Think Smarter

Managing Fleet Risk

CLM GUIDE: MANAGING FLEET RISK

Introduction

Think of fleet risk and what's likely to come to mind are vehicle accident rates, driver training interventions and health and safety legislation. But the risks associated with running any car and van fleet are far broader than this.

In this guide we take a holistic look at the risks inherent in owning or running business vehicles, as well as those directly related to having employees on the road for business purposes.

As risk plays a part in almost all aspects of fleet management, this guide breaks down the key areas of risk into five categories:

1. **Strategic aspects of risk**
2. **Financial risk**
3. **Reputational risk**
4. **Human Resource risk**
5. **Legal risk**

Each of these areas has its own section, which looks in detail at the considerations required to manage and reduce overall risk. To begin with, we'll look at the strategic aspects of fleet risk which set the context for the day-to-day decisions and activities.

Need expert help?

At CLM, we have over 35 years' experience in providing intelligent, bespoke fleet management solutions to businesses across the UK. Our specialist team will take the time to understand your specific requirements, developing solutions tailored to you.

If you have any questions, would like help in creating a fleet policy or have an existing fleet policy that you would like us to review, please contact us at: 01908 210100 or info@clm.co.uk

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STRATEGIC ASPECTS OF FLEET RISK

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At the strategic level, fleet risk is the responsibility of the organisation's senior management team. They need to set the tone to emphasise the importance of managing the risks associated with running the fleet and take ultimate accountability for risk performance.

They will also need to make decisions balancing the reduction of risk against other business objectives and carefully consider the diminishing returns to be gained in attempting to remove, or mitigate against, every aspect of risk.

It's important at this stage to clarify that 'fleet' in this context not only relates to vehicles owned or leased by the organisation but all those used for business purposes, including cars and vans owned by employees and contractors and those hired for short or medium term use. This is often referred to as the 'grey fleet'. The risk also extends beyond drivers to all passengers, including fare-paying passengers.

The organisation's fleet risk objectives and strategies need to be formally recorded in its fleet policy, which becomes the reference point for all decisions on the topic. The fleet policy will need to include strategic guidance on each of the four key elements of fleet risk.

Financial Risk

Here, the policy should outline the overall financial objectives related to the fleet, as well as the key decisions on how these will be achieved. The financial objectives are likely to include managing the amount of financial risk the organisation is willing to accept through its decisions on vehicle acquisition, funding methods and maintenance provision.

It should also cover how the organisation will seek to mitigate against the financial losses associated with vehicle accidents, including driver and vehicle downtime, repair costs, increased insurance premiums and expenditure on any resulting legal action.

Reputational Risk

At the most fundamental level, the senior management team will need to make decisions regarding all potential risks to the organisation's brand that are associated with the fleet. This will mean determining how the vehicle fleet reflects the environmental objectives (and claims) of the business, its health and safety record and its reputation as a socially responsible entity.

With customers' and other stakeholders' expectations of organisations increasing all the time, determining the best approach to all fleet operations within the policy is becoming ever more important.

Human Resource Risk

Protecting the safety of individuals while at work must be of paramount importance to all organisations. The fleet policy needs to reflect all aspects of risk associated with travelling by car or van on company business. This will include rules relating to driver behaviour and training, licensing, insurance, health, driver fatigue, drink and drugs and the use of mobile devices.

It will also provide direction on the selection of vehicles suitable for the tasks required and on their ongoing maintenance and safety checks. The policy should also reflect how the organisation collects and uses accident data, with the aim of reducing the frequency and severity of these incidents.

As well as safety related issues, the fleet policy should also determine how the organisation uses employer provided vehicles as part of its overall benefit strategy. In today's highly competitive labour market failure to provide the right type and level of benefits places the organisation at risk of not being able to attract or retain the best talent. The policy will include guidance on eligibility, options (including cash alternatives), breadth of choice and ensuring vehicle suitability. It should also put measures in place to encourage the choice of vehicles that are preferred by the organisation in meeting its cost, environmental or other objectives.

Legal Risk

There are two main pieces of legislation that define an organisation's duty of care responsibilities for on-road business activities.

The Health and Safety at Work etc Act 1974 (HSW Act)2 determines that businesses must, 'so far as is reasonably practicable', ensure the health and safety of all of their employees while at work – this includes all situations where employees drive for work. It also dictates that employees must take reasonable steps to ensure their own health and safety, and that of others, while at work. Businesses must also ensure that other road-users are not put at risk through the work-related driving activities of their employees.

