



House of Commons
Transport Committee

Road freight

Volume II

Additional written evidence

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The Transport Committee

The Transport Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Transport and its Associate Public Bodies.

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The following were also members of the committee during the Parliament.

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Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via www.parliament.uk.

Publication

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the internet at <http://www.parliament.uk/transcom>. A list of Reports of the Committee in the present Parliament is at the back of this volume.

Committee staff

The current staff of the Committee are Mark Egan (Clerk), Farrah Bhatti (Second Clerk), David Davies (Senior Committee Specialist), Tony Catinella (Senior Committee Assistant), Adrian Hitchens (Committee Assistant), Stewart McIlvenna (Committee Support Assistant) and Hannah Pearce (Media Officer).

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Written evidence

Written evidence from the British International Freight Association

BIFA represents 1,400 freight forwarding Members, distributed throughout the United Kingdom. Our Membership, consists of some of the largest global freight forwarders, ranging from all the top ten UK forwarders including household names such as DHL and UPS down to small companies employing less than five personnel.

All our Members use roadfreight services either on a sub-contract or an out sourced basis and many operate trucks as part of their operation. Of the latter, most only operate their own vehicles for their core market activities such as delivering cargo to and from air(ports) or specific routes. External haulage will be sought to meet excess demand on their core business or activities where it would be unprofitable to operate trucks. For instance a Heathrow based forwarder with little business in Scotland, would probably sub-contract haulage to Glasgow.

BIFA is a mode neutral Trade Association operating via its various Policy Groups and on the basis of a survey undertaken last year we would like to highlight the following issues that cause concern.

NEGATIVE PUBLICITY

Roadfreight is essential to the UK economy, providing flexibility and robustness. It allows industry flexibility to locate away from railheads, ports and airports, and is highly flexible being client driven. This includes such services as timed deliveries, something other modes which are timetable driven cannot. It is the Associations belief that all modes have an economic role to play, dependent on circumstances. The key points are to ensure that they can operate efficiently and also have the appropriate interchanges available to allow the easy transfer of cargo from one mode to another.

Our Members have expressed concerns regarding the limit enshrined within the EU White Paper on Transport which aims to artificially encourage a shift from road to in particular rail for any journeys exceeding 300km. Trucks are too often portrayed as being environmentally unfriendly being polluting and a hazard to road safety being involved in too many accidents, including those involving cyclists. The road safety lobby regularly comment unfavourably on the dangers of trucks, without realizing that other road users fail to allow them the space that these vehicles need to manoeuvre.

The Safety lobby has widely campaigned against the increased dangers proposed by longer and heavier trucks, ignoring research from Continental universities indicating that the contrary is just as likely to be true that they are actually safer because fewer trucks will actually be needed on our roads.

This is against a background of transport operators using less polluting vehicles and larger trailers reducing pollution levels and congestion and providing a service which benefits the wider economy and complements other transport modes.

Whilst the sector has to fight its own corner and address its own feelings there is a growing mood that too many comments are negative and the positive aspects are under-estimated. We frequently have "Think Bike, Think Biker" campaigns and there is a feeling that more should be done at Government level to make people aware that they should give trucks more space particularly when they are turning at roundabouts or traffic lights, a 13.6 meter trailer does not bend in the middle and when it turns if you are in the wrong place in the wrong circumstances you will get squashed.

FUEL PRICE VOLATILITY

Since 2008, the continuing rise in fuel prices and their negative impact on the economy have been welcome documented. For any sector where fuel prices can account for up to a third of a company's operating cost this is of particular concern, particularly where increases are not fully recoverable due to wider market conditions. It is noted that the Chancellor did not impose all the increases due in Fuel Duty, saving the sector approximately 10 pence a litre. However, there are concerns about the possible negative impact of the 3 pence a litre increase that is due later in the 2012. Margins will be squeezed because it will be difficult to pass on the whole increase in a tight market.

Whilst high fuel price increases are of concern, it is our perception that of equal concern to our Members is the need to have a transparent and easy to understand fuel price stabiliser. The main reason behind this is that because fuel is such a significant proportion of fleets operating costs that price fluctuations make any long term planning, tariff publication and budgeting almost an impossibility. Additionally administrative costs increase due to the need to re-negotiate rates with customers and advise them.

Our Members would welcome any efforts to stabilize fuel prices in the near and long term future. It is generally accepted that the age of cheap oil and fuel have ended and the new era needs to be managed through price stabilisation. In the short term a cancellation or reduction in the 3 pence a litre increase would be a considerable relief to our Members.

CONGESTION

Based on research approximately 80–85% of all journeys are completed on time, meaning that a significant proportion of deliveries arrive late. This is particularly important because many depots including major ports such as Felixstowe work on a timed slot basis. If the vehicle is late it is rejected and a new booking is made, often on a later day. This increases the number journeys contributing to pollution and congestion.

Certain areas such as the M25, Manchester and Birmingham motorway systems are prone to such delays, particularly during peak holiday season when private traffic levels increase at certain key times. The problem is that the solution will not be simple and may involve decisions that people do not like.

However, our Members feel that this debate needs to be held and that a tax neutral solution can be found, involving some form of rebate through the VED system.

SECURITY

Vehicles operate at considerable distance from their base for long periods of time, which raises safety concerns for drivers. In general terms, the perception is that commercial vehicle related crime is not given the priority that it should be. In particular we would draw the Committee's attention to the withdrawal of Truckpol due to a lack of funding and a shortage of secure overnight parking areas (the latter is also a wider EU problem).

From anecdotal evidence it would appear that thefts from parked vehicles and of lorries is on the increase, recent reports have highlighted particular issues in the Dover area.

OVERSEAS COMPETITION

Our truck operating Members have commented on the impact of increased competition from overseas truckers, particularly those based in Eastern Europe. There is concern that due to economic imbalances including generally lower operating costs and in particular wages gives such truckers an advantage over their UK based counterparts.

Whilst accepting that there will always be winners and losers under free competition, we feel that there must be a level playing field to allow UK hauliers to compete on an equal basis. One example of this imbalance is evidenced from VOSA indicating that a higher percentage of overseas trucks when stopped are found to have faults than those operated by UK based hauliers. Whilst agreeing that there is scope for improvement all round the difference indicates that the UK haulier spends more on maintenance than some of their overseas competitors.

Until a workable and enforceable system is implemented to ensure a level playing field our truck operating Members feel that it is inappropriate to consider any relaxation of the present Cabotage arrangements and would ask that any liberalisation of them has to be linked to measures aimed at ensuring equitable competition across the EU.

4 METER TRAILER HEIGHT

In line with other EU countries, the UK has been free to determine the height of trailers on its roads. As much cargo is now high volume/low weight, we have seen the development of hi-cube often tri-axle trailers with a height of at least 5 meters and sometimes more. Within our road system this is workable and some other EU countries make use of this flexibility.

However, for intra EU trade trailers are pretty much standardized at 4 meters, something that is well understood and accepted. For the last couple of years the EU has been proposing introducing a 4 meter height for all trailers including those engaged solely in domestic trade. As is typical with the European Union-the proposal seems to be circulating between Committee.

BIFA has argued strongly against any attempts to impose a height limit for vehicles engaged in domestic trade but the proposal periodically re-surfaces in the European Commission.

CONCLUSION

This fragmented sector faces many challenges, we have highlighted those areas which are of greatest concern to our Members for you, we are sure that there are others to be considered, for instance the shortage of skilled drivers in the UK. On a positive the Association is very pleased that trials of longer trailers are being allowed, because on long haul routes these may increase vehicle utilization and take vehicles off the road.

Written evidence from Freight on Rail

Freight on Rail, a partnership of the rail freight industry, the transport trade unions and Campaign for Better Transport, works to promote the economic, social and environmental benefits of rail freight to local and central Government.

1. Thank you for the opportunity to comment on the road freight inquiry. Our response covers the following areas:

- The need to look at multi modal freight solutions and the need for the National Networks NPS to examine freight's requirements in this way.
- The need for intermodal freight interchanges in line with the DfT Strategic Rail Freight Interchange Policy.
- Continuation of the expansion of the Strategic Rail Freight Network.
- Bigger heavier HGVs are not the way to improve efficiency or reduce road congestion and freight's emissions so the UK Government must stand firm on its opposition to 25 metre and up to 60 tonne trucks on UK roads.

2. *Freight needs to be examined holistically*

In order to provide the best solutions freight needs to be examined in a multi modal way; so that the different modes can play to their strengths and complement each other. For example 30% of long distance deep sea freight coming into container ports in the SE is transported by rail for its onward inland journey; the congestion relief advantages both at the ports and long distance are cross modal as it makes all the modes more reliable and robust. The customer wants a good reliable consistent services at market prices.

3. *Freight interchanges and the place of freight in the National Networks National Policy Statement*

DfT Strategic Rail Freight Network Vision and Strategic Rail Freight Interchange Policy need to be incorporated into NPS

The importance of the Strategic (Rail) Freight Network (SFN) vision needs to be emphasised in the forthcoming National Networks NPS. SFN is building a robust rail network with investment for gauge cleared routes (in order to accommodate the increasingly commonly used High Cube 9'6" containers); diversionary routes, to facilitate a more flexible and seven day freight operation where necessary; and additional capacity to accommodate additional and longer freight trains. These improvements will all assist in catering for the growth in consumer rail freight, connecting national major freight routes, including links to the ports.

When examining surface freight it is important to view road and rail services holistically and recognise the important of building more road rail/transfer points which will allow rail to play its role in long distance consumer traffic. This is important because more long distance freight needs to be transferred to rail if long distance road congestion is to be reduced and all freight services therefore more reliable.

The large Strategic Rail Freight Interchanges (SRFIs) are crucial if more long distance freight is to be shifted to the railways. SRFIs reduce the transshipment costs between the different modes. One of the obstacles to increasing rail freight is the handling costs as the vast majority of consumer freight flows have at least one road leg and more often 2 road legs. Reduction in these costs means that rail can become more cost effective for shorter distances. SRFIs in the right locations would open up more markets to long distance rail which would reduce pressure on the congested road network.

Therefore it is crucial that the forthcoming National Networks Policy Statement incorporates the existing DfT's Strategic Rail Freight Interchange Policy in its current format and wording, (issued in November 2011) because it makes the planning policy case for SRFIs, which give developers the confidence to invest in intermodal interchanges and submit applications. <http://www.dft.gov.uk/publications/strategic-rail-freight-interchange>

4. *National Network NPS should cover freight issues comprehensively with an overall objective to make freight more efficient, lower emissions and accident rates*

Lorry Road User Charging

A comprehensive Lorry Road User Charging System could improve freight's efficiency, however the currently proposed DfT charging system for HGVs based on a daily rate, consulted upon in April 2012 will neither improve the competitive situation for UK hauliers, nor reduce freight's environmental footprint, or improve working standards and road safety.

We believe that the Government's chosen time based scheme charges foreign hauliers too little, would put an extra administrative burden on UK operators but also would disadvantage combined transport. There is a danger that it could end up actually costing more in administration and enforcement than it raises. Given that foreign hauliers only account for 6% of UK vehicle miles, the administrative burden of this proposal both for UK operators and DfT seems high. Additionally, a time based scheme encourages drivers to squeeze in as many journeys as possible in the time ignoring working time limits which is dangerous.

As you are aware rail has to compete with road, the margins are slim so any minor increase in operating costs could mean that combined services are no longer viable. From a road congestion, safety and environmental standpoint, it is crucial that any rebate does not destroy the incentive offered by the reduced VED rate for combined transport.

We believe that the proposed road user charging system is a missed opportunity to create a more comprehensive system. Other member states started to introduce time based systems ten years ago and are now recognising the benefits of more sophisticated systems which help fund improved driver conditions/facilities and standards in the freight industry. Reductions in empty running and better load efficiency can all contribute towards a more efficient and greener freight industry.

Enforcement of the charges for foreign registered hauliers remains problematic. VOSA is under resourced and not enforcing driver hours currently, so any additional responsibility on VOSA needs to be financed. We would question whether sufficient revenue will be collected from the foreign HGVs to generate any surplus or sufficient revenue to cover the costs of the scheme. Furthermore, penalties for non-compliance should be sufficiently high enough to discourage lorry users from taking the risk and not paying.

Our position is that any lorry road user charging system should meet the following criteria:

- address the inequalities between UK and non-UK hauliers in international and domestic traffic (cabotage);
- improve standards and enforcement in road haulage;
- remove unfair competition;
- provide incentives and funding for training;
- support for operators and drivers training schemes;
- improve conditions and facilities for drivers;
- improve efficiency of road freight to minimise external costs such as local air pollution, greenhouse gas emissions, noise and congestion;
- support for vehicle modification to save fuel; and
- promote combined transport.

The evidence from the schemes operated in Germany and Switzerland demonstrates that:

- efficiency of the HGV sector has improved with less empty running which in turn reduces greenhouse gas emissions per tonne of freight carried;
- funding has been provided which has supported improvements in working conditions;
- increased the use of long distance rail freight which provides a low carbon energy-efficient safe alternative; and
- encourage modal shift where appropriate.

5. *The road freight industry continues to lobby for ever bigger heavier HGVs*

Despite the fact that there is no evidence of previous increases in lorry sizes leading to improvements in average payloads or a reduction in empty running, the road freight industry continues to lobby for ever bigger HGVs.

5 (A) *7ft longer HGV Trailers*

A 10 year Government trial of 7ft longer trailers is under way; despite the calls by the road haulage industry for monitoring to be reduced the trial needs to be fully monitored to see whether the increased length does lead to better efficiency, reduced vehicle miles and reduced emissions, as claimed. Freight on Rail remains sceptical about the benefits of these longer trailers on the basis that if existing sized lorries remain under-utilized why would bigger ones be fuller? DfT statistics show that currently one in four lorries are completely empty in the UKⁱ and almost 50% of lorries are neither constrained by volume or weight,ⁱⁱ ie partially loaded. When empty and partially loaded, mega trucks will use more fuel per vehicle kilometre because they are heavier than current HGVs.

