

APSE National Transport Operations & Vehicle Maintenance Advisory Group

Manchester 24th October 2018

**EARNED RECOGNITION
THE CHANGING LANDSCAPE OF
ENFORCEMENT**

EARNED RECOGNITION THE CHANGING LANDSCAPE OF ENFORCEMENT

Brendan McNamara

Transport Operations Manager



Earned Recognition

- Our ER journey and lessons learnt
 - What is ER?
 - How you achieve it?
 - Audit requirements and the process
 - Sharing performance information with DVSA
 - ER and its benefits

Wakefield

- 315K Domestic & Business Population
- 135 sq. mile area
- 20 Depots (+ Schools)
- 12 Registered Operating Centres
- 9 Tachograph users

Our Fleet

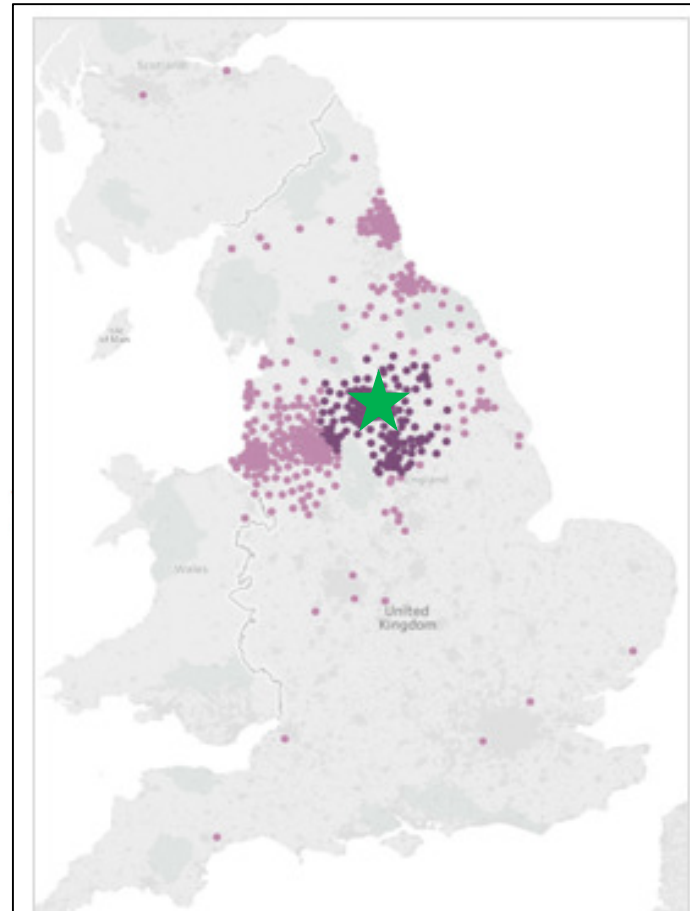
- 527 registered vehicles plus trailers etc.
- 162 (13) 'O' Licence Vehicles (LGV & PSV)
- 686 Plant
- Other vehicles fleets & hosting
- Hire vehicles
- £18 Million replacement value.
- Replacement age 5 to 7 years.
- 5M miles a year = Fuel bill £1.5M+

Transport Services

- Maintenance 54K hours (not incl. NFWT)
- MOT testing
 - 200+ for our own fleet
 - 600+ for the public and employee's.
- 1200 taxi tests per year
- Integrated Passenger Transport
- Drivers CPC Training School (JAUPT)



Transport Services - Compliance





Better value, delivered.

Introduction to YPO

Adrian Field

Operations Manager

- Formed in 1974 as a Joint Committee of 13 Local Authorities.
- YPO is the largest public sector buying organisation with a turnover of £600m and employs more than 530 members of staff.
- Two Warehouses - 300k sq. ft
- 100% publicly owned; all profits are returned to its Public Sector customers- £110m!



- **Supplying an extensive range of 30,000 products:**
 - **Pens and Paper, Stationary & Furniture**
 - **100 services through contractual frameworks:**
 - **Catering**
 - **Cleaning**
 - **Energy**
 - **Professional Services**
 - **Transport/Facilities & Waste Management.**

Product Supply Customer Base & Profile

Nationwide coverage

- 100+ Local Authority Customers
- Over 41,000 Active customer accounts
- 85% Education (Primary / Secondary)
- 15% (Blue Light /LA / NPA /Private sector)

