



House of Commons
Transport Committee

Skills and workforce planning in the road haulage sector

Fourth Report of Session 2016–17



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*Report, together with formal minutes
relating to the report*

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Transport Committee

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Summary

Road haulage is an important part of the logistics industry and makes a vital contribution to the economy. Road haulage operators face several challenges, in particular the recruitment and retention of large goods vehicle (LGV) drivers to meet current and future demand.

It is widely accepted, including by the Government, that there is a shortage of drivers that ranges from about 45,000–60,000 depending on the source of the data. For every driver the sector needs there are three people in the UK with a valid LGV licence who could do the work but two in three choose not to.

There is no single cause for the shortage which arises from a combination of factors including: lack of investment in drivers and driver training, poor roadside facilities, poor terms and conditions, the relative attractiveness of other similar jobs and the cost of licence acquisition.

The shortage could be made worse as older drivers leave the sector and demand for drivers grows as the economy recovers. Changes in rail and water freight, use of distribution centres and white fleets, urban congestion and a move to smaller delivery vans, growth in online shopping and home delivery, and the prospect of driverless lorries could all affect levels of demand for drivers in the future.

Industry must take steps to improve terms and conditions so it can recruit and retain the drivers it needs. It will need to invest more in recruitment, training and driver welfare following years of under-investment. This is particularly challenging for many of the smaller operators, especially given the very tight margins they face.

Facilities for drivers are scarce and inadequate and must be improved. The provision of roadside facilities is principally a matter for the private sector, but the Government can take steps to encourage investment in more and better facilities. We welcome the Government's commitment to a survey of roadside facilities. It is not sufficient to look just at the roadside facilities on the strategic road network. Many of the problems arise at depots and customer facilities where drivers collect or deliver goods and materials.

Drivers are predominantly over 45, white and male. The industry needs to be more representative of Black, Asian and Minority Ethnic groups and women. It must do more to encourage young people to become drivers. We do not think the sector will be able to broaden its appeal beyond its core demographic unless there are changes in the approach to driver training, the funding of licence acquisition, and facilities for drivers.

The road haulage sector is competing with other sectors for young people leaving schools and colleges. Many of the options young people will consider require some additional training, but it is unusual for them to require new entrants to fund the acquisition of licences and pay for the additional training. It is not surprising that young people will look at jobs driving vans or buses where they do not need additional qualifications or will be funded to acquire them.

Current measures by industry and Government are not sufficiently targeted or wide-reaching to deliver drivers fast enough to address the shortage, cope with the ageing

cadre of drivers likely to retire in the next ten years or deal with future growth. The Government's support, in the form of apprenticeships and loans, is welcome and we expect to see it being more active in providing this kind of support. Government and industry should also assess the impact of any steps to alleviate the driver shortage on other parts of the logistics sector. For example the natural career path from driver to transport manager might be disrupted.

Investment in recruitment needs to be safeguarded by investment in retention; unless conditions for drivers improve the sector could lose people faster than it recruits them. The UK's exit from the EU may also adversely affect driver numbers.

We believe there are four steps the Department for Transport can take:

- (1) coordinate activity across Government affecting LGV drivers;
- (2) work with the logistics sector, insurers and those involved in the delivery of driver training to improve apprenticeships, promote the industry, improve the delivery of careers advice, and raise awareness of the road freight sector in colleges and schools and among jobseekers;
- (3) continue to improve the Driver Certificate of Professional Competence; and
- (4) provide clear, accessible guidance on skills, funding and support, employer standards, regulation and insurance for young drivers.

1 Introduction

Our inquiry

1. Road Haulage Operators recruit drivers to:
 - meet current levels of demand (including significant seasonal variations);
 - replace drivers leaving the sector (because they move to different jobs in the sector, move to other industries and sectors, or retire); and,
 - respond to growth in demand.
2. Some of these challenges can be addressed by using existing resources (drivers, vehicles, facilities) more efficiently. But this approach can only be taken so far and road haulage operators and the Government are concerned about a shortage of skilled, professional drivers. This is not just a UK phenomenon and other countries have similar shortages.¹
3. The Committee announced an inquiry into skills and workforce planning in the road haulage sector in September 2015.² Details of those who submitted evidence and appeared before the Committee can be found at the end of this Report and on our inquiry webpage, which also hosts the evidence we have received and transcripts of our evidence sessions.³ We are grateful to all those who took the time to submit evidence and help us with our inquiry.

An overview of the road freight sector

Economic contribution

4. The UK economy depends on road haulage to move materials and goods around the country and for their import and export. Road freight is estimated to have contributed around £11.2 billion to the UK economy in 2014, a 16% increase on the previous year.⁴ Almost everything that people use in their daily lives has, at some stage, been transported by a large goods vehicle. Most domestic freight is carried by road (151 billion tonne kilometres of goods moved⁵ compared to 23 and 29 billion tonne kilometres for rail and water respectively).⁶

1 [Q54](#) [Adrian Jones]

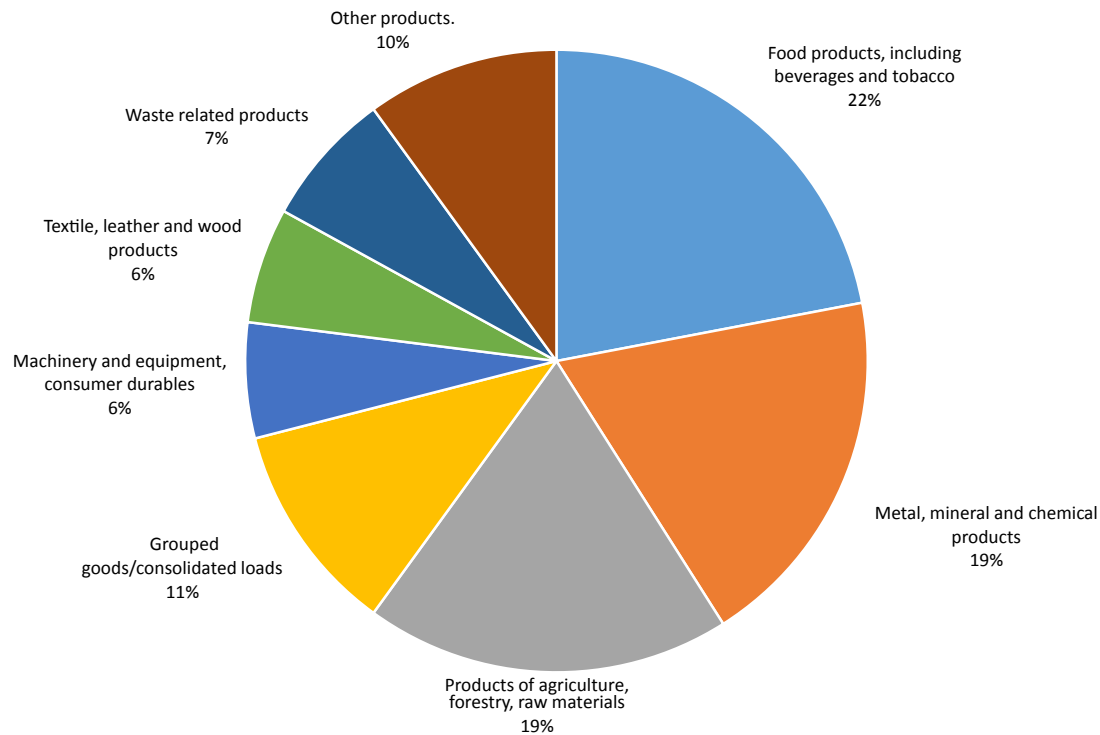
2 Transport Select Committee, [Committee launches road haulage sector: skills and workforce planning inquiry](#), September 2015

3 Transport Select Committee, [Road haulage sector: Skills and workforce planning inquiry](#)

4 Department for Transport, [Statistical release – Domestic Road Freight Statistics](#), United Kingdom 2014, 26 November 2015

5 Goods moved is a measure of activity taking into account the weight of the load and distance through which it is hauled. It is equal to the weight of goods multiplied by distance and is measured in tonne kilometres.

6 Department for Transport, [Statistical release – Domestic Road Freight Statistics](#), United Kingdom 2014, 26 November 2015

Figure 1: Composition of domestic road freight

Source: Department for Transport, [Statistical release – Domestic Road Freight Statistics](#), United Kingdom 2014, 26 November 2015

5. Goods moved by road to or from the UK decreased by 9% in 2014 and, for the first time since 2000, exported road freight has exceeded imports. The number of goods vehicles and unaccompanied trailers travelling to mainland Europe from the UK rose by 8% from 2.7 to 2.9 million between 2013 and 2014.

Operators

6. Road haulage companies need an operator's licence from the Traffic Commissioners.⁷ The number of operators in Great Britain has fallen steadily from 110,000 in 1999–00 to 76,000 in 2014–15. Around 8,000 Heavy Goods Vehicle (HGV) Standard International (SI) Operator Licences are in issue in Great Britain, around 43% fewer than in 1999–00 when just under 14,000 licences were in issue.⁸

7. The Greater London Authority told us the road freight market was characterised by a large number of hauliers, low barriers to entry and exit, extreme price competition, and clients passing off risk to logistics operators.⁹ They said this had created a downward pressure on freight rates making it harder for logistics operators to invest in driver training and professional development. The sector has a number of large and hundreds of smaller operators; the very tight margins within the industry may make it particularly hard for smaller operators to compete.¹⁰ Jolyon Drury, Chair of the Public Policies Committee,

7 Traffic Commissioners for Great Britain, [Goods vehicle operator licensing guide \(GV74\)](#), April 2013

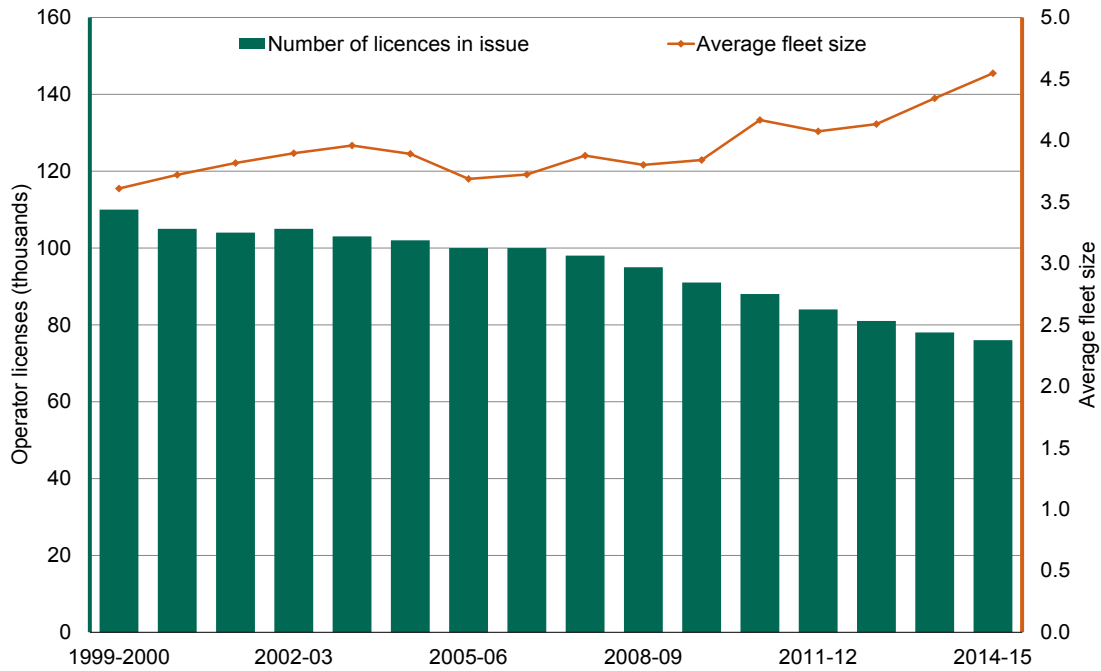
8 Department for Transport, [Statistical release – International Road Freight Statistics](#), United Kingdom 2014, 26 November 2015

9 Greater London Authority ([RHS0019](#))

10 [Q80](#) [Jolyon Drury]

Chartered Institute of Logistics and Transport (CILT), and Adrian Jones, National Officer for Road Transport and Logistics, Unite the Union, made clear the extent to which hauliers face pressure from supermarkets and other retailers where transport costs are seen as on-costs and not core business; some retailers are looking to outsource in-house transport functions.¹¹ Jolyon Drury said competition between the four large supermarkets would put ‘enormous pressure’ on road haulage operators not to put up prices.¹²

Figure 2: Goods vehicle operator licences in issue and average fleet size, Great Britain, 1999–2000 to 2014–15



Source: Department for Transport, [Statistical release – Domestic Road Freight Statistics](#), United Kingdom 2014, 26 November 2015

LGV vehicles

8. Around 470,000 large goods vehicles over 3.5 tonnes are registered in the UK, although only about 390,000 of them are taxed as goods vehicles.¹³ There has been a shift towards the use of larger vehicles; goods moved by large rigid lorries (over 25 tonnes) and large articulated lorries (over 33 tonnes) increased by 67% and 49% respectively between 1990 and 2014. Over the same period goods moved by small rigid lorries and small articulated lorries declined by 86%.¹⁴

