

Risk control guide

Fleet Risk Management

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Introduction

What is Fleet Risk Management?

Fleet Risk Management is the Systematic and Pro-Active approach that fleet operators need to adopt in order to successfully manage vehicle fleet(s). This is from a Legal Perspective in terms of Road Traffic Act, Health & Safety at Work Act) and from a Best Practice Perspective which enables risk exposures to be managed in a smart and efficient manner thus delivering improved fleet performance and reduced collision frequency.

This Guide provides a generic framework to enable fleet operators to do this. It is based on United Kingdom regulation and practice. References are from UK sources.

There are 5 separate main areas that need to be focused upon, namely:

- (1) Management Arrangements
- (2) Operational Controls
- (3) Vehicle Maintenance
- (4) Recruitment & Training
- (5) Incident/Collision Management

Management Arrangements

The way a company connects its culture, control systems, management systems and employees has an impact on its efficiency and effectiveness. It can be a determining factor between success and failure.

Commercial vehicle fleet operators may find it useful to consider the benefits of joining schemes such as FORS (Freight Operator Recognitions Scheme), FTA Truck Excellence and Van Excellence.

Resources & Structure

The appropriate management resource both in terms of Seniority, Competency and Overall Structure is critical.

For many organisations 'Occupational Road Risk' (Driving at Work) will be the Riskiest thing that employees will be required to do. As such, robust arrangements relating to driving exposures should be put into place forming a central part of the overall health and safety arrangements.

For Companies where transport is a major part of the business activities, or for larger organisations with vehicle fleets of a significant size a separate Fleet Risk Management Policy would be appropriate. In this event the Health and Safety Policy should still make specific reference to the Fleet Risk Management Policy.

Clearly define Managerial roles and responsibilities for fleet issues within the management structure. Personnel concerned with fleet management should report directly or through senior managers to the Director with overall responsibility for Fleet Risk Management (FRM) initiatives within the Company. Over time these arrangements will need to respond to changes in the organisation or to changes in personnel.

RSA recommend the review of individual responsibilities to address changes that become appropriate and to ensure that they are clearly defined and allocated and that they are consistent with the needs of the Company.

In particular this will ensure that arrangements match the different levels of application of FRM systems and procedures to the various driver and vehicle profiles within each segment of the fleet. Examples of the main areas to consider include:

- Co-ordination between Head Office, Cost Centres or Business Units
- Administration and Documentation
- Operations and Work Systems
- Vehicle Acquisition, Maintenance, Service and Inspection
- Risk Assessment and Emergency Procedures
- Recruitment and Driver Assessment
- Competencies and an Analysis of Training Needs
- Communication and Consultation
- Accident Management
- Audit and review

Further information and guidance is available at:
<http://www.hse.gov.uk/pubns/indg382.pdf>

Driver Handbook

All operators should devise a driver handbook communicating all of the key aspects of overall policy to drivers.

The book should contain useful information presented in a simple and concise manner.

An example of the contents to be included:

- Introduction/Policy Statement
- Safe Driving Culture Statement
- Driving Hours
- Fatigue
- Weather Conditions and Driving
- Authorisation to Drive
- Driver Assessment
- DVLA Licence Checks
- Drugs and Alcohol Policy
- Hand Held Devices and Communications Policy
- What to do in the event of an incident/collision
- Vehicle Maintenance

The Handbook should be reviewed periodically to ensure that it reflects the current need and RSA recommend that drivers should sign for the Handbook and any updates to acknowledge that they have received, read and understood it.

Beyond everything it is important that this is a 'living document that is 'relevant' to all users and referenced/used constantly by key stakeholders.

Operational Controls

Bringing management policies to life is vital. This is done in a variety of ways but importantly must employ strong and practical operational controls covering the areas of business that involve driving. The key areas are detailed below:

Risk Assessment for Transport Related Activities

A risk assessment for driving and transport-related activities should be undertaken, and periodically reviewed. It will be broad ranging and apply to vehicles, plant and equipment, driver and operational matters. A proactive approach to risk assessment should enable an employer to:

- Identify all the factors which may cause harm (the hazards) to employees or others
- Identify those specially at risk and others who may be at risk
- Consider the likelihood of harm actually befalling anyone (the risks) and the consequences arising from it
- Introduce and monitor preventative measures to control these risks (risk control systems)
- Liaise with other employers to achieve these aims
- Drivers should be given instruction, training and information to enable them to carry out their own 'dynamic risk assessments' whilst they are out on the road. Specifically this will give them the ability to make good decisions relating to road and weather conditions and to deal with unexpected working demands.

