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Auditor General for Wales

# Grey Fleet at the Welsh Blood Service – **Velindre NHS Trust**

Audit year: 2016-17

Date issued: January 2017

Document reference: 684A2016



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# Summary report

## Background

- 1 The Welsh Blood Service (the WBS) owns or leases a commercial fleet of vehicles that are essential to the delivery of its services. The commercial fleet includes vans, minibuses and lorries to transport staff and equipment across numerous hospitals and community locations. In addition to the organisation's fleet, some staff use their own vehicles for work purposes.
- 2 Grey fleet refers to the use of staff members' private vehicles for work purposes. Examples include some staff travelling to blood collection sessions, donor recruitment staff travelling to locations around Wales and staff based at the WBS headquarters travelling to other Velindre NHS Trust premises for meetings.
- 3 Each year, across the Welsh public sector, the grey fleet travels over 100 million miles at a cost of over £50 million, emitting over 20,000 tonnes of CO<sub>2</sub><sup>1</sup>. With such considerable costs, environmental impacts, and with the safety risks associated with fleet vehicles, it is essential that the WBS manages its grey fleet effectively.
- 4 Use of grey fleet can be beneficial for organisations because in the right circumstances, grey fleet provide a flexible and cost-effective means of transport. However, grey fleet can also be difficult for organisations to manage. Here are some common complications for employers associated with grey fleet:
  - legislation, including the Corporate Manslaughter Act, places a duty on employers to ensure staff are safe to drive and their vehicles are roadworthy, even if the organisation does not own the vehicles.
  - it can be difficult for organisations to know exactly what their responsibilities are in relation to grey fleet. Guidance from the Royal Society for the Prevention of Accidents<sup>2</sup> states that under health and safety law, employers owe the same duty of care to grey-fleet drivers as they do to employees who drive company owned, leased or hired vehicles.
  - in addition to the responsibilities of the organisation, employees using grey fleet have personal responsibilities. However, employers can struggle to persuade staff to appropriately insure and tax their vehicles and to ensure they have a valid MOT. There can be similar problems in ensuring grey-fleet drivers are appropriately licensed.
  - employers are often uncertain about the number of vehicles, the number of miles covered and the costs incurred through the use of grey fleet.
  - some organisations struggle with the administration of the grey fleet, leading to problems with data recording and performance management.

<sup>1</sup> Auditor General for Wales, [Grey Fleet Seminar, October 2010](#).

<sup>2</sup> Royal Society for the Prevention of Accidents, [Driving for Work: Own Vehicles, August 2015](#).

- 5 The WBS has recognised grey fleet as an area that would benefit from audit. We would like to acknowledge the WBS's positive approach in recognising weaknesses in this area and in highlighting them during audit planning discussions.
- 6 Our review sought to answer the following question: **is the WBS effectively managing its grey fleet?**
- 7 Our audit approach included interviews, as well as a document and data request. We also carried out good practice research, building on work we carried out in 2008 on fleet management across the Welsh public sector<sup>3</sup>. The scope of our work covered the following issues:
- policies and plans in relation to grey fleet;
  - operational management of grey fleet – such as actions to prevent unnecessary journeys and the arrangements to control the use of grey fleet; and
  - monitoring the extent and impact of the use of grey fleet – such as costs, environmental impact, safety aspects and corporate reporting.

## Main findings

- 8 **Overall, we concluded that the WBS is aware that it has weak arrangements for managing its grey fleet. Our work confirmed a general lack of controls and responsibilities, and highlighted the need to adopt good practice.** The paragraphs below set out the main reasons for this conclusion.
- 9 The Welsh Blood Service has not set out any specific responsibilities for managing the grey fleet. Whilst management arrangements relating to the commercial fleet are clear, there is a clear lack of accountability in relation to grey fleet. Our good practice research suggests that unclear accountabilities are often a key factor in organisations overlooking grey-fleet issues.
- 10 The WBS has no specific plan, policy or performance measure related to grey fleet though it does have a Fleet Management Strategy (FMS) which is due to be refreshed. The refresh process provides a perfect opportunity to consider and include grey-fleet issues within the overall strategic approach to fleet.
- 11 The WBS has very few controls in place for ensuring grey-fleet vehicles and drivers are safe and legal. This is an area where there are corporate responsibilities for the Trust as well as personal responsibilities for its employees. Our work found there are no formal checks of drivers' licences and insurance. Similarly, we found no specific arrangement for checking whether grey-fleet vehicles had a valid MOT and no rules about the age, safety standards or carbon emissions of grey-fleet vehicles.

