

Agenda Item	14.
Report No	CP/34/24

## THE HIGHLAND COUNCIL

**Committee:** Communities and Place

**Date:** 27 November 2024

**Report Title:** Operational Fleet Compliance, Policies and Procedures

**Report By:** Assistant Chief Executive - Place

### 1. Purpose/Executive Summary

- 1.1 This report highlights to Members the requirements relating to the safe and compliant operation of Highland Council fleet. This is a highly regulated function within the Council, with external scrutiny and assurance provided by the Office of the Traffic Commissioner and enforcement by the Driver and Vehicles Standards Agency (DVSA).
- 1.2 Section 5 to section 9 of the report refers to the Heavy Goods Fleet and the requirements of the Operator Licence. The Council's Operator Licence runs for 5 years and is due for renewal in January 2026.
- 1.3 Section 9 refers to cars and light commercial Fleet.
- 1.4 It is important to identify the responsibilities involved in fleet operations and to ensure that safeguards are in place to ensure compliance. Failure to do so may lead to prosecutions and/or accidents and a public inquiry which can have serious and wide-ranging consequences:
  - human (fatalities, injuries, disablement to HC employees and members of the public)
  - economic (loss of business, disruption of activity, damage to reputation)
  - financial (vehicle replacement and/or temporary hire costs, additional maintenance costs, repair and insurance costs, claim management costs)
- 1.5 The Driver and Vehicles Standards Agency (DVSA) collects data on the Council's performance based on fleet road worthiness and driver compliance. For assurance to Committee, currently the Council is regarded as low risk of non-compliance.
- 1.6 It is a requirement of the Licence that the Council has three named competent Transport Managers listed on it.
- 1.7 Key to supporting the Transport Managers are policies and procedures. These standardise the approach to Fleet Management across Highland Council with the objective of ensuring that the Council operates within the law with a safe and legally compliant fleet. Updated operational policies to reflect legislative requirements are

available via this link.

[https://www.highland.gov.uk/staffsite/downloads/file/624/fleet\\_management\\_policy](https://www.highland.gov.uk/staffsite/downloads/file/624/fleet_management_policy)

The Index of contents is attached as Appendix 1. Where the Council does have discretion as to the content of a policy element, these are based on industry best practice. The policies document will be reviewed annually or following any changes to legislation.

## 2. Recommendations

2.1 Members are asked to:

- 2.2
- i. **NOTE** the requirements relating to the Operator Licence, that the licence is due for renewal in January 2026 and that the Council's performance is currently rated externally as compliant.
  - ii. **NOTE** the requirements relating to the Light Fleet.
  - iii. **NOTE** that the refreshed Fleet policies and procedures reflect legislative requirements and are aligned to the Council's budget.

## 3. Implications

- 3.1 **Resource** - The updated operational policies are aligned to the budget. Effective compliance with the Operator Licence requires adequate and suitably qualified personnel. The new fleet structure has addressed the former gaps in the team in compliance roles. Recruitment of mechanics has historically been problematic and remains so. We have 4 apprentice mechanics in the structure at present who are at various stages of the apprentice programme. There are 3 apprentice mechanics vacancies currently in Aviemore, Dingwall and Portree. It is our intention to fill these vacancies in 2025 with a view to them commencing training in Autumn 2025.
- 3.2 **Legal** - The heavy goods fleet operation is regulated by the Traffic Commissioner who has considerable powers. These are detailed at section 4.3. The licensing provisions the Council must comply with can be found in the Goods Vehicles (Licensing of Operators) Act 1995, the Goods Vehicles (Licensing of Operators) Regulations 1995, the Road Transport Operator Regulations 2011
- 3.3 **Risk** - Safe and effective management and operation of the heavy goods fleet is essential to complying with the Operator Licence. Non-compliance can ultimately result in the heavy goods fleet being taken off the road and a public inquiry. The controls set out in this report detail the measures in place to manage this risk.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** –
- 3.5 **Gaelic** - There are no implications in relation to Gaelic.

## 4. Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is a monitoring report and therefore an impact assessment is not required.