The Management of Health and Safety at Work Regulations 1999 relates to how organisations manage the health and safety of their employees. It determines that risk assessments must be carried out to measure the risks to employee's health and safety while at work, as well as the risks to other people who may be impacted by the organisation's activities.

The fleet policy needs to determine how the organisation will abide by these pieces of legislation through assessing, prioritising and controlling the risks that are associated with the operation of the fleet. It should also outline everyone's responsibilities for work-related road safety and highlight those with specific accountabilities.

Additional fleet risk also resides in the organisation's collection, use and storage of personal information about drivers. The introduction of GDPR in 2018 made very significant changes to the requirements placed on businesses when dealing with personal information of all types and this includes that of employee drivers.

In outline terms, the key impacts of GDPR for fleet management include:

- The definition of personal data is extended to include 'digital identifiers' such as IP addresses and mobile device IDs. This also means that data recorded from telematics systems can constitute personal data.

- Driver consent for data capture and use is required. If this isn't covered in the contract of employment, or there is no 'legitimate interest', then specific consent must be sought from the driver. 'Legitimate interest' must not interfere with the rights, freedom, and legitimate interests of the individual.

- Those responsible for fleets are expected to adhere to strict standards of accountability, governance, and transparency by documenting all data and processes associated with drivers.

Fleet Policy Guidance

Developing a meaningful fleet policy that encapsulates, amongst other things, direction in each of these risk areas can seem daunting. However, help is available from fleet management professionals to ensure that there are no omissions and that fleet performance in general is optimised. For a free guide on the development of a robust fleet policy click here.

FINANCIAL RISK

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1. ACQUISITION METHODS AND FUNDING

As with most financial choices, there is a trade-off in fleet decision-making between the overall cost to the organisation and the degree of risk it is willing to accept. Perhaps the most notable, from a fleet perspective, is the decision to buy or lease fleet vehicles.

Buy or lease

While outright purchase of cars and vans might, in some circumstances, deliver lower costs, the organisation takes all of the risk associated with the vehicle's lifetime expenses plus its eventual disposal and residual value. Leasing, in the form of contract hire or contract purchase, can provide cost certainty for many aspects of the vehicle's in-life costs and remove the risk associated with its disposal value, making short and long-term budgeting simpler.

Getting the best deal

Regardless of the type of vehicle funding chosen, there is also an underlying risk that the organisation might not be getting the best deal possible for new vehicle acquisitions. The trade-off here is usually one of the convenience of using a single supplier for all vehicles, and the lower prices that might be achieved by shopping around. One way of balancing this trade-off is to use a single fleet management partner that will undertake vehicle-by-vehicle tendering on behalf of the organisation. Read about CLM's Smartpanel for more details.

The same can be true for the many ancillary services required when running a fleet, such as maintenance, vehicle hire, accident management and insurance. While shopping around can certainly result in lower costs in each of these areas, from an insurance perspective, it could also be worth considering 'self-insuring' against those risks where this is permissible. This is a highly specialised area and expert advice should be sought, but considerable savings can be made, including a reduction in Insurance Premium Tax (IPT) expenditure.

2. COMMERCIAL APPLICATION

Reducing employee travel

Eliminating unnecessary car journeys through the use of telecoms solutions, and the selection of the best possible mode of transport for those still required, will play a significant part in reducing the risk of non-essential travel expenditure. Organisations are increasingly looking to Mobility as a Service (MaaS) solutions to assist with this. Click here to read more about CLM's MaaS solution.

Right vehicle for the job

Selecting vehicles, and in particular LCVs, which are appropriate for the job they are expected to undertake is extremely important in reducing the risk of unforeseen expenses. Selecting a vehicle with too small a payload may limit its lifespan if business needs change and will put extra strain on the vehicle making mechanical failure more likely, while selecting too large a vehicle will cost more in both acquisition and running costs.

For cars, it's worth considering how many passengers they are likely to be required to carry for company journeys; if it's regularly more than two people it's probably worth restricting the choice of small vehicles to prevent hire vehicle expense.

