April 2017 Speeding Regulations:

A practical guide on the impact businesses will face from a legal, insurance, commercial and operational point of view.
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April 2017 Speeding Regulations: Telematics overview.

Why the UK needs to drive down on speeding

Telematics Expert Chris McClellan, CEO from RAM Tracking explains the impact the rise in speeding fines could have on insurance premiums for businesses with commercial vehicles.

“2017 is officially the year to slow down your fleet.

Over the past few weeks, we’ve had more business fleet owners than ever ask advice about how RAM’s vehicle tracking technology can help minimise speeding fines and other speeding implications for fleet teams. The reason? Well, from April 24th, new government guidelines means speeding just got even more costly. Now split into three bands, Band C, B and A – hasty drivers’ will have to dig deep if their speed is deemed unreasonable – with costs escalating to a maximum of 150% of a drivers’ weekly wage for the most serious Band C offence.

We’re all aware of the devastating effects speeding can have, and anyone who breaks the limit excessively is unnecessarily putting lives at risk. According to government statistical data, in 2014 exceeding the speed limit was a contributing factor to 16.5% of fatal accidents. The Sentencing Council said the new regulations aim to ensure there is a ‘clear increase in penalty as the seriousness of offending increases’, following responses to a consultation arguing previous guidelines did not properly take into account the increase in potential harm that can result as speed above the limit rises.

Want some perspective on the potential cost of speeding post April 24th? Well, based on F1 driver Lewis Hamilton's predicted salary of £100 million per year – the racing driver would be facing a fine of almost £2.8million if were caught with his pedal to the metal going over 51mph in a 30mph zone (a Band C offence). Not quite on Lewis’s pay scale? A slightly more realistic figure is that based on earnings of £25,000 a year, a speeding fine equivalent to 150% of your weekly income means handing over a minimum of £720, with fines likely to be capped at around £2,500 regardless of earnings – still no small amount.

In the most recent government report, fatal accidents on major roads (motorways and A roads) increased by 3% to 1,050 in the year ending September 2016. Fatal accidents on minor roads (B,
C and unclassed roads) increased by 2% to 650 over the same period. There was a 3% increase in fatal accidents on roads with a speed limit of up to and including 40mph (built-up roads) to 780 and a 5% increase in fatal or serious accidents to 15,340 over the same period. As a fleet owner, you may or may not be directly responsible for paying individual’s speeding fines, but if you are, it’s worth noting one RAM customer reported a 51% decrease in speeding tickets after applying RAM Tracking’s speeding league technology. However, it’s important to note that it’s not all about payment of the fine, speeding has a huge impact on every business, there will be a rise in points, insurance premiums disqualified drivers, which will influence business cashflow and hefty recruitment costs.

Therefore plenty more reasons to start actively monitoring your fleet’s speed using a vehicle tracking software – including the fact that if you can’t prove who was driving the vehicle at the time of the offence, then you, the owner will be held to account, as this article explains.

**Quick tip for businesses:** When purchasing a vehicle tracking system you need to make ensure it records accurate speeding information as well as the ability to generate a speeding league. Not all systems have this in place. RAM Tracking has been specifically designed to drive down speeding across your fleet.

**Speeding. Why vehicle tracking is a good idea and the implications on fleet owners**

**The call of duty**

Perhaps the most important reason for monitoring driver style through tracking is peace of mind that you are doing what you can to keep your drivers safe and their speeds down.

**Logistical implications: The ban**

If your job involves driving the new speeding laws make it more risky for drivers’ to speed as the penalties are much stronger and sentencing may well be harder on those who drive for a profession. If you run a fleet of vehicles then it’s time to start thinking about the implications speeding could have logistically on your business. How would it affect you if your top salesman, most experienced engineer, contracts manager, or even yourself got banned?
Legal implications. Corporate manslaughter, are you sufficiently covered?

