RHA

MICHELIN CONNECTED FLEET

Haulage Cost Movement 2025

From Horsepower to Algorithms: Mobility Evolution

For a century, progress in the automotive industry was measured in horsepower. Today, it's measured in terabytes and algorithms. Vehicles are connected and evolving in connected infrastructure. The vehicle's performance once defined mobility; now, it's the intelligence of the ecosystem.

A new era for mobility

We stand at a pivotal moment. The forces reshaping our industry are not incremental, they are transformative. For fleet managers, success now demands navigating a digitised ecosystem that touches every part of business - from HR and finance to energy and logistics.

The mobility landscape is changing and is becoming:

- Connected: Smart vehicles and infrastructure generate oceans of data, offering real-time visibility unimaginable a decade ago.
- Electrified: EV adoption introduces new challenges - charging logistics and battery health, requiring new tools and expertise.
- Regulated: Cross-border rules like the EU mobility pack on Tachograph and EU Data Act redefine compliance, shaping operational and digital architectures.

Sustainable mobility is an imperative, and it is impossible without being connected.

Navigating rising costs with Data driven services

At Michelin, our commitment to supporting operators goes beyond tyres - it's about helping fleets navigate an increasingly complex and costly landscape. High energy prices, tightening regulations and labour shortages are putting unprecedented pressure on haulage businesses. We recognise these challenges and believe that mobility data science expertise can play a practical role in easing the burden.

As an example, one of our latest innovations - MICHELIN Connected Fleet Optimized Tyre Performance solution combines smart tyre management, predictive maintenance and real-time monitoring. The result: tyres that last longer, fuel savings of up to 12 percent and CO_2 emissions are reduced by nearly 4 tonnes per vehicle every year.

We work alongside fleet managers to improve driver safety, optimise productivity and reduce environmental impact - helping them make informed decisions when every penny counts.

Intelligent fleet management

Thanks to unique data science expertise, MICHELIN Connected Fleet gathers an enormous amount of data every day - including vehicle geotracking, driving behaviour, management of hours of service, tire pressure, temperature, wear monitoring, proactive maintenance, EV transition support, route optimization, smart job management and temperature monitoring for Cold Chain.

AI shifts the fleet management from reactive to predictive. Our goal is not full automation but the augmented employee - empowering humans with foresight. As an example:

- Proactive Safety: AI dashcams detect fatigue and distraction, reducing insurance claims by 20–30 percent.
- Predictive Maintenance: Algorithms developed by our Data Science team monitor tyre and brake health, and our Smart Predictive Tire technology goes further by forecasting wear patterns and remaining life based on real-world conditions. This enables fleets to schedule replacements before failures occur, reducing downtime and optimising total cost of ownership.
- Instant Insights: Our AI Assistant answers operational questions in seconds, replacing hours of manual reporting.

Based on McKinsey, software and electronics will account for over 40 percent of vehicle costs by 2030, up from 20 percent today. That includes features like autopilot, connectivity and other databased services for an enhanced user experience. The question is no longer if the mobility will transform but how prepared are you to lead that transformation. Is your company AI ready? Are you turning data into decisions fast enough? For fleet operators, the challenge (and opportunity) is even greater: how do you leverage your fleet management partner to extract real value from the new technologies?

We are ready to help you.

Sophie Foucque

CEO of MICHELIN Connected Fleet EAA

Survey on the movement of costs

The Road Haulage Association (RHA) is a major trade association representing 8,500 road haulage, coach, and van operators across the UK, 85 percent of whom are small and medium-sized enterprises (SMEs). Our members operate around 250,000 HGVs out of 10,000 operating centres and range from a single-truck company to those with thousands of vehicles. The purpose of the annual RHA Haulage Cost Movement report is to assist members and their customers to understand trends in the industry. It reflects cost movements, reasons for changes, and makes predictions. Every firm has different costs and circumstances which are unique to each company but here we report on averages as provided to us by members in our annual survey.

Summary

The road transport sector is vital to the UK economy and supports a myriad of other sectors both for passenger and freight requirements. These include construction, hospitality, chemicals, waste, manufacturing, food, energy and national security along with no doubt others as well. Our members are entrepreneur's and of course have a desire to return a profit for what is an increasingly tough environment although technically, there has been small economic growth through 2025. The first quarter of 2025 was helped along by the rising concerns of US tariffs and so many orders were pushed forward looking to beat deadlines on unfavourable tariff increases.

In survey responses, members mentioned the harsh trading conditions, costs going up across the board, the need to keep vehicles and trailers longer (evidenced by the SMMT new HGV registrations later) along with concerns about cash flow. Lower volumes have meant rates have also been affected with reduced margins and a lack of customer loyalty where the bottom line is favoured it seems over service. Many advised that they had walked away from business which was deemed no longer worth the risk with little prospect of reward.

The country appears to be suffering from 'Budget paralysis' and these concerns which have been discussed frequently of late were highlighted perfectly on 21 November when data from the Office for National Statistics (ONS) showed that retail sales had fallen 1.1 percent in October while the UK had such a long drawn out wait to see who the tax losers would be. It was later reported British retailers' confidence has fallen to its lowest level since the 2008 financial crisis (17 years ago) according to the CBI.

The Barclays BDO Logistics Confidence Index 2025 report was recently published (1 October), it revealed confidence had fallen to a 14-year low at just 40.4. A shame as last year it had increased to 57.6 from the previous year's 47.3 as 82 percent of operators expected business conditions to stay the same or improve which of course, it didn't!

The employers increase, which came into effect in April for National Insurance contributions was a kick in the teeth for the transport sector which is heavily reliant on staff along with wafer-thin margins as evidenced once more by the Motor Transport Top 100 pre-tax profits at just 2.17 percent. There are also underlying employments issues, certainly where a chronic long-term lack of HGV drivers is concerned and how to overcome that in the current model of long hours, often in stressful environment.

Our message is clear: a strong and sustainable road transport industry keeps the country moving. Our Budget asks aligned directly with our six policy priorities – skills, facilities, net zero, international, costs and regulation, and infrastructure – which together shape all our work on behalf of members.

The RHA view to the Budget news that fuel duty is held for now but will increase was:

The Chancellor's decision to reverse the 5p cut on fuel duty after September 2026 and the increase of fuel duty rates by inflation from April 2027 will be a hammer blow for many small businesses and push up the cost of living for families across the country.

Whilst we welcome the decision to continue the freeze on fuel duty until next September, as independent economic research shows, a 5p rise in fuel duty would increase household living costs by £1.9bn per annum, pushing up the price of everyday essentials.

The UK saw a significant increase in cyberattacks in 2025, with the National Cyber Security Centre (NCSC) dealing with 204 "nationally significant" incidents by August 2025, up from 89 the previous year. These attacks, driven by sophisticated criminal gangs and nation-state actors, have targeted various sectors, including the retail industry (e.g., Marks & Spencer, Co-op, in aviation (Heathrow Airport), and automotive (Jaguar Land Rover). The most common threat remains phishing, as reported by the latest Cyber Security Breaches Survey.

Alongside cyber-crime there is freight crime which also poses a significant and growing threat to the UK economy, to businesses, and to the resilience of our national supply chains. In 2024 alone, the value of goods stolen exceeded £111 million - a 63 percent increase on the previous year. Since 2020, the cumulative economic impact of freight crime is estimated to be over £1 billion. RHA collaborated on a BBC freight crime documentary which aired on Monday 17 November, highlighting the huge challenge for our sector and what help we need to tackle it. This is reflected in our Budget submission where we urge the Government to include a funding allocation of £6 million per year for NaVCIS in the Autumn Budget. This is essential to develop a national, coordinated, and intelligence-led response to freight crime.

Concerns were raised early in the year following ONS data that Transport & Storage businesses were the mostly likely sector to have no cash reserves, or less than one month available. Just under 50 percent of those in the sector appeared to be in that position. Examples have recently been seen of customers suddenly announcing increased payment terms which is a red flag in terms of their potential cash-flow too. That said, more businesses in this sector were reported as fully trading than in any other business sector.

Technically, it appears less transport operations have collapsed but for context the results mean that this year's failures are still 36.4 percent above the average number of company failures going back to 2015. If we look at operator licences, losses have slowed from a reduction of 3.18 percent the previous year to a further reduction of 0.9 percent in the current Traffic Commissioner Annual Report.

Safety brings another potential cost with the new requirements now in place for a brake performance assessment at every inspection, with a minimum of four laden brake tests a year, one being the MOT. This is something that roving international transport firms operating in the UK do not need to bother with. DVSA have approved EBPMS as an acceptable standard and so by updating to technical solutions the requirement of assessing brake safety can be achieved

The cost of diesel fell in 2025 compared to 2024* and for a short time HVO (the potential drop-in greener replacement) looked promising as by February it had briefly reached wholesale parity with diesel, but it didn't last and is now around 38 percent more expensive. Gradually, cleaner HGVs such as electric bringing lower fuel costs but for now diesel remains king very much. The outlook for Brent into 2026 looks favourable however there are more variables than just the price of oil and right now, as this report is written the price of fuel has once again risen to a peak for the year and hopefully a short-term matter.

