

The Highland Council

Agenda Item	13
Report No	CP/23/26

Committee: Communities and Place

Date: 13 August 2026

Report Title: Fleet Operations Update

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 This report outlines the outcomes of a recent preliminary hearing with the Office of the Traffic Commissioner (OTC) following concerns regarding the outcomes of two previously supplied audits to the OTC.
- 1.2 This report details the actions taken following an audit undertaken in May 2026 which was submitted as part of the evidence submitted to the OTC.
- 1.3 The report also provides an update on Fleet Operations performance against key compliance indicators.
- 1.4 This report also updates on the progress made on Fleet Compliance overall.

2 Recommendations

- 2.1 Members are asked to:-
 - i. **Note** the outcome of the Fleet Compliance audit submitted to the Office of the Traffic Commissioner in May 2026;
 - ii. **Note** the decision letter following the Preliminary Hearing in January 2026;
 - iii. **Note** Fleet Operations performance against key compliance indicators for May 2026 and June 2026; and
 - iv. **Note** the position in relation to next steps and ongoing governance of Fleet compliance.

3 Implications

- 3.1 **Resource** - Actions arising from the December 2025 audit and engagement with the Office of the Traffic Commissioner have been managed within existing Service resources. This has required a temporary increase in management, supervisory and compliance activity, including additional auditing, monitoring and staff training. These pressures have been met through reprioritisation of existing workloads and limited short-term specialist support. Any future requirement for additional resources will be reported through the appropriate governance arrangements.
- 3.2 **Legal** - The HGV (Heavy Goods Vehicle) fleet operation is regulated by the Office of the Traffic Commissioner. The Council continues to engage proactively with the Traffic Commissioner to demonstrate compliance with statutory requirements. The licensing provisions the Council must comply with can be found in the Goods Vehicles (Licensing of Operators) Act 1995, the Goods Vehicles (Licensing of Operators) Regulations 1995, the Road Transport Operator Regulations 2011.
- 3.3 **Risk** - Safe and effective management and operation of the HGV fleet is essential to complying with the Operator Licence. Non-compliance can ultimately result in the HGV fleet being taken off the road and/or a public inquiry.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – Any changes to existing procedures will contribute positively to maintaining the safety of fleet operations.
- 3.5 **Gaelic** - There are no Gaelic implications arising from this report.

4 Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is a monitoring and update report and therefore an impact assessment is not required.

5 Fleet Operations Audit May 2026

- 5.1 As detailed to the OTC as part of the action plan submitted, a further external audit of the Fleet Operations was undertaken by Kielin Transport Management Consulting in May 2026.
- 5.2 The findings of the audits were received on 9 June 2026 and the summary of the findings is outlined in **Appendix 3**.

6 Office of the Traffic Commissioner Preliminary Hearing 30 January 2026

- 6.1 On 19 December the Council received call up papers from the OTC to attend a virtual Preliminary Hearing on 30 January 2026. The preliminary hearing was convened as the following items were highlighted by the Traffic Commissioner as concerns:-
- Prohibition Notices;
 - Annual MOT test history;
 - Past History; and
 - The audit carried out on 28/07/2025 and all supporting documents provided.
- 6.2 As part of the evidence submission required, numerous documents were submitted to the Traffic Commissioner including the audit undertaken in December 2025 as detailed in section 5 of this report.
- 6.3 The nominated Transport Managers in the fleet team along with the Chief Officer - Facilities, Fleet and Transport, the Place Cluster HR business partner and the Assistant Chief Executive - Place attended the Preliminary Hearing along with our external legal representative. Following the hearing the Council was asked to supply evidence on two outstanding concerns from the Traffic Commissioner. These were:-
- Evidence of the appointment of a further 2 Transport Managers to the operating license.
 - How key performance indicators (KPIs) are reported to the Council Senior Management Team.
- 6.4 A letter containing the decision of the Traffic Commissioner was received on 17 February and is attached in **Appendix 1** of this report. The evidence required by the Traffic Commissioner to fulfil the decision notice was passed to the OTC on the same day. A copy of the Fleet KPI reports are attached in **Appendix 2** of this report for the months of May 2026 and June 2026. Further to this the outcome of the external audit completed and submitted to the OTC in May 2026.