Distribution Profile

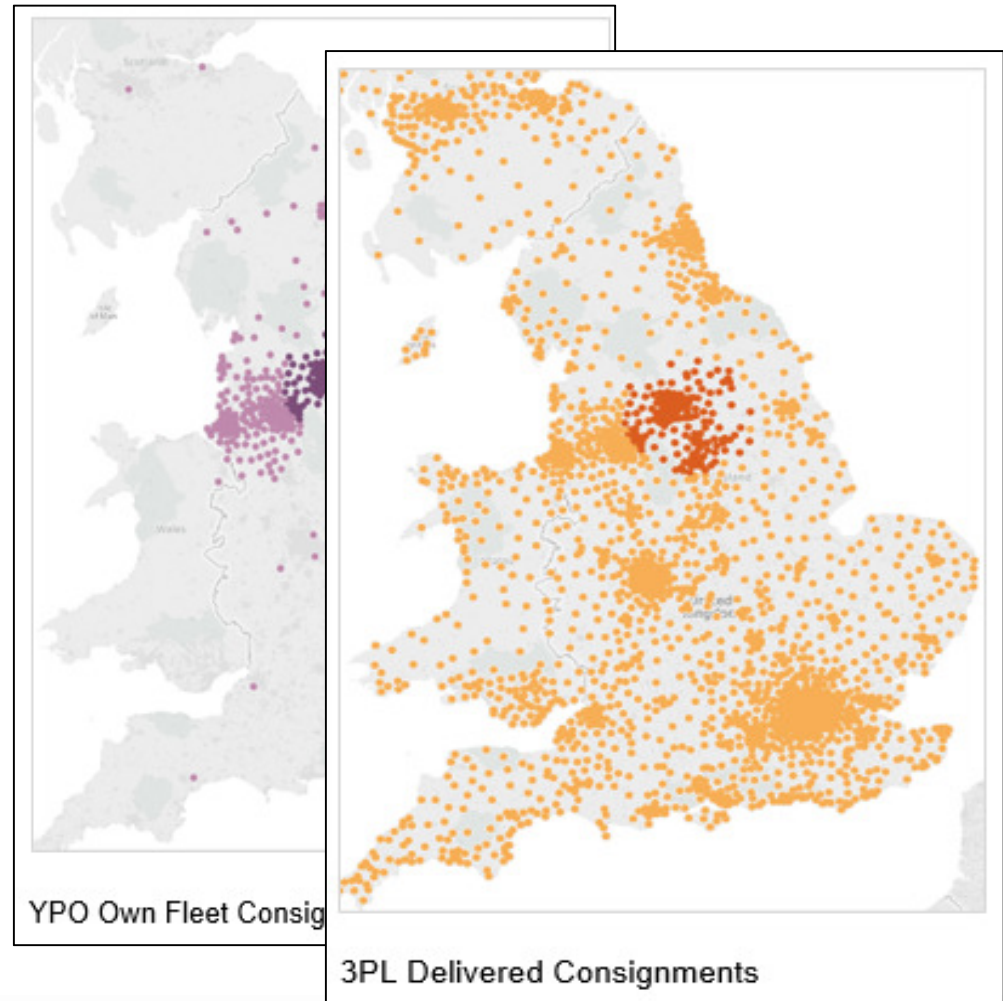
- Consignment 450,000
- Weight 30,000T
- Parcels 5.7m

Distribution Methods

- YPO Own Fleet (27%)
- 3PL partners TNT & YDL (TPN) (73%)

Customer Orders Delivered

- YPO own Fleet 124,000
- TNT 310,000
- TPN /YDL 13,000



The YPO Fleet

Team (59)

- 1 X Fleet & Driver Manager
- 1 X Planning Manager
- 3 X Traffic Officers
- 44 X Drivers
- 10 X Agency Drivers

Fleet (43)

- 27 X MAN TGM DEMOUTABLES
- 12 X IVECO DAILY 5.2T Panel Van
- 3 X DAF LF 250 18T E6
- 1 X MERCEDES BENZ SPRINTER

Operating Centres (2)

- Flanshaw Industrial Estate Wakefield
- Unit 41 industrial Estate Wakefield



What is Earned Recognition?



DVSA Earned recognition
and remote compliance.

