

Whitepaper:

The importance of
managing your “Grey Fleet”
and reducing risk.



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Overview

Grey Fleet drivers are employees who drive their own cars for business.

Grey Fleet drivers play a vital role for many organisations across the UK and can be a real asset for businesses that don't incur high business mileage or have few drivers. However, managing grey fleet drivers can sometimes be daunting and difficult, with mileage, collisions and general vehicle maintenance to consider. As a result, this key risk area often ends up being ignored.

Health & Safety Laws require that employers show the same Duty of Care to employees driving their own private vehicles as they do for leased, company-owned or hired vehicles.

A company whose employees drive their own cars for business reasons should have a comprehensive programme in place to look after all aspects of safety for their drivers. The aim should be to ensure drivers are legal and compliant and to minimise the risk of their drivers being involved in a collision when they are behind the wheel.

This paper demonstrates how organisations that take simple steps towards better management of their Grey Fleet vehicles and drivers, will significantly reduce risks for their employees and reduce costs and administration.

National data from the UK shows that:

- Approximately 14 million Grey Fleet vehicles are in use¹
- 9 million vehicles are used for business journeys on a regular basis¹
- 40% of work vehicles are Grey Fleet¹
- 62% of private car use is for work related activity¹
- 12 billion miles are driven each year by Grey Fleet drivers²

Why businesses need to manage their Grey Fleet

Management of fleet safety is already a challenging issue for fleet managers and safety professionals when the vehicles are owned or leased by a company. Add Grey Fleet vehicles to the mix, the task becomes even more complex. Research has shown that many companies are oblivious to the scale of costs, the environmental impact and the legal risks that are associated with Grey Fleet.

There are three fundamental reasons for managing Grey Fleet effectively; it's necessary under motoring law and health and safety legislation, it makes financial sense and it can reduce a company's carbon footprint.



Duty of Care

The 'Driving at work – managing work-related road safety' guidelines published by the Department of Transport (DfT) and Health & Safety Executive (HSE) in 2003, make it clear that an organisation has the same Duty of Care towards all of its employees making work related journeys, regardless of vehicle ownership. Therefore, Grey Fleet vehicles and journeys need to be managed in exactly the same way as owned or leased vehicles, but with this comes a number of challenges.

In practice, this means that the Health & Safety at Work Act, and all the relevant related legislation applies to employees making work-related journeys, including the Grey Fleet. Together with the Association of Chief Police Officers (ACPO) Road Death Investigation Manual 2007 and the 2007 Corporate Manslaughter and Corporate Homicide Act 2007, both the Police and the HSE have a choice of legislation to use if they suspect that an organisation is being negligent in the management of its drivers making any work-related journeys, including Grey Fleet drivers. This could typically be after a collision that is being investigated.

Financial Implications

Grey Fleet should not be overlooked or ignored as it is a legitimate and recognisable operational cost in a business. However, Grey Fleet procedures and policies need to be watertight and enforced, or costs can easily and quickly spiral out of control.

It's common for Fleet and Risk Managers to focus on the insured and easily identified uninsured costs, such as 'collisional damage' and direct costs associated with any excess or deductibles. But it's the potential impact of the 'hidden' uninsured losses including those associated with absenteeism and reputational damage that are far more important.

For every £1 paid out by an insurer, there are between £8.00 - £53.00 in uninsured losses, depending upon the severity of the incident.³

The 'hidden' uninsured losses that are associated with collisions do not differentiate between vehicle ownership, but it makes good business sense to manage all employees in the same way irrespective of whether the company or the driver is paying for insurance.



Managing Grey Fleet road safety can reduce costs in several ways, including:

- Reduction in running costs such as fuel consumption and vehicle maintenance from better driving standards
- Less working days lost due to injury
- Reduced risk of work-related ill health
- Less need for investigation and paperwork
- Less chance that reputation will be damaged
- Less chance of key employees being banned from driving
- Less civil action cases

Carbon Footprint

These days there is an increasing focus on what organisations do to manage their carbon footprint and a lot of this focuses on driving. The good news is that it's relatively easy to change the vehicle selection criteria to make sure that employees using company owned or leased vehicles have their choice limited to vehicles that meet defined CO2 emissions. But it's much more challenging to dictate vehicle choice for employees using their own vehicles for work-related journeys.