6.5 To strengthen senior management and Elected Member oversight, Key Performance Indicator reporting has been formalised at the following frequencies:-

Monthly:-

- Place Senior Management Team
- Council-wide Fleet Operational User Group meeting

Quarterly:-

- Corporate Management Team

Annually:-

- Communities and Place Committee

Designation: Assistant Chief Executive - Place

Date: 9 July 2026

Author: Paul Reid, Chief Officer - Facilities, Fleet and Transport

Background Papers: CP/28/25 Fleet Traffic Commissioner Follow-up

Appendices: Appendix 1 – Decision letter from Office of Traffic Commissioner dated 13 February 2026
Appendix 2 – Place Senior Management Team: Fleet KPI report for June 2026
Appendix 3 – Summary Audit outcome May 2026

Appendix 1: Decision letter from Office of Traffic Commissioner dated 13th February 2026

IN THE SCOTTISH TRAFFIC AREA



HIGHLAND COUNCIL – OM0021134

CONFIRMATION OF THE TRAFFIC COMMISSIONER'S DECISION

Background

1. The Highland Council holds a Standard National Goods Vehicle Operator's Licence authorising 264 vehicles and 2 trailers. Malcolm McLeod is the Assistant Chief Executive (Place). There are currently only 3 named Transport Managers: Andrew Michael Hunter, Alistair MacKay, and Richard MacKinnon. Applications to add Charles Lawson and Graeme Turnbull were withdrawn on 15 December 2025
2. There are 45 sites named as Operating Centre. Preventative Maintenance Inspections are said to be carried out in-house (David Miller, Calum Morrison, Ian Hoare, Neil Grant, Sandy MacDonald, said Charles Lawson, and Charles MacLeod), and by Volvo Truck and Bus, Norscot Truck and Van Ltd, ETV Inverness, G. Bannerman (Tain) Ltd, Holly House Hire Ltd, A M Phillip Trucktech Ltd, BLS Truck and Van Aberdeen, Watt Light Ltd, and JRM Contracting, at 8-weekly intervals.
3. On 16 September 2025, the operator lodged a variation application seeking to increase trailer authority to a total of 8. On 13 October, my office received a further variation application seeking authority for 3 additional and to remove 2 existing Operating Centres. Both these applications are still being reviewed.
4. The operator was granted OM0021134 from 5 February 1991. On 28 October 2018, correspondence was received which raised concerns that there were only 2 Transport Managers specified on the licence. A 3-month Period of Grace was granted from 19 November 2018, apparently to allow a Mike Cooper to sit and obtain a Certificate of Professional Competence so he might then be nominated. On 19 July 2019 correspondence put the operator on notice that there was now only Mr Cooper named as Transport Manager. The operator then suggested that Alistair MacKay was to resit part of the CPC exam and that Richard MacKinnon had sat his CPC exam in June 2019. He was awaiting his results. My colleague was persuaded to extend the Period

of Grace yet further, to 30 October 2019 and issued a warning to the operator. On 19 July 2019, David Grant was added as a Transport Manager, and he was followed by David Miller on 24 October 2019.

5. On 25 January 2021, SY58 AMK was the subject of a double wheel loss. The subsequent maintenance investigation conducted by Vehicle Examiner Malcom Brown resulted in a further warning to the operator, dated 20 April 2021.
6. On 3 October 2023, SY70 MPY was the subject of an 'S' marked Prohibition Notice during annual test. A subsequent maintenance investigation was conducted by Vehicle Examiner Henry Mackie. Mr Mackie carried out visits to multiple Operating Centres named on this licence. The Maintenance Investigation Visit Report dated 4 March 2024, identified shortcomings including:
 - Inspection records not properly completed.
 - Inadequate maintenance facilities
 - Safety critical defects found at annual test.
 - Ineffective wheel security system
 - Unsatisfactory prohibition rate
 - Compliance not improved despite assurances given at a previous investigation.