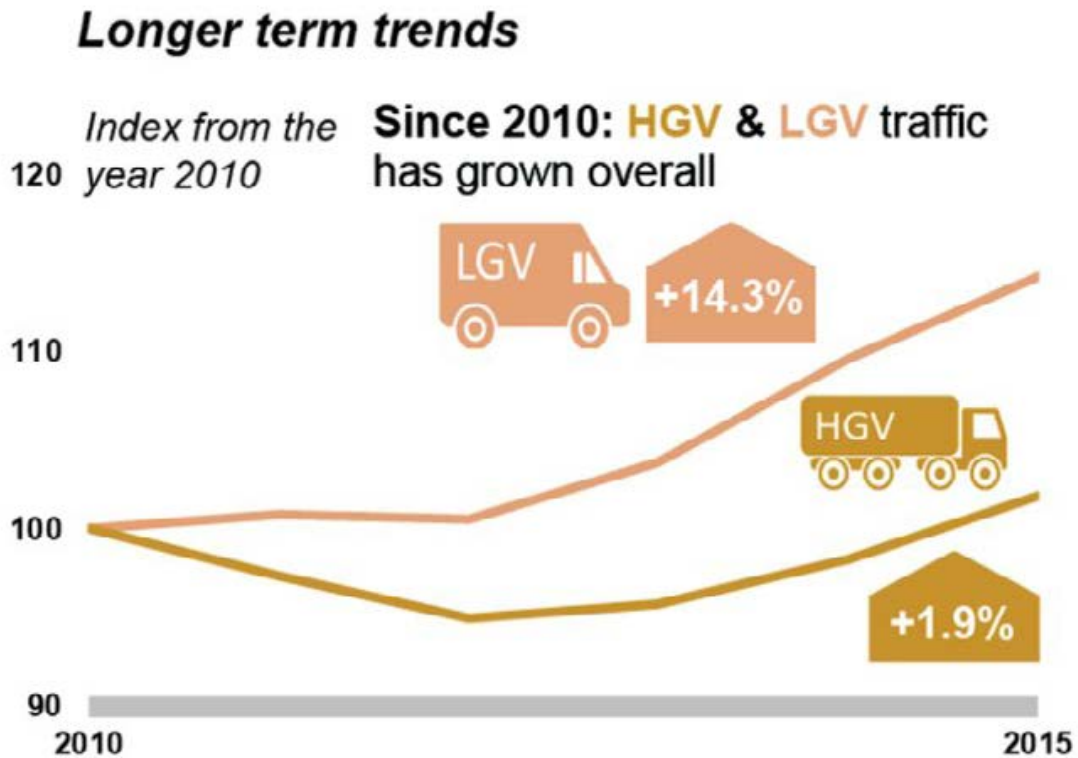
¹¹ [Q84, Q87](#)

¹² [Q87](#)

¹³ LGVs used unladen, privately or for driver training purposes are taxed in the Private HGV class. There are other exemptions for special use vehicles.

¹⁴ Department for Transport, [Statistical release – Domestic Road Freight Statistics](#), United Kingdom 2014, 26 November 2015

Figure 3: Growth in LGV and van traffic since 2010



Source: Department for Transport, [Road Traffic Estimates: Great Britain 2015](#), 19 May 2016

9. Light van traffic has increased to its highest level ever (but not all such vans will be carrying freight).¹⁵ The growth in van traffic might be due to the growth in internet shopping and home deliveries, changes to taxation rules for vans and cars making vans a more attractive option for some people, and the relatively lower financial and regulatory costs of vans compared to LGVs, encouraging businesses to substitute vans for LGVs.¹⁶ Drivers of light vans do not need an LGV licence.

Employment

10. Around 13% of the two million people who work in logistics are employed in the road haulage sector.¹⁷ In 2005 around 329,000 people worked as LGV drivers. This fell to 259,000 in 2013 following the recession but has since grown to around 288,000.¹⁸ Most of them are employees and only around 33,000 are self-employed.¹⁹ Adrian Jones, from Unite the Union, said there was a clear trend away from being an employee towards being self-employed;²⁰ this is a general trend in the economy.²¹ There are also significant seasonal variations in demand for drivers that create a dependence on agency and foreign drivers. Some 60,000 foreign lorry drivers are thought to be working in the UK.²²

15 Department for Transport, [Road Traffic Estimates: Great Britain 2015](#), May 2016

16 Department for Transport, [Road Traffic Estimates: Great Britain 2015](#), May 2016

17 UK Commission for Employment and Skills, [Understanding Skills and Performance Challenges in the Logistics Sector](#), October 2014

18 Department for Transport ([RHS0017](#))

19 Department for Transport, [Statistical release – Road freight economic, environmental and safety statistics](#), 19 February 2015

20 [Q73](#)

21 House of Commons Library, [The self-employment boom: Key issues for the 2015 Parliament](#), May 2015

22 [Q8](#) [Jack Semple]

11. Across Europe the logistics sector is highly integrated. Operators cooperate with each other making use of shared distribution centres and ‘white fleets’ (those without livery used on multiple contracts) to move goods.²³ The use of white fleets and shared distribution centres, while primarily a response to the need to lower carbon emissions by reducing empty running, had some effect on the number of drivers that are needed. However, the single biggest factor affecting levels of employment in recent years has been the economic recession of 2008.²⁴ In the next few years it is likely to be the as yet unknown effect on the economy of the UK’s withdrawal from the EU.

Licensing






12. Anyone wishing to drive an LGV must apply to the Driver and Vehicle Licensing Agency (DVLA) for provisional entitlement to be added to their driving licence before taking lessons and sitting the necessary theory and practical driving tests.²⁵ Different driving licence entitlements are needed for vehicles of different sizes and trailer combinations (see Table 1); the categories are harmonised across all EU member states. Drivers who passed a car test before 1 January 1997 have Categories C1 and C1+E through implied rights. All UK LGV licence holders must undergo a medical examination and eye test on application, at age 45 and every five years thereafter. On reaching 65 years of age, a medical examination must be performed once a year. Any delay by the DVSA in processing medical renewals will affect the number of available drivers.

23 [Q83](#) [Jolyon Drury]

24 [Q151](#) [Lord Ahmad] and Department for Transport ([RH50027](#))

25 The terms Large Goods Vehicle (LGV) and Heavy Goods Vehicle (HGV) are both used in regulation to describe freight vehicles over 3.5 tonnes. The terms are interchangeable and both appear in the evidence. LGV is used in this report as this is the term used for licensing.

Table 1: LGV licence categories

Category	Description		Examples
C1	Weighing between 3,500 and 7,500kg (with a trailer up to 750kg).		flatbed, box body or refrigerated medium sized goods vehicles
C1+E	C1 category vehicles with a trailer over 750kg, but the trailer – when fully loaded – can't weigh more than the vehicle. The combined weight of both can't exceed 12,000kg		
C	Vehicles over 3,500kg (with a trailer up to 750kg)		Rigid large goods vehicles
C+E	Category C vehicles with a trailer over 750kg	 	Articulated lorries and rigid lorries with a trailer (equivalent to old HGV Class 1; covers all articulated and drawbar trailer combinations)

Source: DVSA, [Driving licence categories](#) [accessed on 20 July 2016]

Driver Certificate of Professional Competence

13. To drive an LGV for a living, a driver must obtain a Driver Certificate of Professional Competence (CPC),²⁶ after which they can be issued with a driver qualification card (DQC). The aim of Driver CPC is to improve road safety and help drivers become more professional in all aspects of their work. To retain their qualification drivers must complete

26 See European Directive 2003/59/EC

35 hours of periodic training every five years. They can be fined up to £1000 for driving an LGV without a certificate.²⁷ Some LGV drivers do not need to complete the Driver CPC, for example if they are driving a vehicle:

- used by or under the control of the armed forces, police, a local authority, fire and rescue authority or prison service;
- used for driving lessons or driving tests;
- used for non-commercial carriage of goods; and
- carrying material or equipment to be used in the course of the driver's work (such as a bricklayer who needs to drive a lorry with bricks to site but for whom driving is not the main part of their job).

Additional qualifications

14. Drivers of vehicles carrying dangerous goods or tankers in the oil industry need additional specialist qualifications. Under the European agreement on the carriage of dangerous goods, drivers of vehicles with tanks and certain tank components, and some drivers of vehicles carrying dangerous goods in packages, must hold a special vocational certificate of training, sometimes referred to informally as an 'ADR Certificate'.²⁸ The Petroleum Driver Passport (PDP)²⁹ is an industry initiative that ensures tanker drivers in the UK are trained to a high standard and regularly assessed. The passport is renewed on a five year cycle, but also has an annual refresher requirement.³⁰ It is not illegal to drive a tanker without a PDP but drivers without one cannot access terminals to load or unload.

27 SI 2007 No. 605, [The Vehicle Drivers \(Certificates of Professional Competence\) Regulations 2007](#)

28 [European Agreement concerning the International Carriage of Dangerous Goods by Road](#), ECE/TRANS/242, Vol. I and II

29 [Petroleum Driver Passport \[accessed on 6 July 2016\]](#)

30 [Downstream Oil Distribution Forum \(RHS0007\)](#)

2 A Driver shortage?

15. Concern about a shortage of drivers is not new.³¹ In a joint statement ahead of a meeting with HM Treasury in February 2015, the Freight Transport Association (FTA) and the Road Haulage Association (RHA) estimated that the haulage industry was short of about 45,000 drivers and that a further 40,000 drivers would leave the industry by 2017.³²

16. In their evidence to our inquiry the FTA said that the sector was short of 43,000–45,000 drivers³³ but the RHA suggested it was closer to 60,000.³⁴ Asked to explain the difference, Jack Semple, of the RHA, told us it drew a distinction between drivers holding only an LGV licence and those holding a licence and DQC.³⁵ The RHA added that the ONS classification of drivers under-reported driver numbers, as someone reporting their occupation as delivery driver might not be counted towards the total of LGV drivers.³⁶

17. The Government agrees with the industry estimate of a shortage of about 45,000 drivers.³⁷ It told us that the problem was long-standing and had been evident a decade ago.³⁸

Evidence

18. During the inquiry we saw plenty of evidence to support the contention that there is a driver shortage. There are more vehicles than drivers (see paragraphs 8 and 10). Typically businesses need more drivers than vehicles as a number of operations require more than one driver per vehicle as a consequence of the limits on drivers' hours. In its evidence the FTA said the ratio of drivers to vehicles was 0.9 and suggested that industry needed a ratio of 1.4 drivers for every vehicle.³⁹ The RHA told us the UK needs to be training around 35,000 new drivers each year but only about 17,000 new LGV licences are issued each year.⁴⁰

19. According to the National Careers Service the proportion of vacancies in this sector is higher than the UK average⁴¹ and the UK Commission for Employment and Skills found that *LGV driver* was not listed in the top ten hard jobs to fill in 2012 but was third by 2014.⁴² In FTA's July 2015 survey of members over 80% of companies surveyed reported delays in being able to hire permanent LGV drivers.⁴³ Unite the Union's evidence provided

31 See for example: Scottish Road Haulage Modernisation Fund Driver Retention, [Research with Managers and Current and Former LGV Drivers in Scotland](#), September 2003; European Parliament, [Shortage of qualified personnel in road freight transport](#), 2009; Skills for Logistics, [A Looming Driver Shortage? – the evidence behind the concerns](#), April 2012; UK Commission on employment and skills, [Understanding skills and performance challenges in the logistics sector](#), October 2014; All Party Parliamentary Group on Freight, [Barriers to Youth Employment in the Freight Transport Sector](#), January 2015

32 Lloyd's Loading List, [Haulage industry leaders meet UK government today over driver shortages](#), February 2015

33 Freight Transport Association ([RHS0014](#))

34 Road Haulage Association ([RHS0016](#))

35 [Q3](#)

36 Road Haulage Association ([RHS0016](#))

37 Department for Transport ([RHS0027](#)) and [Q150](#)

38 Department for Transport ([RHS0027](#))

39 Freight Transport Association ([RHS0014](#))

40 Road Haulage Association ([RHS0016](#)) (See also [Solving the driver crisis](#), An independent analysis of the current driver shortage prepared for FTA by RepGraph Ltd, November 2015)

41 Office for National Statistics, [VACS02: Vacancies by industry](#), 15 June 2016

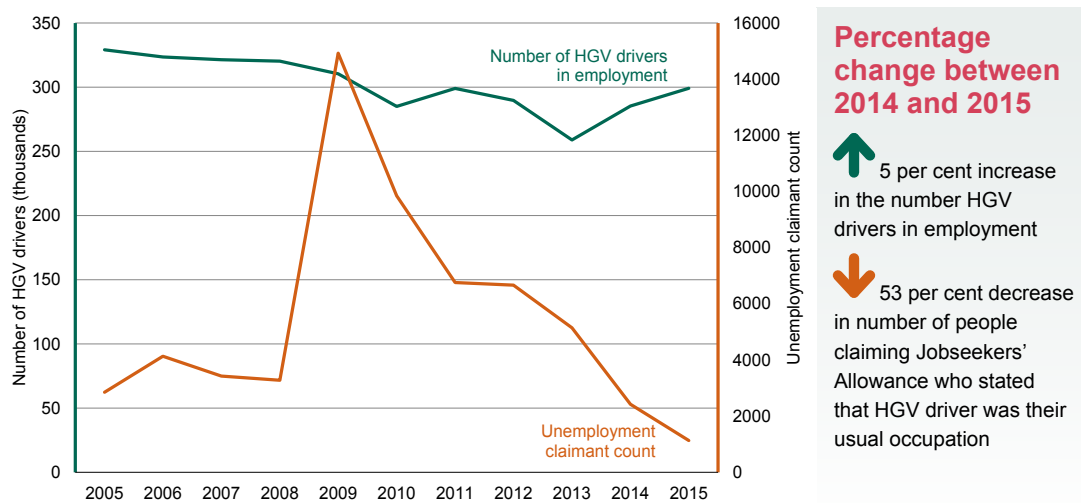
42 UK Commission on employment and skills, [Understanding skills and performance challenges in the logistics sector](#), October 2014 (p.5) (See also The Chartered Institute of Logistics and Transport ([RHS0011](#)))

43 Freight Transport Association ([RHS0014](#))

us with a broadly similar figure.⁴⁴ The FTA’s survey highlighted particular problems in distribution, where 91% of companies surveyed reported problems recruiting. Martijn de Lange, Chief Operations Officer, Hermes Europe, said companies were finding it really hard to get hold of drivers; he said the problem was getting worse⁴⁵ as did a number of other witnesses.⁴⁶ Colin Snape, HR Manager, Nagel Langdons Ltd, told us “we have really had to go out of our way to attract drivers”.⁴⁷

20. In April 2015 fewer than 1,200 people claiming jobseekers’ allowance listed *LGV driver* as their usual occupation. This could lend support to the argument that there is a shortage of drivers; although other interpretations of these data are possible; for example those wanting to leave the sector might choose not to refer to themselves as drivers.