Risk assessments should be documented and all staff should be provided with information, training and instruction so that risk control systems can be dovetailed and implemented within operational controls.

Driver Assessment

A risk assessment for driving and transport-related activities should be undertaken, and periodically reviewed. It will be broad ranging and apply to vehicles, drivers and operational matters. A proactive approach to risk assessment should enable an employer to:

- Identify all the factors which may cause harm (the hazards) to employees or others
- Identify those specially at risk and others who may be at risk
- Consider the likelihood of harm actually befalling anyone (the risks) and the consequences arising from it
- Introduce and monitor preventative measures to control these risks (risk control systems)
- It is important to consider Behavioural Factors (associated with personality in the context of driving) as well as Situational Factors such as Miles Driven, Driver Age, Collision History etc.

Risk assessments should be documented and all staff should be provided with information, training and instruction so that risk control systems can be dovetailed and implemented within operational controls.

Licence Checks

The most basic driver risk assessment is the completion of a licence check. These checks should be carried out at recruitment and at least once a year for **all** drivers. For businesses with relatively low driver numbers (<20) this can be completed 'in-house' by obtaining the driver permission and use the DVLA website to glean this information.

Larger organisations may benefit from using the services of third party licence checking specialists who will be able to carry out this work, removing the burden from the operator and ensuring accurate data interpretation.

Further information and guidance is available at:

www.gov.uk/view-driving-licence

Manage Grey Fleet Exposures

Drivers who drive using privately owned vehicles - including "car ownership scheme vehicles", "private contract purchase vehicles" and similar *must* be subject to the same systems and controls as other "bona fide" company vehicles.

- Appropriate Insurance cover must be provided with full business use for the driver or driver(s) in question.
- Systems must include checks to ensure that vehicles are maintained in accordance with manufacturer's recommendations.
- Licence Checks must be carried out at least once every 12 months.

Technology

Technology in various guises has become more and more important over the last number of years. In this context 'Technology' can mean a whole host of things including:

'In-Vehicle CCTV' – Dash Cams, Multi-Camera Systems, 3G Systems, SD card Systems, Hard Drive Systems, Combined CCTV and Telematics. The list is ever growing.

'Telematics/Black Box' – Including Operational Tracking Systems, Driver Behaviour Type Systems, Instant Feedback Systems, App Based Telematics

'Tachograph Data' – Detailing Driver information including driver's hours and legal compliance.

Success for Telematics and CCTV systems that are installed will rely on a variety of factors:

- (1) Clear communication about why the said technology has been installed, this is critical with an emphasis on the benefits that will accrue to the driver as well as the rules that appertain to their use.
 - (2) Systems should be installed professionally and must be robust minimising the potential for any tampering or failure.
 - (3) The inclusion of technology systems within driver check lists is important as it reduces the potential for problems to arise.
 - (4) All systems need to be maintained using a planned and programmed approach.
 - (5) Data from these systems should be used in a systematic and pro-active manner.
- The data will allow 'poor driving' to be managed and 'poor drivers' to be identified. It is important therefore that specific and consistent steps be taken in response to this i.e. additional coaching and training.
 - Additionally, the data may be crucial at the time of loss and therefore should be made available to RSA for all claims. This will be particularly important for any incidents involving third parties.

Drugs and Alcohol Policy

A formal policy for drug, substance and alcohol abuse should be established setting out the Company's attitude to these issues and providing guidance for drivers.

Illegal drugs, including those that may be regarded as more socially acceptable, together with alcohol are a major cause of accidents. Prescribed drugs may also have an adverse effect on a driver's reactions and judgement. Drug and alcohol testing is increasingly practised by certain fleet operators and by some major UK employers.

Vehicle Security

Crime is a major problem affecting all types of loads, vehicles and plant and as such it is important to review both vehicle security and safety arrangements on a frequent an on-going basis.

The range of security equipment and standards of protection applying to both existing and new vehicles requires specialist advice to ensure that current standards are properly assessed and that appropriate solutions are obtained, where necessary.

