

ENVIRONMENT AND ECONOMY OVERVIEW AND SCRUTINY

Date of Meeting	Tuesday, 12 th October, 2021
Report Subject	Review of Operator's Licence (O Licence)
Cabinet Member	Cabinet Member for Streetscene
Report Author	Chief Officer (Streetscene & Transportation)
Type of Report	Operational

EXECUTIVE SUMMARY

A vehicle operator's licence (also known as an O licence) is required if a business uses goods vehicles above a certain weight. Due to the nature of the work undertaken by the Council, we operate under an HGV Standard National Operator's Licence, which allows for the operation of up to 81 vehicles. We currently have 47 HGV vehicles registered under this licence and Go Plant Fleet Services (GPFS), the Council's external partner, is responsible for the supply, management, and maintenance of all fleet vehicles; however, the Council has overall responsibility for ensuring compliance with the terms and conditions of the O Licence.

Fleet Services with Streetscene & Transportation currently provide the compliance monitoring function for all of the Council's vehicle operations subject to Operator Licensing, all with all other vehicle operations which may affect that Operator Licence (O Licence). The Council gives an undertaking of compliance to the Welsh Traffic Commissioner, that it will effectively control all operations in respect of recording of driver's hours, speeding, overloading and vehicle maintenance.

An audit of Vehicle O Licence compliance was undertaken in April 2021 as part of the approved Internal Audit Annual Plan for 2020/21. The review focused on providing assurance around compliance with the servicing and maintenance conditions as well as tachograph conditions stipulated within the O Licence.

The overall findings within the audit report were that the controls in operation at the time provided some assurance that key risks were being managed and controlled effectively, but that significant improvement was required in areas relating to the control environment relating to tachograph compliance, fleet servicing and maintenance and single person dependency impacting service resilience.

This report provides an update on progress following the audit report in April 2021.

RECOMMENDATIONS

1	That the Environment and Economy Overview & Scrutiny Committee notes the ongoing working arrangements within the Streetscene and Transportation Fleet Services and supports the actions undertaken to control operational risk and deliver on the undertakings of the Council's operator's licence.
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REPORT DETAILS

1.00	EXPLAINING THE BACKGROUND TO THE REPORT
1.01	A vehicle operator's licence (also known as an O licence) is required if a business uses goods vehicles above a certain weight. Due to the nature of the work undertaken by the Council, we operate under an HGV Standard National Operator's Licence, which allows for the operation of up to 81 vehicles. We currently have 47 HGV vehicles registered under this licence and Go Plant, the Council's external partner, is responsible for the supply, management, and maintenance of all fleet vehicles; however, the Council has overall responsibility for ensuring compliance with the terms and conditions of the O Licence.
1.02	Fleet Services with Streetscene & Transportation currently provide the compliance monitoring function for all of the Council's vehicle operations subject to Operator Licensing, all with all other vehicle operations which may affect that Operator Licence (O Licence). The Council gives an undertaking of compliance to the Welsh Traffic Commissioner, that it will effectively control all operations in respect of recording of driver's hours, speeding, overloading and vehicle maintenance.
1.03	An audit of Vehicle O Licence compliance was undertaken in April 2021 as part of the approved Internal Audit Annual Plan for 2020/21. The review focused on providing assurance around compliance with the servicing and maintenance conditions as well as tachograph conditions stipulated within the O Licence.
1.04	The timing of the audit unfortunately coincided with a period of long-term sickness absence of the Fleet Contract & Transport Manager, and the audit process was subsequently frustrated by the lack of availability of key staff to provide access to data to allow the full audit review to take place. Additionally, Covid-safe operational restrictions were in place within the offices at the Alltami Depot, which, coupled with the lack of availability of staff members, made access to documentation difficult.
1.05	The absence of the Fleet Contract & Transport Manager during this period had led to interruption in timely reporting of vehicle servicing compliance and the distribution of tachograph infringement reporting. However, there is no evidence that this led to non-compliance of vehicle servicing.
1.06	The overall findings within the audit report were that the controls in operation at the time provided some assurance that key risks were being managed and controlled effectively, but that significant improvement was required in areas relating to the control environment relating to tachograph compliance, fleet servicing and maintenance and single person dependency impacting service resilience.

