# **Case Study - Northgate Vehicle Hire**

## Profile

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| Company Name: | Northgate plc operating as Northgate Vehicle Hire Ltd |
| Business Sector: | Autos - light commercial vehicle rental business |
| Postal Address: | Northgate plcNORFLEX House20 Allington WayDarlington |
| Postcode: | DL1 4DY |
| Fleet Size Overall: | 108,00060,000 (United Kingdom and Republic of Ireland)48,000 (Spain) |

## Company overview

**Northgate plc**, operating as **Northgate Vehicle Hire**in the United Kingdom (UK) and Ireland, is quoted on the London Stock Exchange and is listed as a FTSE 250 company.  **Northgate plc** employs in excess of 3,000 people across the Group.

**Northgate plc** has built a reputation since its inception in 1981, for conducting its business with honesty and integrity.  This has been achieved through the diligence and commitment of its Board, its Directors and its employees, both past and present.  The Board of **Northgate plc** considers that it is vital to the continued success of **Northgate Vehicle Hire** that it protects this reputation.  It has, therefore, laid down a Code of Conduct, which sets out the fundamental standards to be followed by all Directors and employees throughout the Group.  This promotes honest and ethical conduct when acting on behalf of the company and compliance with all applicable legal and regulatory requirements.

**Northgate plc** views its reputation is its most valuable asset which, once lost, would be extremely difficult to regain.

**Northgate plc** operates a modern fleet of c.108,000 vehicles from more than 90 sites in the UK, Ireland and Spain.

The core business of **Northgate plc**is the hire of light commercial vehicles to other businesses on flexible length contracts, which gives customers the flexibility to manage their vehicle fleet without a long-term commitment.  **Northgate** **plc** has been operating in the sector since 1981.

In addition to hiring out vehicles for short and long-term needs, **Northgate plc** also offers an increasing range of fleet management services to help customers manage their vehicle fleets more effectively in order to reduce costs, improve efficiency and ensure that they are able to meet their legal obligations and duty of care responsibilities.

Vehicle sales are an important part of the business and in 2010 **Northgate plc** sold a total of 42,500 vehicles in the UK, Ireland and Spain to a mix of trade and retail customers.   **Northgate** **plc** has established a business called **Van Monster** specifically developed to service the retail customer.

### Northgate Vehicle Hire

**Northgate Vehicle Hire**is the leading commercial vehicle hire company by fleet size in the UK and Spain.

In Spain, **Northgate Vehicle Hire**operates through two separate brands **\* Fualsa** and **Record.**  With over 30 locations and a combined fleet of over 48,000 vehicles **Northgate Vehicle Hire**is the market leader for commercial vehicle hire in Spain.

**Northgate Vehicle Hire** has a UK wide network of 60 branches (most have workshop facilities) with a total fleet size of c.60,000 vehicles.  **Northgate Vehicle Hire**primarily serves businesses operating in a wide range of industries, of which construction and distribution are two of the largest.  Other major sectors include local authorities, manufacturing and engineering, public utilities, retailers and wholesalers and a broad range of business services.

## Nature of operation and driving activities

The core business of **Northgate Vehicle Hire** in the UK has been to provide business and corporate customers with its **NORFLEX**package.This is a completely flexible vehicle hire package which gives customers the ultimate freedom in managing their vehicle fleet without any contractual commitment or early termination penalties.  It is backed up by the largest support infrastructure offered by any UK rental or contract hire company.

**Northgate Vehicle Hire** prides itself on offering services which are tailored to its customers’ needs and which meet the customers’ exact requirements.  For example, these might include the complete branding of vehicles, personalised to its customers’ company colours.  In addition, **Northgate Vehicle Hire** also provides solutions for customers with large, multi-site requirements spread across the UK.  **Northgate Vehicle Hire**is supported by a network of 60 branches (most with their own workshops) and a 24/7 back up service for breakdowns and replacement vehicles.  .


Picture 1Mercedes Sprinter Van in the recently introduced Northgate Vehicle Hire Livery

The company undertakes to deliver two key commitments to its customers:

a. Safety. Safety is a high priority for **Northgate Vehicle Hire**.  The company takes its legal obligations for duty of care seriously.  This approach applies equally to its customers.  It ensures that its vehicles are comprehensively serviced to aid compliance with its customers’ duty of care responsibilities.

b. Safety Inspection.  Every vehicle is inspected by an IRTEC qualified mechanic and signed off as meeting the company’s road safety standards prior to issue to a customer.  This process is applied every time the vehicle is hired out, even if more than once in a single day.