<sup>3</sup> [Wales Audit Office, Archived Fleet Management Webpages.](#)

12 We found no evidence of corporate monitoring and reporting of grey-fleet usage and its financial and environmental impacts. However, our own analysis suggests that grey-fleet mileage costs the WBS around £59,000 a year compared to the commercial fleet fuel bill of around £95,000. This reinforces the need for the WBS to give grey fleet a much greater focus within the organisation’s overall approach to fleet management. This additional focus could have benefits in relation to sustainability, value for money, as well as health and safety.

## Recommendations

13 **Exhibit 1** sets out the recommendations that have resulted from our review.

### Exhibit 1: recommendations

<b>Ownership of grey fleet</b>	
R1	The WBS should introduce appropriate responsibilities and lines of reporting for managing the grey fleet.
R2	The WBS should publicise to its staff the personal responsibilities that grey-fleet drivers have for ensuring they have appropriate licenses and insurance.
<b>Grey-fleet planning</b>	
R3	To feed into the forthcoming review of the Fleet Management System (FMS), the WBS should develop specific ambitions, priorities and actions related to improving grey-fleet management.
<b>Grey-fleet policies and processes</b>	
R4	The WBS should consider introducing robust processes for regularly checking grey-fleet drivers’ licences, endorsements and insurance.
R5	The WBS should implement a requirement and procedure for staff to report accidents and incidents that occur when making grey-fleet journeys.
R6	The WBS should consider introducing appropriate processes aimed at ensuring that grey-fleet vehicles are safe and legal. These processes may need to consider safety standards, MOT certification and level of emissions.
<b>Monitoring use of grey fleet</b>	
R7	The WBS should introduce regular monitoring and reporting of the mileage, emissions and costs associated with grey-fleet usage.
<b>Trust-level actions on grey fleet</b>	
R8	Velindre NHS Trust should consider the recommendations of this report in full, to assess the level of risk it is carrying and to decide whether the issues raised also require action across the Trust rather than just in WBS.

# Detailed findings

## The Welsh Blood Service has not set out any specific responsibilities for managing the grey fleet

- 14 The first aspect of grey-fleet management that we reviewed was to assess whether there was clear corporate leadership and accountability. In the WBS, we found there is a lack of accountability for issues related to grey fleet and as a result, grey fleet has been left largely unmanaged. Management of the organisation's commercial fleet is a responsibility of the Transport Manager, who reports to the Head of Collections, who in turn reports to the Director of the WBS. However, no staff appear to have a specific responsibility for grey-fleet management.
- 15 We feel it is important to note that the WBS is by no means the only organisation that has been unsighted of grey-fleet issues. A recent [Fleet Drive article](#) that states grey fleet is 'invisible' within many public and private sector organisations.
- 16 [Grey-fleet guidance from the Energy Saving Trust](#) states that an essential first step to improving grey-fleet management is to assign clear responsibilities. The guide states 'Lack of responsibility is one of the key reasons why the grey fleet is so often overlooked'.
- 17 Our good practice research identified an [article on the BusinessCar website](#) that highlights the importance of organisations effectively managing their grey fleet. However, the article at the link below also warns of the dangers of assigning management responsibility to individuals without giving them the necessary resources. When assigning new responsibilities for grey fleet, the WBS may need to consider specific roles for the Transport Team and the Workforce and Organisational Development (W&OD) function. Whilst the Transport Team is an expert in fleet management, the W&OD function may be able to lead on staff policies and processes related to grey fleet.

