

Understanding grey fleets

Does your business require being on the road in order to complete your work, then it could mean that you are responsible for grey fleet drivers. Even if your business requires employees to use their own vehicles to carry out daily work related activities, then you could also be responsible for grey fleet drivers.

What is a grey fleet?

A vehicle that is used by a business that is not owned by the business is the definition of a grey fleet. As a result, a grey fleet driver may be someone who uses a vehicle that was purchased via an employee ownership scheme, gets behind the wheel of a privately rented vehicle or simply uses a vehicle that is privately owned by the employee themselves.

[Van lease](#) specialists Northgate said that businesses that do use these types of vehicles will be responsible for covering any costs – this could be set up as a cash allowance. All responsibility for a grey fleet is with the employer.

Legal

Employers that use grey fleet drivers should be familiar with the law, especially the Health and Safety at Work etc Act 1974. This is because the act underlines that it is the requirement of employers to ensure the health and safety of all employees while at work, so far as is reasonably practicable. It also stresses that employers and employees have a responsibility whenever they are engaging in work-related driving activities to ensure they are never putting others at risk.

The act specifies that employers are responsible and have the exact same level of care as if they were driving a company owned vehicle to carry out their duties – so it's important for them to be aware.

Although this is something that not all employers will be familiar with, for that reason, the Royal Society for the Prevention of Accidents have created an [online service](#). Not only does the system enable organisations to record details like driving licence validity, insurance details including business use, MOT certification and road tax validity, but once recorded it can alert each relevant individual driver and line manager of dates when any of these items are up for renewal.

The facts

From a motoring report carried out by Lex Autolease in 2016, we found out there were 14 million grey fleet vehicles on the roads in the UK. A report commissioned by the British Vehicle Rental and Leasing Association (BVRLA) titled Getting to grips with Grey Fleet has also suggested that employers across the nation are racking up a bill of around £5.5 billion each year to cover the grey fleet.

12 billion miles in Britain are carried out per year by grey fleet vehicles and these produce 3.5 million tonnes of CO2 according to the Energy Saving Trust.

John Webb from Lex Autolease said: "Worryingly, 22 per cent of fleet managers think there are no serious risks to the company from employees using their own cars for work. But driving is the most dangerous activity for most employees while at work, and 62 per cent of private car use is for work-related activity, so duty of care, regardless of the vehicle's ownership, should be a top priority."

The BVRLA aim to reduce mileage and costs by 50% before 2020, but to achieve this they need the help of employers and policymakers to lower the amount of grey fleets.

What could you do differently?

Are you a business that wants to reduce the number of grey fleet vehicles? There's a number of alternatives available for you and your employees to consider...

Introducing a new scheme

For those who use vehicles for business travel, a salary sacrifice scheme could be introduced. This would work in that businesses would give employees the chance to relinquish a part of their salary and in return receive the non-cash benefit of a new lease vehicle.

David Hosking, the CEO of salary sacrifice market leaders Tusker, commented: "They ... meet duty of care concerns and, by introducing mandatory licence checking and automatically providing business insurance, the schemes ensure that the company and its employees are fully covered."

Renting cars

A flexible way to operate would be using a vehicle renting service not only this, but it would then supply employees with newer vehicles to conduct business travel in. This last point is underlined by the fact that vehicles can be delivered for the company to use for as little as an hour at a time or for a month or more.

If this does become an option for your business, you will be able to track and monitor different aspects of vehicle usage which could be beneficial as you will be able to allocate employees and costs more efficiently.

Providing company vehicles

One way that could help your business reduce the amount of grey fleet vehicles would be lowering the business mileage that could enable employees to drive company cars.

Lex Autolease's John Webb commented: "This means that the business has more control, or at least some say, over the car that drivers have."

Jon Burdekin, from mobility provider Alphabet, commented: "I wouldn't say it is necessarily the most strategic way to manage your grey fleet. If you've got somebody who's doing 10,000 business miles a year in their own car, then there is an argument to say they should have a company car because they are more than an occasional user. However, I wouldn't say increasing the company car fleet is right. It is an option, of course. You can give every single employee a car, but it's using a sledgehammer to crack a nut."

Sources:

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