HOUSE OF COMMONS

Transport Committee

Oral evidence: Future of transport data, HC 84

Wednesday 13 March 2024

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Watch the meeting

Members present: Iain Stewart (Chair); Fabian Hamilton; Paul Howell; Karl McCartney; Gavin Newlands; Greg Smith; Mick Whitley.

Questions 119–172

Witnesses

I: Steve Freeman, Chairman, RailX; Ben Garratt, Deputy Director for Public Affairs, Logistics UK; and Chris Shirling-Rooke MBE, Chief Executive, Maritime UK.

Written evidence from witnesses:

– Logistics UK

Examination of witnesses

Witnesses: Steve Freeman, Ben Garratt and Chris Shirling-Rooke MBE.

Q119 **Chair:** Welcome to today's session of the Transport Select Committee, where we are continuing our inquiry on the use of data and AI. Today we are particularly looking at the logistics sector. Before we begin, I ask each of the panellists to introduce themselves and their organisation for the record.

Chris Shirling-Rooke: Good morning. My name is Chris Shirling-Rooke. I am the chief executive of Maritime UK.

Ben Garratt: My name is Ben Garratt. I am deputy director of public affairs and innovation lead at Logistics UK.

Steve Freeman: My name is Steve Freeman. I am chairman of RailX.

Q120 **Chair:** We are very grateful to you for appearing before us and giving us the benefit of your experience. I will start with a fairly general question and invite each of you to give us an overview of how the use of data and related technology has changed operations in the sector over the last decade or so, and what changes you see coming on the horizon.

Ben Garratt: The context is that logistics is now a credibly data-driven sector focused on customer service, efficiency and safety, largely using data for those purposes. I guess the biggest transformation that we will all have experienced in how data has transformed logistics is in the space of e-commerce. We use our mobile phones to order goods, you can track the goods when they are on their way to you, and they arrive on time. That has been a huge shift. Previous to that, the technology changes affecting logistics were on the infrastructure and cargo management side. The last decade or more has been very data-driven.

What is next? The automation agenda is one that all logistics businesses are talking about. There are lots of layers of logistics where that might impact, from automation in warehouses to fleet management approaches. That will increase. The logistics sector needs to establish what, and how, to invest in those transformations. Beyond that, automation in actual vehicle movements in terms of autonomous vehicles is something that the sector is very interested in. We are not quite there yet.

Chair: Thank you. We want to dig into some of those issues in detail shortly. Chris, could we hear from your side of the sector?

Chris Shirling-Rooke: I suspect you will be hearing a lot of similar answers from all three of us. Outside, we were just discussing how similar some of the challenges and opportunities are in our respective sectors.

What I would add to Ben's comments is the people angle of the use of data, and how it has improved safety, security and skills. We often talk about AI and machine learning as a negative for skills. The great thing is that there are incredible opportunities to create more jobs with different skills, certainly in the maritime sector. We have seen a leaning towards that. I echo everything that Ben said, and that you are seeing a focus on people.

Chair: Thank you. Steve.

Steve Freeman: I agree with my colleagues. The other thing I would say is that the industry—I hope I am not upsetting any industry colleagues—is fragmented. There is no doubt about that. In rail, which is my main area of interest, and the road part of the industry, there is some fragmentation. There is a tendency for companies and groups to go off and start developing their own data. I think we ought to be striving for a single truth, some accessible data points that we can gather a single truth from. It is about collaboration across the sector, and more of it.

Q121 **Chair:** We want to explore the fragmentation side of it in more detail. To try to place the changes in context, how would you quantify the economic gain from the greater use of data? What cost savings has it led to? How much more efficient is it now than it was, say, 10 years ago?

Ben Garratt: It is perhaps easier to look at particular examples. I am not able to answer on a macro level of efficiency. Last year we produced a report with Oxford Economics that included several case studies on the use of innovation and other investments to improve logistics. As an example, one of those case studies was about the use of data to improve vehicle turnaround times at port terminals—HGVs coming in, unloading, loading and getting out again. A data-led approach there managed to reduce those vehicle turnaround times by 15%. That means that the vehicle is then able to be better used as an asset across the network rather than being caught up in inefficient turnaround moments. That is an example.

Chair: Do you have anything to add, Steve or Chris?

Chris Shirling-Rooke: I can touch on that and do the maritime bit. To simplify, if you think about the better use of data, you can better control how much fuel a ship is burning if you have more data, so that you have less impact with greenhouse gases. You can better tell Ben's members—I am simplifying it—when a ship is coming in, so that Ben's members aren't standing around idle. They can come in and pick up the boxes and goods and take them elsewhere.

To simplify it, you see real differences by being able to get hold of data. It is about data and then doing something with the data. The question is often, "Well, what are we doing with that data and why are we doing it?" Undoubtedly, there is a huge opportunity to drive down the cost of food and fuel and, as important as all of those, reduce our greenhouse gases.

This is something that, as an industry, we have been driving towards. We can certainly do more. Having that interconnectivity is certainly a key part of that.

Steve Freeman: The word I would use is efficiencies. One of the things we are witnessing through our business is that filling space on trains, and taking more lorries off longer-distance journeys, provides more efficiencies to the freight operating companies on the rail side by filling their space for them. There are greater efficiencies for customers tracking their cargo, whether it be on sea or across land, right to their door. It is about efficiencies as well as cost savings.

Q122 **Chair:** Chris, you mentioned the gain for lowering carbon emissions. Do you have a specific target in mind? There is a wider argument about using cleaner technologies, but could you look at the potential gain to be achieved?

Chris Shirling-Rooke: With the new technologies it is all going to be about data. That drives investment. In our sector we produce about 3% of the UK's greenhouse gases. We are incredibly efficient at moving stuff; 95% of everything that comes to the UK comes on a boat. We are incredibly efficient, but we know that we have a responsibility to really drive environmental changes. That will not be able to be done without data.

Q123 **Chair:** Where in the logistics chain are the potentially greatest efficiencies to be achieved?

Ben Garratt: I was thinking about data-sharing logistics businesses in terms of vertical data sharing—within your own supply chain between you and your customers—and using data to deliver improvements there. There is a lot of that happening because it doesn't challenge commercial confidentiality. Horizontal data sharing is thinking, essentially, about competitors sharing data and looking at things in different ways, which brings with it competition challenges. There is then the whole piece around data sharing with the public realm, between multiple logistics companies or individual large companies and the infrastructure that they are using, whether that is road, rail or energy.

There has been a huge amount of progress in the first space—the vertical space—and making operations as efficient as possible. On the second and the third, it is around finding common challenges between the public sector and the private sector where data can help. My instinct is that the greatest benefit is in the interface with the public realm, enabling logistics and infrastructure users, whether that is transport or energy, to be much more efficient in how journeys are planned or, above that, what infrastructure is built in the first place based on data.

Steve Freeman: I echo that. It is really important. Another important area is about carbon savings. I would say this, wouldn't I, but it is about getting lorries off the road and putting them on to trains. The carbon

reduction and savings are immediate. It is not like planting a tree, where you get the reduction in 20 years' time. It is an immediate reduction. Increasingly, we find that our customers are looking for that as part of the package. It is not just about prices. Clearly, that is an important element, but it is about carbon reduction. The use of data can provide that information for our customers so that they can make sensible decisions.

