

# Transport Committee

Oral evidence: [Road freight supply chain](#), HC 828

Wednesday 24 November 2021

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Members present: Huw Merriman (Chair); Simon Jupp; Chris Loder; Karl McCartney; Grahame Morris; Gavin Newlands; Greg Smith.

Questions 1–162

## Witnesses

**I:** Duncan Buchanan, Policy Director, Road Haulage Association; Elizabeth de Jong, Director of Policy, Logistics UK; and Shane Brennan, Chief Executive, Cold Chain Federation.

**II:** Adrian Jones, National Officer for Road Transport, Unite the Union; Kieran Smith, Chief Executive Officer, Driver Require.



## Examination of witnesses

Witnesses: Duncan Buchanan, Elizabeth de Jong and Shane Brennan.

**Q1 Chair:** This is the Transport Committee's first evidence session in our new inquiry into the road freight supply chain. During the inquiry we will look at the challenges facing the road freight supply chain, such as the pandemic, driver shortages and changes to border procedures. We will look at what the sector has done to alleviate those problems and what Government can do to assist.

We have two panels today. I am delighted to see that we have three witnesses from the freight sector. I ask them to introduce themselves for the record.

**Duncan Buchanan:** I am the policy director for England and Wales for the Road Haulage Association.

**Elizabeth de Jong:** I am the policy director for Logistics UK.

**Shane Brennan:** I am the chief executive of the Cold Chain Federation.

**Chair:** Good morning to you all. Before I proceed further—I should perhaps have done this 30 seconds ago—may I ask whether any Members have any interests that they wish to declare?

**Grahame Morris:** I would like to declare an interest in relation to the second panel. I am a member—indeed, the chair—of the Unite parliamentary group. Adrian Jones, our national officer for road transport, is giving evidence on the second panel.

**Q2 Chair:** That is noted.

Let us kick off with an opener, to get a better idea of the challenges facing the sector right now. Elizabeth, I will come to you first. Can you give us an overview of the most serious challenges that the sector is facing?

**Elizabeth de Jong:** Certainly. In thinking about what are the challenges, I always think about the ideal situation in which we would be working. It is something that enables the logistics sector to be flexible and resilient, to be recognised for its value, to be optimal in its efficiency and to work towards zero safety and negativity. That is the ambition and aim of the logistics sector.

There are probably around six challenges we are working on. One is the driver shortage and making sure that the action that has been taken to address it is embedded in the medium and longer term, so that we are not in this position and are in a good, firm place going forward.

Another area is the patchwork of local regulations across the country that impact on operational efficiencies and cost.



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Planning is a third area of challenges. We must make sure that that works to support our sector.

We have great ambitions for decarbonisation. How we do that is really important. Will we do it in an efficient way for the sector, or will it lead to big inefficiencies and costs? We want to deliver there, too.

We always keep an eye on processes and infrastructure. We want to make sure that those are funded and that border processes are focused on in our work with Government.

We must also make sure that the regulation by which our sector operates is fit, modern and flexible to support all those ambitions.

Those are some of the challenges we are working on at the moment and that I wish to highlight to the Committee today.

**Q3 Chair:** Duncan, we have been here before as a Committee. The RHA came before us back in 2016—Mr McCartney and I were members of the previous Committee. We have looked through the recommendations that we made and some of the challenges. It feels like groundhog day. Do you think that where we are right now is pandemic-led, or is it just a failure to put in place some of the recommendations that were referenced before?

**Duncan Buchanan:** Funnily enough, just before the meeting I was refreshing myself with the report. It did feel a bit like groundhog day. It felt like the problems that were expressed at the time are still current.

You are right. The situation has been exacerbated by Covid and leaving the European Union. Those things have added to the pressures that already existed.

One thing that is almost a benefit of Covid and Brexit is that it has brought these things to light. We are now starting to see action on some of the things that were not being acted on. One thing that really jumped out at me was that in 2016 there was talk about apprenticeships. The apprenticeships have been sorted only this year. It has taken that long to get the apprenticeships into the position where we can actually train the right types of drivers. That happened only with ministerial intervention and with this crisis looming in front of us, which pushed the regulatory authorities in the education system to make some decisions that worked. We still have issues around the category C apprenticeship. IFATE cut the funding for that. That is being appealed through the trailblazer group.

There is ongoing work. I would not want anyone to think that Logistics UK, the Cold Chain Federation or the Road Haulage Association have been sitting doing nothing for the last five years. We have been working to address all the issues. We have been pushing and pushing. Sometimes we have been battling a bit of complacency in Government, because this is an industry that tends to look after itself and get on with the job, very successfully.



Q4 **Chair:** Shane, can you give us an idea of some of your leading members and of the impact that this is having on the frontline—on the shelves and the freezer areas in supermarkets, for example?

**Shane Brennan:** You have to think about it from the point of view of the impact on people, at all levels—whether it be the managing directors, the drivers or the people working in warehouses and the like. I do not think that it is an exaggeration to say that the whole of the last two years has been the toughest period in their memory as operators. They have been dealing with unpredictable demand. It is not just the overcapacity issues that we have in some parts of the supply chain. It also reverses to zero in some parts of the supply chain at different points. Those unpredictable flows have really tested their ability to plan and to make decisions about what to do in the future.

Q5 **Chair:** You say “they”. Can you give us a flavour of who your members are?

**Shane Brennan:** I am talking about the businesses that run the supply chain operations for major corporate businesses such as the supermarkets—the big third-party logistics companies—right the way through to small businesses providing storage and distribution services for frozen and chilled food, in the main. They are really struggling with these long two years of unpredictable circumstances.

I guess that there is a significant amount of tiredness running through all of that, which has led to some issues around retention. We are losing people out of the industry, just because of the problem of the stress of the work.

Operators had to make some decisions. If you think about where we were in the summer, some key decisions had to be made because of the view of the land as it was, coming out of the lockdown and the pandemic. Where were we? How much capacity did we have? What could we achieve as a supply chain? We were really struggling. Things were not working. There were lots of discussions around what we could do about Government policy. Some of that got quite bad tempered. Fundamentally, there was a lot of backwards and forwards around that stuff.

Where we are now is that people have made decisions about what they think is achievable. We have had quite a significant scaling back in the amount of work that we are trying to do, particularly around Christmas. The food supply chain gears itself up to deliver at Christmas. There is quite a lot of scaling back of the ambition of that. Normally, it would be about getting out as much as possible, to sell as much as possible to and make as much revenue as possible from customers at that time. We are having to scale that ambition back, to try to deliver what we absolutely can and to protect our people.

Q6 **Chair:** Do you anticipate shortages at Christmas time? Is it more the fact



that it may take longer to get the goods on to the shelves? In that case, how do you then refill the shelves if people are buying at a later time of the year?

**Shane Brennan:** It is not about shortages. It is about scaling back. Simplifying—having less range—is one of the key decisions that you can make to try to make supply chains more efficient. It is about reducing the amount of goods that you are expected to put on the shelves and then working with the customer base to make that clear. We are very good at piling high and selling cheap at Christmas time. We are having to scale that back strategically to meet the promise that there will be the stuff that you expect to see on the shelves, but not necessarily all the extras. It is about making those kinds of decisions.

The knock-on effect of that is lost revenue—lost profitability. When businesses have gone through two years of very difficult cash-flow issues and very difficult decisions about how to invest in their businesses and the viability of their businesses, they are having to be risk averse about how they see this Christmas period, rather than trying to make up lost ground in revenue that they are trying to make as businesses.

Q7 **Chair:** Can I touch on that with you, Elizabeth, seeing that it is the seasonal part of the year? Do your members anticipate that the public will still be getting their Brussels sprouts and mince pies at Christmas time, or is Christmas a particular concern?

**Elizabeth de Jong:** I absolutely agree with what Shane has said about how the supply chain is adjusting to the new normal. It is those longer lead times. It is scaling back on the level of ambition.

However, we are a dependable sector that does its absolute utmost. You have seen that throughout the Covid crisis. I think that there is calmness. Even though we have had panic buying over petrol, I think that, as a society, we are getting more used to seeing fewer things on shelves and that being okay, as we know that it is coming, and to not getting something the next day but having to wait a few days for it. Those are all things we as a society know that we need to be moving towards in our decarbonisation—not instant gratification and demand.

There are some green shoots. In Government policy there is lots of focus on this now. We are seeing some light at the end of the tunnel on recruitment. I am happy to go into that, should the Committee want to know what we have been collating.

**Chair:** Indeed. Do you want to come in, Karl? We will then go through the sections I want to touch on.

Q8 **Karl McCartney:** This is a bit of an elephant in the room. I will come to you first, Duncan, and then to the other two panel members. One of your colleagues—I do not know whether he is above you or below you in the hierarchy of your organisation—was discussed at length in the *Mail* over the weekend. You said that you are an industry that looks after itself.



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Would you be happy if he did the same again to cause a run on fuel?

**Duncan Buchanan:** He did not do it. The story is nonsense. It is rubbish. He did not cause the fuel crisis. Do you want to know what caused the fuel crisis? It was the *Daily Mail*. Here are its headlines from that period of time. It was not Rod McKenzie, who is my boss. I know that he did not do it. He did not actually attend the meeting that was leaked. He had not even had a read-out from the meeting. I was at the meeting, and I did not leak it. I know that Rod McKenzie did not have that information.

Q9 **Karl McCartney:** Was there a fuel shortage?

**Duncan Buchanan:** No. We said that. Rod McKenzie went on television and said precisely that.

Q10 **Karl McCartney:** Okay. Do you think that something like that might happen again?

**Duncan Buchanan:** I do not think that it is going to happen in that way. There may be a bit more responsibility, rather than some of the extreme reporting that went on at the time.

We as an organisation are very well aware of the risks to supply chains from problems with fuel. We knew about some of the issues months beforehand. This was not an instantaneous thing. It was not even a new thing. We knew of supply chain problems. They had been happening on a low level and a low scale for a period of time. They would have continued to be isolated. It was a media panic that just took over. People do the logical thing sometimes. They think, "I have run out of fuel. I need to get to work next week," and they stock up.

Some of the other comments are quite interesting. When you have a supply chain where the demand for a product just goes through the roof, it is very difficult to ramp up instantly. We had the toilet paper crisis at the beginning of Covid. That was nonsense as well. There was never a problem with toilet paper. The whole thing was silly.

Q11 **Karl McCartney:** Do you think that the pseudo-fuel shortage was exacerbated by the change from E5 to E10 fuel?

**Duncan Buchanan:** Some people are saying that that is what it was. I cannot possibly comment on that. All I can comment on is that Rod McKenzie was not responsible for the fuel shortage. He did not leak any papers. That story is absolute nonsense on stilts.

Q12 **Karl McCartney:** Thank you for your clarity. Elizabeth, do you think that something like that would happen again?

**Elizabeth de Jong:** With panic buying? We can never say never. All of us put out messages not to panic buy. We know that the impact of panic buying is not good for us as an economy or as a society, yet there is something inside people that makes that an attractive—



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Q13 **Karl McCartney:** Do the proponents of “just in time” economics need to take a back seat for while?

**Elizabeth de Jong:** There is balance all the time, isn't there? There are adjustments all the time. People are adjusting their whole supply chains—where they store, how they store and where they source things. This period we are in, post Covid, is a massive indicator that we need to be very flexible in our supply chains as things come in from containers, given how long they are taking around the world. There are massive adjustments. “Just in time” philosophies will be changing all the time to adapt to circumstances.

Q14 **Karl McCartney:** Shane, can I give you a chance to answer those questions?

**Shane Brennan:** The thing the supply chain cannot cope with is consumer overbuying. Everyone involved in the industry—the Government, industry and the consumer—has a common interest in staying calm when there is pressure in the system. There has been pressure in the system—we have had a global pandemic—so there have been different periods of overbuying.

There will be businesses that are very worried about potential consumer overbuying behaviour running into Christmas, because people are going to see a slightly different experience in the shops running into Christmas, particularly in the supermarkets, than they have before. It will be plentiful, but it will not necessarily be absolutely everything they are looking for.

We have a responsibility to be calm and to avoid laying blame. It is so depressing that again MPs are asking the same questions. Who cares what happened back then? It is over and done with. What matters is how we are going to work together going forward. I went to the people who are actually doing this at the frontline to get on with the detail and the substance, rather than talking about this personality stuff. That is where I get really frustrated.

One of the things that came out of that interlude, with the constant attacks about who was to blame for what, on either side, was that businesses are switching off. The Government are doing loads of good stuff, but the businesses have heard, “The Government are not on your side. They are looking to find who is to blame. We need to look after ourselves.” That is where we are. That is what they are doing, and they are doing it fine. They look after themselves. They are self-reliant. They try to work out how to cope. But we could do better than that. There are lots of good things happening, so let us try to focus on those.

Q15 **Karl McCartney:** Is there a similar problem with the freight containers in this country, which Elizabeth just mentioned? Is there a shortage of those? Quite a few are already full and being stored elsewhere.