Best fuel option

Selection of the most appropriate fuel type is also key to reducing the risk of excessive running costs. Consideration needs to be given to journey profiles, load (for LCVs) and destinations. While petrol and diesel-powered vehicles continue to form the bulk of fleet sales, interest in Alternative Fuel Vehicles (AFVs) is growing rapidly as their running costs can be far lower. Mandating the choice of vehicles with lower fuel consumption (and therefore emissions) will also help to prevent excessive fuel claims.

For vehicles regularly entering Clean Air Zones, such as London's Ultra Low Emission Zone, it is important that they meet the right Euro standard, or be fully electric, to avoid daily charges.

Organisations can also encourage fuel efficient driving behaviours through their reimbursement policy. Drivers are more likely to consider their driving style if a fixed rate per mile is offered rather than settlement for the cost of all fuel used.

3. PRODUCTIVITY AND MINIMISING OFF ROAD TIME

Lifecycles

While vehicle selection plays a big part in reducing financial risk, there are other measures that can be taken to improve productivity, minimise downtime and cut costs. A key consideration is vehicle lifecycles; keeping vehicles for an extended period of time may appear to be an obvious choice in reducing fleet expense, but reduced acquisition or rental costs can be outweighed by the additional maintenance required and, in particular, by the vehicle-off-road costs for both scheduled and corrective repairs.

Vehicle Allocation

One of the greatest financial risks faced by fleets is having vehicles standing redundant. By ensuring that any new, or newly eligible, employee is provided with an unallocated vehicle rather than acquiring a new one, this can be reduced. Alternatively, unallocated vehicles can be disposed of either through sale, if owned, or through an early termination agreement with the funder if leased.

Pool Car Management

Systems are now available to manage pool cars to maximise their utilisation and ensure that the most appropriate vehicles are being allocated for each journey. Additional functionality can even highlight opportunities for car sharing to reduce overall travel costs.

Maintenance Management

Expert vehicle maintenance management can pay great dividends in terms of reducing financial risk. The obvious point here is to ensure that vehicles are serviced in line with manufacturer recommendations; this will help to ensure reliability, reduce vehicle downtime and improve the residual value.

Agreed service levels with carefully vetted maintenance providers are also a must in effectively reducing vehicle-off-road time and costs. These agreements should include defined costs for routine servicing, guaranteed turnaround times and the requirement for work authorisation before it is carried out.

These measures will help protect the organisation from unexpected costs and the risk of overcharging by unscrupulous providers. Add to this out-of-hours and mobile servicing and vehicle downtime risk can be reduced still further.

Accident Management

Accidents do happen and these can mean extended periods of time with a vehicle off the road, as well as the expense of repairs. The ultimate risk reduction service for these situations is accident management. These services usually provide a single point of contact following an accident to initiate recovery, repair, insurance claims and any proceedings to recover uninsured losses.

Claims handlers also work to reduce downtime and minimise the cost of repairing the vehicle. Where a vehicle is going to be off-road for an extended period, the service also includes the provision of suitable replacement vehicles to prevent lost business capacity. Click here to read more about accident management.

4. PREVENTING THEFT AND DAMAGE

Vehicle theft claims are at their highest level since 2012 according to the Association of British Insurers (ABI)[1]. While vehicles and their contents might be insured, businesses still face the financial risk of any policy excess, plus the cost of downtime while vehicles and equipment are repaired or replaced.

Basic rules for preventing vehicle theft

1. Always lock the vehicle when it's unattended – obvious but not always done, particularly for frequently stopping vehicles. A final check that the locks have actually engaged is always worthwhile as jammers can be used to prevent remote radio waves. Failure to lock may invalidate the insurance policy.

2. Carefully consider where you park – a locked garage is the most secure, but driveways tend to be more secure than on-road and more remote spots are riskier. The current trend for catalytic converter theft means that drivers should also consider parking in a way that makes access to the underside of their car more difficult.

3. Do not advertise the contents of the vehicle – particularly relevant to LCVs, if your signage describes your business type it can attract thieves looking for valuable equipment. Also consider adding stickers that state that no valuables are left in the vehicle when unattended and that anti-theft or tracking devices are installed.

4. Remove or hide valuables and all signs of them – by far the best advice is to remove everything valuable whenever you leave the vehicle but there are times when this isn't practical, so make sure they're hidden and in the most

secure part of the vehicle. Even leaving cables and holders visible can hint at the fact that there might be electronics inside, so make sure these are hidden too.

