

FLEET COMPLIANCE



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MotorTransport

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INTRODUCTION

This Hot Topic report from *Commercial Motor* and *Motor Transport* looks at how operators are tackling the challenges of compliance.

Managing compliance issues is a complex one but the risks of getting it wrong can be expensive. For example, figures from the DVSA show that in the year to March 2023, 457,389 HGV tests were carried out – but an initial failure rate of 11.7% meant that more than 50,000 vehicles needed some additional work.

Not only that, the year saw 569 convictions for HGV offences – two thirds of which (372) were for tachograph and record offences.

This survey analyses how operators are dealing with compliance issues and how they are making use of the increasing range of technologies available to support them.

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RESPONDENTS

This report is based on a survey of readers of *Motor Transport* and *Commercial Motor*. In total, 343 operators participated in the survey.

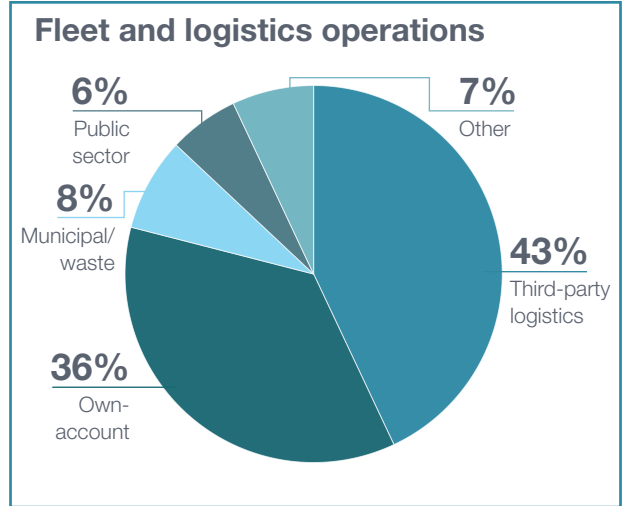
Almost four out of five of the operators surveyed are involved in purchasing decisions: 43% have purchasing responsibility; while another 36% influence purchasing decisions; more than half (51%) are directors or senior managers; and another 12% are company owners or partners.

Third-party logistics providers account for 43% of operators; 36% come from the own-account sector; 8% come from municipal and waste operators; and the public sector is the other significant group accounting for 6%.

On average, respondent operators' turnover is £64m a year, while the average fleet size is



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209 vehicles. Some 21% of the companies have fewer than five vehicles and turnover less than £2m. In fact, most of the fleets in the survey (57%) contain fewer than 30 vehicles, while fleets over 100 vehicles account for 18% of operators.

Similarly, 60% of companies report a turnover of £20m or less, while 12% have turnovers of more than £101m.

The West Midlands and Eastern traffic areas are the most strongly represented in the results, with each accounting for 19% of operators; 15% come from the South Eastern and Metropolitan area; the North West accounts for another 12%; and 6% come from outside the UK.

**THIRD-PARTY LOGISTICS PROVIDERS
ACCOUNT FOR 43% OF OPERATORS, WHILE
36% COME FROM THE OWN-ACCOUNT SECTOR**

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BUSINESS ENVIRONMENT

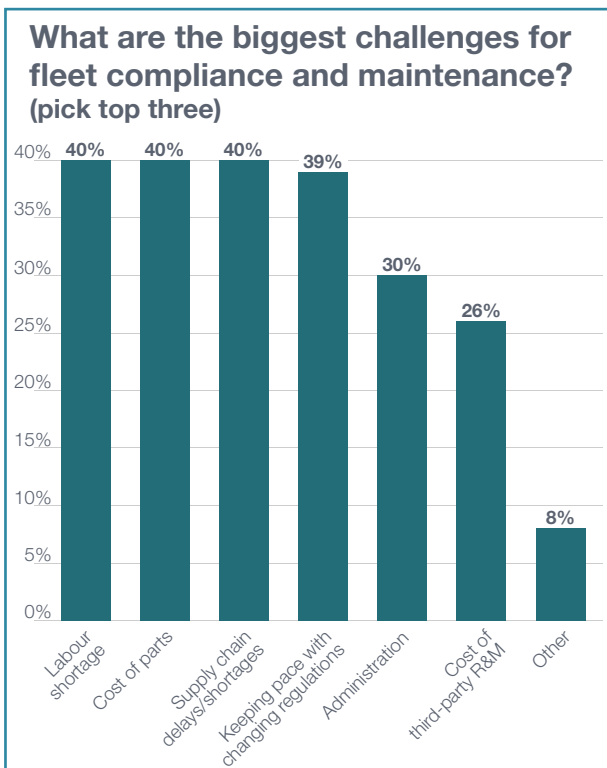
The challenges for operators have come thick and fast over the past couple of years and this is reflected in the responses when operators were asked to pick their top three concerns in terms of fleet compliance and maintenance.

Three issues tied for top place, each selected by 40% of operators. These were: labour shortages; cost of parts; and supply chain delays and shortages.

Keeping pace with changing regulations is clearly a challenge, and was highlighted by 39% of operators.

The two other issues most affecting operators were administration (30%), and cost of third-party repair and maintenance (R&M) (26%).