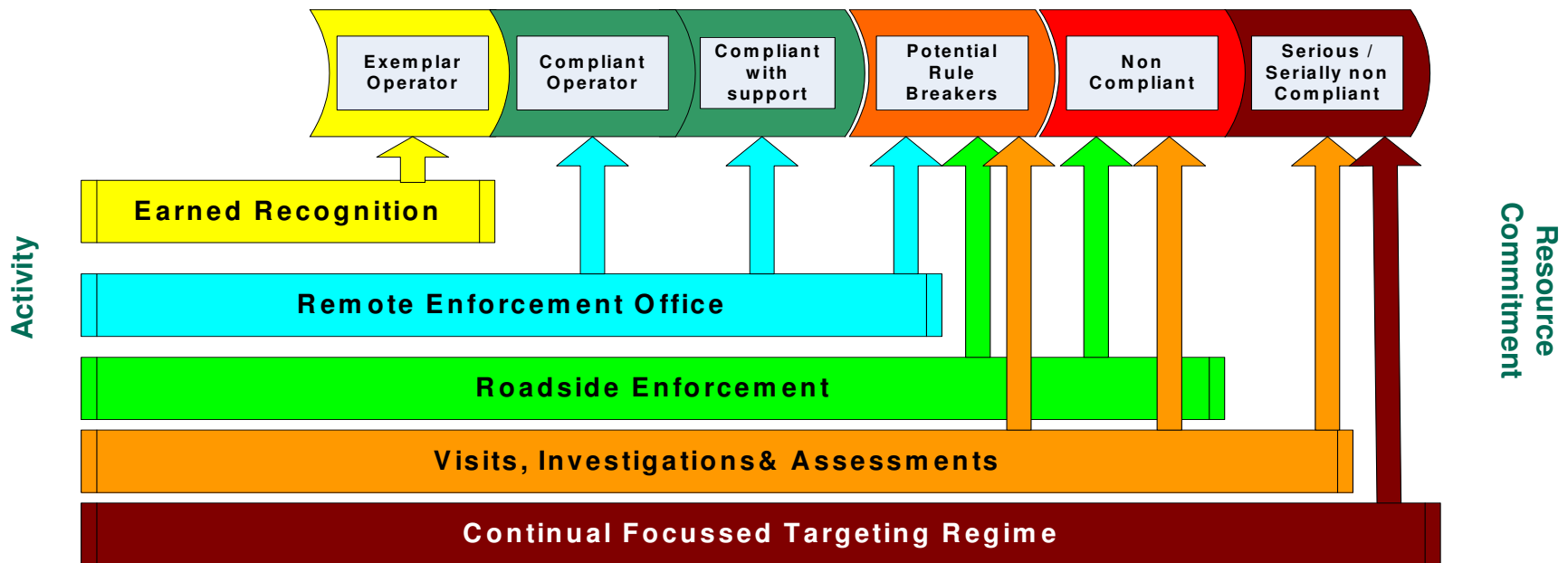
Are You Going In The Right Direction?

What is DVSA Earned Recognition?

- It means that you're:
 - continuously monitoring your own compliance
 - using DVSA validated IT systems
 - compliant with vehicle and road safety standards
 - Systems can stand up to scrutiny

DVSA Changing Resource Focus

To introduce more efficient & effective interventions to regulatory inspections without compromising standards or outcomes



ER Scheme Standards (HGV & PCV)



www.gov.uk/guidance/dvsa-earned-recognition-join-the-scheme

Wakefield's ER Journey & Lessons Learnt

1st of Many?

- Initially in 2015 we actually helped the DVSA develop their assessment model.
- Ensuring the complexities of LA's considered.
- Transport Services, front line operational services and our partner the YPO engaged openly with the DVSA.
- “Adult” conversations.



The Pilot (Aug 2016)

- Joined the official ER pilot.

Had to demonstrate a:

- Licence for at least 2 years.
- Digital management systems:
 - vehicle maintenance and drivers' hours
 - Able to track KPIs and auto report if missed.
- Good track record of compliance.

Formal ER Audit (Dec 2017)

- Following a successful pilot
- FTA: a DVSA approved provider.
- Our systems and processes were extensively scrutinised on site.
- To retain ER, this will be required every 2 years.
- Achieved ER Status as an Exemplar Operator.



Driver & Vehicle Standards Agency

Wakefield Council's
OCRS had been **Green**
for many years.

So, why did Wakefield
invite the DVSA to audit
its systems?

Why?

- Perfect opportunity to remove all doubt

But

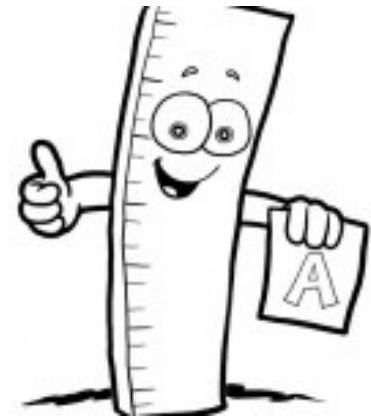
- the very enforcement body that oversees UK Road Transport Operations.
- To prove our service model actually met driver and vehicle standards.

(other than via the enforcement route)

A Ruler to Measure By?

- For a significant period of time we were operating in an environment of continual challenge to evidence the VFM of our service.
- We had a great team, we knew that, but somehow had to get others to see what we saw...