The operator provided a response and 'action plan.'

7. This was apparently considered at a Preliminary Hearing on 28 October 2024. I have been unable to determine what findings were made at that hearing, but the Deputy Traffic Commissioner was apparently persuaded to issue a formal warning on the basis of an undertaking for a compliance audit by 28 February 2025.
8. However, a further 'S' marked Prohibition Notice was then issued against SV70 MPO on 4 December 2024 during annual test. Vehicle Examiner Mackie commenced a further investigation. He commented that *"SV70 MPO was presented for test with a dangerous defect present which was easily detectable. The vehicle had undergone two safety inspections prior to this, without the defect being noted. A broken suspension spring can appear to be a result of a random failure, if the spring is already weakened by a stress fracture. I find it plausible that this spring was already weakened by a hairline crack which was not visible to the inspector during safety inspection, and the crack spread later while the vehicle was stationary. Temperature changes can be a contributing factor, so being parked outside overnight in freezing conditions may have provided the right conditions for the spring to fail after the inspection. I consider that the operator acted in good faith by arranging for an external check of the vehicle; improvements in annual test fail rate indicate that this is having a positive effect, however the service provided by the contractor fell short on this occasion. I would have expected a driver to note this defect, especially as the vehicle was visibly leaning towards the broken spring. The situation could have been prevented by a thorough walk round check before the vehicle was presented for test. I find the S' marking to be justified, but as the defect is not a "true MSI" (no offences were reported) the recommended outcome would be Unsatisfactory – close in area."*
9. On 17 March 2025, my office received the promised audit report, carried out by Logistics UK on 17 February 2025. This audit identified several recommendations and recorded that the Prohibition rate had not improved since the Preliminary Hearing. An

accompanying action plan gave assurances and set out the remedial actions to improve compliance. It was noted that laden brake performance tests were not being conducted at every Preventative Maintenance Inspection and this was communicated in correspondence from my office on 3 April 2025. The response dated 11 April 2025 enclosed a spreadsheet of reasons for unladen brake testing. It appears that, for some reason, a further audit was suggested.

Hearing

10. The Preliminary Hearing was listed for 30 January 2026, from the Tribunal Room of the Office of the Traffic Commissioner in Edinburgh. The Operator was present in the form of Malcom McLeod, Assistant Chief Executive (Place), Paul Reid (Chief Officer – Facilities Fleet and Transport), Andrew Hunter (Service Lead – Transport & Logistics), Hannah Jones, HR Business Partner (Place), Alistair Mackay (Compliance Officer – ‘License’), Richard Mackinnon (Compliance Officer – Workshops), Grame Turnbull who were permitted to attend via video-link, represented by Callum Anderson, solicitor advocate of Levy & McRae Solicitors, who appeared by separate video-link. The Preliminary Hearing could not conclude due to technical issues with the connection to the hearing room. The operator was directed to supply any closing submissions in writing. These were duly received on 30 January 2026. Due to work pressures whilst covering two traffic areas, the production of this decision has been slightly delayed.

Issues

11. The purpose of the Preliminary Hearing was to determine whether it was necessary to call the operator and those associated with it back to a Public Inquiry, and to allow the operator opportunity to make representations in that regard.
12. The operator was directed to lodge evidence in support including financial, maintenance and other compliance documentation by 16 January 2026.

Determination

13. The latest audit was completed by Logistics UK on 28 July 2025. The report is dated 29 September 2025, and an accompanying action plan was received on 30 September 2025. The Service Lead, Andrew Hunter, explained that: *“Over the past few weeks, we have raised several concerns with Logistics UK regarding the audit’s recommendations.”* Yet again, the audit identified a large number of concerns, some of which had been referred to in the operator’s previous ‘action plan’:

Management Review

- 17 March 2025 - Review the fleet management structure and implement it. Add fourth and fourth transport managers to the operating licence (to be completed by 31 March 2025.)
- 28 July 2025 - Continue to review the current management structure for control and compliance of drivers. Transport Managers must be able to demonstrate full, continuous, and effective control over all aspects of the Operator Licence. If delegated authority is used, proof must be available to show that the directions of the Transport Managers are being effectively and accurately executed.

