

# Warehouse



Official Magazine of The United Kingdom Warehousing Association

January 2009 Volume 18 No 1



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#### Mission Statement

The UKWA provides a service to Logistics Service Providers by helping to establish a favourable operating environment, by providing a forum for discussion on non-competitive issues and by providing information to assist them in their businesses.

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#### EDITORIAL

# 2009 - a year of certainty

**A year ago**, the papers were filled with prophecies about the year ahead. Most of them were wrong. Twelve months on even amateur pundits can be confident that their economic forecasts for the coming year will be borne out in fact. The conditions in our market place will be tougher; the national inventory of goods will be smaller, the number of containers arriving in our Ports will be less; shipping lines will be mothballing vessels; obtaining credit will be much more difficult; debtors will be pursued with greater vigour; competition will be fiercer; investment plans (transport, property, systems and people) will come under far greater scrutiny than ever before, and a greater than normal number of companies will go under.

2009 is going to be a year for strong business leadership. The last few months have seen the economy decline far faster than most of us can comprehend, and many small UKWA companies are fighting hard for survival. Their aim is short term - to be trading when the country emerges from recession.

At the moment there is no evidence that support the optimistic view that recession will end during 2009 or, indeed, 2010. Yet optimism is so much a part of the warehouse operator's make up. Optimism is the oxygen for the entrepreneur, and warehouse operators are, if nothing else, entrepreneurs. It is vital therefore that everyone maintains a positive approach to current difficulties and remains poised to react to

whatever opportunities that will present themselves.

The role of the trade association in times like these is clear. It is to understand members' difficulties and address the industry issues that compound the current economic situation. For example, there will be no let up on the efforts we are making to reverse the regulations relating to business rates on empty property. We will be redoubling our efforts to advertise the services offered by UKWA members and we will be more proactive in raising the profile of our sector within the wider logistics area. We are looking to improve the quantity and quality of business related services that are currently offered to member companies, and we will be making fresh moves to encourage greater interaction between UKWA members in terms of generating new business.

In a war of survival, it is understandable if companies narrow their operational focus and take a short term view of problems. In those circumstances, it can be difficult to discuss problems with outsiders. However, one feature of the UKWA structure is the number of experienced retired and semi retired operators, and specialist advisers who are willing to provide the benefit of their impartial experience and knowledge. Contact me for further information if you think it might help you.



**"2009 is going to be a year for strong business leadership"**



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## ANNUAL LUNCH

# Make a date for lunch with John Sergeant

UKWA is delighted to announce that the speaker at this year's Annual Luncheon and host of the 2009 Awards for Warehousing ceremony is the political journalist, broadcaster and, latterly, distinguished ballroom dancer, John Sergeant..

The son of a vicar, John progressed via newspaper, radio and television journalism, to become the BBC's Chief Political Correspondent from 1992 until 2000. In 2000, he joined ITN as Political Editor where he stayed until his retirement in 2002

One of the most memorable moments of his journalistic career was when he waited outside the British embassy in Paris for the then Prime Minister Margaret Thatcher, in the hope of hearing her reaction to the first ballot in the party leadership contest of 1990, only to be pushed aside by her press secretary, Sir Bernard Ingham, when Mrs Thatcher emerged from the building. For this broadcast, Sergeant won the British Press Guild award for the most memorable broadcast of the year.

After retirement from political journalism,



Sergeant's impressive appearances on programmes such as *Have I Got News For You* have made him a sought-after participant in television comedy and satire shows. and he is a very popular after-dinner speaker.

Of course, Sergeant made the headlines himself last Autumn when his appearances on *Strictly Come Dancing* endeared him to the nation. Although the show's judges repeatedly awarded his dancefloor efforts the lowest marks of all the contestants, the public consistently voted to keep him in the competition. He controversially pulled out of the show after saying that he had a real chance of winning and "even for me, that would be a joke too far".

"John is a very enter-



**FAR LEFT: John Sergeant and (left) dancing with Kristina Rihanoff during the BBC's *Strictly Come Dancing*.**

taining speaker and his presence is an added attraction at what is already a very popular event," said Roger Williams, chief executive officer of UKWA.

Meanwhile, members are reminded that, following the success of last year's Annual Lunch and Awards for Warehousing ceremony, UKWA has decided to return to London's Dorchester Hotel for 2009's event.

The Savoy Hotel had traditionally been the venue for the lunch but following its closure in 2008 for a multi-million pound facelift, the Association had little choice but to seek an alternative venue.

Although the Savoy is scheduled to re-open this year the UKWA Awards and Lunch committee

decided that the Dorchester offered the best option.

Superbly located in the heart of London's Mayfair on Park Lane, between Marble Arch and Hyde Park Corner, The Dorchester is close to exclusive London shopping in Bond Street and Knightsbridge and is with-in easy access of many London attractions including Buckingham Palace, West End theatres, the Royal Albert Hall and the National Gallery.

The Luncheon and Awards for Warehousing Ceremony will take place on Tuesday 30th of June.

Details of how to reserve a full table or individual places at the Dorchester are available from Jacquie Kirk at Walter House on (tel) 0207 836 5522.

## IRELAND

# Networking event planned as Irish membership grows

UKWA is planning to hold a networking event in Ireland. Some 20 senior executives from the Irish logistics and supply chain sector will be invited to attend the meeting, which, it is anticipated will be held in or around Dublin this Spring.

"We hope to persuade a suitable speaker to address the meeting and then plan to have an open forum over lunch or, perhaps, dinner," says UKWA's Roger Williams.

A venue for the event is currently being sought and details of its timing are still to be finalised, but anyone interested in taking part should contact Roger Williams on +44 (0)207 836 5522.

UKWA opened its doors to companies outside the boundaries of the UK in 2006 - partly to appeal to Ireland's third party storage and warehousing community which, traditionally, has not had a trade body dedicated to its needs.

The latest Ireland based companies to join the Association are Shamrock Foods Ltd and Packaging Resources Ltd.

Shamrock Foods Ltd is one of Ireland's leading providers of route-to-market services for third party food manufacturers and

delivers to over 2,400 customers and 3,000 delivery points within Ireland. The company is also the owner of three successful Irish brands operating in the Irish grocery trade

Packaging Resources Ltd is a full warehouse and distribution logistics provider with over 100 employees. It is part of the PRL Group Ltd which offers a full range of integrated services, including, national transport, local and regional distribution, inventory management, value-added services, vendor managed inventory,

consignment stock, cross docking, product returns and temperature-controlled distribution.

For each of the new Irish member companies one of the key attractions of joining UKWA was the ability to use the Association's Conditions of Contract. "The UKWA's Conditions of Contract are renowned and respected for laying out the terms of a warehouse keeper's agreement with his client," commented Roger Williams.

He added: "Since 2006 the take-up of membership from Ireland-based

organisations has been very pleasing and I sincerely look forward to welcoming more companies from Ireland 'into the fold' over the coming months."

## Membership services

**Members are reminded that a broad range of business-related services is available through UKWA. See [www.ukwa.org.uk](http://www.ukwa.org.uk) for further information on the services available.**

### ADVISORS

## MBE for Honorary Advisor

Charles Partridge, UKWA's Honorary Advisor on Rates and Property matters, was rewarded for his services to the surveying industry with an MBE in the 2009 New Year Honours List.

Charles has worked for Lambert Smith Hampton, where he is Rating Director, for over 40 years - a sixth of the company's history. Reflecting on his time at the firm, Charles commented: "I joined the company on 1 September 1970. At that time the calculator had yet to make its presence felt in



surveyors' offices, we would not see a computer for another 10 years and I was warned that brown shoes were only worn by West End surveyors on a

Saturday!"

UKWA's Roger Williams commented: "Aside from his work with Lambert Smith Hampton, Charles has made and continues to make a significant contribution to the United Kingdom Warehousing Association. He has helped a great many members to reduce their rating burden down the years - saving many thousands of pounds.

"I am sure that everyone who has ever met Charles will want to join me in congratulating him on this well deserved

## EXHIBITION

# UKWA pavilion at Multimodal 2009

Following the success of last year's event, a UKWA pavilion will once again form a prominent feature within this year's Multimodal exhibition. Taking place at the NEC, Birmingham, on 28-30 April Multimodal 2009 is a trade show for the Freight, Transport and Logistics industries. The UKWA pavilion is divided into 22 booth-type stands located around a central lounge area where refreshments are served to UKWA pavilion exhibitors and their clients. The pavilion will give members the opportunity to promote their services to visitors to the show at attractive rates.

Exhibition sales director Robert Jervis, comments: "After the resonant success of Multimodal 2008, there is no doubt that the event is on course to become the UK's foremost transport and logistics exhibition. Multimodal 2008 opened its doors to around 1900 high quality visitors and 700 VIPs, conference attendees and press. These key industry figures, eager to source new products and services, make new contacts and take advantage of

the numerous networking opportunities were greeted with enthusiasm by exhibitors. Substantiating this success, 68% of exhibitors rebooked on site.

"Multimodal is unique. It is the only event in its field to embrace the complete spectrum of freight transportation and logistics. Despite current trends, the show has already grown by 60% in its second year, with new exhibitors representing 30% of the expansion. This enlargement has necessitated a move to Hall 9 at the NEC in 2009. Totally unique in its appeal, Multimodal is an educational, topical and informative experience for all. Whether you're a buyer, seller, shipper, freight forwarder or equipment supplier, the event will provide a stimulating and interactive environment where you can build your business and expand on customer relations.

Roger Williams, chief executive officer of UKWA, comments: "Last year the UKWA pavilion proved attractive for various reasons. It was a useful means of helping to promote the benefits of deal-



ing with UKWA association members generally and, of course, it represented an opportunity to market themselves to an audience of potential users of their services in a way that otherwise they might not have considered.

"There is a strong argument in favour of increasing their marketing spend during times of recession and the agreement we have reached with the organisers of Multimodal 2009 gives members the chance to market themselves to an audience of potential users of their services in a way that, otherwise they might not have considered at a cost-efficient

price."

Over 14 members and associate members have so far signed up for the UKWA pavilion at Multimodal 2009, including Potter Group, Seabridge, AV Dawson, Narrow Aisle, Translift Engineering and Proteus Software.

Members who would like further information about either Multimodal or the plans for UKWA Pavilion, should, in the first instance contact either Roger Williams at UKWA (tel: 0207 836 5522 or email [rwilliams@ukwa.org.uk](mailto:rwilliams@ukwa.org.uk)) or Robert Jervis at (tel: 0207 370 8373 or email: [robert.jervis@clarionevents.com](mailto:robert.jervis@clarionevents.com)).



Golfers should note that the UKWA Golf Society will be holding its annual golf day on Thursday 10 September 2009 at the Portal Golf & Country Club, Tarporley, Cheshire. Following the success of last year's event, the day will once again be shared with the British Association of Removers' (BAR) golf society and players will compete for the UKWA/BAR Challenge Trophy as well as UKWA's own Bovril Trophy and a host of other prizes. All members are invited to participate - regardless of their handicap! Further details are available from Jacquie Kirk at Walter House.