Figure 4: Employment and unemployment of LGV drivers, United Kingdom, 1999–2015



Source: Department for Transport, [Statistical release – Domestic Road Freight Statistics](#), United Kingdom 2014, 26 November 2015

21. We also found evidence to suggest claims of a driver shortage were over-stated. A recent article suggested that as many as 80,000 drivers aged 25–44 had an LGV licence and DQC but did not work as drivers (possibly maintaining their entitlement to drive in case other career choices did not work out).⁴⁸ Data from the DVLA show there are more than enough people either licensed or licensed and qualified to drive LGVs but for a number of reasons they choose not to work as drivers (see figure 5); Adrian Jones, Unite the Union, and Nathalie Axon, Founder and Director, Horsepower training Ltd, both said that this was the case.⁴⁹ A larger number of people hold an LGV licence but not a Driver CPC. With around a week’s worth of training they could obtain the qualifications needed to work as a driver (see figure 5).

22. Clearly some of these will be people exempt from the Driver CPC and some will hold an LGV licence for other reasons (such as those who drive large vehicles recreationally and who have no interest in driving professionally). Even allowing for this there seems to be a

44 Unite the Union ([RHS0009](#))

45 [Q4](#)

46 [Q8](#) [Jack Semple], [Q13](#) [David Wells], [Q54](#) [Adrian Jones], [Q103](#) [Nathalie Axon]

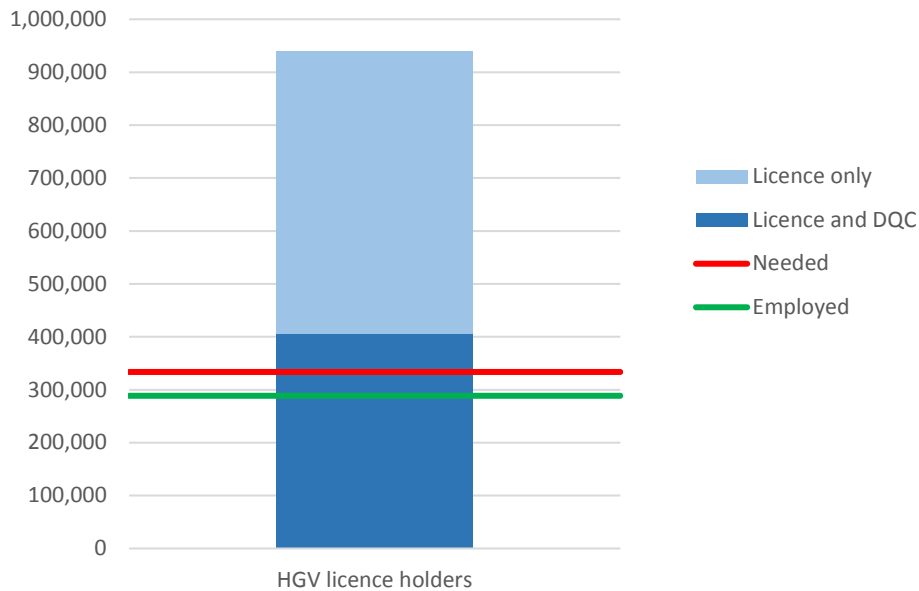
47 [Q5](#)

48 [There is no driver shortage](#), Kirsten Tisdale, Aricia, 12 January 2016

49 [Q55](#), [Q142](#)

large pool of people who could work in the sector. Nathalie Axon said “There are a lot of people out there who have the licence and who are sick of the conditions at the moment”.⁵⁰ Not shown in figure 5 are the drivers who have not renewed their licence and DQC but could do so if motivated to return to the sector. Kat Springle, Operations Director, Easy as HGV, told us that newly qualified drivers would often wait for the right role.⁵¹

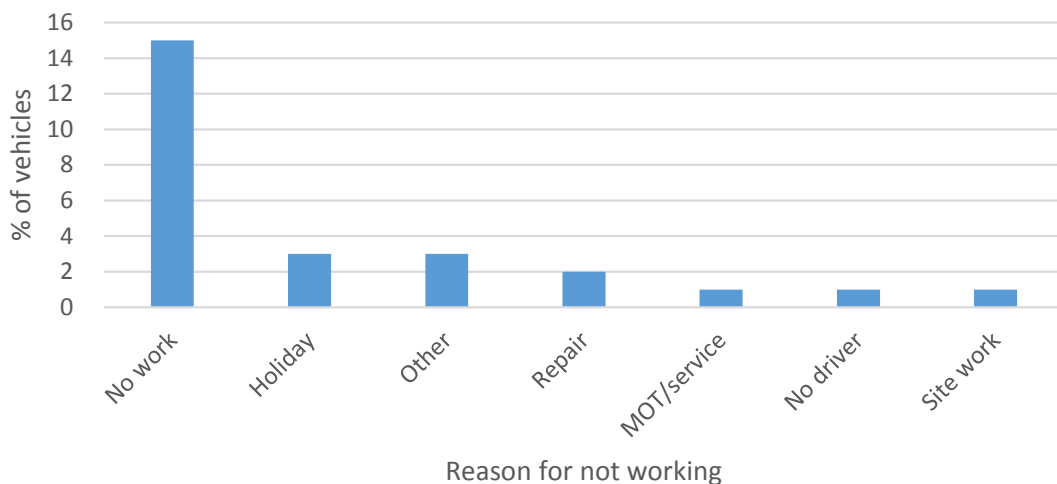
Figure 5: Holders of LGV licences and Driver Qualification Cards



Source: Department for Transport ([RHS0027](#))

23. The Department’s road freight statistics show that more vehicles are off the road through lack of work than lack of a driver. Only 1 in 100 LGVs is off the road because there is no driver while 15 in every 100 are off the road because there is no work (see figure 6).⁵²

Figure 6: LGVs not working during the week, 2014



Source: Department for Transport, Road Freight Statistics, [RFS0125](#)

50 [Q102](#)

51 [Q100](#)

52 Department for Transport, Road Freight Statistics, [RFS0125](#)

24. **We believe that a major reason for the driver shortage is a shortage of people willing to work in the sector rather than a shortage of people with the right qualifications and licences. It seems to us that the apparent shortage will get worse unless action is taken to improve retention and increase recruitment.**

Causes of the driver shortage

25. The nature of the job affects the industry's ability to recruit and retain LGV drivers. The job involves long "periods of availability", some working away from home and international travel, and complicated regulatory requirements (working hours, medical requirements, age limits etc.);⁵³ these can put some people off working in the sector. Operators are reluctant to take on newly qualified drivers as insurance costs can be prohibitively high, especially for those drivers under 25 years of age. Tight operating margins and a mobile workforce make it difficult for operators to invest in driver training.⁵⁴ Smaller operators have less scope to absorb the costs of training, licence acquisition and insurance than larger companies.

26. The Department attributed the driver shortage to:

- many years of under-investment in recruiting and training to replace existing drivers as they retire;
- a relative reduction in availability of suitably qualified drivers from elsewhere in the EU; and
- drivers who moved to other sectors not returning to the industry as demand picks up.⁵⁵

27. Several of the factors affecting recruitment and retention of LGV drivers relate directly to drivers' terms and conditions, including:

- **Pay:** Unite the Union told us that employees in the road haulage sector have not had a cost of living increase for several years, there are no minimum pay standards (company or regional), and rates of pay for new starters were low.⁵⁶
- **Pensions:** Unite the Union argued that pension provision across the sector was not adequate and there were no portable defined contribution schemes. This, along with closures of final salary schemes, were making a career in driving less attractive.⁵⁷ Pensions, especially among the hundreds of small businesses (many of which are family owned), are basic and a number of schemes have closed.⁵⁸
- **Hours:** The work is characterised by long, often unsocial, hours.⁵⁹ Unite the Union said the industry must recognise the cumulative effect on drivers of working demanding schedules and how this affects driver fatigue. They also told us about abuse of "periods of availability", which are basically waiting time, which is not a break or a rest;⁶⁰

53 Freight Transport Association ([RHS0014](#))

54 Freight Transport Association ([RHS0014](#))

55 Department for Transport ([RHS0017](#))

56 Unite the Union ([RHS0009](#))

57 Unite the Union ([RHS0009](#))

58 [Qq95-7](#) [Adrian Jones]

59 [Q22](#) [Jack Semple], [Q55](#) [Adrian Jones], [Q60](#) [Adrian Jones], [Q63](#) [Jolyon Drury]

60 Unite the Union ([RHS0009](#))

drivers can be at their place of work in excess of 60 hours a week because of periods of availability, loading and unloading procedures and the like. Adrian Jones explained the effect that timed deliveries, return loads, speed restrictions and drivers' hours can have on the need for drivers to stay out overnight.⁶¹ Jenny Tipping, HGV Driver and Driver CPC Trainer, Manpower Logistics, and Nathalie Axon told us it was not uncommon for drivers to be kept waiting for hours to unload when making deliveries. This makes it hard for drivers to plan their home life and they may have further work to do after waiting.⁶² This lack of predictability on hours is compounded by the use of zero-hours contracts for agency drivers.

28. Other factors affecting a driver's willingness to work in the sector and operators' ability to recruit and retain them, include:

- **Cost of licence acquisition and driver training:** In 2012 Skills for Logistics identified the absence of “public funding or finance support for driver licence acquisition” as a key factor in the driver shortage.⁶³ CILT made a similar point.⁶⁴ 71% of respondents to the FTA's internal polling said that they found licensing requirements to be too costly and onerous.⁶⁵ Several witnesses told us that young people contemplating becoming a driver would also be looking at other sectors where licensing costs were not a barrier to entry (such as driving a van or driving a bus or coach, where operators did more to fund driver training and licence acquisition).⁶⁶ It costs approximately £3,000 to fully train a new C+E LGV driver and this is without the high costs for insurance if the driver is under 25. Kat Springle, Easy as HGV, told us that costs for an entry level licence could be lower at around £2,000.⁶⁷ The cost creates disincentives for both individual drivers (test failure and monetary loss) and for hauliers (losing their investment due to drivers seeking higher pay at other companies).⁶⁸
- **Facilities:** Roadside facilities for drivers are poor and drivers often had difficulty finding toilet and washing facilities, and decent places to take their statutory rest breaks.⁶⁹ Jenny Tipping, HGV Driver and Driver CPC Trainer, Manpower Logistics, told us that it was common for drivers to be refused access to facilities at delivery sites.⁷⁰ Our work on Operation Stack⁷¹ highlighted for us some of the problems with roadside facilities.
- **Public perception of the job:** Public perception of what it is like to drive an LGV for a living is affected by the way the job is portrayed in the media. LGVs are often implicated in stories about cyclists who are killed or injured, or headline-making incidents like the tragic events in Glasgow in 2014. The stories about drivers being prosecuted for bringing migrants into the UK illegally and the images of lorries on the approach to cross channel services in France being chased by migrants trying to

61 [Q68](#)

62 [Qq138–9](#)

63 Skills for Logistics, [A Looming Driver Shortage? – the evidence behind the concerns](#), April 2012

64 The Chartered Institute of Logistics and Transport ([RHS0011](#))

65 Recruitment & Employment Confederation ([RHS0013](#))

66 [Q14](#) [David Wells, Jack Semple], [Q18](#) [Colin Snape]

67 [Q115](#)

68 Department for Transport ([RHS0017](#))

69 Unite the Union ([RHS0009](#))

70 [Q124](#)

71 House of Commons Transport Select Committee, [Operation Stack](#), First Report of Session 2016–17, HC65, May 2016

stow away and drivers fearful of being attacked are bound to have a unsettling effect on anyone thinking about working as a driver or questioning whether they should stay in the sector.⁷²

- **Promotion of the sector:** CILT highlighted a lack of careers advice.⁷³ The job is often promoted as a blue collar job suitable for unskilled labourers or students with little academic potential. They said the job should not be promoted as a career of last resort but a positive choice. Jenny Tipping stressed that driving was “a starter level job in a very interesting industry”.⁷⁴
- **Health and welfare issues for drivers:** Driver stress is a significant problem. It is exacerbated by changes in the sector that focus on timed deliveries and worsening urban congestion.⁷⁵ The lifestyle can leave drivers prone to a number of medical conditions, stress and fatigue.⁷⁶ Drivers are exposed also to diesel engine exhaust emissions.
- **Regulation:** There is a significant amount of regulation in road haulage that drivers must understand. The rules on licensing, the Driver CPC, hours, registration of operators and dangerous loads are detailed. The interaction of the rules on drivers’ hours with the Working Time Directive and the Agency Workers’ Directive is complicated.⁷⁷ The simplified guidance on EU rules on drivers’ hours and working time stretches to 23 pages.⁷⁸ Other regulation such as bans on daytime delivery or air quality controls force drivers to work unsociable hours; as these are often local in nature there can be significant variations across the country.

We consider the policy response to and make recommendations on these issues later in this report.