33% of organisations believed that they faced no significant risk from employees who use their own vehicle for work. ¹

Identifying Grey Fleet

To effectively manage the safety of the Grey Fleet, a company must first identify the number and type of vehicles there are and what the vehicles are being used for. This exercise can often be complex, as it may reveal a significant number of employees that they have never considered to be 'drivers' and so are not aware of the company policies or procedures in place that relate to driving for work. If a company has a Fleet Manager then this is the best person to take on the responsibility, otherwise it can be undertaken by either HR or Health and Safety teams, or a combination of both.

Questions that the ETSC (European Transport Safety Council) suggest should be asked of all employees include:

- What journeys must be taken?
- What modes would present the lowest risk?
- What kind of vehicles make up the fleet?
- Who are the vehicles driven by?
- Where are they driven?
- What type of drivers do they have?
- How long do they have to drive for?
- How long have they been driving? (licence check)
- What are they being asked to do apart from driving?

As many journeys that are undertaken by Grey Fleet are on an ad-hoc basis, this aspect can produce surprising numbers of Grey Fleet drivers for companies. Identifying Grey Fleet within a company should not be seen as a 'box ticking' exercise but instead as the start of a process to highlight their commitment to the safety of its employees, as well as their legal and moral obligations.

Implementing a Grey Fleet Safety Management Programme

Once an organisation has gathered information and clearly identified it has Grey Fleet, then they can start the process of implementing a comprehensive Driver Safety Management Programme. This will typically fall into two distinct areas – **Vehicles** and **Drivers**.

Vehicles

It's vital that organisations keep track of the vehicles used by their employees and records relating to their use and the people who are driving them. Knowing the status of all Grey Fleet vehicles is key and integral to the safety management programme, this includes:

- Insurance details including business cover
- Vehicle maintenance checks
- Road tax validity
- Roadworthiness

Drivers

As well as understanding everything possible about vehicles, the same applies to drivers. Drivers will regularly have the most influence when incidents happen, so employers need to realise the risks posed by each individual and manage as appropriate, this includes:

- Licence validity
- Health
- Alcohol or drug use
- Age and experience
- Driver behaviours such as speeding and using a mobile phone

How DriveTech can help

DriveTech understands the duty of care requirements for all vehicles driven for work, including cars, vans, trucks, buses, coaches, motorcycles, off-road 4x4 as well as specialist vehicles. We also understand the challenges of bringing the Grey Fleet into an occupational road risk programme as, by definition, it is harder for a company to manage a fleet when the ownership of the vehicle is not under the control of the company.

We help companies manage their Grey Fleet needs by providing an online solution that enables the company, not only to identify and track the vehicles involved, but also the vehicle and driver documentation and milestone dates for insurance, MOT and road tax.

This enables a company to be fully compliant as well as treating Grey Fleet drivers in the same way as other people who drive for work so that they can have their licence's verified, undertake a driver assessment and receive driver safety training as required.

Summary & conclusions

Every organisation that has employees who drive their own vehicle for work reasons, has a responsibility for their safety, in the same way as for their other drivers who 'drive for work'.

A combination of measuring, monitoring, managing and reporting will ensure the safety of the Grey Fleet driver, in a world where driving for work is one of the most dangerous jobs there is.

About DriveTech

DriveTech is the world leader in fleet risk and safety management, and driver training. It is also the UK's largest provider of driver offender retraining courses.

With a track record built over the last 25 years, DriveTech now delivers fleet consultancy, driver assessment and training services in over 95 countries, in 35 languages through over 40 partners.

Our fleet solutions improve driver safety, reduce fleet running costs and ensure compliance with legal and duty of care responsibilities.

Our customers range from companies with small fleets through to large corporate customers where driver training is a core activity, an understanding of their sector required and a clear return on investment is demanded.

DriveTech is part of the Automobile Association.

References and further reading

- 1 Lex Autolease (2015) The 2015 Lex Autolease's Annual Report on Motoring
- 2 Lex Autolease – Managing the Grey Fleet 2016
- 3 The International Loss Control Institute

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