#### NEW MEMBERS

## The Bristol Port Company

St Andrew's House  
St Andrew's Road  
Avonmouth  
Bristol  
BS11 9DQ  
Tel: 0117 982000  
[www.bristolport.co.uk](http://www.bristolport.co.uk)  
Contact: Brent Stephen

**The Bristol Port Company's** warehouses handle a wide variety of cargoes from fresh produce through forest products, steel and wine arriving in break-bulk, containers or via road.

The Port's warehouses are managed by a dedicated team, using the most up to date stock control and reporting systems. The Port is ideally located for distribution to the main centres of population, within easy access to M5 / M4 motorways and rail connection, enabling



approximately 42 million people to be reached within a 250 km radius. All services are certificated to ISO 9001:2000

## Shamrock Foods

Merrywell Industrial Estate  
Ballymount  
DUBLIN 12  
Ireland  
Tel: 00353 1 405 1500  
[www.shamrockfoods.ie](http://www.shamrockfoods.ie)

**Shamrock Foods** is a FMCG company specialising in "full service" provision for its clients, as well as owning some of its own Food brands. The company is currently one of the largest food businesses in Ireland and its modern 225,000 sq ft facility stores 19500 pallets, with delivery of over 15 million cases per annum.

Shamrock's distribution network covers a variety of retail outlets, including all the major multiples, wholesale, cash and carry, forecourts, co-operative outlets, and newsagents.



## EHD London No.1 Bond

Unit A,  
Vickers Drive North  
Brooklands Industrial park  
Weybridge  
Surrey KT13 0YU  
Tel: 01932 334300  
[www.ehdlondon.com](http://www.ehdlondon.com)  
Contact: Michael Phelps

Founded in 2000, **EHD London No.1 Bond** (EHD) is an HMRC approved bonded warehouse providing storage and distribution solutions for in excess of 250 clients both private and trade, holding wines, beers and spirits at their Surrey based warehouse facility. These include a number of well known high street retailers, numerous UK wholesalers as well as two world famous auction houses dealing in fine wines.

#### DIRECTORY

## Members' directory out soon

The 2009 edition of UKWA's Directory of Members' Services will be published in February.

The new Directory will be A4 in size - unlike previous issues which have been produced in the smaller A5 size.

The Directory lists all UKWA members both geographically and alphabetically and also features a section dedicated to suppliers to the warehousing sector. It is, in short, an invaluable guide to the UK third party logistics sector.

Each member receives one free copy of the Directory but additional copies can be ordered from Walter House. Contact Michael Davison on 0207 836 5522 for details .

Everyone agrees that the coming 12 months will be tough for the business community and the 3PL sector will have to adapt and respond to the challenges that lie ahead. Warehouse spoke to senior executives from a range of third party operators and suppliers to the sector to gauge their mood as we enter a difficult year

# There may be trouble ahead...

## Iain Speak Chief Executive Bibby Distribution

"It's pretty clear that 2009 is going to be tough and the closer your business is to the non-food retail markets the more difficult it is likely to be. Clearly those companies that are highly geared are also going to experience problems.

"However there are always opportunities and third party operators that have a diverse client base and good cash flow could be well placed to pick up new business. For example, I think that in the current climate, the services offered by the 3PL sector could be even more attractive to own account operators, who will increasingly come to see that transport and warehousing – if not fully optimized – represent a very high fixed cost. By offering flexibility and the chance to reduce assets, logistics services providers can bring real bottom-line savings to a business and many companies who have historically been reluctant to outsource may well be tempted to do so.

"It is vital to stay positive about growth and entrepreneurial in your outlook but, at the same time, keep

a tight control on costs."

***Bibby Distribution employ around 2,500 people at more than 70 locations in the UK. The company operates over 1,000 road-based assets and several million square feet of warehouse space.***

## Charles Watt Managing Director Store-It-All

"To come through this difficult period companies will have to look very hard at their cost base and review every aspect of their business. Those operators with bank facilities should strive to maintain first class and continuous communications with their bank – no banker (and I used to be one) likes surprises. It is also worth bearing in mind that, if you need to extend your credit, banks are taking far longer to make a decision than in the past and when they might not reach the decision you were hoping for!

"It seems inevitable that there will be consolidation in the third party sector and those companies that are heavily geared are likely to find any notable decrease in their income stream difficult to live with.

"Any improvement in trading

conditions is unlikely to be noticed before the final quarter of the year and until then – at the earliest – the economy is likely to continue to bump along the bottom."

***Established in 1993, Store-It-All offers in excess of 50,000 sq.ft of warehousing space in Suffolk. The company stores all types of materials from food-stuffs to electronics and also specialises in archive storage and offsite document storage.***

## Derrick Potter Founder and executive chairman The Potter Group

"The outlook does appear very gloomy. The retail sector in particular will continue to have major problems and there is little doubt that these will impact on those 3PLs that serve that particular market.

"Ensuring good cash flow is going to be one of the key issues throughout the year and beyond. I don't want to sound too downbeat but I believe that this situation will not improve for quite some time – it will certainly last longer than 2009.

"In 40 years in business I have

been through a number of recessions and each one is different. However, I think that the way that the present Government is handling the situation is far from helpful. They're attempting to put off the pain – possibly with a view to calling a Spring election – but you don't get out of debt by borrowing more.

"However, turbulence in the market brings opportunities and as volumes shrink, I think that more companies will look to outsource their logistics and warehousing operations. This will create openings for 3PLs."

***The Potter Group provides a complete range of logistics services and solutions, The company operates five distribution centres offering more than 1.6m sq ft of covered warehousing.***

### **Norman Hatcliff** **Managing Director** **Norish Plc**

"Despite the general mood, I'm optimistic – Norish has a good mix of clients and we're structured well.

"As far as the general industry is concerned, operators should strive to look after their existing customers and support them in every way they can.

"As the year unfolds it will become more essential than ever to manage costs as tightly as possible – something we at Norish have always strived to do anyway.

"I would also advise 3PLs to look for initiatives in terms of energy saving – this is particularly important for companies such as ourselves who operate large cold stores. There are significant cost advantages to be made by striking the right deal with your energy supplier and by introducing energy efficient systems that reduce consumption.

"Finally, it is crucial that 3PLs make best use of market intelligence. Keep close to your business and watch for customers who might

be running into difficulties."

***Norish is a third party multi-temperature warehousing and logistics business, which operates from seven strategically located sites and provides in excess of 68,000 racked pallet spaces, of which 52,000 are temperature controlled***

### **Bill Goodwin** **Sales Director** **Jungheinrich UK Ltd**

"It is particularly important in these times that forklift truck suppliers work with their client to develop clear customer-led strategies. To this end it is vitally important from the outset of the supplier/user relationship that the user is confident that his preferred supplier has the culture, style and values to deliver the kind of results he is looking for.

"With greater pressure on margins efficient fleet management is vital but large fleet users will only be able to derive maximum cost and efficiency gains with measurable values from fleet management systems if they have an effective communication strategy with their truck supplier and then users need to be sure that their truck supplier actually has the desire to deliver results that might appear counter-productive to their profit stream. By this I mean, a truck audit will often recommend reducing the fleet size which, on the face of it, is not in the supplier's best interests."

"Understandably, in these difficult times the question of how the purchase of materials handling equipment is funded has taken on particular importance.

"When it comes to acquiring new forklift trucks, a range of financial options are available but many truck users prefer to acquire their fleets on contract hire packages.

"Contract Hire offers an easy-to-budget, steady cost stream with 'no surprises', but we would advise anyone entering a Contract Hire

agreement to spend time carefully reading the contract they are offered. We advise customers to ask what is meant by 'maintenance'? Does it include all repairs caused by wear and tear? We remind people that what is left out of a contract is often as important as what is included, and that they should never be fooled by an artificially low price. It could mean that either you are not going to get the full service or there has been some financial manipulation on residual values.

***Jungheinrich UK Ltd offers Pallet Trucks, Stackers, Counterbalance Trucks, Reach Trucks, Order Pickers, Very Narrow Aisle and Stacker Cranes in more than 600 truck variants.***

### **Mark Hewitt** **Managing Director** **iForce Ltd**

"During 2009 it will be vital for retailers to have a strong on-line presence when all indications are that the high street will be under significant pressure. A key step to ensuring an on-line service is successful is to outsource the fulfilment of on-line orders to a specialist operator.

"So we anticipate another year of growth in on-line fulfilment with our clients, which will allow us to expand our services, bring on new clients and create extra jobs in both our existing and new sites. We also expect the year to mark our first steps in to international expansion. In a sector that has a challenging year ahead we are looking forward to working with all our clients to grow their on-line businesses further"

***With over 1.2 million square feet of warehouse space in seven UK locations, iForce is one of the UK's leading e-fulfilment and returns logistics businesses.***

## INBRIEF

**Truck brochure**  
UKWA Associate Member **Narrow Aisle**, the articulated forklift truck manufacturer, has produced a new brochure covering the extensive collection of products available in its FLEXI range.

The publication provides a brief introductory overview to the full FLEXI series and also features key comparisons and technical data to allow pallet storage systems to be designed and compared.

To request a copy of the new literature visit [www.flexi.co.uk](http://www.flexi.co.uk)

**Forklift contract**  
UKWA Awards sponsor **Jungheinrich** has supplied a fleet of over 240 trucks from its extensive forklift product portfolio to **Sainsbury's Hams Hall** distribution centre (DC). The contract was fulfilled over two phases with some 152 trucks delivered earlier this summer and a further 89 trucks becoming operational at the facility in October 2008. Jungheinrich now supplies circa 25 per cent of all of the forklift trucks used by Sainsbury's within its UK logistics operation.

### PROPERTY

# Research identifies future European logistics hotspots

According to research by property company **Jones Lang LaSalle**, demand in Europe's seaport real estate market has risen substantially reflecting an increase in sea freight throughput in the region during the last decade.

Container ports have developed into important gateway locations serving extensive inland networks proving critical in logistics supply chains. Chris Staveley, Head of the European Cross-Border team at Jones Lang LaSalle, commented: "European container ports have recorded a substantial increase of freight throughput over the last decade, with several ports recording double digit growth in recent years. Total freight transportation in Europe increased by 9% to 100m Twenty Feet Equivalent Unit (TEU) containers in 2007 and despite the more difficult economic situation today, growth rates in freight throughput in Europe's ports are still expected to remain strong."

Chris Staveley says that this steady increase in container trade has resulted in capacity stress and has placed operational constraints in Europe's main existing container ports.

Other key findings of

Jones Lang LaSalle's European Seaports: Future Logistics Hotspots research paper include:

- The principal European container ports will remain hotspots for logistics occupier demand with markets expanding into the wider metropolitan areas.
- Increased logistics demand is also expected around the smaller but growing European port locations, which will benefit from increased transshipment.
- A small number of new port locations are currently in the planning or development phase. These ports are expected to contribute to an increase of freight throughput in their respective regions and thus create a new logistics demand.