Q124 **Mick Whitley:** Steve, it is great to see that you are getting freight on to rail, which will reduce the carbon situation, but the likes of the west coast line are completely at capacity, so we cannot put too much more freight on there or it will take longer and longer. They are going to have to park the freight up to allow passengers to travel.

Steve Freeman: You are absolutely right. There are undoubtedly capacity issues across the rail network. There are solutions to some of those capacity issues. Of the 80 or so intermodal trains that run around our system every day, each one of them has an average of about 20% or 25% empty space on it. What we ought to be doing is filling the trains that we have. We have the ability to make the trains longer as well. It is not necessarily about adding more trains to the system—that will come in time, hopefully—but it is about making the best use of the system and the capacity that we have.

Q125 **Mick Whitley:** What are the biggest gaps in available data in the logistics industry? How could those be addressed?

Chris Shirling-Rooke: I wonder if the data isn't the problem, because there is so much data. Obviously, I will seek advice from the other panellists, but there is so much data out there. There is data everywhere. It is getting a conurbation of that data and saying, "Okay, now what do we do with it?"

From a maritime point of view, we are an incredibly well-run and competitive industry. Things come into port on shipping lines, and they are all producing data. Undoubtedly, there is a challenge to centralise or anonymise that data, but when you have it, what do you do with it? That is an interesting question that we are currently working through with the DFT and other partners. I don't think it is lack of data.

Steve Freeman: I agree. Chris is spot on there. I think there is a lack of understanding about the data that is out there. There is also a lack of understanding about what costs are involved in identifying and using that data. Creating the intelligence that you need to drive the business and the sector forward is key. Data can help you drive efficiencies in the business and in the sector. Chris is absolutely right that there is plenty of data out there, but it is finding that one truth for each sector. For each piece of data that we have, there are a lot of variations of data. Take carbon reduction data, for example. There are a lot of ways of calculating that. What we need is some collaboration to find that one truth so that we are all singing from the same hymn sheet.

Ben Garratt: There is a public data dimension to it as well. There is a huge amount of data collected by the Department for Transport, Network Rail, National Highways, ONS and others. It is not necessarily aggregated in a way that would help inform key decisions for our sector. Some of the challenge is around the way the data is collected. It is not cut by public transport and logistics; it is cut by modes, and some of those are mixed.

There is also a challenge around the lack of very broad strategic objectives at national transport level that would help inform how you wanted to corral that data into something very understandable. You can take a data-first approach, but there is a risk of getting lost in it. You can take an objectives-focused approach, where you work out what data you need to achieve those objectives. That second approach potentially also overcomes some of the competition challenges of data sharing within the sector because you know what you are aiming for and you can then be thinking about aggregating data at a level that does not impact competition but answers the essay question. If you start from the objective or essay question end, it can bear more fruit.

Q126 **Mick Whitley:** What is your opinion of the "Maritime 2050" report?

Chris Shirling-Rooke: I'm a big fan. That was the 2019 industry and DFT report. I think it is a good document. It would be really interesting to see what the next iteration might look like. As far as the maritime industry is concerned, it is the first time, post-war, that we have had a clear direction of travel. A lot of the questions that have been asked by this Committee over the last 12 or 18 months stem from "Maritime 2050". I am a huge fan. It is a sort of crib sheet for the industry. People can understand it, and the industry can understand it. I'm a big fan.

Q127 **Paul Howell:** Where to start? I will pick up from some of the things that have just been discussed in terms of the complexity of the industry, the different modes and the fragmentation. You have talked about the data being available. Okay, but then it is about using it. Is there a need to create some sort of sector-wide approach to developing how data is used or how technology is provided to enable the usage of data? Is it something that needs to be sector-led? Is that sector road, rail, maritime or air—or everything? Where do you draw the line? Where do you put the boxes to get data that you can make meaningful and useful and get some real value from?

Ben Garratt: We tend to view things at logistics-wide level. We avoid being modal if we can and look at things across the whole system. That is partly about where the sector is moving; there are many businesses in the sector that span all modes. The document that we look to a lot is the future of freight plan from the Department of Transport in 2022 that the sector fed into. That has some key ambitions in it.

On the infrastructure side of things, where there is a role for data to inform, there is an aspiration to identify the national freight network; to identify where the key flows are and use that to inform future investment

strategies. Identifying the key flows between international gateways, key hubs and cities is a data-based exercise. The data, gathered in the right way by the Department with a bit of sector input back and forth, is there. It is just a case of maintaining the focus on delivering that objective. It has not happened yet. Potentially, there are concerns—once something is identified as a need the question becomes what investment is going to go into delivering it—but we think there will be significant benefit in going down that road.

Another aspect of the future of freight plan is all about innovation. It led to the freight innovation fund, which the Connected Places Catapult administers. That takes a challenge-based approach rather than a modal-based approach. It might look at a particular challenge—for instance, improving interconnectivity between two different types of modes and the role technology can play in that, and then attracting investment and interest from tech companies so that it is potentially resolved. I think that is quite a good approach. It focuses data and technology on pain points and resolving them to make the system work better, rather than taking a modal approach and trying to solve everything at once.

Q128 **Paul Howell:** Before I bring the rest of the panel in on that, I want to check something specific on the last point you made about trying to solve problems. I have a logistics company in my patch called Stiller. They do tremendous work. They are at the top end of the game, in my opinion. I was a logistics director, so I at least have a sense of their space.

I asked them what sort of data opportunities should come. They said that, if you are looking way out into the future, you have electric HGVs. If you have electric HGVs, they are going to have huge charging point times and things like that. I run an EV and I look to see where the charging points are. It is even more critical if you are in that sort of space. They asked whether there was something that would come through, whether Google Maps, Waze or something like that, that takes live and predicted traffic conditions, shows where the charging points are and everything else, and would then feed into some sort of data pool that would make it more efficient for the hauliers that are moving around the system.

In terms of public sector data, if you like, that sort of exercise would seem to me to be particularly relevant for the smaller operators who are trying to tag into this, so that they do not get disadvantaged by the pool of data that is there for the big boys that nobody else can get their hands on.

Ben Garratt: Absolutely. In that space there is a challenge before that, which is where to put the charging points. HGVs don't operate in the same way as cars. They work often on very planned journeys—you talked about journey planning—and there is a connection between identifying the national freight network and the key infrastructure needs for charging or, if the answer is some kind of fuelling approach rather than charging, where to put those sites and then what grid upgrades need to be delivered to enable that. There is a data-led infrastructure approach first.

Journey planning is key to logistics, as you know, and being able to see where there is availability would help significantly with that. It is something we hear from our members quite a lot, not in the electric HGV space because the sector isn't quite there yet, although those that are involved in the ZEV trials are very much looking forward to getting on that road and then going for a process of optimisation and thinking about how they can optimise their journeys and what more data they need. Those in the electric van space are talking about the need for booking, to be able to book ahead for a charging point so you can plan that into a journey. The system has been car-led, so it doesn't have booking ability. That could be significant. Again, seeing where it is, seeing if it is available but also being able to secure your spot would be very valuable.

Q129 **Paul Howell:** Steve, do you want to answer the initial question?