An increasingly common way for operators to



KEEPING PACE WITH CHANGING REGULATIONS IS A CHALLENGE

ensure compliance is to join a fleet compliance or inspection scheme. More than half the companies in this survey are members of such schemes: 26% are members of FORS and 21% are members of compliance schemes run by industry associations such as Logistics UK and the RHA.

The DVSA's Earned Recognition scheme was cited by 11% of operators.

Other schemes attracting significant numbers of operators include SafeContractor, Construction Logistics and Community Safety scheme (CLOCS), MP Connect and Mission Zero.

Operators recognise that there are significant benefits from joining a voluntary industry compliance/inspection scheme. Some 47% of operators who are members of such schemes said it improved the company safety culture, while 45% highlighted the fact that it gives access to expert advice, support and training.

Almost one third (30%) said it has resulted in business or contract gains, while 27% said it had improved fleet efficiency.

Other significant benefits, cited by 14% each, include reduced insurance premiums and reductions in collisions and near-misses.

However, almost one fifth said they had not seen any of these benefits.

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TELEMATICS

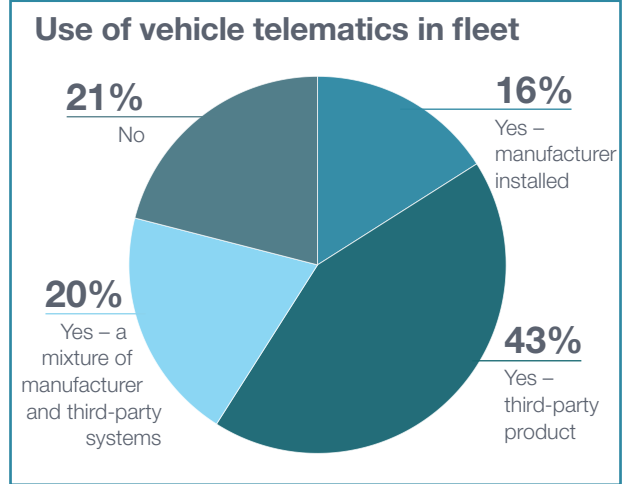
Telematics systems are widespread in the industry as operators recognise their benefits. Growth in the use of electric vehicles (EVs) is likely to increase the importance of telematics to provide insights into their operation.

Four out of five operators in this survey use some form of telematics system in their vehicles. Third-party products are the most common, chosen by 43% of operators.

Manufacturers' systems are used by 16% of operators, while 20% have chosen a mixture of manufacturer and third-party systems. Nevertheless, some 21% of operators do not use telematics systems, suggesting that there is further scope for growth in the market.

The key benefit to operators using telematics is the ability to monitor driver behaviour. This was cited by almost three-quarters (73%) of operators using such equipment.

As might be expected, half of the companies (51%) that used telematics reported better fuel consumption and therefore reduced fuel costs.

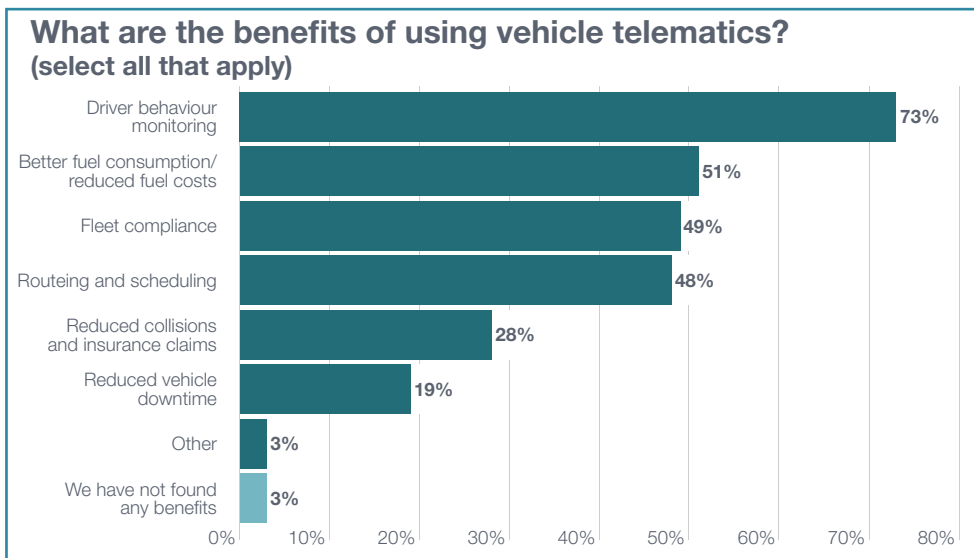


Fleet compliance was also seen as a major benefit by 49% of operators, closely followed by routeing and scheduling (48%). Other benefits include reduced collision and insurance claims (28%) and reduced vehicle downtime (19%).

In a question posed by sponsor chartered insurance broker Hazelton Mountford, operators were asked if they have taken measures to reduce insurance premiums. The use of cameras and telematics was top of the list, selected

by 62%. Three other measures scored strongly: only employing experienced drivers (27%); safe overnight parking for vehicles (27%); and fitting security devices (24%).