Chris Staveley concludes: "Although we see interesting growth potential in some of the smaller

port locations, Europe's main gateway ports are expected to continue to be the leading logistics locations in terms of maritime transport. Already established logistics markets are expected to be favoured locations for logistics operators, developers and investors. They will, however, increasingly suffer from land constraints and the logistics market will move away from direct seaport submarkets into the wider metropolitan areas. Our research concludes that this trend will be encouraged by improved infrastructure networks. Higher land availability along with lower land prices will provide occupiers with less expensive logistics facilities further away from seaports providing development potential for those in the logistics real estate market."

### MATERIALS HANDLING

## Meale's time at FEM

John Meale, Managing Director of loading bay and materials handling equipment specialists, **Thorworld Industries**, has been appointed Vice President of the **Federation Europeenne de la Manutention** (FEM), the European Federation of Materials Handling. His appointment, for a two year term, was made at the recent FEM Congress in Cannes. It was attended by more than 150 delegates from across Europe, as well as visitors from the United States and Japan.

FEM represents the technical, economic and political interests of the European materials handling industry.



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**Indeco** - Narrow Aisle Presence And Daylight Detection



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## IN BRIEF

**Five year forklift warranty**  
**Mitsubishi Forklift Trucks** has announced that it now offers a 5 year warranty package throughout the UK.

Described by the manufacturer as being "as robust and dependable as a Mitsubishi truck itself", this package is said to offer low operating costs and long-term protection against unexpected repairs. The warranty stays with the truck if it is re-sold – which helps to maximise its secondhand value.  
[www.mitsubishi-forklift.co.uk](http://www.mitsubishi-forklift.co.uk)

**Retirement announced**  
**Deutsche Post World Net Chief Financial Officer John Allan** has announced that he will retire in June of this year. Allan joined the company in December 2005 following Deutsche Post World Net's acquisition of Exel plc where he had been CEO.

## REPORT

# Positive news for logistics sector

According to a new report from **EFT Research**, supply chain and logistics technology spending will remain strong, despite the economy.

The *2008 Logistics Technology Report* reveals that 88% of supply chain and logistics executives plan to increase or maintain their investment in supply chain technologies, even if they do not predict business growth next year.

The report compiles survey responses and opinions of more than 200 top supply chain executives from compa-

nies including Philips, Norbert Dentressangle, Schenker, and DHL.

Despite unanimous agreement that the global economic crisis is having a negative impact on the supply chain industry, 64% of executives still expect to see business growth in 2009. 84% of executives who do not expect to see growth in their business next year still intend to increase or maintain their investment in technology and IT solutions.

The findings of this report will form the basis of discussion at the 2009

eyefortransport Logistics Technology Forum, which will be held in Amsterdam on February 19th - 20th, 2009. The Forum will address how technology and IT solutions can help companies cut costs and survive the economic crisis, with keynote presentations and case studies from British Airways, DHL, CEVA Logistics, Philips, Alcatel-Lucent and other leading companies.

The full report can be viewed at:  
[www.events.eyefortransport.com/logisticstecheu/report.shtml](http://www.events.eyefortransport.com/logisticstecheu/report.shtml)

## BUSINESS WIN

# Sainsbury's contract for iForce

UKWA member company **iForce**, one of the UK's leading multi-channel logistics specialists, has signed a new contract with Sainsbury's to provide e-fulfilment services for its new non-food operation.

The operation will be based at Sainsbury's depot in Corby. iForce will now work closely with Sainsbury's in developing their plans for the site which will be operational later this year.

Mike Sturt, Logistics Director – General Merchandise and Clothing at Sainsbury's commented: "We are very pleased to appoint iForce to operate our e-fulfilment centre in Corby. Their experience in this field will help us in developing an effective

and efficient e-fulfilment operation that is fully customer focused."

Commenting on the new contract, Mark Hewitt, CEO of iForce, said: "This is a very significant contract for iForce and we are delighted to be partners with Sainsbury's and to assist

them in the launch of the new non-food offering to their customers. Moreover, at a time when the economic environment is so challenging, we are pleased to be able to bring new jobs, both full time and seasonal, to the Corby area over the coming years."



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Waste



racksack



The problem of managing warehouse waste is easily and quickly disposed of by hanging the new Beaverswood '**racksack**' to the end frames around the warehouse. The '**racksack**' fixes neatly onto most racking and shelving systems that are between 900mm to 1100mm deep by means of two strong 'S' locators. The locators simply hook into the holes of the side profile of the end frames and allow the sack to be quickly removed and emptied. (Locators are supplied)

The '**racksack**' is made from tough woven polypropylene that will withstand the rigours of a modern warehouse and features three strong handles, one on each side for carrying and one on the base for emptying.

The '**racksack**' is printed with one of three designs to allow for waste segregation:

- Mixed Paper & Card
- Plastic Only
- General Waste

Dimensions: 800mm high x 920mm wide x 400mm deep. Sold in individual units or packs of 5 or 10. For further information and a free copy of our catalogue, please contact the sales office on Tel: 01189 796 096, Fax 01189 795 715 or email [sales@beaverswood.co.uk](mailto:sales@beaverswood.co.uk)

## INBRIEF

**Agency workers**  
As from 27 October 2008, agency workers on contracts of less than 3 months became entitled to receive statutory sick pay from day one of their employment (subject to meeting the standard entitlement rules). From December 2011 at the latest, they will also have the right to the same pay and conditions as their colleagues after 12 weeks' employment.

**Go to prison**  
**The Corporate Manslaughter and Corporate Homicide Act, which came into effect on 6 April 2008 created a new corporate manslaughter offence and seeks to make it easier for companies to be convicted of manslaughter for work-related deaths and injuries.**  
**The Health and Safety (Offences) Act 2008, which comes into force on 16 January 2009, and applies to offences committed after this date, means that anyone convicted of a safety offence could be imprisoned, and not just fined, as in the past.**

### FORKLIFT TRUCKS

# New booklet aimed at reducing forklift casualties

A new employee safety booklet aimed at cutting the number of accidents involving fork lift trucks at businesses across the UK has been launched by the **Fork Lift Truck Association**.

*Employee Safety: Working with Fork Lift Trucks* is the latest publication in the FLTA's Operator/Employee Safety series which covers subjects including counterbalance trucks, daily or pre-shift checks and warehouse lifting equipment.

The booklet has been written in two parts. The first section is aimed at employees and provides them with the basic information they should know for their own safety and that of others around them. It is specifically aimed at those working alongside fork lift trucks.

"Hundreds of employees are left seriously injured by fork lift trucks each year," explains FLTA

Chairman David Ellison. "Many of the injuries sustained lead to disability – and in some cases death. Sadly, many of these employees weren't operating the truck at the time – they just happened to get in the way.

"For their own safety, and that of others, anyone working near a fork lift truck should be familiar with their dangers – and dangerous practices – which are outlined and illustrated clearly in the booklet.

"Pedestrians often don't understand the dangers associated with fork lift operations. Forklift trucks and pedestrians simply don't mix – and that is the problem.

"Although the best advice is to keep well clear of any fork lift in operation, we are aware that sometimes it's unavoidable. So, we have included some simple and easy-to-remember tips that could save a

life – or a limb."

The booklet's second part, directed at employers, examines legal responsibilities, safety equipment and safety resources. Safe practice is strongly encouraged through the exploration of health and safety issues.

"Understanding the relevant facts is essential for any employer with fork lift trucks operating in the workplace," says David Ellison. "It places them in a better position to help protect all of their employees, and others, who may come into contact with their trucks."

Copies of the new booklet are priced at £1.50 each or £67.50 for a pack of 50.

To order *Employee Safety: Working with Fork Lift Trucks* email [mail@fork-truck.org.uk](mailto:mail@fork-truck.org.uk) or call the FLTA office on 01256 381441.



## MENTAL HEALTH

## Messy warehouse leads to compensation for HGV driver

A labourer has been awarded thousands of pounds after tearing cartilage in his knee. He sustained the injury while collecting cement from a warehouse in 2005, when he tripped over a piece of timber that had not been cleared away.

Gary Harper, 41, who worked for Quadron Services in Leicester, has returned to work as a HGV driver, but will suffer long-term knee pain. Mr Harper said: "My employers had been warned time and again about the risks of this type of accident, but they did nothing to

make sure our working environment was as safe as it could be."

He added: "It was a silly accident, but I ended up with intensive surgery, in a lot of pain and off work for a year."

Hope Daley, health and safety officer at union UNISON, commented: "Employers must be aware of the dangers of a messy environment. Procedures like risk assessment may seem tedious, but they prevent accidents like this from happening. In busy workplaces like building sites there should be thorough

training to ensure that staff understand the importance of keeping the workplace tidy. The money cannot make up for the unnecessary pain suffered by Mr Harper."

Brendan Quinn, from Thompsons Solicitors, who acted for Mr Harper in the UNISON-backed case, said: "This claim shows the importance of risk assessments and making sure staff are fully trained in health and safety. An accident that could easily have been avoided has led to a painful injury and has wasted both time and money."

## BULLYING

## Workplace bullying linked to sickness and disability

Workers with disabilities or those with long term ill-health are facing higher levels of hostile and negative treatment in the workplace, according to new research.

In a survey of nearly 4,000 workers, the *British Workplace Behaviour Survey 2008*, conducted by Cardiff University and the University of Glamorgan, found employees with a disability or long-term illness reported they were more

likely to have negative experiences at work. These experiences range from low expectations of workers, bullying and humiliation to, in some cases, physical violence.

Nicola Brewer, chief executive of the Equality and Human Rights Commission (EHRC), which published the report, said: "In these difficult economic times we must do all we can to help as many people as possi-

ble to stay in work. If disabled people and those with long-term ill-health are more likely to experience hostile and negative treatment at work, we risk losing both their talent and their economic contribution."

She added: "Disabled people and those with long term ill-health should be supported to get into, or back into, work, but they'll only stay in work if they are treated with dignity and respect."

## IN BRIEF

### £100k fine

Nuneaton-based RS Components has been fined £100,000 and ordered to pay costs of more than £44,000 after a worker was killed in a warehouse incident. Engineer Peter Hudson, 51, was carrying out maintenance work at RS Components when the tragedy happened in January 2005. Mr Hudson had worked for RS Components for two-and-a-half-years at the time of the accident, which happened as he was undertaking work on an automated crane system in the warehouse. The firm pleaded guilty at Warwick Crown Court to a breach of safety rules. The prosecution of the electronics giant was brought by Nuneaton and Bedworth Borough Council.

## COMMERCIAL VEHICLES

# CV Show 2009 cancelled

The organisers of the Commercial Vehicle Show have pulled the plug on 2009's event..

Although some 290 exhibitors had signed up for the show, a number of the bigger truck and trailer manufacturers had decided against exhibiting, leaving the event facing a credibility gap.

In a statement, the RHA's Roger King, said: "We have obviously noted that just about every other show in this sector has been cancelled for 2009. But the advanced status of ours did not permit us to cancel without careful consultation.

"This was a difficult decision but, on balance, the right one. What we learned from this exercise was that despite a generally negative response to 2009, there appears a much more positive approach to 2010 which encourages the Partnership to set plans in motion for a show in April of that year".

