# **Case Study - Balfour Beatty**

## Profile

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| Company Name: | Balfour Beatty Plant & Fleet Services |
| Business Sector: | Plant & Fleet Services Provider |
| Postal Address: | West Service Road, Raynesway, Derby |
| Postcode: | DE21 7BG |
| Fleet Size Overall: | 8,500 |
| HGV: | 1,000 |
| LGV: | 3,000 |
| Company Cars: | 4,500 |
| Private vehicles used for business purposes: | Estimated at around 2,000 |

## Company Overview

Balfour Beatty is a world-class engineering, construction, services and investment business, well positioned in infrastructure markets which offer significant long-term growth. With around 35,000 employees, Balfour Beatty endeavours to deliver projects to improve lives and communities. Since formation in 1909, Balfour Beatty has seen phenomenal growth in a diversity of markets, both organically and by means of acquisition. The Group aim is to deliver reliable, responsible growth over the long term whilst ensuring utmost priority towards safety and sustainability in all operations.
Balfour Beatty Plant & Fleet Services (BBPFS) offers a comprehensive fleet service, incorporating both Contract Hire and Fleet Management. We have skilled staff ready to supply a service tailored to our customer needs. From creating a specialised vehicle specification, to procuring vehicles, coordinating life-long servicing and maintenance requirements.

We also have our own UK-wide network of workshops for our customer’s use, a number of Area Transport Engineers, and mobile vehicle technicians to support our customers and their vehicles. In addition to our own workshops drivers have support from over 1500 external garages nationwide in the event of an accident or breakdown.

## Nature of Operation and Driving Activities

Balfour Beatty Group currently operates in the region of 14,000 vehicles in the UK, ranging from company cars right through to custom-built Heavy Goods Vehicles (HGV’s). Each autonomous Operating Company (OpCo) has the choice to use BBPFS or an external provider for the provision of their vehicles.

Present figures confirm that BBPFS currently supply and manage around 8,500 vehicles within Balfour Beatty Group, more specifically broken down into 4,500 company cars, 3,000 light commercial vehicles (LCV’s) and 1,000 HGV’s. In addition the BBPFS Central Hire Desk facility works in partnership with multiple hire companies around the country to source suitable short-term hire vehicles upon demand, dealing with around 2,500 vehicles per annum. The remaining vehicles are sourced externally through contract hire and employee car ownership schemes.

## Organisational Structure

Balfour Beatty Group Plc comprises of two distinct businesses; one, a substantial infrastructure investment specialist and the other an international engineering, construction and services contractor. For clarity we can divide the business further into the following four core business sectors (detailed on the subsequent page):

* Building, Building Management & Services
* Civil and Specialist Engineering and Services
* Rail Engineering and Services
* Investments and Developments

All companies listed below are UK-based unless otherwise stated.

### Building, Building Management and Services

Balfour Beatty is an international specialist in the design, construction, equipping, maintaining and management of buildings and selected aspects of their informal environment in both the public and private sectors.

* Balfour Beatty Construction
* Balfour Beatty Construction US
* Balfour Kilpatrick
* Haden Building Management
* Haden Young
* Herry International (US)
* Mansell

### Civil and Specialist Engineering and Services

Balfour Beatty is a leading provider of civil and other specialist engineering, design and management services, principally in transport, energy and water.

* Balfour Beatty Civil and Construction Plant Services
* Balfour Beatty Civil Engineering
* Balfour Beatty Fleet Services
* Balfour Beatty Ground Engineering
* Balfour Beatty Infrastructure Inc (US)
* Balfour Beatty Infrastructure Services
* Balfour Beatty Management
* Balfour Beatty Utility Solutions
* Dutco Balfour Beatty - 49% owned (Dubai)
* Gammon - 50% owned (Hong Kong)
* PT Balfour Beatty Sakti - 49% owned (Indonesia)

### Rail Engineering and Services

Balfour Beatty is an international leader in the design, construction, equipping, maintenance and management of rail assets and systems.

* Balfour Beatty Rail
	+ German Operations (Germany)
		- Germany
		- Austria
		- Operations International
* Balfour Beatty Rail Inc (US)
* Balfour Beatty Rail Infrastructure
	+ Services and Plant
* Balfour Beatty Rail International (Italy)
	+ Malaysia
	+ Spain
	+ Sweden/Norway
* Balfour Beatty Rail Italy
* Balfour Beatty Rail London Underground Services
* Balfour Beatty Rail Projects
* Balfour Beatty Rail Track Systems and Technologies

### Investments and Developments

Balfour Beatty promotes and invests in privately funded infrastructure projects and developments in selected sectors in the UK and overseas.