5. Keep keys secure – these days this doesn't mean just storing keys so they're not easily visible through a home or office window, it also means keeping them out of range of key cloning devices and 'relay theft' equipment.

6. Consider additional security equipment – this could be the fitting of high security, shielded locks and immobilisers which prevent the vehicle being hot-wired. There are also a wide range of tracking devices and telematic services that will alert owners that their vehicle is being tampered with and if it has been moved. These systems can also collect video or photographic evidence from inside the vehicle. Simpler measures include the tinting or reinforcing of windows to hide the vehicle's interior and deter breakage.

7. Check periodically for manufacturer recalls and software updates – if there has been a security related recall or software upgrade it's important that these are installed to minimise the risk of theft.

[1] ABI's quarterly motor insurance claims report, May 2019

REPUTATIONAL RISK

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In the past, reputational risk tended to be the preserve of very large organisations aiming to avoid or mitigate negative publicity following major events involving their operations, products or employees. Today, the expectations placed on businesses go far beyond avoiding catastrophic incidents, to include all aspects of their impact on individuals, the environment and society in general. Questions are even being asked about the role that business plays in society and how this needs to extend beyond the pursuit of profit.

A second, and equally significant change, is that businesses of all sizes are now open to much greater public scrutiny than ever before. Even the sole trader is likely to have online reviews of their performance that can have a very significant impact on their future success.

From a fleet perspective this means that many more factors need to be considered than in the past.

1. Service delivery – For many organisations the performance of their fleet is absolutely fundamental to the service they provide to their customers. Be this delivery of physical goods or the provision of services at customer locations, a failure to arrive on-time, or at all, means dissatisfaction and the potential for lost business or poor customer reviews.

For businesses like this, minimising vehicle downtime and the immediate availability of back-up vehicles is key. This can be a particular issue for businesses that utilise a range of highly specialised commercial vehicles.

Luckily there are solutions available; from accident management services that can reduce downtime to an absolute minimum, to vehicle logistics services and specialist vehicle short-term rental that can ensure replacement vehicle availability. Click here to read more about logistic services and here for specialist short-term rental.

2. Fleet emissions – Fleets now face increasing public scrutiny regarding the types of vehicles they run, particularly since the Government's introduction of the Streamlined Energy and Carbon Reporting (SECR) in April 2019, which increased the number of businesses needing to record and report on their carbon emissions. Failure to demonstrate continuing reductions in CO_2 emissions, which for many organisations will be heavily contributed to by their fleet, is likely to be noted and publicly commented on.

Local air quality has also become big news, particularly in urban areas, and those running large numbers of vehicles in these locations will come under

increasing pressure to use cleaner vehicles and end practices such as engine idling when stopped or parked for short periods. Choice of fuels is also an important area for consideration and the best fuel for overall emissions efficiency (including CO_2, NOx and particulates) will vary depending on the types and length of journeys being undertaken.

3. Health & safety performance – While the public reporting of H&S performance is not as regulated as environmental reporting, many organisations are now taking a more open approach to this, bringing them under greater scrutiny. With Department for Transport figures[2] suggesting that more than a quarter of all road accidents involve someone driving for work, both major incidents and cumulative performance provide potential reputational risk.

4. Driver behaviour – The fleet, and in particular commercial vehicles with branding, are a very public expression of the organisation's culture and values. Poor driver behaviour can present a highly negative view of the brand, whether this is failure to adhere to road laws, aggressive behaviour behind the wheel or simple discourtesy. It is essential that all drivers recognise that they are representatives of the organisation when they are driving for business and behave accordingly.

5. Vehicle condition and the grey fleet – In a similar way to driver behaviour, the condition of vehicles being used for company business is a direct reflection of the brand. For the company owned, or leased, fleet this is relatively simple to control with quality marque selection, moderate replacement cycles, good maintenance policies and clear instructions to drivers about vehicle cleanliness and appearance.

All of these factors become more difficult to manage when employees use their own vehicles for business journeys. Development of a fleet policy that incorporates grey fleet vehicles, and mandates their maintenance and general condition, is essential. To find out more about grey fleet management click here.