"This is of course disappointing, but given the current economic climate and the uncertainty created, it is the only decision we could make. Naturally, the Partners are grateful for the NEC's support for this decision", said

Nigel Emms, the CV Show Committee Chairman. "Future planning for the next Show should be done against the backdrop of the outstanding 2008 event and not a compromise one for 2009."

Paul Everitt, SMMT Chief Executive added: "2009 will be an extremely challenging year across the motor industry but this decision, while difficult, creates the opportunity to ensure the 2010 event best reflects the changing needs of the road transport industry."

Finally, Society of Operations Engineers Chief Executive Nick Jones

said: "Whilst the cost of cancellation may be considerable, all exhibitors will receive a full refund. We are confident that exhibitors will be ready to sign up when details are announced for the 2010 Show".

The Commercial Vehicle Show is owned by the CV Show Partnership, comprising the Road Haulage Association, the Society of Motor Manufacturers and Traders and the IRTE (Institute of Road Transport Engineers), a professional sector of the SOE (Society of Operations Engineers).

## LOGISTICS

## ...but Logistics Link remains on course

With the economic downturn many companies are focusing on boosting operational efficiencies. and visitors to Logistics Link South, 3 – 4 February at Sandown Park, will have the chance to compare and contrast hundreds of innovative materials handling and supply chain-related products in one single visit, saving months of research.

Some of the solutions on offer at the show include; new warehouse management systems to allow greater control of work flow in the warehouse, the latest Auto ID technology to cut unnecessary overheads, RFID technology to keep track of packages in transit and prevent missing pallets, economical packaging solutions, forklift trucks with a load capacity of 2 tonnes maximising space on the shelves, and a whole lot more.



All types of supplier products and services are represented including market leading companies such as: Dematic, Knapp, SSI Scheafer, Diamond Phoenix, Briggs, Kardex, Manhattan, Red Prairie, High Jump, Psion, Crown, Translift Bendi,

Narrow Aisle, Interroll, Descartes, Chess, Proteus, Aetna, Linpac, Exide, Paragon and VSc.

A free to attend Seminar Programme will feature leading logistics providers giving visitors the hints and tips to improve their knowledge of best industry practice. Topics will include: Best Practices for Managing Last Mile Logistics, How to Successfully Implement an Integrated Software Solution, Voice Technology in the Warehouse and Optimising the Performance and Accuracy of Order Fulfilment. Further details on the whole programme can be found on the show website [www.logisticslink.co.uk](http://www.logisticslink.co.uk)

Logistics Link South 2009 is a free to attend exhibition featuring 100+ suppliers. Entry is free by pre-registering at [www.logisticslink.co.uk](http://www.logisticslink.co.uk).

In Association with



## SURVEY

# Companies expect 3PLs to pick up the bill for green initiatives

Research by **Transport Intelligence** and **Kewill** (KWL) suggests that most companies seeking to make their logistics operations more environmentally friendly want someone else to cover the costs.

Despite many companies' avowed commitment to 'greening' their logistics operations, it seems that most expect their subcontractors to pick up the bill. That is one of the findings of the latest survey by Transport Intelligence which examined how companies were reacting to environmental concerns.

*The Logistics & Transport Industry Environmental Survey* sponsored by Kewill, a leading provider of global trade and logistics software, found that three-quarters of respondents who awarded logistics contracts included sections on environmental compliance in their tender documents. However, most (54%) failed to make provision for the extra costs that could be involved. That will no doubt be a source of annoyance for many logistics companies which will see the environmental measures they are forced to adopt as another cost burden pushed on to them by their clients.

## Win-win

However, it seems there is little that logistics companies can do to avoid investing in green initiatives. In the survey, 70% of companies awarding contracts said that environmental compliance was either 'reasonably important' or 'very important'. Survey respondents were also probed about whether their companies' environmental enthusiasm would change in the coming years, given the chances of an economic

slowdown. The overwhelming sentiment seemed to be no, but according to two-thirds of respondents, that is largely due to the 'win-win' of implementing green initiatives which bring operational efficiencies and also cut costs. The number who said they would continue to pay more for an environmentally-friendly alternative (17%) was balanced by the proportion who said they would base their sourcing decisions on cost alone.

When asked about which specific areas they were undertaking green initiatives in, the highest proportion (33%) identified transportation. That included driver training, hybrid engines and better management of empty running. Equally important, with about a quarter of responses each, were more efficient planning through IT tools and increased administrative efficiencies. Perhaps surprisingly, warehousing was identified by only 15% of respondents as an area on which they were focusing.

Commenting on the findings, John Manners-Bell, Ti's CEO, said: "The survey results will not surprise the more cynical in the industry who believe that the cost of these types of initiatives always gets passed down the line. However, it seems that 'green logistics' is not a passing fad."

He continued: "The business case for implementing environmental initiatives cannot be doubted due to the cost savings they bring, especially when they offset the rising cost of oil."

*A summary of the findings of the Logistics & Transport Industry Environmental Survey sponsored by Kewill can be obtained by visiting [www.kewill.com/greensurvey](http://www.kewill.com/greensurvey).*

## Making light work

Lighting can account for 50 - 60 per cent of the electrical energy costs of warehouses and distribution centres. **Somar** has now introduced an intelligent lighting fixture which can deliver savings in the region of 70 per cent. **Not only is this a highly efficient luminaire, it also takes account of the fact that at most times, lighting is left on in all areas of a warehouse even when no one is working there. Additionally, in many warehouses although natural light is present through roof lights, lights are often fully on. Powerboss Eluma intelligently senses occupancy in each area and/or the change in natural light and adjusts the light level and electrical energy usage accordingly.**

[www.somar.co.uk](http://www.somar.co.uk)



## On the market



### SALFORD

Unit 4, Houston Park, Montford Street, Salford, M50 2RP. An industrial/warehouse unit with offices (see pic above). The premises are available to buy at £800,000 and to lease at £4.50 per square ft. Contact: Nick Heathcote  
Tel: 0161 242 8027



### LIVINGSTONE

A chilled distribution depot (shown above) located immediately adjacent to the south of junctions 3 and 3A of the M8 motorway approximately 15 miles to the west of Edinburgh and 30 miles to the east of Glasgow. The site available as a whole or in two separate lots. Contact: Ian Davidson. Tel: 0131 226 0333

### OXFORD

Network Oxford, Sandy Lane West, Oxford. A new industrial, warehouse and trade development with properties to let (right). Contact: Duncan May.  
Tel: 01865 200 244



The latest research from Lambert Smith Hampton shows that the credit crunch and the ensuing economic downturn is beginning to impact on the UK warehouse market., as the company's **Arezou Said** explains

# Feeling the crunch

While we saw steady take up at the larger end of the market during 2008 - with Willis Gambier and Kuehne & Nagel each taking in excess of 500,000 sq ft and Morrisons committing to over 900,000 sq ft - in the wider market take-up was down on 2007. Preliminary data shows take-up in 2008 was around 20% lower than 2007 as the credit crisis and ongoing financial crisis impact on occupier confidence.

Supply increased during last year by approximately 35% compared with 2007, with the main industrial heartlands such as the North West, West Midlands and Yorkshire & Humberside accounting for a significant proportion of the space on the market. However, lack of funding and the spectre of recession and empty rates have led to a fall in new construction starts.

Earlier in 2008, our research into the impact of the abolition of empty rates relief on the property market revealed that increased liability would contribute to a reduction in warehouse construction, an increase in development costs and ultimately further upward pressure upon rental values. In our survey of property professionals in February 2008, 50% said they would be reviewing their property portfolios, selling or demolishing unlet or unsold buildings and slowing their delivery of development



schemes. In the event, the introduction of this legislation could not have come at a worse time with business owners already suffering falling demand and increased operating costs, the debate over this poorly timed piece of legislation has continued unabated with industry groups working tirelessly to get the relief reinstated.

In his pre-budget report, Chancellor Alastair Darling announced plans to reintroduce empty property rates relief to commercial property with an rateable value of less than £15,000. This will certainly help owners of very small units; however, it does nothing for warehouse operators with empty property or developers of larger projects and large scale regeneration schemes, nor will it help owners which have chosen to demolish unoccupied property rather than face liability for business rates for it.

Our survey also indicated that the result of the removal of empty rates relief would be lower rental values and more lease flexibility, as developers and landlords attempt to reduce their liabilities by offloading stock. Indeed, the market has seen some evidence of that in recent months with developers, such as Prologis for example, offering much shorter leases on their stock.

With regard to rental values, it is difficult in the current economic climate to attribute any softening in headline rents solely to the impact of empty rates. So far, prime headline rents have largely remained steady for most centres, but there is increasing evi-

dence that rental values are beginning to soften in some locations and landlord inducements and incentives are increasing. The market evidence is supported by the IPD index, which shows industrial rents declining modestly (-0.2%) since September.

With recession now inevitable and the UK economy expected to contract by around 1.5% this year, the warehouse market along with other property sectors is likely to see a fall in rental values in 2009/10. IPD forecasts show that rents for distribution warehouses will fall by 3.3% in 2009 and by a further 1.3% in 2010. Despite rents falling nationally, warehouse operators in London and the South face increasing property costs as rents in London are expected to grow each year. This reflects the large number of unsatisfied requirements in the region and shortage of required space.

The outlook for the warehouse property market then is for around 18 months of contraction marked by falling take-up and rents alongside rising availability. From 2010 we expect the economy to gradually return to growth with the property market following suit. Speculative development will continue to be discouraged by lower bank finance available and the government's position on empty rates for the foreseeable future which will in turn reduce supply available for businesses embarking on renewed expansion strategies when the economy recovers.

**The government's position on empty rates will reduce warehouse supply available for businesses embarking on renewed expansion strategies when the economy recovers**

# Making the most of the gloom

Any cause for optimism is welcome in the current economic situation and, as Chris Friendship from warehouse and distribution property specialist **sbh** points out, warehouse companies considering either a new build project or an extension should be able to negotiate keener prices

**T**imes have never been tougher for builders, developers and anyone sitting on commercial building land.

Conversely, warehousing and distribution companies are ideally placed to make a long-term investment in a new state-of-the-art warehouse at a cost way below what would have been possible at the start of 2008.

#### Land costs down

After seeing commercial and industrial land prices rise to some of the highest in the world, landlords are now facing falls already into double digits and with a long way to go, possibly down by 40% or more from their peak values. The RICS recently predicted further falls in the commercial property market, forecasting that prices could fall by half in 2010 from their 2007 peak.

#### Falling raw material costs

With global demand falling and the Chinese economy slowing down, the supply of raw materials is now more in line with demand, bringing at the least more stable prices and in many cases significant falls.

Prices for oil, steel and many other commodities are down from their peaks, but there are still a few materials such as cement where costs are still rising.

#### Available labour

With dramatic falls in housing and a slow-down in commercial construction, labour shortages are unlikely to be a problem for some time. Indeed, in its summer 2008 price review, the RICS stated: 'The Tender Price Index forecasts private housing to be down 28 percent by the end of year and to fall a further 14 percent in 2009 and private industrial to see a fall of 21.7 percent in 2008 and 10 percent in 2009.'

