

# Fleet Toolkit:

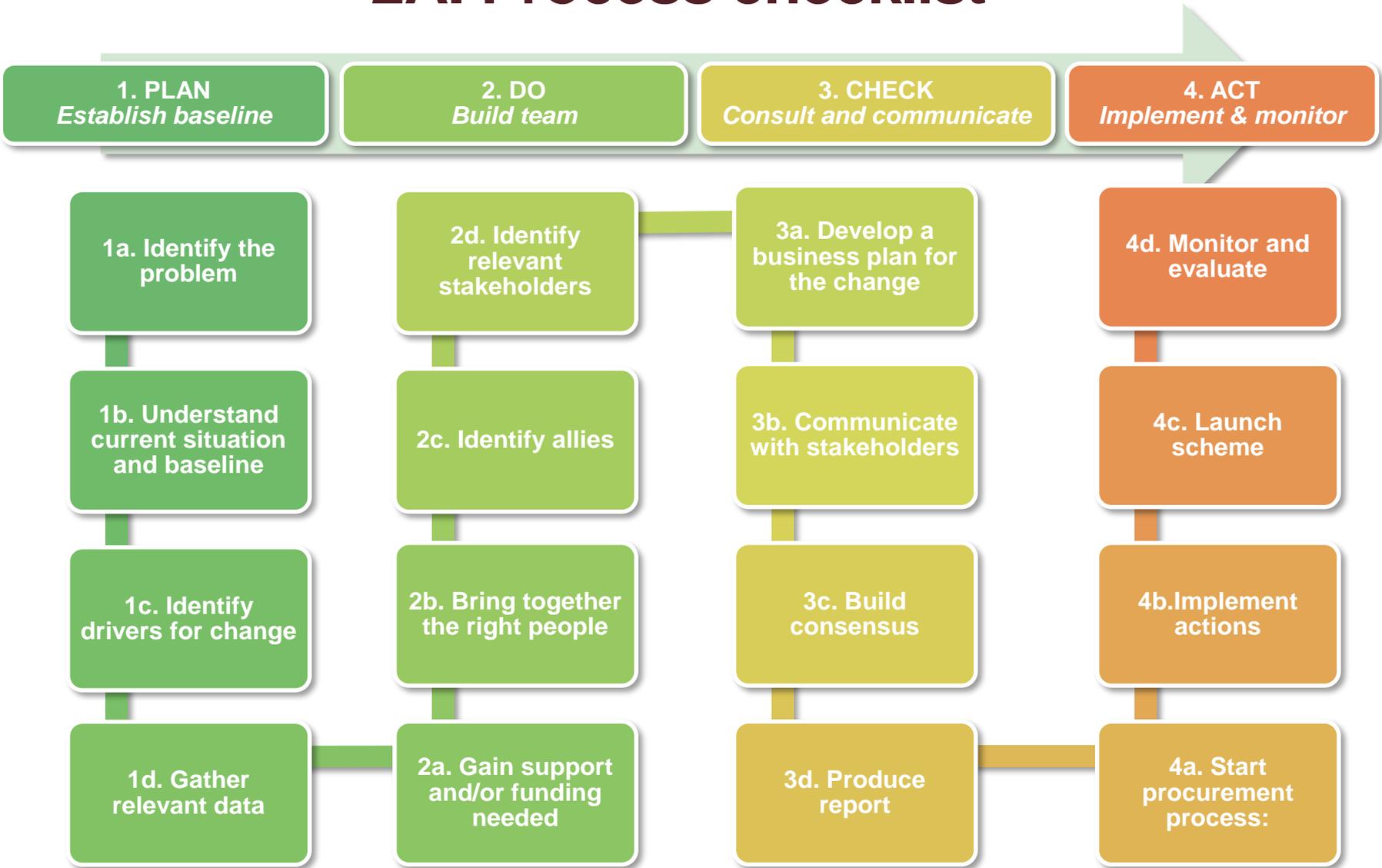
Process, Drivers,  
Considerations and  
Monitoring

# Tackling grey fleet

Managing grey fleet can be a challenging process and requires the collaboration and support of numerous stakeholders.