[2] Reported casualties in accidents by journey purpose and casualty type (Department for Transport statistics, updated annually): www.gov.uk/government/uploads/system/uploads/attachment_data/file/239770/ ras30037.xls

HUMAN RESOURCE RISK

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The operational aspects of managing fleet related HR risks should, undoubtedly, be at the absolute forefront of fleet decision-makers' minds. Not only is the health and safety of individuals more important than any other aspect of the business' operations, it also has significant cross-over with all other elements of fleet risk. Some of the key elements are discussed here:

1. Driver assessment & training – Tracking the driving performance of employees is essential to measuring overall fleet risk. This should include the number and severity of incidents across the fleet and also per individual. Drivers identified as being of higher risk should be considered for interventions such as education programmes and practical training. Fleet managers should also consider methods to promote safe driving through incentives and reduce poor driving behaviour through penalties.

2. Licensing and insurance – It is essential that organisations carry out periodic checking of all drivers' (and additional drivers' e.g. spouse's/family member's) licences to ensure that they are qualified for the vehicles which they use for business purposes and that they have not become disqualified due to traffic offences. This can also identify persistent offenders and provide the opportunity for training interventions. In the same way, for private vehicles used for business journeys, checks must be carried out to verify that employees' insurance policies have the correct type and level of cover.

3. Driver health and fatigue – Certain disabilities and illnesses require the driver to declare these to the DVLA and employers should also be aware of any impairment to the individual's ability to carry out work-related journeys. One piece of good practice is the use of driver declarations to verify any health issues. Periodic eyesight tests are also mandated by some employers to ensure that any deterioration is spotted and rectified with the correct prescription.

There are also laws that dictate the amount of time that a driver can spend behind the wheel without taking a break (see https://www.gov.uk/drivers-hours). While these rules mainly apply to goods and passenger-carrying vehicles, it is also essential that employers ensure that drivers are not expected to drive for lengths of time that are likely to lead to fatigue and risk their safety.

4. Journey planning – Closely linked to the point above, journey planning is becoming ever more important from a productivity, sustainability and risk management perspective. The first question businesses should be asking is

whether a car journey is really required, or whether a public transport or telecoms solution would be more effective.

There are also some other considerations:

- Is it possible to avoid journeys in the riskiest periods, such as the early hours of the morning?
- Can visits and deliveries be scheduled more effectively so that mileage covered is kept as low as possible?
- Can routes be planned that make the most of the safest roads (motorways and dual carriageways in general) and avoid accident blackspots and areas of high congestion?
- Can journeys be shared by individuals attending the same meetings to minimise fatigue and journey costs?
- Are drivers being put under time pressures that cause them to speed or to drive for extended periods without a break?

Many organisations are beginning to utilise MaaS (Mobility as a Service) solutions that allow them to assess the best mode of transport for any given journey, based on risk, cost, time and environmental impact criteria. Click here to read more about CLM's MaaS solution.

5. Drink and drugs – While all drivers should be aware that driving under the influence of alcohol or drugs is both illegal and highly dangerous, it can be worthwhile for employers to provide some guidance, particularly on the hazards of driving the morning after consuming alcohol.

Drivers should also be made aware that certain over-the-counter and prescription drugs can have a detrimental effect on their ability to drive, some of these have prescribed limits in the blood which need to be adhered to, see the Government's advice here. CLM has also produced a guide on alcohol and drugs and their impact on driving, click here for a copy.

6. Use of mobile devices – The law has been strengthened in recent years and penalties increased to dissuade drivers from using mobile devices illegally when on the road. The rules are reasonably clear and mean that it is illegal to hold a phone for any purpose while you are driving or in charge of a vehicle; using them hands-free, when docked in a suitable holder, is permissible but this must not distract you from driving.

Drivers travelling for business are often under greater pressure to take calls or to be contactable via electronic means; employers must make it very clear that they do not condone the misuse of mobile devices under any circumstances and have sanctions available for non-compliance. See the Government guidance here or read CLM's blog post for more details.

7. Vehicle condition and maintenance – As mentioned in the previous section, ensuring the maintenance of company owned or leased vehicles is relatively straightforward. However, issues can arise when drivers use private vehicles for business journeys and if certain regular roadworthiness checks are not carried out. One way of mitigating this risk is to gain proof of servicing and / or an MOT pass for private vehicles used for business, another is to mandate driver declarations that their vehicles are correctly maintained.