If your business employs drivers, or has employees who regularly drive as part of their job then you have serious corporate responsibilities. Have your drivers been assessed or received any training? Have you shown a duty of care towards them and ensured there hasn't been negligence on the company’s part? Vehicle tracking allows you to monitor an individual’s speed, their efficiency and much more. Having it in place almost certainly shows you’re taking responsible driving seriously – and you’ll be able to identify the most common offenders and either pull them up or even set a speed limiter. Without this tracking, you have no idea whether your drivers are conducting themselves safely or driving like a modern-day Ayrton Senna on the roads. Want more information? You can read about speeding and its legal implications from a lawyer's perspective, here.

Cost implications: Fuel Costs

It stands to reason that those driving steadily will use less fuel. Regardless of your fleet size, RAM Tracking statistics show that fuel costs dropped across customers once the tracking was in place. A real no-brainer for companies with fleets.

Wear and Tear

Every fleet manager knows that wear and tear is hard to avoid when running a number of vehicles. Aggressive driving, speeding and harsh braking are all common factors of wear and tear. Putting a tracking device in place to ensure driver style is good, and they stay within law-abiding speed significantly reduces this.

Reputation implications

It could be said that your reputation matters even more than what you produce. Customers are more likely to purchase a product or service from a company with a good reputation; ultimately making a decision based on their perception of a company instead of what the company provides. It’s common to see ‘How’s my Driving’ stickers, but vehicle tracking ensures your drivers act responsibly from the off, avoiding complaints. Don’t underestimate how much driving habits can affect the publics’ opinion of you. A speeding, erratic, branded car, van or HGV could be losing you more customers than you know.
Insurance implications

You can read our article on the implications of speeding and insurance here, but in short, managing how your fleet is driven and having proof of where they were when a false claim comes in all are ways to reduce risk and mitigate claims that lead to increased premiums. Vehicle tracking means you are able to monitor driver style (speed), and is seen as a positive step by fleet owners by insurance underwriters – it plays a part in insurance premiums and excess. It’s worth adding that in 2015, comparison website Money Supermarket ran a test on 1.2ltr Vauxhall Corsa and added one SP40 conviction to the quote (that’s exceeding the speed limit). The results showed that for a forty year old there could be an increase from £498.86 to £582.37 and a fifty year old could expect costs to rise from £397.29 to £589.42. This uplift for points could go on for more than simply the three years for the DVLA, often insurance underwriters go back up to five years. So those three points could cost that 40 year old five times whatever the initial increase was. Add to that the fine (which can cost someone on £25,000 up to £2,500) and it’s no small amount!

Make 2017 the year you slow your fleet, or expect the implications to be huge.”
April 2017 Speeding Regulations: Infographic

Why the UK needs to drive down on speeding

Between July and September 2016 approximately 5 people per day were killed in reported road accidents.

A total of 450 people

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<tr>
<th>Traffic</th>
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<td>1.4%</td>
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Increases in 2016

In the year ending September 2016, fatalities increased by 2% and traffic levels rose by 1.4% compared with the previous year.

Fatal accidents on major roads increased by 8% to 270 in third quarter of 2016.

KSI Casualties by road user type: Year ending September 2016

9,480 car (10%)
5,650 motorcycle (14%)
3,430 bicycle (1%)
5,480 pedestrian (10%)

Percentage change compared with previous 12 months

112,000 to 167,000

A 49% increase in the number of offenders found guilty of speed limit offences in any court in the last 5 years.

57.5%

In the last 5 years attendance of speed awareness courses went up by 57.5% from 772,000 to 1,121,600

Put together by RAM Tracking
Helping to drive down speeds

Intelligent cloud-based Vehicle Tracking provider
www.ramtracking.com
0330 100 3622

April 2017 Speeding Regulations: Legal Overview.

It’s the same crime, but it’s certainly not the same fine...

Giles Ward, Senior Partner at Milners Solicitors provides his expert overview of how the new speeding regulations will impact businesses from a legal point of view.