Steve Freeman: To answer your original question, I think the approach needs to be cross-sector-led, for all the reasons that Ben has just described and you have alluded to. With the new technology coming along, whether it be hydro or electric, there are distance challenges, as Ben has just described. That is where the industry can work together cross-sector to get the right answers, and use the data to funnel the investment in the right places. Whether it be road or rail, there is a journey for both to work together. This is not road versus rail or rail versus road.

Q130 **Paul Howell:** Let me bring in two other points for you to consider as you are developing your answers. One is whether you think there is any role that Government should play in some of this stuff. Twice now, you have talked about road and rail. We did a recent Committee trip to Japan, to look at what they do. They have local shipping that goes around, as, historically, we would have taken ships from the Tyne to the Thames. Is that sector under-utilised? Is that a sector where, with more data, we should be talking not just about road to rail but about road to rail to ship? We talk about capacity on the railways, but there is not that much of a capacity problem at sea. There might be more need for ships.

Steve Freeman: You are absolutely right. We did some experiments. Until recently, I ran iPort Rail in Doncaster. We did some short train journeys between iPort Rail—it is only 40 miles—and the ports of Hull and Immingham in an attempt to persuade some of the shipping that is running into Felixstowe and Southampton to come up the east coast. Rather than running it across land, let's use the east coast ports. We are in discussions with Teesport about the same sorts of things. I absolutely get what you are saying. We should not miss out on that opportunity.

Q131 **Paul Howell:** It has opened the door for you, Chris.

Chris Shirling-Rooke: Yes, that was a nice cross, so that I can pop it into the goal. Of course, I am going to say it is about coastal shipping and inland waterways. It is reminding ourselves that we used to do that. Is anyone a "Peaky Blinders" fan? It is all about inland waterways literally

in the 1920s. We have forgotten how to do that, but we have a lot of the infrastructure there.

As a big part of it, we need to remember skills. We can talk about any technology you like, but if we do not have the people and skills to do it, it is a problem. On the use of data, working with the DFT and one of our AI partners, we created an AI platform based on the south-west. If you were a youngster sitting at home and thought, "I want to work in the offshore industry; how do I get qualified?", there is a living, breathing platform. You could literally type in and it will tell you all the live qualifications nationally. It will tell you any bursaries that are involved. It will talk to you about campuses. It will then tell you the jobs that are involved. The whole idea was that it was live, using live data. As soon as a university or college put something on the internet, it scraped it and made it live.

There are different ways of thinking how we use data. You can probably tell that we are very people-focused in maritime. We know that we have an ageing maritime workforce. We know that the fourth generation of our coastal communities tends to be unemployed. The use of data is a real gateway to upskill and employ those boys and girls.

Q132 **Paul Howell:** You look like you want to come back again, Ben.

Ben Garratt: On the role for Government, absolutely. I mentioned the future of freight plan. Helping to take that forward is the DFT's Freight Council—

Paul Howell: Just before you continue, there are two questions around Government for me. One is about any legislation that helps frame things. Then there is the opportunity to drive or promote the innovation sector. There are those two pieces, and anything else you want to add.

Ben Garratt: I was thinking of a third area, which is about convening power, such as the council I mentioned and the Government collaborating on how to take forward the strategy. Something that hangs underneath that is the freight energy forum, which is the energy decarbonisation element of that broader work. It again brings the Government and the sector together. One of the things it is looking at is the gathering of data in a way that does not impact competition across the sector, to establish where infrastructure like energy charging should go. There are other things like that.

On the technology side of things, yes, the Government fund the freight innovation fund. There is also Government money that goes into autonomous vehicle trials. Currently, there is an interesting UK Space Agency programme, with Government money encouraging or aiding the logistics sector to make more use of satellite data and imagery to improve journey planning or where to build assets and that sort of thing.

It is a collaborative space. I think it is important that it remains collaborative, with Government playing their part and getting match

funding, where appropriate, from the private sector. Sometimes it is from the tech community and investors, not necessarily always from logistics. Logistics operates on small margins. It is better at offering a test bed than money. There is a real role for a public-private partnership, essentially, and both sides being sensitive to where the edges of that relationship are.

On the skills side, I completely agree. A very different data-driven approach the sector is working together on is the Generation Logistics campaign. That is all about using social media and other tools to get in front of young people who are thinking about their future careers and career switches, and making sure that they are aware of logistics roles. That is using data in a social media and marketing sense. It is also making young people aware of the whole breadth of roles. People have heard of some of the roles in logistics—for example, driving. They often haven't heard of the more technology and data innovation roles that might pique their interest in the sector. Given the rise of automation in logistics, there is a huge opportunity for really interesting new roles.

Q133 **Paul Howell:** Do you have anything to add, Steve? I have another question.

Steve Freeman: To answer your question about what Government can do, we all talked earlier about collaboration across the sector. I am doubtful whether, without some Government intervention, that will happen. There needs to be some incentivisation through regulation or legislation that forces the industry together to come up with the whole logistics answer that the country needs, so that we do not continue to work in silos but are brought together through some targeted legislation or regulation.

Chris Shirling-Rooke: It might be worth quickly reminding you about Maritime UK and how we work. We were born and created as recently as 2016. The whole idea of MUK was to be a convener. It came from something called the maritime growth study in 2016 and how we get some common themes in an industry so disparate, with ports, ships, leisure marine, universities, professional services, and so on.

My membership are the national trade bodies and regional representatives. You mentioned Tees. We do an awful lot of work over there, and up and down the country. Recently, we have been working with the Department with a focus on an AI task and finish group. What does that look like? We have an awful lot of the maritime sector covered through our members. What are their members telling them? How do we start to put that together?

There has been some interesting work on that. Of course, I am always going to say that I think Government intervention is always welcome where it is needed. Maritime is a highly commercial and privatised industry, but we are always going to welcome partners that will meet us halfway. We have seen that with the £206 million that Government gave

us for UK SHORE, for innovation, tech, AI. It would be nice if that had a zero on it, which I am sure it will—of course it will. I think Government have a critical role to play in this.

Q134 **Paul Howell:** It is always one of those things with Government. You want them to get involved without getting to the stage of frustration. There is a careful balance as to where we go.

Another thing that came out of the Japan stuff that we did was a concept called a smart city. They were taking a place and testing the integration of data use and different transport modes, and things like that. Not necessarily taking a full smart city concept, but do you see any opportunities for piloting schemes in that way, to show how things can be put together, or is it almost like going back to a big bang sort of thing and you either do it everywhere or you don't do it? Are there opportunities to try to sense check? It seems like a good idea.

Ben Garratt: Our members would come at it from an urban logistics angle, but in a very similar space, thinking about the best way of optimising logistics in the urban environment. There are standard infrastructure bottleneck issues in that. There are also regulations that can inhibit logistics that need looking at. There are also technology and data-based approaches.

On the technology side, it could be ways of joining up inland waterways, cargo bikes and vans, as an example. On the data side of things—this is something the freight innovation fund has looked at—it could be gathering data from a large office building as a pilot. Who is coming to the loading bay each day? Who are they buying from? We would use that data internally to inform better buying decisions, which in turn enable logistics companies to be more efficient because they know their customer is making smart decisions on what they need, rather than everyone trying to get everything all at once from multiple companies.