Perhaps surprisingly, some 17% of operators said they have not taken any measures to reduce insurance premiums.



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TELEMATICS

Ever since computers first appeared in business half a century ago, organisations have faced the challenge of dealing with the huge quantities of data that IT systems generate.

System suppliers have put a lot of effort into providing users with the critical information they need without swamping them with detail.

Many operators said that although their fleets are equipped with telematics systems, they are not using the data to its full extent: only 30% of operators said that they are, meaning the remaining 70% are not.

There are a number of reasons for this. Most common, cited by almost half of the operators (48%), is that their company does not have anyone to analyse the data.

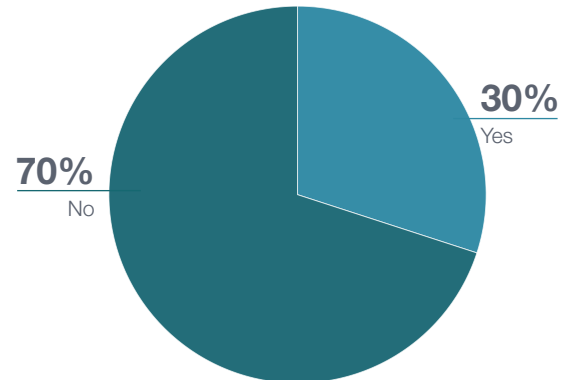
For 44%, the problem is that they are not sure of the full capabilities of the systems. And 39% said they do not have enough time to analyse the data.

In a question posed by sponsor Fastview360, operators were asked to identify the most important elements of an integrated fleet management system.

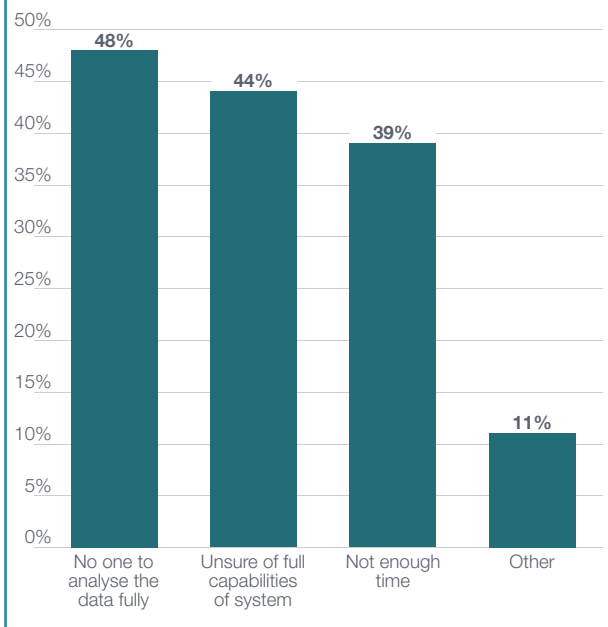


Three-quarters of operators (75%) picked GPS vehicle tracking, with its ability to provide live tracking and reporting. Two other factors scored more than 50%: CCTV with live view and incident management;

Are you using telematics data to its full extent?



What is the main reason for not using telematics data to its full extent? (select all that apply)



and driver behaviour scores to highlight harsh braking, cornering etc. Pre-shift vehicle inspection, at 48%, was also considered important.

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CASE STUDY: FASTVIEW360

Fastview360 offers Universal Tankers instant camera data

Universal Tankers operates in the waste management sector, specialising in the removal and disposal of liquid waste, transportation and delivery of non-potable water and welfare site servicing.

The firm, which runs 80 tankers, is a CLOCS champion and a Multi Depot FORS member, putting safety at the forefront of its operations.

Universal Tankers director Simon Gunn says: “A previous supplier’s DVR had been installed and we didn’t know it was inactive for almost 12 months until we needed footage and found it wasn’t there. We couldn’t have an unreliable system.”

The fleet is now fully equipped with a Fastview360 camera system. In the last quarter, 100% of incident footage requests were successfully downloaded. Footage is available remotely to fleet managers through AutoCMS – Fastview360’s online platform.

“The simplicity of the AutoCMS dashboard gives me instant information on all camera system status. This is the confidence needed that all systems are working, compliant and supporting our drivers and fleet safety,” Gunn says.

Universal Tankers group head of transport Craig Pennington adds: “At the push of a button the



office is immediately informed of an incident in progress.

“The driver is reassured that we can provide immediate attention and support, and an investigation can take place immediately when we’ve clarified the situation is in hand so insurers can have an accident report and claims filed promptly.

“All systems are remotely monitored and, should a problem arise, customers are notified as it is resolved. Often this is remote, however if this is not possible an engineer visit is scheduled at the customer’s convenience.

“The Fastview360 system has proved itself in many ways, saving us thousands in claims and making day-to-day fleet management easier. All the information is to hand whether I’m in the office or on site – you can’t ask for much more.”