It can also be worthwhile providing all employees who drive for work with simple vehicle checklists to prompt them to assess the roadworthiness of their vehicles on a day-to-day basis. Declarations that these checks have been carried out should also be considered. The checks could include items such as:

- Engine oil levels
- Windscreen and wiper blade condition
- Washer fluid levels
- Coolant levels
- Tyre pressure and tread depths
- Lights and indicators

8. Vehicle telematics – The sophistication of these systems has grown rapidly over recent years and they can now provide a wealth of real-time information to assist in reducing fleet risk. The systems can combine GPS location monitoring, unauthorised access, movement and theft alerts, dash-cam footage capture, driver fatigue and distraction monitoring, vehicle condition and usage observations to give a holistic view of each vehicle's operation.

The data from this can be invaluable in, not only identifying areas of fleet risk, but also implementing preventative and remedial measures to actively reduce the frequency of incidents. The effort involved in managing and analysing this huge amount of data does, of course, need to be balanced against the potential benefits.

The risk related benefits of running a telematics system across the fleet include:

- Enhanced journey analysis and more efficient, safer route planning
- Identification of poor driver behaviour and training needs
- Reduction of incidents caused by driver distraction and fatigue
- Reduction of vehicle and equipment theft
- Vehicle efficiency and fault monitoring and pre-emptive maintenance scheduling
- Vehicle location reporting in the event of an accident or emergency
- Improved accident reporting information and evidence gathering

As well as these risk related items, the organisation can also benefit from improved fuel management, reduced insurance costs, enhanced leasing contract management and reduced environmental impact.

HR benefits

While perhaps not as obvious as risks to the health and safety of employees, organisations do need to consider the fact that, if their benefit programme is not competitive, they are more likely to lose valuable members of staff and will be less likely to attract the best talent.

It is always advisable to benchmark against organisations in the same sector and geographical area to ensure a competitive position, the following operational questions should be considered as part of this exercise:

- Which employees are eligible for a vehicle? Should you consider an 'all employee' car benefit for those not currently eligible for a company car?
- What vehicle bands and value limits are appropriate for your organisation based on competitive benchmarking?
- Can some/all eligible employees opt out of a company vehicle and take a cash allowance instead?
- Do you intend to place restrictions on the type of vehicles available to ensure they are fit for purpose (e.g. fuel type, CO_2 emissions, body style, number of doors)?
- Will you operate an open or restricted selection of vehicle manufacturers?
- What replacement cycle is most appropriate for your vehicles to meet driver expectations?
- Will employees be eligible to make contributions towards their allowance to enable them to 'trade-up' to a more expensive vehicle?
- When will new starters be eligible to order a vehicle? Do they need to complete a probationary period before they become eligible?
- If you have existing, unallocated vehicles do you want newly eligible employees to take one of these rather than ordering a new vehicle?

LEGAL RISK

LEGAL RISK

In many ways, the risks of being non-compliant with the various laws related to driving at work are mitigated by considering the items covered previously. If measures are in place to deal with HR, Financial and Reputational risks then it's likely that you'll have gone a long way to fulfilling your Duty of Care to workplace drivers.

However, without the correct policies and management systems in place, it can be difficult for an organisation to demonstrate that it is doing everything possible to reduce work related driving risks and to keep its drivers safe.

The Health and Safety Executive suggests that while formal management systems are not always required, it is good practice to follow a systematic approach that will help to embed the required processes and behaviours in the business. The approach that they promote is one of Plan, Do, Check, Act. We'll take a look at this approach and what it means from a practical perspective for fleets.

1. Plan – This is about assessing your current situation, determining your objectives and developing a plan for work-related risks. The steps within this are likely to include:

- Carrying out an assessment of the work-related road safety risks that currently exist within the organisation. This would include:
    - How the organisation uses the road; the employees involved, the vehicles they use and the types of journeys undertaken.
    - What risks this road use generates to employees and others, plus the potential consequences of those risks.
    - What measures need to be put in place to effectively manage and reduce these risks and consequences.

- Developing a road health and safety policy based on the identified risks that determines how key items will be managed. This would include many of the items covered previously such as:
    - Vehicle suitability, maintenance and condition
    - Accident management and reporting
    - Driver assessment, licence checking and declarations
    - Grey fleet management
    - Driver health and fatigue prevention
    - Alcohol and drugs
    - Use of mobile devices
    - Journey planning

- Determining and recording roles and responsibilities for work-related road safety, plus lines of communication and reporting.