29. Unite the Union raised the issue of monitoring of drivers and suggested this was a factor that could put people off working in the sector. They welcomed the use of technology to enforce existing legislation (such as that on drivers’ hours) but expressed concerns about the use of in-vehicle technology to monitor the driver. They said:

The ‘spy in the cab’ is being used by employers to monitor drivers and on some occasions to bully them into doing more and faster. Even on-vehicle camera manufacturers have admitted that there is no valid reason for having cameras in the cab of commercial vehicles and that it could in fact have a detrimental effect on the driver.⁷⁹

30. The age of vehicles may have an impact on driver recruitment and retention. The average age of the LGV fleet is rising. This may be due to the recession encouraging companies to eke out the last bit of use from their vehicles before scrapping them, or it could be that more modern vehicles are able to go a little longer before they become

72 [Q50](#) [Jack Semple, David Wells], [Q122](#) [Jenny Tipping]

73 The Chartered Institute of Logistics and Transport ([RHS0011](#))

74 [Q145](#)

75 [Q23](#) [David Wells]

76 [Q25](#) [Colin Snape]

77 Freight Transport Association ([RHS0014](#)), Food Storage and Distribution Federation ([RHS0020](#))

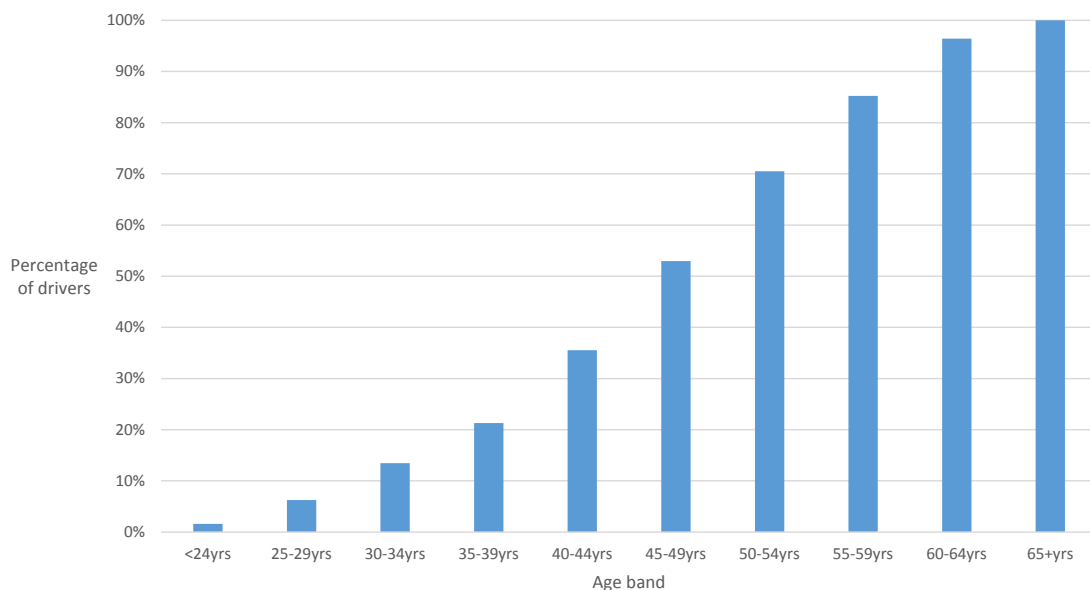
78 Department for Transport, [European Union \(EU\) rules on drivers’ hours and working time: simplified guidance](#), March 2015

79 Unite the Union ([RHS0009](#))

uneconomic. It is clear that there are number of significantly older vehicles on the roads—the proportion which were 10+ years old has risen from 22.7% in 2006 to 29% in 2015. The vehicle inspection regime should make sure this does not present a risk to safety but it does mean more than half of all LGV drivers are putting up with all the other problems they could face in the cab of a lorry that has already seen more than ten years of service.

31. If drivers leave the sector at a rate greater than new drivers can be recruited the shortage will get worse. Independent analysis of the driver shortage, commissioned by the FTA, showed that over the last 15 years there has been a steady increase in average driver age, rising from 45.3 years in 2001 to 48 years at the present time. Over 60% of LGV drivers are aged 45 years and over compared to 35% in the general working age population. Around 10% of the total employed population (of working age) is under 25 but only around 1% of LGV drivers are under 25.⁸⁰ David Wells and Jolyon Drury both said the full effect of the large number of drivers aged 45 and over would not be felt for a number of years to come.⁸¹ Around 20% of drivers could reach the age at which they could consider retirement in the next ten years.⁸² In January 2016, Skills for Logistics told the APPG on Freight Transport that around 75,000 LGV drivers would reach retirement age in the next ten years.⁸³

Figure 7: Cumulative employment by age



Source: Office for National Statistics, [People employed as "large goods vehicle drivers"](#) (SOC 8211), 16 November 2015

32. We conclude that there is no single cause for the driver shortage but a combination of a number of factors make the job less attractive than it was. It is imperative that the industry takes steps to improve the terms and conditions so it can recruit and retain the drivers it needs. The industry, supported by the Government, will need to invest

80 FTA evidence [Driver Crisis RepGraph analysis](#): An independent analysis of the current driver shortage prepared for FTA by RepGraph Ltd, November 2015

81 [Q13](#)

82 FTA evidence [Driver Crisis RepGraph analysis](#): An independent analysis of the current driver shortage prepared for FTA by RepGraph Ltd, November 2015

83 Freight Transport Association ([RHS0014](#))

more in recruitment, training and driver welfare following years of under-investment. We acknowledge that this is challenging for many of the smaller operators, especially given the very tight margins operators face. To improve conditions it will be necessary to address the inadequate facilities provided currently for drivers. It will also be necessary to promote the sector better in schools and colleges. We are also concerned about the terms and conditions under which some agency drivers are required to work.

33. There are a number of developments that could suppress demand for drivers in the future. In 2016 the Government announced further support of the development of driverless vehicles and trials of lorry platooning on the strategic road network. Social Research Associates Limited told us that new technology such as driverless vehicles and the “managed motorway” were likely to deskill and reduce demand for drivers.⁸⁴

34. The Committee heard about the use of longer trailers, currently prohibited in the UK but road-legal in some European countries.⁸⁵ Such trailers could allow for the transport of larger volumes of bulky but not heavy goods, thereby offering a partial solution to the driver shortage. We welcome the Department’s trial of longer semi-trailers for articulated goods vehicles, which began in 2012.⁸⁶ Given that the trial could last up to ten years, it is important that it is flexible enough to encompass new and emerging technologies aimed at increasing the capacity of lorries. This is an issue which the Department needs to revisit.

Costs and impact

35. In answer to a recent Parliamentary Question, Andrew Jones MP, the Roads Minister, noted that the shortage was manifesting itself in pressures on costs, delays to some deliveries, and a dependence on foreign drivers.⁸⁷

36. The Recruitment and Employment Confederation (REC)’s survey of members found 94% of the distribution companies surveyed had been unable to fulfil orders from clients because of the lack of a driver.⁸⁸ We had received other anecdotal evidence of delays to deliveries but there was little direct evidence.⁸⁹ In December 2015 there were several reports to the effect that the shortage of drivers would disrupt delivery of food and goods ahead of Christmas. Similar stories appear each Christmas but we received no evidence of delivery failures at Christmas. David Wells, Chief Executive, Freight Transport Association, acknowledged that Christmas was “delivered”.⁹⁰

37. The CILT found its members had lost business as a result of the driver shortage⁹¹ as did the REC’s survey of members.⁹²

38. Martijn de Lange, Hermes Europe, told us that wages were rising as a result of the shortage.⁹³ The REC’s survey of members found that 59% of operators in distribution had increased pay to attract more drivers and 73% thought that driver pay rates would grow

84 Social Research Associates ([RHS0021](#))

85 [Q9–10](#) [David Wells, Jack Semple]

86 Department for Transport, [Longer semi-trailer trial](#) [accessed on 20 July 2016]

87 [PQ 12013](#) on Large Goods Vehicle Drivers, 22 October 2015

88 Recruitment and Employment Confederation ([RHS0013](#))

89 [Q54](#) [Adrian Jones], [Q86](#) [Jolyon Drury]

90 [Q13](#)

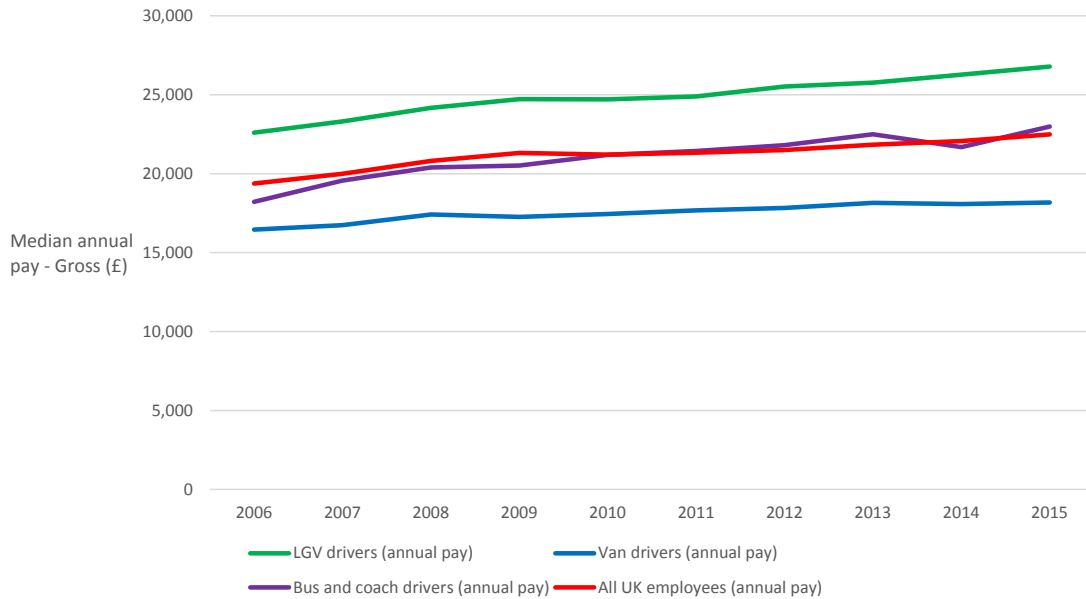
91 The Chartered Institute of Logistics and Transport ([RHS0011](#))

92 Recruitment and Employment Confederation ([RHS0013](#))

93 [Q25](#)

significantly given the shortages.⁹⁴ However, there was no evidence of a systematic failure in the labour market for drivers⁹⁵ and the wage inflation reported by FTA members⁹⁶ is not borne out in the data on wages in the sector. The Department said the industry was highly competitive and the driver shortage had not caused wage inflation. Official figures indicate average gross weekly wages for heavy goods vehicle drivers in 2015 had increased by about 4% over 2014.⁹⁷

Figure 8: Median gross pay for drivers of LGVs, vans, buses and coaches



Source: Department for Transport ([RHS0027](#)) Further evidence

39. The appearance of a functioning job market and absence of wage inflation might, in part, be explained by the dependence of the road haulage sector on agency drivers and foreign drivers to fill vacancies.⁹⁸ The Government told us that the substantial number of non-UK EU nationals is likely to be suppressing wage growth while continuing to support the functioning of the logistics industry.⁹⁹ It said:

[...] the use of agency drivers provides the logistics industry with the flexibility it needs to respond to short-term peaks in demand for goods. It is a legitimate and reasonable part of the labour market and the Government has no plans to ban or restrict this mechanism.¹⁰⁰

40. Nathalie Axon and others were less complimentary about the part played by agencies, saying agency work offered a lack of security and certainty and suggesting some job adverts were placed just to get lots of names on an agency's books.¹⁰¹ The RMT told us about their concerns over how the EU's Agency Workers Directive had been transposed

94 Recruitment and Employment Confederation ([RHS0013](#))

95 Department for Transport ([RHS0027](#))

96 Q25 [Martijn de Lange]

97 Department for Transport ([RHS0027](#))

98 Q8 [Jack Semple], Q59 [Adrian Jones], Q80 [Jolyon Drury]

99 Department for Transport ([RHS0027](#))

100 Department for Transport ([RHS0027](#))

101 Q65, Q142

into UK law and the effect this had on agency drivers. Under the EU rules, temporary workers are entitled to the same pay and conditions as permanent staff after 12 weeks of continuous employment. Under the “Swedish derogation”, employment agencies are exempt from having to pay a worker the same rate of pay as long as the agency directly employs the individual and guarantees to pay them for at least four weeks during the times they cannot find them work. Agency workers can then be contracted out to other employers.¹⁰² Without the on-costs agency drivers are cheaper to employ, despite having a slightly higher hourly wage. Unite the Union said that this was undercutting terms and conditions in the industry and eroding sustainable careers for workers in the industry.¹⁰³

41. The driver shortage has resulted in a dependence on agency and particularly foreign drivers that goes beyond what is needed to cope with seasonal variations and is now necessary to sustain normal operation. The dependence on agency staff means that operators in the sector are probably not investing enough in their staff. We think this creates two risks that need to be managed. First, if the UK becomes relatively less attractive as a place for foreign drivers to work, as it may do as the consequences of Brexit play out, the shortage could become much more acute, possibly quite rapidly. Second, the longer-term sustainability of the UK’s road haulage sector could be undermined if there is not a steady stream of people through the sector gaining the skills and experience that they need to become transport managers and operators.

102 [Q65](#) [Adrian Jones]

103 Unite the Union ([RHS0009](#))

3 The industry response

Action taken the road freight sector

42. The **use of agency and foreign drivers** is the most obvious response to the driver shortage by road haulage operators. This is unsurprising, as it is a natural extension of the way such companies have coped with seasonal variations in demand for their services. Jack Semple, Director of Policy, Road Haulage Association, said that the RHA estimated 60,000 lorry drivers in the UK had come from abroad.¹⁰⁴ Foreign drivers have typically been recruited from Eastern European countries and, more recently, Portugal.¹⁰⁵ Cabotage¹⁰⁶ is a very small part of domestic road haulage but it was suggested to us that foreign drivers and hauliers were already filling gaps at the low-cost end of the industry.¹⁰⁷

43. In an effort to recruit, a number of larger road haulage operators run **apprenticeship schemes or driver training academies**. There is also a Government-backed apprenticeship scheme, which will be replaced in 2017 by the new trailblazer apprenticeships (see paragraph 79). It tends to be the larger companies that can afford to offer such schemes and SMEs can only take driver training so far as resources are limited by very tight margins.¹⁰⁸

44. The road haulage sector **runs campaigns to raise awareness** of the opportunities for drivers. In 2015 the RHA launched Driving Britain's Future, a 12 month project in partnership with Jobcentre Plus (JCP), which aimed to bring new recruits into the industry by giving JCP customers experience of working in the industry and helps to promote the industry.¹⁰⁹ In response to Parliamentary Questions from Mary Robinson MP and Christopher Chope MP, Nick Boles said that the scheme aimed to identify 2,400 work experience placements for JCP customers with logistics employers.¹¹⁰ Other schemes and initiatives include:

- **warehouse to wheels** schemes are common across the logistics sector and are intended to encourage existing warehousing staff to pursue a career as an LGV driver (Adrian Jones told us that they were also encouraging operators to consider Admin to Artics schemes as well);¹¹¹
- **RHA's lorry week**, which aims to raise awareness of the sector and in 2016 will involve presentations in schools on logistics; and
- **She's RHA**, which aims to address the acute shortage of women in road transport.