#### Sound planning and guidance

It is likely that the building industry's cost base for the immediate future will be lower, and combined with the effects of supply exceeding demand and strong competition, clients should see far keener prices. During previous economic downturns many occupiers took the decision to invest when costs were low, winning when their markets turned back up. With current cost reductions and lower interest rates, investing in new warehousing should be a distinct priority when planning for the long term.

As well as capital costs, energy and utility costs will continue to be a significant factor in the future, so investing in technologies such as Building Management Systems, water recycling, efficient insulation systems and other energy-saving features will all pay dividends for years to come.

Sadly with management facing even greater pressure from some of the roughest economic waters for decades, taking the time to make the right decisions on building design and specifications may be a step too far. So using a specialist consultant such as sbh makes even more business sense than it did in the good times. With the experience of working for clients including Superdrug, Maplin, Rhenus Hauser, T K Maxx and Culina, sbh has the experience and expertise to help clients obtain both outstanding value for money and a productive, efficient facility.

**It is likely that the building industry's cost base for the immediate future will be lower**



By invitation only

*"An informative day  
- well worth the time"*

William Perrin - DHL



# DRIVING DOWN LOGISTICS COSTS

Heritage Motor Centre, Warwickshire **Thursday, 2nd April 2009**

Automated Solutions  
for Warehouse and  
Logistics Operations



The UKWA Conditions of Storage are likely to be more valuable than ever in the current climate, says **Nick Clarke**

## Improved conditions

In the present economic climate it is an unfortunate fact that many of us will have to deal with a customer going bust. In normal circumstances, this can mean that you receive little or nothing in respect of your debt, but as a warehouse keeper where you are holding the goods belonging to your customer and the UKWA Conditions of Storage apply, your prospects of recovery are significantly improved.

The UKWA conditions provide those trading under them with a general lien which entitles you to refuse to release any goods you hold for a customer who owes you money (provided any agreed credit period has expired) until all sums due to you are paid, provided the correct procedure regarding the application of the lien as set out in the Conditions is followed. If, having exercised your lien, your customer still does not pay then you can sell the goods and apply the proceeds against the debt, again provided that the correct procedure is followed. This means that you can significantly increase your recovery when a customer goes bust as compared to the position of the customer's other creditors.



However, the general lien in the UKWA terms will only assist you if those terms are incorporated into your contracts with your customers. Saying that they apply on your invoice is generally too late because by the time the invoice arrives you have already performed the service. Therefore, customers need to be advised that the UKWA terms will apply before you start work for them. Tell them, in writing, when you quote rates and keep a copy on file.

There are, however, some limitations on the ability to exercise the lien. For instance, if a customer is in administration as opposed to any other form of insolvency or if the goods are actually not owned by your customer you may not be able to exercise the lien. These are situations which require specific advice on a case by case basis. We can usually offer some initial guidance on the free UKWA legal helpline so if in doubt please call it as it could help you to avoid an expensive mistake. Equally, getting the procedure right when you do exercise your lien or sell a customer's goods can be tricky areas which also require specific advice and initial guidance can be provided by calling the helpline.

The UKWA lien is potentially a very powerful weapon so make sure you can use it if you need to by incorporating the UKWA terms.

The Department for Transport's graduated fixed penalty, financial penalty deposit and immobilisation schemes will be brought into force early this year, writes **Vikki Woodfine** of Aaron & Partners LLP

## Facing a penalty

On 24 July 2008, the Department for Transport published the latest consultation document on the introduction of the graduated fixed penalties, financial penalty deposit and immobilisation schemes ("the Schemes"), together with eight draft statutory instruments needed to implement the Schemes. The consultation period ran until 17 October 2008 and the intention is that all relevant sections of the Road Safety Act 2006 and the statutory instruments necessary to implement and support the Schemes will be brought into force early this year.

The Schemes will help to aid the enforcement of vehicle-related offences by:

1. enabling VOSA's vehicle examiners to issue fixed penalty notices;
2. enabling fixed penalty levels to be graduated;
3. enabling the police and VOSA to take financial deposits from persons without a satisfactory UK address; and
4. enabling the police and VOSA to immobilise prohibited vehicles.

Under the current fixed penalty system, fixed penalty notices can only be issued by police officers. The Schemes will empower VOSA's vehicle examiners to also issue fixed penalty notices for a range of vehicle-related offences. It seems only logical that if one main enforcement agency could issue fixed penalty notices in respect of vehicle-related offences, it should follow that VOSA should be able to do the same and it is hoped that this change will simplify the enforcement process and save time for all concerned -

namely VOSA, the courts and those offenders who would be willing to accept a fixed penalty in lieu of prosecution in court.

Whilst VOSA vehicle examiners will, for the first time, be able to issue fixed penalties, they will also be continuing to issue vehicle defect notices and to give verbal warnings for minor cases of non-compliance. They will also continue to prosecute very serious offences. The decision whether or not to issue a fixed penalty notice will be one for the individual VOSA vehicle examiner, acting in accordance with broad guidelines about the exercise of that discretion, in order to ensure consistency.

The fixed penalty notices will be issued to the driver of the vehicle and not to the vehicle operators. VOSA will continue to follow up offences with (GB - based) vehicle operators when they deem that the situation warrants further investigation and possible prosecution. Operators with drivers found to be repeatedly offending will be investigated and referred to the Traffic Commissioners.

### Fixed Penalty Levels to be Graduated

The current fixed penalty system is relatively inflexible - penalties are not related to the severity of the offence committed. However, the Schemes provide for the graduation of the level of fixed penalty to reflect the severity of the offence.

The main area in which the graduation of fixed penalties is to be used is in respect of commercial vehicle drivers' hours and overloading offences and the fixed penalty will be graduated on the basis of:

- the length of time that a driver has spent driving, or working over the legal limit;
- the degree of shortfall below what is necessary for a prescribed period of rest; or
- the degree of overloading.

The level of graduation will not be at the discretion of the police officer or VOSA vehicle examiner and it is hoped that the graduation of fixed penalties will deter the more extreme cases of offending.

### Financial Deposits from persons without a satisfactory UK address

The concept of "deposits" is to enable the police and VOSA, for the first time, to deal effectively with vehicle-related offences committed by offenders without a satisfactory address in the UK, as currently neither the police nor VOSA have any effective means

of bringing prosecutions against non-UK residents for many vehicle-related offences.

The main stumbling block is that, even if an offence involving a non-UK resident offender is dealt with in court in the absence of the offender, there would be little realistic prospects of enforcing any fine which a court may impose.

To overcome these problems, the Schemes enable VOSA and the police to request a financial penalty deposit from any offender who is unable to prove a satisfactory UK address (e.g. from documents in their vehicle, such as their driving licence). The Schemes also empower the police and VOSA to prohibit a vehicle from further use where an offender who is requested to pay a financial penalty deposit does not do so immediately.

### Immobilising prohibited vehicles

The Schemes will enable VOSA and the police to immobilise prohibited vehicles (including immobilising vehicles where the vehicle has been immobilised because the driver has not yet made, or has refused to make, a requested financial penalty deposit payment).

The purpose of the immobilisation provisions is to help enforce (and ensure compliance with) prohibitions against further use of vehicles and the requirement to pay a requested financial penalty deposit, as a number of commercial drivers issued with a notice prohibiting them from continuing to use their vehicle simply drive off once the enforcement agency is no longer present at the enforcement site.

The Schemes provide that a vehicle may be immobilised if it has been prohibited for any of the purposes listed below; not that a vehicle may be immobilised only if it appears as though the driver is likely to abscond:

- the vehicle is unroadworthy or overloaded;
- the vehicle has been driven in contravention of the drivers' hours rules;
- the vehicle is being driven in contravention of relevant requirements relating to international transport; and
- a person who has been requested to pay a financial penalty deposit in respect of a prohibited vehicle but has failed to make such a payment.

*For advice on this or any other Road Regulatory Law issues contact Vikki Woodfine on 01244 405554 or email her on [vikki.woodfine@aaronandpartners.com](mailto:vikki.woodfine@aaronandpartners.com)*



# Managing in a downturn

**David Rankin** of BusinessHR offers some advice to those forced to make redundancies

The economic situation seemingly deteriorating it appears inevitable that more and more companies will be forced to make job cuts. There is certainly no shortage of gloomy forecasts out there. For instance:

- Official statistics show that the number of people unemployed has risen to 1.82m - the highest level of unemployment for 11 years. This means that 5.8% of the workforce is unemployed. The CBI has warned that unemployment could peak at almost 3m by 2010;
- The CBI's latest Service Sector Survey reported that job losses in the service sector are expected to accelerate with firms reporting steep falls in business volumes and profitability, as well as plans to scale back employment and investment. Companies operating in consumer services saw profitability fall sharply for a third successive quarter;
- The Manpower Employment Outlook Survey found that large year-over-year declines in the construction, manufacturing and finance sectors are contributing to the weakest UK hiring forecast in 15 years;
- The CIPD's 'Labour Market Outlook' survey found that 26% of respondents have made contingency plans for additional redundancies;
- The EEF's economic forecast for 2009 warns that up to 90,000 jobs could be lost in the manufacturing industry;
- The KPMG Report on Jobs shows sharper drops in permanent and temporary placements than have ever been seen in the survey's eleven-year history. Permanent placements declined for an eighth consecutive month with the rate of contraction accelerating to a new survey record. Similarly, temporary staff billings fell at the sharpest rate in the series history;



• London is likely to be hit hardest by the recession - the Local Government Association estimates 370,000 job losses in London by the end of 2010.

If you do find that you need to make cuts, do bear in mind that redundancies may not always be the answer. Sometimes a period of lay off or short-time working may see you through a temporary dip but allow you to retain your skilled and experienced workers.

Other types of agreement are also becoming more common, such as a percentage reduction in salaries across the board (sometimes for a temporary period); agreements to work either full or reduced hours for reduced or no salary for an agreed period with repayment when conditions improve; or the ability to take extended leave at a lower rate of pay for those who wish this. Also many employers are more inclined to consider flexible working requests for job-shares, part-time working, term time only if this will enable them to avoid redundancies and retain key workers.

If you are facing the need to make redundancies, do ensure that you get it right. UKWA members can get lots of advice and guidance from the BusinessHR website ([www.businesshr.net](http://www.businesshr.net)), together with template letters and forms, while helpline is well used to advising on selection criteria, procedures, consultation etc.

*UKWA has negotiated a preferential rate for members to use the BusinessHR service. See [www.ukwa.org.net](http://www.ukwa.org.net) for details*

## Agency workers directive

**The European Union has announced that the Agency Workers Directive must be in force in the UK by 5 December 2011.**

**This will give temps in the UK equal rights to permanent staff after 12 weeks with an employer. After 12 weeks, temporary workers will be entitled to the same or higher pay and working time conditions as a permanent worker who might have been recruited to the same position. Currently, it is estimated that around half of temporary placements last for 12 weeks or more.**

**All other member states have to give equal rights to temps from their first day unless they reach a domestic agreement.**

**The directive can be downloaded from [eur-lex.europa.eu/en/index.htm](http://eur-lex.europa.eu/en/index.htm)**



Assessment and Training Ltd



**Warning: LGV Driver CPC- Periodic Training.**

**From September 10th 2009 the new EU Driver CPC Directive comes into force. All professional drivers who hold a full valid category D, D1, D+E or D1+E licence will need to complete 35 hours of periodic training.**

Upskill is approved by the JAUPT to deliver periodic training that fully meets the requirements of the syllabus as specified by the Directive.

