



Experience – driving change

CAUTION!
ROAD SAFETY
PAYS DIVIDENDS
FOLLOW DIRECTIONS!



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FOREWORD



Graham Bellman
FIAG member

"Having recently retired from Travis Perkins as fleet director, I urge fleet operators to review this document, and act on its recommendations, this will not only ensure you comply with current legislation, **but as we proved the savings achieved within the fleet operation are around 15%** (on top of those achieved with fleet management), based on driver management, improved systems and reporting, and proactive driver engagement.

Like so many projects it was a tough one to land, however the improvements paid dividends, and improved driver engagement.

I challenge you to implement a similar programme!"



INDUSTRY OVERVIEW



Ian Housley
Chairman, FIAG

The costs involved in running fleets of vehicles are enormous and as we, as a nation, begin the recovery from an unprecedented experience, it is critical all aspects of running a fleet are properly understood and a post COVID-19 plan for the future agreed and implemented. At the same time, vehicle evolution and changes need to be evaluated in order for the **new norm** opportunities to be included. A greener future will most definitely be a post COVID-19 factor.

The considerable experience of the Fleet Industry Advisory Group (FIAG) members is available to help organisations firstly to understand and then secondly to embrace the changes which are necessary when

introducing a sustainable performance programme covering all areas of managing the driver, the vehicle and the journey.

The traditional fleet manager is now almost non-existent within many organisations. As a result, companies have lost the in-house knowledge and skills necessary to develop and deliver a post COVID-19 cost effective fleet operation.

It is also critically important to ensure best practise processes are implemented as soon as possible to all areas covering drivers, vehicles and journeys. We are in the midst of a crisis and companies need to recognise a post COVID-19 solution

“It is critically important to ensure best practise processes are implemented as soon as possible.”

must include the driver of a company vehicle as an inclusive component of a recovery plan. An acknowledgement that we are all in this together.

This will help to protect the considerable fleet investment made by employers, it will also improve the operational efficiency thereby reducing costs, it will make driving safer and, importantly, if implemented in the spirit of true collaboration, will protect jobs and importantly secure the future of the company.

FIAG looks forward to being of assistance in helping fleets **achieve** their post COVID-19 objectives.



ROAD SAFETY PAYS DIVIDENDS

It is an old adage which says, "The cost of doing nothing will always cost you something." However the cost of doing something will always be justified by the savings.

It is perhaps too easy to make the statement of managing work-related road safety (WRRS) will always return dividends - yes it will, but to do so there must be a real change in the management approach and an acceptance that a post COVID-19 future will be different.

It is difficult to understand, but it is a reality, that many organisations have in most instances historically turned a blind eye to the avoidable and unnecessary costs associated with the management of vehicles and drivers.

Avoiding confrontation was without doubt, the easier option. By simply accepting the extra expenditure as an unavoidable addition to the budget, management chose the easy way out. It was never the right policy and, in many instances, the costs would have been considerable.

With unemployment rising to historical levels and the challenges on margins increasing, the need for change is no longer an option but an absolute. **There has never been a better time to get it right.**

All company employees need to understand they have a responsibility to take care of assets (vehicles) provided for work purposes and behave in a way where all areas associated with driving at work are understood and importantly complied with.

The cost of doing nothing will always cost you something, however the cost of doing something will always be justified by the savings.

By an employee embracing this culture, the company's future is protected and importantly the security of their own job.

Nobody would claim it is easy to make the necessary management changes, but the reality of the post COVID-19 situation presents a one-off opportunity for employers and employees to produce a plan which shows by working together, all agreed objectives can be achieved.



A COMMITMENT TO CHANGE

WE ARE ALL IN THIS TOGETHER

It is an accepted fact **businesses need certainty to survive** and can only thrive in an environment where clearly defined business opportunities exist.

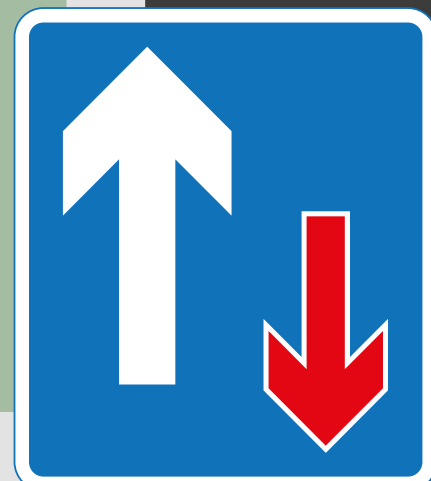
COVID-19 has presented companies with unwelcome challenges regarding their existing business model - are they fit for purpose? Is change required?