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TACHOGRAPHS

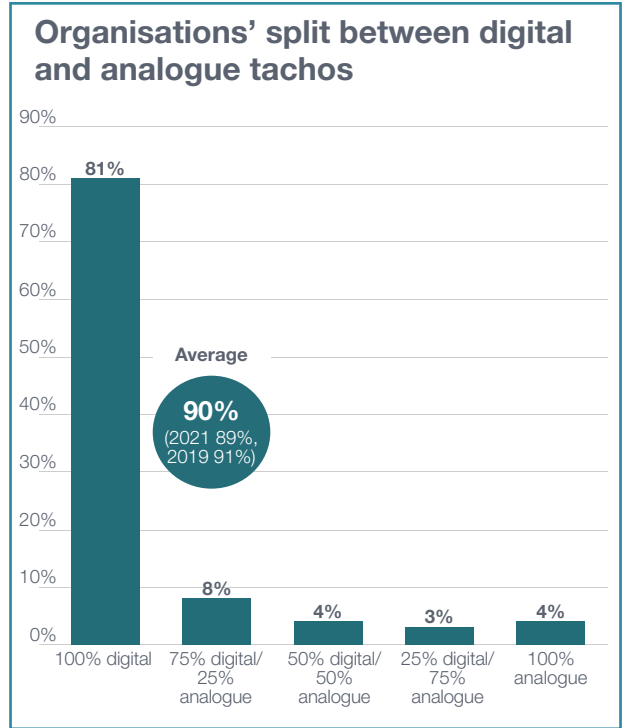
Since 2006, all new trucks have had to be fitted with digital tachographs. Nevertheless, this survey shows that a significant number of analogue tachos are still being used on the road.

Four out of five operators (81%) said that all their vehicles are fitted with digital tachos, while at the other end of the scale 4% said their fleet is completely analogue. The rest still have a mix of digital and analogue.

Analysing the figures gives an average of 90% of vehicles using digital tachos. This has changed very little over the past four years; when operators were surveyed in 2021, the average was 89%, and in 2019 it was 91%.

The new generation of smart tachos, which became mandatory in 2019, offer an enhanced range of functions, including recording of GPS location data, and dedicated short-range communications (DSRC) technology, which allows limited data to be read by enforcement officers as the vehicle passes them.

These smart tachos offer some notable benefits in terms of data quality and administration costs. Almost one-third of those operators citing benefits highlighted better real-time fleet data, while a similar proportion picked out reduced admin time and costs. Another

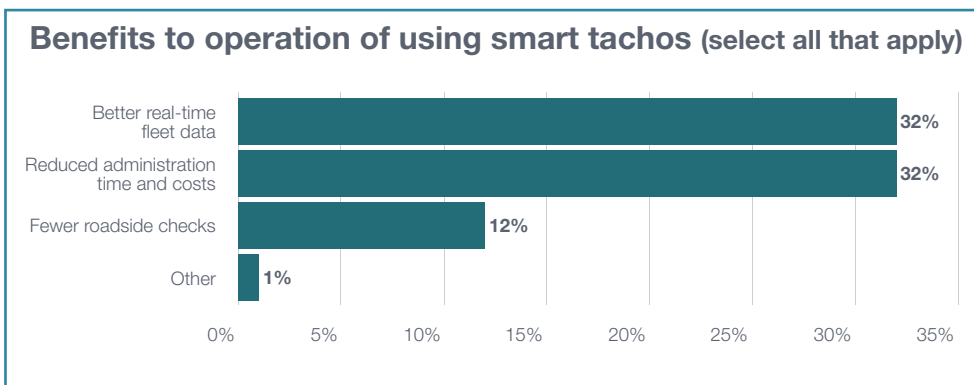


benefit, highlighted by 12% of operators, is fewer roadside checks. One fifth of operators said they have not seen any benefits and 30% said they do not use smart tachos.

In a question posed by sponsor TruTac, operators were asked to highlight the most important factors when choosing a tachograph analysis supplier. Analysis capability came top of the list, chosen by 32% of operators. This was also selected as the most important factor

when we surveyed operators in 2021 and 2019.

Some 18% of operators picked ease of remote downloading, while value for money is clearly important, cited by 17% of operators.



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CASE STUDY: FORS

FORS provides a quality and performance benchmark for all operators

As the UK's leading accreditation scheme, FORS goes beyond legal requirements and offers a comprehensive framework for operators to achieve higher standards in safety, efficiency and environmental protection. While compliance with regulations such as the DVSA's annual test and O-licence requirements is essential, FORS goes further by promoting industry best practice, continuous improvement and monitoring emerging trends in the sector.

FORS provides an independent review of fleet operations and encourages operators to adopt a progressive accreditation framework. FORS prefers to use the term 'quality assurance' for its obligations towards compliance, focusing on adherence to the FORS standard and completion of specific training courses. Currently, more than 4,700 FORS accredited operators (covering more than 100,000 vehicles) are benefiting from creating a culture that prioritises safety, efficiency and sustainability.

FORS offers comprehensive training through its Professional portfolio, which includes courses for drivers and managers that cover all necessary skill sets for a modern transport operation.



More than 3,200 professionals have graduated from the Practitioner fleet management programme and, in 2022 alone, more than 4,600 managers and 1,600 drivers received FORS Professional training.

