

Environment Agency Case Study

‘Grey Fleet’ refers to business miles driven by employees in their own vehicles, and claimed back at a fixed mileage rate.

Evidence suggests that a significant proportion of the mileage travelled in the public sector is driven in the ‘grey fleet’. These vehicles are often older than lease or hire vehicles, meaning that they may have higher emissions levels than newer equivalents and fewer safety features. For departments seeking to achieve travel efficiencies, comply with duty of care legislation and reduce emissions levels, the grey fleet is an important area to target.

The Environment Agency embarked on a programme to reduce emissions from its business mileage back in 2001. This study charts the progress up to November 2006 and documents some of the of policy changes, implementation activities and lessons learned along the way.

How the Environment Agency Tackled Grey Fleet

The Environment Agency is ‘the leading public body for protecting and improving the environment in England and Wales’, made up of 22 National Services and around 12,500 employee. In 2001/02, The Environment Agency mileage looked like this:

- 53.6m business miles in total, including badged vehicles, lease, hire and private vehicles
- 8.4m business miles in employee-owned vehicles
- 16% of total mileage carried out in the grey fleet

Action Timeline

2001/02

- **Organisational Commitment:** target to reduce total emissions from business travel by car by 50% by March 2007, on a baseline year of 2001/02.
- **New Policy:** where a car was the right travel option, all return journeys exceeding 50 miles should be undertaken using a hire car rather than a privately-owned vehicle.
- **Implementation:** staff and line managers asked to consider all travel options prior to making a business journey, using ‘Hierarchy of Decision Making’ tool.

2006/07

- **Revised Policy:** threshold, over which employees would not be authorised to drive their own car for business purposes, would now stand at 100miles return journey.
- **Implementation Controls:** monthly review of employee expense claims nationally; identification of claims for round trips over 100miles; and issue of polite reminders of the policy to individual employees and their line managers.

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Travel Options

The Environment Agency has worked hard in the past years to both:

- Establish ownership and support for sustainable travel policy and practice amongst managers at each level (line managers, regional managers and Directors)

Chief Executive

Supports reduction in business mileage and promotes use of public transport

Directors

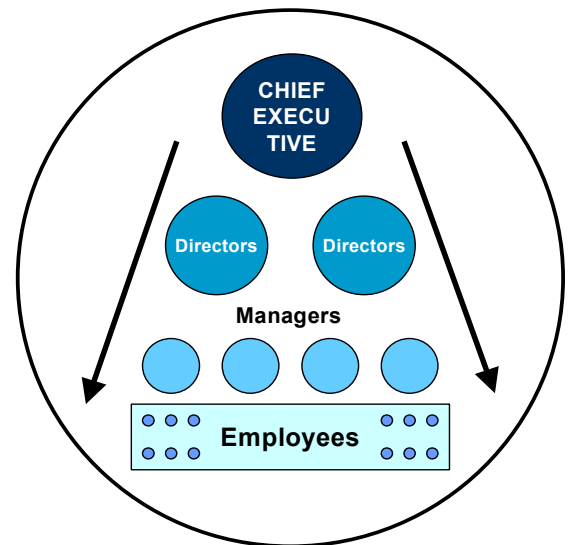
Directors of HR and Operations have signed off casual user policy and communications to organisation are issued directly from them

Managers

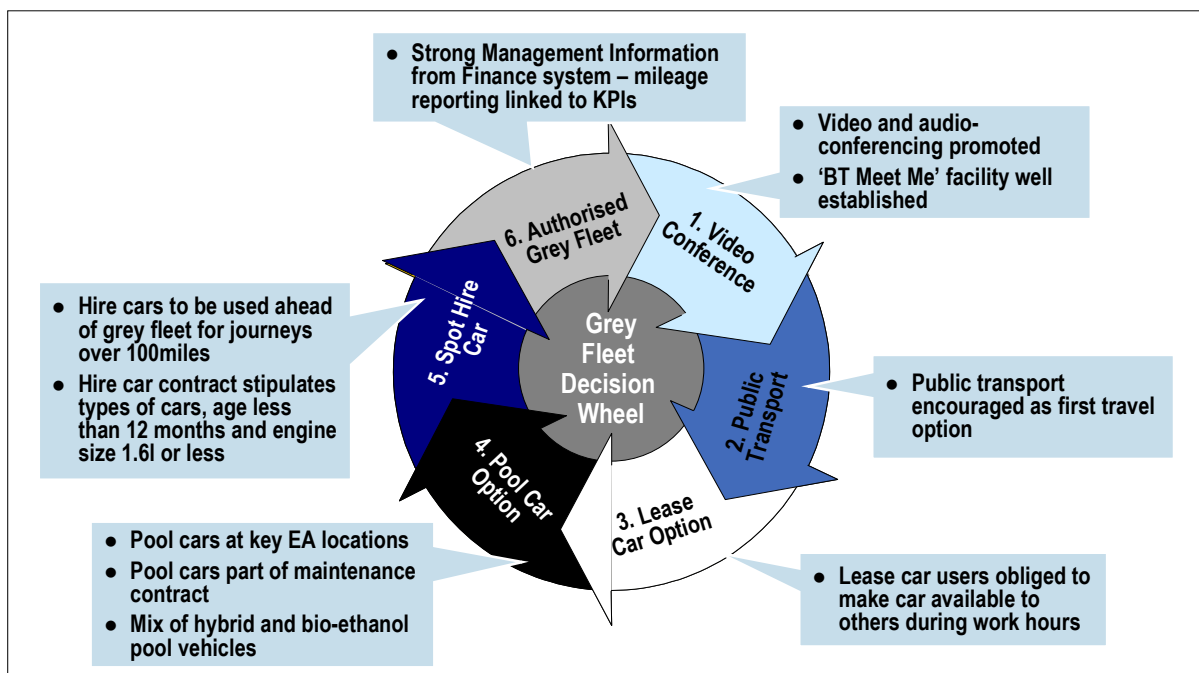
Balanced Scorecard methodology incorporates performance indicators linked to business mileage levels. This means that regional managers report specifically on miles travelled within their regions. Regions, areas, teams and in some cases individuals have personal mileage targets

