

AVRO News

Issue 28

November 2015

Welcome to our new member in Region 7

CFL Commercials Ltd based in Pennybanc, Ammanford, Wales

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Association of Vehicle Recovery Operators

Working together for a stronger industry

AVRO members are well aware that the industry is facing one of the toughest periods in its history. We are seeing upwards pressure on costs for recovery businesses large and small, and no meaningful increases in the rates we are being paid for the job.

Recent legislative changes including the Drivers CPC have had a big impact on the sector with many operators losing the flexibility provided by part-time drivers, many of whom have decided not to take the qualification and are no longer available to the industry.

And on the near horizon we will have to face the costs of new government measures including the living wage and workplace pensions, as well as the mandatory training requirements of the new PAS43 2015.

It is more important than ever that the industry works together to fight its corner and AVRO has been very active in trying to energise the whole sector to promote the message that a viable—and profitable—independent recovery sector helps to ensure that the wheels of the wider economy keep turning.

We have worked hard to bring the industry together through the Federation of Vehicle Recovery Associations in order to present a united front, in sharp contrast to the splintering seen in past years. But we continue to believe strongly that AVRO offers a distinct and leading position as the longest-established association which is underpinned by a solid commitment to standards, subject to independent inspection, that helps its members to stand out as the true professionals in the sector.

The united industry approach has been very important on a number of fronts, however, and we have already seen its value in our ongoing discussions with the Department for Transport about its initial proposals on 'O' licensing and roadworthiness testing.

I cannot promise to wave a magic wand so that all our futures will be brighter, but I can assure you that myself and your representatives on national council are straining every muscle to work for a better future for hard-working recovery operators.

The most important thing however is to have a strong association that can fight the battles on behalf of all of us. Your continued support for AVRO is vital and very much appreciated, and if you have any particular issues that you would like us to raise, please don't hesitate to contact me or your council representative.

With very best wishes



Steve Shinnick AVRO President Page 2 AVRO News

Confused motorist gets stuck on steps



Embarrassed Yaris driver takes wrong turn and becomes trapped on church path.

Images have appeared online showing a blue Toyota Yaris stuck on steps after the owner had mistakenly driven down a church path.

Wendy Thomas, an administrator at Holy Trinity church in Hurdsfield, said the incident had happened earlier this month and had caused 'great embarrassment' to the driver, who didn't suffer any injuries.

It's thought that the motorist tried to drive down a path which lead to the church door and then onto the road but became stuck on the steps which lead down to the pavement.

Article courtesy of Garage Wire www.garagewire.co.uk/news

Prices from Fuelmate



W/C 16th November

Esso : 89.33 ppl Excl VAT
BP Bunker : 89.22 ppl Excl VAT
Shell : 89.92 ppl Excl VAT
Texaco : 89.01 ppl Excl VAT
UK Fuels : 88.29 ppl Excl VAT
Keyfuels : 88.91 ppl Excl VAT

W/C 9th November

Esso : 89.54 ppl Excl VAT
BP Bunker : 89.42 ppl Excl VAT

Shell: 90.13 ppl Excl VAT

Texaco : 89.21 ppl Excl VAT

UK Fuels : 88.55 ppl Excl VAT

Keyfuels : 89.02 ppl Excl VAT

For further details, or to obtain a fuel card please contact:

Tracey Easton T: 01482 387777 F: 01482 338591

E: tracey.easton@fuelmate.co.uk

W: www.fuelmate.co.uk

Witham House, 45 Spyvee Street, Hull HU8 7JR



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New employment laws come into effect

October saw the introduction of a raft of new employment legislation, including an increase in the National Minimum Wage and a new law banning smoking in cars in which children are present.

The National Minimum Wage has increased from £6.50 to £6.70 an hour for workers aged 21 and over, from 1 October 2015. Workers aged 18–20 will also enjoy an increase in their hourly rate to £5.30, while wages for those aged under 18 have risen to £3.87 an hour. The hourly rate for apprentices has also increased to £3.30.

Meanwhile, drivers of private cars in England and Wales are now banned from smoking cigarettes if passengers aged under 18 are present. The legislation covers cars with the windows down or the sunroof open, although it does not apply to ecigarettes, or to convertible cars with the roof down.

While existing smoke-free legislation already covers

company vehicles, the new rules will affect those employees using a company car for family purposes, so employers are advised to review their company car and smoking policies in light of the changes.