“The length of the ruler to measure compliance by?”



Lessons Learned

- Both audits drove improvement
- DVSA were very approachable and responded to any issues quickly and concisely.
- If at times we fall below agreed KPI's, provided opportunity for an 'Adult Conversation'
- Action plan...improve...or else!

Lessons Learned

- Initial effort, to prepare, in order to match our recording / monitoring systems and processes to the expectations of the DVSA
- Work with software providers to automate reporting:
 - Asset Works
 - FTA
- Retraining operational Service Managers
- Wakefield Compliance Standard

Transport Services



Glynn Humphries - Service Director

This is a fantastic outcome. Thank you to everyone who has been involved, I know you have worked extremely hard to collate this evidence. It has however only validated what we know, that being we provide a top class efficient service.

Well done and many thanks.

Glynn



Merran McRae's Blog - Chief Executive

"I can't end without congratulating our Transport Services team on their Freight Transport Association (FTA) audit.

The auditor commented on how impressed he was and that we could be the first organisation to pass this the first time!

Well done to all involved, I'm looking forward to visiting your team in the New Year and hearing more.



How do you achieve ER?

**Audit Requirements
& the Process**

Application Process

DVSA Earned Recognition Scheme- self assessment check list

Prior to applying for the DVSA Earned Recognition scheme, it is recommended that operators ensure they meet all the criteria by carrying out this self assessment. This document should be used in conjunction with the DVSA Earned Recognition Scheme Guide.

	Criteria	Reference point	Yes/No
1	Do you hold an operator's licence?		
2	Have you held this for two years or more?	Guidance Document section 1.4	
3	Will all licences you hold be included in your application?	Guidance Document section 1.4	
4	Can you confirm that no regulatory action has been taken by the traffic commissioner against your licence(s) during the last two years other than warnings?	Guidance Document section 1.4	
5	Do you have electronic systems capable of reporting the earned recognition KPI triggers for both maintenance and driving activities?	Guidance Document section 3.3 And www.gov.uk ... For a list of validated IT system suppliers	
6	Do you meet the KPI measures? You will need to produce a KPI report showing the last 3 reporting periods	Guidance Document section 3.3.1 and 3.3.2	
7	Are you prepared to accept the terms & conditions?	Terms and Conditions document	
8	Have you read the audit standards document applicable to your operation?	HGV or PSV Audit Standards document	
9	Do you consider you meet the audit standards in all applicable sections?	HGV or PSV Audit Standards document	

If you have answered 'yes' to all of these questions you may apply.

How do I apply?

Complete the application form at www.gov.uk/earned-recognition

Self assessment checklist v1.0

- Read the self-assessment checklist.
- Check if your IT system provider and audit provider have registered with DVSA.
- Read the guidance notes on completing the application form.
- Complete the application form if you meet the eligibility criteria

How much will it cost?

- No application fee to join the scheme.
- Audit fee's are approx.
 - Earned Recognition Audit £750
 - Each additional Operating Center Audit £390
 - Re-audit (of non-compliant areas) £390