## **5. Background**

- 5.1 An Operator's Licence (or O licence) is the legal authority needed to operate goods vehicles in Great Britain. A licence is issued by the Office of Traffic Commissioner for Scotland who are the independent regulator of the commercial road transport industry.
- 5.2 An organisation needs an O licence to operate vehicles above 3.5 tonnes gross vehicle weight (GVW) that are used to carry goods (i.e. anything not permanently attached to the vehicle) on public roads for trade or business purposes.
- 5.3 The Traffic Commissioner has powers to take regulatory action against a licence holder where they fail to meet the expected standards of operation. They can:
- revoke or suspend a licence.
  - reduce the number of vehicles authorised on a licence.
  - attach conditions to a licence restricting the weights of vehicles allowed to be used on a licence and/or their hours of operation.
  - act against the transport manager(s) and senior management, particularly where serious infringements have been reported. Action can include declaring them unfit and invalidating their Transport Manager Certificate of Professional Competence (CPC).
- 5.4 In the event of an incident or breach of the licence requirements, the Traffic Commissioner will ask the most senior member of the organisation and the Transport Manager(s) to attend a public inquiry before any action is taken against the licence.
- 5.5 In some cases, a Traffic Commissioner may act immediately (e.g. in the interests of public safety) and the inquiry will be held later.
- 5.6 The Council has a Service Lead for Transport & Logistics and 2 Compliance Officers. Each holds a Certificate of Professional Competency as a Transport Manager.
- 5.7 While many members of the Council's Senior Management team have corporate responsibility for a function, these staff members can be held responsible for the actions of Council staff and may lose their Certificate of Professional Competency as a Transport Manager and will be unable to work as such. They must also be 'persons of good repute'.

## **6. The Purpose of an Operator Licence**

- 6.1 The main purpose of goods vehicle operator licensing is to ensure the safe and proper use of goods vehicles to protect the public and to protect the environment around operating centres. The licensing provisions can be found in the Goods Vehicles (Licensing of Operators) Act 1995, the Goods Vehicles (Licensing of Operators) Regulations 1995, the Road Transport Operator Regulations 2011.
- 6.2 Licence OM0021134 has been issued to Highland Council on the understanding that it meets its legal obligations in relation to driver, vehicle and operating centre

compliance.

- 6.3 Performance against the O licence criteria is measured by the Operational Compliance Risk Score (OCRS). OCRS is used to calculate the risk of an operator not following the rules on roadworthiness (the condition of its vehicles) and traffic (e.g. drivers' hours, weighing checks).
- 6.4 Vehicles are more likely to be inspected if an organisation's OCRS is high. The score is a combination of two elements of performance:
- Roadworthiness – This is about the condition of the vehicle, for example; Vehicle tests (first tests, subsequent annual tests); 'vehicle encounters' (fleet check inspections at operator premises, roadside inspections).
  - Traffic Roadside inspections and prosecutions – This is about driver compliance, (for example, drivers' hours and tachograph offences, weighing checks)
- 6.5 The OCRS system is based on data collected by the Driver and Vehicles Standard Agency over a 3-year rolling period. Further information is available at: <https://www.gov.uk/operator-compliance-risk-score/how-the-system-works>  
At the time of writing we remain in the green area of the score matrix – low risk.

## **7. Highland Council Fleet**

- 7.1 Highland Council's licence allows a maximum fleet authorisation of 270 Large Goods Vehicles (LGV's) and 8 large trailers. The current fleet numbers covered by the licence are 240 plus 2 trailers. Certain vehicle types are exempt from the licence, for example, road rollers and snow clearing vehicles, but we are expected to observe the same requirements across the fleet. 31 vehicles fall into this exempt category. The 240 vehicles are spread across the Highlands, within 45 licensed operating centres (depots). Vehicles are maintained by 7 workshops across the region.
- 7.2 In respect of each operating centre specified, the number of vehicles and the number of trailers kept there will not exceed the maximum numbers authorised at each operating centre (which will be noted on the licence).
- 7.3 Unauthorised operating centres must not be used. That means heavy goods vehicles should only be parked at licenced sites.
- 7.4 The majority of the HGV fleet is purchased with 29 Refuse Collections Vehicles, 5 Large Skip Lorries and other smaller vehicles over 3.5T but less than 7.5T maximum weight be leased on an operating lease basis over a 5-year period. The roads fleet is depreciated over a 7-year period after which time due to salt from the winter maintenance seasons the vehicles require replacement.
- 7.5 The refuse fleet has historically been depreciated over 7 years at which time the compactor and lifters are refurbished. By moving to an operating lease model for 29 of the RCV fleet this is no longer a requirement. The refurbishment programme on RCV's aged 7 years or older was cancelled in 2020 due to budget constraints. If the vehicles are not replaced at their planned replacement date this can substantially increase the maintenance costs and downtime as well as residual value at auction.