Transport, whether businesses like it or not, is changing. The green revolution, CO₂ targets, electric vehicles, autonomous vehicles are all impacting in a variety of ways on business decision making.

A new COVID-19 approach is needed, everyone in a business needs to sign up to the challenge by agreeing to work together. Employees need to acknowledge they are an integral part of a team working with agreed objectives. Once this is in place a **commitment to change** can be the driving influence behind the management of a company's fleet operations.

As previously stated, change will not be easy but companies have no options and the sooner the change process begins, the better for all concerned.

The vehicle, the driver, the journey is a collective bundle of enormous costs, which if not managed properly, could result in the failure of a business - lost jobs and lost investment.



THE BUSINESS CASE

INVESTMENT, NOT A COST

Managing your drivers and your fleet is not just about compliance with the law. Work-related road incidents and a poorly managed fleet will cost your business money. However, get this right by having a no option approach and investing in the right fleet and driver management system and these costs will be significantly reduced. **It is acknowledged for every £1 invested in the management of WRRS, a minimum of £5 will be returned. It is a win-win investment.**

The true cost of a crash, for example, is far greater than just the cost of the repairs to the damaged vehicle and any associated insurance excess payment. Depending on the insurance cover in place there may be many additional costs to be covered by the business. Estimates vary but the full cost of an incident to a business will be several times the insured loses. Figures from various sources quote ranges of anything from **eight to 36 times the insurable costs**. Even taking the lower figure of eight times, the insurance costs will result in a significant reduction to the bottom line for any business. Simply multiply your insurance premium by eight and this could be the true

cost of your vehicle crashes, if drivers are not properly managed.

Drivers are the biggest single influence on the costs associated with running and maintaining your fleet.

Estimates suggest 20% of drivers are responsible for 80% of fleet maintenance costs.

Why is it some drivers are needing tyres and brake parts replacing at twice the frequency of others and what is this actually costing you?

The list is by no means exhaustive but highlights some of the issues which add unnecessary cost to running a fleet:-

- **Own fault crashes.**
- **Excessive fuel use.**
- **Vehicle abuse resulting in lower re-sale value.**
- **Excessive component wear and tear.**

- **Driving offences, speeding, parking, etc.**
- **Avoidable vehicle downtime.**
- **Driver stress-related absence.**
- **Legal and health and safety non-compliance.**
- **Loss of company reputation, customers and contracts.**

Plus other intangible costs – all adding up to an unacceptable level of expenditure which directly impacts on the operational and financial viability of a business. All these issues can be managed by having in place a driver management system which continually monitors a driver's performance by using a dynamic risk assessment process which highlights areas of concern in driving styles, crashes and maintenance costs. Interventions in the form of either e-learning or in-car driver assessment then correct these deficiencies.

A good concise driver handbook and clear policies are essential in ensuring drivers understand their responsibilities and support the company in achieving a cost efficient and safe fleet.



HEALTH AND SAFETY RESPONSIBILITIES

Many organisations are not fully aware when they ask someone to drive as part of their work, the **task of driving is no different to any other work-related task** and therefore the same legal (and moral) duty of having in place suitable arrangements to manage health and safety applies. This is the case even if driving is not their main duty, for example their daily routine involves driving from one site to another, or they are driving their own vehicle (grey fleet). This is a very wide-ranging duty and should not be underestimated.

Should there be a serious road traffic collision involving one of your vehicles, and we all hope this will never happen, these are the questions which the police and/or Health and Safety Executive (HSE) may well ask you. The investigative process is intrusive for the driver, who may be arrested at the scene, and for the management of the business. With an average of 10 work-related road deaths every week in the UK it is clearly happening all too often.