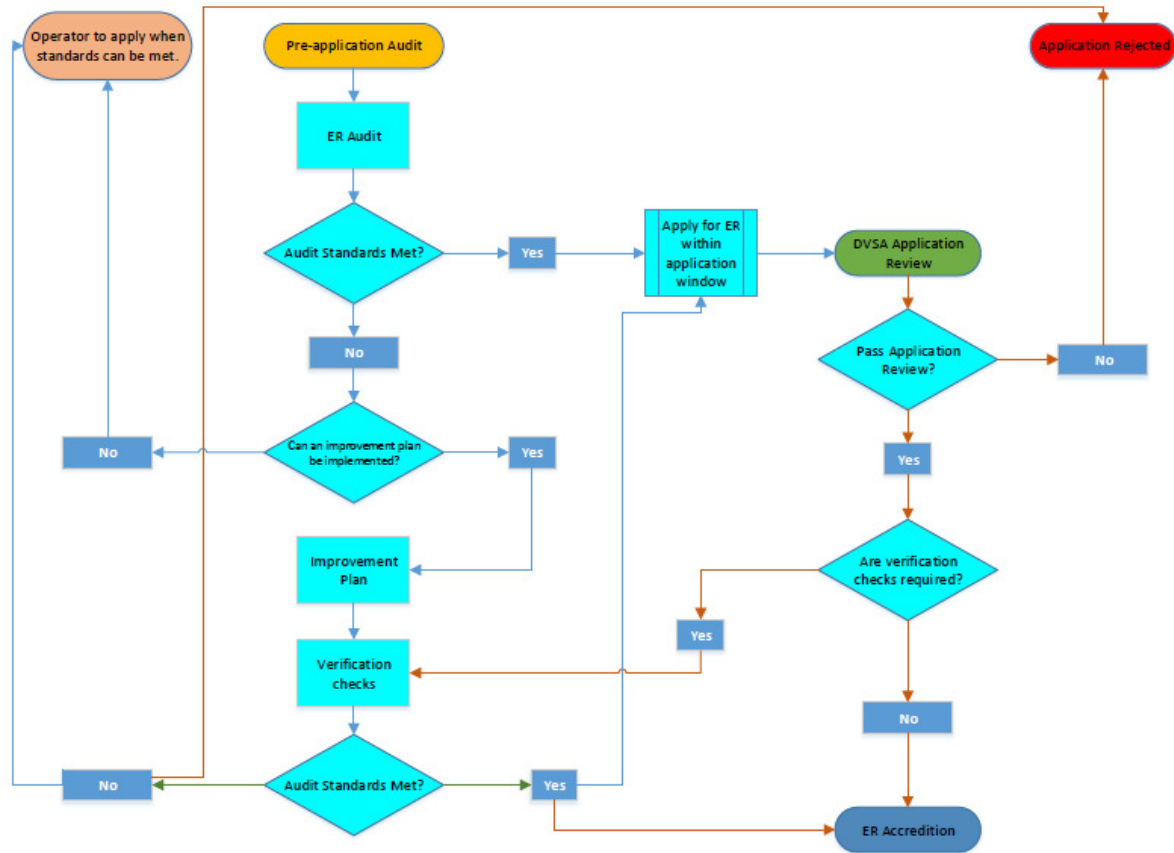
Note: fees subject to change and audit provider

ER Scheme Standards (HGV & PCV)