The survey results for 2025 then advise the cost of operating** at 3.34 percent where fuel is included but almost identical to the previous year at 5.91 percent for the ex-fuel position which is the real scenario for those using a fuel escalator. For most, this means that once again their operating costs are above inflation.

The report itself as ever looks to expand on issues affecting road transport and storage operations.

*The diesel averages were (January to end of September) 113.46ppl ex-vat for 2024 and 107.87ppl for 2025 (-4.93 percent).

**44-tonne artic/trailer based on the average fuel cost from January to end of September 2025

Another difficult year not helped by added taxation

Just prior to the Budget, Goldman Sachs said Britain's economy continues to face subdued growth. This year, to date there has technically been economic growth, but it has been a very tough year where the average GDP over the last five quarters averaged less than 0.2 percent.

Most of the growth was early in the year with the first quarter of 2025 helped along by rising concerns of US tariffs, effectively an anomaly with so many orders were pushed forward looking to beat deadlines on unfavourable tariff increases. The OBR forecast annual growth at 1 percent while other forecasters point it slightly ahead of that but still very low. It appears to prove the point that you cannot tax your way to growth it is delivered through allowing an economy to thrive with low unemployment, a desire to work and spending within your means.

In mid-November, the Office for National Statistics (ONS) released their latest GDP estimate showing that in the three months to September growth was measured at the smallest possible margin of 0.1 percent and cited as being held back (slightly) by the JLR cyber-attack closure. The view from the CBI Growth Indicator at the end of October gave a similar bleak outlook in the face of an uncertain Budget.

Inflation has almost doubled since the new Government took charge, a reminder that the Bank of England (BoE) target is 2 percent. At last, though the October inflation data, released 19 November reported CPI was falling at 3.6 percent compared to 3.8 percent the previous month with RPI at 4.3 percent (4.5 percent).

Meanwhile, the BoE bank rate was held early November at 4 percent and at that point their view was that inflation has now peaked with the descent to 2 percent being forecasted to the fourth quarter of 2027 but remaining high (around 3.5) during 2026. Gross Domestic Product (GDP) was viewed by the Bank as getting slightly worse than their current view of 1.5 percent this year to 1.2 percent in 2026, 1.6 percent for 2027 and 1.8 percent in 2028.

The Barclays BDO Logistics Confidence Index 2025 report was recently published (1 October), it revealed confidence had fallen to a 14-year low at just 40.4. A shame as last year it had increased to 57.6 from the previous year's 47.3 as 82 percent of operators expected business conditions to stay the same or improve. This is very telling of the current environment, where higher inflation, increased employer NI contributions, concern about future taxation has led to a stunted economy, basically shuffling along. It is highlighted by the recent Motor Transport Top 100 report where the average pre-tax profit was recorded at 2.17 percent compared to the 1.93 percent quoted for the previous year – a slight improvement, however these rates are not sustainable. Average turnover increased by 0.44 percent. This year has once again seen many acquisitions and mergers including GXO acquiring Wincanton, CMA CGM acquiring Freightliner together with a shakeup of the parcel sector with InPost taking over Yodel and Evri taking over DHL eCommerce. Amazon continues to increase its transport fleet also.

In fact, the average Top 100 result for between 2016 and 2025 appears to be 2.81 percent with 2022 being the last year of better margin at 5.22 percent, which was the COVID recovery in full swing, it just didn't last long. Clearly, some of these largest companies manage better results while others have remained in a negative position. Motor Transport reports that consolidations have helped cement a picture for many although market conditions as per the BDO comment remain extremely challenging.

According to the TEG Index, vehicle availability continued to outstrip demand in October. Following September's jump, overall vehicle availability rose by 18.9 percent in October, whereas artic availability increased by 21.7 percent. In contrast, demand dropped by 5.4 percent overall (and by 17.1 percent for artics). This is a worrying trend given that we are heading towards the peak period.

Concern over rates has been a constant mention this year as of course the squeeze is at both ends. Costs increase, while consumers are tightening their belts. This is most obvious in retail and hospitality sectors while looking at insolvency data appears to show that the freight transport by road and removals sector has at least slowed. We use a 12-month view that others such as Price Bailey and Forvis Mazars use for data from The Insolvency Service which is October to end of September. It shows that 2023 was the worst scenario at 501 failures, 2024 it was 470 and in 2025 with one month's data still to be declared the forecast looks to be 405 company insolvencies for road and removals which means the year would be about 14 percent lower than 2024.

Failures due to not accounting correctly for fuel was mentioned in the previous report and operators should always attempt to negotiate a clause into all rate schedules and contracts allowing fuel price increases or reductions to be passed on to the customer as they occur. Note that over the last year, fuel costs have reduced, and your customers will be looking for a cost reduction. However, as you will see, other costs have risen higher!

There is a need to decide whether the job can be accepted at less than the rate calculated and, even more crucially, whether you can accept it at less than the true cost of undertaking it.

In anything but the shortest run you cannot afford to do the latter; except perhaps for casual or special jobs which fit into the pattern of your overall work.

The National Insurance increase for employers came into effect in April at a 1.25 percentage point increase to 15 percent with it being payable now from £9,100 to £5,000 thus adding about £615 per year for most employers (per employee). Many very large firms, including supermarkets dealt with this by simply reducing headcount. The increase to employer's NICs (and minimum wage) is something that the BoE Governor Andrew Bailey mentioned on the 6th of November stating that half of UK companies had cut employment more than otherwise expected. He had said this while the Bank was announcing the Bank Rate hold.

So, the UK is now faced with falling employment levels apart from those over 65. For November, the unemployment rate had increased to 5 percent (previous quarter was 4.8 percent) which is the highest since the Covid pandemic and can be seen as evidence of the employer NICs increase and general lack of confidence. There was also a loss of those on the payroll of 117,000 in the year to September.

A staggering 21 percent of UK residents were economically inactive but with 723,000 vacancies for August to October. Many businesses remain desperate for more staff yet are unable to fill these positions, potentially due to the nature of the role, the conditions or pay. Of course, if for example pay jumps then so too does the cost of that service. The BoE Monetary Policy Committee (MPC), the group that considers Bank Rate changes is concerned about unemployment and wage growth with an almost even split wishing to lower rates. With the latest inflation figures finally showing a downward trend the chance of a potential in December has grown. The result of the present situation can also be seen in average regular earnings growth at 6.6 percent for the public sector while the private sector average was 4.2 percent in November ONS data. Public spending appears out of control and adding to inflationary causes. Meanwhile, the state seems to be trying to tax their way out of this position and thus, stifling growth.

The Employment Rights Bill, while well intentioned looks to be a serious problem for employers moving forward especially where short term agency staff are utilised. Concerns to over the recently announced 4.1 percent increase to the National Living Wage where the current £12.21 rises by 50p to £12.71 in April 2026. This is the percentage increase the Low Pay Commission predicted back in August. Although the percentage increase has fallen compared to recent years, this continues to heap pressure on the roles just above those levels which includes many driving positions.

RHA campaigning over 2025

The topics and ground we engage over are the same as the previous couple of years and we remain committed to these areas highlighted below. There is no doubt that the environment is challenging, constantly dealing with new regulations, developments and emerging technologies facing businesses. As a trade association we need to adapt and change as well to keep members informed and add value.

RHA skills	RHA facilities	RHA net zero
Ensure we have a skilled workforce across the whole industry now and in the future.	More parking spaces, better facilities, stronger security.	Embracing opportunities and protecting businesses on the road to net zero.
RHA international	**RHA costs & regulation**	**RHA infrastructure**
Removing obstacles to doing business internationally both at the border and on the roads.	Making it easier for businesses to do business through lower costs and simpler regulation.	Encouraging investment in roads, new technology and connectivity for economic growth.

Summary of RHA budget recommendations to boost economic growth submitted to the Treasury

Continue the freeze on fuel duty.
A 5p rise in duty would increase overall annual household living costs by £7.3bn over the course of the rest of the Parliament and cut GDP after 5 years by £430 million per year

Introduce a fuel duty rebate linked to emissions reduction
This will encourage the use of low carbon fuels that can reduce emissions from the conventional diesel fleet by up to 90 percent.

Freeze Vehicle Excise Duty for HGVs and the HGV Levy
To reduce cost pressures on the industry which is facing record insolvencies.

Introduce an essential user rebate
For essential commercial vehicle operators to reduce the cost of supply chains and inflationary pressures.

Extend full expensing to leased assets to drive investment.
This will help small firms who lease their vehicles.

Make the HGV skills bootcamps a permanent option
To avoid a future HGV driver shortage, meet the projected 180,000 new drivers required over the next 5 years, ensuring the resilience of supply chains.

Allocate funding of £6 million per annum for national policing
(NaVCIS and Opal) to develop a national, coordinated, and intelligence-led response to freight crime.