The success of FORS in promoting best practice has led to an increasing number of companies making FORS accreditation a contractual requirement for their supply chain. This positions FORS accredited operators at a distinct advantage when winning new business. Moreover, adopting a best-practice mindset not only enhances safety and environmental protection but can also lead to tangible financial savings, due to a reduction in incidents, a more efficient operation and so forth.

While compliance ensures operators meet the minimum legal requirements, FORS aims to drive up standards in the industry, creating a safer, more efficient and environmentally friendly sector.

Want to hear more? Talk to the FORS team on 08448 090944 or go to fors-online.org.uk



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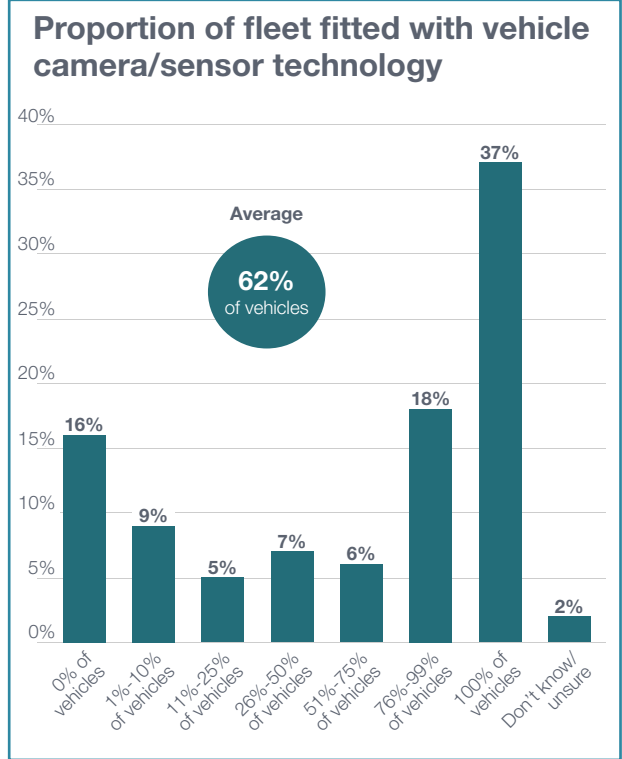
CAMERAS

The use of cameras and sensor technology has increased over the past few years. On average, 62% of the vehicles covered by this survey are equipped with camera/sensor technology.

Only 16% of operators in the survey said none of their vehicles were fitted with cameras. At the other end of the scale, 37% of operators said all their vehicles have cameras and 45% have cameras on a proportion of their fleet.

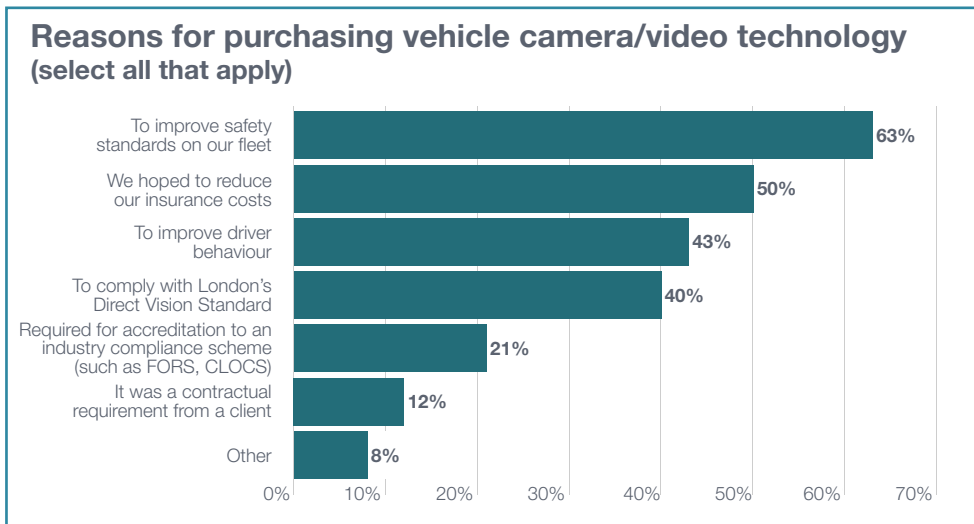
Operators highlighted a range of reasons for purchasing camera and video technology. Top of the list is improving safety standards in the fleet, cited by 63%. Some 50% said they hoped it would reduce their insurance costs, while 43% said they wanted to improve driver behaviour.

However, external factors play an important part in persuading companies to fit cameras. Most significant is complying with London's Direct Vision Standard. This was picked by 40% of operators. Another 21% said they require it for accreditation to an industry compliance scheme such as FORS or CLOCS, and 12% said it was a contractual requirement from a client.



The survey asked professionals to rate the value of camera and video technology to their businesses on a scale of one to five (five being invaluable). The average score was four: 89% of operators gave the technology a four or higher; while fewer than 10% scored it two or lower.

These scores are significantly more positive than in previous surveys. When asked this question in 2021, 73% of operators gave the technology a score of four or higher; and the comparable figure in 2020 was 76%. Perhaps this shift reflects the fact that operators have been learning how to get the best out of the technology.