Also taking effect from 1 October is new legislation governing the issue of modern slavery. Under Section 54 of the Modern Slavery Act 2015, businesses with a turnover of £36 million or more per annum will be required to publish a modern slavery statement every year, outlining the measures that they have taken to prevent forms of modern slavery (such as forced or compulsory labour, servitude and human trafficking) within their business or supply chain.

Article courtesy of Newby Castleman www.newbycastleman.co.uk



FORWARD THINKING ADVICE LEADING THE WAY - PERSONALLY

State 'top-up' scheme permits pensioners to increase retirement savings

Over 7 million Britons could potentially boost their state pension through a new 'top-up' scheme.

Men aged over 65 and women over the age of 63 are eligible to receive an additional £25 a week on their state pension, which can be achieved by paying a one-off lump sum.

The new measure, known as Class 3A national insurance contributions, is a part of the transition to the new flat rate state pension, which is set to be introduced by the Department for Work and Pensions (DWP) in April 2016.

The flat rate pension is expected to be worth more than £150 a week and will rise with inflation.

However, the DWP admits that the new Class 3 'topup' initiative will not be suitable for all pensioners, with around 265,000 expected to take up the offer.

Pensions minister Baroness Altmann stated: 'It won't be right for everybody and it's important to seek guidance or advice to check if it's the right option for you.

'But it could be particularly attractive for those who haven't had the chance to build significant amounts of state pension, particularly many women and people who have been self-employed.'

The opportunity to pay Class 3 contributions is available from 12 October 2015 to 5 April 2017. There are two entitlement conditions: contributors must have entitlement to a UK State Pension, and they must reach State Pension age before 6 April 2016.

The Government has created a State Pension calculator to help determine how much is needed to top-up a State Pension—see www.gov.uk/state-pension-topup.

Article courtesy of Newby Castleman www.newbycastleman.co.uk



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TC: get compliant or get out of industry

Operators and drivers who fall foul of DVSA are likely to have to give an account of themselves to their area's traffic commissioner (TC), and some valuable insight into the mindset of the TCs was given at the recent FTA Transport Manager Conference by Nick Jones, who is TC for both the West Midlands and



Welsh traffic areas.

In the opening keynote speech, he explained that his role was to concentrate on those operators and drivers who pose the greatest risk to road safety, and force them either into compliance, or out of the industry altogether.

He explained that the work of the traffic commissioners was funded from operator licence fees paid by both the freight and passenger sector.

"The goods vehicle operators effectively subsidise the passenger sector in their funding of the TCs," he said, pointing out that while PCVs made up just 10% of the totality of large passenger and heavy goods vehicles on the roads, the supervision and regulation of the passenger sector absorbed about 30—40% of the TCs' total workload.

Much of this work was the regulation of bus services.

"TCs are not very good at this," he opined, pointing out that there was no bilingual facility for this in the Welsh Traffic Area and therefore it was not actually legally compliant!

Another reform he suggested was to end the need to advertise the opening of or changes to operating centres.

"Who reads the local papers? We know that some operators will choose a particular paper because it has a low circulation. Why not just put a notice on the gate, as you have to with planning applications?" He pointed out a further anomaly in the law: TCs had

no jurisdiction over the environmental impact of PCV

operating centres, while they did over freight. He recounted one incident where local residents had complained to him about noise from a premises that was shared by both freight and passenger operators.

It turned out that the nuisance was being caused by a bus operator and he could do nothing about it, while he could have curtailed the offending activity had it been a freight operation.

Mr Jones thought that local planning authorities would be better placed to deal with environmental issues, while TCs should retain responsibility for road safety and access.

He defended the level of service offered by the Traffic Office in Leeds to operator licence applicants, while admitting that turnaround times were too slow.

"80% of applications are received incomplete and applicants are being given feedback on how to complete the applications properly rather than just having the application bounced back. This causes delays," he said.

"The present IT system in use in Leeds is very out of date and is being changed. The new system will gatekeep to prevent incomplete applications from being proceeded with. It will also interlink with IT systems in other government offices: for example, with Companies House to verify directors' details."

Although the decision on whether to grant a licence or not ultimately lay with the TC, much of the process was delegated by the TCs to staff in the Leeds office. Mr Jones said he had full legal responsibility for their decisions but didn't have management responsibility for their activity.