Consult widely on any changes to Business Property Relief (BPR)
Which could impact on the large number of family businesses operating in the haulage, van and coach sectors.

Food inflation in the four weeks to November fell to 4.7 percent from 5.2 percent according to Worldpanel by Numerator (previously Kantar) but of course this is much higher than inflation itself and something that the public notices and results in stunted buying patterns meaning less produce to transport.

The hospitality sector which is a huge customer of transport and storage operations and of course waste services continue to struggle with rising costs, very low consumer spending and the challenge of finding/keeping good staff. Pubs are said to be shutting at the rate of one per day with many hotel and larger chains haemorrhaging money not helped of course by a change in habits and unfavourable tax for tourists. The trick for many once the festive season is over is to survive the first three months of 2026.

The Construction sector is a major user of haulage services and unfortunately demand for related products and services has taken a dive despite for example headlines of the desire to build record numbers of housing. In fact, it was reported that November saw the steepest decline in construction for five years with the S&P Global UK Construction Purchasing Managers' Index reading 39.4 for November, from 44.1 in October and below the 50.0 'no change mark' for the eleventh month in a row.

The automotive sector started the year slowly but looks to be ending on growth this year following a leap in Q3 sales and a prediction that new car sales will top 2 million units for the first time since 2019. That said, there was concern around Motability vehicles with potential changes in the Budget and this remains a huge chunk of business for manufacturers. The sector is also calling for the Government to abandon plans to scrap the Employee Ownership Schemes which would result in lower sales. Earlier in the year there were concerns that falling sales would result in less technical teaching at universities which would be a critical failure and similar is seen at technical colleges with the lack of funding of HGV mechanic related courses that RHA has been keeping in the news the last few years.

Jaguar Land-Rover itself faced several problems this year, the threat of additional US tariffs and effectively halting production from the end of August until the beginning of October because a cyber-attack which is reported as the mostly costly in history at a potential £1.9bn to the UK. The results of this one company were blamed for the lower GDP growth announced in November.

For vans, the Society of Motor Manufacturers & Traders (SMMT) figures reveal the UK 'up to 3.5 tonnes' new registrations fell -15.1 percent in October after a good September. The October fall reflected more, the 2025 reduction in fleet renewals down around 10 percent on general business doom.

SMMT recently reported that the e-commerce giant Amazon in the UK has started on a project to use 160 electric HGV's and this includes the 40-tonne Mercedes-Benz eActros 600. Fast chargers have been installed at the hubs capable of 80 percent charge in just over an hour. Amazon are looking at 800 new e-vans to in the UK.

In terms of new HGV registrations in 2025 though the scene is quite poor with an 11.2 percent reduction by Q2. Rigids were worst hit at -12.5 percent and artic units at -9.4 percent respectively which given the economic climate totally makes sense.

Insolvencies

Cashflow is a killer of business and getting paid on time is key. In August, the Government announced its "Time to Pay Up" plan, a crackdown on late payments that impacts businesses throughout the supply chain, including many of our members and businesses in our industry. We welcome this development, as late payments significantly impact businesses.

Regarding insolvencies, the official statistics listed for the 'freight transport by road and removals' (code 494) tell us that in 2024 there were 470 company failures in the sector. For 2025, the data shows a 15 percent reduction on that at 399 company failures using the same October to September data pattern. Maybe the companies in the news that have failed are simply larger concerns? Just as a comparison though against a more longer-term average, 2015-25 would be 297 sector failures recorded, and it only started increasing markedly from 2022.

A reminder about conditions and payment terms

So, bearing in mind the cashflow and insolvency matters it might be time for a reminder, that applied terms and conditions need to be agreed upon prior to undertaking work and are all important in trying to both trying to collect the revenue but also for the amount you wanted.

Backhouse Jones are the solicitors who draft and amend the RHA conditions of carriage, and they have the following advice on the subject for setting the right groundwork with regards to conditions and terms of payment:

When entering a contract to provide services it is vital to ensure that suitable payment terms have been agreed prior to the commencement of the services. Generally, when forming a contract, the last set of terms sent or referred to in the documents exchanged before the commencement of the services will prevail. This means that for example if Party A put forward their own terms which set out 60 day payment terms, but then before commencement of the services, Party B puts forward their own terms which provide 30 day payment terms, if there is no further correspondence from Party A re-asserting the 60 day payment term, then in most instances Party B's 30 day terms would be deemed to have been accepted.

However, it is also important to note that this 'last shot' rule can be overturned if the conduct of the parties suggests that different terms are intended to apply. For example, if Party A then proceeds to pay invoices on 60 days and Party B does not raise any objections, then it could be deemed that the payment term has been varied by the conduct of the parties and Party A's 60 day terms are to apply, especially if the late payment has happened over multiple invoices without any objection from Party B.

To ensure your payment terms apply, you therefore need to ensure that these are either explicitly agreed (for example by getting new customers to sign an account opening form or similar) or if there is any disparity between the payment terms of each party, then you must ensure that your terms are the last set of terms put forward prior to commencement of the services and any late payments by the other party are objected to straight away.

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Economic indicators *(Table 1)*

Key statistics	2018	2019	2020	2021	2022	2023	2024	2025	
GDP %	1.3	1.4	-11.3	7.5	4.3	0.6	1.1	1.5	Autumn Budget
RPI %	3.3	2.1	1.3	6	14.2	6.1	3.4	4.3	ONS (November data for Oct). Percentage change over 12 months
CPI %	2.4	1.5	0.7	4.2	11.1	4.6	2.3	3.6	ONS (November data for Oct). Percentage change over 12 months
Employment (millions) - unemployment % in brackets	32.4 (4)	32.8 (3.8)	32.5 (4.6)	32.2 (4.9)	32.7 (3.7)	32.9 (4.2)	33.1 (4.3)	33.8 (5%)	Autumn Statement
Wages and salaries %	4.8	3.5	0.1	4.3	5	6.2	6	5.3	ASHE survey all sectors (private sector - full time)
Total HGV op costs at 44t	+6.31%	+1.88%	-1.28%	11.70%	19.00%	1.38%	**3.51%**	**3.34%**	**RHA**
HGV costs exc. fuel	3.29%	3.85%	2.77%	11.76%	11.60%	9.21%	**5.95%**	**5.91%**	**RHA**

Logistics

According to the latest ONS release on 11 November 2025 'EMP13 Employment by Industry' there are 1.65 million people working in the transport and storage sector compared to 1.59 million at the same point last year.

The latest official overview of the road freight sector released in July 2025 gives the following:

- UK GDP £2.6 trillion (up 1.1 percent from 2023)
- UK GVA for the road freight sector £16,871 million (down 5 percent on 2022)
- 16.6 billion vehicle miles (down 2 percent on 2023)
- 534,310 licenced HGVs in the UK (not all on O licence)

Empty running is still a concern and where articulated vehicles are concerned this has been at 30 percent as recorded by The Department for Transport Road Freight Statistics (rfs0125) for 2022, 2023 and 2024. Clearly some operators cannot run in both directions, and a fuel tanker is a prime example but so to are those operating under a restricted operator licence.

Warehousing

Warehouse costs (rents + service charges) are still rising, though the pace has slowed. Savills reports a 3.6 percent increase over 12 months, but this is lower than in previous periods. There is limited "easy" spare capacity: some reports suggest new development is currently constrained. At the same time, warehouse sizes are increasing, with more very large "mega" warehouses (1 million+ sq ft) being built.

Operating costs are also rising due to energy, labour, and other overheads. The warehousing and logistics sector is still grappling with labour shortages, especially in warehouse operatives and drivers. This is one of the big reasons driving automation: to reduce reliance on manual labour.

More flexible, technology-enabled 3PLs will likely gain market share over more traditional players. Companies are now turning to automation and AI to provide clients with increased greater accuracy and improved utilisation of space, equipment and labour. We are also seeing a continuation of consolidation within the 3PL market with the takeover of Wincanton by GXO.

Abnormal loads difficulties eased?

In June the National Police Chiefs' Council (NPCC), in collaboration with the Abnormal Loads Working Group, released new national guidance to support police forces in the management of abnormal load movements across the UK. The new guidance marks a significant step forward in improving coordination, transparency, and efficiency for both law enforcement and the transport industry.

This landmark document reflects extensive consultation with the transport and logistics sectors and is designed to ensure a safer and more predictable operating environment for the movement of abnormal loads, while also supporting the operational requirements of police forces.

Key highlights in the new NPCC guidance include:

- 30-Day Window Acceptance
- Clarification on Embargoes
- Targeted Embargo Approach
- Police Escorts and Legal Authority

The NPCC has agreed that the guidance will be subject of ongoing review and amendment, so it remains fit for purpose and a formal review will take place twelve months after publication.

Waste sector

The waste & recycling sector report that 'simpler recycling' resulted in extra collections and use of more bins due to the key changes for businesses which include the mandatory separation of certain recyclables and food waste, where businesses employed 10 or more full-time staff from March 31, 2025. Smaller operations will have to comply by 31 March 2027.