7ft longer trailers have serious safety and economic downsides:-

- The 7ft longer trailers have an inferior turning circle compared by existing 16.5 metre trucks. Independent research shows that longer trucks could lead to six extra deaths per year and between four and eight% more collision. The Government research concluded that longer lorries would lead to a zero increase in fatalities by ruling out any impact of longer lorries from most collisions and ignoring the effect of the increased tail swing and larger driver blind spots when turning. *Source* Review of Government proposals for longer semi trailers *has been produced by MTRU* <http://www.mtru.com/>

- Longer HGVs could cost small and medium sized hauliers up to £1.8 billion over five years in depreciation costs, a figure that the Government study into longer trailers did not calculate. In fact, two thirds of Road Haulage Association members are opposed to longer trucks but are muted in their opposition publicly for fear of jeopardising relationships with their customers.
- DfT research stated that 7ft longer trailers would reduce consumer rail freight growth by two thirds by 2025 which could result in a downward spiral for rail freight. Source DfT-2011–06 P19

5 (B) *UK government must stand firm on its opposition to mega trucks of 25 metres and up to 60 tonnes in weight on UK roads*

The UK Government will come under increased pressure from the road haulage industry to allow 25 metre trucks from Europe after the EU Transport Commissioner unilaterally allowed cross border traffic of 25 metre trucks between consenting countries. It must oppose mega trucks on economic, environmental and safety grounds. The example of the 7ft longer trailers demonstrated how the Government buckled to industry pressure.

Road and rail complement each other but large quantities of long distance freight can be more sustainably and more safely carried by rail than in even larger lorries, 25 metres long and 60 tonnes in weight.

The proponents' case is predicated on mega trucks, which would be 50% longer and a third heavier than existing trucks, delivering a significant reduction in vehicle kilometres. The assumptions for safety and environmental improvement depend entirely on the prediction of a dramatic reduction in vehicles kilometres on the premise that two mega trucks would replace three HGVs. However, their calculations ignore the dynamic effects in terms of distorting the intermodal competition which would significantly increase the demand for road freight and undermine sustainable alternatives. They are also derived from very high levels of load utilisation—in excess of that routinely achieved within the haulage sector. So until there is a rational basis for all existing HGVs to be used more efficiently it is questionable how assumptions can be made that mega trucks will have higher utilisation than existing HGVs. Government statistics show that currently one in four lorries are completely empty in the UK and almost 50% of lorries are neither constrained by volume or weight, ie partially loaded. When empty and partially loaded, mega trucks will use more fuel per vehicle kilometre because they are heavier than current HGVs.

History shows us that previous increases in lorry dimensions have neither improved vehicle efficiency nor reduced road congestion or emissions

The case for longer lorries relies on the same questionable presumption used in the past to justify each increase in lorry dimensions, that there would be fewer but bigger trucks on the roads. In practice however, since the previous increases in dimensions there is no direct evidence of larger or heavier lorries leading to improvements in average payloads or a reduction in empty running. Source Review of Longer HGVs MTRU June 2011.

Mega trucks have dangers of their own due to their size and lack of manoeuvrability

The European Commission's own research in Jan 2009 stated that mega trucks are individually more dangerous than standard HGVs. *TML Effects of adapting the rules on weights and dimensions of HGVs P14 penultimate line 6 November 2008 DGTREN website*. The double articulation of a mega trucks increases side to side oscillation ie a "snake" (rear application) and problems with other manoeuvres at cruising speeds, for example changing lane on a dual carriageway. There is a conflict here between manoeuvrability needed in urban areas with this loss of stability at cruising speeds.

Rail freight is safer than long-distance road freight using major roads, as HGVs are over three times more likely to be involved in fatal accidents than cars on major roads due to a combination of size, lack of proper enforcement of drivers hours, vehicle overloading and differing foreign operating standards. *Source: Source: Traffic statistics table 2010 TRA0104, Accident statistics Table RAS 30017, both DfT.*

Rail freight which has a much better environmental record than road

UK rail freight produces 70% less Carbon dioxide emissions than the equivalent road journey.

In the UK mega trucks would destroy the intermodal rail market (ie containers) and 50% of bulk traffic forcing the traffic back onto congested roads

Under existing operating conditions, intermodal freight is forecast to grow four or five fold by 2030.

Certain elements of the road haulage industry has a poor record in complying with existing road regulations

In the UK over 82% of HGVs exceeded their speed limit of 50 mph on dual carriageways and almost 75% exceeded the 40 mph limit on single carriageway non-built up roads.

Longer heavier lorries will increase road congestion as they are closer to negotiate junctions etc. whereas with the heaviest UK train can remove 160 long distance HGVs from our roads *Source Network Rail 2010.*

Trying to restrict mega trucks to dual-carriageways and motorways will not work—The promoters are claiming that these vehicles will be restricted to motorways, dual carriageways and major roads. The reality is that these vehicles will need local road access to distribution hubs not on motorways/dual carriageways. Dutch trials stated that mega trucks should only be allowed on roads with separate infrastructure for bikes which does not exist in UK and most member states.

Adaption costs

Taxpayers would have to pay millions for adaptation and maintenance of the road network up front. The Austrian Government estimates that it would cost over £5 billion to adapt infrastructure in Austria, alone.

6. Rail Freight Statistics

Congestion benefits of rail freight

Road congestion is now costing around £24 billion per annum according to the Freight Transport Association based on Government figures; the heaviest freight train can remove a 160 long distance HGVs from our roads—*Source Network Rail June 2010 Value of Freight*.

Economic benefits

It is currently estimated that rail freight contributes £870 million to the nation's economy. Data from the Office of National Statistics suggest that the rail freight industry is supporting an economic output of six times its direct turnover. A further measure of the industry's contribution is its added value which is estimated to contribute £299 million in profits and wages. *Source Network Rail Value of Freight July 2010*.

Carbon benefits of rail freight

Rail freight creates 70% less carbon dioxide than the equivalent road journey—*Source DfT Logistics Perspective Dec 2008 P8 section 10*.

Energy efficiency of rail—A gallon of diesel will carry a tonne of freight 246 miles by rail as opposed to 88 miles—*Network Rail July 2010*.

Safety

Rail freight is safer than long-distance road freight using major roads, as HGVs are over three times more likely to be involved in fatal accidents than cars due to a combination of size, lack of proper enforcement of drivers hours, vehicle overloading and differing foreign operating standards. *Source: Road Statistics 2010 Traffic statistics table TRA0104, Accident statistics Table RAS 30017, both DfT*.

Rail freight has been a success story

- Rail freight overall grew 60% in past 10 years.
- Over last five years during the recession, inland freight market down 10%, HGV veh kms down 13% but rail tonne km up 2%, (excluding coal) up 15%.
- Latest ORR figures for the year 2011–12 show total tonne kms up 10% and intermodal freight up 11% on previous year.
- Overall volume of containers at ports in 2010 was the same as 2005 but rail volumes 29% up.
- MDS forecasts rail tonne-km doubling 2010–30 with Intermodal quadrupling and infact with investment intermodal could grow five fold.
- Actual tonne kms figures for the years 2009–11 higher than previously forecasted.
- Targeted upgrades to rail network bring real benefits—Southampton example—Rail's share of market increased from 29–36% since gauge upgrades completed in March 2011.
- Potential from Felixstowe to increase long distance traffic from 25% to up to 40% if capacity upgrades outlined in IIP undertaken as part of HLOS.

REFERENCES

ⁱ Source: CSRGT 2006 and Road Freight Statistics 2009

ⁱⁱ Table 5: Summary of LST Take Up Input Assumptions for each Scenario Impact Assessment of Longer Semi-Trailers, DfT 20/12/2010

Written evidence from the Federation of Small Businesses

The FSB is the UK's leading business organisation. It exists to protect and promote the interests of the self-employed and all those who run their own business. The FSB is non-party political, and with approximately 200,000 members, it is also the largest organisation representing small and medium sized businesses in the UK.

Small businesses make up 99.3% of all businesses in the UK, and make a huge contribution to the UK economy. They contribute 51% of the GDP and employ 58% of the private sector workforce.

As many as 10,000 member businesses (or 5% of the FSB membership) are in the transport sector or carry out business activities relating to transport and logistics.

We trust that you will find our comments helpful and that they will be taken into consideration.

THE UK ROAD NETWORK

The freight sector is of significant importance to the FSB. Five per cent of the FSB membership, or around 10,000 of its member businesses, is in the freight transport sector or carry out business activities relating to transport and logistics.

The FSB knows from its survey work¹ that 85% of the membership considers their car/van crucial or very important to their business operation. There is no doubt that small businesses depend heavily on roads, both the strategic road network but also more local and rural roads. This is especially true for small hauliers who are likely to operate within closer vicinity than larger haulage companies.

Furthermore, around six in ten small businesses are negatively impacted by traffic congestion and also by the state of repair of roads. Roads in poor condition damages vehicles and push up insurance and maintenance costs. Congestion and bottlenecks waste valuable business time for small businesses. Instead of making money and increasing their turn over, small businesses are forced to waste valuable time sitting in long traffic queues.

As many as two-thirds of FSB membership identify investment in road infrastructure as the top transport priority for Government. The FSB is therefore very pleased that the Transport Secretary in May 2012 announced the first steps in an ambitious programme for reforming the strategic road network.² However, all journeys include an element that is not on the strategic road network in both urban and rural areas and the state of repair of these roads is a major concern. Government should address the issue of the backlog of road repairs across the entire network and not be overly focussed on the strategic motorways and trunk roads.

For small businesses the importance of the road network is a very real issue. Over half of small firms state that problems with the UK's road infrastructure has cost their business up to £2,500 in the past 12 months; a fifth say it has cost more, and when you operate on small margins these are unnecessary costs that Britain's small businesses could do without.

WORKING-TIME DIRECTIVE

In June 2010, by a small majority, the European Parliament voted in favour of the inclusion of self-employed lorry drivers in the scope of the 2002 Directive on the organisation of the working time of persons performing mobile road transport activities.

The European Commission proposal aimed to exclude self-employed lorry drivers from a directive that rigorously restricts working hours. The Parliament has set a dangerous precedent in interfering in the manner in which self-employed organise their working time.

This development is the last thing wanted by a road haulage industry that is already suffering from over regulation, high fuel prices and the recession. Moreover, the Directive will endanger one person businesses. This will see a decrease in business growth and the development of companies able to offer employment to others, a regrettable development since it is well recognised that the majority of today's road haulage companies started as sole traders. In the current economic climate, we should be making it easier for people to set up businesses, not placing obstacles in their way.

TRAILER HEIGHTS

The FSB is very concerned by the European Commission's current proposals to introduce, under its system of Whole Vehicle Type Approval, a four metre height limit on new trailers purchased within the EU. The UK is almost unique in having trailers of up to 4.9 metres high and any plans to reduce this to four metres would hit FSB haulage members and their businesses hard.

Since the proposal was announced the FSB has lobbied the Commission, supported by the UK's MEPs, to maintain the UK's derogation. As the height limit only applies to UK domestic roads (lorries travelling cross-border must already meet the four metre height limit), we see no reason why tall lorries should not continue to circulate in the UK, given the environmental and economic benefits they offer.

¹ The FSB Voice of Small businesses survey panel carried out an Infrastructure survey in April 2012 which had just over 3000 responses.

² <http://www.dft.gov.uk/news/press-releases/dft-press-20120524c/>

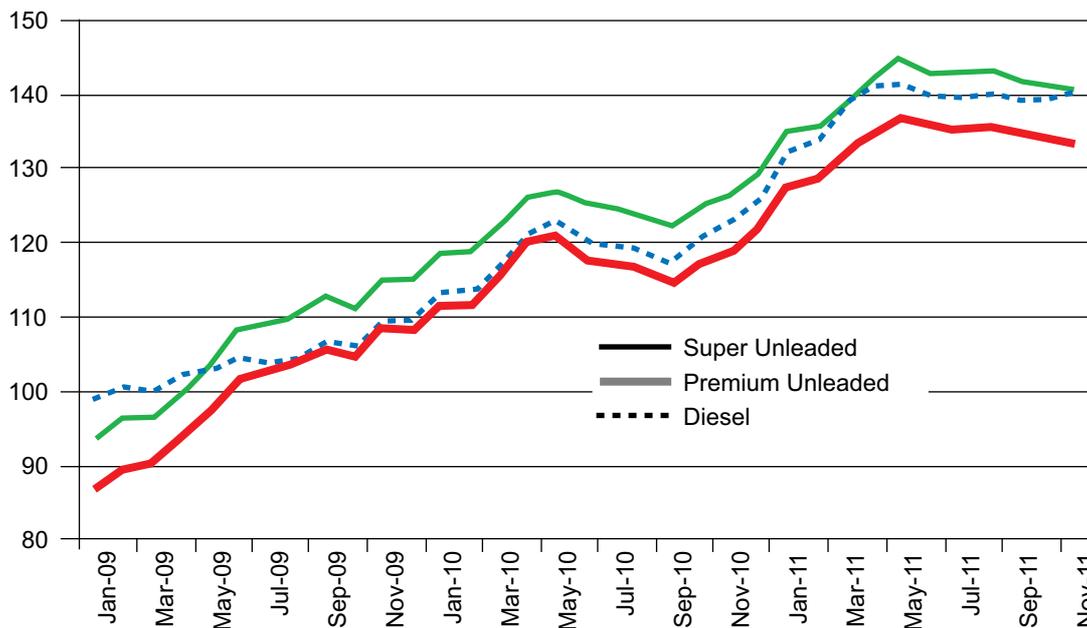
DfT officials have participated in the working group and we hope to see a solution enabling the UK to keep its taller lorries. However, the slow progress of the negotiations continues to concern FSB members given the impact of any change on the viability of their businesses.

FUEL

The last 20 years has seen a generally steady increase in the cost of fuel at the pump. However, recent years has seen dramatic increases in the pump price of both petrol and diesel and a marked increased in the volatility in prices (Chart 1 below).

New record highs for both diesel and petrol were set throughout the first part of 2011. Indeed, by mid-May 2011 the average price of a litre of unleaded petrol reached 136.7p per litre which was the highest price to date.

Chart 1
TYPICAL RETAIL PRICES OF PETROLEUM PRODUCTS



(Source: DECC, December 2011)

These price patterns largely reflect crude oil prices, which has increased from around \$80 a barrel in late 2008 to a peak of around \$125 in 2011. Whilst the Government has little control over fluctuations in the price of oil, it does set the level of taxation on fuel. The high price of fuel and the sheer unpredictability of fuel prices is hurting the UK economy at a time it can ill-afford it.

Robert Halfon MP estimates the average family is now spending £1,700 a year on fuel and small businesses are faced with the stark choice of whether to pass increasing costs on to their consumers or absorb the cost themselves and reduce their profit margins. A similar story emerges from the FSB’s own survey³ of its members that showed:

- 79% of members believe their business is being negatively impacted by the high cost of fuel.
- 62% said they are having to increase prices due to the price of fuel.
- 10% think they are going to have lay off staff due to the rising cost of fuel.
- 26% say they are having to freeze wages due to the cost of fuel.

