

9 April 2019

'GREY FLEET' MANAGEMENT EVER-MORE CRITICAL IN A SAFE AND SUSTAINABLE CORPORATE MOBILITY ENVIRONMENT

Corporate moves to managing 'safe, sustainable mobility' amid a rising trend of employees opting for cash in lieu of a company car due to a perceived rising tax burden makes 'grey fleet' management ever-more critical.

That was one of the key messages from speakers participating in UK premier fleet decision-makers' organisation ACFO's, 'Not so Grey: Managing Opt Out and Private Vehicles' webinar, which is now available as a download from the 'members' area' of its website - www.acfo.org.

What's more to ensure the efficient and effective management of 'grey fleet' vehicles - privately owned vehicles driven on business journeys - it was critical, said speakers, to have in place technology to deliver a 'cohesive, auditable and systemised' approach and mileage capture systems to further aid compliance and accurate mileage reimbursement.

With at least 14 million privately-owned vehicles driven on work-related journeys - there are around 940,000 company cars on the UK's roads, according to HM Revenue and Customs' data - Simon Turner, campaigns director of RoadSafe, which delivers the Driving for Better Business campaign, the core element of the Highways England business outreach programme, said: "I see a lot of inconsistency in the way many companies, of all sizes approach 'grey fleet'.

"That includes small ones that get it right, and well-known larger ones who are getting it wrong or ignoring it completely. Who owns the car is largely irrelevant as the duty of care to manage occupational road risk is the same, so the management procedures to deal with that risk should be the same as well."

more/.....

ACFO

'GREY FLEET' MANAGEMENT EVER-MORE CRITICAL IN A SAFE AND SUSTAINABLE CORPORATE MOBILITY ENVIRONMENT

The reasons for “poor management” of ‘grey fleet’ vehicles were many and varied, explained Mr Turner, who said they included: Misunderstanding of both employers’ and drivers’ rights and obligations; a management fear of confrontation with drivers; a misplaced employer trust in drivers; or a lack of management commitment to provide the necessary resources.

The webinar was hosted by ACFO national chairman John Pryor and other speakers - Richard Evans, head of business development at fleet and asset management software solution provider Jaama; James Pestell, national sales manager, IFC Group, which includes Vertivia, a mileage capture system, and ACFO digital secretary; and Stewart Lightbody, head of fleet services, Anglian Water and a co-opted member of the ACFO board - were united in their view that who owned a vehicle driven on business was “irrelevant” as employer responsibility was identical whether or not it was company provided.

RoadSafe aids the Department for Transport’s ambition to support and promote good practice in safer fleet management and occupational road safety as set out in the Government’s road safety statement and Mr Turner said: “Asking someone to drive for work brings certain obligations regarding a duty of care to manage the risk and, in law, these obligations are largely the same, whoever owns the vehicle, or however it is financed.”

Referring to a privately owned vehicle driven on business, he said: “The company is, in effect, commandeering a private vehicle and using it as a de facto company car for the duration of the journey.”

Therefore, he said: driver licence checks were essential, driver policies should be shared with ‘grey fleet’ drivers, just as they would be with a company car driver; similar driver profiling, assessment and training regimes should be in place as with company car drivers; vehicle roadworthiness monitoring should be undertaken including checks on the status of servicing, MoT and Vehicle Excise Duty; and business insurance - highlighted as being regarded as a ‘misunderstood’ issue by drivers and company bosses - should be in place.

more/.....

'GREY FLEET' MANAGEMENT EVER-MORE CRITICAL IN A SAFE AND SUSTAINABLE CORPORATE MOBILITY ENVIRONMENT

If employers had not undertaken such checks and had no system in place for doing so, Mr Turner said: "They could be guilty of causing and permitting an offence. Employers need to take this risk seriously."

However, he added: "There is nothing inherently wrong with having a 'grey fleet', provided employer risks and obligations are fully understood, and it is managed properly."

As employers increasingly focus on the concept of Business Mobility-as-a-Service, Mr Turner said: "We're seeing the more forward-thinking employers move away from managing occupational road risk, and they are now looking more broadly at managing safe sustainable mobility, which incorporates a much more integrated approach to where employees need to be, why they need to be there, and how businesses get them there safely."

"The mobility question is only going to become more pressing due to the rising trend in drivers taking a cash option due to uncertainties over future tax liabilities and vehicle emissions."

"'Grey fleet' will probably form a vital part of most companies' future mobility solutions when integrated with other travel and communication options. But it needs to be effectively managed if it is to be successful. Employers must ensure they have well thought out policies and processes in place and stick to them."

- The Driving for Better Business 'Grey Fleet Review', which features a forward by Mr Pryor, has been downloaded more than 11,000 times. It is available at:

<https://www.drivingforbetterbusiness.com/resources/dfbb-publications/grey-fleet-review/>

more/.....

'GREY FLEET' MANAGEMENT EVER-MORE CRITICAL IN A SAFE AND SUSTAINABLE CORPORATE MOBILITY ENVIRONMENT

Mileage claims a 'tax-free goldmine' for drivers without mileage capture

Mileage reimbursement claims could be a 'tax-free goldmine' for drivers if employers failed to undertake checks, the webinar was told.

Industry research has suggested that business mileage claims by own-car drivers could trigger an overpayment of 25% prompting Mr Pestell to say: "All mileage claims must go through a mileage capture system to see who is claiming and to identify 'grey fleet' usage."

He claimed that 95% of companies audited by IFC Group when implementing the Vertivia mileage capture system that also records vehicle and drive document compliance, were previously non-compliant.