There is a lot of opportunity in that space. We have come across it more in the pilots and interesting examples space than in whole city-wide approaches. The other bit we are conscious that it butts up against is the patchwork of rules and regulations in the traditional sense that inhibit logistics in an urban environment. It would be unfortunate to make a significant investment and focus on data and technology-based approaches while also finding it difficult on the analogue side to find space to build the shed that is needed to switch between a cargo bike and a van, for example.

Q135 **Paul Howell:** Interestingly, you focused on the urban side. One of the things that I have touched on regularly in this Committee in different structures of discussion is the difference between urban and rural. Using public transport as an example, I would never look to see what time the tube trains come in, but if I am going to try to get a bus from Trimdon to Sedgefield in my constituency, I need to look because they only come once an hour. If you follow that metaphor into your world of logistics

around the UK, the physical situation of charging points and the different opportunities to connect and make sure things happen at the rural end is another question. Is that something that should be worked on and thought about to make sure you can get through the rural world to where you need to be?

In the same sort of thought process, the smaller operators—I touched on this earlier—are making sure that they have access to the data pools to make their decisions and make sure that you have new logistics coming through, and that it is not just going to be dominated forever by the companies that dominate it now. We all need innovation from new thinkers as well. Do you want to start on this one, Steve?

Steve Freeman: The idea of a smart city is a great concept. Where you have the opportunity for a new build, you can do that. I would be concerned about the level of investment involved in doing something like that in this country at this time. But in principle, absolutely, I think it is the way forward. There is something very similar in the middle east, in Abu Dhabi or Dubai. It has risen out of a brand-new build. I think that is the challenge.

Paul Howell: That's always better.

Steve Freeman: Absolutely.

Ben Garratt: On the rural side of things, there is a technology challenge.

Q136 **Paul Howell:** It is a payback game as well, though, isn't it? Your payback comes in the urban sections rather than the rural sections.

Ben Garratt: Yes, but there is an angle on the charging or other types of things that opens the question of whether the diesel truck is a bit of a Swiss army knife and future decarbonised approaches might be less flexible and more tailored. There is also a customer buying behaviour angle. What we hear from a lot of our members is that they want to invest in innovation and decarbonisation, but one of the challenges can be the outcome from that. If it is a public good, such as reduced emissions, it is hard to get the customer to pay for that. As the agenda moves forward and scope 3 reporting essentially becomes the norm, you potentially have customers who can see a benefit to their own approaches from different buying behaviour. That might be particularly appropriate in rural communities, where you can see what the possibilities are and what the emissions could be of ordering something in a certain way. You might order it in a slightly different way, potentially, on a set day that was made available to you rather than just as soon as possible. That could create a more informed interaction in the e-commerce space.

Chris Shirling-Rooke: The theory of smart ports has been around for a number of years. When we think about infrastructure, we always think about new rail heads or physical infrastructure within ports. Digital infrastructure is as important. You mentioned how we support SMEs and

microbusinesses to be part of this digital revolution. We need to create digital nets in the areas where they are physically working. It tends to be our coastal communities in the sense that they tend to be behind or negatively affected by lack of digital access, as are rural communities. It then links to better digital connectivity. You have more businesses moving in, jobs and so on.

I think we have a security question. We are an island nation. Food, fuel and a quarter of our energy comes by sea. We need to control that data. We need to have absolute control over the data we are creating. Certainly, this is becoming far more prevalent as a discussion topic in maritime, with the global challenges that we are seeing. We have lots of data and we can digitise, but we need absolute control as a sovereign nation of that data.

Ben Garratt: On the smaller business side of things, we had an innovation conference in October. There was definitely an anxiety that came from our members, particularly the bigger members, that, "This is all right for us, but how can we support the SMEs in our sector through this transformation, because it is huge?" The SMEs in the sector are also the supply chain for the bigger businesses that often subcontract to them to enable them to flex up and down with capacity. As far as I am aware, there are conversations on how to manage that. We know that some of our larger members are doing work with smaller companies, whether they are their supply chain or not, to help upskill them in the digital space. I was very interested to hear in the Budget about the pilot the Chancellor announced to help small businesses benefit from AI. We will be looking carefully at that to see if it is something that could benefit our members.

Q137 **Karl McCartney:** I have a couple of focused questions for you, but first, Chris, I am going to bring you up on what you said about looking forward to Government intervention, which you described as "critical". I am sure you would like Government funding, but I am not sure you want regulation from Government. Surely, you want a laissez-faire attitude. Can you give a very quick answer?

Chris Shirling-Rooke: A really quick answer. Where we see Government support is with supporting people and skills, so not actively involved in industry regulation unless we need it—but not none at all. It is help in our coastal communities with how we create the jobs and skills needed.

Q138 **Karl McCartney:** I thought I would give you the chance to come back on that one. I don't want to take you off on too many tangents, but I am very interested in the supply chain for agri-tech and how improvements could be made to profitability, affordability or savings and passed up and down the supply chain. Can you give me some examples where data and tech have helped make improvements in any way that you are aware of? How do you think that might happen in the future, either extrapolating that or, as you have all said, with the importance of data as we move forward?

Ben Garratt: I mentioned the report that we and Oxford Economics put out last year. There were other case studies in that on using AI to optimise energy consumption, with logistics companies already in the electric space using electric vans, technology and data to make sure that their energy and journey management was as efficient as it could be. There is lots of work around aggregating data that is collected from different vehicles to enable them to make informed choices.

Q139 **Karl McCartney:** Are there any companies leading that, or any particular academics looking at that which you are aware of? You do not have to tell us now, if you don't know.

Ben Garratt: I can write to the Committee about that. There is a company that was mentioned to me recently, but I cannot remember the name of it off the top of my head. It was when I was speaking to another business about large fleet management and how they get around the fact that they have a mixed fleet with different manufacturers producing different vehicles, so the data is produced in different ways. They want to download it in a way such that they understand what their fleet is doing and how they can optimise that, just looking at marginal efficiency gains. They then use an aggregating platform to get that data in the same format.

Q140 **Karl McCartney:** Steve.

Steve Freeman: If you will allow me a real example, until recently I was running iPort Rail in Doncaster and got a bit fed up, very early on, seeing half-empty trains come in. It's all very well having six trains a day, but when they are half empty it is not such a great thing. Out of that was born what we now see as RailX, which is a digital booking app. It allows accessibility to people who did not previously have accessibility who only want to use the railways once or twice a week or whatever. I can honestly say with my hand on my heart that that innovation put a good 15% to 20% on my bottom line, and that of the FOC whose trains we were filling. We are now moving that out beyond iPort Rail to other places. The use of data and accessibility to data through that hub has allowed greater efficiencies and more revenue for people.

Where are we going with that? We would like to introduce dynamic pricing, which is going to be good for the industry, allowing lorry drivers who are doing the final mile, for example, to give a price for that final mile and get paid immediately, which then allows us to bring in incentives for them to reduce their costs. It is about reducing costs across the whole port-to-door journey and adding efficiencies to it. That is a real example.

Q141 **Karl McCartney:** I like the sound of that, especially dynamic pricing, but don't take the route that the channel tunnel does, which is to use algorithms to increase everybody's prices for various rail journeys. Chris, let me come to you.