It is clear that with so many small businesses reliant on their car the cost of fuel having such a significant impact on small businesses across the UK.

The FSB was seriously concerned about the proposed increase in fuel duty scheduled for this August and is pleased that the government announced today on 26 June that fuel duty would be frozen for the rest of the year.

CRIME

An FSB crime report from 2010 shows that vehicle damage/theft experienced by 23% of members over a year’s period is in the top three of crimes experienced by businesses, after criminal damage/vandalism and aggressive/threatening behaviour.

³ 2011 Federation of Small Businesses (FSB) “Voice of Small Business”

For the transport sector, these statistics rise to 41% having experienced vehicle theft/damage and 40% having experienced criminal damage/vandalism.

FSBs regional offices, particularly in the West Midlands, have been involved in raising awareness to members of various truck and haulage security initiatives to members over time, engaging with the police on these issues and providing a link to our membership.

June 2012

Written evidence from Douglas Piper

As an owner, operating a small transport company in the UK for the past 47 years, I have seen many changes since our start, some beneficial, many the reverse.

Current operating conditions are putting many pressures on people in the Road Haulage Industry, and it is almost a certainty that many UK transport companies will fail in the next few years.

The list of requested areas cover a few of the many problems currently facing operators, but I will offer my thoughts as follows.

DRIVERS HOURS, RULES & COMPLIANCE

1. The current rules governing the limits drivers are permitted to work are regarded by many as being too stringent by way of not making any allowances for delays that are beyond a driver's control, such as bad weather, delay to RTA's, congestion. There is insufficient leeway to permit an occasional extension, with the full force of regulation being thrown at a driver/operator for non compliance.

I am not saying that there should be a free-for-all regarding the limits of driving, rest period, just that a more sensible approach to problems that do occur. There are very few types of business's that are subjected to so many rules and regulations.

2. At present there is a growing shortage of "Skilled" HGV drivers, and a situation is going to escalate at an alarming rate in the not too distant future. Once the full CPC training requirement comes into full operation in 2014.

The present position of Grandfather rights being granted, will expire in 2014, and many driver who reach retirement will not be replaced with people of any experience because the current costs of CPC Training will not induce people into our industry.

There is an added problem with new entrants to the HGV world. The vast majority of companies have very binding clauses relating to age insurers will permit people who drive HGV vehicles, in the main this is 25 years of age. Also the added sting in the tale is that insurers also require a minimum of two years experience on the class of vehicle one wishes to drive.

You therefore will reach a stage where you can pay for a new entrant to take the CPC training and obtain an HGV licence, but you will not be able to employ him/her due to the lack of experience required by insurers.

The current round of CPC training introduced by EU regulation, is seen by most operators to be a complete waste of time and money, and is completely the wrong approach to future driver requirements.

My feeling is that HGV training should almost be approached like an apprenticeship, where people are given the opportunity to gradually learn the skills of the trade. Learning just how to drive an HGV is only half what is needed. Candidates need someone to teach them the skills that are also needed. The HGV test in no way reaches a standard that it should. When a candidate moves from an empty truck that he has learned on, into a fully loaded truck, the result is normally a great shock, because he/she would never have experienced anything like it until that time is reached.

Due to the enormous power in modern trucks, most new drivers are not aware of the possible problems that can develop due to the lack of proper experience.

There are other factors that keep putting the breaks on employing new members of staff, which is,

- (a) The tax employers have to pay to take someone on.
- (b) The bureaucratic nightmare of taking on staff, and then having to let them go.

These are two very forceful factors which work against employing additional numbers.

THEFT & SECURITY

3. A growing problem in every aspect, both in Cargo and Vehicles.

Tracking systems have definitely improved the recovery rate, but know where near enough. The thieves' knowledge has grown with these devices and one of the first things that happens when a truck is taken, is the tracking device location in the vehicle is savagely removed and disarmed.

Once removed it then becomes a ride without detection possibilities, unless the police get lucky.

The ANPR system currently used by the Police and many authorities, could, used within limit, become a very helpful tool. I do feel that this would have to meet very stringent standards that must not infringe too far into the personal freedom of the majority of law abiding people.

A major problem that is a very helpful to any would be thief is the lack of facilities truck drivers have available for taking rests and parking. Any one who has driven into main land Europe will not have failed to notice the facilities that truck drivers have available to them abroad.

The electronic technologies available today, both in trucks and at depots, I am sure could be developed to include some form of system that could isolate a vehicle in some way, once a theft situation has been confirmed.

FREIGHT INTERCHANGE & NATIONAL NETWORK

4. When HGV of today's size are trying to negotiate road designed in many cities for horse and carts, its no wonder many become stuck, or create untold congestion and damage.

Moving freight to out of town Interchange depots will only ever come about if a number of situations are funded, and currently I doubt any operators will offer to fund such a move unless they can be guaranteed a return for doing so.

At present there are palletised systems that work on a Hub and Spoke operation. These, within reason of there limitations, provide a reasonably good service to a limited number of customers.

The idea of opening purpose built transshipment facilities is very expensive to put in place, and costly to operate. To make these viable there would have to be some form funding from either central government or local authorities. However I do feel that neither would be a willing partner at present as the return is very difficult to quantify.

To make an operation of this nature work, there would need to be a change in the law that would not permit large vehicles into city town centres. Without any doubt I feel there would be a great deal of objection to any location which would draw a continuous flow of HGV night and day.

A full consultation on any matter surrounding this would at least get some feel for the possibility of such an operation.

A major objection I feel would be the added cost to companies transport budget, which at present are reaching mountainous level at present. A point in place at present is the coming Olympics. A few companies have been given virtual nominated status for deliveries into these venues, with costs reaching levels that know one ever thought possible. If this situation was duplicated on a national scale I feel there would be a great deal of objection.

WINTER RELIANCE

5. If we all new with some certainty what the whether had in store next week, then we could solve every problem in advance. Regrettably we all to aware this is never going to happen. However, when we get a flurry of snow that brings GB Ltd to it's knees, then there should be contingency plans to bring out the cavalry where and when it is required.

As has been shown only too often, councils have neither the equipment nor the finance's to achieve any degree of relieve if we are covered in the white stuff. Here are a number of options. Government provide an enormous amount of tax payers cash and fill up warehouse and garages with all this equipment in the hope that it snow and justify the expense, or use equipment that most farmers have as and when required. I am sure with the right financial reward this must be achievable.

FUEL PRICE

6. There cannot be a single person, let alone any Transport Contractor, that could not fill more pages than War & Piece about this subject.

Transport Operators in the UK are without doubt being systematically destroyed by the cost of fuel. There is not a single operator that is not suffering from this problem. With few exceptions the increased cost of fuel are almost impossible to recover from clients. The RHA and FTA issue notices in various formats that should assist a presentation to customers for requesting an increase in revenue. Most get tossed in the bin, and are told we can get some one to do this for the rate they are paying, so they are not prepared to increase rates.

The taxation on fuel is crippling, government library figures show that there is more and more traffic being handled in the UK by foreign operators. Anyone involved with work around port areas will be very familiar with foreign operators strategy. They will send trucks with full tanks over at the beginning of each week (1500 litres is an average). Work all week, or until the fuel level drops, then return to there native country. They will not purchase any fuel in the UK.

Many foreign operators are carrying out work in the UK at prices that do not cover the cost of the fuel in the UK.

There have been many statements made by various governments over the past decade on bringing various schemes to try and stop this, but under a mountain of EU regulations, all have come to nothing.

The UK haulage industry, overall, is currently in a worse financial conditions than its been over the past 10 years. VOSA figures show a decline in the number of new operators, or people coming into the business.

When foreign operators can show figures that they can run trucks at 25% less than UK costs, this can only be a passage to ruin. The government takes many billions from the Motor and Transport sector, but does nothing to assist Haulage Operators in trying to keep competitive with the competition.

Road Haulage is a key element in the UK economy, but unless this government starts to put this on a level plying field, there will not be any industry left soon.

When fuel Duties are increased, this has a number of damaging scenarios, First paying taxes up front causes huge cash flow problems, as fuel companies reduced credit limits as fuel prices increase. This then places operators with having to try an increase revenue, asking for invoice to be settled quicker, and, or trying to increase banking facilities. Invariably it is the same sequence of events in most cases. Banks don't want to lend (they should all adopt that as there anthem). This normally culminates in the owners/directors having to fund additional monies from there own sources.

We currently have a financial situation in the country which has lead the present government to embark on the largest austerity measures since World War II coupled with increasing taxation to a level that is becoming increasing unpopular. The Motorist appears to have become the biggest cash cow, being milked out of existence. Despite whatever ones political views are, there has to be a stop to this relentless pursuit of draining every farthing from the fuel taxes. It's got nothing to do with environmentally issue, it's just cash.

June 2012

Written evidence from Richard Powderhill

FREIGHT

Freight on rail has been one of the big national success stories over the last few years, as the five major rail haulers have significantly increased rail's share of the UK freight market. Particularly successful has been rapid increase in container movement from the major deep-sea ports to inland terminals. Much of this increase has been made possible by the investment by Network Rail (NR) in loading gauge enhancement, signalling and track improvements along specific routes. The Government made this funding possible by including these enhancements in the railway's High Level Output Statement (HLOS) that funded NR's Control Period 4, now coming to an end.

The work to complete the enhancements must go on into NR's Control Period 5 and be funded through the next HLOS now being considered by the Government. This investment must go on because it helps the UK meet its de-carbonisation targets. Rail emits about 25 grammes of CO₂ per tonne kilometre compared to road's 120 grammes per tonne kilometre. In these days of increasing concern over fuel security and its consequent cost, a tonne of goods can travel 246 miles by rail on a gallon of diesel as opposed to 88 miles by road. So rail is cheaper but also safer as each freight train on average takes 60 lorry journeys off our hard-pressed roads. Freight on rail means fewer lorries to be involved in accidents and wear out the road surface.

HS2

Existing rail network updated, closed lines leading thereto re-opened with interchange points.

Light Rail/tram-trains:

Conversion of lightly, or un-used branch lines to light rail.

Examples Grateley-Newton Tony-Amesbury-Larkhill-Stonehenge. (Wilts)

New Street (Birmingham) Monument Lane-Gillott Road-Hagley Road-Harborne.

Northfield-Rubery-Hunnington-Halesowen-Old Hill-Windmill End-Dudley-Pensnett-Himley-Wombourne-Tettenhall-Wolverhampton (Heath Town)-Wednesfield (Clarke's Lane)-North Walsall-Pelsall-Brownhills-Hammerwich-Lichfield. (All West Midlands)

Weymouth-Bridport-West Bay.

Weymouth-Easton. (Dorset)

Princes Risborough-Thame-Oxford. (Oxon)

Aberystwyth-Llanfarian—Tregaron-Lampeter-Carmarthen. Also, in Wales line from Whitland to Cardigan. On the line Aberystwyth—Shrewsbury station in Carno should be reopened and one in Bow Street rebuilt, I think that station in Talerddig could be reinstated as halt since there is passing loop and train must stop anyway and wait until another passes. In North Wales line from Bangor

should be extended to Caernarvon and line to Amlwch reopened (track is still there). Also, Morfa Mawddach-Dolgellau-Corwen-Llagollen-Ruabon-Wrecsam. Plus, Oswestry-Llynclys-Llanymynech-Welshpool.

Berkeley-Severn Bridge-Wye Valley-Monmouth-Hereford. How about Blaenavon and Pontypool railway and other Welsh Valleys lines?

There are many, many more.

June 2012

Written evidence from Stephen Plowden

1. The road freight industry gives a good service to shippers and their customers, but the external costs are unnecessarily heavy. They include poor road safety (not only crashes and casualties, but also, which is very important, intimidation); damage to roads and sometimes also to buildings and underground installations; fuel consumption; emissions of CO₂ and other air pollutants; noise. Policies to tackle these problems are urgently needed. They must be of a kind which would not add excessively to the internal costs borne by the transport industry and then passed on to their customers. I do not believe that the policies suggested below would increase industry's costs excessively. In fact, it is quite possible that they would lead to a rationalisation of present practices that would benefit industry as well.

2. The first requirement is the proper enforcement of the existing regulations concerning speed limits, drivers' hours, vehicle maintenance, limits on loading, the conditions governing the use of vehicle operating centres. When Keith Buchan and I looked at how these regulations were enforced in our report *A New Framework for Freight Transport*, published by the Civic Trust in 1995, we found that enforcement was poor. In addition, non-payment of VED was a significant problem, as were illegal operations. I have not seen any review of standards of enforcement since then, but my guess would be that not much has changed. There is one striking exception, however. The compulsory fitting of top-speed limiters has more or less eradicated what had been a serious problem of speeding by lorries on motorways. Lorry speeding remains a serious problem on roads of other classes.

3. Speeding is, of course, a problem for cars and motorcycles as well as for lorries. The development of average-speed cameras opens up opportunities for cheaper and more effective enforcement, which I hope the Committee will urge the Government to exploit. However, the best method of enforcing speed limits is through the vehicles themselves. This requires not top-speed limiters but variable-speed limiters. These limiters can be activated either by the drivers or externally. With externally activated limiters, a GPS signal tells the vehicle what its position on the road network is. The speed limits on each link of the network are recorded on a computer in the vehicle, which slows the vehicle down if necessary, first by reducing the fuel supply, and if need be by applying the brakes. The technology is still not quite perfected. The necessary R&D was going very well until it was curtailed by the last government.

4. The technology for driver-operated limiters is almost identical with that of cruise control, and it would have been possible to have made such limiters mandatory on new vehicles forty or more years ago. That may well be the right solution for cars and vans, but for lorries it may be better to press ahead with externally activated limiters. That requires study. The possibility of retrofitting existing lorries with variable-speed limiters, as well as making it compulsory to fit them on new vehicles, should be examined.

5. New technology may be of use in enforcing other regulations as well, but whether it is or not, enforcement should be taken much more seriously, with more resources devoted to it, than has happened in the past. There should be a crack down on illegal operators.

6. Enforcing the existing rules would not only reduce all the costs and nuisance of lorry use per lorry kilometre, it could also lead to some change in methods of goods distribution and so reduce lorry kilometres. It is possible that the strict enforcement of lorry speed limits on motorways has already had some such effect. However, to bring about substantial changes new rules are required, not just greater compliance with existing ones. Keith Buchan and I made the following suggestions:

- (i) A simple system of road pricing for lorries should be introduced. The rate per kilometre would depend only on the physical characteristics of the lorry, without regard to traffic conditions, time of day or any other such circumstances. The greater the external costs caused by the lorry, the higher the rate of tax per vehicle kilometre would be. The introduction of this tax would be accompanied by a reduction in VED, which should be no higher than necessary to finance lorries' share of the operation of the Driver Vehicle and Licensing Centre. Fuel taxes would remain high.
- (ii) A new type of "green" lorry, intended principally for local distribution, would be introduced. Its rate of tax per kilometre would be very low.
- (iii) The use of lorry routing and entry bans would be intensified, with the ultimate aim of confining the most intrusive lorries to a limited network of motorways and selected A roads, with exceptions only for indivisible loads or in other special circumstances.