Employees

Employees and their line managers are asked to consider the options for travel using the 'Decision Hierarchy for Greening the Agency's Miles'



- Provide a range of 'greener' alternatives to use of grey fleet, from video conferencing through to low-emitting hire or pool vehicles.



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What are the Benefits?

Benefits

- The Agency has achieved a 21% overall reduction in grey fleet mileage over past 4 years (alongside a 25% growth in employee numbers)
- There was also a 20% reduction in grey fleet mileage in the single year 2004/05
- According to figures for the last financial year, Grey Fleet mileage stands at less than 12% of the Agency's total mileage

Emissions Reduction

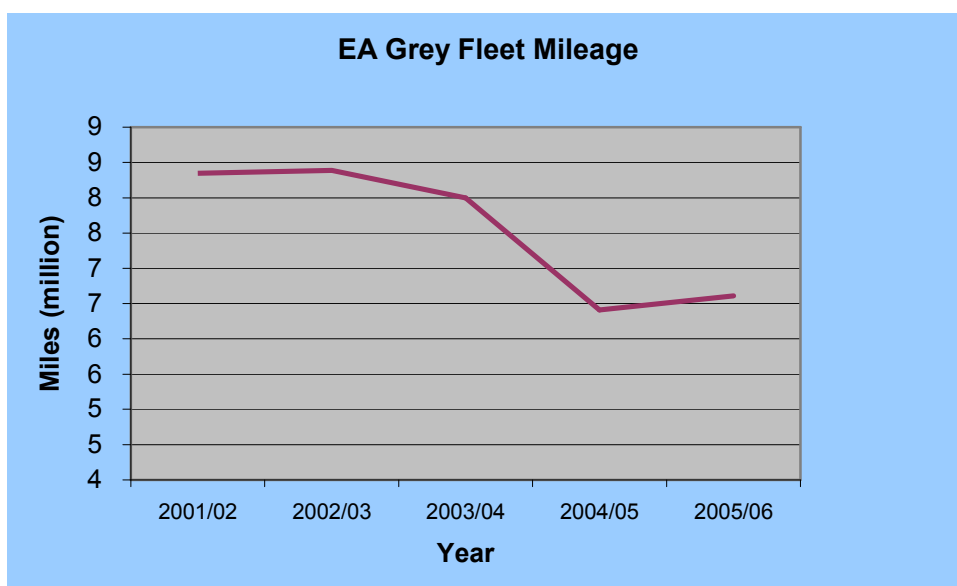
- Assuming an average vehicle carbon emission of 167g/km (Vauxhall Astra), carbon emissions from the grey fleet have been reduced by around 460 tons on 2001/02 levels.
- Of course, some of this mileage will have been transferred to hire, pool or lease cars, but as these vehicles are restricted to newer, lower emission cars, the overall emissions will still have been significantly reduced.
- The Agency's pool cars, for example, are hybrid Toyota Priuses or bio-ethanol cars, which have carbon emissions of 104g/km or lower.

Health & Safety Benefit

- The Environment Agency has also achieved health and safety benefits in moving employees from their own vehicles to newer hire cars with up-to-date safety features (air bags, ABS) and transferring responsibility for vehicle maintenance to hire car companies

Direct Cost Saving

- The reduction in grey fleet miles in 2005/06 would have generated between £0.4 and 0.7million gross saving on the 2001/02 baseline.
- A further 10% saving this year could bring that annual gross saving up to £0.9million, on the 2001/02 baseline.



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Lessons Learned

- Combining changes in policy on grey fleet with tighter processes for managing mileage claims and compliance with policy. A step change may also be needed to allow new policy to be embedded and developed over time, and the Agency is always looking at options to build on the work it has done here. For example, it is currently using tailored ten-point action plans to support the reduction in mileage in each of its regions.
- Senior management support is vital for the success of these kind of policy changes. Environment Agency senior management has been very supportive of the strategy for reducing business mileage and this has set an example for the rest of the organisation.

How you can tackle grey fleet

Any department or authority can take some steps to achieving benefits in this area through:

- Presenting the impacts of grey fleet travel to senior managers and highlighting potential benefits, including cost savings, to encourage their support for action;
- Setting Travel Policy to restrict grey fleet usage and promote other forms of transport;
- Gathering management information on miles travelled in private vehicles to help comply with duty of care legislation and prompt employees to justify the requirement to use their own car.

The OGC has produced a paper of Grey Fleet Impacts and Policy Recommendations that may be useful in presenting the issues to senior managers. There are also several other OGC Case Studies explaining what departments have already done in this area and providing suggestions for other organisations. If you wish to discuss the Grey Fleet Initiative further and understand how the OGC might be able to support you in moving forward, please contact Clemmie Sheppard at clemmie.sheppard@ogc.gsi.gov.uk or 0207 271 1416.