1.07	Immediately following the return to work of the Fleet Contract & Transport Manager an Action Plan was produced to address the findings of the audit report and a summary of all fleet related tasks was drawn up so that all processes could be documented with responsibilities allocated appropriately across the support teams within Streetscene & Transportation to ensure resilience.
1.08	Subsequently, a Fleet Compliance Audit & Monitoring Schedule for 2021/2022 has been set up independently by the compliance team, and regular monitoring of processes is now in place.
1.09	Seventy individual tasks were identified to be process mapped and allocated across seven operational support areas, which includes administrative support from our support services team, finance colleagues, compliance team, technical officers and fleet workshop functions. Over 50% of these processes have now been documented and completed to date, and work is ongoing to complete the remaining process maps.
1.10	The support services team now provide weekly reports to the Highway Network Manager, which provides an update on the processes that have been documented and undertaken, and provides senior management with clear indication of any fluctuation in support functions that may need intervention.
1.11	In July 2021, Go Plant Fleet Services (GPFS), our external fleet partner, had to replace their contract manager, who is embedded on-site at the Alltami Depot fleet workshop, due to a resignation. This led to a handover period for a month and the introduction of a new key member of the support team to the service.
1.12	At the same time, this coincided with the resignation of our own Fleet Contract & Transport Manager in July 2021, who subsequently left the authority in early September 2021 following completion of his notice period. Unfortunately, the initial recruitment exercise to replace the position, which took place in August 2021, was unsuccessful in finding a suitable replacement for the role.
1.13	It is important to note that the departure of the Fleet Contract & Transport Manager and current vacancy does not impact on our O licence, as the nominated Transport Manager on the O licence is, and always was, the Highway Network Manager.
1.14	The next round of recruitment is currently underway; however, providing that a successful appointment is made to the post, realistically it is not expected that a replacement Fleet Contract & Transport Manager will be in post until beyond the end of the current calendar year.
1.15	Throughout the pandemic and continuing to this day, there has been fleet management present at the Alltami Depot to support frontline operations and new processes have had to be introduced and then refined throughout this period, often at short notice; however, reduced staff resources over the current period and the need to subsequently introduce a dedicated fleet manager into the service will undoubtedly interrupt our efforts to develop the service and impact our ability to continue the work to produce documented procedures and review of work in the interim period.

1.16	Assurance can be provided that our current HGV MOT pass rate is maintained at 100%, and although our Operator's Compliance Risk Score (OCRS) Reports from the DVSA have been unavailable throughout the majority of this year due to a technical issue, we have calculated that the score has been maintained at the highest level.
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2.00	RESOURCE IMPLICATIONS
2.01	<p>Revenue: there are no implications for the approved revenue budget for this service for either the current financial year or for future financial years.</p> <p>Capital: there are no implications for the approved capital programme for either the current financial year or for future financial years</p> <p>Human Resources: an on-going recruitment process is in place to replace the recently vacated Fleet Contract & Transport Manager role. The first round of recruitment in August 2021 was unsuccessful in appointing a suitable candidate.</p>

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	The Internal Audit reports highlighted that changes to the current ways of working were required in order to provide assurance that key risks were being managed and controlled effectively.
3.02	The work undertaken to date to introduce new systems, document processes and review working arrangements, along with written procedures will ensure that progress continues to be monitored by the Senior Management Team.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	Consultation is ongoing with Streetscene & Transportation support teams in relation to support and implementation of new systems, documentation of procedures and reporting mechanisms.

5.00	APPENDICES
5.01	None

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Barry Wilkinson, Highway Network Manager

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E-mail: barry.wilkinson@flintshire.gov.uk

8.00 GLOSSARY OF TERMS
These are provided corporately on the Infonet (link) and maintained by the Executive Office

8.01 **O Licence** = also known as an Operator's Licence. 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 Traffic Commissioner – the independent regulator of the commercial road transport industry; a Traffic Commissioner also has powers to take regulatory action against a licence holder where they fail to meet the expected standards of operation. This action includes curtailment (limiting or reducing the number of vehicles an operator is able to operate), suspension (temporarily stopping operations) or revocation (permanently removing an operator's licence to operate commercial vehicles).

Standard National Operator's Licence = there are 3 different types of operator's licence for goods vehicles. The licence you need depends on where you transport goods to and from, and who you do it for. For a standard national licence, this means you can carry your own goods in the UK and internationally; other people's goods in the UK and you can also take loaded trailers to or from ports within the UK as part of an international journey, as long as your vehicles do not leave the country.

HGV = Heavy Goods Vehicle