45. The driver shortage puts pressure on operators to be good employers. The FTA, RHA and operators we heard from told us that **operators often had to pay a premium or offer better benefits to attract drivers**.¹¹² The tight margins within logistics might make it harder for SMEs to absorb these kinds of cost pressures and we suspect that only a few

104 [Q8](#)

105 [Q5](#) [Colin Snape], [Q8](#) [Jack Semple], [Q44](#) [Jack Semple], [Q59](#) [Adrian Jones], [Q80](#) [Jolyon Drury]

106 Cabotage is the haulage of goods for hire or reward within one country by a vehicle registered in another country.

107 [Q80](#) [Jolyon Drury]

108 [Q8](#) [Jack Semple], [Q80](#) [Jolyon Drury]

109 Road Haulage Association ([RHS0016](#))

110 PQ [17480](#) on Large Goods Vehicles Drivers: Apprentices, and PQ [17548](#) on Apprentices: Large Goods Vehicle Drivers, 02 December 2015

111 [Q92](#)

112 [Q5](#)

operators can afford to pay a premium. Colin Snape, Nagel Langdons Ltd, explained that drivers were drawn away from smaller operators as large companies improved terms and conditions in response to the shortage.¹¹³

Priorities for the road freight sector

46. Adrian Jones, Unite the Union, suggested there were three things the road haulage sector needed to do: “Number one would be work-life balance and long hours. Number two would be facilities—for drivers to be able to access proper and secure facilities. The third would be career progression.”¹¹⁴ In order to recruit new drivers and help licensed and qualified drivers to return to the sector operators will need to take steps to:

- improve conditions, including pay and terms and conditions;
- address diversity and imbalance in the workforce; and
- tackle barriers to entry for new drivers.

Terms and conditions

47. Terms and conditions affect both recruitment and retention. We heard from operators that they had to offer good terms and conditions in order to attract drivers. Colin Snape said that his company “really had to go out of our way to attract drivers”.¹¹⁵ Adrian Jones, Unite the Union, thought that larger operators tended to offer better terms and conditions in order to retain the commitment of their drivers. He also noted that agencies competed by offering a higher hourly wage but agency staff often do not get the other benefits associated with being an employee (such as sick leave and holiday pay).¹¹⁶ Pension provision is not what it could be.¹¹⁷ Long hours, poor rest conditions and close monitoring (by tachographs and telematics) can put off younger drivers.¹¹⁸ Lord Ahmad of Wimbledon, Parliamentary Under-Secretary of State, Department for Transport acknowledged that terms and conditions was where there was “real need for improvement”.¹¹⁹

48. The hourly rate of pay for LGV drivers, excluding overtime, is £10.54, slightly lower than the rate for bus and coach drivers (£10.68). Given the required higher skill levels and training costs the rate of pay for LGV drivers does not compare well with that of van drivers (£9.02), who need no training beyond the standard car licence.¹²⁰ The DfT said the small pay differential between LGV drivers and van drivers could be seen to be acting as a disincentive to undertake the training required to qualify for the more highly skilled profession.¹²¹

Diversity

49. The lack of diversity in the road haulage sector is very pronounced; 92% of the 400,000 or so people holding both an LGV licence and a Driver CPC are men (see figure 9). Jenny

113 [Q5](#)

114 [Q81](#)

115 [Q5](#), [Q30](#)

116 [Q74](#)

117 [Qq95-7](#) [Adrian Jones]

118 [Q64](#) [Jolyon Drury]

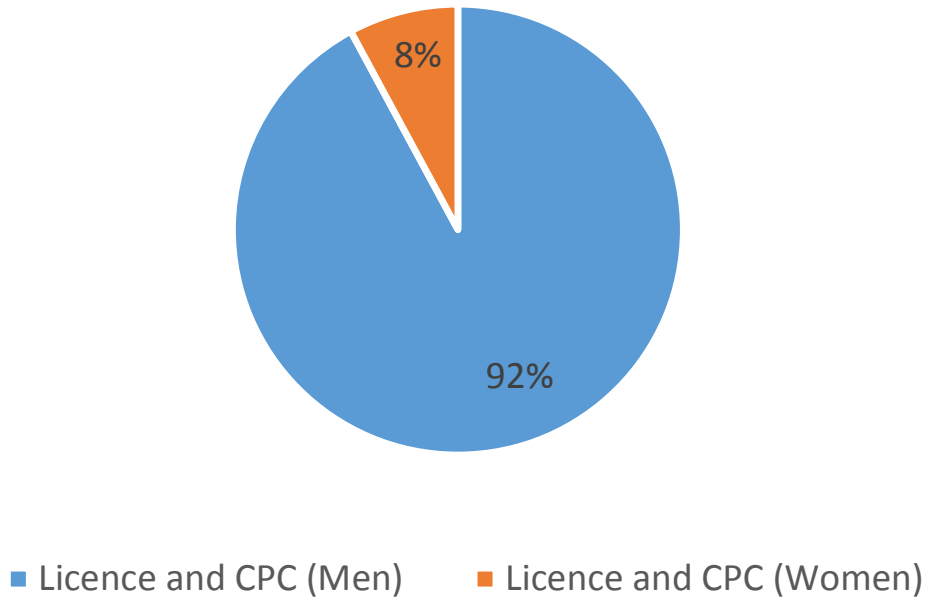
119 [Q158](#)

120 Department for Transport ([RHS0017](#))

121 Department for Transport ([RHS0017](#))

Tipping, Nathalie Axon and Kat Springle all thought very gradual progress was being made;¹²² this appears to be confirmed by official statistics, which show gender balance is improving (15% of drivers aged 21–25 are women compared to 4% of 51–55 year olds) but it has a long way to go (see figure 10).

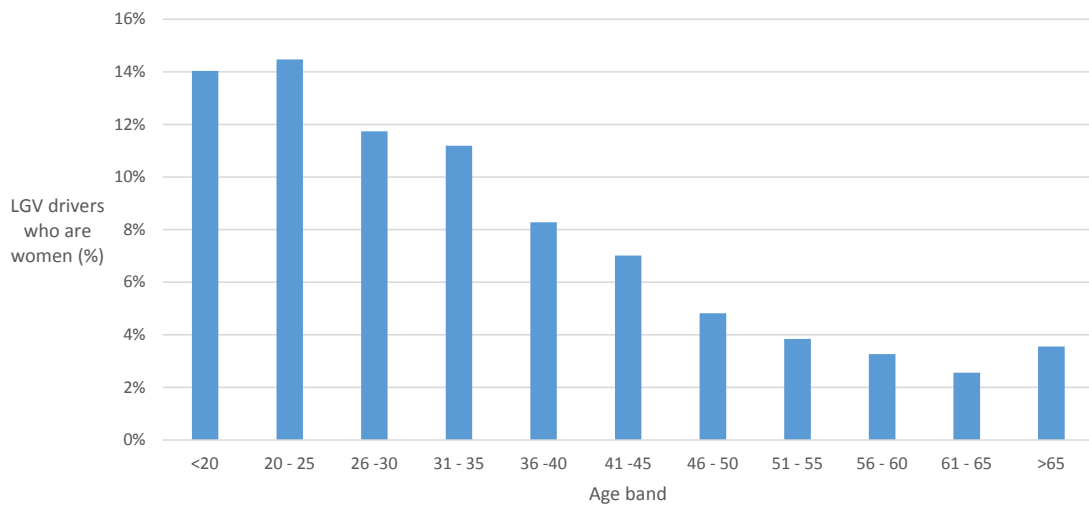
Figure 9: Proportion of men and women licensed and qualified to drive an LGV



Source: Department for Transport ([RHS0027](#))

50. Nathalie Axon suggested that the absence of role models contributed to the lack of diversity.¹²³ Kat Springle said it was important to educate women about the role in order to challenge the perception that large trucks could only be driven by men.¹²⁴

Figure 10: % of women, by age group



Source: Department for Transport ([RHS0027](#))

122 [Q148](#)
 123 [Q105](#)
 124 [Q105](#)

51. There are few reliable statistics on ethnicity or alternative working patterns but it was reported in 2010 that only 3% of the road haulage workforce in England was from a Black, Asian and Minority Ethnic (BAME) background. The same report stated that only 9% of Road Haulage employees work part-time.¹²⁵

52. Logistics is already struggling to attract recruits among its traditional workforce—white males—and the sector will have to recruit from other groups.¹²⁶ Jenny Tipping said:

Historically, we have associated the trucker not just with a job but with an identity. If you do not fit that kind of identity, you are not going to see yourself in that job. Effectively, it is just a job like any other. It is a collection of skills and tasks and those tasks can be learned by anybody equally.¹²⁷

53. It is important that the sector broadens the pool of people from which it recruits to ensure BAME groups and women are better represented in its workforce of drivers. Efforts to attract women or BAME drivers to the industry will not solve the driver shortage if the issues currently affecting retention are not addressed. It should not be the case that these groups are targeted to replace drivers who have been driven away from the industry because of poor terms and conditions; attracting less represented groups should be done alongside improvements in the sector, not as an alternative. Current data provide sufficient information on gender balance but not on other measures of diversity. The Government and industry should consider how more reliable data can be collected on the number of drivers from BAME backgrounds and the numbers of part-time workers. They should then use the data to assess the effectiveness of the steps taken to address diversity and to plan the actions needed to improve gender balance, the representation of BAME groups, and the diversity in patterns of work.

Barriers to entry

54. The evidence we received indicated that operators were often reluctant to take on newly qualified drivers.¹²⁸ Essex County Council said evidence from local JCP offices suggested that employers who advertise vacancies with them, and other employment agencies, seek work-ready employees with an LGV licence and several years of experience in the sector. This creates a barrier to new entrants of all ages to the sector.¹²⁹ Barriers to entry make young drivers less attractive to operators or can make driving less attractive to young people. These include:

- the cost of licence acquisition, driver training and insurance;
- a lack of apprenticeships;
- the time commitment required to train; and
- the image of the sector, including a lack of careers and advice and little promotion of the job in schools and colleges.¹³⁰

125 Skills for Logistics, [AACs LMI report](#), 2010

126 Equality is blind, Roadway magazine, April 2015

127 [Q105](#)

128 [Q101](#) [Kat Springle]

129 Essex County Council ([RHS0018](#))

130 [Q35](#) [Jack Semple], [Q194](#) [Lord Ahmad], Unite the Union ([RHS0009](#))

55. The CILT told us that younger people are not being attracted into the industry because of irregular working hours, long absences from home and stress derived from time-pressures (largely due to electronic tachograph drivers' hours controls).¹³¹ Jolyon Drury said that driver pay and other terms and conditions affected the level of interest shown in road haulage by younger people,¹³² while Adrian Jones pointed out that young people became drivers because they wanted to drive rather than because the career was attractive.¹³³

Driver training and licence acquisition

56. LGV drivers undertake a significant amount of training and must refresh their knowledge and skills periodically. The RHA argued for support from Government to help get people into the sector. Jack Semple said that any investment by the Government would be recouped through the contribution road haulage makes to the economy overall.¹³⁴ Kat Springle, Operations Director, Easy as HGV, noted most of the training costs were upfront costs and most of her customers were self-funding. She also said that employers were often reluctant to invest in driver training; she saw a case for employers funding more of the training themselves.¹³⁵

57. The cost of licence acquisition can be a significant barrier.¹³⁶ In the analysis by RepGraph for the FTA the financial cost of acquiring a licence was ranked as the greatest barrier to driver recruitment, followed by lack of apprenticeship schemes and poor industry image.¹³⁷ Lord Ahmad said the Government's position was that funding was not available for statutory licence acquisition but that officials at DfT and the Skills Funding Agency were working to identify elements of the driving test standard that could be covered by Trailblazer Apprenticeship standard.¹³⁸

58. It is up to the industry to find ways of funding licence acquisition. We do not think the sector will be able to broaden its appeal beyond its core demographic unless it changes its approach. It is not uncommon for bus and coach companies to fund acquisition of a PSV licence. We accept that bus and coach companies tend run on much better margins and can receive public subsidy for non-profitable work so this kind of investment may be more affordable for them. The Government's support, in the form of apprenticeships and loans, is welcome and we expect to see it being more active in providing this kind of support.

Insurance costs

59. Kat Springle, Easy as HGV, said that instead of focusing on encouraging experienced drivers back into the cab, operators should be looking to harness the enthusiasm of those who are newly qualified but whom operators are reluctant to employ because of the

131 The Chartered Institute of Logistics and Transport ([RHS0011](#))

132 [Q57](#)

133 [Q81](#)

134 [Q52](#)

135 [Qq114-7](#)

136 [Q14](#) [David Wells]

137 [Solving the driver crisis](#), An independent analysis of the current driver shortage prepared for FTA by RepGraph Ltd, November 2015

138 Department for Transport ([RHS0026](#))

high cost of insurance.¹³⁹ Employers of drivers under 25 years of age can face very high insurance premiums. Lord Ahmad accepted there were too few young drivers entering the sector.¹⁴⁰ He said the level of insurance premiums was a commercial decision for insurers. He acknowledged that younger drivers tend to make more claims and these can cost significantly more than for older drivers.¹⁴¹ While newly licenced and qualified drivers will have gone through rigorous training and testing there are relatively few of them and this may have an impact on the calculation of risk when assessing insurance premiums.