**Shane Brennan:** The global shipping supply chain is in an unprecedented period of stress. The containers that we need to move goods around the world are all in the wrong place. That is literally on a global scale. The cost of putting goods into shipping containers is massive. You talk about “just in time” supply chains. Even if you do not want to work on a “just in time” basis, you cannot get goods at the moment to build stockpiles. That is a reality of the window we are in, so we have to readjust. It is not a question of “just in time” or “just in case”. It is a hugely complex supply chain. Every product line has a different route to market in which it has to operate.

Q16 **Karl McCartney:** By how much have lead times been extended? Is it 10%, 15% or 50%? Have they doubled?

**Shane Brennan:** On shipping containers?

Q17 **Karl McCartney:** Just lead times in general.

**Shane Brennan:** I know best what is happening with inter-store lead times—delivery to stores. In the fresh supply chain, you would normally operate on the same day or the next day. We are now looking at day two and day three for those delivery timeframes in lots of cases. For the frozen supply chain, we are looking at going from day one for day three to day one for day five and day six. We are seeing significant changes and having to replan on that basis.

The thing that is different today compared with four months ago is that, although it was a difficult adjustment period four months ago, people know that that is now the situation and are planning their decisions on that basis. It is not as good as it was, but it is what works.

**Karl McCartney:** I would love to ask more questions, but I am conscious of the time.

**Chair:** We will go into each of these sections, so do come back, Karl.

Let me give you an idea of the rest of the session. We are going to look at driver shortages, which we have touched on already, recruitment, working conditions, what the industry is doing and what Government—the DVLA and the DVSA—could do. We have a lot to go through. Elizabeth, you touched on one of the matters. I will ask Greg Smith to lead us on border issues.

Q18 **Greg Smith:** Good morning to our three witnesses. The B-word has come up a couple of times already this morning. Where I would really like to focus, so that we can gather the best evidence, is on what more we can do to give recommendations to Lord Frost, as he continues to negotiate with the European Union, to ensure that the TCA is working as well as it possibly can for your sector.

I will start with this. What challenges have the new border procedures thrown up in their current iteration, before we move to the 2022 iteration? What, in particular, is your message to the Government?



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Although this is the Transport Committee, ultimately we are talking to Lord Frost here. Do you need to see him negotiating to get the best possible deal for road freight?

**Elizabeth de Jong:** I will focus on EU trade, rather than Northern Ireland, because that would take up a lot of our time.

There are significant challenges. There are complete changes to our industry for those types of journeys, in the formalities and the amount of paperwork that needs to accompany each item.

One area that was managed particularly well was that it did not result in significant delays at the border itself. We did not see the queues of traffic that had been spoken about. The delays were of a different nature. They were often when the journey to the EU had been made and formalities had not been filled in as the country where we were arriving expected. That is where a number of goods were delayed, and delayed in a way that left the accompanying lorry driver feeling quite powerless to do something about it, because the trader who owned the goods was the one responsible for making sure that the accompanying paperwork was set up. We have been working through those issues. They are getting fewer, as a big border industry gets used to working in these ways.

There are some things on the horizon. I know that Huw is very well versed in the EU's entry and exit system, which will impact on Dover, in particular, next year. We need to use the same pragmatic approach to looking at that issue. Anybody travelling into the EU from an outside country, as Britain will be, will need to get out of their vehicle and have biometric checks done by French authorities, which will lead to delay in time and concern.

Looking ahead, the main asks that we have are still around processes. We have some concerns about maintaining two different customs models as we go into the import controls. We have some concerns there and need certain pots of information. It is a big education process, which far more people from the EU will need to know about.

Our other ask is around speeding up the 2025 border strategy and really improving those processes, particularly single trader windows and trusted trader schemes, which are very important to us. We need to bring those forward to make it as simple as possible.

Q19 **Greg Smith:** Before I ask the other two witnesses for their take on this, can I focus on the point about drivers having to get in and out of vehicles at the border from 2022? What is your organisation's preferred model to solve that? Britain has left the European Union. There was a democratic mandate to do so, seen through a referendum and two further general elections. What is the best-case scenario for you and those whom you represent to get that system right? Is it a pre-departure system? Is it an in-vehicle check? What is the detail that you would like to see?



**Elizabeth de Jong:** We have spoken about this a number of times. We did so at an event earlier in the week and at a panel fringe for this issue. We are asking for a pragmatic view on negotiation to work out the best solution. It will take the EU being involved. It will take the UK being involved. It will take the border authorities being involved in working through the minutiae of what would work and deliver for those parties.

For us, the main aim is that, whatever the process is, it should involve people staying with their vehicle and not needing to get out, which takes up a lot of time and leads to security issues for the loads, with migrants and other issues.

Those are two things that we are hoping to see. Our third ask is that it should take no more time. We know the stats. Members around the table will know that an increase of two minutes in processing for each lorry would lead to a 17-mile delay at the Dover border. Those are some of the parameters in which we will ask these pragmatic negotiations to take place.

Q20 **Greg Smith:** Duncan, I put the same question to you.

**Duncan Buchanan:** Elizabeth has summed it up pretty well. Looking forward to January next year and beyond, I would say that it has taken us a long time to get to where we are at the moment, but the actual structure of change has improved and now makes sense. What I mean by that is that previously we had customs changes coming after SPS changes. It makes much more sense to do what is now happening, which is to have the customs changes on 1 January, followed by the SPS changes in the phasing after July. That is a big improvement. It is something we have all called for for a long time, but eventually the bureaucracy started listening to that.

I back up what has been said about the time issue. It is not just two minutes—it is the reliability that is impacted. This relates to a lot of what Shane was saying earlier and what we have talked about with regard to the supply chain. The supply chain runs not just on time, but on reliability and predictability. Passport control is another issue that has been raised with us. When you start getting interruptions and long delays, we cannot see how it will work practically on the ground right now, with what people are planning. It takes a lot of careful thought.

Q21 **Greg Smith:** I accept that it takes a lot of careful thought. From the RHA's perspective, what are the three golden asks to improve the detail?

**Duncan Buchanan:** Lorry drivers should be able to be processed within the cab and should not have to get out, so that the process is working. As I said, that takes negotiation with the EU and everyone else to devise practical, pragmatic processes.

Q22 **Greg Smith:** Shane, I come to you.



**Shane Brennan:** This is probably a semantic point, but, technically, I do not think that we are negotiating about this any more. The rules are agreed. We have an agreement. It is about the operational collaboration around how those rules are interpreted.

We should not be complacent about the scale of what is coming on 1 January. We have quite a lot of experience now. We have a lot more capacity in the market than we had previously. The big X factor in what is happening on 1 January is that the countries and businesses of the EU—27 nations, with hundreds of thousands of businesses—will now have to start doing things to do with Brexit. It is a long time since Brexit happened in terms of their consciousness, so the level of preparedness going into 1 January and 1 July is a worry. I am concerned that there is a lesser amount of activity around preparation going on, certainly in engagement with external stakeholders—meetings and frequency of communications—about what is happening with the 1 January changes.

The second point is, what are the operational plans if things start to jam up? We have a new Government goods vehicle movement system that hauliers will have to operate coming in from Calais to Dover on 1 January. Entries have to be made. What happens if lots of vehicles turn up without having made those entries? Will the port of Calais let them in? Will they get on to the ferries and trains? If they do not, where will they go? That could become a problem. Who will talk to whom, and at what point, in that situation? We need a bit more clarity on that.

We know what the UK Government's overall approach is—prioritise flow, and we will deal with the lack of preparedness once the goods are through. That is not generally the approach of the authorities and port operators on the European side. There could be a big communication fall-down there, potentially. I do not want to catastrophise, because we all know what we want to achieve. It is about operational collaboration and whether it is in the right place.

Q23 **Greg Smith:** That is very interesting. I am mindful of time, although I could talk about this all morning. Elizabeth, you mentioned Northern Ireland, which obviously has separate issues. I have a brief question for the three of you. What is the best-case scenario for your organisations: to keep the status quo or to trigger article 16?

**Elizabeth de Jong:** We have written in asking for it not to be triggered, because we want negotiation and the operational procedures to work. We are absolutely focused on the practicalities.

Q24 **Greg Smith:** For you, the practicalities—

**Elizabeth de Jong:** Yes. We will let the politics be out here. We want to be delivering. That is what we—

Q25 **Greg Smith:** You think that the protocol as it is written is fine. It is just about getting it to work as it is written.



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**Elizabeth de Jong:** We do not particularly have a view on the protocol, because that is a political decision. What we are about is things working operationally. We will work within whatever political agreement there is to get things to work day in, day out. A lot of that is really taking some big steps and working on trust and risk assessment in order for the goods to flow smoothly. That is what we focus on.

**Duncan Buchanan:** I agree with that. The operational procedures are absolutely key.

I go back to something that I said about the protocol a long time ago. I likened it to a new version of Windows coming out. When you have a new version of Windows, what do you find when you actually open the tin and everyone plays with it? You find that there are bugs and things that do not quite work.

What has been a problem is that there has been some entrenched thinking about what works practically on the ground for the businesses, people and operators dealing with the Northern Ireland-GB relationship.

It requires people to think about the practicalities of running a system that protects the EU from the things it is worried about and means that the people and businesses of Northern Ireland can work efficiently with Great Britain. As was seen when the EU triggered it for five minutes, article 16 is a bit of a nuclear option. It is a failure of diplomacy. We need to go through the procedures and work out exactly what is needed to achieve everybody's objectives.

I think that the yelling and the politics have got in the way. I was at a previous Committee meeting the other day where someone said that a Brexit mindset has taken hold and people are entrenched. As businesses and business organisations, we moved on from this years ago. We just want practical solutions and things that work.

Q26 **Greg Smith:** I am looking for the practical solution. Within the protocol, which is clearly causing many issues, particularly for Northern Ireland as such an important part of our country, are you categorically saying that the current protocol, but done a bit better, and I loved your Windows analogy, as a long-term Microsoft sceptic—

**Duncan Buchanan:** Other computer systems are available.

Q27 **Greg Smith:** Indeed. Are you saying that the protocol, as it is written, if we get it better, will work better for road hauliers, or would article 16 make it worse?

**Duncan Buchanan:** I think people need to come with a mindset of trying to improve things. Whether this is an addendum to the protocol, or how you do it, is a political question. We are road hauliers. We just want to get on and deliver things.

Q28 **Greg Smith:** Fair enough. Shane, very briefly, as I have dominated the



time.

**Shane Brennan:** We want to drive lorries and not solve sovereignty debates. We are already at the point where, in the food industry, the restructuring of our trade flows has largely happened. We are in the game now of trying to rebuild a cross-border flow from mainland UK into Northern Ireland, because those have already redirected. Businesses cannot wait for this process to conclude to do that.

The key issue on food is how we are going to resolve the hugely disruptive requirement for export health certificates, the requirements for vets and the requirement for pre-notifications and for 24-hour notifications to go across Government. Those things come from changing the temperature of the conversation around food rules alignment. That is not really the protocol; that is about how we see ourselves aligning on regulatory food issues. We know that those things are pretty set as well around the sovereignty debate. None the less, that would be the only thing that would make a genuine, fundamental difference to food trade flows from where they are now.

**Greg Smith:** That is very helpful.

Q29 **Chair:** Thank you, Greg. It is an important issue, and it is not often talked about perhaps as much as it should be because of the impact of the EU's proposed entry/exit system.

Elizabeth, when do you expect this to be introduced operationally?

**Elizabeth de Jong:** We were talking about it being introduced in April.

Q30 **Chair:** I think Eurostar gave evidence to the House of Lords that it might be moved back by the EU because of some of the challenges. Have you picked up on that yourself?

**Elizabeth de Jong:** I have not heard that this week.

Q31 **Chair:** If you are an Irish lorry driver coming through and using Dover, and you therefore have an EU passport, is the expectation that that will be fine, you just keep on going and you will not be subject to those biometric tests?

**Elizabeth de Jong:** I believe it is everybody coming from another nation, but I do not know the detail.

Q32 **Chair:** I come back to your analogy of an extra two minutes per vehicle leading to a 17-mile tailback. Evidence given to the House of Lords by the Dover Harbour Board stated that there is no way yet of doing a biometric control without getting people out of the vehicle. Therefore, getting them out of the vehicle is going to be two minutes plus, with a 17-mile tailback. This is going to be Operation Stack all over again for Kent, is it not?

**Elizabeth de Jong:** Yes, I imagine that if it is going to be implemented we will need to have the same number of contingencies as we had for our



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worst-case planning scenarios for Brexit and Operation Stack. It is very bad news indeed.

**Chair:** I do not think that what could be about to impact is widely reported, but it is hopefully on the record. Thank you very much.

My apologies to Simon. He could have come in on driver shortages earlier on when Karl was there. You have been patient, so it is now all yours.

Q33 **Simon Jupp:** Thank you, Chair. That is much appreciated, and good morning to the panel. Thank you for joining us.