The options chosen need to be practical and must suit company needs.

Initial assessments should be carried out with reference to the motor insurers' automotive research centre at Thatcham.

Further information and guidance is available at:

www.thatcham.org

Vehicle Maintenance

Unforeseen **vehicle** repairs and ongoing **maintenance** issues can disrupt cash flow and productivity hence the importance of maintaining vehicles effectively.

Maintenance for HGV's

Vehicles are to be maintained in accordance with the demands of the DVSA and the specifics of Operator Licence rules.

In order to go beyond these 'fundamental requirements' to ensure vehicles are maintained as efficiently as possible a number of pro-active measures should be adopted:

- (1) Training and Education for drivers in the completion of defect checks
- (2) Daily nil-defect driver defect reports augmented by formal audit/spot-check arrangements
- (3) The completion of Periodic 'gate-checks' to confirm that required checks are actually being completed which also serves to maintain a strong driver focus
- (4) OCRS Scores should be constantly monitored to ensure that any adverse activities are registered and dealt with as soon as they arise
- (5) Audit and Review against standard arrangements periodically as well as after any changes or adverse activities

Maintenance for Cars and Vans

Introduce a system for drivers to confirm the completion of daily/regular checks. It is suggested that an existing return be modified (e.g. an expenses claim form) to capture this information.

Most drivers (i.e. Tool-of-Trade drivers, drivers working from home and those for whom the car is provided as a personal benefit) may be under less direct supervision than is the case for professional drivers.

A significant proportion are likely to cover a high mileage with infrequent service or inspection intervals, and often driving at high speeds or on long journeys, and some with many short trips in high-density traffic conditions. The implementation of basic safety checks should not be regarded as an excessive or unnecessary control as it directly affects the safety of drivers and vehicle reliability.

Manufacturers provide details of recommended checks, but dependent on use it is suggested that daily and/or weekly checks are established as a minimum for:

- Tyre wear or damage, tyre pressures when cold, including the spare
- Screen wipers and washers
- Lights and indicators
- First-aid for minor stone chips and damage

Spot checks should be undertaken from time to time to confirm the satisfactory condition of vehicles.

Recruitment & Training

A successful business will ensure that the recruitment of persons expected to drive for your business is done in a consistent manner ensuring that all drivers are fully assessed and competent to do so and that (appropriate) training is given to both new and existing drivers.

Recruitment Policy

Establish a formal policy setting standards for acceptance and recruitment procedures including the Company's policy for health screening, for those who drive for the Company, identifying variations applicable to different groupings, for example:

- Professional or full time drivers
- "Essential Use" drivers
- Drivers supplied with a vehicle as a personal benefit
- Other employees who may on occasions drive
- Casual, temporary and, if used, Agency drivers

In addition to the terms of employment, which should also refer to other relevant Company policies such as those for disciplinary matters, the recruitment policy should identify benchmark criteria as part of the recruitment procedure for each group.

Agency Driver Usage

Minimise the usage of Agency Drivers. Where these drivers are needed strong control measures (commensurate with core drivers) must be in place.

The number of incidents and collisions caused by or involving agency (or temporary) drivers is disproportionately high. In order to minimise these problems, where these drivers have to be used, the company must ensure that strict recruitment/vetting is carried out in accordance with the Recruitment & Employment Confederation (REC) code of practice (endorsed by FTA and RHA).

The use of casual, temporary or agency drivers should be avoided whenever possible.

Further information and guidance is available at:

www.rec.uk.com/home

Structured and Blended Driver Training

Introduce a structured and systematic training programme for drivers.

The training required should be based on the completion of a needs analysis. It is likely that a range of different sorts of training will be appropriate.

In simple terms, training falls under 3 main headings:

- On-Road Coaching
- Workshop/Classroom training
- E-Learning

The most successful training programmes use a blended approach (mixing the above methods) thus ensuring that drivers remain focused and engaged.

In the case of HGV Drivers where training in the form of Driver CPC is required, the training selected should aim to be relevant and interesting in all instances and should not form the sole training that these drivers are given as the needs of each driver will vary.

Induction Training

Include “Driving at Work” within the induction programme for new employees.

