lump sum’
  - Casual users
Why is it a problem?

• Three key reasons
  • health & safety concerns
  • cost efficiency and
  • environmental performance

• Reducing grey fleet mileage by 1,000,000 miles could cut costs by £450,000 and reduce CO₂ emissions
Health & Safety

- Up to one in three road crashes involves a vehicle being driven for work
- Every week, this results in around 200 work-related deaths or serious injuries
- The HSE estimates the costs arising from ‘at-work’ road traffic accidents to be in the region of £2.7 billion per year
- Legislation: The Health & Safety at Work Act 1974; Corporate Manslaughter and Corporate Homicide Act 2007
Grey fleet
Research by Arval
Health & Safety

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Cost Efficiency

• Are mileage/fuel rates over generous?
  • Often 45 ppm but can be much more in public sector
  • Do they incentivise additional, unnecessary mileage?

• Are there more cost effective methods of transport?
  • Video-conferencing or public transport
  • Pool, hire or company car
Grey fleet

- EST is working with 10 public sector organisations this year

- The costs don’t stack up!
  - One organisation covered 10M miles a year
  - Cost £4M to reimburse (at 40 pence a mile)
  - Now £4.5M with no additional return
  - Current climate – Miles or jobs?
Environmental Performance

- Grey fleet vehicles likely to be older and more polluting compared to company owned/leased cars
- Average age of an employee-owned car used on business is around 6.7 years (vs 1.5 years for a lease vehicle)
- Public sector responsibilities under ‘Greening Government’
Auditing the Grey Fleet
How many of these on your fleet?  Hopefully, not too many of these!
The Drivers

- How many grey fleet drivers?
- Driver information
  - Are they fit and qualified to drive?
  - Are their driver licence number and endorsements checked and recorded?
  - Are their insurance details checked and recorded?
The Vehicles

- What are the make/models of vehicles being used?
- What are their CO$_2$ emissions and NCAP ratings?
- Are they insured for business use?
- Are they well maintained?
- Are they suitable for business use?
The Journeys

• How many miles are being traveled?
• What is the average journey length?
• How much are the journeys costing?
• Where/why are they travelling?
• How often are journeys being made?
• Who authorises journeys & mileage claims?
Grey Fleet Solutions
Minimise Mileage

- CYCLE OR WALK
- CONFERENCE CALL/PHONE/EMAIL/VIDEO CONFERENCE
- CYCLE/WALK & PUBLIC TRANSPORT
- PUBLIC TRANSPORT VISIT WWW.TRAVELINESCOTLAND.COM
- PARK & RIDE
- CAR SHARE*
- IN A CAR ALONE*
- AEROPLANE

* DON’T FORGET TO ECO-DRIVE

Less carbon emissions

More carbon emissions
Alternative Methods of Car Provision

• Pool Cars
• Hire Cars
• Car club cars
• Company cars
Mileage Rates & Allowances

- Mileage rates, if set too high, can incentivise unnecessary mileage and the choice of less efficient vehicles
- Allowances can be varied to incentivise the choice of lower CO\textsubscript{2} vehicles
- In general, best to pay a higher allowance and a lower mileage rate
  - Reduces incentive to travel
  - Gives you more right to exert controls
  - Allows option to vary allowances according to vehicle CO\textsubscript{2}, etc
Grey Fleet Controls

- Set minimum standards: g/km CO$_2$, NCAP rating
- Documentation checks: driving licences, insurance cover, MOT
- Set limits on acceptable journey distance
- Use travel and subsistence systems to hold back payment of mileage claims:
  - Where appropriate data has not been provided
  - Where acceptable journey distance has been exceeded
  - Where required documentation checks have not taken place
Interest free loans

Interest free, sustainable transport loan fund

• Funded by Transport Scotland, the programme aims to support business and public sector organisations that are looking to reduce their carbon impact of their transport and travel arrangements

• Loans between £500 and £50,000
Interest free loans

What's eligible?

- Video and teleconference facilities
- Cycle facilities including bicycles
- Grey fleet management software
- Vehicle efficiency devices - which do not void the manufacturer’s warranty
- Low carbon vehicles
- Pool cars
- A range of ‘soft’ measures can also be considered if implemented as part of a broader package and recommended in a travel plan for your organisation

But we are looking for ideas from you!
Ian Murdoch  
Manager, Scottish Transport  
0131 555 7902  
ian.Murdoch@est.org.uk  
www.energysavingtrust.org.uk/scotland