* Balfour Beatty Capital
* Connect Roads
	+ A30/35, M77/GSO,A50-85%
	+ M1/A1 - 50%
	+ Connect Street Lighting - 100%
* Consort Healthcare
	+ Royal Infirmary Edinburgh - 73.9%
	+ Durham, Blackburn, Pinderfields and Pontefract, Tameside, Hope, Fife\* - 50%
	+ Birmingham - 40%
* Healthcare Management (UCLH) - 33%
* Transform Schools
	+ Birmingham, Bassetlaw, Stoke, Rotherham, North Lanarkshire - 50%
	+ Knowsley\*, Islington\* - 100%
* Infrastructure
	+ Aberdeen Environmental Services - 45%
	+ EDF Powerlink - 25%
	+ Barking Power - 25.5%
* Exeter Airport - 60%

\* = Preferred Bidder

These sectors work right across the supply chain, from the initial concept to whole life management, often creating specialist teams that are unique in their ability to deliver complex projects on time and to budget. In working together as a coherent force they generate a complete range of services to meet the requirements of the customer.

## Work related Road Safety Policy and Procedures

Balfour Beatty considers road safety an essential part of their Corporate Social Responsibility. They have proactively published a work related road risk policy titled ‘Balfour Beatty Minimum Standards and Guidance on Managing Driver Risk’. This document stipulates that “each Operating Company must have suitable arrangements for managing the risks from driving”.

If managing a fleet or employees who drive on company business the following minimum standards must be applied to ensure that any driving is designed, planned and conducted so as to protect the safety and health of all those affected. Operating companies are required to:

* Comply with relevant regulations, Codes of Practice and Industry Standards.
* Avoid unrealistic work schedules which may encourage company drivers to drive too fast for the conditions, or exceed speed limits.
* Develop, Implement and Monitor a formal risk assessment process for identifying and managing risk when driving on public roads.
* Provide clear guidance on when rest breaks should be taken or alternative means of transport should be used.
* Ensure drivers are competent to drive the vehicles allocated to them and a competent authorised person is responsible for managing driver activities.
* Ensure that drivers and passengers are adequately protected in the event of an incident; i.e. protective devices are fitted and maintained.
* Organise maintenance work to reduce the risk of vehicle failure, ensure that maintenance schedules are in place and that vehicles are regularly checked by a competent person to ensure they are safe.
* Establish effective arrangements for dealing with emergency response in the event of a driving related incident.

Fundamental requirements are outlined, however it is important to note that the document conveys the minimum standards; therefore Operating Companies should seek to go over and above these standards wherever feasible

BBPFS strive to assist each Operating Company in meeting these requirements. Their service incorporates support on endless safety related issues including:

* Repair, maintenance and support on all vehicles supplied
* Installation and maintenance of apt safety devices
* Vehicle selection: over 75% of car list achieved a 5-star NCAP safety rating
* Driver Risk Management
* O-Licence compliance

Through a network of Area Transport Engineers they also deliver toolbox talks, safety critical guidance, maintenance scheduling, intermediate vehicle inspections, and general assistance.

## Work Related Road Safety Guidance for drivers

As part of our continuing mission to be the supplier of choice for our customers Balfour Beatty Plant & Fleet Services embarked on a project to modernise and redesign the Driver Packs supplied with Company Cars. The aim of the project was to utilise the arrival of a new company car as an opportunity to demonstrate the importance of road safety and our corporate commitment to both customer care and the environment.

The Gift Bag itself designed in partnership with Eco- Incentives, the supplier of “promotional products that don’t cost the earth”, is now being put into all new company cars. All items included are either produced using recycled rubbish such as tyres and CD cases, or are items that have been environmentally and ethically sourced or made from sustainable products.

The pack contains a collection of informative sources providing clear instruction and guidance to the driver. A copy of the Company Car Drivers Handbook elucidates the driver’s responsibilities and company policies which must be adhered to at all times. These include, amongst others tyre care, tired driving, weather hazards, eco-driving, vehicle checks and service arrangements. This is complimented by the inclusion of:

* The latest edition of the Highway Code
* An Accident and Insurance pack
* Breakdown and Recovery information
* Tax disc holder and FAQ’s
* Notepad (manufactured from recycled tyres) and pen (sustainable wood)
* Blanket, umbrella, frisbee, ice-scraper and tyre tread depth indicator.

BBPFS, a corporate partner of ‘Brake’ the road safety charity, assist with their multiple campaigns for improvements to road safety. Together we endeavour to reduce road collisions by means of driver education.

## Driver Risk Management Programme:

**“Driving Balfour Beatty to a Safer Future”**

BBPFS have recently begun the implementation of a comprehensive Driver Risk Management Programme that will be made available to all Balfour Beatty Group employees. The service is sub-divided into the following four areas:

**Drive Safe, Arrive Safe presentations:**

This service is delivered by Fleet Training Manager, Martin ‘Nobby’ Clark, an ex- Cheshire Police Traffic Officer. There is a multitude of educational presentations and sessions available, including:

* Defensive Driving / Advanced Driving
* Drinking & Driving
* Drugs & Driving
* Hazard Perception
* Mobile Phones
* The Human Cost of Road Traffic Collisions

This service is available nationwide and ideally delivered at conferences, seminars, or as interactive courses. The feedback to date has been astounding, with several recipients considering to make the courses mandatory for all Operating Company employees.

**Company Driver E-Learning Module:**

Drivers are required to complete an e-learning module and assessment, demonstrating that they have reviewed and understood the content of the Company Car Drivers Handbook or the Commercial Vehicle Drivers Handbook. This cost-effective web based course allows employees to access training when it is convenient for them.