One area of concern was whether the appointed transport manager actually had the degree of operational control over the applicant's transport activities that was required. Staff in the Leeds office had table of scales showing the number of hours a transport manager was expected to work for the number of vehicles in the fleet.

"These tables are guidelines not tramlines, but this is not always acknowledged by those using them," he admitted.

"We need to look more closely at the transport manager's performance: how legal is the fleet? Rather than just how many vehicles are in operation. We acknowledge that transport managers in larger outfits will have a team working for them and we understand that some compliance checks can now be made remotely."

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TC: get compliant or get out of industry cont'd

The use of independent transport managers appointed by consultant agencies across a number of companies was a continuing concern.

"Traffic commissioners are unhappy when a consultancy appears to have a relationship with an operator, but the transport manager appointed by the consultancy does not," he said.

Mr Jones admitted that there had been a reduction in DVSA enforcement activity across Great Britain as resources had been diverted to the Next Generation Enforcement project.

"It has dried up in Wales altogether, but this situation is changing because more DVSA inspectors are now being recruited. There will be few Public Inquiries in Wales this year because of the introduction of Next Generation Enforcement, but this will change next year," he warned.

Besides supervising the activities of operators, TCs were also responsible for driver conduct regulation, and the penalties that they could impose were severe in impact.

"A driver who uses another driver's digital tachograph card will be off the road for 12 months," Mr Jones warned.

Using a hand-held mobile when driving was also an offence that the TCs viewed very seriously and they would impose sanctions on professional drivers caught doing this in addition to any fixed penalty or magistrates' court fine.

"We also differentiate between using a mobile in a private car and in a truck. We are requesting that a new licence endorsement be introduced (CU81) for mobile phone offences in a large vehicle rather than a car (CU80)."

Mr Jones was concerned that many professional drivers were unaware of the power that TCs held over their professional lives.

"I can disqualify a driver from truck and bus driving indefinitely, but there's no mechanism for publishing this decision, while there is for action taken against operator licences."

Mr Jones also felt that TCs would be better placed for making decisions about medical fitness to drive than the magistrates who currently handled this.

"Appeals against disqualifications on medical grounds go to magistrates and not TCs—why? Most magistrates may only encounter one such case in their entire time on the bench ... TCs would be far better equipped to decide such matters."

He concluded with the 'TCs top tips for TMs': areas on which transport managers should focus their efforts to ensure compliance:

- The absent TM: transport managers had to be in effective control, ensuring that their fleets were run legally
- 2. Driver detectable defects: were they being picked up by drivers doing daily checks, or only being found during workshop inspections?
- 3. Preventative maintenance inspections: were they being competently carried out, acted upon and documented?
- 4. Annual tests: was the operator being informed of failures? An eventual pass after retesting would still impact on the OCRS score
- 5. Drivers' vocational entitlements: how often were licences checked? Were drivers entitled to be at the wheel of their vehicles?
- 6. Keeping up-to-date: transport legislation was subject to change. The TM had a duty to keep up with changes.

Article courtesy of Transport Operator www.transportoperator.co.uk



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Grandparents in work to receive shared parental leave and pay

Working grandparents could be permitted to make use of shared parental leave and pay in order to help care for their grandchildren, under new plans.

The plans would form an extension of the current system, which enables parents to share leave and statutory parental pay between them.

This shared leave was introduced in April 2015, allowing working mothers to end their maternity leave early and to share parental leave with their partner instead.

Under the new extension, grandparents could potentially receive up to 18 transferable weeks of shared leave and families would be able to split statutory shared parental pay.

The option to share leave with the child's grandparents will provide the possibility for parents to return to work more quickly.

The policy is expected to benefit single mothers who cannot currently choose to share parental leave, but will be able to do so with their child's grandparents under the new scheme.

Chancellor George Osborne stated that more than half of all mothers rely on grandparents to look after their child when they initially return to work after having a baby.

'In many families, grandparents play a central role in caring for their grandchildren and helping to keep down the costs of childcare,' Osborne said.

'Allowing them instead to share leave with their children will keep thousands more in the workplace, which is good for our economy.'

Article courtesy of Newby Castleman
www.newbycastleman.co.uk



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RHA highlights impact of employment tax

The Road Haulage Association (RHA) has warned that fraud involving the tax status of lorry drivers is becoming a serious concern for the industry, with drivers increasingly paid as if they were self-employed, rather than through pay-as-you-earn (PAYE).