## 8. Organisational Responsibilities and Key Risk Areas

- 8.1 The Chief Executive was previously named on the operating licence as a responsible person. However, following recent discussions it was agreed that to bring the responsible person closer to the Operational aspects of the fleet it was decided to name the Assistant Chief Executive – Place as the responsible person they must appoint suitably qualified Transport Manager(s) to operate this license. The License is issued to the Service Lead; Transport & Logistics. Licence stipulations include:
- the Transport Manager(s) must meet the good repute requirement and be fit to hold a licence and ensure the transport operations are properly managed at all times.
  - appropriate financial standing (i.e. an organisation must have enough money to run the its fleet operation).
  - facilities (or arrangements) for maintaining the vehicles.
  - capability of ensuring that all staff obey all the rules of the O Licence.
- 8.2 The licence is renewed every 5 years. The Council's licence is due to be renewed in January 2026.
- 8.3 At this time the Traffic Commissioner has stipulated that Highland Council must have three employees holding a Transport Managers Certificate of Professional Competency listed on the licence. This stipulation is currently fulfilled by the posts of Service Lead; Transport & Logistics and 2 Fleet Compliance Officers.
- 8.4 The day-to-day operations of the vehicles on the Operating license and drivers are managed by 8 area operational managers, 5 in Roads and Transport, 1 in Amenities and 2 in Waste Services.
- 8.5 The Traffic Commissioner requires operators to have adequate systems in place to make sure, staff can obey all the rules, particularly covering:
- speed limits
  - driver obligations
  - driver licensing/driver CPC (Certificate of Professional Competency)
  - drivers' hours rules and the Working Time Directive
  - taxation and insurance of vehicles
  - authorised weights.
- 8.6 This means having management structures and monitoring and reporting systems in place that can demonstrate to the Traffic Commissioner the extent to which there has been and will be compliance.
- 8.7 The compliance officers in the Fleet service cover 3 key areas – Workshop Compliance, License and Driver Compliance, Light Fleet & Transition to Net Zero. Key aspects covered are listed below.
- Workshop management
  - Vehicle records
  - Vehicle checks
  - Driver checks
  - Operating centres
  - Licence management
  - Driver training and assessment
  - Accident notification and investigation
  - Drivers hours

- Fleet Procurement
- Transitioning the Fleet to meet Net Zero targets

8.8 The legal requirement is the same, irrespective of the size of operation, namely that the nominated transport manager(s) must be able to exercise continuous and effective control of the fleet and drivers.

8.9 The Traffic Commissioner has identified the following non-exhaustive list of the types of activity which might be expected of a transport manager. These are outlined below.

8.10 These predominantly relate to the driver of the vehicle and how the vehicle is deployed. Operational managers are therefore better placed to manage this as they have responsibility for both driver and vehicle.

#### 8.11 Drivers – Administration

- To ensure that drivers hold the appropriate licence for the vehicle they are driving (including non-GB vocational drivers from EU member states who are required to register their driving licences with DVLA within 12 months of being resident).
- To ensure that regular checks are carried out on the drivers' licences.
- To ensure that vocational drivers hold a valid driver CPC qualification (Driver Qualification Card).
- To ensure that all drivers hours records are kept for a period of no less than 12 months and are made available upon request.
- To ensure that all working time records are kept for a period of no less than 24 months and are made available upon request.

#### 8.12 Drivers – Management

- To ensure compliance with the driving hours rules (EU or Domestic Hours rules).
- To ensure that drivers are recording their duty, driving time and rest breaks on the appropriate equipment or in drivers' hours books and their records are being handed back for inspection as required.
- Where appropriate, to download and store data from the vehicle digital tachograph unit (at least every 90 days) and from the drivers' tachograph smart cards (at least every 28 days).
- To ensure that drivers' hours records are retained and are available to be produced during the relevant period.
- To ensure that records are retained for the purposes of the Working Time Directive (WTD) and that they are available to be produced during the relevant period.
- To ensure that drivers are adequately trained and competent to operate all relevant vehicles and equipment.
- To contribute to relevant training and subsequent disciplinary processes as required.

#### 8.13 Drivers - Operations

- To ensure that drivers are completing and returning their driver defect reporting sheets and that defects are recorded correctly.
- To ensure that all drivers and mobile workers take adequate breaks and periods of daily and weekly rest (as per the relevant regulations which apply).

## 8.14 Vehicle – Management

- To ensure that vehicles and trailers are kept in a fit and roadworthy condition.
- To ensure that reported defects are either recorded in writing or in a format which is readily accessible and actioned promptly.
- To ensure that vehicles and trailers that are not roadworthy are taken out of service.
- To ensure that vehicles and towed equipment are made available for safety inspections, service, repair and statutory testing.
- To ensure that safety inspections and other statutory testing are carried out within the notified O licence maintenance intervals

8.15 The Transport and Logistics Manager attends monthly operational managers meetings with Waste and Roads function to update them on changes to legislation or policy in relation to fleet operations. They are required to implement and monitor these changes.