**Northgate Vehicle Hire** employs approximately 650 full time drivers across the Group.  Drivers are used to collect and deliver the company’s hire vehicles across the UK.  **Northgate Vehicle Hire**insists that all drivers comply with its standards of safe driving throughout their duties in accordance with Group policies and the Highway Code.

## Organisational structure

The Board of **Northgate plc** recognizes and accepts the duty placed on it as an employer by the Health & Safety at Work Act 1974 to provide both a safe and healthy place of work and working environment.  Furthermore, the Board accepts that this duty extends to non-employees who may be affected by **Northgate plc**’s activities or who may visit **Northgate Vehicle Hire** premises.

The Board is committed to continuous improvement in health and safety within all areas and aspects of **Northgate Vehicle Hire**’s undertaking.  In this respect, it will take all necessary steps to ensure that at all times there is appropriate resourcing in the provision of manpower, materials and training, for the organization and management of health and safety.

The Board of **Northgate plc**believes that full and effective compliance within the duties placed on **Northgate plc,**can only be achieved with the active involvement of the whole workforce.  The Board therefore calls upon the full support and co-operation of all its employees in respect of the arrangements made to ensure health and safety within all areas and activities of **Northgate plc**’s undertakings.

### ****Objectives****

The objectives of the **Northgate plc’s** Board in its Health & Safety policy are to prevent accidents and ill health at work and any consequent personal injury, suffering and financial loss.  To achieve this objective, the Board will ensure that the following are, so far as reasonably practicable, provided and maintained throughout **Northgate plc**:

* A safe place of work, with safe access and egress.
* A working environment where the foreseeable risks have been assessed and appropriate control measures put in place.
* Plant, equipment, materials and systems of work which are safe.
* Arrangements for the safe use, handling and transport of articles and substances.
* Sufficient information, instruction, training and supervision to enable employees to work safely.
* Arrangements for ensuring non-employees, who may be affected by **Northgate plc**’s activities, are accorded the same level of safety and protection against risks to their health, as its employees.
* The monitoring of all actions regarding health, safety and welfare to ensure legal compliance.
* A process of identifying and learning from experience to improve performance.
* Prevention of all foreseeable accidents and ill health and assistance in the rehabilitation of its employees.
* Active encouragement of the reporting of all accidents, incidents and near misses.
* The systematic review of all incidents and in sharing key findings, in order to improve current working practices and to prevent future recurrences.
* The promotion of a ‘no blame’ culture across all activities.
* Taking all necessary steps to ensure that appropriate resources are available at all times.
* The promotion and encouragement of the co-operation and involvement of the workforce by establishing Safety Committees at its regional subsidiaries and appointing safety representatives in the workplaces.
* Raising awareness amongst its employees, contract workers, temporary workers and other third parties as appropriate.
* The provision of the necessary expertise and resources, including communication and consultation, planning, monitoring, inspection and auditing procedures to ensure that there is effective management of health and safety throughout **Northgate plc**.

### Responsibilities

The Chief Executive of **Northgate Vehicle Hire** is responsible for establishing and monitoring health and safety arrangements within the organization in order that the objectives of this Health & Safety Policy can be achieved at all times.

Regional Management and management at all levels are responsible for ensuring the full and effective compliance with the requirements of **Northgate plc**’s policy, by establishing and monitoring the organization and arrangements for safety within those areas of **Northgate Vehicle Hire**’s activities over which they have control and responsibility.

The **Northgate Vehicle Hire** Safety Department is responsible for:

* Developing the health and safety strategy and plans.
* Ensuring arrangements are in place to enable all areas of the business to manage health and safety effectively.
* Keeping the Health & Safety Manual under review and revised as necessary.
* Reporting to the Board of **Northgate plc**and the Senior Managementof **Northgate Vehicle Hire**regularly on health and safety performance and legislation.

The arrangements made to comply with health and safety legislation form an integral part of the successful performance of **Northgate Vehicle Hire**’s business.  Everything reasonably practicable is to be done to prevent foreseeable accidents and to prevent injury or ill health.  All employees have a duty to take reasonable care of themselves and other persons who may be affected by their actions.  As an important step to promote the co-operation and involvement of the workforce, arrangements are made for consultation on matters of health, safety and welfare, through established Safety Committees at locations and safety representatives from the workforce.