The four main waste streams are:

- Non-recyclable waste
- Food waste
- Paper and card
- Other dry recyclables (plastic, metal, and glass)

The sector, which requires many staff especially picking lines in materials recycling facilities have suffered the extra costs of national living wage, the increased employers NI and of course will face another challenge when the Employment Rights Bills comes into effect as many of these staff are employed via agencies to meet the demands of their business. Of course, the same applies to many sectors within our industry.

Digital Waste Tracking is due for gradual implementation from April 2026 potentially on a voluntary basis for exports and hazardous waste. The current plan is for mandatory use by receiving site operators by October 2026. There is scepticism that the real date might go back to 2028. For now, the current discussions appear focused on the technical scheme rather than practical enforcement or policy implications. There is a need to ensure regulators clarify how the system would be implemented and enforced, particularly concerning data amendments and regulatory expectations.

Late April 2025 saw a consultation appear from HMRC on potential reform of landfill tax which, if enacted could prove disastrous for the construction sector. The government proposes to transition to a single rate of Landfill Tax by 2030. To deliver this, an escalator will be applied to the lower rate until it meets the standard rate in 2030. The Mineral Products Association estimate that building a new house would go up by £22,000 to £28,000 typically. The costs of builder's skips would effectively double (£250 to £500) and the cost of disposal of unrecyclable inert excavated material would potentially increase from typically £10 tonne to £135 tonne (currently around £200 for an 8-wheeler load increasing to up to £2700) under the single rate of tax. There are insufficient landfills operating with a recovery permit to handle all waste arisings. The Budget in November 2025 ruled out moving to a single rate of landfill tax for now and therefore RPI will apply annually to the Standard rate while the Lower Rate was increased from £4.05 to £8.65.

Freight crossings and international aspects

Looking ahead to 2026 it's worth reminding ourselves of changes coming for several aspects of international transport – and to be prepared for them. In the EU there is going to be a considerable upward trend in truck fuel and road toll costs, and an increasing reliance on digital tools, according to the IRU.

On a positive note, the proposal for a taskforce to develop an EU-wide strategy to plan, permit and develop safe and secure truck parking areas as a matter of urgency, again with results expected on the ground by 2030.

Borders

Members engaging in international movements between the UK and EU/ROI are now reasonably comfortable with their understanding of requirements. They are either generating the Goods Movement Reference (GMR) themselves or have arrangements through a 3rd party. Currently, the GB SSD number is not mandatory on the GMR, however it would be 'best practice' to include it.

France launched their own version of the GMR, called the 'Envelope Logistique Obligatoire' (ELO) in September 2025, at the same time as the EU went live with ICS2 ENS (EU Safety & Security Declarations see below), but currently it is not mandatory. This changes from 1 January 2026, when it will become a requirement for hauliers to have an ELO when entering EU via France, and the ELO MUST contain the ICS2 ENS reference number (MRN). Regular traders exporting goods should know the routine in relation to customs declaration requirements for the type of load being moved.

The GB Safety & Security Declaration (GB SSD) (GB Entry Summary Declarations (GB ENS) became fully mandatory from 31 January 2025, and it is the hauliers/carriers' responsibility to makes sure that there is a GB SSD covering loads entering the UK. This is a declaration required by Border Force. Whilst it's possible to use a 3rd party to generate the GB SSD, the haulier/carrier must have the GB SSD reference number to enable the driver to present it when boarding the ferry or train/shuttle, along with their GMR number. Border Force will do checks on the GB SSD entries to make sure they have been generated with enough data, which includes a 'good/acceptable' description of the goods.

There is list of 'UNACCEPTABLE WORDS', words that are too 'generic'. Operators who fail to generate GB SSD or consistently produce SSDs with errors are being contacted by Border Force and could be issued with penalties if non-compliance persists. It's extremely important that traders provide the haulier/carrier with the correct information.

The EU Import Control System (to ICS2) underwent an upgrade which requires more data fields to be completed for the Entry Summary Declaration (the EU version of the safety & security declaration) and became applicable for road transport from April 2025, although some countries have deferred the mandatory requirement to use ICS2 ENS until after 31 December 25. ICS1 ENS would still be applicable for those countries. As access to specific software is required for ICS2, and customs agent/intermediary may have upgraded their systems, the additional data information may already be required by them. Like the UK SSD, there is also a list of STOP WORDS, that should not be used when generating the ICS2 ENS because they are too generic.

EU EORI Number – All international hauliers should now have an EU EORI number (Economic Operators Registration and Identification), as it is a requirement for the ICS2 ENS. If moving goods into Northern Ireland, an XI EORI number is required. An XI EORI number can be used for generating ICS2 ENS into EU, as it is a recognised EU identifying number, however, an EU EORI cannot be used for movements into Northern Ireland, you do need the XI EORI.

Borders - people

The EU's new Electronic Entry/Exit system (EES) was finally 'officially' launched on 12 October 2025 Initially though; it is only being used for freight and coach movements through the juxtaposed control points at Dover & Eurotunnel. In fact, by mid-November coaches were still being waved through. Tourist traffic was due to commence from 1 November 25, potentially, but this has also been delayed again. The issue appears to be related to the EUs LISA IT system connection, so the collection of biometric data from drivers has been haphazard. Currently, facial images and fingerprints are being taken from drivers, but the data is not being sorted, and drivers are being asked to repeat the process on numerous occasions. It also appears the collection of the data is quite random, with some drivers being processed in both directions, and others only in one or other direction.

The 90 days in 180 free access (Schengen) remains a concern as if 90 days has been exceeded, then the driver could be refused entry. When the EES works properly this will cause huge issues for UK international drivers. The relevance of the 90/180 to this historic problem will come in many ways; the obvious risk is to our very successful event hauliers, servicing the music, racing and arts sectors. The very nature of this work requires trucks to spend weeks or months on tour, but also the regular backwards and forwards nature of import and export work.

The RHA continues to raise with government these concerns asking for a visa of exemption for the drivers effected to allow the UK to have an international haulage sector.

DEFRA

April 2024 saw the introduction of import controls on Sanitary and Phytosanitary (SPS) goods, and the 'Common User Charge' (CUC) took affect at Sevington, Kent which is the only government funded border control facility. There are potential changes due at Sevington, in that it might turn into being privately operated, so the site and charging element might also see some changes. However, nothing to our knowledge has been agreed, so it's a 'watch this space' situation.

The Border Target Operating Model (BTOM), published in April 23, continues to be worked through, following an announcement in May 25 that a new Sanitary & Phytosanitary Agreement was being developed. This is still being negotiated, but all currently BTOM controls will continue until further notice, although there has been a pause on the implementation of further import controls on EU & EFTA live animals and non-qualifying NI goods arriving from Ireland and Northern Ireland. Current controls on goods transiting GB between Ireland and the mainland EU will remain in place.

Customs

The Customs platform, NCTS5 became operational by all EU National Authorities from 22 January 2025, the 'Final State Rules' became applicable

HMRC are now working towards the changes for NCTS6, however the UK will not initially be taking up the option to use a combined Transit Movement Reference Number (MRN) and Safety & Security Declaration (SSD) declaration – a Transit Safety Accompanying Document (TSAD), which will be disappointing for many, although we are advised, it would be taken up at some stage.

Work on the Single Trade Window was paused towards the end of 2024. For background, the purpose of the Single Trade Window (STW) was to provide a single UK border service that streamlines data across government and trade, a 'one-stop shop' to input data. However, the new government is facing fiscal challenges and must make so difficult choices. The border has undergone radical change in the last few years, including the addition of new digital capabilities. It was felt it was right that this government considers its future for the border and how best to meet the needs of its users, so the Single Trade Window project has been paused for now, however, the RHA will continue to engage with GOV on further projects.

Kent

Dover TAP continues to be deployed because of heavy traffic at the port (Dover) due to either increased tourist traffic taking priority on the ferries or weather considerations hampering sailings. Operation BROCK was in operation during the summer holiday period of 2025 (July-August).

Kent & Medway Resilience Forum introduced a 'trial period' in the Summer of 2024 of the 'Dover TAP permit' which was also used in Summer 2025. It is handed to drivers when BROCK had been made 'active with controls' on the M20 (Jct 8-9). This TAP permit requirement 'forces' freight vehicles heading to Dover Port to use the M20 and not try to use alternative routes (M2/A2), as without a Dover TAP permit vehicles would be refused entry to the Port. The use of this new 'controlling permit' has subsequently been written into the BROCK traffic management plan in 2025.

Mobility package

International hauliers should all now have their HGV vehicles fitted with Smart 2 tachographs, as it became a requirement on 20 August 2025. The next stage of the Mobility Package in regard to tachographs, will be the requirement for light commercial vehicles between 2.5 & 3.5 tonnes doing international journeys to be fitted with tachographs from 1 July 2026. This will require drivers of these sized vehicles to understand the tachographs driver's hours rules and the devices, adding an additional expense of training to the cost of retrofit installation.

