



Increased risks from current Haulage shortage position

Storage and distribution of raw materials and goods throughout the UK is the lifeline of business, from manufacturing, hospitality through to retail. The combination of Brexit and Covid-19 is impacting the supply chain and distribution channels, restricting both the movement of goods and people.

This will affect:

- availability of goods
- disruption to lead times
- required buffer stock levels
- availability and shortage of staff
- shortage of lorry drivers, forklift truck drivers and specialist vehicle drivers

All businesses, including your suppliers, customers, partners or competitors, will be experiencing the same challenges, so adapting and planning to mitigate these is important to lessen the impact and maintain your customer base.

Covid-19 controls

Although the situation has eased significantly, and the UK Governments have rescinded many of the legally enforceable Covid-19 restrictions, it still remains good risk management practice to maintain vigilance and keep existing Covid-19 controls in place. This reduces the risk of personnel reporting in sick and further impacting the staff shortage situation.

What do you need to do now?

- Review your current stock levels. Do you have sufficient buffer stock and/or raw materials to cater for uncertainty in supply? If not, estimate how long the stock levels can last whilst you put in place strategies to alleviate the challenges.
 - » If you're in the retail or hospitality sectors you should be planning now for your festive season requirements.
 - » Speak to your suppliers and distribution partners now to secure your critical stock.

- If you're in manufacturing or distribution, consider other sites within your company, or any sub-contractors you use who may be able to assist temporarily with mutual assistance. This can be a two-way strategy and will help form closer relationships.
- If you're a manufacturing business, you should also review stock, or availability, of critical spare parts and consumables to keep production machinery running.
- It's particularly important to communicate frequently with any key customers reliant upon your production, goods or services to protect your share of their business.
- Where necessary, look to other logistics sources or alternative transportation modes so you can meet customer demands, ensuring they meet your standards for vehicle types and drivers.

Business Continuity Plan (BCP)

If you don't have a formal BCP in place, or haven't already invoked one, now's the time to look at this, and implement any pre-agreed actions specifically related to your supply chain, plus your supplier and customer relationship management strategy.



Things to consider

It's important to review your storage and distribution activities, to undertake suitable and sufficient risk assessments catering for any changes in staff, working patterns, stockpiling of goods and raw materials plus distribution strategies.

The following highlights some of the key areas that should be considered:

LGV drivers

- Recruitment and induction - ensure that the standard procedures are used. Robust checks prior to engagement is critical, especially when drivers are in short supply.
- Prior driving experience, especially with similar vehicles to those they would be driving, and type of goods being loaded and unloaded is always an advantage. Where this isn't possible or practical, ensure the correct familiarisation training is carried out. Risk assessments should be amended and updated with formal training records of all staff retained.
- Drivers hours are in place to ensure safety. Ensure that all drivers are within their driving time and have correct rest periods.

FLT and Shunter drivers

- Ensure all drivers, including any temporary or agency staff, have appropriate induction training with full records for individuals retained.
- Increased vehicle movements and longer working hours can result in operator fatigue and distraction, resulting in potentially serious consequences.
- Ensure drivers are trained with the type of goods being moved.

Storage

- Increased level of goods in storage can result in less room to manoeuvre vehicles.
- Where overflow storage facilities are used, forklift trucks may not be able to operate safely due to road surfaces and yards.
- Consider any increased impact damage and collision risk to buildings or storage racking.
- Review internal pedestrian walkways to reduce likelihood of people being struck by moving vehicles.

- Increased stock levels or unfamiliar stock can impact the overall fire risk:
 - » Controls should be maintained to prevent any storage in aisles between racking as this facilitates rapid fire spread.
 - » Minimise storage under canopies and loading bays, as this introduces potential fire spread risks to the main building.
 - » Excess idle pallets should be stored in the yard, maintaining a minimum of 10m separation from any building.
 - » The type of goods stored should be monitored and risk assessed, as they may include hazardous items in larger quantities or where they aren't normally stored (i.e. flammable liquids, flammable gases or aerosols etc.). Storage of these should be minimised and they should be stored appropriately in designated and protected areas. This is especially important where automatic sprinkler systems are provided.
 - » All items should be stored in designated areas and away from potential ignition sources such as boilers, heaters, electrical switchgear, lighting and battery charging etc.
 - » Weight loading limits of racking must not be exceeded.
 - » Free standing or block stacking of goods should be monitored to ensure it's not unstable.
 - » Storage mustn't block access to fire extinguisher stations, hose reels, fire alarm manual call points, fire escape routes or fire escape doors.
- Fire risk assessments should be reviewed and updated as appropriate.



Risk Update

- Erection of temporary storage marquees/tents on site:
 - » The location and exposure to the main warehouse and proximity to hazardous surrounds should be considered and risk assessed i.e. HV overhead power lines, railway tracks, motorways.
 - » Temporary heating should only be used after agreement with your insurer.
- Yard storage – adequate separation not less than 10m from any building to mitigate fire spread from arson.
- General housekeeping and waste removal (packaging etc.) needs to be considered and controlled.
- Where your premises have automatic sprinkler protection:
 - » Storage heights should be carefully monitored to ensure they don't exceed the allowable for effective sprinkler operation. In addition, the required clearance between the stock and the roof level or in-rack sprinkler heads should be maintained.
 - » Where in-rack sprinkler heads are installed, ensure there's been refresher or new training for your own or agency forklift drivers, ensuring correct pallet placement to avoid blocking flue spaces or damaging sprinkler heads.

What to tell your insurer

- Temporary third-party storage locations – prior to commencing the use of any temporary premises, you should contact your insurance broker to ensure appropriate cover is in place for temporary storage. Consideration should be given to ensure adequate security (especially if high valued attractive goods) and fire protection/detection is provided.
- Ensure sums insured reflect the increased value of goods in stock – this may exceed a seasonal increase amount.

Servicing maintenance

- Vehicles and forklift trucks may be running longer hours, so maintenance schedules should be considered to mitigate the risk of breakdowns and failure of equipment.

Retail issues

- Over-ordering and stockpiling of items can result in increased fire Health & Safety and theft risk.
- High valued, or theft attractive goods such as wines and spirits, should be in adequately secured areas.
- Where shop floor areas are reduced to accommodate additional goods, ensure this is done safely due to the increased Public Liability risk from goods falling or blocking aisles, escape routes etc.
- Review intruder alarm protection and location of portable fire extinguishers – we'd recommend you consult with your usual maintenance contractor.