All employees will be made aware of **Northgate Vehicle Hire**’s policy, organization and arrangements for health and safety, as it affects them in their workplace, to include:

* The issue to all employees of a copy of the **Northgate plc**Health & Safety Policy Statement.
* Information on the general duties of the employees and the control arrangements in their particular location.  All employees are provided with access to information contained in the Health and Safety PolicyandRisk Assessment Manuals and are encouraged to actively participate and engage in discussion with the **Northgate plc**Safety & Environment Department where necessary.  The information contained in the Health and Safety Policy and Risk Assessment Manuals is reviewed at least annually or more frequently if legislation or operational requirements so dictate.  Any changes in policy and strategy or significant changes in organization and arrangements will be made, on the advice of the Northgate Safety and Environment Department in the first instance.

Within the **Northgate Vehicle Hire** Group, **Regional Directors**are responsible to the Board of **Northgate plc**and are accountable for all elements of health and safety within their regions.  Their responsibilities are clearly defined.  The **Regional Directors** may delegate these responsibilities in a clearly defined manner to their Location Managers, Departmental Managers and their Supervisors.

## Work related road safety policy & procedures

Every employee joining **Northgate Vehicle Hire** is given an Induction Briefing which lays down the company standards and defines the behaviour expected from its employees.  This Induction Briefing makes clear the personal commitment of the Chief Executive Officer to providing a safe working environment for all employees through a policy of co-operation, communication and competence applied consistently and continually throughout the company.

The aim of this policy is to establish driving at work as an integral part of the **Northgate Vehicle Hire** health and safety programme so that risks involved in occupational driving can be managed in a similar way to the other occupational workplace risks associated with its business.  **Northgate Vehicle Hire** intends to protect its employees and whoever else may be affected by the company’s driving activities.  Where necessary, **Northgate Vehicle Hire** will provide additional road risk training for employees to help achieve its road safety goals.  The details of this policy are contained in the section on the “Control of Driving Policy” which is contained within the Health and Safety Welcome/ Induction pack which each employee receives as part of their induction to the company.

**Northgate Vehicle Hire** requires all employees who drive on company business to adopt good driving practices and to drive in a safe and courteous manner at all times, taking in to account other road users.

**Northgate Vehicle Hire** employees must not drive for work if their ability to do so safely is impaired by alcohol, drugs or medicines.  Failure to comply with the policy is regarded as a serious disciplinary matter.


Picture 2General Motors Astra Van in the new Northgate Vehicle Hire Livery

The work related road safety policy and procedures of **Northgate Vehicle Hire**are based on an ethos which permeates the company.  The company values its drivers and employees as individuals for the contribution they make to its success.  It understands that they create the company’s image in the mind of its customers.  This image is founded on their commitment to individual responsibility and to the values and corporate standards of their company.

**Northgate Vehicle Hire**recruits its staff carefully. The key qualities which **Northgate Vehicle Hire** look for in their employees are:

* A positive, responsible and willing attitude.
* Confidence.
* Good interpersonal skills.
* The ability to demonstrate strong values at a probing interview.
* The ability to fit in to a Health and Safety culture in which every individual takes responsibility for ensuring that the company’s standards are met as a minimum performance.

Once a recruit has been selected for employment, the following process take place:

**Induction.**  The induction process covers the following:

* Uniform.  All employees are issued a uniform.  The company is proud of its branding and wishes its employees to reflect this in their dress.  Drivers receive additional items of clothing and equipment which enhances their safety.  This includes bags; personal protective equipment and an assortment of high visibility vests.
* Induction Folder.  All employees must read and initial the contents of the Induction Folder.  This folder covers:
	+ The responsibilities of all employees for safety.
	+ **Northgate plc** Health and Safety Policy Statement.
	+ Environmental Policy Statement.
	+ **Northgate Vehicle Hire** Health and Safety Induction Manual and Checklist.
	+ Fire Safety Policy.
	+ Mobile Phone Policy.
	+ Smoke Free Policy.
	+ **Northgate Vehicle Hire** Employee Vehicle User Handbook.
	+ Control of Driving Policy which covers Road Traffic Accident procedures.
	+ Accident Procedure.

**Training.** **Northgate Vehicle Hire** is committed to ensuring that its employees are provided with the highest level of health & safety information, instruction and training necessary in their fulfilment of their roles. Employee training requirements are continually assessed and training provided consists of externally accredited courses such as British Safety Council health and safety training courses which are carried out in-house by the **Northgate Vehicle Hire**Safety and Environment Department and other bespoke courses as necessary for the health and well being of employees.