This is a tricky one, and hopefully there will be different answers from some of you on it. What is the single biggest reason why we do not have sufficient numbers of HGV drivers to service the road freight supply chain? Shane, I will come to you first. I am looking for a variety of different answers.

**Shane Brennan:** The fundamental issue is that young people are not seeing HGV driving as the career of choice in the same numbers as they were in previous generations. That is a fundamental problem. There has been complacency about that problem, or at least we have all been aware of it but we have not necessarily treated it with the urgency that we needed to at various stages. This Committee was talking about it in 2016. I think the industry has been able to compensate for that by temporary solutions, predominantly around non-UK nationals making up the shortfall. You will hear from others who are better experts on that than me.

A lot of soul-searching is going on right now around how we resolve that issue. The problem is that you cannot solve a long-term problem in the short term. The question is: is this the time where we genuinely treat it as a watershed, and we get through the crisis that we have now and have new strategies for the future? That is a very big thing to say. I am not going to go into the detail of it. It is for the lead organisations to tell you how that can be achieved.

Q34 **Simon Jupp:** You talk about younger people not choosing it. I hear you. In my patch, HGV drivers are paid more than the average salary, but of course it is an antisocial job. It does take a toll on the people doing it. I know we are discussing it later, but some of the conditions that they have to work in are not quite up to scratch.

Do you think that the salary, which has gone up in recent months, will make any difference?

**Shane Brennan:** It is a strategic reset. It is about value. It is about how these people feel that they are valued. What you pay them is one of the indicators of how you value them. I think that the businesses that have been the most resilient in this period and have retained their drivers have not necessarily been the highest payers. They have often been the SMEs, who have not been able to pay the high wages of the big employers, but they have a better relationship with their drivers. They value them in



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other ways. They feel valued by the company. They feel like they have some certainty in what they do.

They are unsocial hours. I do not know how we square that circle. Ultimately, you need to get the goods there and back, and that takes a certain number of hours in a day. That is a really structural issue.

Ultimately, probably, it will be to pay more for people to work less hours, and therefore it is more attractive from that point of view, but we would need twice as many drivers and are struggling to get the ones we need now. There is a real structural and long-term challenge there.

**Q35 Simon Jupp:** It was striking during the petrol crisis, as it was a couple of weeks ago and now seems like an age ago. I visited a local petrol station in my patch and said to them, "Have you had any shortages?" They said, "No, because we pay our drivers enough."

Elizabeth, the same question to you. What is the single, biggest reason why you think we face this shortage?

**Elizabeth de Jong:** There is so much evidence to give to you in this area, but I will come up with one thing, I promise.

The skills and employment report that we put out is now in its seventh year. That analyses what is going on in the industry, with driver shortages as part of that, but there are other jobs as well. That is coming out on 6 December for 2021. I think you have been invited to the launch. We will obviously be sending this as an evidence pack for this current panel and series.

If I were to look at the one area that we must get right now—I would like to bring wages into it a little—for this not to happen, and we could have made some progress on it before, it is parking and lorry parking.

We knew before, but in 2017 we had evidence that there were far too few parking spaces for people. People were having to stay in their cabs at the side of the road on industrial estates, with no hygiene facilities at all. They were going to the loo in the bushes. We cannot compete as an industry. I do not think there is any other industry that I can imagine in our country where we think that that is okay for people.

We could have done something about it. There were promises made in May 2018 to deliver 2,500 parking spaces to help with that. In 2020 there was a parking study on how they were going to be implemented and bringing the private and public sectors together. It is not just about more public money. There is a role for the public sector in helping to facilitate private-sector investment in those parking facilities, particularly around planning.

My one plea would be: please can we do something about parking with the Government? We need Government help to be able to do that. We cannot attract people or expect them to work in our industry, and we



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cannot have any ambition. I have recently found out that we have a significant enough sample size this year in the stats to assess how many women are in the industry. It is 2%. It has been between 1% and 3% for the past 10 years. We will make no progress at all until we do that.

**Q36 Simon Jupp:** I see your point. I do not imagine that having a sleep by the side of the A303 is a particularly nice thing to think about or experience, although you can, of course, regularly sleep on the A303 due to the tailbacks.

Duncan, I have the same question to you.

**Duncan Buchanan:** I wrote the word “respect” down as the first one. I think there is an issue about respect for what lorry drivers and the sector does. It plays into everything that Elizabeth and Shane have just been saying.

Drivers and the industry have not really been properly respected. They have been treated with complacency. They are just getting on with the job, which is fine, but it is not just about lorry parking in the last couple of years. I have something here that goes back to 1999, when work was being done on exactly these issues. We have a structural problem with lorry parking and the way it has been provided over a long time. That goes back to the respect issue.

Conditions are a part of that as well. The industry is working with an infrastructure that does not provide the proper conditions—lorry parking. You asked for the No. 1 thing. We could be here all day. We have put some written evidence in, and you have the 2016 report. All of that is in here. None of this is new. We need to do better than we have done in the past.

**Q37 Simon Jupp:** I appreciate the variety of different answers; thank you.

I will move on to my next question, which is why qualified drivers—those who have been doing this for years or, in some cases, have recently qualified—leave the profession. It is a similar theme. They may be sick of doing it for so many years. Equally, I would imagine that some people who have trained to do this, when they experience the rawness of doing the job and the antisocial hours and conditions, find it extremely tough.

Is it also down to other competing sectors? In recent years we have seen new providers come in and major shopping outlets have poached drivers for their own brands. Is that a major problem?

**Shane Brennan:** It is a very clear part of the story. I think it is the million-dollar question. Why are so many people going down the road of trying to become a driver, qualifying to be a driver and then choosing not to work in that industry? If we can solve that problem, we can solve the problem in a way. If you look at the numbers alone, yes, the last-mile delivery with supermarket online delivery vans is a very predictable job, paying similar amounts of money to long-distance lorry driving. You can see how that would become a choice for certain people, certainly at the



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age profile of a lot of the drivers in our industry. It is a factor. Whether it is the overriding factor, I do not know.

There are still a lot of people who love lorries and want to drive lorries. We want to make sure that those people are encouraged and optimistic about the future of their industry and want to stay for the medium term and not get disillusioned, which does feel like it has happened a bit.

**Q38 Simon Jupp:** Elizabeth, do you have anything to add to that?

**Elizabeth de Jong:** Yes. Generally, retiring drivers have been the largest amount of people leaving the industry. Since 2019 there have also been much larger amounts of under-35s leaving the industry, and also 46 to 55-year-olds. We have seen some of that generally through Covid in other sectors as well. People are reconsidering their lives and their lifestyles at an earlier age because of the experiences that they have been through.

We have also asked our members—we have regular tracking surveys—why they think that drivers are leaving the industry. They have ranked these factors in order of the most important, being industry image and rates of pay. There have been movements in rates of pay. Not everybody has increased their pay rates. Some areas have needed to, but others have not. It may be on a geographical basis, a commodity basis or a competition basis. For those who have increased rates of pay, it has been up by about 18%, but on average it is about 10% from our managers' guide information.

A third area is lack of traineeships and progression in the industry. The EU workers have also been highlighted. Poor overnight roadside facilities is a top reason why people leave the industry.

**Duncan Buchanan:** Retention is absolutely vital, but I would like to start with one thing that is really important to note. A lot of people love driving trucks. A lot of people really enjoy the job. It is very easy to focus on the negatives. There are hundreds of thousands of lorry drivers out there who do the job. If you ask them what they think about it, it is the frustrations around traffic and around the way they are treated at RDCs. It is the parking. These are the things that accumulate over time and mean that eventually people say, "I will jack that in and do the delivery in my local area." The hours of work and staying out overnight unexpectedly are all part of that, but not all jobs are like that. There are a lot of lorry-driving jobs that are very predictable. They are constrained within regular hours of operation and no aways, and whatever.

There are a lot of different types of jobs within the sphere of lorry driving. We should probably do a better job as an industry of highlighting the alternatives to long-haul trucking. It is local deliveries and regional deliveries in various parts of the country. It can be a fantastic job. One of the reasons the SMEs have probably held on to a lot of drivers during this is that they are providing jobs that people enjoy doing.



**Q39 Simon Jupp:** I have spoken to companies that provide these services in my patch, and in the south-west as a whole. The south-west is more sparsely populated than some regions. That makes recruitment quite difficult. They have been offering “come back” bonuses to those people who have gone off the books but have shown an interest in coming back, or they have been cold-calling them to say, “Look, would you come in and do these shifts? You still have your licence, so can you do this?”

What can be done to attract people to come back to the industry, given that we do not have a quick fix to this? Elizabeth, I will come to you first.

**Elizabeth de Jong:** The types of feedback we are getting show that about 30% of people have invested in new technologies or improved their own facilities to attract people back who are our members: 25% of members have raised pay; 20% are funding driving programmes; and 20% are taking on apprenticeships. A proportion are doing more promotions themselves. The industry is doing a number of things. We have been supporting them. We have another guide called “Funding Support for Accessing Logistics Skills”. We will give you a copy of that.

There is a number of things that industry is doing. If I were to look—

**Chair:** May I ask for it to be brief? I am mindful of the time. Three Members have not even come in yet. I am sorry to interrupt you.

**Elizabeth de Jong:** The one area that I think we should be looking at across Government is, what do we do for level two versus level three and above training? Have we got that right for our whole economy? That would be something—to have easy-access training schemes to make it an industry that is thought of alongside others.

**Q40 Simon Jupp:** Duncan, do you have anything to add?

**Duncan Buchanan:** The biggest issue with returning drivers is driver CPC. It is the five modules that are required to bring drivers back. I have been at regional councils covering the south-west, where we have had members who say, “I have drivers who would come back, but they are not prepared to sit there and do five days off-the-road training.” It is not even the money. It is not even the fact that they have to pay for it. They are not prepared to sit there for five days. If you give them one day for one year’s licence, they would come back.

The review of drivers’ CPC that has been announced is very welcome. We have been pushing for it for a long time. Driver CPC is a big obstacle in terms of returning drivers.

**Q41 Simon Jupp:** Shane, briefly?

**Shane Brennan:** They have covered it. I do not need to add anything to what they have said.

**Simon Jupp:** That is very kind of you; thank you.

**Chair:** Thank you, Simon. We are about halfway through our brief and



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we have 10 minutes left. I will ask the witnesses to be very succinct with the answers. If you have nothing to add, please say you have nothing to add. Would Members be very succinct with the questioning as well, and perhaps not to all of the witnesses?

We have gone into working conditions. That is an area for Chris Loder as well.

Q42 **Chris Loder:** Thank you, Chair, and good morning, everybody. I have some quickfire questions to start with. We will go to Duncan, Elizabeth and Shane.

The three brief questions, to start with, are: how many members do you have? Who are your members? Who are your three largest members?

**Duncan Buchanan:** We have about 8,000 members. What was the second question?

Q43 **Chris Loder:** Who are they? Not all of the 8,000.

**Duncan Buchanan:** Overwhelmingly, about 80% of our members are SMEs. Our three largest members would probably be Stobart's, Wincanton and DHL. Apologies to all the other people, who are larger than those companies.

Q44 **Chris Loder:** That is fine. Elizabeth?

**Elizabeth de Jong:** We have 18,000 members in all modes of transport. They are not just providers of transport but also the users of transport, so those who do not have their own transport and often call shippers. I have not ranked them by size.

Q45 **Chris Loder:** For example, Tesco, Asda, Sainsbury's? All the big supermarkets.

**Elizabeth de Jong:** Yes, all members, Amazon and all the freight companies, all sorts.

**Shane Brennan:** Thanks, Chris. How to make you feel inadequate. We have about 120 members or companies.

Q46 **Chris Loder:** It is quality, not quantity, Shane.

**Shane Brennan:** Exactly. That is what I tell them, and there is a lot of overlap. Our biggest members by size are the likes of Tesco and Asda, but in terms of involvement in the cold chain specific activities, it is the likes of Lineage Logistics, GXO Logistics and pick another one.

Q47 **Chris Loder:** I get the picture. That is very helpful; thank you. How is your ability to sit here today and speak on behalf of lorry drivers feasible when the organisations that you represent have very clear and, in some cases, conflicting commercial priorities?



**Duncan Buchanan:** I think that is a relevant point. One of the things that we are planning to do in the very near future is to increase our engagement with the driver side of things.

Q48 **Chris Loder:** With the greatest of respect, it is a straightforward question: a short answer, please. What qualifies you to speak on behalf of the lorry drivers across the country, given the conflicting commercial priorities that you may have?

**Duncan Buchanan:** We are qualified because our members look after their drivers, particularly the SME members. They are very close to their drivers. They retain their drivers.

**Elizabeth de Jong:** I am not aware that I have conflicting commercial priorities when I talk about the logistics industry.

Q49 **Chris Loder:** May I articulate what I mean by that? You have members such as Tesco announcing £1 billion-plus profits—at the beginning of October, if I recall—yet we hear quite often about their inability to maintain HGV drivers in their employment, and that is often referred to as a pay issue.

