



Leading UK  
Logistics

APSE EVENT: 15<sup>th</sup> May

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and Northern England

May 2019 – MacDonald Hotel, Aviemore

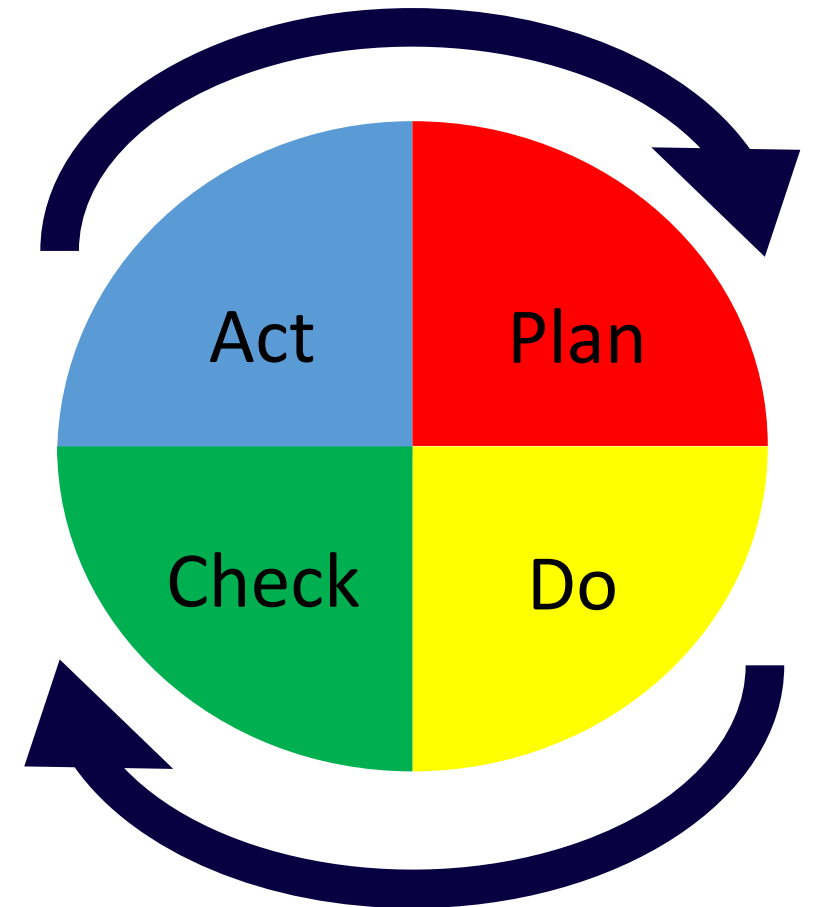
# The Importance of Operator Licence Compliance

May 2019

- Do Directors know the Importance of your Transport Fleet and the role that they play?
- Questions that the Directors of LA's should know the answers to, regarding their Transport Operations
- What would the impact be if your O Licence were to be curtailed

## Key Actions for Transport Leaders.....

- New guidelines came into force Feb 2016
- Step by step approach for organisations and individuals for health and safety offences and also corporate manslaughter
- To “bring home the message” to stakeholders and directors
- Directing courts to assess culpability, assessment of seriousness or likelihood harm, determine starting point for financial penalty from turnover