## Work related road safety (wrrs) guidance for drivers

The management of occupational driving is a key risk management objective for **Northgate Vehicle Hire.**The company therefore carries out full and systematic reviews of its risk controls for “at work” driving at regular intervals.  The company’s view is that work related road safety can be improved by the introduction of integrated measures, which include clearly understood policies and standards as well as a process of driver education.

The measures adopted at **Northgate Vehicle Hire** include:

* Developing a ‘Safe System of Work’ for managing occupational road risk which is fully integrated into the overall health and safety strategy.
* Developing key policies, which protect employees and comply with legislative and industry best practice guidelines for work related road safety.
* Carrying out risk assessment and reviewing controls to ensure they remain suitable and sufficient on a regular basis.
* Reviewing and assessing employee training needs and requirements for their “at work” driving needs.
* Producing a vehicle user handbook that provides clear and concise information in relation to work related road safety.  **Northgate Vehicle Hire** has also produced a Driver’s Guide to Road Safety in conjunction with the Road Safety Charity***Brake***and this can be found at [www.northgatevehiclehire.co.uk/pdf/drivers\_safety\_guide.pdf](http://www.northgatevehiclehire.co.uk/pdf/drivers_safety_guide.pdf)

## Specific examples of procedures

### Mobile Phone Policy

**Northgate Vehicle Hire** lays down clear policy on the use of mobile phones and hands-free equipment while driving.  This is reproduced below:

The use of mobile phones in certain circumstances produces a risk not only to the user but also to others in the vicinity, when the attention of the user may be distracted.

In order to reduce the risk, the following policy must be adopted.

* Under ‘The Road Safety Act 2006’ the use of hand held mobile phones whilst driving is illegal and any individual caught will now receive automatic penalty points on their licence and will be subject to a fixed penalty charge. Employees thereforemust notuse a hand held mobile phone under any circumstances whilst driving, as this presents a danger not only to the driver but also to other road users.
* Any fines incurred by an employee from the use of a hand held mobile phone whilst driving would be that individual’s responsibility.
* Any employee who is identified as using a hand held mobile phone whilst driving and whilst on Company business may face disciplinary action.
* Individuals can be also be prosecuted for using hands free mobile phones should the enforcement authorities decide an individual is driving without due care and attention.
* Where it becomes necessary to use a hands free mobile, drivers should consider bringing their vehicle to a stop at a safe location, (not on a hard shoulder) so as not to restrict other road users, switch off their engine and should give due regard to the classification of the road the road conditions and at the time.
* Should the facility allow drivers should consider switching off their mobile phone whilst driving and activate the voice mail facility on the mobile phone. This will allow messages to be delivered at a convenient time when conditions allow.
* Where stipulated, certain vehicle manufacturers indicate that mobile phones without an external aerial attached should not be operated under any circumstances within their vehicles due to the possible effects on vehicle electronics and other devices, e.g. air bags. Vehicle handbooks should be referred to for further information.
* Due to the potential lapse of concentration which would place an individual, and others, at risk, mobile phones should not be used whilst operating any item of work equipment or whilst undertaking servicing or repair of vehicles.
* Mobile phones should not be operated under any circumstances in potentially flammable or explosive atmospheres. This includes areas for storage of flammable liquids, including petrol stations, and storage areas for explosive devices e.g. air bags.

Further information in relation to mobile phones and employee vehicle user information is available in theNorthgate Employee Vehicle User Handbook available on the company’s intranet.

***All drivers are required to confirm that they have read, understood and will adhere to the information and instructions contained in the Northgate Vehicle Hire Mobile Phone Policy – (Version - November 2009)***

## Auditing and review

**Northgate Vehicle Hire**is committed to managing risk in a way that encompasses the requirements of HSG (65) Successful Health & Safety Management produced by the Health & Safety Executive (HSE). In conjunction with HSG (65) we also follow the HSE’s guidance as indicated in their Driving at Work – Managing Work Related Road Safety pamphlet.  **Northgate Vehicle Hire** ensures its work related road safety controls are consistently reviewed as to their suitability.  This forms part of the company’s internal risk control management reviews.  Where the need for any improvements is be identified, requirements and performance measures are defined and agreed for implementation by senior management to provide the necessary solutions.

Road risk controls are continually assessed and reviewed for their effectiveness by management and the **Northgate Vehicle Hire** Safety and Environment Department. Following any road traffic incident which may involve an employee of **Northgate plc**, a thorough review of the circumstances is undertaken by the **Northgate plc** Safety and Enivronment and Insurance Departments in order to ensure controls are appropriate or where it may be necessary operational procedures can be amended. The overall objective of **Northgate plc** at all times is to ensure the continuous health and well-being of its employees who drive on work related business.