60. Kat Springle said that if training companies and insurance companies worked with hauliers on the delivery of training, insurance companies could offer lower premiums for young or newly qualified drivers.¹⁴² Jenny Tipping said that large companies dealt with the high insurance premiums for young and newly qualified drivers by assessing all their drivers regardless of experience and only accepting those passing the assessment.¹⁴³ She noted that even people with 30 years' experience were turned away. Lord Ahmad suggested that fleet insurance might be a way forward for some operators.¹⁴⁴ Mainstream insurers are moving to providing "open driving" fleet policies without age restrictions and increased premiums. Younger drivers may be subject to higher excesses but at least the insurance premiums would not make operators think twice before employing a younger driver.

61. Jolyon Drury said large companies with comprehensive training programmes could train young drivers and, by using telematics, could monitor the driver's performance. He said that with this kind of close monitoring he saw no reason why an 18-year-old should not progress through the industry driving the largest type of vehicle. He noted that the cost of this might not be affordable for many of the smaller operators.¹⁴⁵

Public image and promotion of the sector

62. Jenny Tipping told us that the perception of the industry was limiting the pool of people who are prepared to consider driving as a career.¹⁴⁶ The CILT called for a concerted effort by industry and government to improve the public perception of the sector, with better promotion in schools and colleges and through schemes such as trailblazers.¹⁴⁷

63. Media reports on the security of drivers crossing the channel and the efforts by migrants to stow away on lorries could deter some people from considering a job in road haulage. Coverage of Operation Stack and fly parking in Kent and elsewhere will have helped to highlight the problems with the inadequacy of facilities for drivers.

64. Accidents involving cyclists and LGVs are also often featured prominently in any media coverage. Media reporting on incidents, like that in Glasgow in December 2014

139 [Qq140-1](#)

140 [Q151](#)

141 Department for Transport ([RHS0027](#))

142 [Q114](#)

143 [Q119](#)

144 [Q156](#)

145 [Q85](#)

146 [Q101](#)

147 The Chartered Institute of Logistics and Transport ([RHS0011](#))

when a lorry collided with pedestrians, killing six people and injuring 15 others, also affect the public's perception of road haulage. We commented on the interaction of LGVs and road users in our report on road traffic law enforcement.¹⁴⁸

65. It is important that the industry gets beyond the point where it appeals mainly to those with a passion for driving. We believe that there are steps the industry can take to encourage young people, regardless of their background and gender, to work as drivers. The road haulage sector is competing with other sectors for young people leaving schools and colleges. Many of the options young people will consider require some additional training, but it is unusual for a sector to require new entrants to fund the acquisition of licences and pay for the additional training. Faced with a choice it is not surprising that young people will look at jobs driving vans or buses where they do not need additional qualifications or will be funded to acquire them. **The industry needs to work with insurers to find ways of reducing the cost of insuring young drivers. Drivers go through extensive training, their work driving is closely regulated and in many cases their driving is monitored using telematics. We believe that it should not be impossible to find a way to reduce the cost of insurance to encourage more operators to consider employing younger drivers. It is primarily the responsibility of the industry to find ways of addressing the cost of insurance but the Government has a role to play in facilitating this work.**

¹⁴⁸ House of Commons Transport Select Committee, [Road Traffic Law Enforcement](#), Second Report of Session 2015–16, HC518, March 2016

4 The Government response

66. We consider the long list of actions the Government has provided in answer to various Parliamentary Questions¹⁴⁹ and in its evidence to our inquiry¹⁵⁰ in turn below.

Funding for recruitment

67. The Government is being pressed to take action by operators and trade associations, notably to provide £150m of funding to support recruitment.¹⁵¹ In submissions to the Chancellor of the Exchequer prior to the 2014 Autumn Statement and 2015 Budget, the RHA called for a two year Government grant scheme open to employers of UK resident drivers to fund LGV driving licence acquisition. This call was supported by the FTA and CILT.¹⁵² Martijn de Lange made the case for intervention by the Government saying that there were things, such as improving careers advice or dealing with the costs imposed by regulation, on which the sector needed the Government's help.¹⁵³ David Wells, Chief Executive, FTA, agreed that there were barriers to recruitment that the Government could help to address like speeding up the process for medical renewals, the accreditation of driving schools and the recruitment of driving test examiners.¹⁵⁴ Jack Semple, RHA, said the industry needed help meeting the cost of training the number of drivers the economy needed or would need if the sector was to reduce its dependence on foreign drivers.¹⁵⁵

68. The Government told us that it is not appropriate for taxpayers to subsidise the recruitment and training of goods vehicle drivers without evidence that the labour market was not functioning correctly.¹⁵⁶ It pointed out that any Government grants would be subject to State Aid rules and if licence acquisition was funded in this way payments would have to be non-discriminatory and could not be restricted to UK citizens. It remains to be seen how this will be affected by negotiations on Brexit.

Licensing and testing

69. The FTA said that over the last five years the numbers of people taking the test to acquire an LGV licence had declined by 24% (there has also been a decline of 17% in acquisition of normal car/van related Category B licences over the same period).¹⁵⁷ But Driver and Vehicle Standards Agency data show a steady increase in demand for LGV driving test appointments;¹⁵⁸ in the second quarter of 2015–16 it was 16% higher than the same quarter in 2008.¹⁵⁹ Up until 31 December 2015, DVSA had delivered 76,871 vocational driving tests (LGV and PSV).

149 PQ [21357](#) on Large Goods Vehicle Drivers, 15 January 2016; PQ [19665](#) on Large Goods Vehicle Drivers, 18 December 2015; and PQ [17549](#) on Large Goods Vehicle Drivers, 30 November 2015

150 Department for Transport ([RHS0017](#)), ([RHS0026](#)) and ([RHS0027](#))

151 [Q16](#) [Jack Semple]

152 Department for Transport ([RHS0017](#))

153 [Q40](#)

154 [Q42](#)

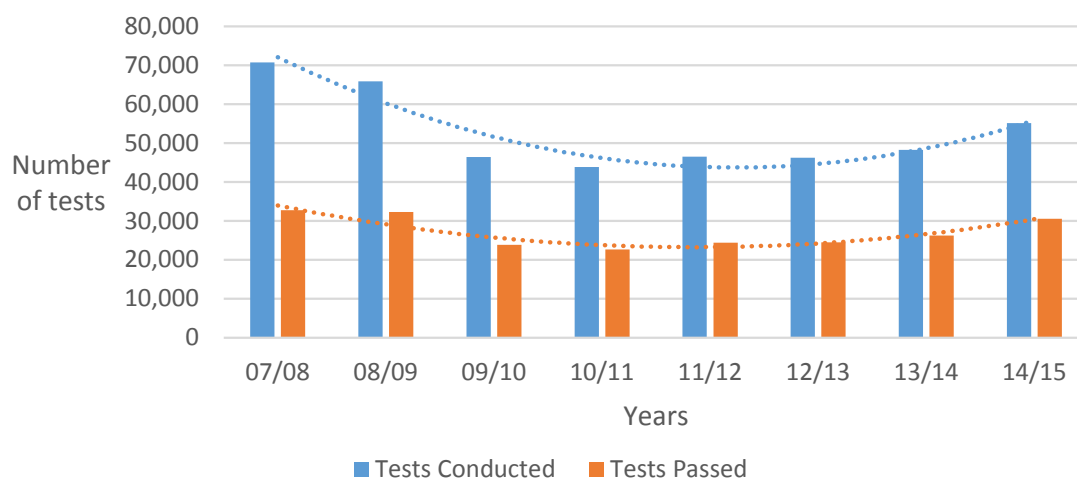
155 [Q44](#)

156 Department for Transport ([RHS0027](#))

157 Freight Transport Association ([RHS0014](#))

158 Department for Transport, [Driver and rider testing and instructor statistics: Quarter 2 2015/16](#), December 2015

159 Department for Transport, [Driver and rider testing and instructor statistics: Quarter 2 2015/16](#), December 2015

Figure 11: LGV driving tests conducted

Source: Department for Transport ([RHS0027](#))

70. 70,200 tests were conducted in 2015–16, the highest total since 2008–09. However, Lord Ahmad told us total demand for tests was expected to reach 112,000 by 31 March 2016 against a previous forecast of 102,000. The forecast of demand for LGV tests in 2016–17 is 135,000.¹⁶⁰ If the Department’s forecasts are accurate this would mean the sector could expect somewhere in the region of 70,000 newly licensed drivers. The Government did not explain to us why it expected demand for tests to rise by nearly 35,000 in the three months from December 2015 to March 2016. It seems more likely to us that the trends shown in figure 11 will continue and the Government is over-estimating the growth in demand.

71. Nathalie Axon pointed out the cost and long waiting time associated with retests;¹⁶¹ she explained that the single biggest thing that made a difference to pass rates was time spent behind the wheel.¹⁶² David Wells also raised the issue of waiting times for driving tests and indicated there were problems recruiting examiners.¹⁶³ In July 2016, Andrew Jones, the Roads Minister, said that the steps taken by the DVSA to reduce driving test waiting times in the last 12 months include:

- recruiting additional driving examiners (he noted that 193 new examiners started work at various test centres across the country last year and this year the DVSA has recruited another 48 examiners and made employment offers to another 110 people); and
- launching an initiative to offer additional hours to examiners over the summer months, including weekends and bank holidays (he noted that a quarter of driving examiners had signed up to take part in this initiative).

He acknowledged that there was more to do to drive down waiting times and said “we are investigating all avenues to do so”.¹⁶⁴

¹⁶⁰ Department for Transport ([RHS0027](#))

¹⁶¹ [Qq128–130](#)

¹⁶² [Q127](#)

¹⁶³ [Q42](#)

¹⁶⁴ [PQ 41560](#) on Driving Tests, 5 July 2016

72. The Government is examining a voluntary scheme for trainers to publish LGV test pass rates to increase the information available to employers and people looking for training.¹⁶⁵ The Government is also taking steps to:

- reduce licence renewal times where there are not medical issues (now being dealt with within five working days);
- change the operation of parts of the medical renewals process which rely on the timeliness of third parties, including medical professionals and drivers; and
- make improvements to driver testing and retesting, recertification, etc.¹⁶⁶

Driver CPC

73. DVSA has recently amended procedures to allow drivers with acquired rights (those who have held the entitlement prior to 1997) to choose to take two of the four modules in the Driver CPC instead of acquiring their first DQC on completion of their initial periodic training. This means an even higher proportion of drivers will now undergo training on safe load restraint before they can drive for a living. Potentially this also gives drivers the flexibility to acquire a DQC more quickly and at less cost, provided they can attain the necessary standards.¹⁶⁷

74. Unite the Union told us that many drivers did not see value in the Driver CPC, in part because the trainers lacked credibility (it argued most trainers have limited experience on the road themselves and therefore struggle to receive respect from those they are training). Unite called for the Driver CPC to be run along the lines of the ADR with core content modules that must be passed. They also identified some aspects as missing from the training; for example load restraint.¹⁶⁸ Unite also reported some problems with drivers not being paid while undertaking Driver CPC training or firms using drivers' rest periods for CPC training. In the last Parliament our predecessors examined these issues and were told that drivers could complete 35 hours of Driver CPC training by repeating the same module five times and the courses sometimes required little more than attendance.¹⁶⁹ The Committee called on the Government to lobby the European Commission on the introduction of a compulsory training module focused on vulnerable road users.

75. The Joint Approvals Unit for Periodic Training (JAUPT) ensures that the training offered is in line with the Driver CPC regulations. Training must be delivered "at or above Level 2".¹⁷⁰ If a course falls significantly below Level 2, the hours will not count towards the 35 hours required for Driver CPC periodic training and the training provider will not gain subsequent approval for the course without demonstrating that appropriate changes

165 Department for Transport ([RHS0026](#))

166 PQ [21357](#) on Large Goods Vehicle Drivers, 15 January 2016; PQ [19665](#) on Large Goods Vehicle Drivers, 18 December 2015; and PQ [17549](#) on Large Goods Vehicle Drivers, 30 November 2015

167 Department for Transport ([RHS0026](#))

168 Unite the Union ([RHS0009](#))

169 House of Commons Transport Select Committee, [Government motoring agencies – the user perspective](#), Sixth Report of Session 2014–15, HC 287, October 2014

170 National Careers Service, [Compare different qualifications](#) [Last accessed 10 July 2016]

have been made.¹⁷¹ JAAPT has taken action against approved trainers by revoking or suspending approval and against operators and drivers by removing periodic training hours.¹⁷²

Apprenticeships

76. The availability and funding for apprenticeships is one of the most important measures to help recruit new drivers.¹⁷³ The Government said that it was supporting drivers through:

- current apprenticeships within the road haulage, freight and logistics industries;
- support for apprenticeship training within the Trailblazers model for LGV drivers; and
- the development of higher apprenticeship standards within the Trailblazers model.

77. Under the current arrangements for apprenticeships, businesses with fewer than 1,000 employees can apply for funding. They commit to employ an apprentice for a minimum of 12 months and pay them in line with legal minimum requirements. They receive a grant of £1,500 per apprentice, and can take up to ten grants in total. 4,920 people started apprenticeship programmes learning to drive goods vehicles in 2014–15, an increase of 23% on 2013–14 but 35% lower than 2011–12.¹⁷⁴ There is additional funding for:

- 16–18 year old apprentices (training through an approved training provider is fully funded and companies receive a young person incentive payment);
- 19–24 year old apprentices (50% funded through an approved training provider);
- businesses employing fewer than 50 employees (small business incentive payment); and
- apprentices aged 25 and over (funding looked at on a case by case basis).

All current apprenticeship frameworks are due to end in 2017.

78. Trailblazer Apprenticeships are the Government's new apprenticeships under which for every £1 an employer spends, Government will pay £2 (with added incentives for 16–18 year olds and small businesses). The new apprenticeship standards require a minimum of 12 months "rigorous and substantial" training.¹⁷⁵ The Department for Business, Innovation and Skills (BIS) is responsible for the Trailblazer apprenticeships programme.