The 24th April 2017 sees a new and much harsher penalty system come into force for those of us caught speeding after this date. Sentencing guidelines have been reviewed and with the review comes an attractive deterrent; you could now be fined up to 150% of your weekly income.

At present an offender will fall into one of three ‘bands’; Band A, Band B or Band C. The latter is the harshest of the three penalties. Currently, Band C offenders start from a sum equal to 100% of their weekly income – from April 2017 we will see this increase to 150% which can be a significant increase based solely upon your salary.

From 1st March 2017, we saw the penalty for mobile phone usage whilst driving double from a £100 fine and three points to a £200 fine and six points. It is thought that the harsher reprimands introduced for mobile phone usage and speeding is indicative of how the authorities intend to crack down on repeat and prolific offenders who have not been deterred this far.

Speeding penalties and fines are not calculated quite as simply as other motoring offences. The current maximum fine for breaking the speed limit is £1,000, or £2,500 if caught on a motorway. The Sentencing Council has confirmed that the £2,500 cap will remain the same, however, the highest level of fines will be much more prevalent and more offenders than ever before will be damned to the highest level fines.

An offender’s speeding fine can be increased or decreased depending on the circumstances surrounding the offence. A ‘mitigating factor’ such as an emergency that caused the offender to drive in excess of the speed limit may see a reduction in the fine. An increase in speeding fine would come should an ‘aggravating factor’ be present in the circumstances surrounding the offence. The presence of an aggravating factor could see the offenders’ fine increase from 150% to 175% of the offenders’ weekly income. Aggravating factors include speeding with a...
trailer, carrying a heavy load or being a persistent offender.

It goes without saying that everyone should be aware of the forthcoming changes and how the new sentencing guidelines could affect you, however, those needing to pay even closer attention to the change in legislation is the prudent employer who employs drivers and/or runs a fleet of vehicles.

With the penalties increasing and modern technology forever becoming more advanced, the prudent employer / business owner / Director / Chief Executive / company owner (no matter how big or small the company is) should see the increase in penalty as the propeller into tightening up their own systems and removing any room for human error. Products like speed restrictors and tracking systems are among the modern day ways to tighten up on fleet speeds and while insurance companies look to tracking and telematics to assess control young drivers maybe now is the right time for fleets to take the same lead.

If your company received a Notice of Intended Prosecution and you had no way of identifying who was driving which car, at what time, on which day, what would you do? Whose wages would be subject to the new sentencing guidelines? Could you say you had done all you possibly could to ensure your staff were held accountable for their actions during every minute of every hour of every day? If you employ drivers, make sure they are accountable for their own actions, ultimately someone has to be, and it could by default be you.
What happens when you receive a Notice of Intended Prosecution for speeding and you don’t know who was driving?

Imagine this scenario; you are the owner of a company with a fleet of over 25 vehicles and over 50 employees who all use different vehicles on a daily basis. You do not keep a record or a log of who is using which car, at what time, or on which day. You receive a Notice of Intended Prosecution (NIP) and panic – who was driving this particular vehicle on this particular day at this particular time? Will anybody own up to driving the car? Who would voluntarily subject themselves to 3 points on their licence and a speeding fine? What happens if I cannot answer the NIP and it is my fault for not keeping a record?

The keeper of the vehicle has a legal obligation under Section 172 of the Road Traffic Act 1991 to provide the name of the person who was driving their vehicle at the time of the alleged motoring offence. If the keeper cannot remember or does not know who was driving their vehicle, they may be liable to prosecution. The punishment for failing to name the driver could be worse than for the speeding offence itself. The owner of the company must therefore demonstrate that he/she does not know and could not with reasonable diligence have ascertained who the driver of the vehicle was. Whether or not the owner of the company has acted with reasonable diligence is a decision entirely for the Court.

You can write to the Constabulary and request a photograph of the vehicle / driver but this might not assist. The photograph is taken for the purposes of identifying the vehicle, not the driver. So where does this leave you as the owner of the company? In short, it leaves you at risk of prosecution and a large fine if you cannot identify and report the driver of the vehicle in response to the NIP.