The content of the training should include a ‘walk through’ the driver’s handbook and specifically explain why safe driving is so critical. The inclusion of company specific loss/claims data within this training is a useful way of emphasizing the need for care to be taken and is a good way of bringing the topic to life.

Driver Eyesight Checks

Introduce a driver eyesight policy to ensure that all drivers have adequate eyesight to enable them to drive safely.

- by assessing them before they are authorised to drive
- and periodically thereafter (at least once every 2 years).

As a minimum they will need to be able to read a number plate from a distance of 20.5 metres for vehicles with an old-style number plate.

Incident & Collision Management

Although the aim of a pro-active approach to fleet management is to avoid incidents and collisions, it is unlikely that all such incidents will be prevented. As such it is important that arrangements are in place to deal with them efficiently and also to be able to learn lessons from them.

Claims Reporting Process

Aim to report all incidents/claims to insurer (RSA) as quickly as possible, ideally within 24 hours of occurrence.

Reporting delays increase the possibility of third party solicitors, credit hire companies and accident management companies being involved and thus increasing claims costs.

In order to minimise claims costs notification of claims/potential claim is required as quickly as possible following an incident/collision. The process for claims reporting should be structured so as to remove the possibility of the claim being held up internally or by a third party who may be 'assisting' in this process.

Claims Reporting – Bump Cards

Provide drivers with “bump cards”* to assist them in the claims reporting process.

This will enable good quality information to be gathered at the scene, which will enable an insurer (RSA) to pro-actively manage claim(s) and thus minimise the cost of claims.

The cards include a pre-populated section which you tear off and hand over to the third party at the scene.

*Bump Cards are designed to capture critical information from the scene of incident/collision and to capture third party insurance claims.

Incident and Collision Investigation

Investigate all incidents and collisions.

Ideally all such events should be thoroughly investigated. However, it is reasonable for all incidents to be formally followed up and for those deemed to be 'serious' (this should be clearly defined) to be subject to a more in-depth/thorough investigation. Deciding what incidents are serious may differ from company to company but at the very least any incident resulting in bodily injury to any party must be included under this definition.

It is fundamental to reducing costs that drivers do not operate within a culture which encourages them to shrug off accidents without identifying that they share accountability for them.

Any follow up or investigation should be non-recriminatory and NEVER seek to blame any individual. If driver error is believed to be a significant cause, the reasons for this must be investigated. Lack of knowledge, training or unsuitability for the job may be part of the problem. However, these are management and not driver failings. Only when these have been considered, together with the possibility of genuine mistakes, can the conclusion of wilful and intentional acts or omissions be considered.

Photographic Evidence

Encourage drivers to take photographs at the scene of an incident. Take photos but safely and discretely.

NEVER take risks when taking photos. If possible, include photos of **all** persons at the scene of an incident to establish exactly who was there and who was involved.

Try to photograph the vehicles in the position where they ended up after the impact.

Photograph any skid mark or debris lying in the road.

Take a photograph of the surrounding area including the road layout, any street names or identifying landmarks (pubs, garages etc.).

Loss - Analysis

Complete periodic (and systematic) analysis of loss.

The information recorded on accidents and the associated management information from investigations and from operational and administration support staff should be formally analysed at regular intervals, RSA suggest every 6-12 months. The analysis should indicate:

- Immediate and underlying causes of accidents
- Patterns, trends and common features
- The relationship between the type and cause of accidents, with the driver's age, vehicle type, time of day, seasonal factors, work activity etc.
- Accident frequency and the proportion of 'at fault' accidents
- Problem drivers and tasks
- Comparative performance between cost centres

This will provide core information to:

- Develop the risk assessment process and the FRM Plan
- Illustrate performance against targets
- Contribute to the audit and review process
- Highlight remedial actions and training needs

Accident Analysis – Publication

Publish accident statistics in order to encourage a safe driving culture and a measure of accountability and competitiveness.

Incident/Collision statistics should be regularly posted or featured in newsletters or published in house magazines. For example accident frequency and an analysis of accidents by cause type. This can be identified to separate costs centres, locations or branches as appropriate.

Line Manager Workshops – Post Crash Investigation

To ensure the consistency and effectiveness of approach it is important that training is provided to all managers who will be involved in the investigation/follow up of accidents/crashes.

Disclaimer

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