79. In 2014 Colin Snape, Nagel Langdons Ltd, put together a logistics trailblazer group of employers, training providers and industry associations to ensure the sector would have apprentices from 2017. The group submitted standards for:

- Supply Chain Specialist;

171 JAAPT, [Meeting the level 2 requirement](#), November 2015

172 Department for Transport ([RHS0026](#))

173 [Solving the driver crisis](#), An independent analysis of the current driver shortage prepared for FTA by RepGraph Ltd, November 2015

174 [Solving the driver crisis](#), An independent analysis of the current driver shortage prepared for FTA by RepGraph Ltd, November 2015

175 Department for Business, Innovation and Skills, [The Future of Apprenticeships in England](#), December 2015

- Large Goods Vehicle Driver Operative; and
- Warehouse Operatives.¹⁷⁶

Initially the LGV Driver standard was not approved by BIS but they worked with the Trailblazer group on the standard and it was accepted in December 2015.

80. The arrangements for apprenticeships in Scotland are different. In Scotland, the Freight Logistics Modern Apprenticeship, which covers different roles within the sector, including LGV drivers, is available through Skills Development Scotland.

81. The Department told us the Logistics Trailblazer Apprenticeship standard covers a range of knowledge and skills, including training to support the acquisition of a Category C (full HGV) licence.¹⁷⁷ Funding for obtaining an LGV licence is not currently in scope of Trailblazers but this is under review by BIS.¹⁷⁸ BIS will consider what the new funding model should be with the introduction of the new apprenticeship levy.¹⁷⁹ In response to a Parliamentary Question from Robert Ffello MP about the decision not to fund licence acquisition, Nick Boles said:

There is a longstanding principle, dating back to 2005, which was communicated to the sector in the 2007/08 funding year, that, in general, we do not provide funding for provision that is either an employer or a statutory requirement. Instead, we believe that these costs should be met by employers or individuals themselves.¹⁸⁰

82. Before it closed Skills for Logistics, the then sector skills council offered an apprenticeship, called DGV (driving goods vehicles), but it did not have licence acquisition in the framework and take up of its apprenticeship was poor outside the Armed Forces. Colin Snape said that the new trailblazer apprenticeship would suffer a similar fate unless licence acquisition was funded.¹⁸¹

Loan Schemes

83. BIS operates a professional career and development loan (PCDL) scheme for those seeking to fund additional training. The Government told us loans can be used to cover the cost of LGV training (£2–3000) but not the cost of taking driving tests (£230). Unlike student loans, the portion of a PCDL used solely to fund training is not considered as income for the calculation of benefit entitlement.¹⁸² The PCDL loans are currently provided by two major banks, and therefore securing funding for the loans is dependent on an assessment of the commercial risk. The Department told us that it was working with the road haulage sector to see how the risks that might prevent a bank from making a loan to an applicant can be mitigated to maximise the number of potential drivers who are successful in securing funding.¹⁸³ The scheme attracts fewer than 100 applications from LGV drivers.

¹⁷⁶ Skills Funding Agency, [Apprenticeship Standards](#), June 2016

¹⁷⁷ Department for Transport ([RHS0027](#))

¹⁷⁸ Department for Transport ([RHS0017](#))

¹⁷⁹ PQ [12030](#) on Large Goods Vehicles: Licensing, 22 October 2015

¹⁸⁰ PQ [12925](#) on Large Goods Vehicles: Licensing, 27 October 2015

¹⁸¹ [Q18](#), [Q45](#)

¹⁸² Department for Transport ([RHS0027](#))

¹⁸³ Department for Transport ([RHS0027](#))

84. BIS also offers advanced learner loans. These support qualifications in an apprenticeship that are level 3 or above (equivalent to 2 A level passes). David Wells told us that a key advantage of the Advance Learner Loans was that they followed the employee if he or she changes job.¹⁸⁴ The FTA said Government needs to make it easier for individuals to access vocational training loans for licence acquisition (which is an apprenticeship level 2 qualification). It called for advanced learner loans to be extended to cover level 2 (equivalent to five GCSE passes at grade C and above) qualifications.¹⁸⁵ This would widen the scope and costs of the advanced learner loan scheme significantly.

85. The Government is examining whether selection processes for people to train and standard training criteria could increase pass rates and reduce drop-out rates. This could enable the risks of the BIS-operated loan schemes to be reduced and cheaper rates offered.¹⁸⁶

Jobcentre Plus

86. Greater Manchester JCP Districts have secured £200,000 of DWP funding to run a “LGV Driver Academy”, a 12 week programme supporting people in receipt of unemployment benefits to obtain a LGV Category C driving licence, Driver’s CPC and provide relevant work experience, job search support (including a job matching service) and a guaranteed job interview to help them secure a Category C Driver job. The programme aims to get 80 claimants into work as LGV drivers. There are currently 72 starters on it (71 male and one female). In October 2015 the Department said that 14 Candidates had successfully passed a test for a Category C driving licence and completed the work experience element, with six confirmed job starts with driving agencies and more job offers and starts in the pipeline over the coming months.¹⁸⁷ David Wells said the FTA wanted the Government to provide dedicated funding for the JCP scheme.¹⁸⁸

87. Jack Semple, Director of Policy, RHA, said that the RHA was working with JCP on targeted recruitment, identifying candidates well suited to the road haulage sector. He noted that the Welsh Government might fund 180 drivers through this scheme but that take up was “patchy”.¹⁸⁹ He went on to call for a “bit of pump-priming” from the Government to get the scheme going.¹⁹⁰ The Department said JCP had found through careful selection of candidates, extending the length of the training placement and including a re-test in its LGV driver programmes, it can achieve a pass rate of 80%.¹⁹¹

Military Service Leavers

88. The Department for Work and Pensions (DWP) and the Ministry of Defence help those leaving the armed forces with experience in logistics or a LGV licence to find jobs in logistics. The Career Transition Partnership (CTP) is a partnership between the Ministry of Defence and Right Management Ltd (part of the Manpower Group) that provides resettlement services for those leaving the Armed Forces. In 2015, it offered courses for Driver CPC and ADR (carriage of dangerous goods). In total, 21 courses ran, training 223

184 [Q19](#)

185 Freight Transport Association ([RHS0014](#))

186 Department for Transport ([RHS0026](#))

187 Department for Transport ([RHS0017](#))

188 [Q17](#)

189 [Q8](#)

190 [Q15](#)

191 Department for Transport ([RHS0027](#))

people (from 240 capacity). The scheme can be used by drivers who passed LGV driving tests more than five years ago but who do not have Driver CPC (as might well be the case for military drivers moving to civilian driving jobs), to acquire the Driver CPC.¹⁹²

89. JCP is looking at a Logistics Armed Forces Employment Pathway, whereby the Army offers a sector-based programme (training, work experience and guaranteed job interview).¹⁹³ The Government is examining the case for potentially having some similar support for some civilian occupation changes (such as fire fighters) and is continuing work on career transitions related to mass redundancy events (such as steel works closures).¹⁹⁴

Other actions

90. The DfT drew our attention to other work it was doing on:

- careers advice for young people and in schools, specifically through the Inspiring the Future and Primary Futures programmes delivered by the Charity Education and Employers;
- a joint roundtable with the road haulage and freight industry; and
- an investigation of how the Department can help ex-offenders back into employment.¹⁹⁵

91. Responsibility is split across a number of departments. Adrian Jones said “you just go round and round in circles and nobody takes responsibility for it”.¹⁹⁶ For example, DWP, BIS and the DfT are all involved in some way but each have different policy objectives and priorities.

92. **The actions taken by industry, supported by Government, to improve recruitment have had limited success. We are concerned that, even when taken together, they will fall short of the number of drivers that are needed to address the current shortage and replace those likely to leave the sector in the next 10–15 years. Industry must scale up its efforts. The Government should assess the effectiveness of all of the steps it is taking to support recruitment and consider whether they represent good value for money. The road freight industry should also assess the impact of any steps to alleviate the driver shortage on other parts of the logistics sector.** For example the natural career path from driver to transport manager might be disrupted. The FTA have already predicted a shortage of transport managers, estimating that around 34% of them will leave their jobs in the next five years.¹⁹⁷ On the other hand if drivers were recruited from among warehouse staff or forklift drivers, shortages of skilled workers could arise in other areas.

Priorities for the Government

93. We agree with Lord Ahmad that safety is important.¹⁹⁸ **The Government’s primary responsibility in addressing the driver shortage is to ensure public safety is not**

192 Department for Transport ([RHS0026](#))

193 Department for Transport ([RHS0017](#))

194 Department for Transport ([RHS0026](#))

195 Department for Transport ([RHS0026](#))

196 [Q89](#)

197 Freight Transport Association, [FTA Transport Manager tackling skills shortage](#), August 2015

198 [Q157](#)

compromised; the high standards expected of drivers must be maintained. It can do this using its policy and regulatory framework around licensing of drivers and operators, the registration and inspection of vehicles and the periodic training of drivers.

94. *The Government should ensure that the measures it has told us it is taking to address the driver shortage bear fruit and deliver new drivers committed to a career in logistics in the kinds of numbers needed. We believe there are four steps the Department for Transport can take. It should:*

- *ensure activity across Government affecting LGV drivers is well coordinated and mutually reinforcing;*
- *encourage the logistics sector, insurers and those involved in the delivery of driver training to improve apprenticeships, promote the industry, improve the delivery of careers advice, and raise awareness of road freight sector in colleges and schools and among jobseekers. The Department should assess whether the funding for such activities is sufficient and sustainable;*
- *continue to improve the Driver CPC, raising the standards of the training delivered and demonstrating the benefits of the periodic training to a sometimes sceptical audience; and*
- *provide clear, accessible guidance on skills, funding and support, employer standards, regulation and insurance for young drivers.* The kind of assessment mentioned in paragraph 60 can also help with the management of insurance costs.¹⁹⁹

Facilities

95. A survey conducted for the DfT in 2010–11 found there were approximately 270 lorry facilities on or within five km of the Strategic Road Network (SRN). The survey found that parking facilities were used to an average of 61% capacity and 41% of LGVs were parked elsewhere, mainly in lay-bys and some in industrial estates.

96. The CILT highlighted the lack of provision of secure parking with drivers' rest facilities on key trunk routes located in places that best fit with travel time between drivers' rest breaks, room for trailer interchange and chilled trailer chill-down²⁰⁰ away from domestic communities is a pressing public policy problem that must be resolved.²⁰¹ They argued that the provision of trunk road service areas with appropriate facilities was needed to demonstrate a basic respect for the profession.²⁰² Jenny Tipping said that it was important to provide and improve facilities for drivers, but if it was made a condition of planning applications, it would send a very clear message as to how valuable drivers are.²⁰³ Adrian Jones and Jolyon Drury both highlighted the problems with new warehousing and retail parks where inadequate provision was being made for drivers. They argued that secure

199 [Q119](#) [Jenny Tipping]

200 The period of time needed for a refrigerated unit to cool to a temperature suitable for the goods it will be carrying.

201 The Chartered Institute of Logistics and Transport ([RHS0011](#))

202 The Chartered Institute of Logistics and Transport ([RHS0011](#))

203 [Q99](#)

parking should be a planning requirement for developments over a certain size.²⁰⁴ Jolyon Drury suggested that section 106 agreements²⁰⁵ could be used to help fund truck stop facilities.²⁰⁶

97. Transport Focus is planning research to develop an understanding of road users' experiences and expectations of roadside facilities when using the Strategic Road Network in England. It is vital that any possible solutions to the lack of facilities reflect the needs of drivers in the areas where facilities are in short supply.²⁰⁷

98. The Government told us the provision of roadside facilities is primarily a matter for the private sector and local authorities, who are best placed to judge local traffic conditions and needs. There is no specific disaggregated information available on Government spend on roadside facilities, although it is likely to be small.²⁰⁸ The Government said ministers will examine what support it and Highways England can provide to encourage changes to Motorway Service Area operations and future investment in laybys and other lorry parking.

99. It is not just roadside facilities that are a problem. Access to suitable facilities at depots and customer premises are an issue for many drivers. We were shocked at the treatment some drivers receive when making deliveries. Jenny Tipping said “Quite a number of [drivers] said that they are treated like scum—that having facilities is a basic human need and it is as if they are not human.”²⁰⁹

100. The Government is right that the provision of roadside facilities is principally a matter for the private sector, but it can take steps to encourage investment in better facilities. We welcome the Government’s commitment to a survey of roadside facilities. It is important that this review looks not only at the quality of the facilities but at their spatial distribution. It must be based on qualitative and quantitative measures and involve consultation with the users of the services. It needs to look not only at current facilities but should examine the planning guidance and building regulations to ensure any new facilities cater properly for the needs of the drivers who will use them. It is not sufficient to look just at the roadside facilities on the strategic road network. Many of the problems arise at depots and customer facilities where drivers collect or deliver goods and materials. *The Government should work with the FTA, RHA and trade associations representing the customers of road haulage operators to discuss the issues around the treatment of drivers and to consider the merits of a good practice standard or code of conduct.*

Retention

101. It was clear from the evidence that we received that the sector was aware of the impact the driver shortage could have and this had stimulated operators and the Government to take action. The actions described in the evidence we received by them are almost entirely

204 [Qq68–70](#)

205 Section 106 agreements are planning obligations under Section 106 of the Town and Country Planning Act 1990 imposed on a developer where it is necessary to provide contributions to offset negative impacts caused by construction and development.

