

## **Written evidence submitted by the Road Haulage Association (RDF0019)**

### **Brief**

The Transport Select Committee is interested in receiving written evidence that addresses concerns regarding road freight. These concerns are referred to in the body of our response.

### **Background about the RHA (Road Haulage Association)**

The RHA is the leading trade association representing road haulage and distribution companies who operate HGVs and vans commercially. Our 8,000 members operate near to 250,000 HGVs out of 10,000 Operating Centres. Members range in size from single-truck firms to those with thousands of vehicles. The majority of our membership are SMEs with just under half operating less than 6 vehicles.

These road transport companies provide the people and businesses of the UK with the goods upon which we all depend. From food and clothing through to medicines, car parts and construction material. Without lorries and vans delivering goods to businesses and consumers the economic and social wellbeing of the country would be seriously impacted.

Recently the RHA has initiated a coach operator membership for those operating non-scheduled passenger services using vehicles with a capacity of more than 16 seats.

The RHA proactively encourages a spirit of entrepreneurialism, compliance, profitability, safety and social responsibility. We do so through a range of services, such as advice, representation, and training.

### **General Comments**

We welcome the attention of the Committee and this investigation into road freight.

You are asking many of the right questions. The scope of your investigation is massive and all that it is possible to do in this response is to give an overview of the RHA perspective.

Road haulage is essential for the operation of a modern economy. When working well it largely passes un-noticed. Users and consumers get high quality services that meet their needs at reasonable prices.

This customer focussed delivery comes from a dynamic market working with high levels of competition between operators of different types and sizes. It is a market structured with a broadly level playing field for operators to compete in.

The industry needs reasonably well thought through regulations applied fairly to all, infrastructure that works effectively and predictably and working practices that support productivity and good working conditions for staff.

It is the contention of the RHA that policy makers across all levels of government do not always respect what the sector does or to treat the sector and those that work within it in a way that reflects the importance of road freight on society.

Too often policy makers do not understand the importance of road freight. They often only see negatives when it comes to haulage. Consequently, they then seek to prevent, impede or limit road freight activity without understanding or care for the consequences. We need road infrastructure managed to reduce congestion.

Too often policy makers miss that the competitive nature of the market is critically underpinned by the many thousands of SME road freight companies who provide cost effective, flexible, often local, customer focussed services. These businesses need to be treasured.

Too often policy makers do not recognise the need for drivers as mobile workers to have facilities that permit them to work safely, healthily and with dignity and respect across all areas of our road network. Drivers need clean, well-maintained facilities throughout the road network.

Complacency and a lack of real understanding and empathy for the sector and its employees are the real and fundamental root causes of the supply chain challenges we are seeing today.

This is not exclusively a Government issue, it spreads into the media, academia, within our own sector and within related sectors too. We all can, and should, do better to recognise the needs of the sector and those who work within it.

### **The topics specified by the committee**

**Long-term and short-term challenges to the effective functioning of the road freight supply chain;**

The sector is task focussed. It always works hard to find solutions to the challenges of providing customers with the services they need. Generally speaking, it is massively successful in dealing with whatever gets thrown at it.

It has always adapted quickly and effectively to changes in regulations and the working environment, usually with minimal intervention from government.

But, current challenges have stretched things to the point where companies and the public are seeing the impacts of a sector that cannot meet all of the demands being placed on it.

In the short-term the sector is dealing with the shortage of lorry drivers, poor facilities for drivers and long lead times for new lorries. Productivity is impeded by the management of our road networks (including unreliable trip times and the often-inappropriate re-allocation of road space) and the functioning of large distribution centres who do not do enough to reduce dwell times when loading and unloading.

Long-term challenges cover the same issues, but of course has the added large and fundamental challenge of decarbonisation. That transition needs to be done with care and understanding so that we preserve the positive characteristics of the sector that allows it to be so effectively customer focussed.

Whilst we appreciate the measures announced to date by Government to address the driver shortage in the medium to long term, we are concerned about the inadequacy of the short-term measures to tackle the immediate shortage. The step up in driver testing is having an impact, we estimate the shortage of drivers has reduced to an estimated 85,000, but that action is not enough. We continue to argue for action on temporary visas, the Shortage Occupation List and Driver CPC reform.

The announcement allowing 5000 HGV drivers to come to the UK for 3 months is woefully inadequate given the continued shortage. Due to the short life of this visa and the strong EU employment market it is unlikely the UK will get a meaningful response from overseas drivers. The Government should urgently re-think the current approach to temporary visas and allow qualified drivers in to the UK for up to 12 months while we continue to train our domestic workforce.

