

Executive Summary

2013/14 data shows that Midlothian Council has 4,954 grey fleet drivers using their own vehicles for council business, who submitted mileage claims for 1,388,295 miles. The grey fleet contributes heavily to the organisation's overall business travel costs and carbon emissions.

The cost to the organisation in mileage claims in 2013/14 was £624,732.75. This cost does not consider lost staff productivity time nor staff time associated with the administration of claims which are factors that should be taken into account when calculating the true cost of grey fleet travel. True costs will therefore be far in excess of the amount noted above.

Though much of the travel within the organisation can be seen as essential, it's accepted that there will be circumstances where alternatives to private car use should be prioritised. Through promotion of the travel hierarchy, increased pool car utilisation and encouraging managerial control of grey fleet mileage, Midlothian Council can expect to achieve a 10% reduction in grey fleet mileage and accompanying mileage costs (£62,473 p.a.). Any reduction in mileage will also lead to carbon savings and would complement the aims of the council under their Carbon Management Plan.

The first action in addressing the grey fleet should be a strong effort to eliminate those journeys which do not have to be made. Video and tele-conferencing facilities are available at a number of the council's sites and promotion of these services should be increased to make all staff fully aware of these options. We have dealt with many organisations where video conference (VC) equipment remains under-used and suggestions for addressing this are covered in the following chapters.

Introducing a strategy to eliminate unnecessary journeys and ensuring that essential journeys take place in the most cost-effective and environmentally friendly manner is the next step. Shifting employees out of grey fleet vehicles has traditionally been a problematic area across many organisations but by assigning grey fleet responsibility to a named person within the organisation, the strongest foundation for success can be laid. Immediate savings can be made by ensuring that no employees are using their own vehicles for journeys over 80 miles. In cases such as these it is more cost effective to use a hire car and national hire car organisations should be engaged with to procure favourable rates and gain access to low carbon hire cars, where available. More details about the break-even point can be found on page 14.

It is recommended that the default choice for all journeys is by public transport, wherever feasible. Promotion of Traveline Scotland to staff will allow them to find public transport routes for any location that they are travelling to. Although, it is acknowledged that public transport is very restrictive within the council area. As well as a likely cost benefit in terms of mileage claim reductions, the amount of lost productive time through driving (approx. 4338 working days per year across the organisation) will be subsequently reduced.

In addition to the significant amount of lost productivity there is a serious risk from a 'Duty of Care' perspective. The systems currently in place to ensure grey fleet drivers have valid driver licenses, MOTs and up-to-date insurance are seen to be sufficient to protect against potential Corporate Homicide Act 2007 breaches, if all procedures are being followed.

Midlothian Council Business Travel and Subsistence policy states;

“Where a driving licence or other paperwork check is required and the information is not provided by the due date, employees will be given up to one additional month to produce the documentation. Payment for any mileage claims during this period will be suspended. After two months, if the employee’s driving licence etc. has still not been produced, Midlothian Council will not pay any mileage claims suspended during that time and the employee may be subject to disciplinary action.”

However anecdotal evidence would suggest that checks are not carried out, this could be detrimental to the council if an accident resulting in a death or serious injury occurred whilst an employee was driving at work without the correct documentation.

Further to this, by undertaking a period of strict mileage claim auditing, the council can seek to eliminate “phantom mileage” claims. Various UK surveys have shown that over a quarter of grey fleet drivers have admitted to exaggerating mileage claims and whilst we have no specific evidence of this amongst the council, it can be seen to be inevitable in any large organisation.