

# RHA Briefing | Support the UK's road transport industry to keep Britain moving and drive growth



## Introduction and background

The road transport industry is critical to the UK supply chain and economic growth. It faces incredibly difficult pressures from unsustainable cost increases across wages, fuel, and energy, to shortages of drivers, technicians, vehicles, and parts.

Challenges brought about by the cost-of-living crisis have placed severe economic strain on road transport businesses – particularly small-to-medium enterprises (SMEs):

- Over the past 12 months, the costs of operating an HGV have **increased by 20%** while the price of fuel has **risen by almost 40%**
- Operators have seen their bills **spike by 300-400%** in 2022 compared to the previous year
- As a direct result of rising costs, many operators are running at a loss with margins wiped out by cost increases.

Soaring costs in this context are a key driver of inflation in the wider economy. This is ultimately being felt by consumers who are having to bear the brunt of higher prices – particularly when it comes to food – as transport businesses are forced to pass on increases in operating costs.

The current skills and facilities shortages in the road transport sector also continue to affect supply chains. Today, we estimate there to be a **50,000 shortage of drivers**, while many lack access to safe, secure parking and welfare facilities.

Adequate investment in the upkeep of roads is equally lacking, which is further impacting drivers' ability to effectively carry out their critical role.

In the upcoming Spring Budget, we are therefore calling on the Government to focus on stability, long-term growth and targeted support to tackle the major challenges the road transport industry currently faces.

## ***RHA's recommendations to Government***

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**We recommend that the Government – specifically HM Treasury – commits to the following key measures in next month's Budget:**

1. **Reduce the cost of fuel through tax relief**, introducing a targeted **essential user rebate** of at least 15 pence per litre for commercial operators like HGVs and coach operators. This is an **anti-inflationary measure** – comparable to the support provided for commercial vehicle operators in Spain, France and Ireland – which will help ease fiscal pressures in the supply chain and reduce the rising cost of living for everyone.
2. Commit to **no increase in fuel duty for diesel** for a further two years.
3. Continue the **freeze on Vehicle Excise Duty** to further ease costs for HGV and coach businesses.
4. **Reform the Apprenticeship Levy** to provide greater flexibility for skills training, and ensure there is clear direction and timetables for the allocation of funding.
5. Confirm funding for **additional places on HGV Skills Bootcamps**.
6. **Extend the National Skills Fund** to include all training levels.
7. Provide increased funding for **safe and secure lorry parking facilities**. Nationally, there is an estimated **11,000 shortage** of lorry parking space. Freight crime is on the rise and, in 2021, £71.4 million worth of stolen goods from HGVs was recovered.
8. **Replace the HGV levy** with an alternative scheme that ensures overseas operators coming to the UK contribute to the upkeep of vital road infrastructure. Road investment is vital if we are to keep supply chains moving.



## ***Our ask***

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To ensure that we support the thousands of small haulage businesses across the country and keep Britain moving, the Government needs to act now.

We would ask for your support in raising these issues in HM Treasury for consideration ahead of the Spring Budget.

We would be happy to provide you with further information as required to support any activity you are undertaking.

Please do not hesitate to contact us via [policy@rha.uk.net](mailto:policy@rha.uk.net).

## ***About the RHA***

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The RHA is a major trade association representing 8,500 road haulage, coach, and van operators across the UK, 85% of whom are SMEs. Our members operate around 250,000 HGVs (half of the UK fleet) out of 10,000 operating centres and range from a single-truck company to those with thousands of vehicles.

To find out more, please click here: [www.rha.uk.net](http://www.rha.uk.net)