## 9 Light Fleet

9.1 The O licence does not cover the operation of cars and light commercial fleet. More general legislation covers this fleet, but the actions of cars and light commercial vehicle drivers can affect the reputation of THC and could influence the Commissioner's interest in our O Licence.

9.2 The operation of this fleet still poses a risk to the Council. There are many more drivers and vehicles. There is less of a framework covering driver training or driving hours for example. It is therefore important that policies are in place to cover the operation of this fleet and operational managers regularly reinforce the policies using toolbox talks.

9.3 The Council operates a fleet of cars and light commercial vehicles. Building Maintenance, Amenities and Roads are the main users. The fleet is broken down as follows:

- 23 Cars (petrol or diesel)
- 69 Full electric or Hybrid Cars
- 551 Light commercial vehicles (all diesel)
- 18 Full electric LCV's
- 82 Minibuses (all diesel)
- Various other items of specialist plant including small road rollers, demountable gritter bodies, small street sweepers etc.

9.4 Cars and light commercial vehicles for generally leased for a period between 3 and 5 years. Some light commercial vehicles have been leased for 3 years which will allow these to be potentially transitioned to lower emission vehicle sooner.

9.5 Managers are required to ensure that for the vehicles they are responsible for, the following controls are in place:

- Drivers complete and return their driver defect reporting sheets and that defects are recorded correctly.
- Vehicles and trailers are kept in a fit and roadworthy condition.
- Vehicles and trailers that are not roadworthy are notified to the Fleet team and taken out of service.
- Vehicles and towed equipment are made available for safety inspections, service, repair and statutory testing.

9.6 Drivers of cars and light commercial vehicles do not require any special licence

categories except for minibus drivers and drivers towing large trailers.

- 9.7 Minibus drivers require an additional category on their licence. They are also required to hold a MiDAS (Minibus Driver Awareness Scheme) training certificate. MiDAS is a good practice scheme which allows drivers who already have the legal requirement on their driving license the opportunity to be assessed to drive a minibus to a national standard.
- 9.8 For drivers towing trailers as part of their duties the following applies:
- If the driver obtained their full driving license before 1 January 1997, they can tow a trailer so long as the Maximum Authorised Mass of the combined weight of vehicle, trailer and load does not exceed 8250kg.
  - Or, if the driver obtained their full driving license from 1 January 1997, they can tow a trailer (including load) that weighs up to 3500kg.

Designation: Assistant Chief Executive – Place

Date: 11 November 2024

Author: Andrew Hunter, Service Lead; Transport & Logistics

Background Papers: CP/20/24 Sustainable Business Travel – Update on Progress 2023 - 24  
CP/21/23 Approach to Sustainable Business Travel

Appendices: Appendix 1 – Index of Contents Fleet Management Policies and Procedures



## Index of Contents Fleet Management Policies and Procedures

[https://www.highland.gov.uk/staffsite/info/23/staff\\_information/255/fleet\\_hire\\_and\\_travel/11](https://www.highland.gov.uk/staffsite/info/23/staff_information/255/fleet_hire_and_travel/11)

<b>Ref</b>	<b>Topic</b>	<b>Page</b>
1	The Policy and Process Manual	4
2	Organisational Responsibilities	6
3	Transport Policy	8
4	Use of HC Vehicles and Plant	11
5	Driver Safety Policy	13
6	Operator Licence Administration	20
7	Enforcement: Driver and Fleet Compliance	25
8	Recording Mechanisms	30
9	Fleet Compliance Audits and Incident Investigations	33
10	Legislation on Drivers' Hours	37
11	Working Time Legislation and Records	41
12	Recording of Drivers' Hours	47
13	Agency and Temporary Drivers	51
14	Driver Licence Document Checks	54
15	Vehicle Walk Round Checks and Defect Reporting	57
16	Vehicle Inspection, Maintenance and Records	60
17	Condition of Wheels and Tyres	63
18	Vehicle, Equipment/Plant and Car Hire	65
19	Fuel Cards and Fuel Wild Cards	67
20	Safe Vehicle Loading	72
21	Telematics	76
22	Towing Trailers	81
23	Security and Operation of Large Goods Vehicles	87
24	Use of Grey Fleet	93
25	Fleet Insurance	96
26	Collisions, Incidents and Breakdowns	99
27	The Driver CPC Qualification	102
28	Non-UK Licence Holders Policy	104
29	Minibuses	106
30	Vehicle CCTV	122