## The WBS has no specific plan, policy or performance measure related to grey fleet

- 18 Whilst the WBS has an FMS, that document does not cover grey fleet. There is also no evidence of any plans, performance measures or ambitions for grey fleet within the WBS.
- 19 An ongoing logistics review from ATOS consultants within the WBS is likely to lead to a review of the FMS. This would seem an ideal opportunity to consider whether grey fleet should be included as part of a broader strategic approach to fleet management.
- 20 Our good practice research found a number of potentially useful case studies and guides related to the policy and strategic framework for grey-fleet management. The examples are described in the bullet points below:
- the Office of Government Commerce has produced a [template business case](#) for organisations to consider when proposing grey-fleet initiatives.
  - the Environment Agency has secured successes in grey fleet through setting a target to reduce business miles. The initiative has reduced grey-fleet miles and secured considerable savings ([Office of Government Commerce, Grey Fleet Initiative, Environment Agency Case Study](#)).
  - a [case study from Birmingham City Council](#) shows how the development of a broad FMS was part of an improvement process that led to considerable savings in grey fleet.
  - Fleet Innovations has produced a [sample grey-fleet policy](#).
  - General Electric has produced a [guide](#) to help organisations manage their grey fleet.
  - Fleet News has produced a [guide](#) which collates best practice in relation to grey-fleet management.
  - the Royal Society for the Prevention of Accidents has produced a [grey-fleet management guide](#) as well as a [template Own Vehicle Policy](#).
  - Maryland General Assembly has conducted an [audit on fleet management](#), which included calculations about the cost effectiveness of grey-fleet use in comparison with providing staff with vehicles for certain uses.

## The WBS has very few controls in place for ensuring grey-fleet vehicles and drivers are safe and legal

- 21 It is important that organisations have a framework of checks and controls in place to ensure that when staff use their vehicles for business purposes, the vehicles and drivers are safe and legal. The Health and Safety Executive's guidance on driving at work recommends that organisations periodically check the validity of their



staff's driving licences<sup>4</sup>. The Royal Society for the Prevention of Accidents has also produced guidance stating that organisations need to make sure that staff who drive grey fleet are legally entitled to do so.<sup>5</sup>

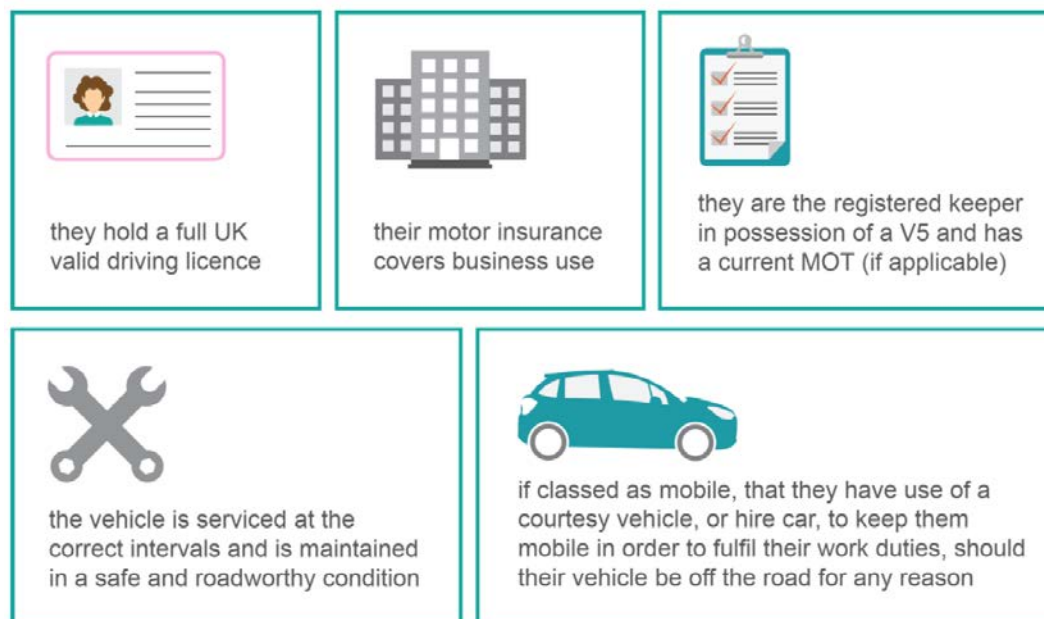
- 22 We found that the controls relating to grey-fleet drivers within the WBS are currently very limited. There appears to be no specific policy, process or requirement for drivers to provide evidence that they have an appropriate driving licence or that they have appropriate business-use insurance.
- 23 One member of staff mentioned a trust-level policy on Driving at Work although no one else we spoke to was aware of this policy. We are also aware that the online expenses system staff use to claim reimbursement for grey-fleet travel includes a disclaimer stating that staff should properly insure themselves for business travel. In isolation, this disclaimer is not adequate for reducing risks related to grey-fleet use.
- 24 Whilst there is a six-monthly process for checking the licences of commercial fleet drivers, there is no process in the WBS that covers grey-fleet drivers. Similarly, there is no process or obvious requirement on grey-fleet drivers to declare any driving endorsements or disqualifications. Whilst the WBS commercial fleet drivers receive training, there is no training for grey-fleet drivers.
- 25 Our good practice research found a number of potentially helpful articles and websites related to driver checks:
- the Royal Society for the Prevention of Accidents has [guidance](#) setting out the importance of driver checks and providing good practice tips on carrying out such checks;
  - an [article in Fleet News](#) discusses the importance of ensuring grey-fleet drivers have the appropriate insurance cover;
  - another [Fleet News article](#) discusses approaches to checking driving licences;
  - we found some [research](#) suggesting that grey-fleet drivers are likely to pose greater road safety risks than company car users; and
  - Bradford Council has a [Driving for Work policy](#) which sets out a process for grey-fleet drivers to declare that they are aware of their responsibilities regarding driving licences, insurance and the condition of their vehicle.
- 26 The Wales Audit Office updated its corporate Travel Scheme in April 2016 following extensive review of our working practices and staff consultation. [Exhibit 1](#) shows the key requirements for staff driving on Wales Audit Office business. The scheme also now requires staff to immediately inform Human Resources of endorsements or points on their licence, and it requires grey-fleet