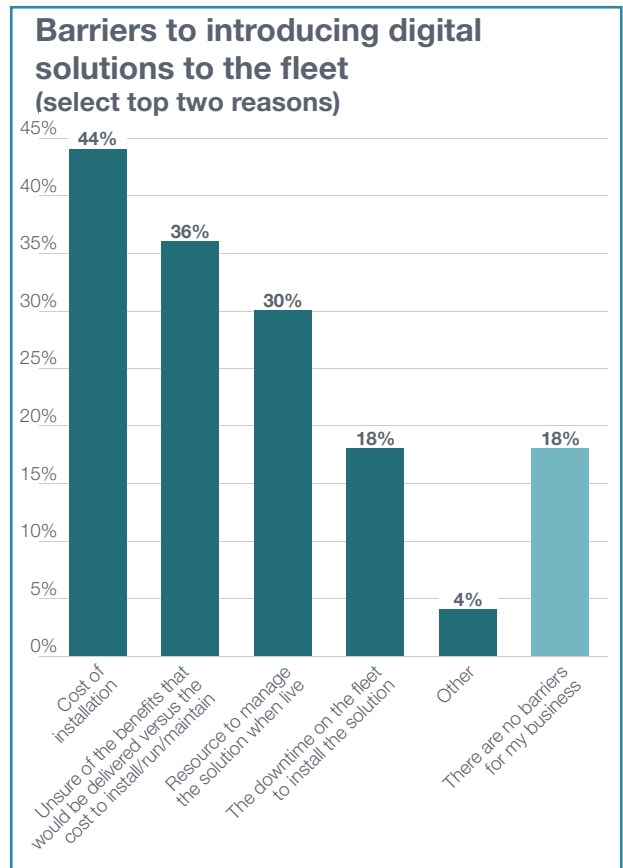
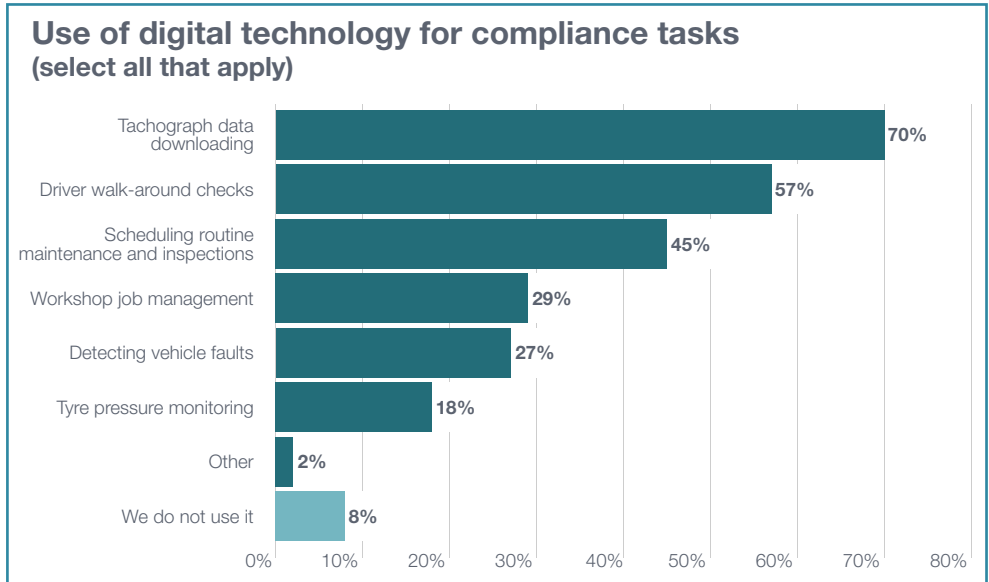
DIGITAL TECHNOLOGY

There have been significant advances in digital compliance software in recent years, so we asked operators how they use digital technology to help with compliance tasks.

Data downloading was easily the most common use, picked by 70% of operators. Supporting driver walk-around checks was cited by 57%, while 45% said it is used for scheduling routine maintenance and inspections. Other significant uses include: workshop job management (29%); detecting vehicle faults (27%); and tyre pressure monitoring (18%). However, a minority of operators have yet to be convinced of the value of digital technology for compliance work: 8% still do not use it.

Organisations wanting to transition to a new digital system are likely to face a number of challenges. When asked about potential barriers, 44% of operators highlighted the cost of installation; while 36% said they are unsure of the benefits versus the costs. Resources to manage the solution when live was an issue for 30%, while fleet downtime needed to install the solution was cited by 18%. Almost a fifth of operators (18%) said there are no barriers for their businesses.

Operators were asked if it was beneficial to have a digital checklist for driver checks so they could go paperless: the majority (55%) said yes.



Navigating claims inflation: how it affects premiums and overheads for UK haulage firms

Jake Mountford, group director at chartered insurance brokers and haulage insurance experts Hazelton Mountford, explores the effects of insurance premiums and related overheads for UK haulage firms.

Introduction

As a trusted insurance broker catering to the unique needs of the haulage industry, we understand the challenges that transport companies face. One such challenge that demands attention is claims inflation. The rise in claims costs has significant implications for insurance premiums and overall overheads. In this article, we delve into the affects of claims inflation and offer guidance to navigate these challenges effectively.

