

WHAT'S IN YOUR GREY FLEET?

What do a Ferrari 360 Spider, a 1983 Citroen 2CV, an Austin 7, a Jungheinrich forklift truck and a quad bike have in common? Surprisingly they are all real examples of grey fleet vehicles according to fleet management company Arval, which is calling on organisations to take tighter control of this important area.

Mike Waters, director of market insight at Arval, explains: "Many organisations are placing a strong focus on their environmental policies at the moment but if they don't know what vehicles their employees are driving and claiming business mileage on, they could be ignoring a large area of inefficiency."

"This list of vehicles may sound far-fetched but we're certainly not kidding. Someone within an organisation had actually claimed for 900 business miles on a quad bike. The CO₂ and fuel implications of these vehicles are beyond a joke too. The Ferrari 360 Spider has a CO₂ rating of 440g/km and only does 14 miles to the gallon."

These are extreme examples but Arval is warning that unless companies have control measures in place, their grey fleet could be costing them from an environmental and a health and safety point of view.

Arval recommends the first thing an organisation should do is to try to take steps to understand the scale of the problem, then to look at the most effective alternatives based on the mileage, number and frequency of journeys involved. This might involve pool cars, daily rental or a fully expensed company car, all options that can be effectively managed.

Waters continues: “A key factor in reducing grey fleet use is to tackle mileage rates. By using fuel cards linked to effective alternatives to own car use, any company can reimburse fuel at actual cost ensuring neither party is out of pocket. There are cases of companies paying employees as much as 80 pence per mile if they’re using their own vehicle on business.”

If use of a grey fleet vehicle is unavoidable then Arval recommends putting clear controls in place about what vehicles are allowed to be used. For example, a company can set limits on CO₂ emissions and EuroNCAP ratings.

Waters concludes: “Without controls in place, employees could literally be driving anything and claiming business miles against it. The consequences of ignoring this are costly particularly at a time of rising fuel prices and not just in environmental and financial terms, by law a company has a duty of care obligation to ensure its employees are safe - it’s simply not worth the risk.”

Ends

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Editor’s Notes

Arval

Arval (www.arval.co.uk) is the leading fleet and fuel management company in Europe, owned by BNP Paribas, one of the largest European banking groups, with substantial buying power and a commitment to quality through over 35 years fleet management experience. Arval is a people-led company, with specialist teams dedicated to businesses from start-ups to FTSE 100 companies. Arval is investing significantly in technology to improve fleet efficiency and has a comprehensive range of products covering contract hire, fleet management, fuel management, leasing, personal motoring schemes, accident management, breakdown recovery and short term hire.

About BNP Paribas

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