- 30 September 2025 - A revised fleet structure was proposed by the operator from 1 September 2025. The revised fleet structure was to be supported by HR and discussed in partnership, with a North/ South split. This identified an additional two qualified Transport Managers in Fleet Management. Work was ongoing to secure an additional Transport Manager for operational services. On 6 October 2025, a variation application was submitted to add an additional 2 Transport Managers, Charles Lawson, and Graeme Turnbull, but was withdrawn on 15 December 2025. No explanation has been provided.

Drivers' Hours

- 17 March 2025 - Toolbox training talk issued to all workshop personnel regarding vehicle downloads. Specific Vision software training to be undertaken for all workshop management personnel regarding vehicle downloads. Vehicle downloads monitored weekly, and details sent onto workshops for action if required. Revise automated reporting period for failures to download reduced to 14 days instead of 28 days. Provide additional training to operational managers who require it. All training records to be held by the fleet team. (to be completed by 30 April 2025.)
- Monitor overspeed events on a weekly basis and report any findings to Fleet management and the relevant service manager to investigate and potentially act. Develop a procedure to detail how overspeed events are dealt with and what action is taken. As part of the Fleet Structure review create a further Fleet Compliance Officer whose duties will include the monitoring and reporting of overspeed events (to be completed by 31 May 2025.)
- 28 July 2025 - Vehicle tachograph units were said to be downloaded manually. A report from Vision showed multiple vehicles that were not compliant within the 90-day limit. To consider reducing the frequency to improve data flow and overall compliance. Consider automatic downloads.
- Vision on overspeed's showed multiple events where vehicles had been driven more than the 56mph limiter and on some occasions, in excess of 60mph. Run regular overspeed reports, take appropriate corrective action where necessary.
- 30 September 2025 – the Transport Managers manage the system. Face to Face training was not due until November 2025. The operator was said to be exploring the market for improved tachograph software, to include automatic downloading. The operator is still using the Vision system for tachograph analysis. There had been recent additional training across the operational teams on population and general management of the system. Compliance toolbox talks were due in November 2025 on Tachograph use and making manual entries. That was to include control of driver tachograph print outs and retention.
- The Transport Managers currently run both lead-in reports and overspeed reports through Vision. The reports are sent out to the relevant operational teams to review and action. The new compliance process will require operational managers to return these completed, with investigation and information to the Transport Managers. OLAT training has been provided to operational management to support this.

Maintenance

- 17 March 2025 - Issue refresher toolbox training talk to all workshop personnel regarding the correct completion of Preventative Maintenance Inspection records before filing.
- Review skills of current workforce in terms of brake testing (including risk assessments) to determine if additional training is required. Update all vehicle files to ensure the brake testing requirements are included at the front of the vehicle file.
- Issue refresher toolbox training talk to all workshop management regarding the documenting of evidence to show why a vehicle has had a late Preventative Maintenance Inspection. Process to be developed for the escalation of cases where services wilfully withhold a vehicle from Preventative Maintenance Inspection.
- 28 July 2025 - This audit identifies there are still issues with Preventative Maintenance Inspections with driver detectable defects and not being fully completed.
- Multiple brake tests were seen to show excess brake imbalance without investigation or appropriate action taken. Some brake tests conducted using a decelerometer were not supported by brake temperature reading both before and after the test.
- Preventative Maintenance Inspection still being carried out beyond the declared intervals.
- 30 September 2025 - Preventative Maintenance Inspection records to be replaced with an improved version from Logistics UK. Audit to be carried out by Compliance Workshop Lead to identify concerns which should be investigated.
- The operator has now reviewed the audit actions and workshop management will sign off the Preventative Maintenance Inspections including brake tests, to ensure all relevant information/action is present. All vehicles will receive the minimum roller brake test and internal audits have been established as a means of checking. Review of maintenance Service Level Agreement and update to include Brake testing and equipment.
- The new compliance process in place from 6 October 2025 will remove any vehicles not presented on the inspection date and missed inspection documentation will now be placed in relevant vehicle files where required.