What I mean by conflicting commercial priorities is that there are clearly very substantial organisations that declare enormous profits, yet are saying that drivers are not being paid enough. That is what I mean.

**Elizabeth de Jong:** I feel open and able to speak about all aspects of the logistics industry and the logistics business. In my position I do not feel conflicted at all.

Q50 **Chris Loder:** Therefore, would HGV drivers who work for those organisations that you represent agree with everything that you say?

**Elizabeth de Jong:** It would be very odd for every single member to agree with everything I say. I try to take a view from the feedback, our many council meetings and our interactions and surveys to present you with the best evidence that I can from the industry to help you in your work.

Q51 **Chris Loder:** Do you have any conversations with drivers themselves?

**Elizabeth de Jong:** We do not represent drivers themselves. It is the businesses. There will be drivers who come to our meetings, so we do have engagement—

Q52 **Chris Loder:** So if you do not have that direct dialogue with the drivers themselves, how are you able to give substantial evidence to this Committee saying that drivers feel this and drivers feel that, drivers want something else and drivers are not paid enough?

**Elizabeth de Jong:** I am able to give it because we do survey work throughout our industry. Drivers will respond and all levels of the organisation will respond. It is a collective view of what the issues and feedback is that they are getting from their businesses as well.



Q53 **Chris Loder:** That is very kind; thank you. Shane?

**Shane Brennan:** We represent employers. We are here to represent the voice of the employers of drivers to you, not of the drivers themselves. We have Unite speaking to you in a moment. They will talk to you about the perspective of the drivers.

There is definitely going to be lots of disagreement in the industry around some of these issues, and differences of view between the employer and the employee. However, I will not be too pessimistic about that. I think that the vast majority of employers are very responsive to their drivers, and are listening and talking to them, because it is their business.

One thing I would say is that as the Cold Chain Federation, and I have Tesco as a member, I am not speaking for Tesco. I talk to people who are operating in the supply chain in those businesses. I guess one of the fundamental questions of the pandemic generally is, "Are we starting now? Is it genuinely now the time when we are going to start talking about the value of the supply chain within and across businesses? Are we going to start investing in those things?" We absolutely need to. Elizabeth said it earlier. The decarbonisation challenge ahead and the next 30 years are all about the supply chain. We have to start listening and talking about the supply chain and prioritising that within businesses. That means including the people.

Q54 **Chris Loder:** I could not agree with you more that it starts with prioritising the people.

This is another quickfire round, with Duncan, Elizabeth and Shane. How many organisations within your membership will have, at some point, dismissed considerable numbers of drivers and looked to replace them with agency members of staff?

**Duncan Buchanan:** I would not have expected that to have been a huge issue.

Q55 **Chris Loder:** When you say that you would not have expected it, are you saying it has not happened?

**Duncan Buchanan:** I cannot say that people have not done that, but what I can say is that I am unaware of that actually happening.

Q56 **Chris Loder:** You are basically saying—and please correct me if I am not correct in summarising—that you are not able to categorically say today that none of your members has not dismissed their staff in favour of recruiting cheaper and often immigrant labour on a lesser rate of pay?

**Duncan Buchanan:** I would not believe that people have done that.

Q57 **Chris Loder:** But you cannot say categorically that that has not happened?

**Duncan Buchanan:** I cannot say—



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Q58 **Chair:** I see the issue there. You do not know is the point.

**Duncan Buchanan:** Yes. I have never had a case come across my desk on that, not once.

Q59 **Chris Loder:** Elizabeth, I ask you the same question.

**Elizabeth de Jong:** I do not collect evidence on that.

Q60 **Chris Loder:** Can I ask you to go back and ask your members this question? I will ask you to write to this Committee and confirm exactly whether they have done that or not. I have conflicting evidence that suggests that some of your members have done that. I think it would be very good for us as a Committee, as part of this inquiry, to get to the nub of what on earth is actually going on with the HGV driver shortage in this country. I do not think it is as clear as saying that drivers are not being paid enough. We understand that there are some drivers who are not paid enough and should be paid enough.

An HGV driver in my constituency wrote to me a few weeks ago. He said that he left a profession to work as an HGV driver in 2004 and was paid £10 an hour. As of last month—this was literally last month—he was earning £11.07 per hour. Then he goes on to explain some of the reasons why that is.

Just so that you know where I am coming from with that, I would be very grateful if you went back and asked your members that very question and wrote back to us with the answer. That would be much appreciated so we can get to the bottom of that. Shane?

**Shane Brennan:** I do not know the answer, Chris. I do not know the answer to your question. I do not have evidence, but I take your point and we will go away.

Q61 **Chris Loder:** That would be much appreciated. I would ask you to do the same, Duncan. Could you ask your members that and tell us exactly what has been going on? Specifically, I think it is fair to say, we would also like to be crystal clear about the percentage of the workforce that is directly employed and the percentage that is engaged through agency staff.

As a Committee we will then start to get to the bottom of this issue—of why enormous organisations declare billions of profit every year, yet are very happy to dismiss their staff and engage temporary or agency staff at much lesser pay.

**Chair:** We will work out the questions we want to put to you for supplementals.

**Elizabeth de Jong:** Yes. Some we will be able to answer and some we will not, because our evidence is not here.

**Chair:** Indeed. Mindful as I am of the time, and of the need for succinct questions and answers, we need to crack on.

Q62 **Chris Loder:** Indeed, Chair. I am being as succinct as anyone has been



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on this Committee this morning.

I will go on to ask about the vacancy gap. Duncan, Elizabeth and Shane, will you tell us in percentage terms what the current vacancy gap is in the organisations that you represent? You clearly have the total number of drivers that you need to deliver the service that you wish to deliver. You have a number of drivers engaged, but none of us really knows what the vacancy gap is.

**Duncan Buchanan:** I do actually have that information, but not to hand. I will write to you immediately afterwards. I think it may even be in here.

Q63 **Chris Loder:** Would you like to take a ballpark guess?

**Duncan Buchanan:** I do not know why 12% is in my head, but that is a guess.

Q64 **Chris Loder:** Do you think it is in the interests of some of these larger organisations to maintain the vacancy gap?

**Duncan Buchanan:** I cannot see why it would be.

Q65 **Chris Loder:** Is it cheaper for commercial organisations to engage people on overtime to fill that vacancy gap than it is to pay for full-time employment?

**Duncan Buchanan:** It depends on the circumstances that you are dealing with. We are dealing with live supply chain issues. One of the things that you have to bear in mind is that productivity in our industry is dramatically affected by the performance of the road network. You have to work with overtime. You have to work with the things that make the supply chain work—

Q66 **Chris Loder:** I am not suggesting that there is no reliance on overtime. I am suggesting a reliance on overtime to deliver the core work bank—not when there is disruption or issues but to deliver the core work bank. What I am asking is: does your organisation rely on overtime to deliver its core work bank, excluding disruption?

**Duncan Buchanan:** There will be people who do that and rely on overtime, but there will be many people who will not.

Q67 **Chris Loder:** I am not asking about individuals who are interested in working overtime. What I am asking is: does the company have a dependency on that overtime to deliver its core work bank? Those are very separate issues.

**Duncan Buchanan:** I cannot answer on behalf of 8,000 individual companies and how they all operate.

**Chair:** I have recruitment to cover and Gavin coming in on Government interventions, none of which has been covered, and we are three minutes over. Can this be the last question to one witness, please?

**Chris Loder:** Elizabeth, I will come to you.



**Elizabeth de Jong:** We do not take a vacancy gap, but we have two different methods of calculating what the driver shortage figure is. It is all going to be explained in the next version that is coming out with our new estimate of what the gap is for quarter two 2021.

Q68 **Chris Loder:** Would you take a guess?

**Elizabeth de Jong:** It is two weeks until there is a new figure out.

**Chris Loder:** Thank you.

**Chair:** The last two sections are recruitment and Government interventions, having finished working conditions for drivers. First, on recruitment, Grahame Morris.

Q69 **Grahame Morris:** Thanks, Chair. To be fair, I think that some of the questions I was going to ask have been covered. Specifically on the people issues and recruitment, you, Elizabeth, mentioned that pay was second on the priority list from the consultation with your members.

In what ways would you recommend addressing the issue of improving recruitment? I had a meeting yesterday with the shipping Minister on another issue about recruitment in the maritime sector. Are there any lessons that we could learn from other sectors? In terms of apprentice training, there is a thing called the tonnage tax, which is a kind of tax break on corporation tax. Do you have any suggestions for our inquiry about what could be done in that regard? That is to Elizabeth, first.

**Elizabeth de Jong:** Yes. Plenty of work is starting across our industry on recruitment. We are working towards a cross-industry year of logistics. There are lots of great initiatives already out there. We do need to be looking at level two. We need to make sure that apprenticeships work for everybody. There is still some work to be done in our sector, bringing in a new apprenticeship and making sure that the current system for apprenticeships does work better.

I do have some green shoots to tell the Committee about before wrapping up throughput. There has been a number of regulatory and other difficulties in getting tests. You will be aware that during Covid 45,000 fewer tests were done to allow people to enter the industry. Lots has been done in that area. We are beginning to see an increase. Yesterday, I had figures for the number of applications for provisional licences, which has gone up by 300%. There is a 25% increase in vocational renewal licence applications.

Q70 **Grahame Morris:** HGV driver licences?

**Elizabeth de Jong:** Driving licences. We are seeing some hope for the future coming through.

Q71 **Grahame Morris:** That is very positive. We are short of time. Duncan, can you address that as well? I did not get to ask you about diversity. You said earlier that only 2% of drivers are women. I do not know whether you have any ideas on how we could address that.



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**Duncan Buchanan:** It is a very tough one. It is the nature of the job and the mentality behind it. It is very male oriented. We have to do much better. The facilities are absolutely key to that.

In terms of recruitment, I agree with much of what Elizabeth said on the funding around level two and getting the apprenticeships up, running and working better.

I would also say that we are seeing improved throughput on tests. We had tests suspended. Since April, there has been a real uptick in the throughput of people undertaking and passing tests. We reckon that the shortage has probably fallen by about 15,000. Much of that is to do with improved test performance and improved retention.

When you talk about the driver shortage, everything is estimates based on intelligence that we get. Hard numbers are very difficult. Our estimate is 15,000. That is substantial over six months.

Q72 **Grahame Morris:** Did you say something about category C apprenticeships?

**Duncan Buchanan:** Yes. The apprenticeship used to be for category C only, which is a rigid truck. Earlier this year that changed. It became for articulated trucks, which is C plus E. At the moment that happened, the C apprenticeship that already existed was cancelled or ended and we have not fully re-established the rigid truck apprenticeship yet. That is in process.

Q73 **Grahame Morris:** Is that a barrier?

**Duncan Buchanan:** It is at the moment. It is being worked on and it will be fixed. There are things that are being done that are fixing some of the problems that we have had. It is not all doom and gloom.

Q74 **Grahame Morris:** The terms of reference of the Committee are that we want you to identify some of the problems and potential solutions. Without me putting words into your mouth, Shane, do you have any quick solutions?

**Shane Brennan:** I do not think I really have anything to add to what Elizabeth and Duncan have said. They lead on recruitment and training issues. I will keep my counsel.

**Chair:** Finally, we come to Gavin on Government interventions.

Q75 **Gavin Newlands:** Thank you, Chair, and good morning. We have touched on many of the issues facing the sector, and the fact that the sector itself had been complacent for quite some time about driver numbers and other issues.

Obviously, as a Committee we are looking at the Government's responsibility and role. In asking the question what role the Government should be taking in these issues, I will go left to right, coming to you first Duncan. What assessment have you made? There have been a number of



issues or policies announced belatedly to try to tackle issues like licensing and testing changes, the continued relaxation of driver hours and cabotage. What do you make of the efficacy or otherwise of these announcements?

**Duncan Buchanan:** The ramping up of the tests is effective. To be honest, we should never have been quite where we were in the first place, but that is history now. Upping the tests is key. For us, dealing with driver CPC and making improvements around driver CPC is absolutely vital. That has only just been announced as a review.

Q76 **Gavin Newlands:** What would all three of you like to see happen with the review?

**Duncan Buchanan:** What I would like to see is a more continuous driver CPC and not waiting five years to do five modules and make that mandatory in some way. That would be one of the things—the actual details of the CPC itself, in terms of doing half-day courses and more flexibility around that. We need to be smarter in the way we are doing it.

We support driver CPC in principle. It is important that drivers are trained well and are kept up to date. As we deal with decarbonisation and new types of vehicles, continuous training of drivers is going to become even more important. They are going to need to be dealing with new types of vehicles. Those things are vital.

We think that cabotage is a disaster. We have been very clear about that. It undermines the upskilling and the improvement to our workforce in terms and conditions. It undermines the parking that is available for the drivers that are there. All these drivers doing cabotage have to, by dint of what they are doing, park up. They are not going home. We see cabotage as damaging. Our recommendation to the Government would be to end it at Christmas and not continue it into the new year.