To combat this, regardless of the nature of your business, you should keep a thorough log/record of the whereabouts of your drivers at all times. You are ultimately responsible for your employees and it is you that has to respond to the NIP if the vehicle is registered to your business address.

Companies are not subject to speeding points, but Directors are. If you cannot account for your employees then you are ultimately leaving yourself wide open to an even bigger
problem. You should put all of your employees on notice (by way of an employee handbook and/or guidance notes) of their duty to report their whereabouts on a daily basis. If you cannot trust your employees to comply, you should consider introducing a clocking in and out system which forces your employee to enter data as to their whereabouts, for example vehicle tracking and telematics. If they fail to comply with the reporting requirements, they should be on notice that they could be subject to disciplinary action.

Procedures and policies within companies are often overlooked – do not become the author of your own misfortune.

By Giles Ward, Senior Partner of Milners Solicitors, Leeds.
April 2017 Speeding Regulations: Insurance Overview.

The New Speeding Laws And Fleet Insurance - What You Need To Know

Insurance Expert Tom Butler, Director from Schofield Insurance explains the impact the rise in speeding fines could have on insurance premiums for businesses with commercial vehicles.

The past few years have seen an increasing priority on fleet safety and with good reason. In the most recent Department for Transport reports, traffic on motorways and rural roads are shown at an all time high – with the % of cars, lorries and vans all rising. The provisional figure of 320 billion vehicle miles travelled on Great Britain’s roads in the year ending September 2016, was 1.4% higher than the previous year. Crashes, caused by anything from speeding to distracted driving (e.g. texting whilst at the wheel) can be costly not only to the individual but also expensive to the fleet – with liability capable of spiraling into the millions following the latest, not to mention the significant damage to the fleet reputation.

According to the Confused.com car insurance price index, Car insurance prices have gone up £110 over the past year – a rise of 16%. What’s more, extra pressures set to impact the insurance industry this year could possibly push prices even higher – potentially tipping the thousand-pound mark next year, the index suggests. The data also suggests than men tend to pay more for their insurance policies than women – and with an overwhelming number of fleet drivers’ being male, this is a stat that might well be significant to fleet managers.

There is little argument vehicles are becoming safer - thanks in part to advanced technology, such as anti-collision braking systems, blind spot detection, rear view cameras, and telematics. Fleets often write clauses for dismissal into contracts as further deterreints, for example being caught whilst using a mobile phone. But, in the most recent government report, fatal accidents on major roads (motorways and A roads) increased by 3% to 1,050 in the year ending September 2016. Fatal accidents on minor roads (B, C and unclassified roads) increased by 2% to 650 over the same period. There was a 3% increase in fatal accidents on roads with a speed limit of up to and including 40mph (built-up roads) to 780 and a 5% increase in fatal or serious accidents to 15,340 over the same period.
Speeding offences and in particular offences such as careless driving and/or drink or drug related endorsements can significantly affect insurance premiums for fleets when a claim is associated with the endorsement. For smaller fleets, underwriters are more likely to look at speeding offences and tie them in to increased premiums or excesses. For larger fleets, it’s often less about individual misdemeanors and rather the frequency and cost of the claims made. Of course, many of these claims may well have occurred as a result careless driving and/or speeding or similar.

Our fleet brokers and the underwriters we use refer to a clients 3 or 5 year fleet “Confirmed Claims Experience” (CCE). This details the number of claims made along with the appropriate payments and also the current claims reserves for both the policyholder as well as any third party.

The CCE also enables them to analyse the average cost per claim and average cost per vehicle, which is calculated on the total of claims divided number of vehicles over a 3 or 5 year period and this figure is then inflated to cover insurer costs, commissions, the rising cost of vehicle repairs and third party claims – the latter has dramatically been affected following the 27th February 2017 news of a reduction of the Ogden Rate.