The course targets all employees who drive a Balfour Beatty vehicle (business or private usage) and drivers who utilise their own vehicle for business purposes. Driver awareness and education is heightened whilst providing an audit trail sufficient for demonstrating compliance over and above the ‘Balfour Beatty Minimum Standards & Guidance on Managing Driver Risk’.

**Driver Risk Index:**

The Driver Risk Index (DRI) is a technique to assess fleet driver risk, developed in close association with Cranfield University. This scientific based approach assesses the drivers level of risk on the road by taking into account situational, behavioural and attitudinal factors.

DRI assessments are available for online completion and provide individualised psychometric profiles instantly via email. The DRI assess the following key areas:

**Aggression** – to what extent does an individual react to difficult driving conditions by driving in an aggressive manner?

**Thrill Seeking** – how likely is a driver to take risks on the road in an attempt to raise their adrenaline levels?

**Hazard Monitoring** – to what extent does a driver use observation and awareness of hazards to mediate the stress of driving, especially in risky conditions?

**Proneness to Fatigue** – how much does the stress of driving produce fatigue in the individual?

**Dislike of Driving** – is the driver’s stress level exacerbated by a dislike of driving or a lack of confidence in their driving abilities?

**Confrontive Coping** – does the individual cope with the stress of driving by being confrontational to other road users and taking risks?

**Reappraisal Coping** – does the individual deal with the stress of driving by evaluating their own driving and learning from their mistakes?

**Avoidance Coping** – does the individual ignore a difficult situation and cope with resulting stress by pretending nothing has happened?

**Emotional Coping** – doe the individual deal with their driver stress by criticising and blaming themselves for anything that goes wrong when they are driving?

**Task Focus Coping** – does the individual cope with the stress of driving by concentrating hard on the driving task and trying to adapt their driving to meet the requirements of the situation?

Once data has been captured for each driver it is stored in a Management Information System. This is a user-friendly database, allowing managers to keep a track of their drivers through instantaneous reporting.

The individual driver profiles are used to develop tailored driver training as detailed below:

**Driving Simulator:**



Driving Simulator – The University of Nottingham

A pioneering approach to driver training is being undertaken by BBPFS to educate drivers utilising a bespoke Driving Simulator. The Driving Simulator will present a dual-edged solution; mitigating driver risk alongside enhancing fuel efficiency.

The ‘state of the art’ concept is specifically designed to alleviate the risks identified in the psychometric risk assessment, through a series of custom built simulator scenarios. These will be delivered by Nobby Clark, in conjunction with a classroom based driver safety awareness course.

The Driving Simulator boasts the following features:

* Powerful, high quality graphics card
* 180 degree wrap-around screen
* Complete car chassis utilising existing controls
* Interactive wing/rear view mirrors
* Comprehensive vehicle dynamics
* Three high resolution projectors

The Driving Simulator will be launched in the final quarter of 2008, initially based in Derby, with the ultimate vision to go mobile in the future.

## Collision History

Undoubtedly, Balfour Beatty Group incur significant collision costs year on year. Insurance Services provided the following information on Operating Company claims experience over the last 3 years:

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| Table 1a: Balfour Beatty Group Collision Statistics |
|  | Vehicles | Collisions | Collision Rate | Average Cost per Collision | Total Cost |
|  | (No) | (No) | (%) | (£'s) | (£'s) |
| 2005 TOTAL | 6489 | 2372 | 37 | 1,165 | 2,763,381 |
| 2006 TOTAL | 8297 | 2601 | 31 | 1,333 | 3,467,607 |
| 2007 TOTAL | 9430 | 3020 | 32 | 1,400 | 4,228,229 |

Evidently, the number of vehicles covered on the Balfour Beatty Insurance Services policy has witnessed considerable growth over the last few years, as a result of organic growth and a number of company acquisitions. It is the ambition of BBPFS to reduce the number of collisions and consequentially the total collision cost.

## Financial and other benefits

Increased concentration on driver safety awareness and risk mitigation will significantly contribute to reducing the collision cost incurred. In addition there are many associated costs, which are not considered in this total. Insurance premiums would also reduce in correlation with a reduction in road traffic collisions.

Balfour Beatty Group use in excess of 30 million litres of fuel per annum; with fuel prices on the rise this is a substantial cost to the business. BBPFS propose to offer a Safe and Fuel Efficient Driving (SAFED) module to educate drivers utilising the Driving Simulator. This will not only have a positive impact on the environment through a reduction in carbon emissions, but also reap notable cost savings on a reduction in fuel purchased. Drivers who are taking steps to eco-drive are steadier and less-erratic on the roads, and this will lead to a safer road network for all. Vehicles will also receive less engine wear and tear, which will reduce expenditure on the vehicles maintenance over its life.

## Lessons learned

The BBPFS Driver Risk Management programme is still in its initial stages, with a prospective future ahead. In order to enable a successful implementation it is critical to ensure the top level of the organisation is committed to the scheme and willing to support any financial decisions.

“People are a Company Asset that cannot be Replaced” - Steve Farmer, Managing Director