Chris Shirling-Rooke: I was going to give some examples of some of the stuff that has happened around innovation and data since the

"Maritime 2050" report. There was a big focus in that on creating maritime innovation spaces or innovation hubs. Since 2019, there is one at the Port of Tyne. Maritime UK Solent has one. There is a virtual one at Liverpool John Moores University. There is an awful lot of work happening in Northern Ireland with the whole Artemis project. Even though it is foil technology, the amount of data they use for that is incredible.

Data is really interesting. We never quite realise or understand what we can use it for. There is a certain company I know, and I will write to the Committee about this, where the bottom of ships gets really dirty with stuff. Therefore, they do not glide through the water. They burn more fuel. Things can drop off in different waterways, and then you have invasive species. They have invented what is basically a big hoover, the size of a Mini. It goes up and down those huge ships, while they are loading or unloading, and gets rid of everything. It pumps water that is cleaner than drinking water back into the ocean. It is a non-UK business; it is in the southern hemisphere. The data they are getting from the sludge off the bottom of ships is incredible. It is talking about environmental challenges. It is talking about security. It is talking about where that ship has been: "Are they telling us the truth? They say they have been there, but according to the data it's been there." Data is really interesting, and that is a live project now.

Q142 **Karl McCartney:** That sounds very like the barnacles on the boat that we have in politics. Steve, earlier you mentioned Liverpool, and I am aware that there really does need to be a direct east-west link between the eastern ports—Immingham, Hull and the four ports there—and over to Liverpool, given the benefits of that. It touches on what Chris was saying earlier. How do you think that could happen? What is the data telling you, and how beneficial would it be to the country's economy or the region's economy? Who should pay? Are you saying that the Government should pay—the taxpayer, ultimately—or should some of the bigger companies pay but with the smaller companies being able to access that rail route and access the profits that will come from having a cheaper way of transporting goods?

Steve Freeman: On what the data is telling us, at the moment we are getting quite a lot of inquiries, increasingly, about a route that joins the east to the west. The debate about configuring that route and getting it up and running again has been going on for some time, particularly in the rail industry. Who pays for it? It is something that has to be done for the UK economy. It is probably a question across industry. Government has a role to play, but there is also a role for the private sector, particularly at either end of the journey. There has to be investment from across the board.

Q143 **Karl McCartney:** I will let Ben have a go before I come to you, Chris, because I know you will have a lot to say.

Ben Garratt: There is interest in the sector in joint funding of infrastructure. It is not so much a data thing. The key thing is certainty,

knowing what the plan is, getting involved financially and whether it is going to actually happen. We have seen examples before where companies have invested in planning and the beginnings of infrastructure around connecting with the railway, and then the national scheme that they were relying on happening didn't happen. It always comes back to certainty in the public-private relationship piece.

Q144 **Karl McCartney:** Would you say that the data is a no-brainer from what you know?

Ben Garratt: On that question we speak to our friends in rail-focused trade associations, and other stakeholders. They want to see that happen.

Q145 **Karl McCartney:** Chris—last but definitely not least.

Chris Shirling-Rooke: This is probably where I have to say that this is my personal opinion and not the opinion of Maritime UK or any associated organisation or individual. Obviously, you can tell from my accent that I used to be based in Liverpool. I was actually in Humber last week. Of course, I am going to say yes, absolutely, we need that cross-rail link, not just to get stuff off the roads or have movement of freight, but to open up the whole middle bit of the UK to allow them to export with better connectivity, and to create more jobs. I used to be based in an organisation in Liverpool. It was one of our big champion focuses with our colleagues in Humber. The data is there. It would be an example of industry and Government collaboration to make it happen. The benefit would be a huge multiplier for the UK.

It is worth thinking about the fact that there are certain port footprints in Asia that are bigger than the east-west train line. We worry about a train line, but there are port footprints in Asia that are bigger than that. We can do it and we should do it.

Q146 **Chair:** We have focused primarily this morning on the domestic side of logistics, but of course many supply chains are international. Are there any barriers or opportunities in the sharing of data across borders to maximise the efficiency of the global chains?

Ben Garratt: We have seen challenges in global shipping and concerns around sharing, to the extent that there could be problems with competition that could impact prices on the domestic side. A data-based exercise that we are doing with our members at the moment—born of the Red sea disruption—is to understand better the shipping surcharges that come with different circumstances, so that they can understand at quite a granular level the prices being added for those diversions and what is fair and not fair. We are not making a judgment at the moment on fairness. We just want to make sure that those in the UK who are paying for that can get a good view of what the likely cost would be. That is the limit of our work in that space.

Q147 **Chair:** I was thinking more of whether, in other jurisdictions, there are

regulations about what data can be shared that inhibits pooling across the whole supply chain.

Ben Garratt: It is not a question I am equipped to answer.

Chris Shirling-Rooke: I will speak to one of our members—the UK Chamber—on that and write back with a definitive answer, if I may. In addition to the answer I gave a little earlier on security, we have to be really aware of that with data.

Q148 **Chair:** Steve, do you have anything to add?

Steve Freeman: The only thing I can offer is from a pan-European perspective. I am talking rail here because that is what I know. There seems to be far more co-operation across borders in data sharing. I think there is something that could be looked at. I do not know too much about it, but there seems to be a lot of cross-border co-operation and sharing of data.

Q149 **Greg Smith:** Good morning, gentlemen. For transparency—it is not a declaration of interest—I chair the all-party group for road, freight and logistics as well as sitting on this Committee.

Can we turn to the skills agenda? Across the whole logistics sector there is a lot going on already. We have Generation Logistics. We have all sorts of schemes, as well as the Government bootcamps to try to improve recruitment and retention in the sector. We then have this agenda coming in, with advanced digital and data skills. How prepared is the sector for all of this, from apprentices coming in to ongoing training and ongoing upskilling of the workforce, potentially having to bring others in to future-proof the sector? How is it going to complement existing programmes like Generation Logistics to get there?

Ben Garratt: As with all sectors, there is a lot more to do in that space. The sector is very open to that. I have only been at Logistics UK for just over a year. The focus on skills, not for immediate shortages but for future needs, and the focus on innovation and how that is going to transform the sector, has increased even in that time. I think it would be foolhardy of any sector to say that they are ready and future-proofed. There is recognition that what the sector needs to do is to keep collaborating over the challenges and to keep sharing insights about how to do innovation.

For example, one of the topics on the agenda for one of our working groups is how to transform a business to do innovation, not just in technology but in organisational structure. What does that mean for skills? What experiences have they had with that? How have colleagues reacted to changes? It is a huge agenda. It is more of a continual process than establishing a fixed plan and sticking with it. The sector knows that there is a lot of change going on.

Q150 **Greg Smith:** My follow-up is around the retention point. Certainly in road

freight, retention is, to put it mildly, a challenge at the moment. When a job changes so fundamentally and all of a sudden—I don't want to sound like a luddite—becomes entirely different due to digitisation and the change in what the working day looks like, where do all three of you think retention is going to be as a result of the shifting sands? Is it going to bring the logistics sector to an even greater crisis point on retention? Is that going to be a five-year shift, a 10-year shift or a 50-year shift? What is going to happen there?

Ben Garratt: Our members would come at it from a slightly different angle. There is a huge amount of opportunity to work with colleagues on the change. This is not a case of importing into a business wholly new ways of doing things from a technology piece, putting it on the floor and saying, "Right, we've changed overnight. Do you still like the job?" It is more about bringing colleagues into a broader conversation about how to maximise revenue, efficiency and decarbonisation and create really interesting jobs. That is how they are thinking about it, but it is early days.