**Elizabeth de Jong:** A lot is being done by Government, as you have rightly identified. We are beginning to see increased throughput as a result of those changes to licensing. It is in our gift to improve those even further. We are very pleased that CPC is being looked at. It is something that our members absolutely support. Many of our members will continue to do it anyway, but their appreciation of it is that it has generally improved standards in the industry, particularly of organisations that would not do that training anyway. We support that as well.

There are two areas of regulatory changes and proposals that we are less comfortable with. We have been firm non-supporters of changes in drivers' hours and relaxations. We have been firmly and consistently against that. It is making people more and more tired. We are very concerned about that. We were able to support cabotage across the whole supply chain, but as a temporary measure. That is all.

**Shane Brennan:** I agree with all of that. There is one other thing. Sir Dave Lewis is working as the supply chain tsar to the Prime Minister at



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the moment, looking at food supply chains specifically. There is some important work happening in that area, particularly around strategic labour market assessment. I think we do need to start to have a hard-headed conversation about what realistically is possible within the workforce, going forward, and start to use that as a basis for longer-term policy thinking around our employment structures.

**Q77** **Gavin Newlands:** The CPC in and of itself is a good thing, but obviously the review is happening. You did not say what you would like to see happen with the review. How would you like to see it changed, Elizabeth and Shane?

**Elizabeth de Jong:** Overall, working for a modern and dynamic industry, I do think there absolutely are options. We should be looking at that five-year cut-off deadline and different delivery modules and flexibility. Does it support a dynamic industry that we need?

**Q78** **Gavin Newlands:** Would you like to say anything specific, Shane?

**Shane Brennan:** I am going to listen to what Duncan and Elizabeth tell me is the right thing, and then we will decide whether we support them or not. We probably will.

**Q79** **Gavin Newlands:** The Government have finally announced a package of measures regarding facilities and a figure for Government investment into facilities. Is it enough? What would you want to see happen? Please give brief answers. I will give Shane first call.

**Shane Brennan:** Ask Elizabeth first.

**Elizabeth de Jong:** It is £32.5 million, but it is for improving existing facilities. We are saying thank you for that, but we know that it is more facilities that are needed. We are hoping to meet in the next couple of weeks to see where the general parking study that was done in summer 2020 has got to, and how that is going to be taken forward.

In terms of your last report, I can say that many of the things that are identified here have only really just been getting going in the last six months or a year. Parking would be an element that I would particularly add to that. We still have not taken that forward. Road pricing is to be looked at as well at some point. We would like to start discussing that.

**Duncan Buchanan:** I agree with Elizabeth. There is not much to add. Existing facilities are welcome. We are not expecting the Government to pay for our parking facilities, ultimately. It is to be delivered by the private sector, but the planning systems, the impediments and the highways authorities' failure to plan and provide for it is where the problem is.

**Q80** **Gavin Newlands:** Do you have anything to add?

**Shane Brennan:** I agree that it is not for the Government to pay for our facilities. The money is good, but it is a drop in the ocean of what we



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actually need for strategic investment, both in the private sector and in the public space around logistics facilities for the next 20 years.

**Gavin Newlands:** I think I will be asking you the same question in 2024.

Q81 **Chair:** To complete the brief, is there a better performance now from the DVLA and DVSA, as far as you are concerned?

**Duncan Buchanan:** It has improved.

**Elizabeth de Jong:** Yes, improved.

**Shane Brennan:** But still not good enough.

**Elizabeth de Jong:** This is our job. We always have ideas for further improvement, but it is much better now.

Q82 **Chair:** The last point is that given that your members employ these drivers, and therefore it is the responsibility of your members, why are your members not coming together and building the facilities that we have talked about? Why is it the Government?

**Elizabeth de Jong:** It is the facilitation that is required by Government, particularly over planning and the strategic view as well.

Q83 **Chair:** Are your members currently discussing how they can fund the building of these sites, buying land and then when the Government—

**Elizabeth de Jong:** It may not in fact be our members who fund it. It may be third parties whose business model is funding developments, land use and so on. It may be different elements of the private sector that deliver this.

Q84 **Chair:** Elizabeth, are your members currently working on a solution like that, or are you just waiting for the Government to do so?

**Elizabeth de Jong:** There was a study by the DfT in 2020, which was about restarting this piece of work. That is the focus, and the industry will focus in on that.

Q85 **Chair:** Just to be clear—and this will be the last point—you are waiting for the Government to start this rather than the industry grabbing the bull by the horns.

**Shane Brennan:** I think that is a bit of a dead end as an idea. The idea of logistics companies coming together to create a different business does not happen. I would be interested to see if it happens anywhere else in the world. I think what we do need to happen is for businesses to invest in the facilities that they have on their sites, available to their own people and the people delivering to them. In the UK, given where we are today, that is where we are going to make the biggest gains. Significantly improving the facilities at depots and people's welfare at depots is the thing that we need to be investing in and committing to investing in. Creating new sites? Tell us where they are going to go.



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**Chair:** Shane, I will stop you there because Karl wants to come back in on that.

Q86 **Karl McCartney:** Very quickly to all three of you, which countries do get it right on facilities for their drivers, wherever it might be, on sites or out on the road?

**Chair:** Perhaps name one.

**Duncan Buchanan:** I believe that France does a better job. I would like to continue—

Q87 **Chair:** Sorry, Duncan, I only asked you to name one. What about the others?

**Elizabeth de Jong:** I am not going to do it. We always think that the grass is greener, and when you go on to the green grass people report different issues back to you. I cannot say that there is one model. We have to find a model that works for us.

**Shane Brennan:** Ask the drivers, but immediately on the continent there are better facilities for lorry drivers.

**Chair:** Thank you. I am sure that Karl will ask the next panel the same question. Thank you very much indeed. Apologies for overrunning. We are very grateful for all the evidence you have given. We will also be writing to you with some additional supplementary evidence. Duncan, Elizabeth and Shane, thank you and we wish you a good rest of your day.

### Examination of witnesses

Witnesses: Adrian Jones and Kieran Smith.

Q88 **Chair:** Thank you for your patience. I am sorry that we are late. Please introduce yourselves for the record.

**Kieran Smith:** Good morning. I am the CEO of Driver Require Ltd. We are a specialist driving agency.

**Adrian Jones:** I am the national officer for Unite the Union with responsibility for road transport logistics.

Q89 **Chair:** Good morning to you both and thank you for being with us. We have obviously heard from representatives of the industry. Now, we look to you to represent the drivers directly and, in your case, Kieran, the recruitment of drivers.

I will open by asking: why does the UK not have sufficient HGV drivers to work in the road freight supply chain? Kieran, we will start with you as you are responsible for bringing more into the market.

**Kieran Smith:** I would argue that it is primarily an issue of retention. In my view, we have had a very effective recruitment process and flow for the last 10 years. The issue is that too many people are leaving, and predominantly in the under-45s.



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Q90 **Chair:** Why are they choosing to leave the profession?

**Kieran Smith:** Conditions and pay.

Q91 **Chair:** In that order?

**Kieran Smith:** Pay and conditions.

Q92 **Chair:** Are you seeing issues around retention with competition from other sectors with better pay and conditions, or is it more nuanced than that?

**Kieran Smith:** I would say that what is happening is that people are making life choices. This is, to some degree, anecdotal and it is hard to prove it. I would hypothesise that what happens is that people come in at an earlier age, at a younger age. They then decide that they wish to create a family and start a family. The nature of the job is that the majority of the hours are antisocial and unpredictable. That is the hardest thing. We are in a double-income culture now in a family unit. You can only have a double income if you have predictability for both parties to be able to make their plans. When you get to a point where you wish to start a family you end up with a bit of a conflict because the wages to date, up until this year, have not been sufficient for a driver to be the primary income earner for a family unit.

I would argue that you get to a point where they make a decision and think, "There is the inconvenience, long hours and unpredictability. I can take a pay drop, go into the warehouse and earn slightly less, but my partner can now earn a double income because they can attune their lives to mine and suddenly our family income has increased to a level that is beneficial to the family unit as a whole."

Certainly in the statistics, we have seen the majority of the churn. In fact, there was more churn in the under-45s than there was total churn in the sector. In other words, people were joining the over-45s to offset a larger churn in the under-45s.

Q93 **Chair:** Adrian, can I make some of those points to you as well? What is causing the shortage of HGV drivers?

**Adrian Jones:** In the last session Duncan mentioned the lack of respect. That is where we have got to with our membership in the discussions with our membership over many years. Within the industry there is an almost total lack of respect for the job that drivers do. That means different things to different people. It can be in pay and conditions. It can be in the facilities that drivers are offered. It can be the equipment that drivers are expected to use, the job that they are expected to do and the way that they are treated by members of the public, other road users or us, as customers.

It was interesting to listen to the last session. Some really poignant questions were asked, which I absolutely welcome. The representatives that we have already heard from represent the employers, as was very



astutely pointed out. It is those employers and those distribution centres—the DCs—where drivers are kept waiting for hours. They are put into a drivers' room. I have literally been into a retail distribution centre and asked to see the drivers' facilities. Their own drivers' facilities comprise a great room, comfortable seats, screens up, vending machines and access to a canteen. It is great. If I ask about the goods-in drivers—these are external drivers, not directly employed—it was a room a quarter of the size of this, next to a stinking toilet. There was one vending machine, hard plastic chairs and any female drivers had to ask to use a toilet and be escorted upstairs.

If you are talking about why people are leaving the industry, it is all of those things. How do we deal with all of those things? We cannot do that in isolation. The reason why we are sat here today is we have come to the edge of a cliff, but it has been a really long journey to get to the end of the cliff. Like all of us, we have probably sat and read through the last time we met in 2016 to discuss these issues. To be perfectly honest, there is a phrase we use within Unite, "as read". There is the report. That is what needs to be done. On 1 February 2016 all those issues were there. There is no alternative; we now need to make some changes.

**Chair:** We would be really keen to hear your proposed solutions, as well as the actual issues. I roamed straight into the cause of the driver shortage. I should have asked about the scale of it. I will ask Chris to do that because he was also going to talk about the causes.

Q94 **Chris Loder:** I want to ask you both, to what extent do you feel that the driver shortage is through individuals' choice—drivers' choice—or do you think this shortage is as a result of commercial decisions of employers?

**Kieran Smith:** It is entirely an economic situation. We have a highly fragmented haulage market. Over 50% or 60% of the market have less than 15 units. Essentially, there is lots of competition with very powerful, consolidated buyers dominated by the grocery sector and the high street retail sector, as well as construction.

Essentially, what is happening is that you have very aggressive, fragmented hauliers fighting for the business and very strong buyers pushing those rates down. When you consider that labour, as in predominantly drivers, represents between 30% and 60% of the cost of their haulage services, by definition what are they going to do? They are going to push down on conditions, which cost them money, and wages.

Therefore, we have seen repressed driver salaries for the last 10 or 20 years. Certainly, the progress has been lower than inflation.

Q95 **Chris Loder:** Are you thereby suggesting that part of the reason that individuals have decided not to stay in the industry is that employers have allowed their salaries to get out of sync? I think you used the term "repressed". Is that one of the key components of why they are deciding not to stay?



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**Kieran Smith:** It is commercial forces. When you can engage a workforce at a certain price, you do it. It is only when you have a critical shortage or a shock to the system—

Q96 **Chris Loder:** Is your belief that that critical shortage has been brought about by Coronavirus—

**Kieran Smith:** Correct.

Q97 **Chris Loder:** —or leaving the European Union—

**Kieran Smith:** No.

Q98 **Chris Loder:** —or any other things?

**Kieran Smith:** I do not believe it has been brought about by leaving the European Union. Yes, there was probably a 10,000 to 20,000 impact on the total workforce, but the majority of it was down to the over-45-year-olds leaving in their droves. We are talking about over 50,000 who left at the beginning of this year in Q1. That is what triggered the crisis.

The think-tank that we have been operating estimated that there would be around a 20,000 to 30,000 drop in the number of drivers caused by IR35, Brexit and other factors. We believe that it was exacerbated to the tune of about another 50,000, which eventually took us to a 70,000 shortage. That has then propelled the symptoms that we are seeing now.

Q99 **Chris Loder:** Thank you. Adrian, do you have anything to add to that?

**Adrian Jones:** Absolutely. As Kieran has said, the sector is very diverse and is predominantly made up of small enterprises. In 2020, there were 81,817 road freight enterprises. There were nearly 82,000 enterprises in the sector. The average size of that is five or six employees. The sector is extremely fragmented. We have very large operations that the previous witnesses referred to, but there is a hell of a lot of small operators.

Q100 **Chris Loder:** To what extent do you think competition for HGV drivers exists, and how much of that, do you believe, is affecting the availability of drivers? In effect, what I mean is the demand and supply of drivers.