7. These new rules, combined with the stricter enforcement of the existing ones, would induce the following changes:

- (i) The tendency for lengths of haul to increase would be checked and, over time, reversed. (This may already be happening to some extent, I have not checked the recent figures.) Historically, the increase in lorry kilometres has been due much more to increases in lengths of haul than to increases in road freight tonnage. Customers would look for closer suppliers. Firms such as large supermarket chains would increase the number of depots where they consolidate goods for final delivery to their stores. Importers such as timber merchants would use a larger number of ports.
- (ii) There would be some transfers from road to rail and water. For example, exporters and importers would be more inclined to use a suitable port close to the inland origin or destination of their shipments rather than Dover or the Channel tunnel.
- (iii) Shippers would be more ready to delay a consignment in order to achieve a higher load factor. They would also take pains to use a lorry no larger or more intrusive than the particular task required.
- (iv) There would be more sharing of vehicles in order to achieve denser delivery rounds and therefore higher vehicle utilisation. Vehicle utilisation is not just a matter of load factors. If a lorry starts a delivery round full and returns empty, the average load factor will be roughly 50% whether the round is a short one or a long one, but utilisation (the amount of goods delivered per lorry kilometre) is higher on the shorter one. A manufacturer handling only his own goods has limited opportunities to shorten his rounds, but if he gets together with other shippers there may be huge opportunities.

8. A particularly important example of sharing is the substitution of town- or area-based methods of distribution for firm- or product-based methods. This can reduce costs to shippers as well as all the external costs, but Continental experience seems to suggest that from a purely commercial point of view the balance is usually slightly against area-based distribution. But if the difference in cost to shippers is indeed slight, that in turn suggests that if externalities were also included, the balance would tip the other way. The reforms suggested above should often have that effect. A detailed study both of British and Continental experience should be undertaken.

9. One advantage of area-based distribution is that it opens up opportunities to use vehicles specially selected or even designed for the particular area. Electric vehicles would often be suitable.

10. One implication of the approach outlined above is that the case for adding more road capacity would be weakened. The guiding principles should be “management before investment” (reforms to the legal and fiscal framework governing road transport, for cars as well as lorries, would reduce vehicle kilometres) and “if in doubt, don’t” (a decision to provide infrastructure, once effected, is irreversible, but if there is a shortfall it can be made good later).

11. A scanned version of Keith Buchan’s and my 1995 report is attached. The full report can be provided if the Committee would like to see it.

June 2012

Written evidence from the Chartered Institute of Logistics and Transport in the UK

1. INTRODUCTION

1.1 The Chartered Institute of Logistics and Transport in the UK (“the Institute”) is a professional institution embracing all transport modes whose members are engaged in the provision of transport services for both passengers and freight, the management of logistics and the supply chain, transport planning, government and administration. We have no political affiliations and do not support any particular vested interests. Our principal concerns are that transport policies and procedures should be effective and efficient and based, as far as possible, on objective analysis of the issues and practical experience and that good practice should be widely disseminated and adopted.

1.2 The Institute has a specialist Freight Policy Sub-Committee and a Public Policies Committee which considers the broad canvass of freight policy. This submission draws on contributions from all these sources.

2. THE ROLE AND STATE OF FREIGHT AND LOGISTICS IN THE UK ECONOMY

2.1 Freight and Logistics are a business service to industry and commerce covering the storage, handling and transportation of goods from origin to point of use, conversion or final consumer. Within the UK, origins may be ports, factories, quarries, waste disposal sites, retail distribution warehouses and e-commerce fulfilment centres, inter alia; this abbreviated list emphasises that supply chains that are served by freight and logistics are diverse and the services required are certainly not homogeneous. On the global level, UK supply chains are dependent on international logistics and UK capabilities play a major role outside our island boundaries.

2.2 Freight and logistics is a very significant part of the economy, accounting for 7% of all employment and 9% of GVA.⁴ This is 2.3 million people in 196,000 companies.⁵

2.3 The heritage of freight and logistics in driving economic transformation is often overlooked in the day-to-day pressures of doing business. Essentially, freight and logistics systems have evolved to enable longer distance trade at lower cost and greater speed: from the horse and cart, through sailing ships, steam ships, canals, railways (from rail cars to container and bulk cars), container sea freight and the evolution of the lorry to the 18 metre articulated trailers plated to 44 tonnes.

2.4 Each of these developments has rendered previous modes more or less obsolete and each has further developed within its own model as the technology has been stretched. The radical changes in shipping with the demise of the dock labour scheme and the introduction of containerisation is a striking example. In parallel, the development of the UK Motorway network supported by trucks with larger payloads and increased cube have rendered local depot networks increasingly obsolete.

2.5 The bottom line for business has been access to wider markets and sources and the concentration of supply and manufacturing. Increased productivity and economic performance in freight and logistics has taken the strain and delivered a lower total system cost. It has been a continuous development.

2.6 It is important to understand that the logistics market in itself is a zero sum game, unless it can add value to shippers' business and drive up volumes in a specific market. Price elasticity of demand in freight does not exist without a model change of the type outlined in paragraph 2.3; in the short term on an established paradigm, price competition in the market for logistics results in traffic moving from one carrier to another without driving up total volume. This is important when considering the impact of making road freight more efficient, where it has been argued that lower costs lead to lower prices and higher traffic, whereas lower costs may make new network routings grow. It will be to the loss of other routes and modes, unless the cost is so much better that the goods can be sold more cheaply.

2.7 However, freight and logistics is highly energy intensive and dependent on carbon fuels. As such it is vulnerable to rises in fuel costs, which are projected to continue. The consequential cost pressures on margins and hence pressure on prices has the potential to deflate the whole economy. Freight and logistics efficiency is therefore crucial to the economic survival rather than a core engine for growth.

2.8 The market for freight and logistics services is huge, estimated at €900 billion for the 27 member states of the EU of which the UK is indicatively £75 billion (€90 billion).⁶

2.9 The market is intensely competitive, with around 50% being outsourced as opposed to shippers operating their freight and logistics on their own behalves. There were estimated to be as many as 80,000 companies operating in the sector prior to the downturn.⁷ While this is less than half the number quoted earlier and attributed to Skills for Logistics, the two numbers together give an idea of the scale and fragmentation of the sector. Barriers to entry are low. In this business environment, providers of logistics services compete hard for that share and the sector returns low net margins, typically in the range 1% to 3%.⁸

2.10 The UK is ranked tenth in the world for logistics by the World Bank in their Logistics Performance Index (based on a basket of measures including infrastructure rating and customs capabilities) for 2012, out of 155 and behind Singapore, Hong Kong, Finland, Germany, Netherlands, Denmark, Belgium, Japan and the United States. In contrast in 2011, the UK ranked eighth behind Germany, Singapore, Sweden, Netherlands, Luxembourg, Switzerland and Japan. We believe that the differences in the entrants and top rankings from one year to another coupled with the vastly difference logistics characteristics within the leading nations could be the subject of debate; the survey method employed has the potential to be subjective and respond to the emotion of short term operating conditions.

2.11 In this context we are clear that there seems little point in self-flagellation over the World Bank ranking of the UK. It appears sufficient to note that the UK is in the top 10% for its freight and logistics capabilities and is widely recognised for its supply chain leadership through world leading institutes such as the Cranfield Centre for Supply Chain and Logistics Management.

2.12 The UK transport sector has a modest record on innovation as recorded by Innovation surveys which are conducted in the UK on a regular basis.⁹ This work suggests that in the transport division, only 54% of firms consider themselves as innovation active, placing it below the overall average of 63%. In the context of the margins earned and commented above, this state of affairs cannot be surprising.

⁴ Logistics Growth Review: <http://assets.dft.gov.uk/publications/logistics-growth-review/logistics-growth-review.pdf>

⁵ Skills for Logistics: <http://www.skillsforlogistics.org/home/about/overview/>

⁶ http://ec.europa.eu/transport/strategies/studies/doc/2008_12_logistics.pdf

⁷ "Market Review 2007: Distribution Industry", 11th edition, Fenn (ed) cited in "Innovation in logistics services", Mena, Christopher, Johnson, Jia, Cranfield, 2007

⁸ <http://plimsoll.co.uk/industry-report.aspx?industry=road-haulage> and Transport Intelligence Ltd: www.transportintelligence.com

⁹ DTI (2005) Innovation in the UK: Indicators and Insights, DTI Occasional Paper No. 6, July 2006

2.13 UK freight and logistics is hugely dependent on publicly funded infrastructure in the form of roads and railways. These national resources are accessed by freight and, in the case of roads, are free of charge at the point of use, subject to VED and fuel taxes to access the system. This taxation model does not originate from a complete understanding of the total cost of road freight on the maintenance, environment, health and congestion for other users. Rail freight is subject to track access charges which are complex to manage and negotiate, and subject to judgements on the balance of passenger versus freight costs; these charges are more likely to properly reflect the true costs of their provision, but the interaction between road and rail is heavily biased to passenger traffic. Since more than 98% of freight by both tonnes and movements is conducted by road and rail within the UK borders, the Government is a major stakeholder in freight transport assets and strategy.

2.14 While rail freight is a small part of the traffic on the tracks, recent analysis of the road traffic statistics by a TSB funded project (ABI3L¹⁰) showed that road occupancy on major routes like the M6 and M62 is close to 40% in the form of lorries and vans, where a lorry is calculated as being the equivalent of 2.3 cars. This means that the UK has constructed its road network significantly for freight and to an extent that we think is not widely understood.

2.15 In contrast, the nodes (factories, ports and warehouses where stock is held for shipment) in the network that are connected by the roads and railways are entirely private sector owned and operated. Ports, rail freight terminals, airports, distribution centres, industrial parks are all invested by private businesses and are subject to market forces and competition.

2.16 This private sector, in conjunction with the improvements in the road network, has been instrumental in supporting the transformation of British Freight and Logistics, investing in assets which have sustained the drive for centralisation observed in paragraph 2.3.

2.17 Essentially, the access to fewer bigger distribution locations and the growth in global chains supported by container freight have led the owners of goods, who occupy the sites and contract for the services, to try to reduce the number of locations they operate. This gives them site operating productivity gains, reduced stock holding and obsolescence costs and reduced inbound transport. These benefits are partly offset by increased outbound transportation and freight costs, but the net economic effect has historically been a benefit.

2.18 The physical manifestation of this trend of the last 30 years has been the concentration of distribution centres in the Midlands, from where companies can service the majority of the UK within a truck's return journey. Most companies that have been operating with regional distribution centres have also sought to reduce the number and increase their scale and efficiency.

2.19 There are some signs that this trend may be starting to reverse in the face of higher fuel prices, manufacturers reversing their off-shoring decisions and the impact of congested networks and reducing transport efficiencies.

2.20 The national transport statistics tend to show the transport intensity that was associated with the growth years in the economy as tonne-kilometres were closely correlated with GDP until around 2000. At that time the trend decoupled and tonne kilometres started to grow less quickly than the economy.¹¹ Causal analysis of this change is not complete but it is likely to be some combination of the economy becoming more dependent on services and the fact that imports grew steadily in that period together with the early wave of centralisation and vehicle size increases being complete.

2.21 The bottom line for business has been that their freight and logistics costs have declined steadily from around 12% of sales to as little as 6% according to surveys by the ELA and AT Kearney.¹² This has been transformational and has clearly driven economic growth and market innovation. It has been repeated over the decades with different freight and logistics technologies. The concern is that the signs are this trend is now reversing; we will deal with this challenge in the next section.

2.22 In this section of our evidence we have tried to provide a picture of the state of freight and logistics in the UK as a prelude to the question "what comes next?"

2.23 In summary:

- UK freight and logistics is in the world class zone—it is a success story of which the CILT and its membership can be justifiably proud.
- It has undergone a transformation over the last 30 years as shippers have centralised and leveraged both the improved road network and changing supply chain structures.
- This has helped to drive economic growth by delivering better value through the new networks and structures.

¹⁰ www.abi3l.org

¹¹ McKinnon, A: Transport Challenges and Opportunities, prepared for the Commission of Integrated Transport, November 2009, citing the Department for Transport "Road Freight Statistics 2008" London

¹² Cited by: Round Table on Supply Chain Challenges for National Competitiveness through Transport UNECE, Geneva, 2 December 2009, Professor Lauri Ojala, Turku School of Economics

- Freight and logistics is crucially dependent on national infrastructure in the form of roads and rails—freight on major roads is a major user of capacity for which it does not pay a full economic cost for the externalities.
- Freight and logistics is also dependent on private investment in distribution infrastructure linked to the national network; these investors have played their role in the economic success story.
- The signs are that the current paradigm is running out of steam and trends are reversing.

3. THE CHALLENGES FOR FREIGHT AND LOGISTICS

3.1 The first challenge is that the beneficial economic trend for freight and logistics has reversed as evidenced by a number of analysts and commentators. The ELA/ATKearney numbers referred to earlier suggest this reversal started in 2005–06 while more recent concern was voiced by the EU in 2007 in their Freight Transport and Logistics Action Plan.¹³

3.2 The pressures of congestion, fuel price increases, regulation and environmental considerations are all combining to drive freight and logistics costs upwards.

3.3 The current economic malaise of flat, or negative, growth led to the Logistics Growth Review¹⁴ and the National Infrastructure Plan.¹⁵ In these two statements the Government calls for growth from freight and logistics in its role as an investor and user of assets and infrastructure.

3.4 The Logistics Growth Review is consistent with the clear policy imperative for private sector capital to take the strain in leading renewed economic growth; it says:

- *“Any actions to improve the sector’s productivity will result in cost reductions that will, in part, be recycled for much-needed investment in capital and innovation across the sector but will also translate into reduced costs of production and transport of goods and reduced prices for the consumer.”*
- *“Facilitating conditions for growth in the logistics sector is therefore critical to the Government’s growth agenda. The diverse package of measures ... is designed to create the right conditions to leverage short term private sector investment in critical pieces of logistics infrastructure and a longer term efficient, competitive and low carbon logistics sector that can service and support the growth that we are expecting to see across the economy as a whole.”*
- *“... giving industry greater confidence to invest in the short term by removing planning barriers to sustainable logistics development, with a particular focus on strategic rail freight interchanges; and by promoting use of private capital in our approach to funding for the strategic road network; and by facilitating access to capital for commercial investment.”*

3.5 The second challenge is for the Freight and Logistics Sector to meet its carbon reduction targets for 2020 and 2050. In line with the decline in economic performance, all the signs are that the trajectory of carbon reduction will fall well short of the targets set.