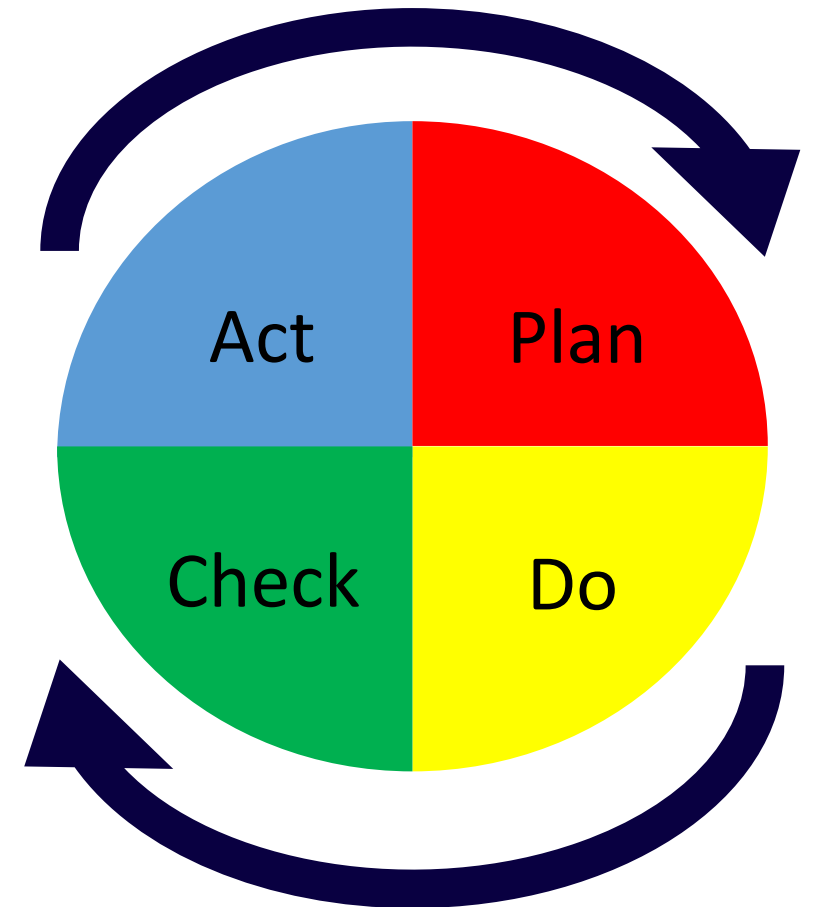


## O Licence Undertakings: A Reminder...

Licensed Operator ( O Licence Holder) is represented by the person or group of people with ***the controlling influence*** over the organisation

The licence holder and all individuals named on the licence can be found to have **lost good repute** and **could be prohibited from holding or obtaining an operator's licence.**

For an executive director, this would mean they are **no longer permitted** to act as an executive officer **for any organisation that operates commercial vehicles**





### Plan

**Leadership sets the direction** for effective management by way of a **policy** that is an integral part of the **organisation's culture**

*FTA's Compliance Guide to O Licence Documentation ; or FTA's Yearbook of Road Transport Law*

- Lists the key operator licence responsibilities
- Provides an action plan on establishing a policy
- Sample policy

Do

**Effective management systems** are in place that are **adequately resourced** by **competent people**.

**Appropriate assessments** are carried out and **suitable procedures** are in place.

- TM has continuous and effective management
- Chain of command clearly identified.
- From board director(s) to all relevant job functions



Check

**Performance** of the system must be **monitored and reported**, including preventative information as well as incident data.

**Key Performance Indicators (KPI)** reported **at least quarterly**

- OCRS
- Maintenance systems
- Drivers hours and working time
- Notifiable incidents





Act

The policy and performance of the system should be **reviewed regularly** and **action taken** to address weaknesses.

Leadership action should be **swift, visible** and **monitored for effectiveness**

**Ensure** TC is informed of changes to:

- Legal entity of the organisation
- Financial standing of organisation
- The named Executive Directors
- Establishment of organisation
- Any notifiable incidents
- The type and number of operator licences required

- How do we help the Directors know the Importance of your Transport Fleet and the role ***that they*** play?

- Outlines Key Leadership Actions specific to LA

- Potential Risks to O Licence
- Potential Impacts on the LA Operation

Lists Key Questions specific to Transport they should know the answers to

## Director/Exec Level engagement.....

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- Our company has a policy, defined by the board, which demonstrates how the responsibilities of operator licensing are discharged in the company
- A director on my company's board would know what the undertakings on the operator licence are if asked
- A director on my company's board would know that there are undertakings on the operator licence but would have to refer to them to understand the content
- A director on my company's board would be aware that they have legal responsibilities under operator licensing
- No director on my company's board would be aware what operator licensing is

# Questions around Transport that the Director should ask?

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What is my companies Operator Licence Compliance Score (OCRS)?

- What is detail of any events that have affected the score
- Any recent prohibitions

What are my Maintenance systems KPI's ?

- first time pass rate at annual test for vehicles and trailers
- unplanned vehicle downtime per distance travelled or per vehicle (including trailers)
- unplanned maintenance costs per distance travelled or per vehicle (including trailers)
- number of safety-related defects found during independent inspections per inspection;

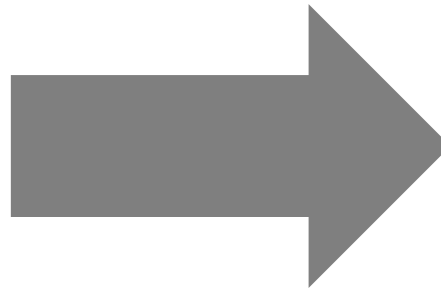
What are my drivers' hours and working time compliance KPI's:

- namely the number of infringements divided by activity undertaken (e.g. mileage, duty periods, hours worked etc.).
- any incidents required to be notified to the Traffic Commissioner (see table of notifiable incidents below

# Impact if your O Licence was curtailed or restricted...

## Action

- Curtailed Licence – number of vehicles on licence reduced
- Restricted Licence – only allowed to operate certain type of vehicle
- Operating Centres restricted
- Individual loss of repute
- Licence Revocation



## Consequences

- Would all the bins still get collected?
- Would the school kids/health workers get to their destinations?
- Would the local parks be maintained?
- Loss of jobs?
- Loss of Reputation?
- Disqualification of person/director?
- Potential Fines?

## Specific Tools to Help you

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Chief Exec Briefing Paper – starting point

“Marketing” Tools to help get the message across....?

Leading Transport Safety – publication by FTA for all types of Organisation

FTA’s Compliance guide to Operator Licencing Documentation

[www.fta.co.uk](http://www.fta.co.uk) – *(Members Log-in area of web-site)*

Any Questions.....

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