There are also aspects of retention that the sector is continually focused on that are not really about technology, like driver facilities, which are a significant problem in improving the work experience of being a driver and attracting people to those roles. The ageing population is obviously something that the sector is focused on in thinking about its future. In terms of change, from the members we have spoken to about it, it is about getting their heads around the opportunities and collaborating with colleagues on making those opportunities real.

Q151 **Greg Smith:** That is helpful. Chris or Steve, do you have thoughts on that?

Steve Freeman: We are all facing a demographic challenge across the logistics sector. As businesses change, because they have to, in terms of embracing technology and using more data, they also have to embrace the challenge that that brings to attract younger people and people who are more dynamic in their views on data and its use in the workplace. If they do that, the retention issue should resolve itself in time, but it needs help. It needs the industry to get on board and think along those lines. Instead of advertising jobs for the here and now, they need to be thinking about the future and how that job is going to change in time because of the technology that is coming on board.

Q152 **Greg Smith:** On the point about the timescale, we are where we are. How long is the transition within the logistics sector to be in the happy place that you describe, where people are comfortable with the changed role and we are not constantly staring down the barrels of a retention crisis?

Steve Freeman: If businesses were to start today, we are looking at five years at least to get it to where you would want it to be. But that means starting today.

Ben Garratt: With Generation Logistics, the younger age group starts with young teenagers, to try to get them interested in the role a decade or more, potentially, before they are in those roles. The sector needs to focus on a long-term pipeline of attraction. Also, as we would make clear to those who are interested in supporting it, we are part of Generation Logistics, and it is not about the day-to-day job vacancy situation. The economy is not growing, either at all or very fast, at the moment. That has an immediate impact on the logistics sector, which is an early barometer of how the economy is in terms of demand. As a result, at the moment the sector is not feeling a driver shortage; it is feeling a technicians' shortage for repairs, but there is also significant concern, even though everyone wants the economy to pick up, that that could expose a driver shortage. Our point is that Generation Logistics and initiatives like that are not for that timeframe. They are for 10 or so years.

Q153 **Greg Smith:** Do you have anything to add, Chris?

Chris Shirling-Rooke: Just the point that, unfortunately, the vast majority of seafarers who service the UK are no longer British. We keep saying that 95% of our stuff comes into the UK, but we don't have as many merchant seafarers as we used to. I lie awake at night worrying about that. That's my big worry.

There are things we can do. It is a career for life. We have to be aware of how important the maritime sector is. I have numerous council members who all have a different opinion about it, but we have to encourage more people to come into our industry. It is changing. If I am a youngster, do I want to spend years at sea? Possibly not. However you talk about data connectivity and the fact that it is a job for life, things are evolving and changing.

Building on Ben's point, we support the Maritime Skills Commission, which is DFT-led. It has come up with some really good reports on how to support our seafarers and attract onshore workforce. You get a feeling that it is all the same sorts of problems. There is an ageing workforce. How do we attract people? This goes back to our very early conversations. How do we connect better and work together better as subsectors of the logistics chain?

Greg Smith: That is helpful.

Q154 **Fabian Hamilton:** Hello, Ben. In your written evidence to us, you said that to further develop data-enabled technology the UK's 5G network would need some improvements. Those of us who have 5G all know that. How urgent do you think that the need to upgrade or enhance the 5G network is? Is it being done? Is it desperate? Is it going to pose a real challenge in your sector?

Ben Garratt: I wouldn't say it is desperate. There is an assumption that some of the technologies that the sector wants to make more use of in

the future or to see happen in the future, particularly in the autonomous vehicle space, will increasingly rely on that kind of technology. We were just making the point that if autonomous vehicles pick up and the logistics sector can establish the business case for using them, which is probably the main challenge for the sector, the UK's infrastructure, including from a data connectivity point of view, should be ready as well.

Q155 **Fabian Hamilton:** Are there signs that that work is currently being done? Is your industry pushing the providers to enhance their 5G networks?

Ben Garratt: It is fair to say that in that space more of the conversation is about how to establish whether the business case works for autonomy and autonomous vehicles, before we push on with complaining to others that they need to get their houses in order. There is an assumption that, if autonomy happens on a large scale, the transition from a drivered vehicle to a completely driverless vehicle will be gradated. It is recognised in the Bill that is going through that it is not an overnight switch. For the logistics sector to invest significantly in new technology, which it always finds difficult because of the small margins in the sector, a significant cost saving will need to go with that.

The obvious cost saving in that transition is not having a driver, or doing the people side of it very differently, at the unloading and loading end, for example, rather than in the vehicle. That is how to unlock the business case, potentially. If you have an expensive autonomous vehicle and someone sitting in it and paid to be an employee throughout the journey, and it is also encumbered by drivers' hours rules, that is a much harder bridge to cross. The sector is thinking more in that space at the moment than concentrating on making the case to others to improve the infrastructure.

Q156 **Fabian Hamilton:** You and I were in a meeting on Monday discussing autonomous vehicles. It was a very comprehensive meeting, but nobody mentioned the ability of the data network or the possibility of upgrading to 6G. I do not even know whether that is being discussed. Nobody mentioned it as an integral part of the case for autonomous vehicles.

Ben Garratt: No. We are also hearing from some in the autonomous vehicle space—in the data manufacturing space—that they are looking for or developing solutions that are not as reliant on that technology as we might assume. We need to see how that plays out.

It was a really interesting meeting. It was particularly interesting to listen to Waymo talk about how they do it in designated areas. If autonomy becomes something that works in very designated areas, rather than generally, it has a different implication for infrastructure. Potentially, it has a very different implication for logistics. The sector may look to invest in it for trunking, the movement between depots and ports, but not as a general technology. From a public spending point of view, or a private investment for public good point of view, it is potentially too early to

think about upgrading all of the national infrastructure to support broad autonomy. We do not know whether that will happen.

Fabian Hamilton: Steve, I saw you nodding.

Steve Freeman: Yes. I am not an expert in this area, but my instinct and observation would be that if we are to deliver all the data accessibility we are talking about here today and the technological advances that we hope to see come on board, the creation of 5G pretty much everywhere is essential. In the same way, if everyone went electric tomorrow with all their vehicles, we would need to produce more power. It is the same argument, as far as I am concerned. Yes, it is essential.

Fabian Hamilton: Chris, do you need to add anything?

Chris Shirling-Rooke: No. I just echo the connectivity point.

Q157 **Fabian Hamilton:** Let me move on to my next question, which is about the research that shows that people, both in the industry and outside, have various worries about digital technologies in freight, ranging from reduced job satisfaction to breaches of privacy and security. We have already touched on that. What work is going on in your sector to address those challenges?

Ben Garratt: From the anxiety point of view?

Fabian Hamilton: Anxiety about privacy and security. The more data there is out there, the more likely it is to be breached by people who want to do harm.

Ben Garratt: At the very beginning, I made a point about the highly competitive nature of the sector. One thing that inhibits horizontal data sharing across the sector and everyone having access to the data is that companies are competitive. They vertically share data, to deliver real efficiencies for their customers, and they are very customer-focused. That leads to a high amount of trust among customers that they are not working with a holistic database, but they are buying something from a retailer and, sometimes, when they get to the end of the process, choosing which logistics provider is going to deliver it to their door.