3.6 A briefing paper prepared for the Commission for Integrated Transport in November 2009 by Professor Alan McKinnon¹⁶ identified the operational factors that would drive the bottom line result of improved economic performance and reduced emissions in freight transport as:

- Modal Split—where the % movement to more energy efficient modes such as rail and water is the criteria of success.
- Average handling factor—where the aim is to reduce the number of handlings and journeys made by goods as they move through the nodes of the supply chain.
- Average length of haul—where the aim is to reduce the distance travelled for each link based on network re-design and changing origins; combined with the average handling factor this represents the structure of the supply chain.
- Average payload—where the aim is to increase the loading of the goods on the truck.
- Per cent of empty running—where the aim is to reduce the proportion of empty journeys.
- Energy efficiency—where the aim is to improve the distance travelled on a unit of energy.
- Emissions per unit of energy—where the aim is to enhance the “burn” and reduce the emissions, particularly through technology of engine design.
- Other externalities relating to vehicle movements—where the aim is to cost and design out a whole range of factors such as noise, vibration, accidents and interaction with other transport users.

¹³ http://europa.eu/transport/logistics/freight_logistics_action_plan/doc/action_plan_la_full_en.pdf

¹⁴ <http://assets.dft.gov.uk/publications/logistics-growth-review/logistics-growth-review.pdf>

¹⁵ http://cdn.hm-treasury.gov.uk/national_infrastructure_plan291111.pdf

¹⁶ Transport Challenges and Opportunities, Briefing paper on the Freight Transport Sector, prepared for the Commission for Integrated Transport by Professor Alan McKinnon

3.7 In his paper for CfIT, Professor McKinnon argued that against each of these measures the progress towards sustainable distribution made in recent years had been disappointing. The Green Logistics Research project also used the Delphi forecasting technique with a group of 100 freight industry specialists to predict the performance of freight by 2020. The research concluded that:

Factoring the forecast changes in key parameters together gave a mid-range projection that CO₂ emissions from road freight would drop by approximately 8% between 2006–07 and 2020 despite an underlying 24% growth of tonne-kms. While encouraging, this decline would fall well short of the government's target CO₂ reduction of 34% for the UK as a whole by 2020.

3.8 These two challenges were clearly articulated in the previous Government's policy development process under the heading "Delivering a Sustainable Transport System: the Logistics Perspective".¹⁷ This work, and the resulting document, responded to Stern's and Eddington's work on economic and environmental sustainability which concisely summarised that we must aim to be "green and rich enough". This work is no longer available on the DfT web site, but provided a solid definition of the policy challenges, if not a clear and actionable direction.

3.9 In the context of the need for change to respond to these twin challenges, it is important to note that both the DaSTS: Logistics Perspective and the more recent Fourth Carbon Budget¹⁸ identify that there will be a need for supply chain rationalisation and reconfiguration in order to meet the 80% carbon reduction target for 2050 and, by implication, re-establish sector growth.

3.10 The question then is whether current policies are appropriate to promote that objective, especially in the context of:

- our observations that freight and logistics is a zero sum game unless it adds value to the sectors it serves and changes the operating paradigm (section 2);
- the clearly stated need to invest in new operating models in order to establish a new paradigm;
- our observation that there are significant risks for the economy from deteriorating freight and logistics performance, and that there are signs that this is occurring in the form of higher fuel prices, declining transport resilience and loss of primary port traffic;
- the Logistics Growth Review observation that investors will require greater confidence in order to move ahead;
- the clear fact that government is the main stakeholder in road and rail networks and cannot depend on unguided private investment to fix the challenge; and
- the commercial dilemma of how to attract private funding to public shared use networks in road and rail.

4. THE CURRENT STATE OF FREIGHT TRANSPORT POLICY

4.1 There have been seven Secretaries of State for Transport in the last nine years and five attempts to define an integrated transport policy.

4.2 The Logistics Growth Review of November 2011 and associated documents is the current point of reference but is not presented as either a complete transport policy or integrated. Rather it is a suite of six broad areas of focus with associated measures.

4.3 They can be summarised with our commentary on each:

- (I) Create investor confidence by removing planning barriers, with particular reference to strategic rail freight interchanges:
 - Rail freight is expected to increase by 30% over the next seven years and this will not be attainable without additional rail freight interchanges, gauge clearance and capacity as well as electrical power.
 - The Strategic Rail Freight Interchange Policy Guidance document dated November 2011 argues that more interchanges are needed and asks Network Rail to provide support and collaboration with the logistics industry to speed up the delivery of suitable sites, especially in the South East of the country.
 - This guidance should mesh with the National Infrastructure Planning Policy statements, but as yet there is no specific statement in relation to road and rail.
 - In our opinion the emphasis on SRFIs is right and they are needed; however the stated goal of a 30% gain in rail freight in seven years will only take rail to no more than 12% of all freight tonne-kilometres, assuming it is achieved. So rail freight cannot be positioned as a leading solution on this basis, although we think it should have more ambitious targets.
 - Finally, we are clear that to secure investor confidence and ease the planning process will require further clarity about national priorities in relation to the Localism Act; we do not see that clarity in current statements.

¹⁷ <http://www.parliament.uk/deposits/depositedpapers/2008/DEP2008-3089.pdf>

¹⁸ Committee on Climate Change—Fourth Carbon Budget, January 2011

- (II) Improving the long term capacity, performance and resilience of our congested road and rail networks and improve connectivity to ports:
- In line with this policy, some specific immediate announcements have been made on road investments including the M25 and the A14 corridor; there are also measures to apply the regional growth fund, the strategic rail freight network, and measures on resilience and information.
 - We welcome these actions, but in our opinion they do not actively engage with the idea of creating new paradigms in freight and logistics; neither is the proposed scope the investments placed in context of their contribution to reductions in congestion and carbon. We also note the major investment incentives through the TSB in development and promotion of the use of information networks to improve planning, advice and network integration.
 - However, we would add that, if investor confidence is to be secured in such a way that game changing measures are established and invested privately, a more complete vision will be needed.
- (III) Promoting the image of the sector at local level:
- This is about promoting and developing the positioning of freight and logistics in the community. It is vital to increase the acceptability of freight and logistics at a local level including the adoption of such measures as “hushed” night time deliveries and the widespread adoption of low emissions vehicles and technologies.
 - We welcome these actions as they will clearly improve the performance of the sector and can likely be achieved with minimal impact on society once initial objections have been overcome by experience.
 - Additionally, we would like to see a major programme to make freight and logistics accessible to the public based on a national vision for the sector. Again the CILT regards this as part of our core mission.
- (IV) Reducing unnecessary regulation:
- These measures include easing port developments, defending high semi-trailers in the EU, trialling longer trailers, simplified drivers hours regulations, speed limits and tachograph regulations.
 - Again we welcome these actions as they have the potential to improve or protect the performance of the sector.
 - However, we think that some regulation could be introduced in relation to telemetry in vehicles has the potential to reduce the total system cost of freight including fuel reduction measures, providing evidence in crash investigations; telemetry can also be part of the platform for more visionary regulation of road freight and taxation of freight vehicles and provide significant security enhancements.
- (V) Attracting and retaining high calibre recruits:
- This measure includes providing Skills for Logistics with funding to establish new and innovative approaches to training and increase competitiveness.
 - In the context of an industry that employs 2.9 million people, measures to up-skill a sector on which the economy depends can only be welcomed and is part of the CILT mission.
 - We would point to the comment made above that the sector needs a creative effort to make it accessible to the public at large as this will create competition for places and apprenticeships; indeed logistics apprenticeships would be a worthwhile initiative to fund through modest tax breaks.
- (VI) Promoting low carbon growth:
- The government is making available substantial funding for research and procurement of low carbon HGVs through the TSB.
 - Again we welcome this measure and would only add that any such developments need to be placed in the context of a parallel network vision to accommodate the characteristics of any new technologies in terms of range and the economic provision of service points.

4.4 In summary the measures contained in the Logistics Growth Review tick many boxes but appear to be “incremental” in nature and leave some major doubts. These are about defining a long term vision for economic transformation of freight and logistics, how private sector funding can be attracted to invest with confidence without such a vision and how potential conflicts with localism will be resolved.

4.5 The following section describes an alternative vision for freight and logistics; it is provided as a basis for discussion and development with the aim of filling a perceived policy void.

5. POLICY RECOMMENDATIONS

5.1 The objectives of regenerating growth and meeting carbon reduction goals are unarguable. However the means to achieve any objective are always the subject of argument.

5.2 It is clear that as a nation we need to think radically about Freight and Logistics or find ourselves falling down the World Bank rankings, experiencing supply chain shocks, declining economic performance and missed carbon targets.

5.3 Professor Gary Hamel of the London Business School and the World's leading expert on business strategy was quoted in Fortune Magazine as saying: *“My argument is the more difficult the economic times, the more one is tempted to retrench, the more radical innovation becomes the only way forward. In a discontinuous world, only radical innovation will create wealth”*.

5.4 The implication of his observation is that incrementalism will not create a new paradigm or even encourage market forces to do the job.

5.5 There seem to be two immutable facts on which a new vision for freight and logistics must be based:

- Private investment in our major road and rail infrastructure will be needed as well as in ports, interchanges and warehouses.
- Supply chain structures and networks will need to change fundamentally if the economic and carbon goals are to be met and this will involve leveraging new technologies and new locations alongside existing modes.

5.6 We would invite the government to consider the following measures as an integrated set of actions to both drive new behaviours and practices and attract new investment.

5.7 First, replacement of VED and fuel tax for all GV's with a lorry user charging system based on road occupancy. This would be a way to develop congestion management and encourage the desired supply chain re-design as well as taking the externalities of freight transport into account; it would also create a level playing field between UK registered and foreign trucks since the charging would apply to them as well. In the context of the RAC Foundation's findings that fuel duty revenues will fall, the case for road user charging for all traffic is an inevitability that will need to be addressed.

5.8 Second, planning for urban hubs should be made a priority under the national guidelines and local authorities given powers to contract for these sites and mandate their use for categories of business in their areas. This would provide necessary consolidation and relieve congestion in our cities and major towns. It would also provide operating points for short range low carbon vehicles and this model can be funded through private investment. This measure would again serve to transform supply chains, reduce empty running, lower carbon and ease congestion

5.9 Third, all major distribution parks should be planned with a presumption of rail connection and suitable sites identified nationally and facilitated with local authorities; this measure can be designed to bring down the high UK cost of development and make a more effective market where national need is balanced clearly with local interests. The national network should not be compromised by local concerns and that will require clear thresholds against a national vision for freight.

5.10 Fourth, the national freight and logistics network should be planned based on integrated evidence and modelling that includes regulation of type and use and which provides a basis for informed discussion and policy development. Our island is so congested and commercial inertia so great that it is unlikely that market driven solutions will emerge without some “direct policy encouragement”. This is not about subsidies; it is about increased certainty and confidence so that institutions can get investment grade returns. Also this should not be taken to imply that we propose any reduction in competition between and within preferred directions.

6. CONCLUSION

6.1 We commend our ideas and suggestions to the deliberations of the select committee; we are clear that this is topic of national importance that has not had the attention and exposure it deserves.

6.2 There are two ideological “elephants in the room” that must be addressed by any government wishing to make headway in this area.

6.3 The first is the mantra that markets will find and exploit the opportunities to develop new paradigms; the failure of the planning system to enable any SRFI's in the South East is evidence that there are too many barriers. Competition may be intense within existing models but the cash to invest and lead change by the sector is limited by its low profitability and poor returns for risk. Competition may also be established in new ways around clear planning guidelines; at present the system works on imperfect information that embeds high developer profits and fosters and entire enquiry industry. Finally the industry has identified significant potential through collaboration, which opportunities are often perceived to be hobbled by existing competition law; there is a need for clarification of the situation.

6.4 The second is the clear contradiction between localism and devising a national logistic infrastructure policy. Strategic network locations including urban hubs will be restricted in the choice available and a clear process is needed to resolve that tension.

6.5 The industry is held back by a mismatch between government policy-making, asset and contract life, where contracts are typically relatively short (three to five years), asset life is typically around 25 years, and policy is subject to change at least every five years. In this situation companies face unacceptable commercial and political risk investing in transformational logistics services and infrastructure.

6.6 Thus policies need to be framed consistently to give investor and operator certainty so that the period prior to break even on investments is sustainable; this requires longer term political surety where the initiatives support long term national goals.

6.7 That increased certainty will drive construction which has always been a key engine of economic regeneration. Given the current state of the economy, it should not be too difficult to engage private finance in the process, provided there is clarity of vision.

June 2012

Written evidence from PACTS

PACTS welcomes the opportunity to contribute to the committee inquiry. In Great Britain in 2010 (the last year for which data is available) 28 heavy goods vehicle (HGV) occupants were killed, and in total 198 road users were killed in single vehicle or two vehicle collisions involving an HGV. This represents over 10% of the total number of people killed on the roads in 2010 (1,850 people), while HGVs made up just over 5% of total motor vehicle traffic volume. We would like to draw the attention of the committee to the following issues surrounding road freight safety.

1. WORK-RELATED ROAD SAFETY

- Up to one in three road crashes involves a vehicle being driven for work.
- Every week, around 200 road deaths and serious injuries involve someone at work.

With freight vehicles falling under the category of vehicles being driven for work, there are a number of existing resources for managing risk for freight drivers and other road users.

- Driving for Better Business¹⁹—Developed by DfT and run by RoadSafe, Driving for Better Business encourages employers to give a higher priority to road safety for those who drive cars or vans for business purposes.
- Preventing Road Accidents and Injuries for the Safety of Employees (PRAISE)²⁰—A three year European programme where nine thematic reports were prepared covering different work-related road risk topics.
- Freight Operator Recognition Scheme (FORS)²¹—A membership scheme offering quality and performance benchmarking to the freight industry.

2. FATIGUE AND FITNESS TO DRIVE

Fatigue is a significant concern for road safety. It is estimated that driver fatigue may be a contributory factor in up to 20% of road accidents, and up to one quarter of fatal and serious accidents.²² Freight drivers are one of the groups who are most at risk of falling asleep. Additionally this group may have a higher tendency to suffer from sleep apnoea, an often undiagnosed sleep condition which means that sufferers are more likely to fall asleep at the wheel.