2. Do – This is about implementing your plan and ensuring that the policies and procedures within it are understood and adhered to. This should include:

- Determining the biggest risks to the organisation's fleet and the priority areas to address.
- Deciding on the preventive and correctional actions required and implementing them.
- Ensuring that the right resources, training and information are in place both to implement the actions and to maintain them over time.
- Delivering clear communication for all employees to ensure everyone is clear about their fleet related health and safety responsibilities.

3. Check – This is about measuring your performance against your fleet risk objectives. This should include:

- Assessing how successful the organisation has been at implementing its plans. It's important to note that while documentation of actions taken is useful, it's the tracking of incidents and analysis of whether fleet risk is actually being reduced that is essential.
- Encouraging employees to report all incidents, no matter how minor.
- Investigation of fleet incidents, and even near misses, to identify the causes and determine any failures in the risk management processes.
- Undertaking formal audits, particularly in the case of major fleet incidents, to identify changes that need to be implemented to prevent any recurrence.

4. Act – This refers to using the information collected as part of your fleet risk management processes and analysis to improve future performance. It should also include being aware of improvements to industry best-practice and implementing any learnings from this.

As the amount and depth of information increases, it should also be possible to identify those drivers at greatest risk and take preventative action to reduce incidents. A further action would be to revisit all risk policies and processes to ensure that they are still fit for purpose. To read more about the Plan, Do, Check, Act approach visit the HSE website.

Fleet data risks and GDPR

The introduction of the General Data Protection Regulation, or GDPR, in 2018 has meant a number of fundamental changes in how fleet data is treated. The regulation aims to give individuals increased control over their personal data

and also introduces a requirement to report data breaches that meet certain criteria to the Information Commissioner's Office (ICO). There are a number of concepts under GDPR that have created new risks that need to be understood and managed, these are discussed below.

Personal data

The definition of 'personal data' includes items that would not previously have been considered, such as IP addresses, mobile device identifiers and 'pseudonymous data' which may have been encrypted but is still traceable to an individual.

Perhaps the key take-out here from a fleet perspective is that data collected via telematics devices on location, speed and driving style are likely to be construed as personal data under the new rules.

Employees driving for business must be made aware of the types and depth of information being recorded, what uses it could be put to and how they are able to access it and request its deletion. If these measures are not in place, the organisation is under considerable risk of breaching GDPR.

Data handling

One of the other key changes under GDPR relevant to fleets is that drivers must consent to their data being collected, stored and used. In many instances, the driver will have given this consent within their employment contract. If this is not the case, then the creation of an addendum to the contract, or the signing of a separate declaration of consent is advisable to mitigate risk of a breach.

In addition to consent, there are other circumstances that allow an organisation to handle and process personal data, these include compliance with a legal obligation and where a 'legitimate interest' exists. Organisations can process data without consent of the individual if they are deemed to have a legitimate interest in doing so. This could include administrative purposes (e.g. running payroll), prevention of fraud, health and safety, security and market research.

The key here is that the processing of the data does not interfere with individuals' rights, freedoms, and legitimate interests.

Breach mitigation

As fleet managers are responsible for a wide range of drivers' personal data, it's important that all of the processes for collecting, using, storing and deleting this are documented and regularly reviewed.

A good way to ensure compliance with GDPR's requirements is to conduct a Data Protection Impact Assessment on all of the data collection processes involved in managing the fleet. In the ICO's own words:

'A DPIA is a process designed to help you systematically analyse, identify and minimise the data protection risks of a project or plan. It is a key part of your accountability obligations under the GDPR, and when done properly helps you assess and demonstrate how you comply with all of your data protection obligations.'

In other words, it assists in demonstrating that you have considered all of the risks related to the processing of data for a particular business process or project. To find out more about DIPA's visit: https://ico.org.uk/.

It's also important to recognise that the fleet manager's responsibilities for drivers' data extends beyond the business to any relevant suppliers. This means ensuring that their processes are also GDPR compliant and that drivers' data is secure.

For more information on GDPR visit the government's site.

SPEAK TO THE EXPERTS

The expertise required to manage all forms of fleet related risk is unlikely to reside with a single individual or role in the organisation. To ensure that important elements of risk are not overlooked, and to develop the most robust approach to managing and reducing fleet-relate risks, it's advisable to seek expert input. To read more about CLM's approach to fleet risk management and to contact us for a no-obligation discussion click here.

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