Simply ask yourself when it comes to driving at work, (whether in a company-provided vehicle or a driver's own vehicle) have you:-

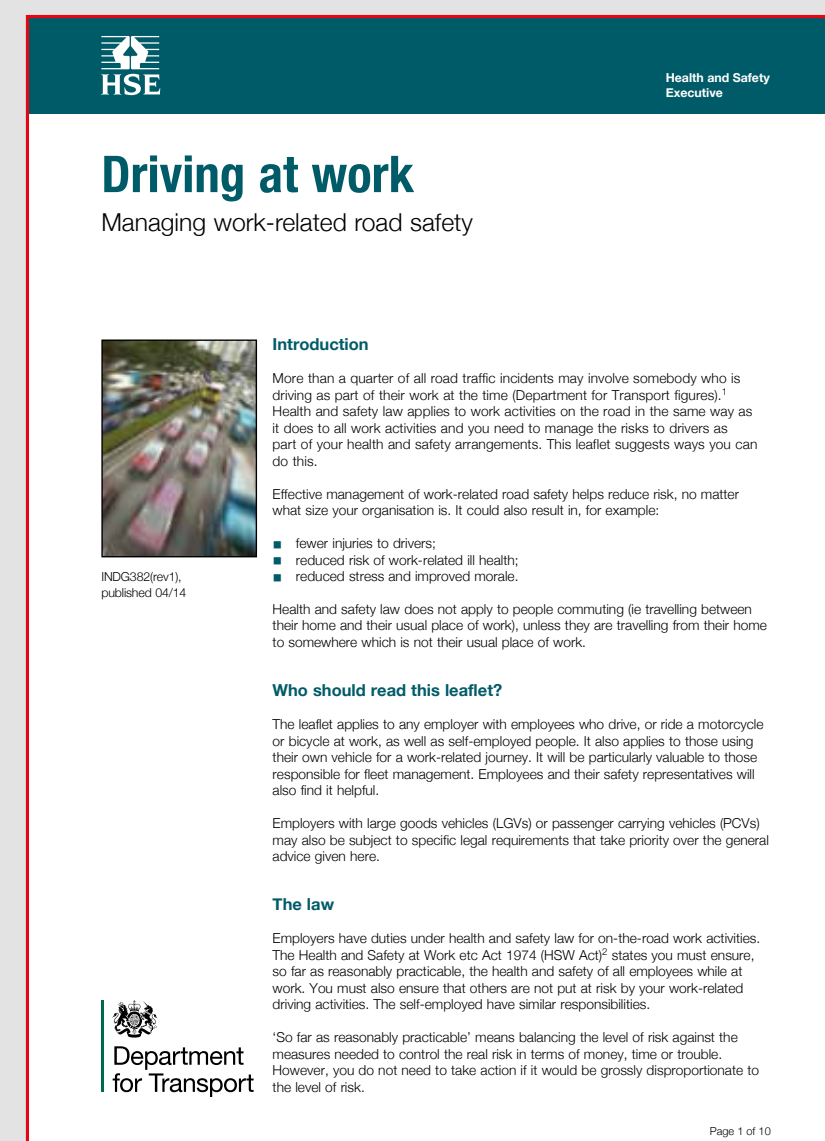
- **Policies in place which include driver safety, vehicle safety and journey planning**
- **Ensured you have adopted a systematic approach to managing work-related road risk, ie plan-do-check-act**
- **Carried out a suitable and sufficient risk assessment?**
- **Provided suitable information, instruction, training and supervision?**
- **Issued all drivers with a driver handbook and related policies?**
- **Ensured driver performance is monitored and managed?**
- **Ensured all vehicles, including grey fleet, used on company business are fit for purpose, well maintained, regularly serviced and appropriately insured?**
- **Given responsibility for WRRS management to a senior manager in your organisation?**
- **A process in place to periodically review your management of work-related road risk?**
- **Understood your vehicle crash/collision frequency rate, is it going up or down?**

If you have answered either 'no' or 'I don't know' or are possibly unsure, then your business may be carrying an unacceptably high risk.



INDG382 DRIVING AT WORK

The HSE has produced guidance on managing work-related road safety. It sets out the legislative framework associated with driving at work and provides clear guidance on what a company and individuals are required to do.



The HSE say about INDG382:-

“Health and safety law applies to work activities on the road in the same way as it does to all work activities. You need to manage the risks to drivers as part of your health and safety arrangements.

This booklet suggests ways you can do this.