**Adrian Jones:** At the moment it is very high.

Q101 **Chris Loder:** What is “very high”? Is it the demand?

**Adrian Jones:** The demand and the competition for drivers is extremely high. In the companies where we work with employers and represent our members, we have better terms and conditions than others, and I unashamedly say that, but that still does not stop drivers literally looking over the fence to see what next door are doing and what options are available.

Q102 **Chris Loder:** Kieran, do you have anything to add on that?



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**Kieran Smith:** The evidence of the price increases, the wage increases, demonstrates that there is enormous competition. That is good, because, essentially, it is resetting to the correct level.

Q103 **Chris Loder:** You heard my questions earlier to the first panel about the proportionality of full-time employment versus agency employment. Do you have any insights to offer on the extent to which you have seen, at some point, drivers dismissed or made redundant and their role replaced with agency staff?

**Kieran Smith:** I certainly have a view on it.

Q104 **Chris Loder:** Has it happened? Do you know that that has happened in the industry?

**Kieran Smith:** Yes, over the past 10 years probably there has been a trend towards the outsourcing of labour to agency. That has been by some of the very large entities, and for very good reason. The Government and HMRC essentially tolerated the avoidance of tax using IR35 with avoidance mechanisms, basically by a limited company. That meant that if you took into account the tax avoidance effect of about 20% in terms of total cost of agency, using that mechanism, you ended up with a total cost of employment of the agency—in other words, the agency fee—being less than the total cost of employment of the driver as a full-time employee. The result was that it made more sense to outsource the standard operations. In fact, in the previous Committee report you said that you had noticed that there was outsourcing of standard operations.

Q105 **Chris Loder:** This is in the eyes of the commercial entity rather than the employee. It was in their interests rather than the employee.

**Kieran Smith:** It works both ways. As a limited company, you get more net income. As an employer, you pay out less because you do not have to pay the employment costs of employer national insurance and so on. What actually happened was that the market stabilised at a point where the net pay for the permanent workers matched the net pay for the limited company workers and you ended up with a market equilibrium.

Q106 **Chris Loder:** Thank you. Adrian, would you like to add your insights?

**Adrian Jones:** Yes, I have a slightly different view, unsurprisingly. I will agree with Kieran that over the last few decades there has been a significant move to outsourcing and lots of use of agency drivers.

Q107 **Chris Loder:** On that specific point, do you believe that has significantly contributed to the resilience issues within the sector today?

**Adrian Jones:** I think it will have been a contributory factor, but you then have to look at the drivers that were used and recruited by labour providers and by agencies. A lot of that, as has already been referenced, was migrant labour that is not now available.



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There has also been a change more recently in removing, and rightfully so, the Swedish derogation, so there is pay parity between agency workers and directly employed workers. We very much welcome that. That has made a significant difference.

In more recent times, we see a lot more employers looking to recruit, and rightfully in our opinion, their own account drivers—directly employed drivers, rather than sourced through an agency provider. There just is not that financial benefit to the operator or to the economic employer. A Tesco might be outsourced to a Wincanton. Tesco are the economic employer and Wincanton are the direct employers. There has been a significant move in that, but that whole system was predicated on companies looking for more flexibility and more cost efficiency and doing it cheaper. The race to the bottom has been at a frantic pace for far too long.

**Kieran Smith:** I would just confirm what Adrian was just saying there. To make sure we are all clear, we were supposed to have IR35 implemented last year and it was postponed to April of this year. In that timeframe we saw the large companies very much in-source and move back to a PAYE model. When the IR35 reforms were rolled out in April of this year, we saw an immediate 20% increase in agency costs and therefore agency fees because we had to match to parity. It was the synchronous implementation of the parity AWR system along with the reform of IR35 that pushed the wages up. That was a tremendous impact on overall wages. It has also corrected the market to a very large degree.

Q108 **Chris Loder:** I want to ask you briefly about employment conditions, and specifically how you think they should be improved. We have heard lots of fleeting comments about, “We need to make them better and do this and that,” but tangibly it is very difficult to get anyone to say, “This should be improved, and this should be changed specifically,” other than to have a pay rise. Can you help us with specific insights into what should be done?

**Adrian Jones:** I will do my best to give clear and concise answers.

Q109 **Chris Loder:** I should say that we can include employment conditions and facilities.

**Adrian Jones:** Because it is all about that. Within Unite earlier this year our drivers put together their driver manifesto, which included seven key points that we see need to be changed. CPC is one of those changes; pay; and the transparency of the OCRS system, the operator rating system so that drivers can see the repute of the people that they are working for. There is a number of different things that need to be done, but fundamentally in a sector with 81,000 different enterprises—the majority of them very small and un-unionised—there is such an element of dog eat dog and undercutting in the third-party logistics world that the one flexible thing that employers and their customers, the retailers and the manufacturers, look to change is the cost of the driver in one form or



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another. We can only address that if we have some form of establishing standards for pay and conditions that is sector-wide.

Can we do that across the whole of HGV drivers, the commercial drivers? No, we cannot. Someone who delivers aviation fuel is very different from someone who delivers parcels, who delivers milk, who delivers chemicals, cars, car parts or pizzas. They are very different. What we can do is look to establish standards across the industry and standards on facilities.

I am sure we will get on to this, but the Government's £32.5 million for existing facilities is putting money into the pockets of private companies who are already letting professional drivers down. What we need to see are proper facilities supplied, as in other countries. If we look at the port of Rotterdam, the facilities for lorry drivers are provided by the port authority. They are secure and somewhere where drivers can get out of the cab. They can have a shower and get something to eat, with proper, clean toilets. They are maintained by the port. That is the public and private sector working together.

That is what we need to see, but we need to see standards across the piece. If we are talking about pay, we are seeing—and long overdue—significant increases in pay. Unite is negotiating significant increases to rates of pay, but far too many companies are looking at applying a retention bonus or a recruitment incentive. That is, "Okay, we will give you a grand if you stay until Christmas," or, "We will give you five grand if you stay until March," with the hope and the expectation that that will be able to be removed when the equilibrium, as they see it, is maintained.

**Q110 Chris Loder:** Who do you see is responsible for addressing facilities? Do you see it as the employers, the National Highways or some other part of the Government?

**Adrian Jones:** There are different parts. I think employers have a massive role to play. I welcomed the question—I think it was from yourself—in the previous session. Employers in this sector are not providing facilities for anybody other than their own. We have drivers turned away from other transport companies, saying, "You cannot use these facilities." It is against the law now anyway, but unfortunately it still happens.

What we need to see—it is a bit late even now, unfortunately—is a massive increase in speculative development in warehousing and logistics. If you go anywhere in the country you will see massive sheds being put up, but nowhere for drivers to park and no facilities. In the DCs themselves, yes, they will be there, but the model is, "You turn up and we will tip you or load you, and then you are out the door because I need you to turn around quick." You have a statutory obligation to take a break, but far too many employers are saying, "That is not our problem."

**Q111 Chris Loder:** You are basically saying that it is the employers'



responsibility as well as that of National Highways. Is that correct?

**Adrian Jones:** Whether it is National Highways, the Government certainly have a role to play. I would agree with both Elizabeth and Duncan in the previous session that the planning rules need to be looked at. I think where we have developments and planning applications on developments, one of the things that need to be included as a compulsory element is facilities for lorries to be able to park.

Q112 **Chris Loder:** I am going to move on to Kieran just to ask the same question. Do you have a view as to how specifically terms and conditions and facilities for drivers can be improved? I mean, specific tangible things.

**Kieran Smith:** In my view, it is about secure parking facilities. To reiterate what Adrian has just said, it is about standards. I have asked around, and every time I ask people who are supposed to know about this stuff they are unaware of any standard. I am unaware of any standard apart from the HSE standard, whereas if you look at the European connecting Europe facility, where they recently announced €176 million or £160 million—which is not a lot when compared to the £32.5 million—they tied that to the standards. It would be a grant to private enterprise, which works perfectly well, but it is committing them to standards.

Q113 **Chris Loder:** You say that and it sounds wonderful, but when you have some organisations that are declaring considerable profits why is it the taxpayers' responsibility to deal with that and not the commercial organisation that is declaring billions in profit?

**Kieran Smith:** It is the taxpayers' responsibility to set standards, is it not, in the same way as we do with HSE?

Q114 **Chris Loder:** Indeed so.

**Kieran Smith:** If we could at least do that, and set a level that is required and then, if you are going to grant money to institutions on an entrepreneurial basis to set them up, keep them to those standards.

Q115 **Chris Loder:** I think you are wanting the Government to mandate very clear minimum standards for rest areas.

**Kieran Smith:** Yes, absolutely, and, as Adrian said, very clear planning requirements. Again, on the continent, if you are going to build a very lucrative retail park or commercial park, you must put in sufficient secure parking with security and with facilities.

It comes back to road pricing as well. We tax but we do not use that tax to invest in the provision of secure and decent facilities with amenities. If you look at France, where you have a toll system, when they build a toll road there are requirements that they have aires de repos every so many kilometres, and on each of those aires de repos you must have a toilet, it



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must be functional and it must be clean. We do not do that. Yes, there is a Government obligation because you are taxing us.

Q116 **Chris Loder:** You would love us to put in our report that we think the Government should mandate minimum standards. Am I right in saying that?

**Kieran Smith:** I think so, yes, and also planning standards.

**Adrian Jones:** I would agree with that, but those standards have to be done in clear partnership with drivers. There is also a way that we want to see those standards maintained. If you have standards, how do you enforce them? We all know what a decent toilet should be, but our drivers are faced with substandard toilets every day. What we want to see is a panel of experts with ex-drivers. We have them in Unite. We have plenty of drivers who have unfortunately left the industry for one reason or another. They know when facilities need to be accessed and know what those standards are. We can hold those providers to the agreed standards.

Q117 **Chris Loder:** Thank you. Can we briefly cover what the sector is doing to fix the driver shortage? We have talked about the issues and why we have them, but in terms of fixing and getting better it is important.

What, specifically, could be done by individuals and/or organisations to deal with this shortage? I know that we have talked about pay and conditions, and so on, but specifically what can be done? I think it is more than just literally the pay packet.

**Kieran Smith:** There is a lot happening already. It shocks me that throughout this whole thing nobody has mentioned SNAP and the Transport Association. They are two initiatives that have been going for quite some time. You are aware of them? They are collaborative parking and amenity sharing between different haulage companies. If you look on their web pages you will see a map of all the different locations, along with the public facilities. As a truck driver, if you are signed up to that network, you can then stop and use their amenities. You will have safe parking there.

I know for a fact that over the past year and a half, during the Covid crisis, several operations have opened up their doors, even when they are outside those particular networks.

What we are also seeing is a lot more flexibility and openness by employers to accommodate different shift rosters and hours.

Q118 **Chris Loder:** Can I briefly reset? What I am asking is: what else can be done other than what is being done?

**Kieran Smith:** They can do that better. They can do more of that.

Q119 **Chris Loder:** So more of the same, but in terms of specific—



**Kieran Smith:** You say, “the same”, but I do not think it has been recognised.

Q120 **Chris Loder:** Are there any specific things, then, that you want recognised for our purposes that are being done but we do not know, it is not talked about or the press do not seem to cover?

**Kieran Smith:** You touched on whether overtime is cheaper for offsetting. I think what we are going to see are natural market forces at play. As wage rates go up, people are going to become more inventive and will go back to the last century, offering a base rate with a higher premium for antisocial hours.

Q121 **Chris Loder:** Would you agree with that in terms of the offsetting? For example, do you believe that there is a vacancy gap maintained through overtime?

**Kieran Smith:** I would not call it a vacancy gap. What I would say is that over the past 20 years, due to the pressures on the costs of labour and because of the use of outsourcing to agency because of the IR35 symptoms, what has happened is that you have had a gradual concertinaing of the rates to one standard rate, with only small variables for night and overtime. Night and overtime became very much on par with base.

What is going to happen now, and what we are seeing happening—it is only anecdotal at the moment—is that the base rate is not increasing as much as the antisocial rate is increasing, and harder work is being compensated to a greater degree than easier work. We are seeing the differentiation between the two, and again it is about allowing market forces to essentially roll out and take their effect. What will happen is that that will make overtime less attractive. Therefore, transport operators will start to curtail overtime and bring in new drivers at base rate.

**Adrian Jones:** It is not really an overtime issue. Overtime is a concept in a contract of employment.

Q122 **Chris Loder:** The specific question was really about what more can be done by businesses and individuals to sort this issue rather than just go off on that tangent. Can we just cover that?

**Adrian Jones:** Absolutely. One thing that employers that operate as a business need to do is to stop looking at the law in relation to drivers as a target rather than a maximum. A driver can work a 15-hour day. If I work a 15-hour day I am knackered, let alone sleeping at the side of a road in a tin can and then doing another 12 or 15-hour day the next day. For far too many drivers their own employer will plan them for a 15-hour day and then say, “Right, you have nine hours in your cab.” The response when the driver pushes back on that is, “No, you can do it, so you will.” Even now, and even when there is a recognised shortage of skilled drivers, that is still happening.