3. HGV FLEET COMPLIANCE CHECK

The 12th HGV Fleet Compliance Check²³ was carried out in the first half of 2010 by the Vehicle & Operator Services Agency (VOSA). Of the 3609 vehicles checked for roadworthiness defects in the 2010 survey 10% of vehicles were issued with prohibitions and 14% warranted an inspection notice. PACTS looks forward to the publication of the 13th Compliance Check.

4. CYCLING

PACTS would suggest that practical cycle awareness training for freight drivers should become a compulsory part of CPD training.²⁴

¹⁹ <http://www.drivingforbetterbusiness.com/>

²⁰ <http://www.etsc.eu/PRAISE-publications.php>

²¹ <http://www.tfl.gov.uk/microsites/fors/>

²² <http://www.rospa.com/roadsafety/adviceandinformation/driving/driverfatigue/factsheet.aspx>

²³ <http://www.dft.gov.uk/vosa/repository/HGV%20Fleet%20Compliance%20Check%202010.pdf>

²⁴ http://assets.dft.gov.uk/dsa-bl/dsa_driver_cpc_periodic_training.pdf

PACTS would be happy to give oral evidence on these or any other issues as the committee sees fit.

June 2012

Written evidence from Protect Kent—The Kent Branch of the CPRE

1. BACKGROUND

1.1 CPRE Protect Kent is the Kent Branch of the Campaign to Protect Rural England. We are part of the national CPRE charity, which has over 200 local groups, a branch in every county and 55,000 members and supporters—including more than 2,000 affiliated parish and town councils.

1.2 Our local knowledge and national profile means CPRE is effective in tackling both the specific issues that really matter to our members and the public, as well as the wider challenges the countryside faces. Our members are united in their love for England's landscapes and rural communities, and stand up for the countryside, so it can continue to sustain, enchant and inspire future generations.

1.3 CPRE fights for a better future for England's unique, essential and precious countryside. This ranges from giving parish councils expert advice on planning issues to influencing national and European policies. We believe that:

- 1.3.1 a beautiful, tranquil, diverse and productive countryside is fundamental to people's quality of life, wherever they live;
- 1.3.2 the countryside should be valued for its own sake; and
- 1.3.3 the planning system should protect and enhance the countryside in the public interest.

1.4 Being an intrinsic part of the countryside, we seek to ensure that our rural communities remain vibrant and strong.

1.5 Our interest in road based freight stems from the observation that, as the result of its location as the geographical link between the UK and mainland Europe, Kent suffers from the impacts of road-based freight to a disproportionate extent. The following comments are offered in that context, and we are grateful for the opportunity to bring them to your attention.

2. ISSUES SPECIFIC TO KENT & MEDWAY

2.1 *Operation Stack—the problem*

2.1.1 Disruption to crossings at the channel links (both the Port of Dover and the Channel Tunnel) often result in the implementation of Operation Stack, in which stretches of the M20 are closed off so that Kent Police can marshal those HGVs destined for mainland Europe until crossing is possible. These disruptions to the normal operation of the cross-channel links can be caused by industrial action, operational difficulties, various emergency situations or by adverse weather conditions and can sometimes last for several days, depending on the nature of the problem.

2.1.2 The knock-on effects on the rest of the county mean that traffic not destined for the channel crossings is directed off the M20 and forced to use the wider A-road network, with consequent congestion and disruption to the normal business and domestic operations of the county.

2.2 *Operation Stack—a solution*

2.2.1 We recognise that not all of the *causes* of disruption to crossings at the Port are within the control of the Port of Dover Authority. Nevertheless we contend that the Port Authorities are evading their responsibility with regard to the wider *effects* of the increasing volumes of freight transit on the rest of the county and beyond (and of course most notably when Operation Stack is in operation). There are also, inevitably, severe implications for congestion on the M25 and capacity constraint at the Dartford Crossings caused by this growth.

2.2.2 We observe that at the Western part of the Port of Dover unused space currently exists (and could be easily assembled and managed) for the parking and marshalling of at least 3,000 HGVs. Use of this space would allow for the rapid assembly of freight vehicles onto ferries, and when waiting times were lengthened due to disruption, would allow driver services and security to be easily provided. Strategic direction at national level to require the Port Authorities to take more responsibility for this congestion—and keep as many HGVs as possible off the road network when crossings are disrupted—could provide a low-cost and very simple way to ease the worst of Operation Stack's impacts on Kent.

2.3 *Unauthorised HGV parking*

2.3.1 The high volume of road freight traffic which transits through Kent offers little direct benefit to the county, but many disadvantages. The most consistent of these problems is the issue of unauthorised HGV parking on more minor roads around the motorway corridors.

2.3.2 We wish to make it clear that this is an issue entirely separate from that of the occasional temporary need to accommodate vehicles for Operation Stack—either on-line on the M20, or off-line in a single major new permanent lorry park as proposed by KCC. Unauthorised parking of HGVs in inappropriate areas is a problem that Kent’s residents and business must contend with every day of the year.

2.3.3 The combination of inadequate infrastructure and lack of firm regulation mean that the UK is perceived as a “soft touch” in allowing the international haulage industry to behave in ways which are not permitted in continental Europe, and which stifle UK competitiveness in the industry.

2.3.4 We believe that the control of this problem lies outside the sole remit of KCC; it requires a strong strategic national policy direction which would support the development of (and investment in) a network of small, well-managed and well-sited commercial truckstops, coupled with the legal powers to (a) police the unauthorised use of laybys and roadside hardstanding to move on parked HGVs, and (b) enforce the use of authorised, serviced truckstops which can operate on a commercially viable basis. It would require the co-operation of the police services in an area far wider than Kent alone.

2.3.5 An unintended consequence which results in unauthorised HGV parking in inappropriate areas around the county is the charging regime at the Dartford crossing. Tolls are lifted for all classes of vehicle at 10pm (in comparison with £3.70 for an HGV between the hours of 6am and 10pm), which encourages vehicles to park up and wait for free passage. While we fully acknowledge the benefit of encouraging more off-peak use of the crossings (or, at least, discouraging more peak-time use), better strategic management of the existing infrastructure could reap significant benefits and increase revenue.

3. WIDER (NATIONAL) PLANNING AND STRATEGIC ISSUES

3.1 We share with our colleagues at CPRE’s national organisation significant concerns over the absence of freight issues in the new NPPF, both with regard to securing overall modal shift and minimising the impacts of that freight which continues to use road transport.

3.2 We advocate a national freight policy that promotes the carriage of freight by rail, water or pipeline rather than by road. Local authorities should consider which routes are most suitable for use by road freight and encourage the location or relocation of distribution and operating centres, and other areas which generate significant road movements, to sites which have good access to these routes.

3.3 We would also take this opportunity to advocate a more considered strategic approach to the national rail network, and would offer the following suggestions to assist in this regard:

- European Standard loading-gauge wagons cannot proceed beyond Dagenham on HS1.
- Freight routes through London are slow and lack capacity. If they were upgraded to ease freight through the capital, this would in turn increase the attractiveness of freight on Crossrail.
- No thought appears to have been given to linking HS1 with HS2 to offer through routes to the Midlands.

June 2011

Written evidence from AXA UK

1. AXA (UK) welcomes this opportunity to contribute to the Committee’s call for evidence on issues affecting the road freight sector. As one of the UK’s leading insurers we are particularly concerned with issues that affect Goods in Transit (GiT). With five billion shipments in the European courier, express and parcel industry in 2010 and the UK’s continued reliance on traditional HGV haulage for deliveries, the protection of goods is vital in containing insurance premium growth and the consequent cost to society.

2. Secure parking infrastructure must provide for better security when vehicles are parked during mandatory rest breaks that hauliers are obliged to take. We believe there is a role for Government, at national and local levels, to work with the insurance industry and hauliers to devise intelligent incentives to provide greater access to secure parking facilities across the UK. This would have several benefits, to hauliers, their customers and insurers alike.

3. We remain concerned that gangs of criminals are establishing a pattern of stealing trucks and/or freight—a situation that is often exacerbated during economic recessions. This requires coordinated action from the freight industry, police and government to help overcome.

4. Vehicle security is a key concern for AXA. Great strides have been made to improve the security of private motor cars in recent years but we need to see a much greater focus, either voluntarily or by statute, on the security of Goods in Transit. Theft of GiT costs the UK economy £250 million annually (Truckpol) while other estimates claim that over 2,000 trucks are stolen each year in the UK.

5. We are concerned that the closure of Truckpol in March 2012 has hampered the delivery of co-ordinated policy initiatives to tackle road freight-related crime. Truckpol was an ACPO-supported national intelligence

unit which focused on road freight crime. Its closure due to a loss of central government funding means the work it was doing is only being replicated in a piecemeal fashion by local police forces.

28 July 2012

Written evidence from Unite the Union

1. INTRODUCTION

1.1 This submission is by Unite the Union. Unite is the UK's largest trade union with over 1.5 million members across the private and public sectors.

1.2 Unite's current membership in transport, together with our membership in other trade groups, such as supervisory and administrative grades, and some maintenance engineering members, exceeds 250,000. Unite represents workers in all areas of transport including buses, coach, tram, taxi, rail, logistics, civil aviation, docks, ferries, waterways and, of particular relevance to this inquiry, road haulage.

1.3 Unite has 100,000 members in road haulage and is continuing to grow, which puts Unite in a unique position to submit a response to the Transport Committee. Unite has obtained the views of our members through our lay member committees at national and regional level.

2. THE GOVERNMENT'S APPROACH TO ROAD FREIGHT AND THE STRATEGIC ROAD NETWORK

Lorry Road User Charging

2.1 Unite is supportive of creating a fairer arrangement for UK registered hauliers because ultimately it's our members jobs and terms and conditions that are under attack from the current unbalanced market.

2.2 However, Unite does not believe that the current Department for Transport (DfT) proposal does this and runs the risk of increasing UK registered hauliers' costs in an already uncertain market. Whilst at the same time potentially doing nothing to bring about a fairer arrangement for UK registered hauliers.

2.3 With regards to the proposal whereby keepers of UK-registered HGVs will pay the charge at same time and for the same period as Vehicle Excise Duty, if this means that some type of offsetting is proposed then that would obviously be welcome, but it would have to be financially significant and the current proposal is a long way from delivering this.

2.4 If all that is meant by this proposal is to save on administration costs from the industry point of view, then this will have some value but it will pale into insignificance if no offsetting takes place to allow UK-registered hauliers to benefit within the confinements of the EU regulation.

2.5 Unite does not believe a private contractor should be used to collect payments by operators of foreign-registered HGVs. The Government should keep this controlled centrally, so prices can be regulated and so the proposed aims of the scheme remain true to what it's trying to achieve.

2.6 Any excess generated from this scheme should be put straight back into improving roads and transport infrastructure rather than being lost forever in private contractors' pursuit of profit.

3. DRIVER'S HOUR'S RULES AND COMPLIANCE

"Long Hours" Culture in the Haulage Industry

3.1 Greater enforcement against the "long hours" culture endured by Britain's 300,000 HGV drivers should become a Government priority.

3.2 Unite has called on Transport Secretary Justine Greening to boost the resources for the Vehicle and Operator Services Agency (VOSA) to aid enforcement in this area.

3.3 Unite's call came in the wake of tragic accidents on the M5 and M56, which cost the lives of eight people and injured many more.

3.4 The accidents have called into question government proposals to raise the speed limit from 70mph to 80mph, but there are also serious concerns about the haulage industry overall.

3.5 A culture of long hours and unreasonable routing could be contributing to accidents. Unite are seeing the amount of hours drivers are expected to work continually rise at a time when their terms and conditions are being eroded.

3.6 Unite are concerned that some companies may be operating on "the edges of legality". The maximum hours allowed legally is 56 hours-a-week.

3.7 The industry must recognise the cumulative effect of drivers working tough schedules and 15 hour-days.

3.8 The abuse of "Periods of Availability" (POA) is also a major issue.

3.9 Unite are encountering more examples of POA being used to get round the working time directive driver's hours rules.

3.10 Many drivers are also in fear of losing their jobs during this uncertain economic climate that we find ourselves in. Employers are exploiting this vulnerability and drivers are being pushed beyond the legal limit because of it, which has huge health and safety implications.

4. THEFT AND SECURITY ISSUES, INCLUDING HOW TO TACKLE TRUCK CRIME

Truck Stops

4.1 Unite believes that there is a chronic lack of quantity and quality truck stops available for professional lorry drivers in the UK. Northern Ireland has no truck stops. Truck stops are vital rest areas for lorry drivers and should help ensure safety and security for all road users.

4.2 Currently provision does not cater solely for HGV's, which means the public are being put an unnecessary risk, with no designated HGV Truck stop available.

4.3 Unite has developed a proposal of what a model truck stop should look like, which includes a Unite Education Facility on site.

4.4 Part of the problem is that many drivers are given a cash subsistence allowance by their employer. Drivers are reluctant to use it at a lorry park and would rather pocket the money by stopping at roadsides.

4.5 However, Unite believes that there will need to be an incentive for our members if a voucher scheme was going to be embraced ie Unite doesn't think drivers will be interested if they are going to lose their subsistence money.

4.6 Clearly the Government must play a leading role in ensuring that there are quality truck stops available. This cannot be left to market forces because this has failed to provide the correct quantity and quality of truck stop provision.

4.7 Unite is pleased to see the DfT say that the UK Government intends to adopt the European "LABEL" scheme to help upgrade standards for lorry parks across England, but how about the rest of the UK?

4.8 Also, although Unite's model truck stop proposal is similar to the standards in the "LABEL" scheme it isn't identical and Unite would ask that serious consideration be given to the presence of a "Unite Education Facility".

5. FREIGHT INTERCHANGES AND THE PLACE OF FREIGHT IN THE NATIONAL NETWORKS NATIONAL POLICY STATEMENT

Government Accept 10 Year Trial for Increases in the Length of Lorries

5.1 The Government has gone ahead with a 10 year trial to increase the length of lorries despite warnings from Unite, Freight on Rail and many other key stakeholders.

5.2 Need for extra capacity has not been proven—the DfT's own statistics show that, at best, capacity is stagnant, with the latest statistics demonstrating that the percentage of empty running articulated lorries was 27.6% in 2009, which has hardly moved in 10 years since 1999 when it was 26.8%.