That is easier to get one's head around, in terms of trust, than something where there is a significant amount of data sharing. That is one of the reasons why I was making the point that it can be fruitful in this space to think about shared challenges—public and private challenges—and aggregating and corralling the data that is needed to solve those challenges, rather than taking a data-first approach of sharing and then seeing what can be done with it. If we take a challenge-first approach, we will be able to make it clear both to our members and to the public what we are doing it for and what the benefits are.

Q158 **Fabian Hamilton:** What about the attitude towards the job itself, that in fact that there will be less job satisfaction if jobs are more data-based?

Ben Garratt: It is similar to the point we were talking about earlier. Technology and data-based transitions are affecting all sectors. Logistics is not unique in that. It is very technology and data-driven, to deliver efficiencies.

What we are talking about with our members is the innovation journey that those who have embarked on this are going through, how their colleagues have reacted to that and how they are bringing colleagues in for discussion of the implications of doing things in a new way. They are looking at engagement with colleagues as an opportunity to transform collectively, knowing that nobody has all the answers. While there is commentary at a broad level that technology will lead to certain jobs disappearing or issues in that space, when we talk to our members they are thinking more about how they are going to transform, how to fund it, how to work with their colleagues on that and what that is going to do to their business models. It is at a broader, slightly more collaborative level.

Q159 **Fabian Hamilton:** Are you finding the same, Chris?

Chris Shirling-Rooke: Again, it goes back to demographics. Generally, as an industry, we tend to have much older demographics. We have a skills shortage. The next generation-plus tend to be far more tech native than—to be quite rude—a lot of people in this room.

Fabian Hamilton: That's a good expression. Is it one you made up?

Chris Shirling-Rooke: No. I was told the other day that I am a tech immigrant, because I am new to it and I am kind of learning my way—just how to switch on the computer!

I think that there is far less fear. As an industry, we have to innovate and "tech up", because that will attract the next generation. They speak the language of the skills that we are developing for tomorrow, so I am less concerned. We do an awful lot of work with the industry on this, especially with Nautilus union. Of course, people working in the industry have natural concerns that it is change and so on, but based on the initial work and instinctively, I cannot see a lack of jobs. I can see a different type of jobs. We are going to need those people as the next generation. I am fairly positive about that.

Q160 **Fabian Hamilton:** Steve, would you agree with that?

Steve Freeman: I would. There are two elements. One is the concerns that there are around commercial sensitivities about sharing data. That is partly a technology answer and partly a trust answer, which Ben alluded to.

We do not employ a huge number of people, but I agree with Chris that different types of jobs are coming up. Yes, there will be change, and yes, there will be concerns within a certain demographic, but they will be replaced by better jobs—more technology-based jobs.

Fabian Hamilton: You are confident of that.

Steve Freeman: Yes, I think so. Absolutely.

Q161 **Gavin Newlands:** In other inquiries, we have heard, certainly in my opinion, that the Government—the DFT—are very siloed. There is no overarching transport strategy. Each mode is very siloed within Government. Steve, you referenced earlier that the sectors are siloed. I think that you mentioned looking to incentivise bringing some of that together, through regulation or what have you. It is not a huge surprise that logistics and the freight sector are not directly mentioned in the transport data strategy. There are references to data and whatnot in a number of strategies: Maritime 2050, the freight strategy and so on.

Given that I have referenced you, Steve, I will come to you first. I think I know your answer to this, but perhaps you could elaborate somewhat. Does the Government's approach to the sector feel like it is joined up and focused? Could you say in more detail what you would do to improve it?

Steve Freeman: I think that the answer is no. It doesn't feel that way, anyway.

Gavin Newlands: I had a feeling.

Steve Freeman: As regards what they could do, perhaps we need to do this in a more collaborative way. We were talking about that in the corridor earlier. There is an opportunity to join forces and form some sort of committee that can help Government to take the industry forward—a cross-sector committee, involving rail, maritime and road. Something of that ilk is required to promote the cross-logistics thinking that needs to happen to make sure that investment is put in the right places for the industry, not for rail, road or maritime per se, but for the logistics industry as such.

I have been in the rail industry for a long time. There is no doubt that the industry has changed and is changing. There is a need for the logistics side of the business to work closer together, rather than in the silos it has been working in for the last 30, 40 or 50 years. It is not us against them. It is all of us together, to get the best answers for the UK, for this country.

Q162 **Gavin Newlands:** Do you think that industry is partly to blame and Government are partly to blame for that?

Steve Freeman: Yes, I think so. Obviously, there are lots of commercial sensitivities about these sorts of things, but I think that the industry has been largely to blame. Government have been somewhat to blame, in perhaps not paying as much attention to it as they could have over the years. There are answers. There is a solution, and it is for us to work together more collaboratively going forward to get the right answers.

Q163 **Gavin Newlands:** As a Committee, we are looking to come up with

recommendations from this investigation. Ben, Logistics UK would seem to be in a pretty good position to try to draw some of these industries or modes together. Could you answer the original question, and then how much has the fragmentation impacted the sector's ability to move forward with this?

Ben Garratt: It is an issue. If you don't mind, I will answer your first question first. On the Government side of things, you can imagine a time when having a more modal perspective in Government was not significantly problematic, but there is a huge amount of change going on at the moment, driven by decarbonisation, the technology revolution, our changing trading relationships in the world and geopolitics. In moments of change, it is really important to be focused and to work together.

In the Department for Transport, they have recognised the challenges of siloed thinking around modes. That led to the future of freight plan and the Freight Council, which is across modes. There is work going on in that area. I do not think that anyone would say that it is finished, but for us, the Department for Transport is not the only Department that needs to be in the tent on this agenda, to deliver the future of freight plan and other strategic policies for our sector. The Department for Energy Security and Net Zero is key when it comes to energy infrastructure. For most sectors, education and skills are, too. If we look at the trade side of things, we have the Department for Business and Trade, but the import controls that are coming in across this year are handled between the Cabinet Office, DEFRA and HMRC. It is quite bitty.

We produced what we call our manifesto in January, with the expectation that there will be a general election this year. It sets out our key priorities for the sector. The top ask in that was a dedicated Minister for logistics with cross-Whitehall responsibilities. There is a Minister in the Department for Transport, Mr Opperman, who would say that he leads on logistics. We have not said where they should sit in the Government, but whoever has that responsibility needs to be supported, potentially by the Cabinet Office, to deliver across Whitehall, because it is not just in the Department for Transport.

Gavin Newlands: That is your manifesto. That is what you would like to see happen.

Ben Garratt: Yes.

Q164 **Gavin Newlands:** Is there anything happening at the moment to get a strategic approach to data usage across the sector? Is anybody, either within the private sector or in Government, drawing those strands together at the moment, however effective or ineffective that may be?

Ben Garratt: Yes. From the Government side, the Freight Council, which is DFT-led and cross-sector, is trying to join the dots there. There is a DESNZ decarbonisation focus committee, which brings freight into that, too. There are efforts to join the dots.

Q165 **Gavin Newlands:** How much is data part of those efforts?

Ben Garratt: On the data side of things, it is much more in the space around establishing priorities at strategic levels that the Government and the sector want to see happen, rather than in data-focused initiatives.