There needs to be a clear culture change in the way that drivers are treated and respected. We need to look specifically at the laws that apply to drivers. Drivers are monitored every single second of their working day. Every single second they are accountable. But they are not just accountable for the tachograph rules. They are accountable for working time rules. Sometimes those conflict. In a survey of our members, what is the single most common infringement that drivers are pulled on? It is not even a driving infringement; it is a working time infringement, which is six hours.

We want to see a complete review of the rules that apply to drivers, so that we can get a simple, single standard that drivers can apply. We can then start to address the issues around that maximum being a target rather than a safety safeguard.

**Chair:** We have some really good evidence out there in terms of potential recommendations, but I sense that we will get even more decent evidence if we carry on asking the questions before we try to summarise that.

Q123 **Simon Jupp:** Obviously, I mentioned in the last session that employers in my patch have had to put up wages quite considerably in recent months. Do we know what the average salary for a driver is now in comparison to what it was pre-pandemic?

**Adrian Jones:** The number of times I have been asked that question in the last few months. It is extremely difficult. I am accompanied by a colleague today who is a retail driver from Northern Ireland, so he is very interested in the earlier debate. He is leading for us in the discussions on the CPC review. It is really difficult because you cannot compare somebody who delivers cars with someone who delivers bricks.

Q124 **Simon Jupp:** Is there regional disparity, though?

**Adrian Jones:** There is regional disparity, absolutely. We will see employers with a national fleet applying different rates and different increases in different ways in different places. We will absolutely see that.

Elizabeth referenced that the survey with the Logistics UK members was averaging a 10% uplift in pay. If we look at where RPI is at the moment—and RPI is the right inflationary measure, by the way—that is a 4% increase and not a 10% increase. A pay increase is only a pay increase when it is —

Q125 **Simon Jupp:** There are lots of either “welcome back” bonuses or “welcome to the industry” bonuses. I know of employers who are giving, for example, up to £5,000 to welcome new drivers to the industry, or even to cajole people back. Is that something that factors into your mathematics?

**Adrian Jones:** We do not count that as pay because it is not pay. It is a one-off payment.



Q126 **Simon Jupp:** It is helpful though, is it not?

**Adrian Jones:** Of course. Money in your pocket is always helpful, is it not? That is what I say to employers. If you want to put money in our members' pockets, go ahead and do it, but that will not resolve the low-pay issues. If you offer £1,000 or £5,000 to get somebody in, and there are strings attached to that—you might get that in instalments or over 12 months—you do not get it on day one and then leave on day three; of course not. It is not just about that.

I think you, or one of the panel, spoke about a constituent on £11 an hour. That is not an uncommon rate of pay for a professional HGV driver. It is not uncommon.

Q127 **Grahame Morris:** Can I just follow up on that? My colleague Chris Loder asked Duncan Buchanan this question earlier. He was a little bit sensitive in relation to the rates of pay over the last five or 10 years. It is certainly true that there have been some terrific awards in recent times that Unite have secured, but that is against a background of a number of years of decline in real incomes. Is that your experience across the industry?

**Adrian Jones:** Absolutely, spot on. We have seen headlines saying that John Lewis lorry drivers are on £100,000 a year and all of that stuff.

**Simon Jupp:** I am in the wrong job.

**Adrian Jones:** Trust me, you are not. The reality is very different. One of my shop stewards, who was in pay negotiations earlier this year, secured a good deal for our members, as you would expect. He, himself, applied for a job. He saw it on a website and applied for a job. It was £62,000 a year. As soon as he started looking at what you had to do to get that £62,000 a year, he realised he would be out every night, maxing his hours every single week. He would be absolutely thrashing the system to do everything and maxing out every tax-free allowance that he could, doing everything. Yes, there are jobs out there all the time in any sector where you can earn big money, if you are prepared to throw yourself in front of a bus almost.

Q128 **Simon Jupp:** Kieran, is there anything you want to add to that on the wider question about salaries, wages and what they look like now in comparison to how they looked before?

**Kieran Smith:** Certainly from the agency side, we have seen increases of about 20%. I do believe that that is filtering back into the permanent sector, into permanent employment. The Logistics UK survey probably gives the best estimate of where that is right now. If you say it is an average of a 10% increase, then, as we just said, there are regional and sectoral disparities or variations. You can expect in some sectors for it to be going up by 20% to 30%, as in the grocery sector, and in others it stays very low. Again, it ties into how difficult the work is and the difficulty of the hours as well.



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**Simon Jupp:** One of my colleagues, Karl McCartney, is jumping the gun at this point. I can sense it.

Q129 **Karl McCartney:** Thank you. It is because we are talking stats at the moment without actual figures. You mentioned the job was advertised for £62,000. In reality, what would a normal driver earn in that role? Would it be £40,000 or £45,000?

**Adrian Jones:** A normal driver?

Q130 **Karl McCartney:** In the role that you mentioned.

**Adrian Jones:** I cannot remember what that role was.

Q131 **Karl McCartney:** If he did a normal job.

**Adrian Jones:** Let us talk about a retail delivery driver, delivering to supermarkets and shops. You are probably talking between £30,000 and £35,000, depending on what the company would be, as a broad—

**Kieran Smith:** Pre-pandemic.

**Adrian Jones:** No. I would not say that is pre-pandemic.

Q132 **Karl McCartney:** So what would somebody just starting out driving start out at? Would it be £25,000 or £30,000 or less than that?

**Kieran Smith:** For a class 1, as in articulated lorry, we would be offering a base between £14 and £16, heading up towards £18 an hour. You can work that out. It is heading towards £45,000 to £50,000.

Q133 **Karl McCartney:** Somebody with 10 or 15 years' experience?

**Kieran Smith:** No.

Q134 **Karl McCartney:** No change?

**Kieran Smith:** Ten to 15 years' experience as a lorry driver is arguably not much different from somebody with two to three years' experience in reality. It is knowledge of the roads and so on.

Q135 **Karl McCartney:** You do not get consummate pay rises through having had that experience.

**Kieran Smith:** No. You will get an improvement in salary for having an ADR certificate, for example, for hazardous goods or for—

Q136 **Karl McCartney:** How much would a petrol tanker driver earn?

**Kieran Smith:** They are the ones who are the kings of the road. They had the best salaries before. Arguably, the reason we had the crisis was grocery companies and high street retail companies started paying more than them. What did they do? They thought, "Well, I am going to go over there." Of course, because you have PDP, petroleum distribution passports, and—



Q137 **Karl McCartney:** What would their average annual salary be, roughly?

**Kieran Smith:** I do not know, to be fair. I thought it was in the £50,000 to £60,000 range.

Q138 **Karl McCartney:** £55,000 or £60,000?

**Kieran Smith:** That is what I thought it was.

**Adrian Jones:** It is a highly unionised sector where we get deals. There is a sectoral approach—

**Karl McCartney:** I am just trying to get some actual figures.

Q139 **Simon Jupp:** If I may change tack, in this meeting we have discussed pay and conditions—both in the terms of the contract but also the literal conditions—and you have given some powerful testimony, Mr Jones, about the way drivers have to stay in very small rooms in some places or by the road. I mentioned my hatred of the A303 earlier. I got that out of my system and I am very glad to have done so. There are the antisocial hours.

In the first session, parking and congestion were mentioned. I am a frustrated driver on a regular basis because I am stuck in traffic. Traffic continues to increase, and we have had a car-led recovery from the pandemic, which means that more people are not using public transport in many places but are using their car again. They have reverted to doing that because we were told for ages that public transport was dangerous, wrongly, by various different health professionals.

In particular, congestion must be a really big downside to the job. Who wants to sit in a traffic jam for an hour on a motorway or any other big A road? It is just not very appealing, is it, Mr Jones?

**Adrian Jones:** No, it is not, but to be perfectly honest it is one of the parts of the job that comes with it, and always has done. It is one of the unplanned elements. You cannot say, "I'll be home at 10 o'clock," or, "I will finish at this time." You can have a guess, but professional drivers are ultimately very patient and understand that the safety of themselves and other road users is paramount.

Q140 **Simon Jupp:** What about the impact of different transport policies, as they have evolved over the last 10 years? We are talking about low-traffic neighbourhoods. We are talking about active travel schemes in and around cities and places like that. Do you think that has exacerbated the frustration amongst drivers and your members?

**Adrian Jones:** To a certain extent, yes, very much so. We absolutely acknowledge designated cycle paths, for example. We understand that for the safety of all road users and for cyclists we want to promote environmentally supportive modes of transport. But if you are driving a 40-foot lorry the recent changes to the Highway Code—for example, with priority for cyclists and other road users so that it is the motorist's responsibility—it puts even more pressure on to the driver.



Yes, there are certain policies that are having a detrimental effect—and I use that word cagily—for professional drivers. Ultimately, the drivers will deal with that. That is what professional drivers are there for.

Q141 **Simon Jupp:** It does not help, does it?

**Adrian Jones:** Of course, it does not help, but as long as drivers are paid appropriately, if it takes me two hours or eight hours to get to my destination, that is what it takes me. That is my job, to get there safely.

**Kieran Smith:** I do not have a particular view on that. The only thing I can add is that, in addition to being held up in congestion on the roads, they are very often held up for longer at the client sites when they arrive. That is the most frustrating thing of all. At that point you put it down as POA. It is not driving time, and there are all sorts of consequences. Often you do not have the facilities, as Adrian was saying.

At the end of the day, if the wages go up then, by definition, the driver becomes more valuable, in which case having them sit around for four hours because whichever company will not unload them starts to become more expensive and therefore the negotiation between the haulier and the customer changes. Hopefully, they start to make that more efficient and give priority to the driver rather than to the warehouse.

**Simon Jupp:** I am conscious of time, so I will hand back to the Chair.

**Chair:** Thank you very much, Simon. Before Greg Smith takes us into the area entitled “the role of Government”, Grahame Morris is going to touch on recruitment and retention.

Q142 **Grahame Morris:** Very briefly and in particular, who do you think should pay for driver training? I also wanted to say to both Kieran and Adrian, thank you very much for your written submissions. It is very helpful to our deliberations.

On that specific issue, I think you heard some of the responses from the employers’ panel earlier. What is your view?

**Adrian Jones:** Vocational training should always be paid for by the employer. In a sector where there is a lot of genuinely self-employed drivers, obviously that falls to them as being self-employed. If we are talking about the CPC—certificate of professional competence—then that should absolutely be paid for by the employer, and it should be done in work time. We have drivers who are told, “It is your responsibility; you will do it at the weekend; and you will pay for it.” Why would you do that? Think of another profession where you are told that.

Q143 **Grahame Morris:** And that is an impediment to recruiting more people into the business?

**Adrian Jones:** Absolutely.

Q144 **Grahame Morris:** Do you have the same view, Kieran?



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**Kieran Smith:** At the end of the day, yes, of course it should be paid for by the employer. What I would say, though, is that in the past when standard operations were outsourced to agency, by definition you also laid off all your industrial relations costs, your HR costs, your training costs, your workwear costs and everything. That is changing. It has all gone back in-house. I think we are back to a normal standard operation.

Q145 **Grahame Morris:** I would like to ask one other unrelated question that arises from an earlier answer. You were talking about a good example being the port of Rotterdam with secure parking, good facilities for drivers for rest and to have something to eat and so on. In the lack of progress that we have had since the last Select Committee report, both you and the employers have said that there is a role for Government in planning in particular, if not in funding these facilities.

We have this new dimension of elected mayors. Is there any forum where the industry or the sector could approach elected mayors and say, "Look, in incorporating your new infrastructure, will you please address this deficiency?" Is that a new dimension that has been explored?

**Adrian Jones:** We have had discussions with elected mayors over the last few years. We have not really made much progress. We have made as much progress as we have with national Government.

Q146 **Greg Smith:** We have heard a lot throughout this session that has been very helpful around Government intervention and things that the Government can do. I really want to probe your thoughts on, first, very much an in-principle question of how much is this the Government's problem and how much is it down to the sector? I guess within that we can draw together some of the things you have already said and hopefully bring in some new ones. The United Kingdom is now a sovereign country again, free to set our own regulations and laws and is not hampered by regulations from regional organisations.

What are the most effective things that the Government have done already. Is it drivers' hours? I know there has been some controversy on safety points around that. Is it cabotage rights? What has worked, what has not and what more can the Government, as opposed to the sector, do to support the industry?

**Adrian Jones:** I think you have already heard from the representatives earlier about the issues around testing and licensing. That is fine. That is there and that is happening. Getting people through testing is one thing, but we need to fill the hole in the bucket and stop people falling out. We do have some concerns about the changes to the standards of testing. Reversing is not now part of the test, but it is part of the training. That seems a bit ludicrous to most drivers out there. We do have concerns around that.