The rising tide of claims inflation

Claims inflation, characterised by an upward trajectory in the cost of settling insurance claims, has become a concern recently. Multiple factors contribute to this, including increasing material and labour costs, evolving vehicle technologies, and changes in legal and regulatory frameworks. The haulage industry is particularly susceptible to claims inflation.

Insurance premiums: feeling the pinch

Claims inflation affects insurance premiums for transport firms. Insurers must recalibrate rates to account for these expenses associated with accidents, cargo damage, theft, and other liabilities. Consequently, businesses find themselves grappling with higher insurance premiums, which strain budgets and profit.

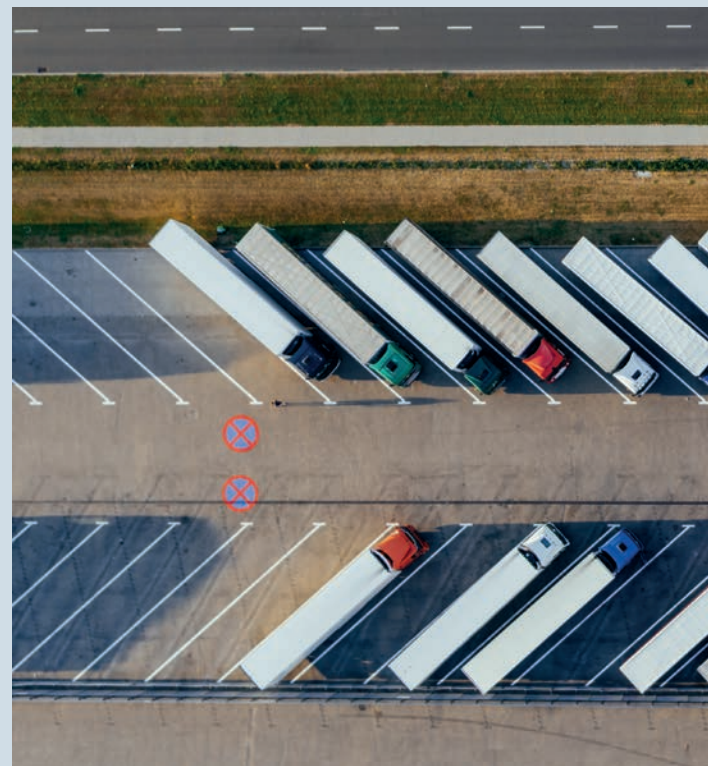
The ripple effect on overheads

The repercussions of claims inflation extend

beyond insurance premiums. Operators can experience a surge in overhead costs due to increased claim frequency and severity. These expenses encompass repairs and maintenance of damaged vehicles, higher excesses/deductibles, escalating legal fees and potential loss of business opportunities due to reputational damage. Managing these escalating overheads becomes crucial to maintaining a sustainable business model.

Navigating the challenges

While claims inflation poses substantial challenges, there are strategies that haulage firms and transport companies can employ to mitigate its effect:



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CASE STUDY: HAZELTON MOUNTFORD

1 Risk management

Implement robust risk management practices, including driver training programmes, vehicle maintenance protocols, and proactive safety measures. Such measures can reduce accidents, mitigate claims, and lower premiums.

2 Telematics and technology

Embrace telematics and technology-driven solutions to monitor driver behaviour, vehicle performance, etc.

These tools provide valuable data for risk assessment, enabling insurers to offer more competitive premiums based on real-time insights. The most effective vehicle CCTV systems can also assist in defending claims where the driver at fault is not agreed on between parties.

3 Insurance review

Regularly review insurance policies to ensure coverage aligns with specific business requirements. Collaborate closely with your insurance broker to identify cost-saving opportunities and tailor coverage options to your unique needs.

4 Claims management

Establish an efficient claims management process to expedite incident handling, reduce admin costs, and streamline settlements. Quick claims management can potentially mitigate the effect on premiums and overheads.

5 Expert guidance

Seek the guidance of experienced insurance brokers specialising in the haulage sector. They possess in-depth industry knowledge and can help navigate the complexities of claims inflation, finding tailored solutions that optimise coverage and cost-effectiveness.

Conclusion

Claims inflation poses significant challenges for hauliers, affecting premiums and business overheads. By implementing effective risk management practices, leveraging telematics and technology, conducting regular insurance policy reviews, establishing efficient claims management processes, and seeking guidance, businesses can navigate the challenges posed by inflation. Proactive measures and strategic partnerships with experienced insurance brokers will help mitigate the effects of claims inflation, protect profit, and ensure long-term sustainability in the evolving haulage industry.