Effective management of work-related road safety helps reduce risk, no matter what size your organisation is. It could also result in, for example:

- fewer injuries to drivers
- reduced risk of work-related ill health
- reduced stress and improved morale

The leaflet mainly applies to any employer with employees who drive (or ride a motorbike or bicycle) at work. It also applies to those using their own vehicle for a work-related journey. It will be particularly useful to those responsible for fleet management. Employees and their safety representatives will also find it helpful.”



THE LEGAL RISKS

Driver management is no longer an option, it's a must do.

It is now very clear from recent prosecutions we are witnessing a sea change when it comes to the approach being taken by the regulators and the courts. **Driver management is no longer an option, it's a must do**, and this means more than just having a few procedures in place. There must be demonstration of monitoring and compliance checks within the driver management process.

There have been a number of court cases where either the company or a director has been found guilty of manslaughter or health and safety offences through failing to manage their drivers. The driver may also be prosecuted and, in some cases, has also been convicted.

However, where a no option approach is taken and systems are properly implemented things can be different. To avoid prosecution a company must be able to demonstrate it has done all that is reasonably practicable and have evidence a vehicle and driver management system has been implemented. This should be supported by appropriate records such as service records and confirmation from drivers they have read the driver handbook and related policies.

As the legal landscape continues to change the risk to a company for not having in place a driver management system will only increase along with the penalties. Costs will escalate, drivers will not feel valued and incident rates and cost will increase.

"Work-related road risk has to be assessed just like any other health and safety risk in a business and the necessary control measures put in place. The prosecution of Renown Consultants Ltd in 2020 and hefty fine for health and safety breaches which led to two of its workers being killed in a road traffic incident is a salutary warning. The case demonstrates regulators will take action where organisations do not have a systematic and robust approach to driver management. Things need to change and now is the time to act."



Mike Appleby, FIAG member
Fisher Scoggins Waters LLP



LEGAL CASE STUDIES

2020 Two die due to driver fatigue.

In March 2020, Network Rail contractor Renown Consultants Ltd was found guilty of breaching Health and Safety at Work Act 1974 and Management of Health and Safety at Work Regulations 1999.

- **Fatal road traffic incident, two employees died.**
- **Failure to ensure employees were sufficiently rested to work and travel safely.**
- **Renown were fined £450,000 and ordered to pay £300,000 in costs.**

In the closing remarks the judge said:

“Operations and managers knew what they were supposed to do in relation to fatigue but lip service was paid to these systems. Senior operations cut corners and I found blindness at Doncaster in relation to people driving to and from jobs.

“This failure to take seriously was reflected in [Renown’s] attitude and wilful failure of its no under 25 policy. In regard to those breaches to fatigue falling far short... I consider this a serious and systemic failure by Renown.”

Directors prosecuted for management failure.

- Translact and its directors were prosecuted for manslaughter following a fatal road crash involving one of its lorries.
- Lorry driver imprisoned having pleaded guilty to causing death by dangerous driving.
- Driver was pressured into working long hours by the company, instead of employing more drivers.
- Translact was fined £40,000 and two directors £7,200 and £4,500 respectively.

2019 Death by dangerous driving due to distraction.

- A truck driver collided with school minibus, whilst using a mobile phone.
- Teenage boy and teaching assistant killed, others injured.
- Jailed for eight years and 10 months.
- A total of seven vehicles were caught up in the fatal collision.

2017 Four killed due to driver distraction.

- A lorry driver, who killed a woman and three children when his vehicle ploughed into their stationary car, whilst he was scrolling through music on his mobile phone, was jailed for 10 years.
- Driver was so distracted by his phone that he barely looked at the road for almost a kilometre.
- Passing sentence, the judge said his attention had been so poor that he “might as well have had his eyes closed.”
- Only an hour earlier the driver had signed a declaration to his employer promising he would not use his phone at the wheel.





TAKE CONTROL

PROTECT JOBS, SECURE THE FUTURE

There is no such thing as a money tree. When you are running a business, all costs have to be covered by the activities of the business. In our day-to-day lives the reality of the pandemic has resulted in eye-watering amounts of tax payers money being used to support the economy.

As tax paying businesses, we all know how difficult it is to make a profit and so in the current climate there has never been a better time to get it right and to make sure within a business fleet costs are identified and strictly managed. Failure to do so impacts significantly on the bottom line.