5.3 Environment—The DfT's own research says rail freight growth would be 262% in 2025 instead of 732% without longer trailers, with rail losing 9.2 million tonnes to road. That 9.2 million tonnes would create an extra 6.4 million tonnes of CO₂ emissions based on the fact that rail freight produces 70% less CO₂ emissions than the equivalent road journey.

5.4 Health & Safety—Unite's members have told us that the proposed increases in length to articulated HGVs would cause dangerous tail swing, which is backed up by the DfT's own research. The UK road structure was never built for current HGV dimensions. For example, many roads such as the A41 and A5 have numerous roundabouts and bridges making it impossible for HGVs to currently stay safely within their allotted road space.

5.5 Cost—Additional costs would be incurred for access to loading, delivery points with limited space and refuelling, which are simply not built for longer trailers.

5.6 Beyond all this, shouldn't drivers have some of this proposed extra room in their cabs?

6. WINTER RESILIENCE

6.1 Unite believe first and foremost that roads must be safe to drive on. During dangerous driving conditions caused by snow the operation and maintenance of the strategic road network ie the motorways and trunk roads should be given priority, when it comes to salting and gritting.

6.2 Up to date information to promote safer driving during dangerous driving conditions is also vital.

6.3 However, Unite is concerned at the "Emergency Exemption & Temporary Relaxation of Drivers' Hours and Working Time Rules". It must not endanger driver's lives and the rest of the travelling public in the

process. Unite believes these situations should be monitored with great care because the risk of accidents increases greatly when the correct legal limits for driving time and rest periods are not followed.

7. FUEL PRICES

Inquiry into Contracting in the Downstream Oil Distribution Industry

7.1 Unite has written to Edward Davey, Secretary of State for Energy and Climate Change, calling for an inquiry into contracting in the downstream oil distribution industry.

7.2 While the oil industry rakes in multi-billion pound profits, the drivers who supply fuel to forecourts across the country are being squeezed. For over a year Unite has been trying to convince the Government and the industry to bring some stability back into the supply of this vital national commodity.

7.3 However, behind the scenes, the major employers have been slashing drivers' terms and conditions and cutting corners on training and safety in a bid to win contracts.

7.4 Following 11 May 2012 agreement, Unite will be working with seven oil distribution firms, the Department for Energy, Environment and Climate Change (DECC), the Health and Safety Executive (HSE) and other interested parties to implement Acas proposals.

7.5 A new code of practice and the re-establishment of the UK Downstream Oil Industry Distribution Forum (UKDOIDF) are also desperately needed.

8. DRIVER CPC (DCPC) TRAINING

8.1 Unite are concerned that transport firms are using drivers' rest periods to do the training for drivers' CPC.

8.2 In addition, agency worker drivers are not being monitored at all with regards to driver CPC training.

8.3 If the Government doesn't get to grips with the driver CPC then there will be a shortage of drivers come 2014.

9. AGENCY WORKERS DIRECTIVE—"SWEDISH DEROGATION" BEING USED IN ROAD HAULAGE SECTOR

9.1 Unite is concerned that the Government plans to reduce the rights that the Agency Worker Regulations introduced on 1st October 2011.

9.2 Subsequently, statements by the Recruitment and Employment Confederation (REC) supported the review of so called "gold-plated" provisions. The REC has produced a specific briefing document on the "Swedish Derogation" advising agencies how to use this to best advantage.

9.3 Unite is concerned in recent weeks at the increasing numbers of employers, including the major supermarkets distribution supply chain, seeking to avoid the application of equal rights for agency workers by applying "the Swedish Derogation". This will allow employers, in conjunction with agency businesses, to avoid equal pay by directly employing the agency workers on contracts that may offer as little as one hour's work per week.

9.4 In addition, employers have hinted that this commitment will have an impact on the terms and conditions of our members in relation to over-time for the core driver.

9.5 Currently the Trade Union Congress General Council are exploring the grounds for a legal challenge against the UK Government in respect of its failure to properly implement the spirit and the legal requirements of the Agency Workers Directive.

10. PROPOSED CHANGES TO THE UK CABOTAGE RULES

10.1 You will be fully aware that the DfT is consulting upon the proposal that the Secretary of State should have the power under secondary legislation to relax the Cabotage Regulations in respect of the transportation by road of cars on car transporters in the UK in March and September each year.

10.2 Unite believe that a revision to the current Cabotage Regulations will result in a loss of tax revenue to the Exchequer, an increased danger to the UK general public through a lack of compliance with UK regulatory legislation in regard to continental trucks, in particular VOSA and DfT requirements and an increased danger to the UK general public through a lack of compliance with UK regulatory legislation in regard to continental drivers, in particular compliance with drivers' health and safety legislation.

10.3 Revisions to the Cabotage Regulations will reduce the size and viability of the UK businesses continuing to provide automotive logistics services and remove UK jobs.

Written submission from Westwell Parish Council

1. Westwell Parish Council is a small parish on the north west side of Ashford in Kent, we are close to junction 9 of the M20, and have the A20 running through the Parish between Potters Corner/Sandyhurst Lane and Tutt Hill. The A20 forms the boundary between this parish and the parish of Hothfield with is similarly affected on the south side of the road.

2. These communities are highly impacted by road freight HGV's using our part for the A20 for informal overnight lorry parking accessed off Junction 9 off the M20. The impacts can be summarised as follows:

- 2.1 Residential access: residents have to put up signs or leave gates open to ensure access to the highway is not blocked. Unless this is done private access is obstructed and it is necessary to wake drivers at night to ask them to move their vehicles.
- 2.2 Noise pollution: noise disturbance at night—and at weekends—from diesel powered chillers turning on and off automatically, often three to four times an hour. This wakes children and adults in houses close to the road (in properly provided lorry parking this noise nuisance would not happen because chiller units would be plugged in to electrical connections).
- 2.3 Air pollution: from diesel engines running on stationary vehicles, (to run the chillers or heat the sleeper cabs in winter).
- 2.4 Road safety: HGV units turning across the A20, often with trailers. Having come off the M20 at junction 9 to use informal parking, they turn in the road, including on a blind bend to go back to the motorway junction to continue their journey.
- 2.5 Due to the lack of facilities at these unsuitable locations drivers have no alternative but to urinate and defecate at the roadside, or to seek additional privacy in adjacent gardens. The daily morning litter of used lavatory paper is as depressing as it is unacceptable for the drivers and residents alike. The roadside is a litter of urine bottles. (made worse by the highways authority not clearing the highways-owned verges). These are also thrown over the hedges into gardens and fields, putting animals at risk, as well as creating further environmental health hazard and amenity problems for residents.

3. Drivers have to observe the drivers hours regulations, which are a safety requirement. This means they have to stop when their tachograph tells them to do so. However this combined with the increasing volume of driver accompanied freight traffic through the port of Dover and Eurotunnel has resulted in the volume of overnight lorry parking increasing to intolerable and unsupportable levels. There are regularly 25 to 30 lorries on this short stretch of the A20 alone, using laybys and the roadside.

4. This is now a welfare situation for drivers that must be addressed, as well as a situation of environmental health, safety and amenity for residents. While we regret the graphic detail set out above, this is not a unique situation. Other locations along the M20, especially where close to junctions, and also on the M2 face similar problems.

5. Discussion have started again recently with the Local Council (Ashford Borough) and Kent County Council to measure the problem and consider solutions, but there is no definite action in place yet. The last time this was aired was in 2006–05 and there was no action then, although it was recognised that driver hours requirements and continuing increase in driver accompanied freight would just make the problem larger, unless overnight lorry parking was provided. The problem is now acute.

6. There have been discussions with the police and VOSA about “moving the drivers on” The reason this is impractical is that there is nowhere formal for them to go. It would simply move the problem to another stretch of roadside. There are currently less than 500 overnight/drivers hours lorry parking places in Kent, against a demand of in excess of 1000. Drivers currently have to park wherever they can find a place in order not to contravene the law on drivers' hours. We are also concerned that the only large existing site (350 capacity) could soon be lost to development.

7. We have considered also whether drivers would use lorry parks if sufficient capacity were available. The experience in this community—close to Junction 9 of the M20 is that we have long distance UK overnight drivers and western European drivers, all of whom would probably use lorry parks if there were spaces available. We have drivers from Eastern Europe who are on very low wages (<£50/week) and would only be able to use lorry parks if the charges were paid by someone else (eg the transport commissioning company or by a voucher or card—eg analogous to a fuel card). These Eastern European drivers are also most often the ones over-weekending from Friday afternoon to Sunday evening.

8. Local drivers need somewhere to leave their lorries and/or their trailers. We notice that local drivers now include Polish and sometimes Lithuanian lorries (trailers are often German registered with Polish or Lithuanian registered tractor units). Some years ago the Dutch small town of Hengelo (near Enschede), close to the German border found it had a problem of locally resident drivers needing somewhere to park their lorries, and set about making provision for them.

9. As additional reason for providing formal lorry parks is security. In our experience lorries park back to back or with the tractor unit parked up against the trailer doors to protect their loads. Alternatively rear doors

are left open to show that the trailer unit is empty or of low value—eg packaging materials. Curtain sided trailers do occasionally have their curtains slashed. This happens more often just before Christmas.

10. If and when sufficient capacity of secure lorry parks is provided, it will then be necessary to engage with the enforcement agencies: the Police, Highways Agency and VOSA to change current habits from informal “problem” parking laybys and roadsides to official secure parks with chiller plug in points, toilet and washing facilities and restaurant/café/shop facilities. These exist to only a very small extent at motorway service areas. The demand is much greater. There is no point in the enforcement agencies being told to take action until the facilities are available. We should add that the police are already taking prompt action when HGV’s park in bus stops.

11. Concerning the drivers who are not currently provided with the ability to pay, we suggest this should now be an aspect of driver welfare, and in principle no different from other aspects of supply chain welfare on which companies are either required or expected to report as part of their reputation and corporate social responsibility. We recognise that it will need to become part of transport purchasing specification rather than a “nice to have” aspect of the highly competitive transport and logistics industries.

12. Finally we would point out that the UK’s provision for freight drivers is lamentably behind the level of provision of secure, signed lorry parking facilities in continental Europe.

June 2012

Written evidence from Transport for London

1. INTRODUCTION

1.1 Transport for London (TfL) welcomes the opportunity to contribute to the Committee’s inquiry into the road freight sector.

1.2 TfL recognises the vital role that freight plays in maintaining London as a world class city. Keeping freight moving efficiently in London is not just vital for London’s economy, but also for that of the UK economy. TfL launched its “*Sustainable freight distribution: a plan for London*” in 2008, which sets out the steps to be taken to address the challenge of delivering freight sustainably in the Capital.

1.3 The complexity of logistics supply chains and the impacts of the freight vehicles used means that the strategic road network and urban road network are deeply connected—both elements must be considered to avoid causing unintended consequences.

2. THE GOVERNMENT’S APPROACH TO ROAD FREIGHT AND THE STRATEGIC ROAD NETWORK

2.1 *Increase in van traffic*

2.1.1 Road is by far the dominant mode for goods transport in London in terms of the weight of goods lifted. All goods vehicles, ie Light Commercial Vehicles up to 3.5t gross weight (vans) and Heavy Goods Vehicles over 3.5t (lorries), travelled a total of 5.0 billion vehicle kilometres on roads in London in 2010. Travel by vans accounted for 80% of this total, 15% by rigid lorries and 5% by articulated lorries. Fifty-seven per cent of the total distance travelled by van in London in 2010 was on major roads and 43% on minor roads. This compares with 85% and 15% respectively for lorries.

2.1.2 The Government’s approach to road freight should consider the impact of the van in cities and also the final destination of freight into urban areas. Van traffic has risen by approximately 40% over the last decade and whilst the van represents approximately 9% of UK road traffic, this figure increases to 13% of traffic in London. As manufacturing and industrial land in and around cities is developed for other uses, these smaller vehicles are making greater use of the strategic road network in order to make deliveries which generates more congestion and leads to poorer air quality.

2.1.3 The general increase in population and the economic growth of cities increases the demand for goods and services, increasing the demand on both the local and strategic networks. The incremental nature of new developments cannot adequately capture or address this longer-term issue. TfL would urge that the general impacts of local freight activity be considered in more detail, alongside the focus on the strategic road network. Urban freight activity is the area impacting on the greatest proportion of the population and causing issues with air quality and safety, and these can only be tackled by addressing strategic freight movements simultaneously.

2.2 *Road safety—vulnerable road users*

2.2.1 In London, a high proportion of the vehicles involved in fatal collisions with vulnerable road users are from the freight industry. Some vehicle manufacturers apply to the UK Vehicle Certification Agency to seek an exemption from the requirement to fit their new vehicles with side guards. An exemption is granted if vehicle manufacturer can successfully prove the side guards will restrict/stop the vehicle from being able to carry out the job for which it was designed. TfL believe some of the vehicles currently granted exemptions could be fitted with side guards without affecting the operation of the vehicle. For example, a manufacturer may be granted an exemption if a vehicle may be used off road, however, the vast majority of vehicles spend

most of their time on roads where side guards could be life saving. All vehicles working on TfL and Crossrail contracts are now required to fit side guards and there is little evidence why the wider construction industry cannot adopt the same practices. Government can help address this issue by urging the UK Vehicle Certification Agency to restrict the number of exemptions given for new vehicles to only those vehicles that are unable to operate with side guards fitted.

2.2.2 This precautionary approach for vehicles manufactured in the UK should also be adopted in other member states; to prevent international vehicle manufacturers from applying for exemptions in member states with a more lenient approach to granting exemptions—vehicles which could then go on to operate regularly in the UK. Therefore it is suggested that Government and the UK Vehicle Certification Agency work with corresponding departments and certification agencies in other EU states to secure the widespread adoption of a restrictive exemption practice for new tippers and skip lorries.

2.2.3 TfL has identified that additional safety devices and vision aids contribute to increased safety for cyclists and other vulnerable road users. At present there is no requirement for vehicle manufacturers to fit other safety devices to improve blind-spot visibility and warn both the driver in-cab and other road users externally. The Government is urged to seek to introduce such a requirement in any future revision of the EC Whole Vehicle Type Approval regulations.

2.2.4 TfL would also like to see the retrofitting of side guards, close proximity sensors and visual aids such as cameras to improve driver awareness of other more vulnerable road users. The Government should consider amending the Construction and Use Regulations to require this.

2.2.5 TfL recognises that changing legislation, particularly at the EU level takes time. Therefore, TfL has used the power of public procurement to ensure all vehicles working on Crossrail and TfL projects are now required to fit this technology and side guards. It is urged that all work funded by Government, (including Highways Agency maintenance contracts and services to Government buildings) adopt a similar contractual approach which will increase the safety of vulnerable road users more quickly than by progressing legislative changes alone, though these should also be progressed in parallel.