<sup>4</sup> Health and Safety Executive, [Driving at work: Managing work-related safety](#), April 2014.

<sup>5</sup> Royal Society for the Prevention of Accidents, [Driving for Work: Own vehicles](#), August 2015.

vehicles to be less than ten years old, and have CO<sub>2</sub> emissions within specific limits<sup>6</sup>.

Exhibit 2: Wales Audit Office staff driving for work purposes must ensure...



Source: Wales Audit Office Travel Scheme

- 27 We found that the WBS has very limited controls in place relating to grey-fleet vehicles. The Royal Society for the Prevention of Accidents' Driving for Work guidance states that grey-fleet vehicles should meet specific safety standards, and that organisations should carry out periodic checks of vehicles.
- 28 The WBS has no rules about the maximum age or mileage of grey-fleet vehicles, nor are there rules about vehicle-safety ratings, carbon emissions or checks to ensure there is a valid MOT.
- 29 The Royal Society for the Prevention of Accidents' Driving for Work guidance states that grey-fleet drivers involved in a work-related road-traffic accident should report it to their line manager. In the WBS there is a process for reporting incidents involving commercial fleet vehicles to the Transport Department, using the Datix reporting system. There is no such process for accidents involving grey-fleet journeys.

<sup>6</sup> 125g/km for non-petrol powered cars and 140g/km for petrol powered cars. These limits are reviewed every three years.

## We found no evidence of corporate monitoring and reporting of grey-fleet usage and its financial and environmental impacts