We offer a range of options to ensure that employers and individuals can receive the training needed to keep "on the road"

Contact: Frank Dunne. Business Compliance Director.

Telephone: 01159 327376

e-mail: [upskill@btconnect.com](mailto:upskill@btconnect.com)

**NEW MEMBER**



**Upskill Ltd**

Tel: 001159 327376

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Business Compliance Director

Upskill Assessment and Training Ltd is a midland based assessment and training company. We specialise in delivering NVQ assessment to drivers and warehouse staff across the Country.

Upskill has proven experience of helping employers securing government financial support, which can result in dramatic training costs saving. We are also approved by the JAUPT to deliver periodic training that fully meets the requirements of the syllabus as specified by the new European Driver CPC Directive.

Our aim is to help logistics companies meet the needs of the industry not only for today but for the future also by having fully trained and competent workforce.

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Poorly restrained loads have implications for operators beyond the clear health and safety issues they can cause, says Schmitz Cargobull UK Ltd's Product Manager, **David Pressley**

# Restraining orders

**W**ith objects that fall from trailers resulting in a number of deaths and major injuries in the road freight industry every year, the need to ensure that loads within trailers are properly secured is all too obvious.

However poorly restrained loads have implications for operators beyond the clear health and safety issues they can cause. "An insecure load will not only damage people but the vehicle, the trailer and the product itself," says Schmitz Cargobull UK Ltd's Product Manager David Pressley. "Braking, accelerating and cornering can all cause loads to shift in any direction – including upwards. This can contribute to vehicle instability and, in extreme cases, can cause a lorry to roll over or the load to be shot out through the front bulkhead."

Multi-drop loads, which can open up spaces within the cargo area as the driver's daily routine progresses, can bring particular problems, as David Pressley explains. "The open spaces allow more movement of the load which can slam into the front bulkhead or, on a curtainsider, the side curtains. As anyone who has ever driven on a motorway and observed an odd lump or bump in the side of a curtainsider can testify, this is a common problem."

When it comes to transporting goods in a curtainsider trailer, the Department for Transport guidelines state that goods must be secured as though on a flatbed. "Curtains should not be relied upon to secure or restrain a load in any way," says David Pressley. He continues: "Like seat-belts, the load restraint equipment is only as strong as the structure it



is attached to, so the load must be secured to the vehicle chassis and not to the weather protection system. The load should be hard up against the bulkhead. If there are gaps between the load and the bulkhead, use intermediate bulkheads, load bars or blocking to fill the gaps."

David Pressley stresses that rope hooks are not suitable for load restraint as roping and sheeting is not a practiced skill any more. Neither, he says, is suspension from the roof – either through a stationary attachment or a track system that allows the load to slide. "Roof suspension will not stop the load moving, which is the entire point of restraint," explains David. "It may be more useful for some loads than others, but essentially the chassis should be the start and finish point of all restraint. It is wrong to believe that you can safely restrain a load with a strap that is essentially fastened at only one end and allowed to slide forward or backwards, on or in a track with rollers to aid linear movement. While this does work with some cargos, it doesn't and can't work for all types." Roof deflection on



unsupported roofs, (Pillarless models) caused by the action of fastening the side curtains actually loosens and removes the strain in the load straps suspended from the roof, so the load is loose before the journey begins.

While, ideally the front bulkhead of every curtainsider should be rated to 13.5 tonnes, and the side wall rated to 10.8 tonnes and the rear doors to 8.1 tonnes, Schmitz Cargobull recommends that, to minimize the chances of a mishap caused by a loose load, optional equipment should be chosen to meet the specific needs of each operation, such as loading laths and cross-beams, straps and winches from the chassis

**“Companies provide the correct straps, beams and fastenings, but are plagued by losses or theft. This leads to short cuts being taken by drivers and operators who are using their initiative to keep the job moving but in doing so generate a health and safety issue,”**

floor and side rails including built-up side-rail edges etc.

All Schmitz Cargobull curtainsiders come with a minimum 13 pairs of evenly spaced tie-down rings rated at 2.0 tonnes, which can be fastened from above or below with an overhanging load. But, the important thing is how they are used to achieve secure load best practice, as David Pressley explains: “By strapping or tying down to the chassis we ensure that the load is secured to the moving vehicle,” he says. “Normal tether and strap angles should be observed to protect against the braking force loads trying to propel a pallet or loaded item forward in the direction of travel.

David Pressley believes one of the biggest causes of loose or poorly secured loads is the theft or accidental loss of separate pieces of equipment – such as straps, beams and fastenings – that are often used to fix down loads. “Companies provide the correct straps, beams and fastenings, but are plagued by losses or theft. This leads to short cuts being taken by drivers and operators who are using their initiative to keep the job moving but in doing so generate a potential health and safety issue,” he says.

Of course, it is relatively straightforward for operators to find safe methods of securing daily loads, but occasional jobs where goods of differing dimensions are being delivered can be more challenging. “There isn’t a ‘one size fits all’ solution,” says David Pressley. “However, flexible securing beams do make a difference. They allow part loads to be secured reliably and simply. A Curtainsider for instance can emulate a box van by fitting side rigging boards which are perforated and punched to take a large selection of cross braces, such as division beams and straps. Each of these items can have in-built storage facilities to retain the individual parts within the trailer when not in use or can be made semi captive to prevent accidental loss.

“Users require workable solutions that are simple for the truck operator to use during his working routine. It is important when selecting a load securing system that the operator ‘buys in’ to the procedure and training should be provided to ensure that drivers are familiar with how the system works. Any load securing system will become notably less effective if it has not been properly applied.”



# Unhelpful response

At a time when it should be doing everything possible to help the business community, the Government has chosen to introduce a whole raft of new taxes, says **Eric Pickles MP**, Shadow Secretary of State for Communities and Local Government

There is now no doubt that Britain faces a long and difficult recession. Economic slowdown, a falling housing market and increasing job losses mean an uncertain future. A key plank to lessening the impact and bringing the economy out of decline as quickly as possible is helping business, and particularly small business to survive.

Yet at such a crucial time, the Government have chosen to hit business with a whole raft of new taxes, and the pips are beginning to squeak. To begin with firms across the country face higher business rates bills thanks to the cutting back of business rate relief. The Government will raise £1 billion a year extra in taxes by axing relief for empty property at just the time when premises are being vacated as a result of the downturn, leaving commercial landlords and businesses alike with a substantially increased and unwelcome bill to meet.

Property experts and industry have slammed Brown's move as "nothing more than a barefaced cash grab" and "purely a

revenue raising exercise". There is little doubt that these higher taxes will discourage regeneration, since developers risk increased costs if new buildings are unintentionally empty in the current property market.

With the property market in such a fragile state these tax rises threaten to discourage development and regeneration, particularly as the cuts in relief have not been offset by any reduction in business rates from today.

If that is not bad enough, the Government has intentionally or unintentionally blundered into a £33 million tax hike on British ports, forcing up the tax bills of struggling firms, undermining the economy and damaging British competitiveness. Local firms are now receiving massive backdated tax bills following changes to the way that ports are valued for business rates, with bills backdated to 2005. These unexpected higher bills are only now starting to hit the door mats of local firms in 55 ports just as the economic downturn bites.

*Continued on page 30*

**SSI SCHAEFER**



## Schaefer Provides Bosch the Perfect Storage Solution.....again

SSI Schaefer has yet again successfully supplied Robert Bosch with a new shelving installation, the fourth storage location to date from Schaefer within Bosch's sales and distribution plant in Denham, Buckinghamshire.

Having previously used SSI Schaefer to install a single storey Regal 3000 shelving system over two years ago, Bosch, suppliers of automotive, trade and household products, wanted the same versatile storage structure but on two levels to include open mesh flooring and lighting.

A new multi-functional SSI Schaefer Regal 3000 two-tier shelving system now sits alongside an existing Regal 4000 two-tier shelving structure, also installed by SSI Schaefer. With just a walkway separating both, the Regal 4000 shelving unit is still functioning as effectively and efficiently as when it was installed over 20 years ago, clearly demonstrating the longevity of SSI Schaefer's product manufacture.

Completed in under a month, to exacting specifications, the new two-tier modular shelving has been installed ensuring maximum space and storage optimisation.

Bosch Project Manager for SSI Schaefer said: "As an on-going supplier to Robert Bosch we understand that optimising time and space is crucial to efficient store management within Bosch's distribution plant, which is why we once again used Regal 3000 shelving. SSI Schaefer provides shelving solutions that are complete, flexible, single or multi-tier systems of the highest quality for a diverse range of applications."

SSI Schaefer's Regal 3000 modular shelving system, which can be extended as required at any time in both single and multi-tier, is the ideal solution for all storage requirements. It provides a quick economic solution to any storage problem and its slot in frame system can hold between three and five tonnes with ease. Regal 3000 shelving removes the classic distinction between modular shelving, longspan racking and cantilever racking - one system to store everything.

[www.ssi-schaefer.co.uk](http://www.ssi-schaefer.co.uk)

## Dextra Group plc – Operational savings from above!

**Dexeco**  
SOLUTIONS

The Dextra Group are the largest privately owned lighting equipment manufacturer in the UK. Operating from purpose built facilities in Dorset; the Group is made up of five subsidiaries each focusing on separate aspects of the business.

One of those subsidiaries, Dexeco Solutions, specialises in energy saving products including a range specifically designed for warehouse and storage applications. Drawing on over 30 years experience they have developed a range of products that not only reduce electrical consumption but also provide a better lit environment keeping both your bank manager and workers happy.

"We are already helping to reduce the daily operating costs of some of your

members." Said Darren Ward, Sales and Technical Director of Dexeco when speaking to Warehouse. "By selecting the right product and installing the correct solution we have reduced the lighting electrical consumption by over 80% in some cases."

"These savings coupled with the ECA approval of our products and the ability to gain access to 0% loans for the product and installation costs for SME's, means that savings in some cases can be achieved immediately."

The products have been designed as a one down one up replacement for existing lighting units and have unique built in installation aids; this all helps in reducing the installation time and cost required to upgrade your lighting.

The solutions offer energy savings for all areas of the business including high level ambient storage, -40°C cold storage right down to offices, corridors, canteens and WC's. They really do seem to have a solution for every application.

Another part of the group, Dexeco, offer a recycling service where they will collect the old lighting products from site further underlining the groups total solution approach to this market sector.

Reduce your carbon footprint and your operational costs, and all from products solely manufactured in the UK.

To learn more and find out how Dexeco can help you realise immediate savings today call us on 01747 858100



ABOVE: The Port of Rotterdam

**There is now a real fear that many shipping companies may switch their business to Zeebrugge or Rotterdam, finishing journeys by road or rail, and bypass British ports completely**

*Continued from page 28*

The Government has claimed that it has no idea what additional tax will be raised as a result, but has admitted that the changes mean a £19 million net increase in rateable values. We estimate this to be equivalent to an £8 million a year increase on tax bills, and taking into account the backdating, represents a £33 million tax hit on British ports.