2.2.6 As many collisions involve construction and waste vehicles, the Government should change the Streetworks Permit Regulations to allow the inclusion of permit conditions that improve road safety eg all drivers involved in streetworks must undertake appropriate urban safety driver training and all vehicles involved in streetworks must be fitted with side guards and blind spot warning systems. This would help increase the safety of other road users when in close proximity to construction vehicles involved in streetworks activity.

2.2.7 TfL has commissioned TRL to undertake a far-reaching review of the construction industry and its drivers, vehicles and operations to identify how further safety improvements can be made for cyclists and other vulnerable road users. The research seeks balanced involvement from a broad range of stakeholders through a technical advisory group; including the industry representatives, police, Department for Transport, insurers, trade associations and cycling groups. This group is assisting in the steering of the research and aims to ensure there is industry ownership of any recommendations made. TfL will share the findings with Government and will work closely with the Department to assess how the results and recommendations from the research can be implemented and help reduce collisions with vulnerable road users. We would also be happy to share these findings with the Committee.

2.2.8 There is significant pressure on road space and drivers in urban areas, increasing the risk of collision between lorries and vans with more vulnerable road users. TfL has made good progress on this issue requiring vulnerable road user awareness training be undertaken by HGV drivers working on its contracts. That said, those drivers working for TfL represent a small fraction of the total number of drivers in London. The Government should make road safety, and in particular vulnerable road user awareness, a mandatory requirement of the Driver Certificate of Professional Competence syllabus.

2.2.9 In many cases the record of the vehicle involved in a collision involving injury does not include reference to the presence or lack of safety equipment (such as blind spot warning systems, audible alarms, CCTV and Fresnel lenses) or whether the vehicle was exempt a side guard. As such, records are frequently insufficient to help assess the safety impacts of these technologies. To help address this, the STATS19 collision reporting system could be updated. These changes might also include capturing more detailed information relating to the vehicle involved in a collision (vehicle type, size, weight). The Government is requested to work with TfL in developing STATS19 to better assess the reduction in collisions made possible by different technologies or alternative approaches.

2.3 *Emissions and air quality*

2.3.1 The Government should recognise the difficulties with the current Euro IV and V standards which have not driven down NO₂ emissions as was envisaged. This has created an ongoing issue in urban areas which have not seen planned reductions in NO₂ pollution. Euro VI is expected to address the issues experienced with Euro IV and V and further support should be offered by the Government to incentivise its early adoption. Support should be offered to the freight, bus and coach industry to help curb emissions nationally such as via a grant for retrofitting equipment, as these vehicles are among the most individually polluting on the road.

2.3.2 In particular for air pollution issues, TfL continues to urge Government to proceed with national retrofit standards and certification schemes to enable coherent national action on air pollution across the country. This is preferred to risking a proliferation of local urban schemes as has been seen in Spain, for example, which raises issues for a national freight industry.

2.3.3 It must be recognised that efforts to curb air pollution emissions generally lead to poorer fuel economy and higher carbon dioxide emissions. It is therefore critical that efforts to reduce harmful air pollutants are accompanied by a strategic consideration of freight movement to help reduce the carbon impact of freight movement.

2.4 Out of hours deliveries

2.4.1 Out of hours deliveries are often restricted by planning conditions or alcohol licensing restrictions by the relevant local authority (in London the Boroughs) to minimise perceived night-time disruption to local residents. Noise nuisance legislation, which enables boroughs to take appropriate action if noise does occur, and local schemes, such as the London Lorry Control Scheme, also appear to limit the amount of out of hours activity. Moving freight deliveries out of peak hours would reduce congestion, potentially have CO₂, air quality and safety benefits, and improve business efficiency both in terms of time and critically, fuel consumption. The Government is urged to consider how the impact of these separate elements of legislation can be coordinated to protect residents while maximising the broader societal and business benefits.

2.4.2 TfL is working with the business community and boroughs to identify best practice for out of hours activity and demonstrate how the needs of residents and businesses can be balanced successfully as the move to out of hours delivery will be only supported if there is no resultant increase in noise pollution to local residents.

2.4.3 To enable out of hours deliveries during the 2012 Games period, TfL, in partnership with the Freight Transport Association and the Noise Abatement Society, developed a code of practice for businesses and freight fleet operators to use to reduce disturbance to local residents. TfL continues to collaborate with the Freight Transport Association, Road Haulage Association, The Office of the Traffic Commissioner and London Councils to ensure the code of practice is accepted and adopted throughout the freight industry and local authorities. The code of practice, combined with cleaner, safer vehicles and reduced levels of stop-start driving would reduce emissions from freight vehicles and the likelihood of HGV conflict with vulnerable road users during peak times. This offers a rare, combined CO₂, air quality and safety win-win.

2.4.4 The Government is therefore requested to develop and publish an approved code of practice on quiet vehicles and operations and to encourage local authorities to promote its implementation. TfL would also encourage the Government to support and incentivise noise abatement training and equipment for the freight industry.

2.5 Lorry road user charging

2.5.1 TfL is supportive of the Government's proposal for a Lorry Road User Charging (LRUC) scheme as a mechanism to level the playing field with foreign hauliers who drive lorries on UK roads as long as the proposals do not encourage a shift to smaller, less efficient vehicles that are outside of the proposed charging regime.

2.5.2 TfL urges the Government to opt-in to the recently-agreed Cross Border Enforcement Directive (2011/82/EU). If foreign hauliers perceive that they can evade compliance, it will undermine support for LRUC as a whole and puts at risk compliance for the Central London Congestion Charge and the London Low Emission Zone (LEZ) if enforcement is not considered to be robust. TfL has extensive experience of enforcing the central London Congestion Charging and London LEZ schemes. Neither scheme is subject to barrier control; they instead make use of automatic number plate recognition (ANPR) cameras for enforcement. TfL's experience of enforcement against foreign vehicles is that bilateral arrangements between member states have proved difficult and result in many offences going unpunished. In London this results in a loss of potential revenue, previously estimated at approximately £14 million per annum. TfL would like to see more detail regarding the Government's plans for implementing and enforcing LRUC to ensure high levels of compliance can be achieved.

2.6 Olympic Road Freight Management

2.6.1 TfL has been working with the freight industry on planning for delivery and servicing activity during the Olympic Games and engaging with a variety of businesses throughout their supply chains. Key to reaching a wide audience has been close co-operation with the Office of the Traffic Commissioner and other regulatory and enforcement bodies, trade associations such as the Freight Transport Association and Road Haulage Association, and individual businesses to raise awareness of Games-time road network restrictions. The programme has also served to manage background demand for deliveries and servicing during the Olympic and Paralympic Games.

2.6.2 An intensive programme of awareness-raising has been delivered through freight operator workshops, a programme of site-specific meetings and use of web-based information resources. Over 1,300 organisations have attended TfL's workshops and the email advice material reaches over 6,000 recipients each week. A

Freight Forum has been established; these regular meetings between key decision-makers and TfL will continue after summer 2012 to capitalise on the spirit of co-operation and collaboration with the industry. A survey has commenced to help capture the effectiveness of the programme. The Government is urged to work with TfL and the Freight Forum post Olympics, to ensure the lessons learned during and preparing for the Games are embedded as a lasting legacy for the freight industry.

3. DRIVERS' HOURS RULES AND COMPLIANCE

3.1 London has 298 overnight goods vehicle rest spaces, spread over seven onsite facilities. Overall the lorry parking spaces are only 45% utilised, with only the Crown Road Vehicle Park in Enfield more than 75% utilised. Whilst these figures indicate the issue is not significant for daily rest periods, operators report problems with drivers taking 45 minute rest breaks, which are often taken while kerbside loading and unloading activities are underway. The Government should acknowledge that this non-compliant practice takes place and the impact of limited rest facilities for driver breaks and seek to work with local authorities to improve provision of rest areas.

4. FREIGHT INTERCHANGES AND THE PLACE OF FREIGHT IN THE NATIONAL NETWORKS NATIONAL POLICY STATEMENT

4.1 Given that road is the dominant mode for goods transport in London, road vehicle interchanges (ie warehouses and consolidation centres) are equally as important as multi-modal interchanges. Consolidation centres result in a 60–80% reduction in the number of vehicle journeys for those goods flows passing through the centre. If a consolidation centre scheme was able to achieve a 60% reduction in journeys, this is equivalent to a total reduction of between 8,900 and 14,400 goods vehicles per day in central London (University of Westminster, 2011).

4.2 The movement of freight is dependant on the origin point and the various staging or transfer points all the way through the supply chain to the final destination. TfL believes, therefore, that the relationship between land use and the implications associated with freight movements must be recognised together, rather than just dealing with the isolated impacts of freight on the strategic road network.

4.3 The pressures on land in and around London for uses other than freight, generate movements direct from ports and from both national and regional distribution centres, which do not always use the most appropriate vehicles for local delivery in London. This raises issues with both the safety for other road users, especially pedestrians and cyclists, and the timing of this activity, as it increasing becomes “just-in-time” and travels in the peak periods.

4.4 TfL requests, therefore, that Government look at how the planning system can provide greater support for more effective management of the strategic road network for freight.

June 2012

Written evidence from Roger Sealey

INTRODUCTION

1. Given the short notice and the fact that I am recovering from an operation, I have submitted some comments which I hope the Committee may take into account when taking oral evidence on 3 July 2012.

2. The area I wish to comment on is drivers' hours.

3. As a former transport researcher for Unite the Union I was involved with the introduction of the Road Transport Working time Directive.

REVIEW OF THE RTWD

4. In 2009 the Department for Transport undertook a review of the effect of the RTWT on drivers' hours. This table was published and covered the period Jan–Mar 2006 to Jan–Mar 2009. The figures of most interest are for the road haulage industry. The latest figures from the Jan–Mar Labour Force Survey show that 25% of drivers are normal paid working hours are 60-hours per week. In reality the introduction of the RTWTD had no effect on hours worked in road haulage.

ONLY SIC 60.24/49.41

PAIDHRU	Number	Mean	Median	60th	70th	75th	80th	90th
<i>Jan–Mar</i>								
2006	110,601	51	38	51	58	60	60	65
2007	102,462	51	30	52	59	60	60	64
2008	119,297	52	50	54	60	60	60	65
2009 ¹	125,050	51	50	54	57	60	60	65

PAIDHRU	Number	Mean	Median	60th	70th	75th	80th	90th
2010	89,687	52	50	55	60	60	60	65
2011	103,669	50	50	50	55	56	60	60
2012	103,929	51	50	55	56	60	60	60

Table Note:

Figures from 2006–09 supplied by the DfT

5. However, comparable figures for LGV drivers working outside of the road haulage sector show that they work on average 5-hours less per week than their counterparts in the road haulage industry. This should be of concern to the industry but I'm afraid it is not. Also it is not restricted to the UK—see article below.

NOT SIC 60.24/49.41

PAIDHRU	Number	Mean	Median	60th	70th	75th	80th	90th
<i>Jan–Mar</i>								
2006	181,907	47	48	48	50	50	55	60
2007	183,991	47	47	48	50	50	55	60
2008	191,664	47	45	48	50	50	52	60
2009	196,353	45	45	48	48	50	50	55
2010	158,111	45	45	48	49	50	52	60
2011	150,797	46	46	48	49	50	50	50
2012	151,356	45	45	47	48	50	50	55

Source: LFS Jan–Mar various years

INTERNATIONAL PROBLEM

6. Please see the article below which outlines the global problems for the industry.

“LOGISTICS” NEEDS MORE SEX APPEAL

Mike Wackett is News Editor of Containerisation International

<http://www.ifw-net.com/freightpubs/ifw/article.htm?artid=20017953821&src=rss>

Wed, 18 Apr 2012

7. Poor image, poor pay and poor prospects, are these perceptions choking the industry? asks Mike Wackett

8. *Why did you choose a career in transport and logistics? Was it the handsome salary prospects, the sharp-end excitement or the satisfaction of being a vital cog in the global supply chain?*

9. It may not surprise you to learn that according to a recent survey, it is highly unlikely to be the former, given that the sector is perceived as “one of the most poorly paid and least diverse to work in”.

10. The report warns the industry that it is in “urgent need of a radical transformation by 2030 if it is to stay competitive”.

11. Responses from 94 panellists, across all transport modes from 24 countries on five continents, reveal that: pay is a turn-off, and training is vital for survival there is just a one-in-three probability that people will find the industry “attractive” to work in by 2030 there is a 70% probability that an image revamp would be necessary before that date.

12. Commenting on his company’s survey, Klaus-Dieter Ruske, PricewaterhouseCoopers (PwC) global transport and logistics leader, said: “These findings are hugely significant, showing us what must be done before the industry falls into a critical state. Poor image, poor pay and poor prospects are all perceptions that currently choke the industry. The reality is that there are rewarding, multinational opportunities out there that need tapping into.”

13. “Companies should take a critical view of their remuneration systems and benchmark their salaries against their peers and other industries and recognise salary alone isn’t the only way to compensate employees.”

14. Did I detect a volley of “hear, hear” from employees echoing from the page?

15. Nonetheless, the PwC analyst added there was “no doubt” that investment was needed in all sectors, and that in particular logistics companies in emerging nations needed to “invest heavily in training, development and education to prepare for a younger workforce, as well as adapting the workplace to support an older workforce”.

16. Indeed, the “excitement” of the cut-and-thrust T&L industry, that in the past might have compensated for figuring lower down on the pay league scale has all but disappeared, with the advent of multimodal logistics and the almost total reliance on computers, e-mail, twitter, *et al.*

17. Meaning that logistics operatives today are more likely to be found perched in front of a computer screen than getting their hands dirty in the warehouse or on the quayside.

18. The PwC report authors conclude that “the race is on” for good employees; a race in which the industry is in danger of being left stranded at the starting blocks, unless it adapts and evolves quickly.

19. Transport logistics is a business concerning the movement of goods from A to B; but it is still very much a people business and needs to be in a position to compete in the employment marketplace for the best talent available.

20. Evidence of this image problem can be seen in the current age profile of HGV drivers working in road haulage.

21. Approximately 75% of all HGV drivers working in the industry are aged between 40 and 70 years old.

AGE GROUP					
		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
	25	4,001	3.8	3.8	3.8
	35.	21,917	21.1	21.1	24.9
Valid	45.	36,704	35.3	35.3	60.3
	55.	27,617	26.6	26.6	86.8
	65	13,690	13.2	13.2	100.00
	Total	103,929	100.0	100.0	

Source: LFS Jan–Mar 2012

June 2012