14. The operator was put on notice of my concerns regarding its previous promises, as evidence in the action plan dated 17 March 2025 compared to the audit carried out on 28 July 2025, the Deputy Traffic Commissioner having been persuaded to allow opportunity to demonstrate compliance with the requirements of the operator's licence. I recently had cause to comment on a developing practice in this traffic area, where instances of non-compliance are greeted with offers to undertake an audit at some point in the future. Traffic Commissioners may, on application for a new licence or significant upgrade, be persuaded to use discretion to allow early operation. That is usually under an interim licence (within a given period). The purpose of an audit is to confirm compliance. Operators and applicants should not labour under the impression that this is an opportunity to have a go and only then remedy any shortcomings thereafter. A number of questions arose as a result of the above reports.

15. I do not intend to describe in full the operator's bundle supplied in advance of the Preliminary Hearing. It contained witness statements referring to organisational

descriptions, service agreements, audit reports, fleet documentation, training records, compliance evidence, and operator performance data. The representations sought to describe the operational structure, compliance systems, audit outcomes, maintenance arrangements, deployment of personnel, technological support etc. Following the audits by Logistics UK, I was referred to a new North/South workshop operational model was implemented from 1 September 2025, assigning specific managers to each region, representing a restructuring of compliance management. The statements explain a redistribution of responsibilities, increased managerial capacity, and changes designed to separate operational and compliance functions. This includes involvement from senior leaders, HR, compliance officers, and workshop-level supervisors. Two new 'transport managers' are scheduled to complete the CPC qualification in February 2026 but have yet to qualify and will then need to be accepted by a Traffic Commissioner.

16. As part of the fleet operations and compliance systems, I was directed to the processes for *daily* vehicle checks including walkaround checks, defect reporting, Preventative Maintenance Inspections, and annual test planning. The 8-weekly inspection intervals are managed through the Tranman fleet management system but supported by paper and digital planners. I noted examples of *daily* walkaround check templates, vehicle file samples, drivers' hours guidance, maintenance schedules for the multiple depots, disciplinary actions for infringements etc, licence check logs. I make the point that driver defect reporting arrangements should not be limited to a daily walk round but extend across the working day and include any incident or environment where there is a risk of attracting driver detectable defects.
17. I was referred to numerous policies and standard operating procedures such impounding, drugs and alcohol support, equalities and conduct, Disciplinary procedures for fleet and traffic incidents. I was also noted commitments to electric vehicle operation (and the provision of EV charging infrastructure⁰, sustainable travel guidance, monitoring of fuel use, with planned depot modernisation and site upgrades as part of the operator's wider commitment to sustainability. The bundle also contained a range of driver performance data: Overspeed events, with example speeds recorded significantly above limits, Break/rest infringements and tachograph anomalies, missing mileage reports, licence checks and assessment of endorsements, fuel management records, and telematics (including behavioural scoring).
18. A large section of the bundle was devoted to seven workshop audit reports prepared in December 2025, covering the sites at Inverness, Brora, Aviemore, Fort William, Dingwall, Wick, and the Head Office, with assessments of staffing levels/technical competency, hours of operation, facilities and equipment, safety arrangements, maintenance documentation, quality assurance, parts management and compliance against DVSA guidance and standards etc.
19. As identified at the hearing, I was interested to understand how compliance was to be managed and in the context of commitments to strengthen tachograph processes with automatic downloads and the integration of telematics. I was directed to the fact that 84 employees had attended Operator Licence Awareness Training, the use of monthly toolbox talks on topics including first-use checks, accident reporting, safe

loading, and operator licensing, with specialist training on tachographs, brake testing, diagnostic tools, and annual test preparedness and that nearly all technicians are IRTEC accredited. This is supported by the Skills and Training Matrix.

