

■ RTD: The strategic implications

Kirsten Tisdale, logistics consultant, explores some of the strategic implications of the Road Transport Directive.

Introduction

Although the strategic implications of the legislation were reduced by DfT's directional press release back in April this year, the key issues of driver resourcing and compliance still remain. But there are some actions that businesses can be considering now, whatever the outcome with respect to periods of availability (POA).

Night trunking

Provided that operators have an appropriate workforce agreement in place, the 10-hour night work limit can be exceeded, which means that current night trunking schedules can be continued, remembering that the 60-hour maximum work in any one week must be adhered to along with the 48-hour average. Transport operations that do not have a workforce agreement relating to night working in place by 23 March 2005 should review whether it is possible to carry out current duties within the 10 hours available. Remember that this is not just about the driving elements of the drivers' duties but includes other activities such as vehicle checks, coupling and uncoupling of trailers, any paperwork requirements and any waiting that cannot be classed as a POA or driving break.

Looking for efficiencies

This legislation gives increased impetus to the constant need to look for efficiencies within companies' own operations and at delivery and collection points, whether they be customers, suppliers or third party relationships. Some operations will not be able to classify delays as periods of availability, even if the government interpretation turns out to be very flexible. Many

delays could be eliminated if the will was truly there. The DfT's Benchmarking Guide No. 78 *Key Performance Indicators for the Food Supply Chain*, published in 2003, stated that the average food vehicle "spent 43 minutes per day delayed at loading and unloading points". Below are some important points.

- Drivers need to be valued as key resources focused on driving.
- Waiting time and delays should be reviewed and eliminated wherever possible.
- Briefings and debriefings must be slick.
- Yard management must be a priority.
- Security gate queues must be eliminated.
- Activities such as unloading and cleaning should be carried out by other staff where feasible.

Delivery schedules

Although there is a substantial number of drivers whose average hours do not exceed 48 hours, the Government's Partial Regulatory Impact Assessment, which is due to be updated at some point, showed that in 2002 more than 50 per cent of drivers worked longer than 48 hours, and that over 20 per cent worked more than 58 hours per week. Where the average hours worked are longer than 48 hours, various aspects of delivery schedules will need to be considered. Depending on the shift patterns that are adopted, businesses may find that some depots are not able to cover the same geographical area as they do currently or that, if a depot carries on serving the same geographical area, the number of drops per vehicle must be reduced in comparison with the current average. Examine your schedules and discuss collection and delivery timings with customers to optimise your vehicle utilisation. Pay particular attention to backhaul opportunities to ensure that they can still be accommodated within the schedule if that is appropriate. Backhauls can often be quite time consuming as the driver waits

his turn to be loaded, but usually provide useful extra revenue for little additional mileage. While on the subject of mileage, bear in mind that if shorter shifts are adopted (and efficiencies aren't found within the operation in order to achieve the necessary increase in productivity), a reduced number of drops per trip will increase the amount of stem mileage as a proportion of the total (in turn generating a greater requirement for driver hours).

The above factors, combined with the shift patterns that are adopted, could also impact on vehicle specification. The payload and the wear and tear on vehicles could be more or less than currently, so when the time comes for vehicle renewal it mustn't be assumed that the existing specification will still be appropriate.

Shift patterns

Shift patterns are a key issue, both in their own right and as a factor which impacts on other areas, as has already been alluded to on a couple of occasions. There is a substantial number of drivers whose hours do not exceed 48 hours, but where that average is exceeded, it may be appropriate to review shift arrangements in order to achieve compliance. Some of the options available include the following.

- Restrict each week to 48 hours by introducing efficiencies, or identifying periods of availability, so that the same work can be carried out by the existing workforce. This is the ideal scenario.
- Restrict each week to 48 hours by increasing the number of vehicles and drivers, which obviously increases cost.
- Run shifts that vary in length on a day-by-day and week-by-week basis and that average back to 48 hours over 17 weeks, or 26 if an appropriate workforce agreement is in place. This arrangement could possibly be run in conjunction with some type of annualised hours agreement that ensures that drivers don't suffer in slack periods where it will benefit the operation if fewer hours can be logged. If the operation has known peaks and troughs, try to select reference periods that do contain elements of both levels of activity.
- Run early and late shifts, each restricted to 48 hours. This will result in fewer vehicles but more

staff than the current operation. The resulting cost will depend on a number of factors including the productivity achieved, any shift premiums that are already agreed, and the relative cost of trucks and drivers, which will be different for different industries and vehicle specs. The impact of additional hours on vehicle lives and maintenance will also need to be considered.

- Run day and night shifts, each restricted to 48 hours. This again will result in fewer vehicles and more staff. Its suitability will depend on whether the operation in question can be carried out at night: whether customers are open and whether there are operating restrictions of any sort. If you can operate at night, you will probably achieve better running times.
- Run rolling shifts, for instance 4-on/4-off. These types of arrangements have the advantage that traditional 13-hour-plus shifts are workable. However, they are probably only appropriate for depots with a relatively large number of drivers and where concentrated route knowledge is not required. They may also only be appropriate where a high degree of Sunday working is possible.

The pros and cons of each option also include aspects that are less easy to quantify, but still have a significant bearing on the decision. For instance, how easy will it be to recruit drivers to work the proposed hours? What will be the reaction to withdrawing a one-man one-cab policy that is already in place? Other aspects to consider are the traffic office and fleet support hours required.

Conclusion

The Government estimated in its Partial Regulatory Impact Assessment that 12 to 22 thousand new drivers would be required to make up the shortfall in hours, although that is below some industry estimates. By sweating assets, it may be possible to mitigate the cost of additional drivers and to maintain their weekly wages, but if no efficiencies are found and delays/waiting time are not able to be classified as Periods of Availability, more drivers will be required. This makes continued focus on driver utilisation, as well as compliance, absolutely key to success in implementing this directive. □