This new requirement is, as was the case for the HGVs, expected to create issues for those needing to become compliant.

European Tolls

Those European countries that have tolling systems based on price per kilometre times distance travelled have all started to incorporate a CO2 price element to the cost of using the road network.

Some countries who traditionally used a vignette, which is based on weight/euro rating and days travelled, have moved across to price per kilometre/euro rating schemes. Denmark and Netherlands are the most recent to have moved away from the Euro vignettes.

A warning regarding travel in Poland

In 2024 Poland introduced a new customs regime for specific goods being imported or exported from Poland. As part of this new regime, Polish traders must register the movements on the 'SENT' IT platform (System for Electronic Transport Supervision).

However, foreign carriers who perform international or cabotage road transport operations to/from or through Poland are also obligated to report the transport movement to the electronic 'SENT' platform. This requires a company representative to register an account in the Polish tax and customs platform, where they then generate a 'SENT' RMPD declaration, but also there must be the means of tracking the vehicle through a GPS signal, which requires the use of an authorised OBU service provider and using the Polish e-TOLL PL APP.

Failure to follow the requirements WILL result in a hefty penalty as Polish customs/police will stop the vehicle if there is no notification that the vehicle has been registered with a RMPD declaration.

Northern Ireland

As 2025 opened there had been an ongoing logistics bottleneck because of the Holyhead port closure. As a reminder, ferry services at the port had been suspended since Storm Darragh at the start of December. Members in Northern Ireland reported that ferry operator CLdN (formerly Seatruck) has introduced surcharges to hauliers using their services. The new system meant operators using more than their standard booking allocations had to pay a 100 percent surcharge on additional slots. This was reported on in the press at the time and as an association we led calls to get this changed.

In late February we had written to the Northern Ireland secretary of state, Hillary Benn and Carol Bristow, director general of borders and trade at HMRC on these complex issues.

By August these trade uncertainties were still fracturing GB-NI supply chains, driving higher business costs and increased prices for Northern Irish consumers. Yet the unclear communication from HMRC and the Trader Support Service (TSS) continues.

It was in August when the troubling disconnects between official guidance and operational reality became evident. HMRC informed industry that the proposed changeover from the Import Control System (ICS) to the new ICS2 system (initially scheduled for 1 September) wouldn't happen until later in the year, likely December. Companies were shocked to discover that TSS was already using the new ICS2 system, two weeks before the original September date and months before the new delayed timeline.

This mandatory system introduction happened without any communication, sector engagement, or advance warning to businesses. This sort of administrative confusion continues to add costs and undermine business confidence. TSS was established to help companies navigate trade complexities, yet businesses in GB and NI report that TSS has become a source of uncertainty rather than providing the clarity it was designed to deliver. Business needs straightforward, concise, real-time, up-to-date guidance. To keep supply chains fluid, firms need certainty, not bureaucratic confusion and mixed messages.

Current systems and processes still aren't working for businesses or consumers. Having competing systems creates supply chain issues and risks many trade movements from GB to NI, ultimately causing wider economic impact.

We'll soon engage further with officials and decision-makers. Ministers and senior officials must now step up to offer clear oversight and guidance on a way ahead. We will continue to highlight these issues and remain ready to work collaboratively, seeking practical solutions that reflect operational realities on the ground.

Road freight travelling to Europe

Most members operating internationally use the ferry routes of the Dover Straight which remains the most popular route. The latest annual Department for Transport (DfT) freight statistics show that in 2024 a total of 2.85 million trips were made from Great Britain to Europe which was 2 percent less than in 2023.

- 1.87 million (2.02m in 2023) were powered vehicles
- 0.97 million (1.2m in 2023) were unaccompanied trailers

Poland remains the top country of exports departing from GB making 297,000 (16 percent) crossings compared to UK registered HGVs in second place at 250,000 (13 percent).

Most powered vehicle crossings continue to be via the Dover Straight

- North Sea 7.6 percent (141,952)
- Irish Sea 6.7 percent (123,787)
- English Channel 2 percent (38,374)
- Dover Straight 83.7 percent (1,566,347)

Where unaccompanied trailers are concerned the disembarkation points around the GB are:

- North Sea 67 percent (653,525)
- Irish Sea 28 percent (272,565)
- English Channel 2.3 percent (22,461)
- Dover Strait 2.7 percent (26,397)

Containers

Maersk had announced late in 2024 that it was leaving the Port of Felixstowe for its largest vessels from February 2025 and moving these operations to London Gateway. This created a decline in shipping volumes although our understanding is several new shipping lines have boosted throughout since then.

The container sector has continued to see market volatility although the latest Department for Transport quarterly port freight statistics showed the following growth when comparing January to March 2025 with January to March 2024 through UK major ports:

- Total freight tonnage increased by 5 percent to 107.4 million tonnes
- Inward tonnage increased by 7 percent to 72.8 million tonnes
- Outward tonnage saw little change, increasing by just under 1 percent, to 34.6 million tonnes
- Total volume of unitised traffic increased by 3 percent to 4.8 million units
- Inward units increased by 3 percent to 2.6 million units
- Outward units increased by 2 percent to 2.2 million units

Of course, this first quarter was also the defined busiest period of the year for growth generally as mentioned earlier in the report due mainly to the US tariff scenario at the time.

This followed 2024 growth (UK) in the number of containers (units) handled by UK ports which increased 5 percent and the tonnage of cargo in those containers also increased 4 percent. This was only because of imports of deep-sea traffic increased in 2024 as opposed to exports. These deep-sea imports increased by 2.2 million tonnes (11 percent). Most of this was attributable to container imports from China. Looking at deep sea exports, these have generally declined since 2014 and in 2024 the reduction was 2 percent.

For haulage operators involved in container movements the last few years have remained very challenging with diversification cited in the sector press along with criticism of charges imposed for container booking systems and late notice of changes to charges in the early part of the year at Felixstowe.

In July, after a period of relative calm, the Houthi's attacked and sank the Greek ship Eternity C (a bulk carrier) and one other in the same week which led to reports of soaring insurance cover. In August though, the CEO of Hapag-Lloyd stated, 'we see no chance of the Suez Canal route being used again this year'. The red sea route using the Suez Canal handles 30 percent of global container traffic and shortens journey time by 14-25 days compared to going via the Cape of Good Hope around Africa. Time equals money and fuel.

It was in November that the potential use of the Suez Canal route was back in the press as Yemen's Houthi militia said they would stop attacks on Red Sea shipping following the ceasefire in Gaza between Hamas and Israel.

Meanwhile, climate change has meant that another route has been used for the first time as in October a container ship, the Istanbul Bridge was the first to go via the Arctic Sea from China to Felixstowe dramatically cutting the journey virtually in half as many days, possible due to the melting ice sheet.

Congestion, 'on road' facilities and freight crime

The current levels of road congestion result in unpredictable and longer journey times which leads to decreased productivity, increased emissions, more unnecessary cost, and damages the competitiveness of the UK economy at a cost of £30.8bn a year. Maintaining investment in road infrastructure is vital for the economy, and ultimately the environment.

We welcome the Government's confirmation of key Strategic Road Schemes, including the M60/M62/M66 Simister Island junction in Greater Manchester, the A38 Derby Junctions in Derby, and the A66 Northern Trans-Pennine upgrade. These projects are vital for improving connectivity, reducing congestion, and supporting economic growth across key regions. We also support the commitment to funding 28 local highways schemes, which will deliver tangible benefits to local communities and businesses.

Parking & facilities

There's an urgent need for continued investment in roadside facilities, particularly in areas of high lorry parking demand and high freight crime rates – and truckers agree.

Transport Focus found that half of HGV drivers asked said they were dissatisfied with the quality and the quantity of facilities across the country. Poor facilities are a barrier to attracting and retaining drivers – and given we'll need 200,000 more truckers over the next five years it's vital we work together to change that equation and help drive economic growth.

In late February, it was pleasing to see outline planning permission being granted for up to 200 lorry parking spaces off the M26 in Kent. RHA had backed the service station operator, Moto's appeal against the local council's decision to block the move, which means they're a step closer to constructing a desperately needed secure 24-hour truck stop facility which will also feature a fuel station and an amenity building.

This could be a significant development for truckers operating in Kent, where there is currently a shortage of 1,000 safe and secure lorry parking spaces – it's 11,000 nationally. It was also useful and welcome to see a new secure parking facility opened by DP World recently at the Southampton container terminal capable of holding 130 HGVs with what sounds like good facilities for drivers.

In less positive news, a lorry park in Northwest Leicestershire was forced to shut its doors amid safety concerns. The planning inspectorate had ruled that Bardon Truck Park off junction 22 on the M1 must close with the current access area found to be unsafe for people using the next-door pub.

According to National Highways, Northwest Leicestershire is the district with the highest need for more safe, secure HGV parking in all of England. The impact the closure will have on the owner, drivers and operators has been raised with the local MP, councillors and Department for Transport.