- This section of the toolkit provides:
  - A step-by-step ‘process checklist’ that can be adapted to your organisation and project
  - Drivers for change – reasons that can be used to build the case for better management of grey fleet and travel policy changes
  - Considerations – questions for you to think about to help define the scope of the project and help ensure its success.
  - Benchmarking, baselines and monitoring

# 2A. Process checklist



# 1. Plan - *Establish baseline*

## 1a. Identify the problem

- High mileage, parking, or outdated policy creating high costs
- CO2 emissions higher than necessary

## 1b. Understand current situation and baseline

- Establish opportunity for change
- Understand starting point to measure improvements

## 1c. Identify drivers for change

- Define the reasons for change

## 1d. Gather and assess the relevant data

- Assess data availability
- Perform high level analysis
- Determine cost of action

## 2. Do – *Build team*

### 2a. Gain support and the funding needed

- Understand the process and signoffs needed for success

### 2B. Bring together the right people

- Develop a working group who can assist the process and represent differing interests and departments

### 2c. Identify allies

- Find a Board Level Sponsor such as Director and/or a Champion or Project Lead with the drive to push the project forward

### 2d. Identify the relevant stakeholders

- Understand the process and signoffs needed for success

## 3. Check – *Communicate and consult*

### 3a. Develop a business plan for the change

- Draft a policy that makes the case for change
- Consider including a travel hierarchy

### 3b. Communicate with stakeholders

- Discuss the need for change, impacts and outcomes with relevant stakeholder groups

### 3c. Build consensus

- Ensure employees are consulted about the plan, and have their questions answered

### 3d. Produce report

- Share with decision makers for implementation of the change

## 4. Act - *Implement and monitor*

### 4a. Start procurement process

- Review organisational rules for tendering (e.g. in certain cases may include OJEU or frameworks)

### 4b. Implement actions

- Introduce new processes, technology
- Begin any training
- Install infrastructure

### 4c. Launch scheme

- Engage the Communications team to promote the change and its positive impact

### 4d. Monitor and evaluate

- Monitor new processes
- Implement process changes as necessary

## 2B. Drivers for change

Every organisation will have different motivations for change, and these reasons will vary between stakeholders.

For example, the Finance Director may seek savings, while a Managing Director may be more interested in risks arising from fleet control.

The next slide discusses the drivers for change which can be used to help motivate colleagues.

# 2B. Drivers for change

**FINANCIAL**



**Cost savings**

Reducing fuel use, using fuel-efficient vehicles or alternative fuels, controlling usage and fleet rationalisation all have the potential to save money.

**Reduced mileage**

Studies have shown that fleet management will reduce mileage, lowering costs and emissions.

**Higher productivity**

Reduction in journeys made through better planning and processes can increase productive work time and reduce time lost to travel.

**ENVIRONMENT**



**Lower CO2 emissions**

Grey fleet vehicles are older than average fleet vehicles, and therefore have higher CO2 emissions. Switching to new vehicles will reduce exhaust emissions.

**Reduced NOx**

Moving to newer vehicles will reduce air pollutants which are at illegal levels in many UK cities.

**Reduced congestion**

By reducing private vehicles use and shifting to car clubs and parking initiatives, less time is lost to congestion and parking costs are lower.

**Reduced risk**

Grey fleets are unmanaged and as such have the potential for significant implicit risk (including vehicle fabric, fluids, tyre condition, presence of MOT, appropriate insurance, license etc).

**Improved reputation**

Moving away from grey fleet provides potential for positive publicity and might provide opportunities to pass on knowledge to others for reputational or financial gain.

**Reduced redundancies**

The public sector continues to undergo business review. Savings in fleet use can delay or reduce redundancies.

**Improved uniformity**

Many mileage reimbursement schemes have evolved over time and treat staff in different ways because of real or perceived contractual terms. By addressing this, all staff can be treated in a fair and uniform way.

**Simplified claims process**

Moving away from mileage reclaim forms means better oversight and less time taken up checking details.

**Simplified annual checks**

Traditional grey fleet checks tend to be viewing of license, MOT and insurance forms at a single point in the year. This leads the organisation open to accusations of not taking reasonable duty of care.

**RISK AND OPERATIONAL**



## 2C. Considerations before you start #1

- Change can be tough to manage and there are a whole range of reasons why employees may find it difficult.
- Some of these are rational (i.e. loss of a revenue stream from mileage or lump sums), some less rational (i.e. expectation that they should be encouraged to travel more in order to meet essential user policies).
- Understanding the **potential scale of savings** can help build support internally and make the reasons for change easier to understand. This is often the first step in breaking down resistance.
- To do this, analysis is required of travel patterns, existing costs and potential costs of change, and factors on the next slides may also need consideration.