- 30 The staff we interviewed told us they were not aware of any corporate monitoring or reporting of the cost and usage of grey-fleet vehicles. In fact, the WBS has difficulty producing data related to commercial fleet usage due to a reliance on paper-based fleet records.
- 31 Our analysis of the data we requested from the WBS shows that the total number of grey-fleet miles travelled in the 2015-16 financial year was around 131,000. The direct cost of reimbursing staff for these miles was around £59,000.
- 32 Estimates from the Transport Manager suggest that the total mileage covered by the commercial fleet per year is around 450,000 and the total fuel bill of the commercial fleet is around £95,000.
- 33 The figures in the two paragraphs above suggest that grey-fleet mileage and costs are actually a significant element of the total fleet mileage and costs. As such, the WBS needs to give grey fleet more prominence within its overall approach to fleet management.
- 34 [Good practice](#) from the Department of Transport and Energy Saving Trust suggests organisations should be optimising the accuracy of their grey-fleet data and benchmarking their grey-fleet performance.
- 35 Our good practice research also highlighted [work by Wiltshire Council](#) to reduce its grey-fleet risks and improve its data on grey fleet by investing in its IT and data systems.
- 36 We also found an [audit report](#) by the Auditor General of New South Wales that considers, amongst many other issues, the ways in which public sector organisations can and should monitor the use of privately owned vehicles for business use.
- 37 Finally, we found a [wide-ranging guide to grey-fleet management](#) produced by the European Transport Safety Council which recommends organisations carry out financial and environmental tracking of their grey fleet.

# Appendix 1

## Management response

Ref	Recommendation	Intended outcome/benefit	High priority (✓)	Accepted [Y/N]	Management response	Completion date	Responsible officer
R1	The WBS should introduce appropriate responsibilities and lines of reporting for managing the grey fleet	Clear ownership and corporate awareness of issues related to grey fleet	✓	Yes	The Trust will develop a policy for the appropriate management of grey fleet outlining responsibilities and processes for managing grey fleet.	Dec 2017	Executive Director OD&W
R2	The WBS should publicise to its staff the personal responsibilities that grey-fleet drivers have for ensuring they have appropriate licenses and insurance	Heightened staff awareness of their responsibilities and reduced risk of staff driving whilst being unsafe/illegal.		Yes	The Trust will publicise personal responsibilities of staff who are grey-fleet drivers and will incorporate awareness in the Trust induction programme. This will be ongoing in line with policy in R1.	Dec 2017	Executive Director OD&W

Ref	Recommendations	Intended outcome/benefit	High priority (✓)	Accepted [Y/N]	Management response	Completion date	Responsible officer
R3	To feed into the forthcoming review of the Fleet Management System (FMS), the WBS should develop specific ambitions, priorities and actions related to improving grey-fleet management.	Improved strategic approach to grey fleet	✓	Yes	WBS is developing an approach to a Fleet management solution for WBS and will assess any system for its link or overlap with grey fleet management. This will take place through 17/18 to 18/19.	Sept 2018	Director WBS
R4	The WBS should consider introducing robust processes for regularly checking grey-fleet drivers' licences, endorsements and insurance.	Reduced risk of staff driving whilst being unsafe/illegal		Yes	The Trust will assess the appropriateness and level of checks necessary to provide greater assurance and lower the risk and incorporate into policy as R1.	Dec 2017	Executive Director OD&W
R5	The WBS should implement a requirement and procedure for staff to report accidents and incidents that occur when making grey-fleet journeys	Better corporate awareness and learning from accidents to improve staff/public safety		To be explored	The Trust will identify the appropriate requirements and process in line with R1 and R2 above.	Dec 2017	Executive Director OD&W

Ref	Recommendations	Intended outcome/benefit	High priority (✓)	Accepted [Y/N]	Management response	Completion date	Responsible officer
R6	The WBS should consider introducing appropriate processes aimed at ensuring that grey-fleet vehicles are safe	Reduced risk of staff driving vehicles that are unsafe/illegal. Reduced		Yes	The Trust will embed a safe, legal and proportionate process in R1 policy.	Dec 2017	Executive Director OD&W
R7	The WBS should introduce regular monitoring and reporting of the mileage, emissions and costs associated with grey-fleet usage	Better corporate awareness and better management of the impact of grey fleet on the environment and its finances.		To be explored	The Trust will explore opportunities to collate grey miles and link to the Trust's Travel Plan. If agreed, implement a reporting tool to ensure monitoring.	March 2018	Assistant Director Estates and Environment
R8	Velindre NHS Trust should consider the recommendations of this report in full, to assess the level of risk it is carrying and to decide whether the issues raised also require action across the Trust rather than just in WBS	Assurance that grey fleet management is optimised at a Trust level.	✓	Yes	Agreed, all actions have been considered in light of Trust responsibilities and not solely WBS.	30 April 2017	Director of Corporate Governance



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