20. The operator entered formal service level agreements with several external maintenance providers in October 2025. Those agreements include elements such as brake assessments and seek to ensure consistent standards to that work and across the 45 Operating Centres.
21. Disciplinary documentation shows instances where drivers were questioned or retrained. A structured process for investigating and escalating incidents is outlined, including the potential removal of drivers from service for repeated non-compliance. There was reference to revised job descriptions for those requiring CPC qualifications, with an emphasis on compliance obligations. I also noted the mandatory reporting of driving offences. It was suggested that the implementation of a new fleet management system to replace Tranman, the telematics system allowing for remote tachograph downloads, the recent deployment of the Safe2Drive system for licence checking, CPC tracking, and driver risk profiling, with updates to tachograph processes and integrated mobile driver apps and digital monitoring of AdBlue usage and fuel management, would improve accuracy and visibility against performance indicators. Asset reviews were also underway to evaluate the suitability of older depots and support planning for long-term infrastructure investment. 'Governance mechanisms' involve cross-departmental meetings, weekly depot reviews, regular escalations to senior leaders, and the recording of complaints, audits, and compliance reports.
22. As in all cases, I am entitled to rely on the word of the operator that it will comply with all the conditions and undertakings on the operator's licence. Those represent the basic requirements below which safety and fair competition will be at risk. It is incumbent of the operator to identify those requirements and the control measures required to deliver them before starting operations and to regularly review compliance during the life of the licence. Any Transport Manager has an additional statutory duty to ensure continuous and effective management of the transport operation. To do so, they must remain up to date with current standards and guidance. Traffic Commissioners require no explanation as to the impact of self-imposed bureaucracy on delivery, but accounting processes do not override legal requirements. Whilst appreciating the pressures on all public services across Scotland and Great Britain that does not provide an excuse for ignoring assurances given to this office.
23. I accepted that the additional audit by Kielin, prepared in December 2025 pointed to considerable progress to now address the issues identified in the previous audits. I noted the efforts made under the leadership of Mr Reid, since his appointment in May 2025. I invited representations, having referred to the above documents covering fleet management, processes for compliance processes, audit findings, and ongoing plans, specifically in relation to the need for additional Transport Managers to make the named individuals capable of discharging the statutory duty set out in paragraph 14A(1) (d) of Schedule 3 of the Act – i.e., effective and continuous management; capable; and the key performance indicators to be adopted so that the operator's Senior Management Team can be sighted (oversee) compliance and satisfied that the

named Transport Managers are capable of meeting that statutory requirement, by reference to section 13A(3).

24. Written representation prepared by Mr Anderson usefully confirmed that there are only three Transport Managers currently nominated on the licence, as above: Andrew Hunter; Alistair Mackay and Richard MacKinnon. The operator had previously applied to add Charles Lawson and Graeme Turnbull as Transport Managers, but that was withdrawn on 15 December 2025. It has immediately resubmitted the application naming Graeme Turnbull. The application to add Charles Lawson is due to be resubmitted in the week commencing 23rd February 2026, due to annual leave. I was reminded that Mr Turnbull is a Compliance Officer with responsibility for workshops south. It is intended that Mr Lawson would be a Compliance Officer within the operations function, which includes the main users of operator license vehicles being roads and waste. The adoption of an internal market with different service users is entirely a matter for the operator, but it cannot be permitted to create a conflict of interest with the Transport Manager's statutory responsibility. Two further staff members were to sit for the Transport Manager qualification in February 2026. The intention, should they qualify, is for them to be dedicated to the roads and waste functions, respectively.

24. I was told that the operator intends to adopt a more robust system for the reporting against Key Performance Indicators relating to fleet and transport, for the benefit of the senior management team. That will provide standard reporting on a monthly basis, building on the work of Mr Macleod. Indicators will include infringement levels, OCRS score, any vehicle impounding, annual test pass rates, and "*any other issues*." Mr Anderson proposed that I might be provided with an example, covering January 2026 within two weeks i.e. by Friday 13 February 2026.

