



Why you can't afford to ignore your grey fleet

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Introduction

As the number of privately owned or leased vehicles being used for business purposes continues to grow, it has never been more important for employers to proactively manage their grey fleet.

The size of the UK grey fleet

Whereas a decade ago, only around one million private vehicles were used for business mileage, this figure has rocketed to an estimated 14 million. Indeed, the government's Energy Reform Group estimates that up to 57% of business mileage is now covered by private vehicles. The trend is continuing to gather momentum due to a post-pandemic fall in public transport use and the dwindling financial benefits of the company car.

For employee and employer alike, the apparent simplicity and flexibility of using personal vehicles for business use can seem very attractive. The employee claims a mileage rate and uses it to help fund the costs of running whatever vehicle they wish. The employer is free of the costs and administrative burdens of running their own fleet, simply administering the mileage claims through the payroll system.

But operating a grey fleet is not as simple and worry-free as it may seem. There are serious health and safety implications that cannot be ignored.

What the law says

According to a survey conducted this year by fleet consultancy Alphabet, over half of UK fleet managers don't fully understand their legal duty of care responsibilities for the grey fleet and a third don't have a grey fleet risk management policy. When you consider that business drivers account for 40% of European road deaths (according to figures from the European Transport Safety Council), the implications of this are frightening.

The simple fact is that an employer carries exactly the same duty of care for drivers of personally owned as they do for company vehicle drivers. The legislation that covers the safety of vehicles and drivers at work such as the Health and Safety at Work Act 1974, Management of Health & Safety at Work Regulations 1999 and the Corporate Manslaughter and Corporate Homicide Act 2007 applies to a business's grey fleet, no matter how small.

Employers are therefore legally obliged to ensure the health and safety of their grey fleet drivers, and anyone who may be affected by their activities. As is the case with company vehicle drivers, appropriate risk assessments must be undertaken and then used to produce written policies governing grey fleet driving.

Developing a grey fleet policy

The government's Energy Savings Trust recommends that a good starting point when developing a grey fleet policy is to review current private vehicle use in the organisation. Who are the drivers? What vehicles are being used? What type of journeys are made and at what cost? Who is responsible for authorising the journeys and mileage claims? This may lead to some surprising results, prompting a fresh look at the economics of private vehicle usage.

Exactly like a company vehicle policy, a grey fleet policy should cover risks associated with the driver, the vehicle and the journey.

- Regular checks must be made on grey fleet drivers' licences and any endorsements noted as this may indicate heightened risk. The HSE also recommends that a driver's general health and fitness, prescription drug and alcohol usage and sight should be monitored to ensure ongoing fitness to drive.
- It's also very important that there is a procedure for checking that insurance policies are up to date and include business use.
- When it comes to the vehicle itself, although it is ultimately the duty of the vehicle owner to ensure it complies with road traffic law, an employer should also take some responsibility. At the very least, MOT and tax validity should be checked annually, but regular checks on safety critical components such as tyres, brakes and tyres are good practice. Grey fleet vehicles are generally older than company vehicles and may also not be so

well maintained. There is a concern that as high inflation eats into personal finances, corners may increasingly be cut when it comes to maintenance. Indeed, recent surveys indicate that this is already happening.

- Some employers may also choose to impose minimum vehicle standards, such as NCAP ratings and safety features. This not only enhances safety but also promotes more environmentally friendly travel.
- Accidents, from minor bumps and scrapes to more serious incidents, are almost inevitable. Grey fleet drivers must therefore be aware of the company accident policy and their responsibilities.
- Grey fleet costs can be reduced if there are clear criteria for when a journey can be made in a private vehicle and when alternatives such as public transport or even walking should be used.

The accurate collection and recording of data covering drivers, vehicles and journeys is crucial to the monitoring and controlling of your grey fleet. Fleet management software can help make this process straightforward and robust, providing evidence, if needed, of the employer's duty of care.

How to make it effective

Although grey fleet safety will ultimately be managed by a designated person, it's vital that everyone, including managers, supervisors and the drivers themselves, understands the grey fleet policy and their responsibilities.

Anyone driving a private vehicle should confirm in writing that they understand they are covered by their employer's grey fleet driving policies. Not only does this help communicate the policy but it provides evidence of the employer's duty of care.

However, making a policy effective is not a one-off event. There needs to be an ongoing focus on its importance. Businesses may choose to include a self-declaration clause in any travel claim that the driver holds up-to-date insurance, driving licence, tax and MOT. Spot checks could also be used, both on documentation and vehicle safety.

Driver training shouldn't be limited to drivers of company vehicles. Courses focussing on safe driving techniques are of benefit to everyone and will contribute to a safety-first mindset throughout the company.

The benefits of proactive management

Effective management of your grey fleet will bring wide-ranging benefits. The company's overall health and safety culture will be improved, with an associated reduction in downtime and sick pay. The company's environmental credentials will be boosted if grey fleet vehicles are better maintained and unnecessary grey fleet mileage eliminated.

Ultimately, a safe and well-managed grey fleet will bring its own cost efficiencies.