



ARCH RISK MANAGEMENT

Grey Fleet Management: Arch Fleet Pack

Summary:

"Grey fleet" is the term used to describe any vehicles that do not belong to the company, but which are used for business travel. This might include a vehicle purchased via an employee ownership scheme, a privately rented vehicle or a vehicle privately owned by an employee.

When they are driven on company business, often in return for a cash allowance or fuel expense, these vehicles then become considered part of the 'grey fleet' - and as such fall under the responsibility of the employer.

Guidance:

All individuals who drive their own vehicles for work purposes are included in the grey fleet - including when used for business purposes only occasionally e.g. to fetch the office sandwiches.

Employers therefore need to ensure all staff who drive on behalf of the business, conform to company requirements and are covered by the company's driving for work policy.

Many organisations provide employees with the option of taking a cash allowance, or fuel expenses, in preference to having a work supplied vehicle.

Choosing Grey Fleet over Company Fleet

For many smaller, low-mileage companies, allowing and incentivising drivers to use personal vehicles for business travel, can be more cost-effective than managing a fleet of their own vehicles. For example reimbursing fuel costs for employees who must travel for work outside of the normal commute, is often much cheaper than the cost of owning and maintaining company vehicles, particularly when business trips are few and far between.

Grey fleet management is a great way to allow employees to use their own vehicles, for business purposes – so long as you keep on top of the health and maintenance of those vehicles. It can reduce costs far below those of running a fleet of business vehicles and reduces the up-front cost associated with purchasing or leasing vehicles in the first place.

However, it is important to accurately monitor personal vehicle use and stay on top of mileage claims and vehicle maintenance within your grey fleet. In doing so you will have better insight into the efficiency of your grey fleet and may be better equipped to judge whether the business reaches a point where a company-lead fleet becomes a more cost-effective option.

The employer must also consider the duty of care they are required to take over their employees. This includes ensuring the vehicle used by an employee meets the criteria and company standards for the condition and maintenance of that vehicle. Pool cars are usually newer and often in better condition than personal vehicles. In addition servicing and maintaining your own fleet vehicles is likely to be easier to effectively manage.

Driver safety, particularly where longer journeys are carried out, needs to be considered by the employer therefore when deciding if the benefits of a grey fleet outweigh that of a regular business fleet, or of using public transport as an alternative.

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The Risks

From a risk perspective the challenges an organisation faces are exactly the same as if the individual was driving a work supplied vehicle.

Because grey fleet vehicles do not belong to the company, fleet managers face a complicated set of issues when it comes to managing the safety of their fleet. For one thing, employees using their own car may be outside of the established insurance and servicing policies, meaning their vehicles are not covered for company travel.

Grey fleet drivers can be hard to manage in respect of mileage, accident management and general vehicle maintenance.

In addition to this, you will also need to consider the suitability of the vehicle for work purposes. This could include the age and condition, or whether the vehicle is equipped with ABS, ESP, air conditioning, and whether or not it is suitable for the journey requirements of the company.

It is vital therefore that organisations ensure they have appropriate checks in place to meet their legal responsibilities.

The maintenance of records will help ensure that all required conditions are satisfied i.e.

- Is the driver's licence current and correct for the class of vehicle they are driving?
- Does the driver have any driving offences still current?
- Is their vehicle's servicing record available?
- Does the condition of the vehicle meet company required standards?
- Do you hold signed records of the driver's pre-journey checks?

Ensuring vehicle safe to drive

Although these drivers may fall outside the established insurance and servicing policies of the company, when they use their own car for work purposes they still pose a large risk to the company. Companies have a responsibility to ensure that the employee holds a valid driving licence and that their vehicle has the correct insurance for business use and a valid MOT certificate (if appropriate) and road tax.

You should have a system that records such information and that can thereafter be used to alert the individual drivers and line managers when each of these items is due for renewal.

Three essential steps for effectively managing grey fleet travel:

1. Set the policy

Develop a policy on driving for work, which includes statements on driving your own vehicle for work in compliance with health and safety legislation and the HSE's Driving at work guidance, the policy should include statements relating to the vehicle, the driver and the journey.

2. Use the policy to tackle key issues

The policy on driving for work should cover the relevant issues relating to financial and environmental responsibilities, as well as health and safety.

3. Implement and review the policy

The policy needs to be implemented, managed and reviewed.

Documentation Checks

You can use the links below to check your drivers' document validity

- [Driving licence](#)
- [MOT certification](#)
- [Road Tax](#)

You may want to keep a copy of their insurance policy on the company file

Associated Guidance Documents:

- [RoSPA Mobile Phones Advice](#)
- [Safe Driving Policy](#)
- [Safe Journey Planning - ROSPA](#)
- [Site Inspection: Workplace Transport Checklist](#) - although not comprehensive for all work situations, this provides a useful guide when carrying out your Risk Assessment