Parliamentary Questions have revealed that no impact assessment of the changes was undertaken by the Government, and no consultation of local firms took place. It is hard to see how this approach sits with the professed Government policy on retrospective taxation, which states that backdating should only take place where it is 'fair', 'proportionate', 'necessary to protect revenue' and 'in the public interest'.

There is now a real fear that many shipping companies may switch their business to Zeebrugge or Rotterdam, finishing journeys by road or rail, and bypass British ports completely.

Finally, the 2005 rates revaluation saw a number of stealth changes to hike business rates, via transitional relief to cushion large rises no longer being subsidised by central government and via the introduction of a higher business rate multiplier for medium and large firms. The rates revaluation in 2010 will further increase bills for many firms and supplementary business rates will be on top of the new Community Infrastructure Levy on new development. Ministers decision to cut the complex LABGI

grant incentive will only increase the pressure on local authorities to levy a supplementary rate to raise the ever widening shortfall in their finances.

There is a case for ensuring the businesses make a contribution to new infrastructure, such as for the Crossrail scheme, but a supplementary business rate must not be used as a stealth tax. Any rate must involve a democratic mechanism for local firms to back or oppose the increase. The Government's proposals risk higher taxation without proper representation.

Whitehall must not be allowed to use such schemes to raise tax by stealth, by passing costs that would otherwise have been funded centrally onto local taxpayers. The rate should only be used to pay for specific and clearly identified projects, such as new infrastructure, for a fixed period.

Conservatives recognise that there are genuine concerns about the level of taxation on business, and believe that any change to the system of business rates should not be used as a backdoor means of increasing the burden yet further. We need our businesses to be able to compete in a tougher and more aggressive global market than we have seen in a generation. Gordon Brown's taxation must not be allowed to be the handbrake on our recovery.

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*This item first appeared in the December issue of Lambert Smith Hampton's Ratings In Brief newsletter and is reproduced with their kind permission*

# MULTIMODAL 2009



THE UK'S BIGGEST TRANSPORT AND LOGISTICS EVENT

NEC BIRMINGHAM

28-30 APRIL 2009

## The event for large or small exporters, importers or shippers with goods to move around the UK

Multimodal is an event aimed at the needs of cargo owners. It allows you to meet your entire supply chain – from warehousing and IT to forwarders and 3PLs. Covering all modes of transport, with a free seminar programme and a full conference, it gives shippers the solutions and information they need to:

- Cut costs
- Avoid expensive delays
- Compare suppliers
- Look at the advantages of different transport modes
- Understand and meet the upcoming challenges for shippers
- Increase supply chain efficiency

Multimodal 2009 will be 60% bigger than the launch event in 2008. Returning companies include names such as DSV, Wincanton, PD Ports, GEFECO, Zim, Samskip, Howard Tenens, Norbert Dentressangle, Allport and DFDS. They are joined by an impressive list of newcomers including the Port of Felixstowe, Norfolkline, DB Schenker, Dachser and Cosco Logistics to name a few.

**Join the leaders:** In 2008, the following companies sent senior executives to Multimodal: Ford, Kellogg's, Tate & Lyle, Nestle, Diageo, PepsiCo, BP, ExxonMobil, British American Tobacco, MOD-DSCOM, GM/Vauxhall Motors, Mars, Avon Cosmetics, ASDA/Wal-Mart, Clarks International, The Boots Company, Xerox, Triumph, Group Danone, Tesco, The Body Shop, Next, Lakeland Plastics, Homebase, Casio, Rohm & Haas, Snap-on Tools, Griffith Laboratories, Mitsubishi Electric, CEMEX, Perkins Engines, Premium Ingredients, Brunner Mond, Dainippon Screen, VW, Marks & Spencer, Delphi, Whitford Plastics, Jewson, Jaguar Cars, Lake Chemicals, Land Rover, Napier Brown Foods, Mont Blanc Industri, Spinmaster Toys, Industrial Chemicals, Clark Foods, SCA Hygiene, Stylo Barratts Shoes, Taste Original Foods, First Foods, Honda, Daily Crest, ADM Milling, Syngenta Crop Protection, BSW Timber, Pace Micro Technology, Edrington Distillers, Twining & Co, Aggregate Industries, Men Shou Fireworks, SABIC UK Petrochemicals, Visteon, Mothercare, Numico, UPM Kymmene, Sharp Manufacturing, Cosmic Fireworks, Mulder Onions, Panasonic, Home Delivery Network, EDF Man Sugar, Iggesund Paperboard, BOC/Linde, Tyco ADT, AG Barr, Brands Direct, Corus, First Milk & Carluccio's

Register today at [www.multimodal.org.uk](http://www.multimodal.org.uk) using promotional code: BDAD. A full list of exhibitors, sponsors and media supporters is available on the Multimodal website, as well as the seminar and conference programmes.



The cost of absenteeism is a serious hindrance to higher profits for many organisations. **Richard Colver** of Willis Employee Benefits Limited discusses its implications and how controlling absenteeism could help your organisation

# Health scares

The incidence of absenteeism is a real cause for concern for many organisations. The cost to industry averages out at £659 per employee per year up from £598 in 2006. This equates to 8.4 working days lost per employee per year a figure which then rises the more staff you have. (2007 CIPD survey on Absence Management)

The situation is probably worse than this as the cost of £659 per employee is primarily made up of Occupational Sick Pay and Statutory Sick Pay. Less than half of the organisations responding to the CIPD survey included any element of cost for overtime, replacement labour, lost orders etc.

If all indirect costs are added in, market commentators and indeed the Unions suggest that the actual cost to the business could be up to three times this figure. The true cost of absenteeism places a serious burden on productivity, profitability and staff engagement and retention.

## What does this mean to me?

Let's put this into context. You are a 500 employee company with a wage roll of £7,000,000 and an average salary of £14,000 per annum.

Based on a working year of 240 days and the absence rate discussed above the cost to your business is 4,680 days productivity lost at a cost to the business of £273,000 purely in terms of sick pay. This is before we add in the indirect labour costs, loss of profit, loss of productivity, employers liability claims etc.



## The Traditional Response

The traditional organisational response to absenteeism has been through a framework of insurances, facilities, providers and departments that have evolved over the years to take into account each new set of rules or demands.

Consider a work related accident leading to a back injury or a stress anxiety problem. How many of the bodies listed below will become involved in the issue?

- Occupational Health
- Personal Accident/Disability
- Employers Liability
- Group Income Protection
- Employee Assistance Programme
- Human Resource Dept.
- Private Medical Insurance
- National Health Service
- General Practitioner
- Health and Safety Dept.
- Group Life Assurance
- Group Critical Illness
- Ill Health Early Retirement
- Legal Dept.



- Company Doctor
- Line Managers

Whilst the work each of these bodies undertakes is undeniably valuable, they exist essentially independently of each other. In many organisations there is minimal co-ordinated interaction leading to inefficiency in the process and loss of profit.

### A New Approach

To get an idea of how efficient your current absentee response is, ask yourself the following questions:

- How much does absenteeism cost our organisation?
- Who deals with the organisational response to an absence?
- How is absence monitored and how are potential issues identified?
- Is there sufficient co-ordination between the various absence stakeholders to manage the issue effectively?
- Are we fully utilising the resources and facilities already available to us to get the required back to work result?

*UKWA is an Introducer Appointed Representative of Willis Limited, an insurance intermediary authorised and regulated by the Financial Services Authority. UKWA is not able to give you advice on any general insurance products or the Willis services. Willis Employee Benefits Limited is authorised and regulated by the Financial Services Authority.*

- Does this represent value for money?

The answers to those questions will vary between organisations, depending on their structure and circumstances, but most organisations asking themselves these questions will realise they have an absenteeism issue.

So, if the traditional approach isn't working then a new approach could be the answer. One way Willis finds effective is to view absence, whether through illness or injury, as you would any other property/casualty issue; using a risk management methodology to identify, quantify and then manage the issue.

The first step in establishing such an approach is to work with your insurance broker, the same way you would to address any risk that exposes your organisation to potential loss. This could include elements such as:

- Identifying the hierarchy of responsibility with regards to managing absenteeism.
- Managing the return to work element of your employers liability claims.
- Developing an "early warning" system that identifies potential issues.
- Identifying trends within the workforce / departments.
- Identifying ways to reduce the incidence of repeat and long term absence.
- Effective management of long term absences.
- Holding the cost of various types of absence on the balance sheet or insuring it away.

### Taking Control: making a difference

Whether your company has above or below average absence rates the cost to businesses has never been greater and ongoing Government legislation is likely to increase these costs.

It is all too easy to regard absenteeism as "just one of those things" or as "someone else's problem", but by establishing a proactive system of absence management organisations can reduce its negative impact, increase organisational efficiency and, ultimately have a positive impact on the bottom line.

*If you would like any further information please contact Joanne Locke directly either by telephone on 01992 513 014 or by email at: [lockej@willis.com](mailto:lockej@willis.com)*

# There's no time like the present

Thanks to the economic slowdown, now is the perfect time to invest in WMS, says **Alex Mills**, sales and marketing director of Chess Logistics Technology Ltd

**B**earing in mind current economic gloom, the suggestion to invest in new warehouse applications may not at first glance seem the wisest counsel. But there are a number of good reasons why improving your warehouse systems and technology during a downturn could be a good idea.

Taking such a measure might not only help your business in the short and medium term, it could also leave it more efficient and better organised to cope with economic recovery later.

We make an assumption here that your business has the financial reserves to consider such a move. But even if not cash rich, there are (credit crunch notwithstanding) attractive tax efficient leasing options available that allow such projects to proceed if the business is stable with a reasonable cash flow.

The key message is that improving warehouse efficiency by advancing the solutions you use is going to save money. The questions you'll need to answer are: how much and how soon?

It is generally accepted that successfully implementing WMS delivers the better accuracy, productivity and efficiency that impact positively on physical operations as well as having a significant effect on cost reduction.

High error rates alone can represent a large element of cost, which if saved can contribute substantially to WMS payback.

Labour costs, when compared to rent, rates and utilities, are one element of warehouse operations over which you can exercise some control. Much is written about improving labour management for the sim-



ple reason that in the UK warehousing context, manpower is one thing that simply cannot be outsourced. Systems designed to promote efficient processes and improve productivity can therefore have only positive effects on cost reduction and bottom line profitability.

It is true of course that not all these benefits and savings can be delivered overnight and that some of the rationale for any WMS project is based on an eye to future cost reduction and efficiency. But it is possible to focus the impact of warehouse technology and systems on areas where they can deliver maximum punch.

WMS and technology implementation often takes a phased approach, and a good warehouse systems company will be able to help you decide where key benefits can be realised faster within your own operation. These might be in obvious areas like pick performance or in fringe areas such as introducing EDI with customers or suppliers to help reduce manual data input and paperwork.

Another good reason for considering the implementation of WMS systems in quieter times is the lessening of the negative, though short term, impact of the change.