For many businesses, fleet represents a significant percentage of total expenditure and cannot be ignored. Employees who drive on business or drive a company provided vehicle for any purpose, have a specific responsibility to play their part in making sure vehicle costs are controlled so a partnership approach where employee and employer work together must be a way forward.

On page 7, which looks at the business case, a number of areas are highlighted where vehicle and associated costs can add significant amounts to business overheads and drain profits - if indeed a profit is made. This state of affairs, wherever it exists cannot continue.

To protect jobs and to ensure business survival control of vehicles and all associated related costs must be of the highest priority.

There has never been a better time to get it right and to make sure within a business fleet costs are identified and strictly managed.

FIAG, as an organisation, can help businesses identify the challenges and implement the necessary programmes which will deliver speedily quantifiable benefits.



MAKING IT HAPPEN

PAUL AYRIS, FLEET MANAGER, LIVEWEST

Like minded people with a clear plan and importantly working as a team can transform the dynamics of a vehicle fleet - remove all unnecessary costs - ensure legal and health and safety compliance and at the same time create a working environment where everybody feels they are playing their part in the development of a lower stressed and financially efficient fleet. **Sounds easy doesn't it, but it isn't!**

My journey is an example of how by joining a company with an enlightened approach (mostly) and surrounding myself with people and suppliers who not only shared my vision, but helped me go even further than I thought possible.

By working with knowledgeable and experienced individuals within Fleet Service GB, FIAG and other suppliers, I can say with absolute certainty by adopting a listening and understanding approach, and implementing what I required has certainly paid dividends.

This FIAG guide, Road Safety Pays Dividends, is filled with a common sense, no-nonsense approach but making it happen is, I'm afraid, down to individuals or teams who genuinely want to drive change.

My own experience supports the points made earlier, on page 8, which when a serious road traffic incident occurs involving a fatality, there is an extreme body tightening reaction to the type of questions likely to be asked.

- **Did the driver understand the risks and accept them?**
- **Is the vehicle serviced and is the maintenance history available?**
- **Is there a driver acknowledgment that the driver handbook and related policy documents have been read and understood?**
- **Has the driving licence been checked in addition to eye checks and other health issues?**
- **Are driving hours recorded and are drivers regularly reviewed?**
- **Is there a wellbeing programme to support drivers?**
- **Are there records of a continuous training programme?**

There is no escape when the questions start coming in and this is why for me the Achieve integrated services programme provides me and my team with all the tools, not only to help me deliver my plan,

but also to satisfy the most stringent of audits and investigations.

Taking out avoidable 'hidden' costs is the real challenge but one which has to be addressed. As a housing association LiveWest applies a value for money approach to all areas. The expenditure and investment in positive fleet management ensures the solution delivers the best and most cost-effective option.

The results speak for themselves, year on year our investment is yielding positive outcomes and removing cost, reducing road traffic collisions and delivering an operational and cost-efficient fleet. I am making it happen because I am committed to my plan and, importantly, working with a team and suppliers who are helping me deliver the plan.

COVID-19 is for many organisations a wake-up call, but for me it has been the application of good old-fashioned common sense - a waste not want not approach, something from an older generation I believe is very relevant today.

CONCLUSION

WE HAVE NO OPTIONS - WE JUST NEED TO DO IT!

Any money spent in the management of the vehicle, the driver and the journey is a genuine investment which makes a measurable return.

The contents of this guidance document highlight for any business operating vehicles, the importance of making radical management changes in order to protect jobs and ensure the survival of the business.

Any money spent in the management of the vehicle, the driver and the journey is a genuine investment which makes a measurable return. Waste is eliminated, unnecessary and avoidable costs are removed and overall stress levels are impacted positively as a result of a collaborative environment created by the employer and the employee acknowledging the challenge and together, doing something about it.

None of us can predict the future but what we can do is make real changes now to influence that future.



Experience – driving change

Fleet Industry Advisory Group (FIAG) is a not-for-profit organisation created in 2014 to develop and share best practise in all areas of managing drivers, vehicles and journey. Through the considerable knowledge of its members, FIAG is able to provide fleet advice, consultancy, mentoring and support

WWW.FIAG.CO.UK