If the driver owns the truck he is driving then the selfemployment route is likely to be legitimate, says the RHA, but adds that, if the vehicle belongs to someone else, PAYE is the correct means of payment, regardless of where the money is coming from.

The association said two possible caveats could apply: firstly, "where there is genuine substitution contract in place, which would have to be demonstrated and which seems highly unlikely"; and secondly, "where the company paying the driver has a local agreement with HMRC—which again seems extremely unlikely, given HMRC's rules. These points have been discussed and agreed with HMRC."

The association claimed: "Dodging the correct tax code means that the employer evades income tax and national insurance and also a raft of drivers' rights under employment law. This gives an unfair advantage over firms that work within the law."

Chief executive Richard Burnett said that, in the context of the driver shortage, law-abiding hauliers were losing drivers and work to those not playing by the rules.

"The practice is also damaging to law-abiding driver agencies that are losing drivers to less reputable competitors," he added. "Incorrect tax status is not a new issue but it has become a much more serious concern this year".

Possible reasons cited by the RHA for the increase in fraud include corner-cutting, as well as firms being given poor advice.

"It is clear that a growing number of drivers think they can set up a business and charge a higher net rate by



evading their due tax," said the association.

"Scams are rife among drivers who come to the UK from Eastern Europe for a limited period; but the fraud is far from limited to these drivers."

Richard Burnett continued: "Our concerns are for the health of the UK haulage sector. It is coming under increasing pressure to break the rules and hauliers who may inadvertently be paying drivers off payroll may face a heavy claim for back tax and penalties of up to 70% of the tax and NI arising.

"Also, individual drivers could face bankruptcy if they evade tax payments and then HMRC enforces its rules."

The RHA said that HMRC agreed its interpretation of the rules is correct, and added that the Treasury is being defrauded of substantial tax revenues just as the chancellor has said he wants to improve tax compliance.

"The growing illegality is of real concern to our members who all want fair competition. This should be of concern to ministers and we look forward to effective enforcement action." Burnett concluded.

Article courtesy of Transport Operator www.transportoperator.co.uk



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RHA in plea for £150m fund to train new truck drivers

A House of Commons reception attended by Transport Operator was hosted by the Road Haulage Association (RHA) last month, to plead for £150 million to be given direct to hauliers with driver

vacancies to fund training for people to

fill them.

The Dunlop/RHA HGV Heroes truck, pictured, was parked opposite Parliament as the reception took place as part of the RHA's National Lorry Week.

RHA Chief Executive Richard Burnett told an audience of over 50 MPs and civil servants that there were 2.2 million people employed in road transport, that it was the 5th biggest industry sector in the UK and than 85% of UK consumption goods were delivered by road.

However, the average fleet size in the UK was just 6 trucks, and that 85% of the haulage companies in the UK were classified as 'medium' or 'small'.

"These smaller businesses need help to drive the economy," he said, pointing out that the industry faced a "severe crisis" in recruiting qualified drivers.

"We are between 45,000 and 50,000 drivers short. The average age of a truck driver is 56, and just 1% of drivers are under 25.

The cost of acquiring an LGV licence is £3,000 and up, and how many young people have that kind of money?

"Profit margins in this business aren't sufficient to allow smaller hauliers to put aside money for training.

"We need a driver apprenticeship scheme. The apprenticeship levy won't help. It's just a tax on employment.

After 32 years in the logistics and distribution sector, I've never experienced anything like this driver shortage."

Stalwart RHA haulier members attended the event, including Bill Hockin, chairman of William C Hocking of Barnstaple, and Andy Boyle, managing director of ABE of Ledbury.



Both these individuals, operating from predominantly rural areas, have done more than most hauliers to attract and retain quality drivers to their own companies, not least by offering attractive terms and conditions, and recruiting and employing directly rather than relying on agencies.

"We were delighted at the turnout for our parliamentary event," said Richard Burnett. "It presented us with the perfect opportunity to talk to MPs about the incredible job the industry does in delivering daily life and of course the problems that we as an industry face ... We have been following up these contacts and many are now actively helping us press our case to secure a proper LGV Apprenticeship and for emergency government funds for driver training to be made available."