25. The operator offered what I took to be an undertaking for a further audit by end of June 2026. I refer to my comments at paragraph 14 above, although that may be appropriate here, given the recent progress. It was suggested that attendance at the Preliminary Hearing today had reinforced to the operator (hopefully at senior level) the need for the remaining improvements to be implemented. Whilst I was invited to grant the two outstanding variation applications, I awaited confirmation of the lodging of the additional Transport Manager applications. I also awaited evidence of the context in which they would be overseen, and the operator's senior management would ensure compliance. I have therefore reserved that decision pending receipt of that documentation.

R Turfitt
Traffic Commissioner
13 February 2026

Appendix 2: Place Senior Management Team: Fleet KPI report for June 2026

Monthly Fleet Compliance Report Template

(Facilities & Fleet Management — Highland Council)

Reporting Period: June 2026

Prepared by: Alistair MacKay

Date: 07/07/2026

1. Executive Summary.

Overall fleet compliance performance during June remained Green, with all key compliance indicators meeting or exceeding target levels. Preventative Maintenance Inspection (PMI) compliance achieved 98.4%, tachograph compliance remained strong at 98%, and Vehicle Excise Duty (VED) compliance was maintained at 100%. The fleet Vehicle Off Road (VOR) rate was 4.9%, remaining within the corporate target of less than 5%.

The Highland Council's OCRS (Operator Compliance Risk Score) remains Green at 5.369, demonstrating continued strong regulatory compliance and effective fleet management controls. This reflects positive performance across vehicle maintenance, roadworthiness, and operator licensing obligations.

- Overall fleet compliance status: Green

- Key achievements:

OCRS maintained at 5.369 (Green).

100% Road Tax/VED compliance achieved.

PMI compliance exceeded target at 98.4%.

Tachograph download compliance maintained at 98%.

No safety-critical defects identified during the reporting period.

VOR rate maintained below the 5% target.

- Key risks or issues:

MOT compliance recorded at 88%, with two vehicle MOT failures requiring ongoing monitoring and corrective action.

Driver compliance spot checks identified issues within 16 of 18 checks undertaken, highlighting a need for continued driver engagement and compliance assurance.

A number of vehicle MOTs (16) and VED renewals (21) are due within the next month and require proactive management.

- Required actions / decisions:

Continue monitoring and rectification of MOT failures to restore full compliance.

Follow up on driver compliance spot-check findings and address any identified training or documentation gaps.

Maintain focus on upcoming MOT and VED renewal schedules to ensure continued compliance.

Continue monitoring OCRS performance and compliance controls to maintain Green operator status.

2. Compliance Scorecard (RAG Overview)

KPI Category	KPI	Target	Actual	RAG	Commentary
MOT Compliance	% of fleet with valid MOT	100%	88%	Green	2 Fails recorded
Road Tax / VED	% compliant	100%	100%	Green	All Vehicles Taxed
PMI Compliance	% completed on time	95-100%	98.4%	Green	Still within range
Defect Management	Avg. days to close defects	< 3 days	98.44%	Green	Still meeting target
Safety-Critical Defects	% repaired < 24/48 hrs	> 95%	0	Green	0
Driver Licence Checks	% up to date	100%	99.5%	Green	Driver records
Insurance Documentation	% valid	100%	100%	Green	Add and Removal up to date
Tachograph Compliance	% downloads on time	> 95%	98 %	Green	Above required limit
VOR Rate	% of fleet off road	< 5%	4.9%	Green	Just below the required limit of below 5%

3. MOT & Road Tax Compliance

MOT

- Total vehicles requiring MOT: _16____

- Vehicles compliant: _14____

- Compliance rate: _88__%

- Expiring next month: _16__

Road Tax / VED

- Vehicles untaxed: _0__

- Vehicles expiring next month: __21__

Commentary:

4. Preventative Maintenance (PMI) Compliance

- Scheduled PMIs this month: _180__

- Completed on time: _177__

- Compliance rate: _98.4__%

Commentary:

5. Defect Management

- Total defects raised: _36__

- Safety-critical defects: __0__

- Average time to close: __1__ days

Open Defects (Ageing Analysis)