To discuss this topic, and any insurance questions, contact Hazelton Mountford on 01905 611951; hazeltonmountford.co.uk/haulage-insurance



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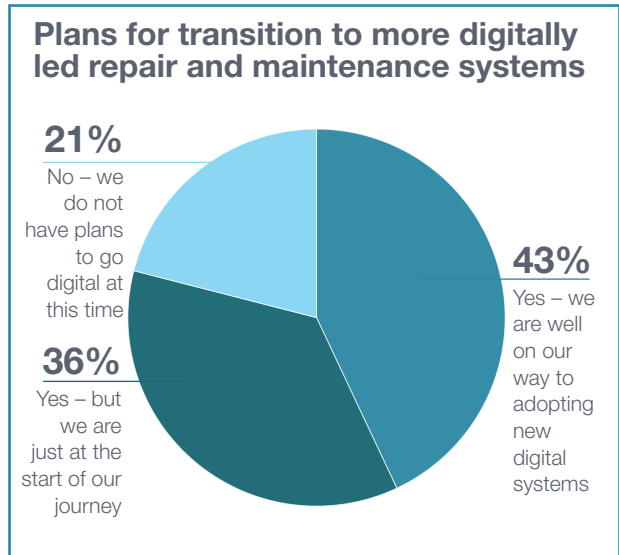
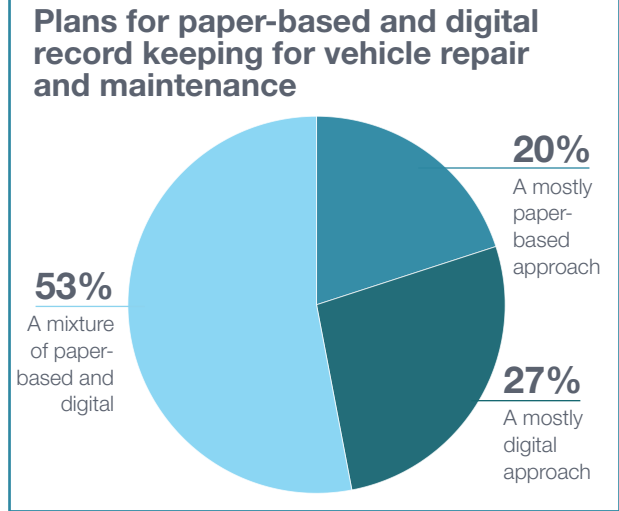
RECORD KEEPING

The importance of good record keeping in repair and maintenance operations is emphasised by DVSA figures showing that in the year to March 2023 457,389 HGV tests were carried out with an initial failure rate of 11.7%. This meant that more than 50,000 vehicles needed some additional corrective work.

The use of digital technology for repair and maintenance record keeping has been increasing, not only because the technology has matured and become more affordable, but also because of the Covid pandemic, which forced companies to reassess their systems to enable remote working.

Going digital also allows operators to tackle the mountain of paper generated by the requirement to retain HGV maintenance records for a minimum of 15 months.

Our survey shows that 27% of operators have a mostly digital approach, while 53% use a mixture of digital and paper-based record keeping. But the survey also suggests that these figures are likely to change quickly as many organisations are in the process of transitioning



Top 10 reasons for HGV annual test failure

1	Lamps
2	Brake systems and components
3	Aim of headlamps
4	Service brake performance
5	Steering
6	Suspension
7	Condition of tyres
8	Parking brake performance
9	Speedometer/tachograph
10	Exhaust emissions

Source: DVSA. Three months to March 2023

to digital systems. Some 43% of operators said they are well on the way to adopting digital systems, while 36% said they are committed to making the change but are at the start of the process.

Nevertheless, just over one fifth (21%) of operators remain committed to paper-based systems and have no plans to go digital at the moment.



CASE STUDY: TRUTAC

Fleet managers look to tacho providers for analysis capability

For the second year running, industry research confirms that fleet managers consider ‘analysis capability’ to be the most important factor when choosing a tachograph services provider.

Researcher Edge Insight recently asked 343 fleet managers a range of questions, similar to those posed in its 2022 survey, and found opinions to be consistent regarding the importance of accurate tachograph analysis.



In order of ranking, ‘analysis capability’ scored 32%, with ‘value for money’ and ‘ease of remote downloading’ registering equal importance at 17% and 18% respectively.

For specialist waste and recycling management operator Enva England, these criteria were key considerations when selecting its tachograph software systems provider TruTac.

“We were using another fleet software system that wasn’t quite doing what we required, particularly with our FORS accreditation journey in mind,” says John Stephenson, Enva England’s fleet manager. “So I researched TruTac and found its system wasn’t anywhere near as demanding in terms of admin. It ticks all our boxes and works fantastically for us.”

Consequently, Enva now uses the full TruTac complement of fleet management and compliance software, comprising TruLicence, TruControl, TruChecks, TruFleet and TruLinks.

“We hit the ground running with the software and also found that FORS accreditation was

something we could get done reasonably quickly” says Stephenson. “It’s a credit to TruTac and shows how useful it really is.

“One of the other things we like about TruTac’s systems is that they talk to one another. For example, anytime a driver raises a defect via the TruChecks walk-round app, we can plan that into our workshop via the calendar on TruFleet, so everyone can see what’s going on.

“I recommend the TruTac software for fleet and workshop management as this is the one-stop-shop for all fleet management needs, regardless of the size of the fleet.”

TruTac is a part of the Microlise Group.
microlise.com/about/

For further information about TruTac compliance control software products, or any aspect of HGV and PSV compliance control, contact: MD Jemma James, jemma.james@trutac.co.uk; 02476 690000; 07894 475074; trutac.co.uk

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