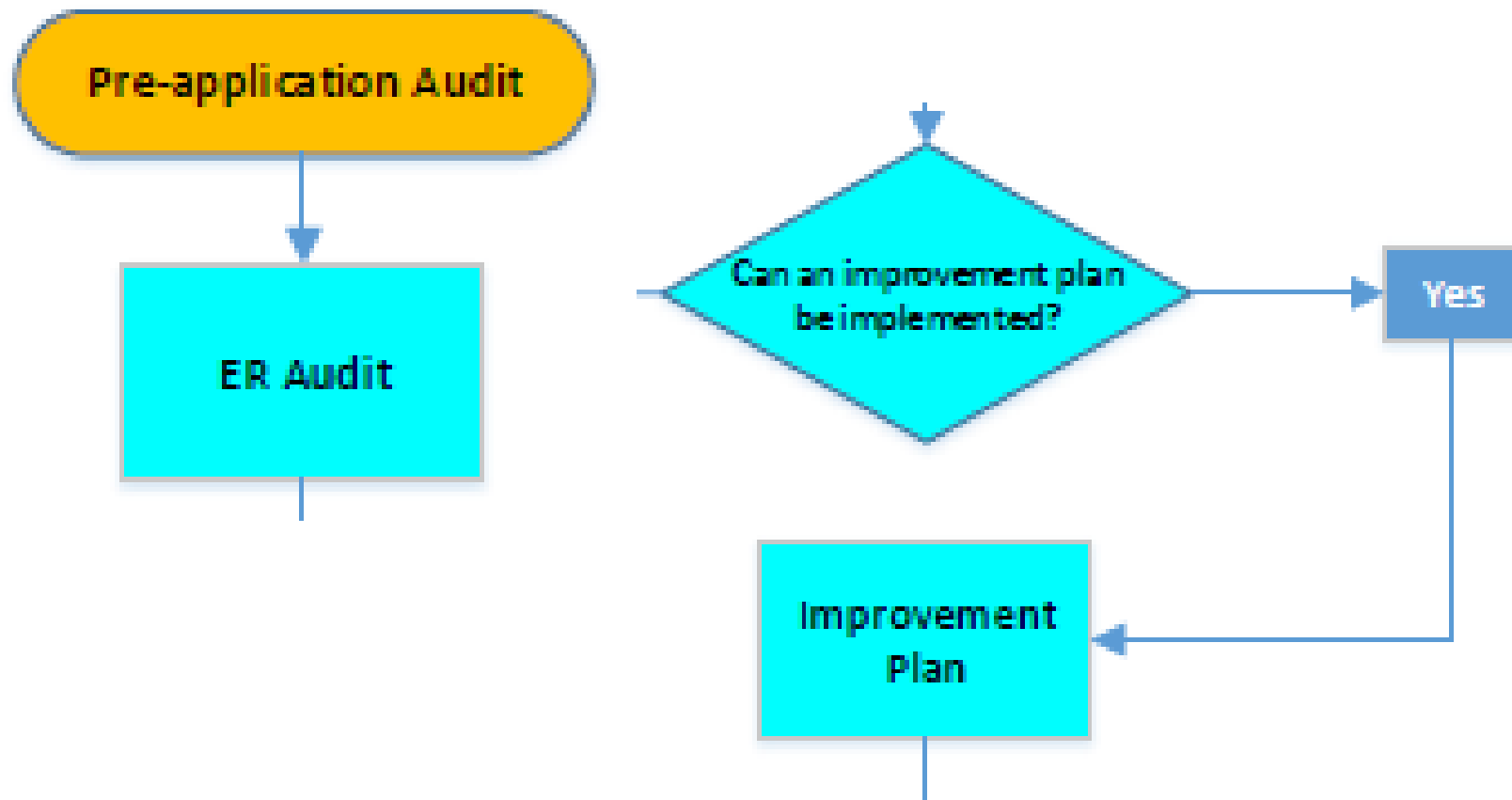


www.gov.uk/guidance/dvsa-earned-recognition-join-the-scheme

The Process



The Process



Audit Sampling

Fleet Size(in possession)	Vehicle/Trailer Records	Drivers Records
1-5	All	All
6-100	2 checks per operator licence (minimum 5 checks in total)	2 checks per operator licence (minimum 5 checks in total)
101+	5 checks per operator licence (minimum 10 checks in total)	5 checks per operator licence (minimum 10 checks in total)

Number of operating centres	Operating Centres
1-5	Main administrative centre
6-20	Main administrative centre + 1
21+	Main administrative centre + 2

Audit Sampling

- Representative of the fleet
- Include **all** types of vehicles, trailers & age range
- Across all types of maintenance providers:
 - Manufacturers
 - Independents
 - in-house
- Each operator license

The Audit - Preparation

- Fail to prepare then prepare to fail...
- Ensure that all required evidence is readily available.
- Lack of prep = delay or an unsatisfactory audit.
- Align to the DVSA standards
- Good idea to self assess

The Audit - Process

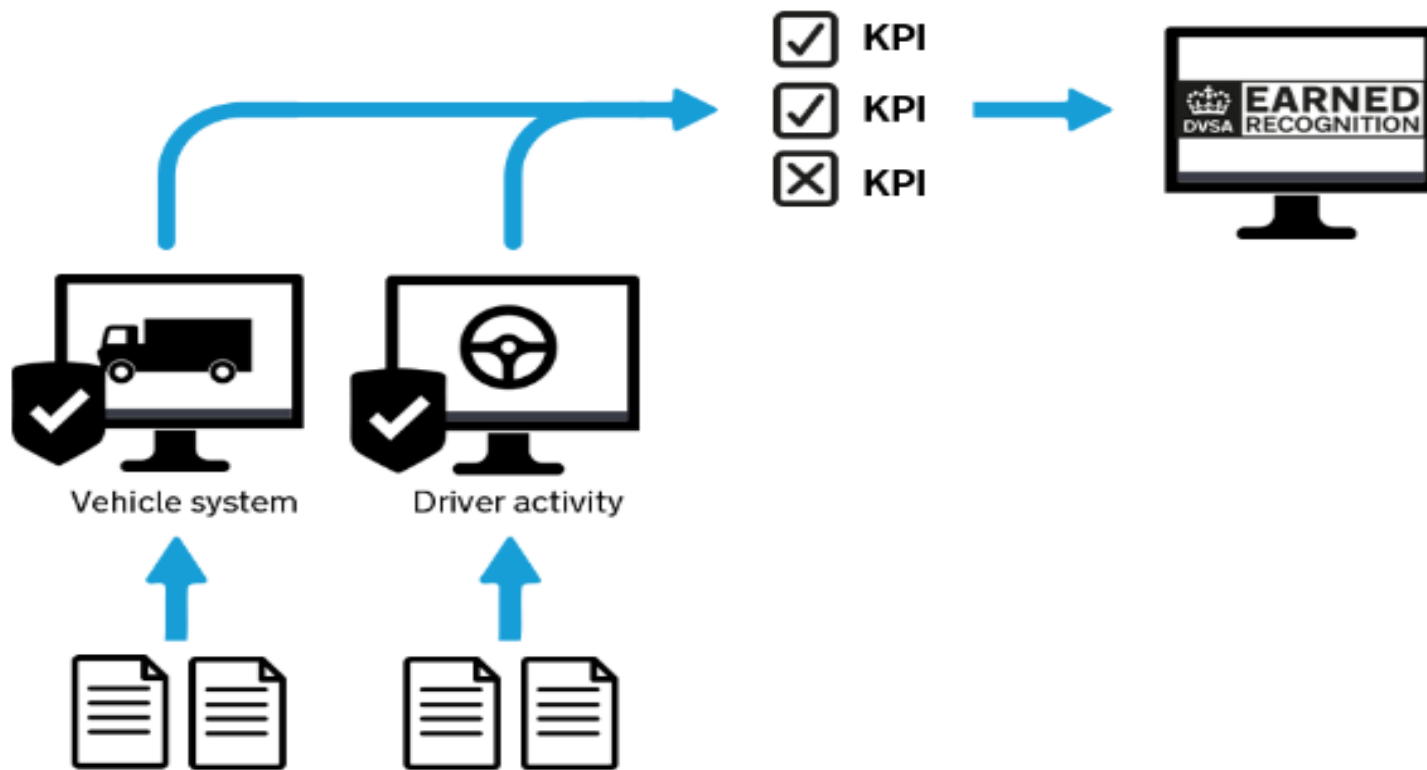
The audit process (Standards) requires you to demonstrate that your systems satisfy the DVSA **requirements laid out in the scheme standards** for:

EVIDENCE

- Operator's Licence
- Transport Manager
- Vehicle Standards
- Drivers' Hours
- Operational Management
- Driver Management
- Training & Driver Behaviour
- Driver Related Policies
- ADR (CDG Regs)

Sharing Performance Information with the DVSA

How it Works



How it works

- DVSA validated IT system for vehicle maintenance and drivers' hours.
- These will monitor whether you're meeting a set of key performance indicators (KPIs).
- Every 4 weeks, your system will tell DVSA if you've missed any of the KPIs by the set amount.
- If this happens: DVSA will work with you to fix any problems.
- DVSA won't have direct access to any of your data or systems.

Monitoring Performance (KPI's)

- Key performance indicators are used to measure an operator's compliance for both maintenance and driving activities.
- They are designed to measure 100% of the records across all of the licenses held by the operator.

Alerts to Operator

- An alert is the point at which a KPI is exceeded but not sufficiently to notify the scheme manager.
- Action should be taken by the operator when a KPI is exceeded to avoid recurrence of the issue.

Automated Trigger to Scheme Manager

- Where an operator consistently fails to meet a KPI or exceeds the tolerance.
- The scheme manager will be alerted by means of an automated trigger.
- Automated through the IT system supplier.
- Apply to both maintenance and drivers' hours.

Monitoring Performance (KPI's)

- Measured over 4 week rolling periods
- 4 levels of **ALERT**:

Alert	Level	Trigger when missing a KPI
Yellow	Minor	Any KPI exceeded by up to 1%; 3 times in 3 rolling period
Amber	Moderate	Any KPI exceeded by 1% or more; 2 times in 3 rolling period
Grey	Major	Any KPI exceeded by 2% or more
Grey	Major	Any KPI exceeded more than 4 times over 13 rolling periods

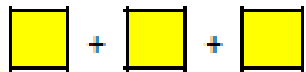
- KPI's that are exceeded but not sufficient to notify the DVSA are **Yellow & Amber**
- KPI's that trigger a report to the DVSA are **Grey**

Trigger - examples

2% or over



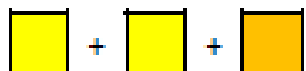
Over three rolling periods



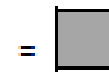
or



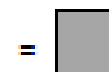
or



Over thirteen rolling periods



Any combination for example



or



KPI's (Maintenance)

Code	Maintenance Requirements	Key Performance Indicator	Trigger 1 2%+	Trigger 2 1%<2%	Trigger 3 <1%	Note - For fleets less than 20 vehicles including trailers the KPI will be set at no more than 1 breach in the reporting period
M1	Complete set of safety inspection records	100%	98%	99%	99.99%	VOR reports will be validated against drivers hours records during the periodic audit
M2	Safety inspection records are completed correctly including all relevant sections and signed off as being roadworthy	100%	98%	99%	99.99%	
M3	Safety inspections are within the stated frequency	100%	98%	99%	99.99%	VOR reports will be validated against drivers hours records during the periodic audit
M4	Driver defect reports where road safety related items have been reported are appropriately actioned	100%	98%	99%	99.99%	
Reported on acceptance to the scheme and each subsequent anniversary						M5 will not trigger independently
M5	Vehicle & trailer MOT initial pass rates*	95%	93%	94%	94.99%	Where the fleet size is 20 or less the KPI is no more than one failure in 13 rolling periods
*will be reported to DVSA yearly on the anniversary of acceptance to the scheme, additionally will be included in KPI report following a trigger for M1, M2, M3 or M4						