As a result, he recommended that employers adopted a 'carrot approach' of encouraging 'grey fleet' drivers to submit reimbursement claims via complying with a mileage capture system rather than a 'stick approach' of 'you must provide information or else'.

Mr Pestell said: "Having a mileage capture system in place can be cost neutral because non-accountable reporting of business mileage means companies could be hemorrhaging money. Five miles saved per driver per month when reimbursing at 45p a mile [the tax-free Approved Mileage Allowance Payment for the first 10,000 business miles] covers the cost of the solution."

Furthermore, he claimed: "Many companies do not provide the same financial scrutiny of 'grey fleet' mileage costs as they do company car costs." That prompted Mr Turner to suggest: "It's a tax-free goldmine for drivers if employers don't monitor claims."

more/.....

'GREY FLEET' MANAGEMENT EVER-MORE CRITICAL IN A SAFE AND SUSTAINABLE CORPORATE MOBILITY ENVIRONMENT

In addition to direct cost savings from introducing a mileage capture system, Mr Pestell highlighted numerous other benefits including: Indirect cost savings as a result of a streamlined mileage expense claims regime and reduced administration and paperwork; compliance with HM Revenue and Customs' reporting rules; and duty of care compliance due to in-built prompts and alerts.

Highlighting that at a time when businesses were increasingly analysing employee mobility and the use of car clubs and car hire as well as video conferencing and public transport as alternatives to vehicle use, Mr Pestell continued: "Data and information are key. Without mileage capture a company does not know the true cost of 'grey fleet' as well as company car use and other options may be more cost effective.

"Mileage capture can provide opportunities and benefits as well as significant savings relating to both the company vehicle and 'grey fleet' populations."

Technology key to 'cohesive, auditable and systemised' 'grey fleet' management

Technology was critical to help employers have a 'cohesive, auditable and systemised' approach in place to manage 'grey fleet' drivers and their vehicles in addition to managing company cars and their drivers, according to Mr Evans.

Employers, he said, should make the same amount of time available to manage 'grey fleet' vehicles as they did company-provided vehicles but too many organisations had "a varied approach to the challenge".

Mr Turner acknowledged that 'grey fleet' management took time and resource and added: "Often it falls between HR and fleet with neither understanding it properly nor wanting to take responsibility. The end result is that drivers are not managed properly, the correct policies are not implemented and drivers do not provide the correct information."

more/.....

'GREY FLEET' MANAGEMENT EVER-MORE CRITICAL IN A SAFE AND SUSTAINABLE CORPORATE MOBILITY ENVIRONMENT

Anglian Water has introduced an essential user fleet allowance that enables drivers to decide how they fund their cars with the vehicle age and carbon dioxide emissions cap aligned with the company car policy.

Mr Lightbody said: "It is disappointing to hear that the 'grey fleet' issue is not being managed across the board by all organisations. At Anglian Water ownership of the asset is irrelevant. If someone is travelling on behalf of the organisation we have a duty of care and responsibility to manage accordingly.

"At Anglian Water we manage consistently. It is irrelevant who the driver is and what car they drive. Fleet managers cannot absolve themselves of 'grey fleet' management and technology makes collating information easier.

"If you can integrate documents into a centralised system and communicate with drivers and run management information from that system fleet managers have a holistic view. Technology must lead and it is moving at a pace. Long gone is the need for a paper trail."

Consequently, said Mr Evans, technology such as Jaama's multi award-winning Key2 system and smartphone 'MyVehicle App', which via auto-triggering worked in tandem with the vehicle and driver management solution, provided a centralised answer.

Highlighting that Key2 offered a number of modules focused on 'grey fleet' management including recording vehicle-related information and vehicle and driver documentation, Mr Evans said: "The system will validate documents and provide a robust audit trail and drivers can use 'MyVehicle App' to perform vehicle condition checks."

He continued: "It is important that companies ensure 'grey fleet' driver buy-in to management policies and that those policies are supported by executives."

more/.....

'GREY FLEET' MANAGEMENT EVER-MORE CRITICAL IN A SAFE AND SUSTAINABLE CORPORATE MOBILITY ENVIRONMENT

Suggesting that ensuring the 'grey fleet' driver community was "on side", Mr Evans said: "That's the challenge. It is really important that driving policies and risk management tools - licence checking and driver profiling - are not just rolled out to the company car community but are promoted across an organisation's entire employee car use base.

"There should be no business journeys unless critical policies are in place, they have been complied with and drivers have signed up to them. Communication must come from the top of a business.

"Managers should focus on what technology can do for them and how it can automate and provide efficiencies for organisations."

Mr Pryor concluded: "It is clear that technology will help and support managers moving forward, but policy and communicating it remains king. For many businesses 'grey fleet' does and should provide an important part of a clear mobility policy, but managing that policy is vital."

Notes for Editors

ACFO Ltd is a non-profit making organisation. It is the largest UK body representing the interests of businesses which operate cars and vans as part of their normal commercial activities.

Members are represented within ACFO by a named delegate, often but not exclusively, the fleet or transport manager of the member organisation. There is, however, a very wide range of job titles involved, reflecting the different styles of fleet operation. ACFO provides a national representation platform, and regional webinar-based networking opportunities, to support its key objective of improving the discipline and craft of fleet management, and its status.

Further information can be obtained from:

Ashley Martin at Ashley Martin Communications on 01733 390691, 07801 434338 or at ashley.martin32@btopenworld.com.

Alternatively, email info@acfo.org or go to www.acfo.org

ACFO