We're working with the owner to urge Northwest Leicestershire District Council to help facilitate alternative safe and secure parking for lorry drivers. More safe and secure lorry parking and better standards at truck stops are an RHA campaigning priority. It's key focus of our asks of government.

Freight Crime

RHA recently collaborated on a BBC freight crime documentary which aired on Monday 17 November, highlighting the huge challenge for our sector and what help we need to tackle it. Freight crime poses a significant and growing threat to the UK economy, to businesses, and to the resilience of our national supply chains. In 2024 alone, the value of goods stolen exceeded £111 million - a 63 percent increase on the previous year. Since 2020, the cumulative economic impact of freight crime is estimated to be over £1 billion.

This type of crime is increasingly perpetrated by organised criminal gangs who view freight theft as a low-risk, high-reward activity. The effects ripple through the economy, directly affecting haulage operators, damaging manufacturing and retail businesses, and ultimately increasing prices for consumers. The BBC documentary itself uncovered a scam whereby organised crime gangs buy haulage operators and then use these to sub-contract and ultimately steal loads they had been paid to collect in effect!

Despite its seriousness, the National Vehicle Crime Intelligence Service (NaVCIS) remains critically under-resourced and is currently funded solely by the freight industry. At present, NaVCIS relies entirely on industry funding. This has resulted in an operation that exists on a hand-to-mouth basis, with limited capacity to proactively disrupt organised crime. Without stable and sufficient Government funding, NaVCIS cannot scale its intelligence operations, build regional enforcement capacity, or invest in long-term crime prevention strategies.

The RHA urges Government to include a funding allocation of £6 million per year for NaVCIS in the Autumn Budget. This is essential to develop a national, coordinated, and intelligence-led response to freight crime. The return on Government investment in this area is clear: for a £6 million annual cost - less than 1 percent of the annual losses attributed to freight crime - NaVCIS would be able to deliver significant reductions in crime and associated economic harm. Perhaps the BBC documentary might help persuade for Government funding?

Toll rates

The Dartford crossing saw a 40 percent increase for HGV traffic from September 2025 to £8.40 per crossing (non-account) while account holders got a similar 39 percent increase.

At the time, Road Haulage Association (RHA) Policy Lead James Barwise said: We recently welcomed the Lower Thames Crossing decision as an essential infrastructure project that we want delivered as soon as possible. However, given project delays to date, Dartford remains the only practical Thames crossing for HGVs and coaches in the South-East.

"It's therefore regrettable that the charge increase has been so significant. This adds to running costs at an already financially challenging time for many businesses in our sector (HGVs, Coaches & Vans) and ultimately pushes up prices for consumers."

The Humber Bridge Board announced in June that tolls for the Humber Bridge Toll would be increasing for the first time since 2012. This was delayed however as it will now coincide with the opening of a new tolling system and so the expected started and increase should take place in February 2026. Non account HGVs will see at 25 percent increase to £15 while account holders see an 11.11 percent increase to £12.

Plugging skills shortages

The skills shortage in the road transport sector is a chronic issue that continues to affect supply chains. There is still a significant shortage of HGV drivers, which is compounded by the ageing workforce. The industry is also struggling to recruit and train vehicle technicians to ensure the safe operation of vehicles. The long-term viability of road haulage is dependent on recruiting and training a new generation of skilled workers.

In 2021, the driver shortage crisis highlighted the imperative of managing the demand for HGV drivers. Since 2021, the economic downturn has resulted in a reduction in freight movements and has shielded the sector from further driver shortages.

Our analysis shows that the sector will need over 200,000 new HGV drivers over the next 5 years to maintain supply chains. A significant number have retired from driving over the past year and DVLA data shows that over 117,000 HGV drivers did not renew their Driver Qualification Card (the best indicator of the number of active HGV drivers). It is vital that there is an increased focus on training new drivers to ensure the resilience of our supply chains.

With only 1.6 percent of drivers under the age of 24, there is a significant difference in the age profile of HGV drivers compared to the average for people working in general.

Since the national HGV skills bootcamps came to an end, the only funded training route for HGV driver training is via an apprenticeship. Logistics businesses have struggled to make the apprenticeship work with less than a 40 percent achievement rate. In contrast, the HGV skills bootcamps have seen a 70 percent completion rate. The short course is better suited to learners wanting to gain their licence, however if this route was linked to the Growth and Skills Levy the outcomes could be further improved by ensuring a job upon completion.

We support the continuation of the HGV driver skills bootcamps. The original funding allocated for the HGV driver bootcamps was £34 million, however no further funding was allocated this year. HGV Driver Bootcamps were oversubscribed when first launched and have continued to be the preferred funded training route. Prior to the bootcamps, the only funded route for driver training was apprenticeships, which businesses have struggled to make work for them.

Unless greater flexibility is introduced across all sectors and a wider range of shorter, modular training options is made available, no changes should be made to the current apprenticeship levy payment structure. The £3 million payroll threshold is now beginning to affect many smaller businesses, due to cumulative salary increases over the past eight years. Reducing this threshold any further would place additional financial strain on SMEs, who are already facing significant cost pressures from recent increases in the minimum wage and employer National Insurance contributions. In the current climate, expanding the levy's scope without addressing these issues risks undermining the very businesses the apprenticeship system aims to support.

An issue that has recently come to light is that between October 2024 and May 2025, more than one in six HGV drivers did not renew their DQC. This means a reduction in potential availability of 117,000 drivers although we believe the situation has improved but only slightly.

It was useful that in February, the Government made an announcement that meant some apprenticeships in transport and logistics more viable for the industry. The minimum length of an apprenticeship in England will be reduced from 12 months to eight months as of 30 August 2025

Businesses would now be able to decide whether adult learners over the age of 19 when they start their apprenticeship course will need to complete a level 2 English and maths qualification (equivalent to GCSE) to pass it. The RHA had long campaigned for the moves and said firms will have more choice on courses and it will remove barriers to the successful completion of some apprenticeships.

Vehicle technicians

Recruiting vehicle technicians for workshops, maintenance providers, and dealerships has long been a challenge, particularly in finding new apprentices. There were 4,700 vacancies for HGV mechanics over the past year, and vehicle technicians have decreased by 30 percent, or 60,000, since 2019. One key factor contributing to the shortage of heavy vehicle technicians is the reduction of specialised courses in colleges over the last decade.

Although the heavy vehicle technician apprenticeship funding was increased in 2024, this is still not representative of the true cost of provision. With the standard being updated this year to include zero emission vehicles, this issue will intensify. Where light vehicle apprenticeships have seen a reduction in starts by 6 percent, heavy vehicle apprenticeship starts have seen an increase of 11 percent. The demand from students is there, however without this vital local provision in the form of colleges we will not have the capacity to train enough technicians to cope with demand.

Colleges and Independent Training Providers will need help with the capital expenditure costs for up-to-date technology for the courses.

Employment Rights Bill – Fire and Rehire

The Employment Rights Bill aims to bring in new safeguards around the use of "fire and rehire" practices. Fire and rehire is where employers dismiss staff and immediately re-engage them on new terms and conditions. Under the Bill, employers will be required to follow a statutory Code of Practice when seeking to make contractual changes. The Code emphasises meaningful consultation, transparency, and genuine attempts at agreement before dismissal is considered.

The intention of the bill is not to ban contractual changes but to curb misuse. The Bill therefore aims to strike a balance between protecting workers from unfair practices and allowing employers flexibility to restructure in genuine business emergencies. The section of the bill we would like comment on is Clause 28, which will make Fire and Rehire an automatic unfair dismissal where an employee is dismissed or replaced for failing to agree to changes to core terms.

These can include reductions to pay, changes to pensions, changes to total hours, reduction to leave entitlement, changes to shift patterns and expenses.

There are two restricted variations within the policy proposal which could be problematic in relation to transport operations and will form part of the forthcoming consultation.

- Expenses or benefits in kind
- Changes to shift patterns

Expenses

With regards to expenses and benefits in kind, it may be appropriate for an employer to make operational changes to expenses. For example, you may have agreed an overnight allowance with an employee but due to operational changes, the employee may no longer qualify for the overnight allowance, therefore the payment will be withdrawn.

If changes to expenses was to be included within new Fire and Rehire legislation, meaning that you would need to negotiate amending new contracts relating to expenses payments.

Changing shift patterns

Whilst employers need flexibility to make reasonable operational changes to secure their businesses, some shift changes can affect an employee's ability to continue in their role. Therefore, it may be necessary to protect certain significant changes to prevent unscrupulous use of fire and rehire.

Sometimes rotas and shift patterns will not be set out in an employment contract. If the terms of employment are not changed, the fire and rehire measure will have no effect. Similarly, some employment contracts already include terms which allow employers to make reasonable shift pattern changes. Again, changes made in these circumstances to shifts should not come into scope.