There is inevitably some disruption and learning curve involved in implementing new solutions of this kind. Going ahead while lower volumes are being processed means that people can become practised in the use of new systems and technology and can in effect cut their teeth under less pressure. This is not to suggest that companies can offer lower service levels while installing WMS, just that any pain which must be endured can be done so while volumes are lower. As any company that has tried to implement WMS in a time of high growth knows it can be a challenging, if not to say hazardous, exercise. For that reason people are often reluctant to change at such times which, though understandable, can result in bottlenecks and reduced performance when systems do not keep pace with expanded operations.

Timescale is an important factor with any implementation. But if we expect a WMS to provide tangible benefits within the timeframe of a potential recession then an expeditious implementation is paramount. Typically, and I speak from my company's standpoint here, an implementation can be achieved within 3-6 months depending on the nature of the operation. This relies significantly on choosing the right supplier as well as having a full awareness within your own organisation of the work involved in hitting the timescale. But broadly speaking we are talking about realising potential benefits within months not years so this is more than a jam tomorrow promise.

Those who have been in business for some years have probably experienced some ups and downs and know that business is cyclical. But, without wishing to challenge any political theories, that does not mean if it's not boom, it's bust! Periods of economic slowdown can often be used positively for consolidation and improvement as a means to develop and perform better during stronger growth periods. This is true for warehousing and logistics operations where taking a cold, hard look at practices and processes, and improving systems and technology can be invaluable to regeneration.

Those who grasp the opportunity may find it easier to withstand a period of recession and emerge stronger than their competitors when the economy recovers.

[www.chess.uk.com](http://www.chess.uk.com)

Davies Turner has boosted productivity by 20 per cent following the implementation of Warehouse Management supplied by RedPrairie

## Self sufficiency

**RedPrairie** has supplied **Davies Turner** with its Warehouse Management solution, billing software and its integrator product, an Enterprise Application Integration (EAI) tool that enables Davies Turner to integrate with multiple host systems, supporting multiple contracts with customers for sales, invoices and reports.

Andrew Slater, Head of Logistics, Davies Turner, said, "We needed a configurable system that would give us more flexibility. We selected the RedPrairie solution because it was user-friendly, and it enables us to take on new clients at short notice. We can now get a new customer onto the system in a day. The upgrade functionality within the system is also important, as it makes our business future proof."

Slater continued, "The new solution has made us more self-sufficient. A key benefit is that productivity has been increased by 20%. We were pleased with the speed of the implementation, and the communication between sites has been greatly improved, due to the multi-user functionality which means the same product and processes are used across all sites. The new solution has given us the opportunity to manipulate data easily and expand the business with a more competitive offering."

Davies Turner's existing system didn't fit its business requirements. Each time a new client came on board the programme needed to be rewritten, which could take up to three months and also put huge pressure on the company's internal development team.

As Davies Turner wanted to take ownership of the project and drive down costs, they decided to manage the rollout process, thanks to RedPrairie's willingness to transfer knowledge. RedPrairie and Davies Turner worked very closely on the first rollout, which went live in April 2007. On the projects that followed, Davies Turner took the lead, using RedPrairie as a resource when required. Now seven sites are live with 45 clients.

The integration tool was rolled out as part of the Warehouse Management project, and the billing product is currently being implemented. This is a crucial project for Davies Turner, as current procedures are complex and the system takes a long time to manage. The new RedPrairie solution will make the process much quicker.

Future plans include looking at rolling out the solution to the freight management arm of the business..

[www.redprairie.com](http://www.redprairie.com)



## Advanced solution

Palletline Logistics (Midlands) Ltd (formerly Palletline Distribution) have partnered with **Clandestine Software** to deliver advanced and integrated solutions to their increasing warehouse logistics client base.

Clandestine, the company behind the LocateIT Warehouse Management suite, will deliver the sophisticated IT capabilities necessary to satisfy Palletline Logistics' requirement of enhanced support levels for their customers.

Palletline Logistics' sustained business growth has resulted in the acquisition of a further 2,500 square metres of warehousing and with that comes the requirement for product tracking, detailed picking and despatch as well as 100 per cent accuracy on stockholding and, ultimately, integration between Palletline's systems and those of their customers.

[www.clandestinesoftware.com](http://www.clandestinesoftware.com)

## Free software offer

Smart Warehouse Systems is offering UKWA members the chance to obtain warehouse management software free of charge. Members only pay £3,500 for installation, implementation and training plus an additional £2,000 per annum for an annual license fee for up to three users.

"If you're looking for reliable warehouse management software that is quick and easy to install, great value for money and above all, user-friendly then we believe we have the product for you," says Smart's David Smy.

He continues: "Our Windows based warehouse management software has been developed following careful attention to feedback from our customers. The result is a product that is suitable for warehouses of all sizes, offers flexibility of use and is ideal for even the inexperienced computer user – with clear, simple instructions. Add to this a friendly voice on the end of the telephone when support is required and sensitive on-the-job training from experienced professionals and you'll find your warehouse has never run so smoothly.

Smart Warehouse Systems Ltd was incorporated in 1988 and has offices in West London, Cheltenham and Exeter.

The organisation has a solid reputation for its 'jargon free' customer focused approach and it's clients include: Royal Mail, Border Group, Jensa Distribution and Daler Rowney. For further information about the free software offer telephone: 01395 44 44 60 or email: [info@warehouse-management-software.co.uk](mailto:info@warehouse-management-software.co.uk)

# lies, damned lies and logistics

Some people never know the true facts about their logistics operation.

On the other hand, over one in four Palletline members with warehousing use the LocateIT WMS from Clandestine Software.





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0845 2020797

## ADVERTISEMENT FEATURE

ATMS has been working with Port of Tyne for a number of years as the supplier of their StockTrack PLUS (STP) warehouse management system

## Port suppliers

ATMS has been working with Port of Tyne for a number of years as the supplier of their StockTrack PLUS (STP) warehouse management system. During the past decade Port of Tyne has invested in state-of-the-art systems that will take them into the future and enable them to provide an outstanding level of customer service whilst increasing the range and variety of products being stored and handled at the port. Currently these include retail electronic equipment, furniture, packaging, clothing, food and drink including spirits. Securely stored in purpose-built warehouses and tracked throughout the operation.

From the moment they arrive portside, customers are reassured that their goods are in safe hands. The port prides itself on the caliber of their highly-trained staff which means that any one individual can take control of goods as they arrive and oversee offloading, delivery to a container terminal or movement direct into storage within the warehouse. Each member of staff has a good appreciation of their individual responsibilities and the necessity for teamwork, whilst STP uses the latest radio data terminals to ensure that all transactions are updated in real time and that communication of all activities is instant. The Dashboard facility provides a live snapshot of all current and outstanding tasks across the warehouses so that resources can be directed promptly to wherever they are needed.



With over 20 sheds containing more than 50,000 square metres of high-security customs approved warehousing and 53,000 racked pallet spaces, tracking, traceability and stock visibility are of major importance for Port of Tyne. Their policy is to provide a 'one-stop-shop' for their customers and in addition to storage and handling of products they offer a wide range of value added services including re-packing, palletizing, labelling and direct distribution. The benefits are huge in terms of savings to their customers as goods can be imported in bulk and moved through to the next stage in the supply chain without actually leaving the site!

Clearly, reducing mileage is good for the environment and, with the rising cost of fuel, it makes economic sense to reduce unnecessary journeys wherever possible. Delays are minimized and customers are happy with the prompt and efficient service. Indeed, the impact can clearly be demonstrated as the business saw a 32% increase in its customer base within a six-month period during 2007

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With its acronyms and buzz words, the logistics IT sector can sometimes seem impenetrable to the layman, so warehouse management systems supplier ATMS has produced a guide to some of the terms in frequent use. The full guide can be viewed on the ATMS website

# Learn to speak 'geek'!

**Access Point** The 'base station' for a wireless network, typically physically connected to a network it provides the wireless transmission to mobile equipment.

**ASN** Advanced Shipping Notification. This gives details of despatch, usually at pallet level and is sent electronically, via EDI (see below!).

**CPFR** Collaborative Planning, Forecasting and Replenishment. Everyone in the chain shares information regarding sales and production plans, stock levels, stock usage etc. which synchronises the supply chain and reduces safety stocks.

**GS1-128 (UCC.GS1-128)** This uniquely identifies a pallet or container of product so that it can be tracked through the supply chain. UCC.EAN128 is generally represented as a bar coded label which can hold extensive product information such as batch code, quantity, sell-by date.

**GS113** This uniquely identifies a product type, normally using a bar code, and

makes it easy for information to be shared between trading partners. EAN8 is an equivalent but shorter code, ITF14 is also similar but generally identifies packs of products.

**EDI** Electronic Data Interchange. The electronic exchange of information using agreed message standards. Messages can be communicated via the Internet or via private commercial networks.

**GTIN** Global traded item number is an article number, ie is a unique number to a product. A GTIN can be used to identify any traded item – including an individual consumer unit, a multi-pack, a carton, a pallet of known quantity or even a service. The GTIN is non specific – the number is not meaningful – it merely acts as a look up into a more detailed product database or table.

**GLN** Global location number - the equivalent of a GTIN, used to uniquely identify physical locations (eg ship to locations).

**M-Commerce** Mobile Commerce - the use of hand held terminals, mobile phones and pocket computers to carry out business functions.

**ODBC** Open DataBase Connectivity. A standard way of accessing information from databases.

**PDT** Portable Data Terminal. Similar to an RDT (see below) but often works in batch mode, storing information which is then periodically transferred to the supply chain system.

**Radio Tags** Active tags use a source of power while passive tags contain no power source and are powered by a carrier signal. The tags radiate a unique code, which can in some cases be updated.

**RDT** Radio Data Terminal. A terminal, that is either hand-held or used on a vehicle, which updates the supply chain system instantaneously with information such as pallet movements, despatches, stock-takes. The terminal can also dis-

play live information, for example tasks, stock information, order information.

**Spread spectrum** A high-speed wireless communications network for communicating between RDTs and the supply chain system. The alternative technology is 'narrow band' communications which is slower in speed but has greater coverage.

**SSCC** Serial Shipping Container Code. A pallet, reel or container identifier which is unique across the world for ten years.

**VMI** Vendor Managed Inventory. This is where stock at the customer site is managed by the supplier using usage and forecast information provided by the customer.

**WAP** Wireless Application Protocol. A way of presenting information on mobile devices.

**WAN** Wide Area Network, a network over a wide area, typically linking sites countrywide or worldwide.

**WLAN** Wireless LAN. The use of spread spectrum radio to provide a wireless network (normally Ethernet) across a local area - linking PC's, printers, RDT's etc.

**XML** Extensible Mark-up Language. XML is often referred to as 'intelligent email' and can be used in many cases as a lower cost easier to use alternative to EDI.

**2D Barcode** Two dimensional bar codes which can contain hundreds of characters of information.

**802.11b (IEEE)** The most commonly used standard for spread spectrum wireless networks. Equipment conforming to 802.11b (otherwise known as WiFi) should work with any other conforming equipment.

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