## Performance measures

Internal performance of work related road safety is measured against a number of key performance indicators. These include a review of all employee occupational driving incidents following an accident. This allows structured and measured responses to be developed for the continuing safety of employees while driving for work.

By regularly monitoring performance it provides **Northgate Vehicle Hire** with information to review and decide to change or adapt road risk controls, if necessary. All Directors, managers and department supervisors adopt a pro-active approach to occupational driving.  They are required continually to monitor road risk controls within their locations and areas of responsibility to ensure those controls are suitable and sufficient.

## Accident reduction

**Northgate Vehicle Hire**has traditionally had a very low accident / incident rate. However, the company is keen to maintain and to improve upon its existing record.  The belief is that only constant attention to work related road safety provides any degree of security.  The **Northgate Vehicle Hire** ethos that every driver “is delivering a vehicle to a customer” means that safety, presentation and reliability are and remain important factors in the way the company does its business.

**Northgate Vehicle Hire** believes that prevention is more effective than cure.  Where road safety good practice among its competitors and other road safety champions is evident, the company is always prepared to consider adopting or adapting these practices, where appropriate, within its own business operations.  **Northgate Vehicle Hire** is also willing to share with external business partners ideas on how to promote road safety and road safety best practice within business.  **Northgate Vehicle Hire** is always prepared to share ideas with others where safety is concerned**.**

## Financial and other benefits

While there are undoubtedly financial benefits which stem from the effective management of work related road safety, the main aim for **Northgate Vehicle Hire** is to protect its employees and deliver the Duty of Care responsibilities it owes its employees.  The company’s objectives are, therefore, quite specific with regards to work related road safety and are outlined as follows in order of priority:

* Develop and maintain a business culture which places the health and safety of employees at its core.
* Increase staff morale by demonstrating that their “at work” driving risks are carefully managed.
* Reduce the number of accidents and incidents.
* Reduce absenteeism.
* Reduce in insurance premiums.
* Increase productivity.
* Reduce repair costs.

## Lessons learned

The internal management controls for work related road safety within **Northgate Vehicle Hire** ensure that the company systemically reviews all incidents.  This process means that, where necessary, the company can act to adopt measures which are more appropriate to changes in circumstances and which provide better safeguards for employees.  This pro-active approach has ensured that **Northgate Vehicle Hire** has the flexibility to change or to amend its procedures to reflect both the needs of its employees as well as the requirements of its operations.  The most important element of good road risk management is to is to learn from experience and adapt, where change may be necessary, to deliver continual improvement.

## Current and future developments

**Northgate Vehicle Hire** is currently in the process of evaluating its road risk controls across the business with aview to updating and amending them where necessary.  The historical and future focus of **Northgate Vehicle Hire** remains in ensuring that employees who drive on work related business are provided with instruction, training and support to ensure their safety.

Areas currently under consideration to supplement current road risk controls include E driver profiling and assessment for all those employees who drive on company business. This type of driver management will provide an evaluation of driver skills and perceptions and will highlight the need for more extensive driver training on a more individual and personal front, if necessary.  In addition, the ability to carry out on-line driver licence checks and regular on-line checks on personal vehicles driven for grey fleet uses are under consideration.  **Northgate Vehicle Hire** feels this process will improve on and be more efficient that the current routine paper-based assessments.

## Additional information

**Northgate plc** is a corporate member of the Road Safety Charity **Brake**and its Fleet Safety Forum***.***The safety focus of **Northgate Vehicle Hire** has been recognised by **Brake**with an Award of Excellence.  Additionally, for two years in succession **Northgate plc** has also won the Gold Award from the Royal Society for the Prevention of Accidents (**RoSPA**) and the British Safety Council for its health and safety management arrangements.  **Northgate plc** believes that these awards demonstrate its commitment to achieving a well managed and positive risk management culture throughout its business operations.

**Northgate Vehicle Hire** has provided the following documents to RoadSafe:

1. Health and Safety Welcome/Induction Pack.
2. Health and Safety Induction Manual
3. Northgate Employee Vehicle User Handbook – Jul 2010.
4. Mobile Phone Policy – Nov 2009.
5. Northgate Vehicle Hire Directory.
6. Driver’s Guide to Road Safety.
7. Fleet Technique Vehicle Management.