On the private sector side of things, we are on a journey at Logistics UK to seek to represent the whole of the logistics sector. We do that through a mix of working with a membership that is cross-modal and working collaboratively with other trade associations that are not in our membership, to make sure that we are sharing and trying to speak with one voice. We think that is really important. Given the point I made about all of the change that is happening and the role that logistics plays in underpinning the economy, it is really important that as far as possible our sector speaks with one voice about what it needs to see happen to unlock, ultimately, more economic growth.

Q166 **Gavin Newlands:** Chris, do you have anything to add before I come to you on smart shipping?

Chris Shirling-Rooke: It is interesting, because logistics and maritime almost mirror each other. Of course, we have our own Maritime Council at the DFT; we have our own maritime Minister—a Minister for shipping and aviation—and we have our own maritime department at the DFT. On the data bit, as I mentioned a little earlier, we now have an AI task and finish group, with a focus on maritime.

Of course, collaboration can always be better. When I say that, I am talking about my own industry of maritime. We can always work better together. It is worth remembering the strides that have happened, certainly in maritime, in the last decade, not just with the Maritime UK national council—the industry coming together—but with the collaboration with DFT and DBT. As Ben said, Logistics UK is on a journey. Our maritime sector is probably also on a journey. You may have guessed that I lean a bit towards optimism.

Gavin Newlands: That balances my pessimism.

Chris Shirling-Rooke: I was going to say that. It's why we'll get on. I am optimistic.

Gavin Newlands: Despite your using the phrase "better together", which is triggering for me.

Chair: Hear, hear.

Q167 **Gavin Newlands:** For the last question, can I turn our attention to smart shipping? The Government have grand aims. In 2018 they said that they wanted "to be world-leading in the design, manufacture, uptake and use of smart shipping technologies." Is that currently the case? If not, how far along in that particular journey are we?

Chris Shirling-Rooke: Of course I am going to say that we are world leaders. Of course I am, because I genuinely think that we are. As far as blue investment is concerned, the UK is No. 1 globally, for private sector looking to invest in maritime innovation technology. We are playing a bit of catch-up with all the other big industries in the UK, whether it be aviation or rail. We have gone from zero in innovation support to the £206 million from Government just a few years ago. As an industry, we have more than matched that.

There are some really good technologies out there, if you are talking about smart shipping and smart maritime. I touched on the Artemis project in Northern Ireland. You have the likes of the whole offshore energy opportunity. The windmills are one thing, but there are also the vessels needed to service the windmills. Those things can cost £50 million or £60 million a pop. We are going to need 50 of them in the UK over the next 10 or 15 years. We should be building them here. We should absolutely be building them here.

Those are some of the projects we are looking at. Bibby Marine is looking to create the first net zero service vessel here in the UK. With a global net zero agenda, we have an opportunity, especially with offshore energy, not only to secure our own energy but to lead that industry. Of course, there are numerous other examples that I can give you.

Q168 **Gavin Newlands:** What progress has been made in establishing the centre for smart shipping?

Chris Shirling-Rooke: A benefit of the UK, and perhaps also a challenge, is that we have some really good universities. We have some hubs around the UK. The work that we have been doing with MUK is a hub and spoke approach. There are different universities with different expertise that work together for maritime. We genuinely have some world-leading universities. I have talked about the University of Southampton. There is everything that is going on at Strathclyde, which is really pushing the envelope forward.

There is also a real appetite from the industry. Don't forget that we are under pressure to get to net zero quickly, because we have a duty to do that. That appetite is there. We have the will, the knowledge and the educational establishments to do that.

Q169 **Gavin Newlands:** It is not just the HE sector; there is the FE sector as well. I visited the very impressive set-up at Glasgow College, with the simulators and whatnot that they have there.

Chris Shirling-Rooke: Glasgow College is great. We had an event there a couple of years ago, for COP. It is absolutely fantastic. There are some great maritime engineering colleges throughout the UK.

Q170 **Gavin Newlands:** From a port point of view, on handling data, clearly your Felixstowes and Southamptons will have to invest, and are investing, significant sums in keeping up with everybody else, because

data is going to become hugely important on that side of things. There are smaller ports. I am not going to name owners, but some port owners are better at investing than others. That is all I would posit at this point. What impact do you think there might be for ports that are not being invested in from a logistics point of view, with the data-driven future in mind?

Chris Shirling-Rooke: I would probably go back to my earlier comment and say—

Gavin Newlands: You can name them if you want.

Chris Shirling-Rooke: No, I don't want to name them. I have no idea on this one. I'll take the fifth.

Ports are key drivers of coastal communities. We do not realise how much poverty and deprivation there is in our coastal communities. Don't just think about inner cities. I am from Birkenhead. You have talked about Glasgow. Those are tough places. Ports are the drivers there, so anything that strengthens the opportunities for ports to grow and drive business is a good thing. Data connectivity is critical for them.

Q171 **Gavin Newlands:** I have one last question for you all. Do you have thoughts on whether the UK is world leading in the development of data-enabled technologies in the wider logistics sector? Also, if you could write one recommendation for this Committee from this inquiry, what would it be? I will start with Ben.

Ben Garratt: On the recommendation side of things, can I have two?

Gavin Newlands: You could get into politics with that sort of greed.

Ben Garratt: The first is getting on with the identification of the national freight network, using data at macro level to identify the key freight routes in the country, to inform infrastructure from a transport and energy perspective. The other one is continued support for the freight innovation fund, which has established a really useful model for setting challenges and bringing the tech companies, investors and the logistics sector together to work on new innovations that can be great both for the UK logistics sector and for the broader tech community, in terms of the UK being an innovation centre.

Sorry, could you remind me of your first question?

Gavin Newlands: Where do you think that the UK is world leading in the development of data-enabled technologies within the wider logistics sector?

Ben Garratt: The UK is very advanced in the e-commerce space and very customer focused. Whatever we do in this space in terms of sharing and coming up with collaborative solutions, it is really important that we maintain the integrity of competition as well, to maintain customer focus.

Gavin Newlands: Steve, can you give your one recommendation—maybe two, if you are quick?

Steve Freeman: For me, it is about collaboration across the sector. That is the way forward for us. If Government can in any way provide some targeted regulatory incentivisation to allow the industry and the sector to work together more closely, that is the one I would go with.

Gavin Newlands: Chris?

Chris Shirling-Rooke: Focus on the people. That is where everything starts and stops, for me. It supports your skills challenges, your career gateways and your food and energy security. Just focus on the people. How do we attract and support the next generation in our industry? We are an island nation. We need people to run this island nation to make sure that stuff comes and goes.

Chair: Karl, did you have a quick question?

Q172 **Karl McCartney:** I did. I was going to come back, because I thought that my colleague was going to be more negative than he normally is about the Government. I was going to ask you what the Government have done well that you would like to see them carry on doing, or do even better, but quite a lot of you have answered that already. If there is anything that you want to add, you can add it. I am an optimist, much like you, Chris, and Mick. We are all three plastic Scousers, which makes us optimists.

Chris Shirling-Rooke: You have to be.

Chair: On that point of violent agreement, we will draw proceedings to a conclusion. I thank all of you very much indeed for your time and evidence this morning. It will be very helpful for our inquiry.