Article courtesy of Transport Operator www.transportoperator.co.uk



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Businesses warned about new 'whaling' email scam

Businesses are being warned about a new email scam—dubbed 'whaling' - which targets the finance departments of SMEs (small and medium sized enterprises).

Financial Fraud Action UK (FFA UK) claims that there has been a significant rise in incidents of the scam in recent weeks in the UK, with several British SMEs reporting having lost sums of between £10,000 and £20,000.

In the scam, fraudsters obtain publicly available details about businesses, such as the staff names and email addresses, and use software to send fake emails to finance staff purporting to be from senior managers.

The email typically requests that an urgent payment is made outside of normal procedures, often giving a pressing reason such as the need to secure an important contract. However, the account to which the payment is made is in fact controlled by the fraudster, who quickly withdraws the funds.

The scam has been dubbed 'whaling' because it targets one specific victim, as opposed to the scattergun approach of 'phishing' fraud.

Katy Worobec, Director of FFA UK, said: 'Fraudsters will do all they can to make these scam emails look genuine, so it's important for businesses to be alert. While an urgent request from the boss might naturally prompt a swift response, it should in fact be a warning sign of a potential scam. That's why it's vital that

finance teams carefully check any unusual demands for payment through an alternative method, such as over the phone or face to face, before making the payment.'

FFA UK has issued the following advice to businesses, particularly staff in finance and accounts departments:

- Always check any unusual payment requests directly, ideally in person or by telephone, to confirm the instruction is genuine. Do not use contact details from the email.
- Establish a documented internal process for requesting and authorising all payments and be suspicious of any request to make a payment outside of the company's standard process.
- Be cautious about any unexpected emails which request urgent bank transfers, even if the message appears to have originated from someone from your own organisation.
- · Ensure email passwords are robust.
- Consider whether the email contains unusual language or is written in a different style to other emails from the sender.

Article courtesy of Newby Castleman www.newbycastleman.co.uk



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Is your workplace a safe place to be?

Each year, there are tens of thousands of reported casualties on roads across the UK, with the government reporting almost 200,000 people were injured in road traffic accidents last year – 22,807 of them seriously – with 1,775 fatalities*. This makes recovery a relatively risky industry, with many operators attending post-accident scenes becoming subject to the same risks that caused the accidents in the first place. That includes everything from treacherous road conditions (heavy rain, winds, snow, ice, mud and oil spillages), vehicles stranded in the middle of the road, accident debris, and lots more besides.

But it's not just on the road that accidents happen, and where the health and welfare of employees is subject to scrutiny. With injury,

stress and work-related illnesses affecting millions of people every year, businesses these days are feeling the impact not only of employees being absent from work, but also of a so-called 'litigation culture,' with companies and senior management subject to claims from employees. The latest estimated cost of injuries and ill health from current working conditions to GB economy is £14.3 billion*.

The risk management division at Bollington Insurance is now offering two IOSH courses – Working Safely and Managing Safely – which cover all of the basics for employees and managers alike to manage the risks they face on a daily basis.

These courses are highly effective at promoting workplace health and safety, which can ultimately reduce the risk of claims in your business – but importantly, they are cost-effective, too.

IOSH Working Safely is a one-day course that focuses on all of the practical elements of Health and Safety in the Workplace, giving your employees the skills they need to implement good practice at all times. It meets the government's guidelines for introductory Health and Safety training and is a 100% to the HSE's 'passport' syllabus. Two key areas – health and safety *and* environmental basics – are covered in a single self-contained session.

IOSH Managing Safely is a course more specifically designed for management, helping managers to assess and control risks, understand their responsibilities, identify hazards and investigate accidents and incidents, together with monitoring performance and protecting their environment.

These valuable courses can be delivered on-site, with flexible pricing based on your needs (e.g. Bollington can price per individual session, or per head) – minimising the time it takes to deliver the courses and any disruption to your business.

Bollington has advised many recovery businesses in best risk management practice, and can now offer certification for employees that demonstrates they have undertaken the appropriate learning for basic Health and Safety training, alongside nationally recognised training for management, too.

If you are interested in offering swift, effective and compliant training to your staff, or obtaining important accreditation for your management team, then please call Bollington on 01625 348030 to find out more, or visit www.bollington.com/iosh.

* Source: $\frac{https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/463045/rrcgb2014-01.pdf$

** Source: http://www.hse.gov.uk/statistics/

