



COVID-19 and Risk Profile Changes in the Logistics Sector

The UK is reliant on the logistics sector to keep supermarkets and other essential retailers stocked with food, medicines, and other basic items throughout the pandemic, as well as keeping loads moving for industry.

The arrival of COVID-19 has meant that well-established business operations have been thrown into disarray. Those across the sector are scaling up operations to cope with increased demand and adapting to both the goods they transport and how and when they are distributed.

The industry's trade associations have been working with operators to help businesses keep goods and services flowing, by filling shortfalls of staff or identifying vehicles with capacity during the pandemic. The transportation of different types of goods will require different equipment, as well as amended training and operational processes. As such, companies face a very different risk profile to that of a few weeks previously.

Operational considerations

Fleet, warehouse, and transport managers will be required to address a number of issues over the coming weeks and months as businesses adapt.

Fleet administration

It is essential that all employees continue to follow issued operating procedures and document any changes to procedures to take into account any new requirements relate

to the pandemic. Operators should ensure that appropriate communication lines remain in place to ensure that motor incidents are reported and investigated. Drivers should be issued revised guidance in relation to how to act at the scene of an incident. If new procedures are in place, such as decontamination of vehicle cabs at the end of each shift, these should be evidenced in writing and clearly communicated to all affected drivers. Ideally records should be kept relating to vehicle cleaning, especially if multiple drivers share the same vehicle over differing shifts.

Preparing a vehicle for extended parking

For some firms who face a lack of demand they have little choice in laying up vehicles. Parking all vehicles, or a significant number, in a single location presents an increased risk of a large-scale loss should accident or malicious harm occur. Care should be taken in relation to the chosen location for storage and ideally enhanced security arrangements should be put in place in order to deter trespassers. A daily inspection should be undertaken of the area to ensure there are no signs of trespass or obvious deterioration or damage occurring to the vehicles. Care should be taken in relation to who within the company is made aware that vehicles are idle

and their storage location. An alternative mitigation may be to split storage of vehicles across multiple sites, or areas of a single site, to prevent accumulation of vehicles all in one location. Insurers should be notified of the location and number of vehicles involved as this may affect terms of cover.

Preparing for vehicles to re-enter service

It may be necessary to ensure vehicles are turned over every couple of weeks to ensure that damage does not occur from laying idle. Prior to re-entering service the pre use check normally performed will be of utmost importance with particular emphasis on braking systems and tyre condition and pressures.

Furloughed drivers

Depending on how long a driver has been furloughed, return to work process will vary. Drivers who have been furloughed for a few weeks will not likely need any further intervention unless requested or there is a change in government or regulator advice. Drivers who have been furloughed for several months may require a re-assessment of their driving ability via usual driver assessors akin to the induction process for a new hire. However, this may present challenges where organisations have a larger number of drivers returning at once and it is not possible to stagger the return to work. Employers can instead consider whether they can use telematics to identify drivers whose performance may have declined. It will be important for employers to demonstrate they took a reasonable approach bearing in mind the risk and their resources. If the company has introduced any new procedures in relation to preventing the further spread of COVID-19 these should be communicated to drivers in writing. Ideally written confirmation should be returned by employees confirming an understanding and acceptance of the new working practices.

As the crisis develops, it will become necessary for operators to adapt to the how the new normal unfolds. A continual review of systems of work and related risk assessments will be required as the work and worker profile may potentially change from the pre-pandemic norm. For example, what was a two man loading operation will not be as straight forward in light of social distancing measures or, if part of the workforce are unable to return due to illness etc. Planning for these operational changes and remaining agile to changes in procedure will be vital when operating in these challenging times and building a strong foundation for the future.

Reference: The Chartered Institute of Logistics and Transport (CILT) Coronavirus Resource Database. Available on: <https://ciltuk.org.uk/covidresponse>, accessed 20 May 2020.

For more information about the pandemic and other resiliency solutions from Marsh, please visit the Marsh UK [pandemic risk resource](#) hub or contact your usual Marsh representative.

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