

Reducing Business Mileage

This toolkit offers some great ideas on how to reduce business mileage; introducing any one of these options could help reduce your business costs. It also includes a business case study from an Exeter company.

This toolkit includes information on:

- 1) **Why try to reduce business mileage?**
- 2) **Business mileage;**
- 3) **Business travel; and**
- 4) **Case study.**

1) Why try to reduce business mileage?

- It can save you money on travel costs;
- It can make your staff fitter, healthier and happier;
- It may encourage staff to travel more sustainably to and from work as well as during work hours;
- It may help towards your business travel plan; and
- It reduces the risk of your staff being involved in an accident.

2) Business Mileage

Restructuring your business mileage policy can make business travel more cost effective. Options could include:

- Introduce a cycling and/or walking mileage allowance.
- Reduce your business mileage rates – high business mileage payments can encourage employees to drive unnecessary miles due to financial gain.
- Provide a 'flat rate' for mileage payments which does not discriminate in favour of larger cars.

3) Business Travel

Reducing the number of car trips made for business travel can not only reduce costs, but can also increase the amount of productive staff time. This can be achieved by making alternative travel choices more attractive than lone driving:

- Introduce **tele/video-conferencing facilities** and promote the increased use of e-mail, messenger as well as file-sharing and document collaboration tools;
- Consider purchasing **public transport season tickets** for staff making regular business trips to the same destination, or buy 'pool tickets' so any member of staff can take the ticket for meetings, training, or whenever necessary;
- Introduce a **pool bike** scheme and encourage employees to travel to meetings or training by bike over short distances – the average distance cycled in 2015 in the UK was three miles but depending on their level of fitness and confidence, people cycle much longer distances;
- Set up an **e-bike scheme** – they allow users to cycle further with the same physical effort and might encourage those willing to cycle but afraid of arriving at meetings in sweaty clothes - see the case study below for an idea of how the scheme works;
- Encourage travel using public transport by providing your staff with **up-to-date travel information**;
- Provide **pool cars or join a car club**, which can be booked by staff for business trips or site visits as and when they are needed - joining a car club or providing pool cars can be cheaper than covering staff travel costs and also safer, as car club vehicles are usually newer than the average vehicle on the road;
- Encourage staff to **car-share** when travelling to training or meetings; and
- Incorporate **electric vehicles** into your company car fleet.

4) Case studies

Bishop Fleming Reduces Mileage

Bishop Fleming is the UK's fastest growing accountancy firm with seven offices stretching from Worcester to Truro. The firm recently implemented an Environmental Management System (EMS) in order to measure three core metrics – electricity & gas, paper & toner, and business mileage, and set itself a target of reducing consumption of these by at least 5% per annum. The EMS quickly highlighted that a reduction in business mileage was an area that would produce quantifiable savings in cost, time and carbon.

Ewan McClymont, Director of Corporate Development, explains: "The EMS works on the principle that what gets measured gets managed and minimised. It was important for us to focus on the areas that we felt would give us the most effective environmental and cost benefit. Reducing our business mileage was an obvious choice, particularly since growing the business with another 100 staff and two additional offices last year.

The solution was to install a new telephone system throughout the seven offices with the ability to facilitate voice conference calls for up to 10 locations. The system went live in September 2012 and has already had an immediate impact. Whilst the firm acknowledges that it still has much work to do in this area, mileage per employee fell by 6.2% in 2012 over 2011, equating to a saving of just under £20,000 in fuel costs alone. The added cost saving in time is also driving the firm to find new ways to reduce this even further.

Ewan added: "We have found that internal meetings that often involved people from several offices can be held just as effectively using the tele-conference facility. Our clients are also starting to see the benefit, especially if they operate multi-sites or if our specialists, sometimes based in different offices, need to talk with a client on a particular matter at the same time".

Bishop Fleming is currently upgrading its inter-office bandwidth links. When complete, this will improve call handling between offices, further encourage teleconferencing, and allow the firm to look at video conferencing as the next step.

Paperlinx mileage management system

The international merchant group first offered the system, provided by Vertivia, in 2011 within just two of its operating organisations for a 150-strong fleet. The organisation decided to roll out the system to the rest of its UK businesses, adding 200 more company car drivers. The system is part of Paperlinx's strategy to improve the management of its car fleet costs, more closely measure the cost of fuel, plot mileages and measure its environmental impact more effectively. Mileage monitoring reduces the administration required for both the driver and the organisation. It also helps managers identify wasted journeys.

Chris Stockley, director of the project at PaperlinX, said: "The Vertivia system is easy to operate, allows drivers to accurately assess the number of miles their journey will cover, and they can log-in to record the mileage for each journey or at the end of the month, whichever they prefer. It has proved very reliable with no technical hitches and has been shown to be a very accurate way of capturing business miles; hence we had no hesitation in extending its use across the group."

Paul Chater, Sales Director at Vertivia, added: "Our system removes any unexplained variance in the distances that some drivers log when claiming business mileage. This is a much more efficient and accurate way of logging mileage and removes any element of guesswork.

"For employers, the system can provide improved HM Revenue and Customs compliance and detailed data breakdowns so they can consider alternative reimbursement structures and manage their fleets more effectively. The result is a drop in fuel costs and also in carbon emissions."

5) Further information

- See [mileage management](#), a guide for fleet managers.