HGV drivers should also be added to the Shortage Occupation List while the shortage persists. This will allow UK transport operators to access a workforce

that can live and work and pay taxes in the UK, it may also encourage some who have left to return.

We know that international drivers will not be the long-term solution to the problem, and reform within the industry is vital. We are committed to working with Government to achieve this and to build a resilient domestic workforce.

We are pleased to see the Government's recent announcement of a review of the Driver Certificate of Professional Competence, something we have long been asking for. We are calling for a short extension to Driver CPC validities and introduction of a one year for one module CPC for UK drivers.

Extending the validity of Driver CPCs expiring shortly will help retain drivers who may otherwise be tempted to retire or find alternative work. It will be a significant retention tool. We have also proposed a "one for one" Driver CPC meaning that a lorry or public service vehicle driver should be permitted to extend or renew a Driver CPC entitlement for one additional year if they undertake one Driver CPC training module.

**The potential effects of the Government's policies and regulations on the efficient operation of the supply chain, including cabotage rules and drivers' hours;**

Government (international, national, regional and local) creates the framework within which the sector operates. For us, that is mostly regulatory, but it also includes the management of the common infrastructure that our vehicles use.

Common and effective rules relating to drivers' hours and the safe operation of vehicles are of fundamental importance to us – they ensure high standards and a level playing field (avoiding a "rush to the bottom").

Drivers' hours rules are complex but are widely supported as proportionate by the industry.

Operator licensing that is the fundamental building block on which the regulation of our sector stands. It is the mechanism by which fair competition and high standards are enforced, that includes vehicle standards, driving standards and drivers' hours.

In Great Britain this system is led by the Traffic Commissioners who will remove an operator's licence if there are serious breaches of the fundamental rules governing vehicle safety or drivers hours. Last year (2020-21) traffic commissioners revoked 282 HGV operator licences for breaches by GB

operators of the basic rules. In most of Europe, the removal of operators license is very rare, we believe this lack of enforcement contributes towards a systematic reduction of vehicle standards and drivers' hours rules with non-UK operators.

Cabotage operations by non-UK operators working in the UK fall outside the UK operator licensing regulatory framework. Cabotage falls under rules that would normally limit the work done to short-term activity closely as defined by the TCA.

The Government has changed these rules, extending general cabotage rights far beyond normal EU rules for the first time by unilaterally extending the time allowed for cabotage and removing the trip limits (no more than 2 trips under the TCA).

It is noted that the extension granted by the government appears to conflict with article of the TCA dealing with the "Transport of goods between, through and within the territories of the Parties", that article says "Provided that the conditions in paragraph 2 are fulfilled, road haulage operators of the Union may undertake up to two laden journeys within the territory of the United Kingdom provided that such operations:

(a) follow a journey from the territory of the Union permitted under point (a) of paragraph 1; and

(b) are performed within seven days of the unloading in the territory of the United Kingdom of the goods carried on the journey referred to in point (a)."

### **The potential effects of the Government's policies and regulations on road safety;**

Road safety regulation is a core role the government must play. The RHA is a strong supporter of clear well thought through safety regulation. Broadly, the government is very good at getting most of this right, but we do have some concerns that we have raised in this area.

We believe that the Government stance on cabotage undermines road safety, road safety enforcement and fair competition. The longer the rules remain in place the more systemic cabotage will become, the more embedded the unfair competition will be, the more UK wages and UK working conditions will be undermined. We believe the UK government should end the cabotage relaxation at the earliest possible opportunity – no later than the end of 2021.

We support smart motorways but feel that the implementation lost focus on maximising the safety opportunities that come from effective dynamic active control of those roads. More improvements are needed to make the operation as safe as possible and much closer to the original specification when these roads were first proposed.

We feel that some of the planned changes to the highway code will increase risks for cyclists – the “right of way” being given to cyclist to undertake turning vehicles is dangerous and should be dropped. We also believe the hierarchy plans are wrong, the focus needs to be on skills, training and prevention, not on blame attribution based on the size of vehicle used. The safety cases for both of those changes have not been made, there no material evidence they will improve road safety, both should not proceed.

### **Infrastructure, including roads, ports and airports, with a particular focus on capacity, resilience and interoperability;**

Capacity and resilience of the road network are both critical for our sector.