However, where employees are contracted to work specific hours such as day shifts but due to a change of business circumstances, the employee now needs to work night shifts. This would represent a significant change to an employee's life and therefore would come into scope within fire and rehire.

Net Zero Survey on operator-readiness (2025)

In June 2025, the RHA published the results from its first industry-wide survey to understand operator readiness for Net Zero. From a starting point where the Society of Motor Manufacturers and Traders (SMMT) reported in April 2025 that there were fewer than 600 registered electric HGVs on UK roads, the survey was conceived with three broad aims: to understand how many fleets already have electric commercial vehicles within them; to bench-mark operator readiness to decarbonise; and inform the next set of conversations with the RHA's key partners involved in delivering Net Zero.

We observe that, for decarbonisation to succeed, three conditions must all be in place:

- Availability of zero emission vehicles for the right job
- Access to energy infrastructure
- Access to affordable finance

Our survey showed that, in 2025, these conditions are not yet in place for many operators.

Our survey found that 23 percent of HGV operators, 39 percent of van operators and 17 percent of coach operators plan to bring electric vehicles into their fleets within the next 5 years and in some cases are already using them. In addition, 12 percent of HGV operators planned to bring a hydrogen-powered vehicle within their fleet within the next 5 years, proving that there is demand for hydrogen-based solutions to decarbonise the commercial vehicle fleet.

However, our findings also reflect the very real challenge of meeting the UK's Net Zero targets, with significant additional support and investment needed if planned targets are to be met. In our survey, 70 percent of HGV operators, 75 percent of coach operators and 56 percent of van operators reported having no plans in place to introduce zero emission vehicles into their fleets.

When asked why, operators across the different vehicle modes consistently ranked lack of vehicle mileage and cost as the main barriers preventing them from doing so as depicted in the following table.

Percentage of operators ranking cost or lack of vehicle mileage as their top barrier

	Cost	Lack of vehicle mileage
Van operators	35%	47%
HGV operators	38%	45%
coach operators	45%	51%

An additional issue concerned payload loss for HGVs weighing 44 tonnes where the 2-tonne derogation to accommodate batteries does not apply. Whilst only 6 percent of HGV operators ranked payload loss as their top barrier, the issue was of higher importance when second choice barriers are also considered where 30 percent of HGV operators ranked it as their top or second barrier.

Taken together, a clear message from the survey is that Net Zero must be commercially viable with costs minimised and payload loss concerns for HGV operators rectified. Vehicles which transport goods and passengers are working vehicles which must pay for themselves, and this is especially critical for an industry operating on wafer-thin margins of typically 2 percent.

This is where the RHA will now prioritise its focus to find solutions with the UK Government and finance sector that make the transition to Net Zero commercially viable for HGV, coach and van operators.

Our Net Zero Survey report and its detailed findings can be found here.

Traffic Commissioners' annual report

The 2025 report provides practical assistance to operators on achieving better compliance, with particular focus on vehicle maintenance, fair competition and bridge strikes. It also examines current economic and security concerns alongside driver requirements and innovative developments within the industry.

The 2025 report informs us that between 2024-25 operator licences fell by 0.9 percent (-3.19 percent previous year) to 66,222 operators. The recorded HGVs though increased by 0.73 percent from 373,318 to 376,044 however they may be slightly skewed by the new international van's requirement for those over 2500kg.

Real case studies are included to provide clear examples of the issues currently facing the sector. In addition, the report highlights work undertaken around local services, digital improvements, assistance to enforcement agencies, and transport managers for light goods vehicle operators.

The Commissioners have drawn attention to current HGV driver requirements, noting a future potential shortage if numbers aren't adequately addressed. Rising organised freight crime is also cited, with losses exceeding £1bn since 2020, alongside the ongoing financial pressures in the industry which have led to insolvencies. The report looks too at the urgent need for infrastructure to support the decarbonisation journey for the road transport sector.

Looking ahead, the Traffic Commissioners stress the need for legislative reform to streamline processes and more sustainable funding models, including a review of operator licence fees. The commissioners also state the need for continued investment in digital services and greater collaboration through strong partnerships with enforcement bodies.

Financial Standing Requirements – Standard and International Operator Licences

The Senior Traffic Commissioner's Statutory Document No. 2 was updated in March 2025. The update offers clarification regarding subsidiary finance to ensure that funds are held by the entity that holds the operator's licence. Additionally, where company accounts are relied on, they must provide sufficient detail for an assessment of availability.

There are no changes to the actual financial standing levels announced in 2021 These rates are now fixed in legislation and will not be subject to any further alterations without amending legislation. The link below gives an updated document where the values have not changed however additional categories have been added for certain vans / trailers / cars combinations on hire and reward international work.

Read the Statutory Finance Document No.2 (March 2023) here.

Table 2

Licence type		Heavy goods vehicles (HGVs)	Public Service Vehicles (PSVs)
International	First **HGV** vehicle	£8,000 **or £1,600 for each light goods vehicle**	£8,000
	Each additional **HGV** vehicle	£4,500	£4,500
	Each additional **light** vehicle	£800	
Standard	First **HGV** vehicle	£8,000	£8,000
	Each additional **HGV** vehicle	£4,500	£4,500
Restricted	First vehicle	£3,100	£3,100
	Each additional vehicle	£1,700	£1,700

Traffic Commissioner data on operator licences and vehicle numbers (Table 3)

Number of goods vehicle operators licences (associated vehicle numbers in brackets)	Restricted	Standard National	Standard International	Total	Certified copies of European Community Licences
2014-15	**39,896** (94,545)	**27,739** (172,260)	**7,960** (76,869)	**75,695** (343,674)	33,121
2015-16	**40,265** (99,567)	**28,448** (195,487)	**8,289** (82,667)	**77,002** (377,721)	33,629
2016-17	**38,132** (95,701)	**27,140** (197,211)	**8,186** (83,624)	**73,458** (376,536)	30,174
2017-18	**37,514** (95,286)	**26,682** (199,575)	**8,351** (83,619)	**72,547** (378,476)	32,433
2018-19	**36,074** (93,207)	**25,960** (199,371)	**8,769** (83,619)	**70,803** (376,197)	32,443
2019-20	**35,542** (93,207)	**25,160** (189,223)	**8,281** (80,200)	**69,083** (362,630)	33,791
2020-21	**35,505** (92,061)	**24,931** (191,320)	**8,932** (84,260)	**69,528** (369,641)	34,421
2021-22	**35,091** (92,061)	**25,428** (192,919)	**9,226** (84,624)	**69,745** (369,604)	34,507
2022-23	**34,540** (92,521)	**24,678** (197,930)	**9,804** (83,603)	**69,022** (379,801)	36,102
2023-24	**33,384** (90,293)	**23,864** (194,765)	**9,510** (84,808)	**66,758** (369,866)	36,263
2024-2025	**32,543** (89,094)	**23,891** (196,796)	**9,788** (86,468)	**66,222** (376,358)	36,103
O-Licences 2025 v 2024	**decrease 760**	**increase 27**	**increase 134**	**decrease 599**	
Vehicles 2025 v 2024	decrease 1,099	increase 2,165	increase 1,660	increase 2,726	

Haulage Cost Movement 2025
RHA

Northern Ireland – Goods vehicles operator licences & vehicles (Table 4)

Number of goods vehicle operators licences for Northern Ireland (associated HGV numbers in brackets)	Restricted	Standard National	Standard International	Total
2019/20 Q4	**3,165** (9,041)	**362** (1,992)	**1,828** (10,692)	**5,355** (21,725)
2020/21 Q4	**3,219** (9,137)	**359** (1,955)	**1,878** (10,880)	**5,456** (21,972)
2021/22 Q4	**3,276** (9,157)	**358** (1,990)	**1,953** (11,308)	**5,587** (22,455)
2022/23 Q1	**3,305** (9,180)	**353** (1,987)	**1,943** (11,365)	**5,601** (22,532)
2022/23 Q2	**3,335** (9,169)	**344** (1,956)	**1,929** (11,351)	**5,608** (22,476)
2022/23 Q3	**3,326** (9,147)	**343** (1,952)	**1,917** (11,367)	**5,586** (22,466)
2022/23 Q4	**3,263** (9,012)	**335** (1,907)	**1,894** (11,285)	**5,492** (22,204)
2023/24 Q1	**3,239** (8,993)	**329** (1,892)	**1,865** (11,248)	**5,433** (22,133)
2023/24 Q2	**3,204** (8,935)	**324** (1,940)	**1,861** (11,258)	**5,389** (22,133)
2023/24 Q3	**3,164** (8,885)	**319** (1,910)	**1,856** (11,323)	**5,338** (22,118)
2023/24 Q4	**3,084** (8,720)	**315** (1,919)	**1,863** (11,300)	**5,262** (21,939)
2024/25 Q1	**2,976** (8,595)	**313** (1,865)	**1,842** (11,444)	**5,131** (21,904)
2024/25 Q2	**2,989** (8,640)	**312** (1,863)	**1,854** (11,558)	**5,155** (22,061)
2024/25 Q3	**3,043** (8,641)	**314** (1,868)	**1,906** (11,583)	**5,390** (21,967)
2024/25 Q4	**2,973** (8,541)	**311** (1,872)	**1,851** (11,684)	**5,135** (22,097)
2025/26 Q1	**2,976** (8,586)	**315** (1,881)	**1,845** (11,757)	**5,137** (22,224)

Driver and Vehicle Standards Agency (DVSA)

Safety brings another potential cost with the new requirements now in place expecting laden brake tests at every service for most operators which is something that roving international transport firms operating in the UK do not need to bother with. DVSA have approved EBPMS (Electronic Brake Performance Monitoring System) as an acceptable standard and so by updating to technical solutions the requirement of assessing brake safety can be achieved.