206 [Q71](#)

207 Department for Transport ([RHS0027](#))

208 Department for Transport ([RHS0027](#))

209 [Q124](#)

related to recruitment and there was very little evidence of the road haulage sector taking action on retention. Lord Ahmad suggested retention was something on which the road haulage industry should lead.²¹⁰ He said that the Government's role was "one of facilitation and looking at recruitment."²¹¹

102. It is clear from the Government's evidence that many of its responses to the driver shortage focus on recruitment. These are laudable but we are concerned about the long-term value of this kind of investment if the industry does not take adequate steps to address retention. **Insufficient attention is being given to the retention of LGV drivers. Simply recruiting drivers is not a sustainable solution if road haulage companies do not deal with issues affecting retention. Efforts to improve retention will not only help to secure investment in the recruitment and training of new drivers but could also help to attract back those who have recently left the industry and make the sector appealing to under-represented groups. We recommend that the Government consider whether any further investment it makes in helping the road haulage sector with recruitment should be contingent on action by the sector to address retention; to do otherwise will be to continue to try to top up a leaking bucket.**

210 [Qq152-3](#), Department for Transport ([RHS0026](#)) and Department for Transport ([RHS0027](#))

211 [Q152](#)

5 Conclusion

103. The industry must take a long-term view if it is to meet the challenges posed by likely growth in demand and the effects of the demographic time-bomb, both of which will be felt increasingly over the next 10–15 years. A lack of investment by employers in training, poor terms and conditions, an increasingly pressured and unpleasant work environment, complicated rules and requirements and a growth in alternative careers have all contributed, to varying extents, to the current driver shortage.

104. It appears based on current statistics, the industry is not faced with a shortage of licensed and qualified drivers; rather a shortage of those willing to work as drivers. Industry and government have focused principally on recruitment. But the industry is reluctant to take on young, inexperienced drivers because of the costs of training and insurance.

105. Drivers are expected to pay for licence acquisition and, in some cases, the training needed to obtain a driver qualification card. Such an outlay is not needed to drive a bus or coach (where despite similarly tight margins employers recognise the value to investing in drivers) or to drive a van. Faced with these costs potential drivers may choose to work in areas exempt from the requirement to have a Driver CPC or may look at careers other than driving, maintaining their driver qualifications only in case things do not work out.

106. Despite these factors, the number of drivers is growing, just not fast enough to meet current demand and certainly not fast enough to address the emerging challenges. As well as struggling to support young drivers, SMEs might also find it more difficult to make investment in new vehicles. The tight operating margins may result in a more consolidated industry structure going forward.

107. Goods are not going to stop moving by road but the UK road haulage industry could find that road haulage firms in other countries benefit from its failure to invest in drivers. Cabotage represents only 1% of road freight transported in the UK but this could easily grow, particularly given the number of foreign trucks returning to the continent empty.

108. Both the industry and Government have taken steps to address the shortage. None of these are on a scale likely to deliver the number of drivers needed. The road haulage sector, supported by the Government, needs to take further steps to:

- meet any shortage and reduce dependence on foreign drivers (about 60,000 drivers);
- meet any predicted growth in demand;²¹² and
- deal with the demographic time-bomb (about 75,000 drivers by 2020²¹³).

109. The principal responsibility for taking action lies with the industry. Industry seems to expect the Government to step in and resolve the problems caused by years of under-investment. There are a number of issues on which it is right for the Government to support the sector. But operators across the country and their trade associations will need to do more to secure a sustainable future for the industry. It is vital that the road haulage sector takes a more strategic approach to planning for future recruitment and retention.

²¹² [Q151](#) [Lord Ahmad]

²¹³ Freight Transport Association ([RHS0014](#))

110. Changes in demand for road haulage services cannot be looked at in isolation. Developments in rail, and to a lesser degree water, freight will have an impact on the number of drivers needed. Levels of future demand will be affected by likely changes to economic prospects, any policy to encourage a shift of freight from road to rail and the successful completion of a wide range of rail and road infrastructure schemes. Making a reliable assessment of future demand will be harder given the uncertainty which may arise from Brexit.

111. A great deal has been written about the driver shortage. It is now time for the industry, supported by the Government, to take action to secure the future of the UK road haulage sector.

Conclusions and recommendations

A Driver shortage?

1. We believe that the driver shortage is a shortage of people willing to work in the sector rather than a shortage of people with the right qualifications and licences. It seems to us that the apparent shortage will get worse unless action is taken to improve retention and increase recruitment. (Paragraph 24)
2. We conclude that there is no single cause for the driver shortage but a combination of a number of factors make the job less attractive than it was. It is imperative that the industry takes steps to improve the terms and conditions so it can recruit and retain the drivers it needs. The industry will need to invest more in recruitment, training and driver welfare following years of under-investment. We acknowledge that this is challenging for many of the smaller operators, especially given the very tight margins operators face. To improve conditions it will be necessary to address the inadequate facilities provided currently for drivers. It will also be necessary to promote the sector better in schools and colleges. We are also concerned about the terms and conditions under which some agency drivers are required to work. (Paragraph 32)
3. The driver shortage has resulted in a dependence on agency and particularly foreign drivers that goes beyond what is needed to cope with seasonal variations and is now necessary to sustain normal operation. The dependence on agency staff means that operators in the sector are probably not investing enough in their staff. We think this creates two risks that need to be managed. First, if the UK becomes relatively less attractive as a place for foreign drivers to work, the shortage could become much more acute, possibly quite rapidly. Second, the longer-term sustainability of the UK's road haulage sector could be undermined if there is not a steady stream of people through the sector gaining the skills and experience that they need to become transport managers and operators. (Paragraph 41)

The industry response

4. It is important that the sector broadens the pool of people from which it recruits to ensure BAME groups and women are better represented in its workforce of drivers. Efforts to attract women or BAME drivers to the industry will not solve the driver shortage if the issues currently affecting retention are not addressed. It should not be the case that these groups are targeted to replace drivers who have been driven away from the industry because of poor terms and conditions; attracting less represented groups should be done alongside improvements in the sector, not as an alternative. *Current data provide sufficient information on gender balance but not on other measures of diversity. The Government and industry should consider how more reliable data can be collected on the number of drivers from BAME backgrounds and the numbers of part-time workers. They should then use the data to assess the effectiveness of the steps taken to address diversity and to plan the actions needed to improve gender balance, the representation of BAME groups, and the diversity in patterns of work.* (Paragraph 53)

5. It is up to the industry to find ways of funding licence acquisition. We do not think the sector will be able to broaden its appeal beyond its core demographic unless it changes its approach. It is not uncommon for bus and coach companies to fund acquisition of a PSV licence. We accept that bus and coach companies tend run on much better margins and can receive public subsidy for non-profitable work so this kind of investment may be more affordable for them. The Government's support, in the form of apprenticeships and loans, is welcome and we expect to see it being more active in providing this kind of support. (Paragraph 58)
6. It is important that the industry gets beyond the point where it appeals mainly to those with a passion for driving. We believe that there are steps the industry can take to encourage young people, regardless of their background and gender, to work as drivers. The industry needs to work with insurers to find ways of reducing the cost of insuring young drivers. Drivers go through extensive training, their work driving is closely regulated and in many cases their driving is monitored using telematics. We believe that it should not be impossible to find a way to reduce the cost of insurance to encourage more operators to consider employing younger drivers. It is primarily the responsibility of the industry to find ways of addressing the cost of insurance but the Government has a role to play in facilitating this work. (Paragraph 65)

The Government response

7. The actions taken by industry, supported by Government, to improve recruitment have been successful but on too small a scale. We are concerned that, even when taken together, they will fall short of the number of drivers that are needed to address the current shortage and replace those likely to leave the sector in the next 10–15 years. Industry must scale up its efforts. *The Government should assess the effectiveness of all of the steps it is taking to support recruitment and consider whether they represent good value for money. The road freight industry should also assess the impact of any steps to alleviate the driver shortage on other parts of the logistics sector.* (Paragraph 92)
8. The Government's primary responsibility in addressing the driver shortage is to ensure public safety is not compromised; the high standards expected of drivers must be maintained. It can do this using its policy and regulatory framework around licensing of drivers and operators, the registration and inspection of vehicles, and the periodic training of drivers. (Paragraph 93)
9. *The Government should ensure that the measures it has told us it is taking to address the driver shortage bear fruit and deliver new drivers committed to a career in logistics in the kinds of numbers needed. We believe there are four steps the Department for Transport can take. It should:*
 - *ensure activity across Government affecting LGV drivers is well coordinated and mutually reinforcing;*
 - *encourage the logistics sector, insurers and those involved in the delivery of driver training to improve apprenticeships, promote the industry, improve the delivery of*

careers advice, and raise awareness of road freight sector in colleges and schools and among jobseekers. The Department should assess whether the funding for such activities is sufficient and sustainable;

- *continue to improve the Driver CPC, raising the standards of the training delivered and demonstrating the benefits of the periodic training to a sometimes sceptical audience; and*
 - *provide clear, accessible guidance on skills, funding and support, employer standards, regulation and insurance for young drivers. (Paragraph 94)*
10. The Government is right that the provision of roadside facilities is principally a matter for the private sector, but it can take steps to encourage investment in better facilities. We welcome the Government's commitment to a survey of roadside facilities. It is important that this review looks not only at the quality of the facilities but at their spatial distribution. It must be based on qualitative and quantitative measures and involve consultation with the users of the services. It needs to look not only at current facilities but should and examine the planning guidance and building regulations to ensure any new facilities cater properly for the needs of the drivers who will use them. It is not sufficient to look just at the roadside facilities on the strategic road network. Many of the problems arise at depots and customer facilities where drivers collect or deliver goods and materials. *The Government should work with the FTA, RHA and trade associations representing the customers of road haulage operators to discuss the issues around the treatment of drivers and to consider the merits of a good practice standard or code of conduct. (Paragraph 100)*
11. Insufficient attention is being given to the retention of LGV drivers. Simply recruiting drivers is not a sustainable solution if road haulage companies do not deal with issues affecting retention. Efforts to improve retention will not only help to secure investment in the recruitment and training of new drivers but could also help to attract back those who have recently left the industry and make the sector appealing to under-represented groups. *We recommend that the Government consider whether any further investment it makes in helping the road haulage sector with recruitment should be contingent on action by the sector to address retention; to do otherwise will be to continue to try to top up a leaking bucket. (Paragraph 102)*

Formal Minutes

Wednesday 20 July 2016

Members present:

Mrs Louise Ellman, in the Chair

Robert Fello

Graham Stringer

Huw Merriman

Martin Vickers

Will Quince

Draft Report (*Skills and workforce planning in the road haulage sector*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 111 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Fourth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Monday 5 September at 4.00pm

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Monday 18 January 2016

Question number

David Wells, Chief Executive, Freight Transport Association, **Martijn de Lange**, Chief Operations Officer, Hermes Europe, **Jack Semple**, Director of Policy, Road Haulage Association, and **Colin Snape**, HR Manager, Nagel Langdons Ltd

[Q1–52](#)

Monday 1 February 2016

Adrian Jones, National Officer for Road Transport and Logistics, Unite the Union, and **Jolyon Drury**, Chair of the CLT Public Policies Committee, Chartered Institute of Logistics and Transport

[Q53–97](#)

Kat Springle, Operations Director, Easy as HGV, **Nathalie Axon**, Founder and Director, Horsepower Training Ltd, and **Jenny Tipping**, HGV Driver and Driver CPC Trainer, Manpower Logistics

[Q98–148](#)

Monday 22 February 2016

Lord Ahmad of Wimbledon, Parliamentary Under-Secretary of State for Transport, **John Parkinson**, Director, Motoring, Freight and London, and **Philip Martin**, Head of Freight policy, Department for Transport

[Q149–200](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

RHS numbers are generated by the evidence processing system and so may not be complete.

- 1 Chequered Flag Training ([RHS0003](#))
- 2 Department for Transport ([RHS0017](#))
- 3 Department for Transport ([RHS0026](#))
- 4 Department for Transport ([RHS0027](#))
- 5 Downstream Oil Distribution Forum ([RHS0007](#))
- 6 Easy As HGV Ltd ([RHS0022](#))
- 7 Essex County Council ([RHS0018](#))
- 8 Food Storage & Distribution Federation ([RHS0020](#))
- 9 Freight Transport Association ([RHS0014](#))
- 10 Greater London Authority ([RHS0019](#))
- 11 Green Flag ([RHS0025](#))
- 12 Horsepower Training LTD ([RHS0023](#))
- 13 J Coates (HGV Services) Ltd ([RHS0024](#))
- 14 John English ([RHS0004](#))
- 15 Mr Andrew Crewe ([RHS0010](#))
- 16 Paul Wixey ([RHS0001](#))
- 17 Rail Freight Group ([RHS0005](#))
- 18 Railfuture ([RHS0008](#))
- 19 Recruitment & Employment Confederation ([RHS0013](#))
- 20 Road Haulage Association ([RHS0016](#))
- 21 Social Research Associates ([RHS0021](#))
- 22 Tachograph Analysis Consultants Limited ([RHS0015](#))
- 23 The Chartered Institute of Logistics and Transport ([RHS0011](#))
- 24 Unite the Union ([RHS0009](#))
- 25 University of Northampton ([RHS0002](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2016–17

First Report	Operation Stack	HC 65 (HC 602)
Second Report	All lane running	HC 63
Third Report	Volkswagen emissions scandal and vehicle type approval	HC 69
First Special Report	Road traffic law enforcement: Government Response to the Committee's Second Report of Session 2015–16	HC 132
Second Special Report	Airport expansion in the South East: Government response to the Committee's Third Report of Session 2015–16	HC 564
Third Special Report	Operation Stack: Government response to the Committee's First Report of Session 2016–17	HC 602

Session 2015–16

First Report	Surface transport to airports	HC 516 (HC 995)
Second Report	Road traffic law enforcement	HC 518 (HC 132)
Third Report	Airport expansion in the South East	HC 784 (HC 564)
First Special Report	Investing in the railway: Network Rail Response to the Committee's Seventh Report of Session 2014–15	HC 347
Second Special Report	Motoring of the future: Government Response to the Committee's Eighth Report of Session 2014–15	HC 349
Third Special Report	Smaller airports: Government Response to the Committee's Ninth Report of Session 2014–15	HC 350
Fourth Special Report	Strategic river crossings: Government Response to the Committee's Tenth Report of Session 2014–15	HC 348
Fifth Special Report	Strategic river crossings: Greater London Authority Response to the Committee's Tenth Report of Session 2014–15	HC 558
Sixth Special Report	Surface transport to airports: Government Response to the Committee's First Report of Session 2015–16	HC 995