We are very concerned that both capacity and resilience is being badly undermined by some government led policies that, while well intentioned, are encouraging the removal of road space by highway authorities. Congestion is being promoted in many areas, being justified as a way to stifle car use. This is being done without regard to the needs of freight road users or even bus and coach users, without proper understanding of the wider impacts on the environment, society or the economy.

The RHA believes that our road infrastructure needs to meet the needs of all users and must be managed to facilitate the economy in a sustainable way.

### **The effect of border procedures on road freight;**

The road freight sector has adapted to the changes brought about by Brexit. More changes are coming and again the sector will adapt over time.

More cost, friction and inflexibility are inevitable, but the sector will adjust and so will the customers.

### **Decarbonising road freight**

The RHA has produced detailed responses to the Government’s plans on decarbonisation.

We have welcomed the Government's approach for zero-emission HGVs but are concerned about the timing of phasing out some sizes of new trucks from 2035.

The industry will play its part in decarbonising freight, it will lead in vehicle replacement. The ability to charge lorries will be critical, at the moment this is a big hole in the plans.

So too is the ability to serve all markets effectively. SME businesses will have the biggest challenge, we believe that if we get transition right for SME's we will be pretty close to getting it right across the board.

Long distance rural routes, specialist vehicles and international services are not sufficiently embedded in Government thinking and need to be catered for. It is likely in our view that some markets may need to take advantage of zero/low carbon liquid fuels and/or offsetting of residual use of fossil fuels.

Another key issue, so far ignored, is what happens to the diesel fleet as transition takes place, this needs to be clearly spelt out by government so businesses can plan accordingly (especially important for SME's).

### **Workforce skills, training and development;**

**The extent to which the Transport Select Committee's previous recommendations on haulage, including those set out in Skills and Planning in the Road Haulage Sector, July 2016, HC68, were (a) pertinent and (b) unheeded.**

It is interesting to read that 2016 report and reflect on the slowness of the progress since that time.

Only now, in 2021, are we getting close to having the right apprenticeships in place for the industry. The sector has had to fight to persuade IFATE of the need for two separate HGV driver apprenticeships: C+E (articulated) and Urban Driver Cat C/C1 (rigid) classes of licenses. These operations are vastly different and both routes required funded apprenticeship options. The LGV Driver C+E was finally published in August 2021; however, it took until October for the Urban Driver Cat C/C1 apprenticeship to be approved. Unfortunately, IFATE reduced the funding for the standard despite rising costs for training providers. This standard is now subject to a procedural review by the Transport and Logistics Trailblazer Group.

In September 2021 we also saw the approval of the Transport and Warehouse Supervisor Standard that the Trailblazer Group has been working on for 3 years. Industry welcomes these standards and in 2022 there should now be options for utilising the apprenticeship levy funds.

To date only about 10% of the apprenticeship levy paid in by the sector is drawn down. This shows that there have been problems.

Apprenticeships do not suit every learner or business and there has been an overdue requirement for alternative funded training. The skills bootcamps are a welcome addition, we wait to see how this training will be completed but would have preferred a longer timeframe for completion.

Given that it is taking at least 16 weeks from driver medical, issuing of provisional licence to completing all 4 modules for the HGV test. Training providers will under pressure to complete the training by the end of March. HGV skills bootcamps could offer an excellent route for those learners looking to retrain who can't commit the time to an apprenticeship.

Another option would be to include HGV training within the National Skills Fund advanced learner loan scheme. Some learners would prefer the option of paying for their training themselves to fit in with their work commitments but don't have the means to pay. Currently there is no alternative to a commercial loan given that the HGV licence is a level 2 qualification. Access to the advanced learner loan would make it easier for people in work but wanting to retrain to access funding.

2021 has seen an increase in driver training programmes offered by businesses, we expect this to be reflected in the apprenticeship figures post reopening of DVSA test sites in April. This is a positive move from the logistics sector and this investment in training will need to continue over future years to counter the numbers of drivers leaving the sector due to retirement or simply changing careers.

Our members, especially those smaller businesses are still having difficulties with insurance costs for new drivers. This was highlighted within the 2016 report and continues to be a problem today. Larger businesses can sidestep this as they self-insure but small to medium sized businesses don't have this option. Given systems such as Telematics – it should not be an issue as drivers are constantly monitored. Although this is ultimately a commercial issue it will

restrict smaller businesses investing in driver training, especially younger drivers.

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