## 2C. Considerations before you start #2

Further factors to consider as part of analysis and decision-making:

### How essential is travel?

Does travel have to take place for business to progress? This is a fundamental question and top of the travel hierarchy.

### What is the current cost?

Direct costs are important and will be a key driver for several stakeholders, but it is equally important to consider fuel used and miles driven.

Most fleets will have data on overall costs but data on the actual costs for each vehicle and by day are rarely available, despite being highly insightful.

**Telematics, loggers or manual driver logging** should be used to better understand the characteristics of grey fleet and inform decisions on any replacement fleet. Data capture should be carried out for a reasonable length of time, accounting for season and time of year (for example, avoiding Christmas and August holiday periods).

### What are the fears?

Listen and consult, and answer the questions raised. The proposed scheme should be fit-for-purpose and easier to operate than the current one.

## 2C. Considerations before you start #3

### What is the time frame?

It is important not to rush the process. It is critical to capture and analyse data in detail before roll-out.

### What are the contractual terms to overcome?

Aspects of an organisation's travel policy may be linked to contracted terms and conditions and these must be assessed.

### What does 'acceptable' look like?

Is the saving available for this fleet adequate for the challenge involved in getting there? The organisation must be able to specify what an acceptable return on investment (ROI) or payback period looks like.

### What warrants the term 'success'?

This needs to be set out from the beginning and reviewed at the end. Benchmarking and baselining are important for monitoring, which proves and improves this process. See the Travel Policy.

## 2C. Considerations before you start #4

### Where are the Unions on this journey?

Union involvement, if applicable, is pivotal to the project's success. Involve and consult union leaders as much as possible to build support early on.

### Who are the natural allies?

Consider who internal supporters may be, considering the drivers listed above. Share relevant information and include them in decision-making. Building a team of champions will help with communication.

### What is the process for decision-making?

Sometimes even seemingly minor aspects, such as car colour, can derail a project.. Have a clear process for how these decisions are made, and how to escalate them if conflicts arise. Agreement on the basics is vital for success.

### What documentation is required?

See the templates provided in other sections of this toolkit including the Cabinet Report Template, Travel Policy, Travel Action Plan, Car Share FAQs *and* Sustainable Travel Plan.

## 2D. Benchmarking

- To identify opportunities for improvement, it can be useful to benchmark your fleet against other organisations
- Not all fleet operators will be keen to share their data, citing competitive advantage, but travel plans and reports are fairly routinely shared in the public sector.
- Benchmarking can also indicate the scale of savings it may be possible to make
- Indicators for comparison may include:
  - Number of employees/regular drivers
  - Operational area (regional, national, European or beyond)
  - Type of operation
  - Type of vehicles
  - Scale of operation
  - Overall cost
  - Average cost per driver
- Also see case studies on the [EST website](#)

## 2D. Establishing a baseline

- To assess progress and successes of any new scheme, it is important to firstly understand the situation prior to any changes taking place – the ‘baseline’
- Ideally, baseline data needs to cover the 12 months immediately before any changes are made. This accounts for seasonal changes (e.g. August or Christmas) and ensures decisions are made on representative data
- If such data is not available, considering collecting it for a short period and normalising it against seasonal factors etc.
- Data should be as detailed as possible. Minimum requirements include:
  - Miles driven
  - Payments claimed vs mileage rate
  - Litres fuelled
  - Number of claimants
  - Non-car travel use

## 2D. Monitoring #1

- Benchmarking establishes the level of potential savings, based on comparison to other fleets.
- Baseline establishes the savings achieved after the instigation of a particular change, based on comparison to historical fleet data.
- Establishing a baseline allows for monitoring and tracking in the early months, as well as a thorough cost benefit analysis after the project has been running for 12 months.
- Evaluation should be on-going but is especially important in the early months to ensure that bad habits are addressed and early improvements made.

## 2D. Monitoring #1

- Benefits of monitoring include:
  - Ability to assess and report on progress
  - Awareness of problems or unacceptable practices taking place
  - Honing and improving the scheme
- Data for monitoring can come from a range of sources, including:
  - Telematics
  - Booking tools
  - Access to data (fuel cards, fuel pumped odometer readings)
  - Employee surveys

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