On the steps that the Government have taken, the relaxation of hours is a bit of a moot point now, to be perfectly honest. Even though we are into probably month 20 of the last 24 months of a relaxation of drivers'



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hours, as of yesterday, from figures from the DfT, there are 39 operators who have confirmed that they are using that relaxation. Remember that I talked about nearly 82,000 enterprises in the sector. There are 39. It is absolutely irrelevant to the current situation.

**Grahame Morris:** And it is dangerous.

**Adrian Jones:** Of course, it is dangerous because of the cumulative effect. Drivers work long hours anyway. We have drivers that now, without a relaxation, will be working 60, 70 or 80 hours a week. Kieran referred to POA—periods of availability—but we need to get rid of it because it completely skews the whole purpose of safety rules, which are about managing the amount of hours that drivers should be working.

Q147 **Greg Smith:** I take you at your word in what you have said on that, but from an evidential perspective, so that we can come to the best recommendations and conclusions within this report—and I accept a limited number of operators have taken on board some of the relaxations—how many incidents have there actually been as a result of those drivers changing their hours?

**Adrian Jones:** We do not know, and that will not be recorded.

Q148 **Greg Smith:** There is no data at all?

**Adrian Jones:** There may be data available at some point in the future, but at the point of an incident—an RTC, for example—will that be recorded? It is one of the things that we have discussed previously. DVSA are the standards enforcement agency, but police investigate road traffic collisions.

Q149 **Greg Smith:** Anecdotally, from a union perspective, I am pretty certain that if there had been certain incidents and your members or members of other unions had been involved in them—this is what they pay their money for—they would have been on to you pretty quickly.

**Adrian Jones:** Anecdotally, we have not had any reports. We have made a freedom of information request to the Department for that data, but we do not have that data available.

Q150 **Chair:** Evidentially, how can you say it is dangerous then?

**Adrian Jones:** Because if you are extending the time that somebody is working in a safety-critical role, that is very clearly going to be dangerous. The accumulated effect of fatigue on a driver, if you are talking about congestion, long hours and all the pressures that drivers are under, and if you are doing that for even longer over a period of time, that will have safety connotations.

Q151 **Chair:** We are really focused on the evidence here and not picking on it on that basis. That presupposes that the absolute max was being operated at previously, and so then you go over that. That would then be proof. I can see anecdotally why you might say it is dangerous because



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you are going that way, but I cannot see how you can prove that evidentially.

**Adrian Jones:** The only evidence that would provide it will be by cross-referencing road traffic collisions with the hours that professional drivers are driving. That is not done. It is not measured as a factor, as far as we are aware.

Q152 **Greg Smith:** That is fair enough. Kieran, do you want to add anything on the base question of how much of this is Government or how much has worked or has not worked?

**Kieran Smith:** The testing initiatives have definitely worked. We saw record months in September and October of almost a 50% rise in the total number of tests. By definition, the flow in is working. The evidence in the report that I have given you indicates that it is the critical below 45-year-old sector that we are really looking at. That is the bit that takes the brunt of the harder work and also it is the area where we get the most retention problems. The indications in the Q3 stats from the ONS quarterly level four survey are that we lost pretty much everybody who came in in the third quarter, even despite wage increases. I would argue that it is always going to be about retention.

What can the Government do for retention? It goes back to planning and investing strategically in roadside infrastructure. It goes back to making sure that, now that we are out of the EU, let us reform our CPC, drivers' hours and working time rates. It is mind-bogglingly complex. You almost need a degree to be able to work out some of the more esoteric combinations of working time and driving time. You are supposed to do that while you are driving a 45-tonnes truck at 56 mph, going around hazards like roundabouts. How are you supposed to do that? It would be a perfect opportunity to simplify the hours.

The other thing to do—and I know this is probably very radical—would be to look at the benefits. On the continent you are not allowed to drive an LGV on Sundays. I cannot imagine that we are ever going to get that far, but that enforces a break for every single LGV driver on the continent every week. At the moment, we have European regulations that we have adopted and taken on but we do not have that rule about weekly working. Drivers can really and truly be exploited and pushed to the limit in their daily driving. Reforming that will have a fundamental impact.

Q153 **Greg Smith:** That is enormously helpful. From my perspective, as you have rightly said, we have left the European Union and that gives us great freedoms to shape our own regulations to suit the needs of the United Kingdom.

I appreciate that you might want to write to us, and perhaps it is in the presentation that we were given just before this meeting started, but can you give us some specifics about how those reforms would best be done?



**Kieran Smith:** I certainly do not have an opinion on that. Other expert people have much better opinions on that than I do. I would actually defer to the representative bodies, the RHA and Logistics UK on that one.

Q154 **Greg Smith:** Adrian, do you have a view on that?

**Adrian Jones:** Yes, absolutely. It is very complex, and I could quite happily bore you with all the detail. It is things around the confliction between four-and-a-half hours' driving time and six hours' working time. That is the biggest contentious issue.

We have issues around the derogations that are built into the current rules. We have a derogation for night drivers. The law says that night drivers can only work for 10 hours, but you can have a derogation out of that. It makes a mockery of it.

On the reference period, drivers should only work an average of 48 hours over a reference period. The standard statutory period is 17 weeks, but again there is a derogation, and you can extend that to 26 weeks to make that a longer period. Drivers can work 60 or 70 hours at the beginning of a period and less towards the end. We can look at all of these variations.

We just need to scrap periods of availability. We need to get rid of POA and pay people properly. There are all of these specific issues. Unite, the trade associations and the Department did look a few years ago at what we could do. In the confines of the European legislation it was found that that was too difficult, so I think there is a will across the industry from drivers and operators to look in detail at what is the art of the possible in the statutory obligations of drivers.

**Greg Smith:** That is great. If you do have further thoughts, and I am mindful of the time, I think the Committee would be interested in the detail of what reform we can make, what regulations make no sense that we can get rid of and what regulations potentially need tweaking for the UK market.

**Adrian Jones:** Absolutely. We can forward that.

Q155 **Greg Smith:** At the very end, I will change tack slightly and bring up a subject that is important to my constituency but has an impact nationally. Returning to the driver shortage question, how big an impact is it when Government turns up with massive great infrastructure projects that require huge construction staffing and so on? I am talking about HS2 in particular, but there are other projects available. In my constituency alone there are 600 HGV movements a day, on a quiet day, connected to the construction of HS2. How big an impact have big projects, led by the Government and funded by the taxpayer, had on disrupting other supply chains, with HGV drivers going into fuel runs, delivering to supermarkets or moving freight about and being abstracted by these huge, great, well-funded and taxpayer-backed infrastructure projects?



**Adrian Jones:** To be honest, I am not sure. I think there would need to be a much more detailed look at the total number of drivers. We do not think there has been a huge shift. There are huge numbers of drivers. Hinkley Point is another example. The amount of supply chain workers, whether they be drivers or others, on those projects is huge. We welcome that. That secures employment and, usually, decent-quality employment.

Has that had a drain on other sectors? I do not believe that it will have done because all the evidence is there to show that, actually, the numbers have decreased. The actual number of drivers has decreased and the number of drivers required has gone up, so I do not think it has been a drain on other—

Q156 **Greg Smith:** But if the numbers have decreased and the state comes along and says, “We are spending £100 billion on this and are going to need thousands of movements a day,” there is going to be a shift, is there not?

**Kieran Smith:** But it is over a long period of time. There are large infrastructure projects going on all the time. There was the A14, the M1 and HS2. You see tipper drivers especially—these are the sorts of guys who do all the earth works—moving around. They tend to be people who are happy to move around and live in a caravan. They move with the project. It is very hard to answer that one; it really is.

There are two other aspects, if I could volunteer them, that I think the Government could be looking at. I make the statement in the presentation that I have given you, which I invite you to read. In fact, there is a misconception that foreign labour has in some way stolen our jobs and helped to reduce wages. Both of them are completely untrue. Foreign labour only ever got to 40,000, so marginally over 12%. Quite frankly, it is still here. We are only 7,000 down now relative to the beginning of the pandemic. In other words, they are not foreign labour. They are, in fact, settled or pre-settled labour.

The reality is that every Christmas it went up by about 10,000 and went down again in January and February. One of the things that this did—and I have plotted it and done the net; it is all in there—was to demonstrate that in fact the foreign labour cushioned any substantial increases or decreases in demand to the tune of 40% to 50% each time.

Given the inflexibility of the immigration system now, we have to find that flexibility within our own workforce. It may be possible, given the higher rates of wages, but we are going to find that out. The reality is that we are a cyclical sector. It does depend on what different industries and sectors are doing and their demand. We are going to have these peaks and troughs, one of them being Covid.

Essentially, by cutting off that source I do believe that we have cut off a level of flexibility. It would not be contradictory to our Brexit strategy to actually exercise some level of flexibility with regard to strategic labour



that is not in any way detrimentally impacting the sector, which I do not believe it does.

The second thing we have done is to implement IR35, which albeit painful and expensive to the operators, and unwelcome, has brought a welcome change, theoretically to level the playing field and to bring wages up to the right level. It has had a cathartic effect on our sector, along with the AWR parity legislation, but it is not being enforced. Let us put it this way: it is not clear. Clarity is required as a matter of urgency to convey that to the community and specifically to the driving and haulage sector community, so that we all know where we stand. At the moment it is very evident that some large companies are taking one view and others are taking another. Some are saying they are within IR35 and others are saying that they are outside. The discrepancy is substantial in cost of labour to those companies, and those who stay within are going to be at a financial disadvantage. The sooner that can be resolved and clarified, the better. That is a Government and HMRC responsibility.

**Greg Smith:** I hear that very clear. That is something that we do need to reflect on within the report that we produce. Thank you very much.

Q157 **Chair:** Thank you. Wrapping up the evidence you have given, with perhaps a couple of additional points first, is the DVLA's and DVSA's performance in training and licence processing getting better?

**Kieran Smith:** I hear so, but it is only recent. Again, anecdotally, I do believe that the processing of medical renewals has been a fundamental problem. Although there is something called section 88 that allows you theoretically to permit a driver to continue, hauliers and agencies alike will be very averse to taking that risk because the onus is put back on the provider of the medical certificate and the driver. To be fair, the DVLA has not been responsive in confirming that the application has been received. If you cannot do that, you cannot then do it. The delay on the medical applications has been an issue.

**Adrian Jones:** I would fully agree with that.

Q158 **Chair:** We took evidence from Julie Lennard, chief executive of the DVLA. She said that the average for non-medical vocational licences was 13 working days from April to July. Medical was 70 working days. I do believe that the numbers have got better.

**Kieran Smith:** That needed to be prioritised as a matter of urgency. It still needs to be prioritised. I do believe that it is being, and I am hopeful that we will start to see an improvement.

**Grahame Morris:** One of Kieran's slides is showing above 5,000 on page 28 for HGV tests.

**Kieran Smith:** Yes, that is the testing.

Q159 **Chair:** I will be brief because we are about to lose our quorum. Perhaps I could summarise what has been said. If you look at the industry as a



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whole, if a big supermarket is going to build a distribution centre, they do not expect the Government to come and build it. That is part of their cost of business to help them expand. Yet those are the noises we hear on additional facilities to make working conditions better for drivers. The industry does not seem to be taking the lead in the same way as it would when it builds distribution centres. Is that fair?

**Adrian Jones:** I would agree with that. I think we have reached a point where, because of the vital nature of the industry, the Government have to take it seriously and provide the facilities for an essential part of the economy.

Q160 **Chair:** That was going to be my point. Are we looking at a situation where the Government can say to industry, "Right, you start providing this; otherwise we will intervene and either charge a levy and provide it ourselves or we will legislate"—and that might be something that this report looks like—"to have minimum standards," which Kieran mentioned? In that way, better working conditions will be delivered. Do you have a preference of which model should be there?

**Adrian Jones:** Voluntary or compulsion?

Q161 **Chair:** Yes. Effectively what you are saying—

**Adrian Jones:** Voluntary has not worked, has it?

Q162 **Chair:** It is similar to how the Government reacted with the sugar tax. It said, "If you do not reduce the amount of sugar in your products, we will start hitting you with a tax or a levy." You could do the same and say to the industry, "If you do not start providing these facilities to make working conditions better and to fix this market, then we will start doing it for you with a levy."

**Adrian Jones:** If that had been done after the previous Select Committee report in 2016, it may have made a difference, but we are here because we are at the cliff edge that I referred to earlier. Yes, there are long-term problems that we need to find solutions to. If we are asking this industry to make those changes voluntarily, I think we will be back and saying, "Okay, you have not done it so now let us do it." I think our members would welcome the intervention of Government in forcing that issue.

**Chair:** You can say, "You should do this, but if you do not do this then this is what will happen, either by legislation, levy or national action." I do not want to put words into your mouth, but it is always helpful for us to summarise the evidence with recommendations.

Kieran and Adrian, thank you so much for the evidence you have given to us. There are some great ideas, as well as the challenges facing members and those that you interact with. We wish you a good rest of your day. Thank you.