- 0-2 days: _34__

- 3-7 days: __2__

- >7 days: ____

Commentary:

6. Driver Compliance Spot Checks

- Checks Carried Out: __18__

- Checks with Issues: ____16

- Compliance rate: _89__%

Commentary:

7. Tachograph / Hours-of-Service Compliance

- Driver card downloads on time: _97__%

- Vehicle unit downloads on time: __97_%

- Infringement rate: 1.1__%

Commentary:

8. Risks, Issues & Escalations

Ref	Description	Impact	Mitigation	Owner	Status
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Appendix 3: Summary of Audit May 2026

Highland Council May 2026 Audit Summary

Workshops and Operating Centres | Auditor: Kieran Goddard | Compiled from audit reports from May 2026

Audit window	Reports reviewed	Operator licence	Locations covered
5-19 May 2026	15 reports: 8 workshop/management and 7 operating centres	OM0021134, Standard National; Review date 31 Jan 2031	Portree, Brora, Dingwall, Wick, Inverness Lotland Street, Inverness Diriebught Street, Aviemore Fort William and Head Office Management

Overall conclusion

The May 2026 audit set indicates a controlled and well-supported compliance environment. The operating-centre reports show current operator-licence governance, Council-owned or controlled sites, adequate parking and manoeuvring capacity, and satisfactory occupation/use arrangements. The workshop reports show positive controls for brake testing, technician training records, key security, vehicle cleaning, AdBlue monitoring, quality/KPI arrangements, central records access and management support. Workshop action-plan pages reviewed were blank, with no populated amber or red workshop action entries visible.

Theme	Evidence / finding	Management focus
Governance and licence control	Operating-centre reports use the Standard Audit Framework and refer to licence OM0021134. The licence is Standard National with a review date of 31 January 2031. VOL details, authorised vehicles, operating centres and nominated Transport Managers were reported as current in the operating-centre reviews.	Maintain periodic VOL checks and keep evidence of licence, vehicle operating centre and Transport Manager reviews in the central compliance file.
Operating-centre suitability	Sites reviewed were reported as owned/controlled by Highland Council and therefore did not require third-party landlord permission. Parking capacity was reported as sufficient: Brora over 24 vehicles; Portree and Wick over 40; Diriebught and Fort William over 60; Lotland Street over 250.	Re-check site capacity following fleet changes, winter-service plan or operating-centre variations.
Workshop maintenance controls	The workshop observations reviewed were positive: rolling-road brake-test records were checked; managers could interpret brake reports; technician training records were adequate; keys were held in locked boxes; cleaning arrangements were in place; AdBlue usage was monitored through spreadsheets.	Continue refresher training, local evidence checks and central monitoring of brake-test, technician-training and AdBlue records
Quality, records and facilities	Facilities were described as clean, tidy and organised where reviewed. SLAs were in place with internal clients and external providers. Head Office management records noted a centralised SharePoint system for authorised managers across the Council.	Keep SLA, KPI, SharePoint and external-provider review evidence current and consistent across all sites.
Leadership and follow-up	Head Office management observations described a strong collaborative relationship with local workshop managers and consistent line-management support. One specific management watch-point was noted: Wick workshop was under performance management.	Track Wick workshop performance management through to documented close-out and retain evidence in management-review minutes.
External schemes and assurance	Operating-centre reports noted that the Council was not currently a member of external schemes such as CLOCS, FORS, DVSA Earned Recognition or Road to Earned Recognition; the reports also noted that the absence of these schemes did not itself indicate non-compliance because internal monitoring arrangements were in place.	Consider whether external recognition would add value but continue to rely on robust internal compliance monitoring as the core assurance route.

Recommended next steps

1. Consolidate the 15 reports into one action tracker, marking blank action plans as "no action raised" and adding any later amber/red items as they arise.
2. Keep routine samples of drivers' hours, WTD records, maintenance evidence, brake testing and technician training.
3. Review Wick workshop performance actions until closed and evidence progress at management meetings.
4. Retain this summary with the individual audit reports as an executive overview for future compliance review.