The government lowered the discount rate (Ogden rate), the rate used to determine the value of compensation paid out to a personal injury victim, from 2.5 per cent to - 0.75 per cent. As a consequence motor premiums could sky-rocket as claims reserves have had to be increased.

In addition Fleets without the appropriate “experience” may well be hit with higher costs, simply because they have no proven track record.

Time will tell, but from an insurer’s point of view, we hope the new speeding implications will indeed minimise the number of incidents and claims. Fleet managers should be aware of the things they can do to minimise premium and excess hikes, including doing a thorough drivers’ license check on any new drivers. Those found with endorsements such as careless driving or drink driving are instantly flagged by underwriters and may be subjected to restrictions or exclusions on a fleet policy - perhaps only being insured for business use, or restricted to lower value vehicles. Installing telematics and tracking systems is a great way to prove that you’re doing your housekeeping as a business, especially if you can show you’re tracking driver style and speed. The ‘big brother is watching’ approach is certainly worthwhile for
fleet owners.

Installing onboard cameras hugely assists when settling claims, especially when it is usually the third party legal costs that escalate costs the most.
April 2017 Speeding Regulations: Customer Case Study.

AMCO’s Transport Manager explains how vehicle tracking software has helped him to actively monitor his entire fleet and reduce the speeding fines the company faced by 51%.

When it comes to running a fleet of 225 commercial vehicles, keeping tabs on speeding can be a mammoth task. Five years ago Barnsley-based firm AMCO made the decision to install 70 mph speed limiters to their vehicles to tackle the potential risks involved with speeding, and minimise unnecessary expenditures.

This proved a great success and brought a focus to the company and its transport department of how to reduce speeds on roads with lower speed limits. With this in mind AMCO engaged with its vehicle tracking partner of 8 years (RAM Tracking) to began working to co-develop a new idea around reducing speeding, The Speeding League. “To help assist us with the challenges we were facing, we were able to work with RAM and create this new feature which is essentially a speeding league of all of our 225 drivers” AMCO’s Transport Manager explained, “We have monitored the results carefully over the few years and the results have been staggering, the number of speeding tickets we previously accumulated has reduced by 51%!”. 

“It has been a great success so far because as a company we are committed to ensuring our drivers drive safely and keep themselves and other road users safe and with the future plans we have with RAM we are only looking to improve on this success”

But that’s not all, by reducing the number of speeding tickets AMCO have received, they have seen a direct correlation in several other benefits “We have seen a reduction in fuel consumption from improved driving, vehicle wear and tear has gone down across the board, and we are protecting the companies reputation with members of the public. It cannot be forgotten that by demonstrating this duty of care our senior executives and I have piece of mind that we are doing everything we can to ensure our fleet is as safe as possible. With Corporate Manslaughter laws and the prevalence of this to fleet operators this is a hugely important to me as the operating licence holder and also for our senior executives and managers”, AMCO’s Transport Manager states “Businesses need to realise that they are liable for their drivers. If accidents occurs and cause fatalities then management are also held responsible – I can't stress the importance of implementing the right processes to monitor company vehicles to protect other road users, the public, the driver, and the business and its directors. Ignorance is no excuse when it comes to safety.”
Another interesting fact that has come from the findings of AMCO’s speeding league reports, that may not come as a surprise to many - is that a large majority of speeding offences occur at the end of the working day when vehicles are being driven back to the office or home. “I’m sure we could have all guessed that this would be the case, I’d be amazed if it had been the other way round and people were speeding to get to work! But in all seriousness, these are peak times when roads are at their busiest – and without the information provided to us by RAM’s Speeding League we would have never been able to have such a significant reduction in speeding, speeding tickets, and obviously risk. We are delighted with the changes we have been able to implement and I have no doubts we’ll continue to see improvements across the whole of our fleet.”
Who to contact?

To speak to one of our expert contributors, speak to Dan Bell at RAM Tracking.

Telephone: 0330 100 3622

Email: danielb@ramtracking.com