KPI's (Maintenance)

Maintenance		KPI
1.	Complete set of safety inspection records	100%
2.	Safety inspection records are completed correctly	100%
3.	Safety inspections are completed within the stated frequency	100%
4.	Driver defects on road safety related items are actioned	100%
5.	Vehicle and trailer MOT initial pass rates	95%

Focus - Safety Inspection Records

VOR reports will be validated against drivers hours records during the periodic audit



Drivers' Activity (KPI's)

Code	Drivers Hours Requirements (Based on tachograph days)	Key Performance Indicator	Trigger 1 2%+	Trigger 2 1%<2%	Trigger 3 <1%	Notes - Where an operator reports less than 25 tachograph days in a KPI period the KPI will be set at no more than 1 offence in the reporting period
D1	Fixed Penalty band 1	1.30%	3.30%	2.30%	1.31%	
D2	Fixed Penalty band 2	1.20%	3.20%	2.20%	1.21%	
D3	Fixed Penalty band 3	0.80%	2.80%	1.80%	0.81%	
D4	Fixed Penalty band 4	0.70%	2.70%	1.70%	0.71%	
D5	Overall Infringements	4%	6%	5%	4.10%	
D6	Working Time	4%	6%	5%	4.10%	
Operator Performance Report						D7, D8 & D9 will not trigger independently
D7	Repeat Offenders *	0	1	1	1	Where a driver has any infringement 3 times in three rolling reporting periods. The action taken will be checked during the periodic audit
D8	Unaccounted Mileage **	0	1	1	1	If an operator can satisfactorily account for any missing mileage this should be validated through the system. The missing mileage may be grouped or reported individually depending on the preference of the operator. For example the operator may be satisfied that any distance less than 5km can be explained by driving on private land and may choose to group that mileage. This validation will be checked during the periodic audit.
D9	Most Serious Infringements *	0	1	1	1	See appendix 2

* included in Operator Performance report and additionally in KPI report following a trigger for D1, D2, D3, D4, D5 or D6

** included in Operator Performance report only (available for audit purposes)

KPI's (Driving Activity)

Driving Activity		KPI (Infringements as % of Tacho Days)
1.	Band 1 - infringement recorded on the tachograph analysis that would attract a band 1 fixed penalty	1.3%
2.	Band 2 - infringement recorded on the tachograph analysis that would attract a band 2 fixed	1.2%
3.	Band 3 - infringement recorded on the tachograph analysis that would attract a band 3 fixed	0.8%
4.	Band 4 - infringement recorded on the tachograph analysis that would attract a band 4 fixed penalty	0.7%
5.	Overall infringements - total number of infringements found	4%
6.	Working time - any infringement identified	4%

Focus - Unaccounted Mileage

- If an operator can satisfactorily account for any missing mileage this should be validated through the system.
- E.g. the operator may be satisfied that any distance less than 5km can be explained by driving on private land.
- Checked via the periodic audit




Most Serious Offences (MSI's)

- Regulation EC 1071/2009 defines offences which are deemed to be **Most Serious Offences**.
- Such offences, will always be:
 - Investigated.
 - Reported to the Traffic Commissioner.

What are the Benefits of Earned Recognition?

What are the benefits?

Achieving ER offered us the following benefits:

- Demonstrate unequivocally you are an exemplary operator.
- Proof when challenged over VFM or bidding for contracts.
- Less likely to have our vehicles stopped at the roadside and reduce un-necessary down time.
- Less likely to have enforcement staff visit.
- Able to use the  marque

What are the benefits?

- Cost effective solution to compliance when compared with competitors.
- Increase safety for drivers and other road users.
- Peace-of-mind in the legal compliance of fleet.
- Delivering reduced operational down time, continual improvement, commercial advantage and reputational recognition.
- OCRS **BLUE** Operator

DVSA Roadside Sift Policy Changes

- Over the past 12 months, DVSA have been undertaking a trial at four check sites, where **GREEN** OCRS vehicles were inspected instead of being sifted.
- Trial resulted in a HGV prohibition rate of:
 - 41% **RED** Operators
 - 33% **AMBER** Operators
 - 29% **GREEN** Operators

DVSA Roadside Sift Policy Changes

- Although DVSA has said it does not intend to target **GREEN** OCRS operators.
- For encounters, where it does see them they will no longer be sifted.
- **BLUE** ER Operators will continue to be sifted.

EARNED RECOGNITION THE CHANGING LANDSCAPE OF ENFORCEMENT

Questions & Discussion