The DVSA's Guide to Maintaining Roadworthiness sets clear expectations: A minimum of four Laden Roller Brake Tests per year, including the MOT. Tests must be conducted with the vehicle laden to at least 65 percent of its design weight. Unladen testing is only permitted for specific vehicle types (e.g., tri-axle semi-trailers).

Risk assessments are mandatory when a Laden RBT is not completed or when EBPMS is not in use. EBPMS is not a substitute for MOT brake testing and requires additional checks, particularly on parking brakes. Operators should plan tests carefully, as Laden RBTs can be completed up to 14 days prior to the PMI.

Understanding DTP Codes

A DTP code is essential for accurate brake testing. It informs the Roller Brake Tester of the vehicle's design specifications, including:

- Axle weights
- Gross vehicle weight
- Gross train weight
- Brake routines and split systems

Using the wrong DTP code can invalidate test results. Always verify the code against the plating certificate and the official DTP database. Recent examples highlight the importance of correct DTP codes. For example, repeatedly seeing "insufficient load axle 2" on brake test reports despite meeting 65 percent of the plated weight. On investigation there was a mismatch between the DTP code and the vehicle's brake routine, causing inaccurate readings. RHA will be issuing further guidance on the matter.

In late September a DVSA consultation was launched on increasing fees for HGV/bus/coach MOTs at ATFs (9 percent for HGVs & 11 percent for trailers and bus/coach). It is the first change since 2010 but still another cost to be considered for the future.

HSE

Fee for Intervention

The HSE charge rate for 'Fee for Intervention' is subject to annual increments and once again increased from 1st April (2025), from £174 to £183 (5.17 percent).

Forklifts powered by LPG

HSE published their report towards the close of 2024 which gave no real answers. It seems that the renewables blend although 'in-spec' still of the BS4250 standard it still led to major issues which stemmed from one supplier location refinery. There still appears to be some issues with bottled forklift gas, particularly as the weather gets colder with some members experiencing issues recently again.

The 2025 Survey

Results and tables produced by RHA/Apprise Consulting following the 2025 costs survey to members held in early October.

Nearly 60 percent of members responding to the survey said they operated in general haulage. In terms of size of fleet, the biggest category was those with 10>49 trucks at 49 percent while those at 50+ making up 32 percent. Smaller members made up just 19 percent of the total. The 44-tonne artic/trailer combination still reigns supreme with responders with over 76 percent saying it was the main vehicle operated. The main method of acquisition continues to be purchase at a whopping 89.5 percent with 23 percent also using lease options but with only 8 percent using lease only.

Last year 66 percent of members advised that one of the matters that concerned them most was concern over the economy. This year concerns over the economy scored 47.4 percent however the bigger concern was costs mentioned by 76.3 percent of those responding. The question itself allowed multiple answers, but it was clear that costs have become the biggest concern at present.

This quote from one member pretty much sums up the current picture:

"2025 has been extremely challenging for our business. Employer NI increases, higher taxes, growing HR and compliance costs have all combined with falling productivity and weak economic confidence to create a perfect storm.

In previous years, we would have invested in new fleet and created additional employment. This year, we have deliberately placed all new capital expenditure on hold. No new units are on order.

Our focus has instead been on consolidation, improving efficiency, and protecting our existing workforce. This is not a lack of ambition on our part, but a direct consequence of government-driven cost pressures. Every extra burden reduces our ability to invest, grow, and employ. Until there is a change in approach, we will continue to prioritise stability over expansion."

Like last year many went to lengths to explain about continuing poor rates with some elaborating that they would rather turn work away if it doesn't pay. One member explained they had not seen any increases in rates from a main customer since 2019. Terrible load rates out of Scotland heading south have always plagued the industry on the basis that those who have taken loads northbound wish to return south with at least a paying load. There are no set rates, it is up to individual operators to decide what to accept and again like last year it remains a buyers' market until the economy picks up.

Another member gave a statement which many (most) would potentially align with:

"The industry needs to take a serious, in-depth look at itself. Leaders, owners, and operators must put an end to the race to the bottom, where haulage rates fail to reflect real operating costs and eliminate the margins essential for reinvestment. Sustainable profitability is crucial to attract and retain an HGV driver workforce through improved pay, training, and broader career development opportunities. As a business we remain firmly on track with our growth and survival strategy, we will not be drawn into low or zero margin rating and continue to invest in a compliant operation and invest in our people.

It is both concerning and counterproductive that some operators and particularly 4PL's continue to quote rates below cost, undermining the very foundations of the sector. While driver wages and incentive schemes have rightly increased to support retention, the focus must now be on long-term efficiency. Significant investment in technology is already underway across the industry to reduce costs, enhance productivity, and better align with client expectations."

Cover for the sick and holidays was a concern which of course looks set to become a bigger part of the picture if the Employment Rights Bills goes through in its current guise.

The overall percentage increase for 2025 inclusive of fuel is 3.34 percent. We separate the two percentages because many firms and work streams operate on fuel escalator basis and so fuel is constantly adjusted. Others cannot or do not for a variety of reasons. The excluding fuel scenario is still above inflation and remains almost identical to last year at 5.91 percent. It is against these results that members are telling us that costs continue to outstrip increases in rates and in many cases, certainly earlier in the year that rates themselves were falling and/or payment terms.

The 44-tonne cost model demonstrates annual costs of £165,822 excluding fuel and additive. This is an increase of £9,255 on the previous year. Including fuel and additive gives the total annual costs for the 44-tonne of £211,180 with fuel at an average price of 107.87ppl to the end of September. The model itself had revised down prices for the tractor and trailer this year and so the previous year was revised to correct this adjustment.

We use a blended year average fuel price based on the price of bulk (60 percent) and card rate (40 percent) up to the end of September and as mentioned above this was 107.87ppl ex-vat compared to 113.46ppl in 2024. The median mileage quoted by members stays at 75,000.

Increases in the individual aspects involved in operating a truck are detailed and highlighted in yellow with the adjusted cost percentages for our 2025 model in the right-hand column. These are used as the basis of our Cost Tables 2026.

(Table 5)

% Total Cost 25.09.24	Cost Category	% Price Movement in period	% Total Cost 30.09.25
12.70%	Vehicle Depreciation inc interest	6.53%	13.14%
0.56%	Road Tax	3.61%	0.56%
2.83%	Insurance	5.00%	2.88%
30.13%	Driver Employment Costs	6.00%	30.90%
7.11%	Repairs & Maintenance	6.50%	7.32%
2.46%	Tyres	5.00%	2.50%
18.82%	Overhead Costs	5.30%	19.18%
2.00%	Trailer	5.00%	2.04%
76.61%	TOTAL	xxxxxxxxxx	78.52%
22.81%	FUEL	-4.93%	20.98%
0.58%	FUEL Additive	-11.79%	0.49%
100.00%	TOTAL = FUEL+ Other Costs	3.34%	100.00%

Full details of the calculations can be found in the 2026 cost-tables document which is prepared by Apprise Consulting and as ever members should carefully use their own workings to ensure costs are covered before attempting to apply any profit margin. Fuel pricing is volatile and where possible should be separated as an indexed cost linked to a fuel mechanism so that this can be dealt with on a frequent basis. Failure to adopt could mean loss of fair revenue.

Vehicle and depreciation: 6.9 percent (trailer 5 percent)

We have adjusted downwards our model vehicle and trailer purchase cost this year by using a lower base for the previous year to ensure the overall view is captured accurately.

Most members still entirely rely on ICE vehicles with 74 percent stating they were not using any kind of alternative fuelled vehicles. Obviously, that means the number that are flirting, typically with electric are increasing but it is in small experimental way to date. Our recent industry wide net zero survey findings reflect the very real challenge of meeting the UK's Net Zero targets. 70 percent of HGV operators, 75 percent of coach operators and 56 percent of van operators currently report having no plans in place to introduce zero emission vehicles into their fleets, with operators across the different vehicle modes consistently ranking lack of vehicle mileage and cost as the main barriers preventing them from doing so. This is a stark reminder that Net Zero must be commercially viable and significant additional support and investment is needed if planned targets for HGVs and vans are to be met.

Full expensing is a welcome policy that allows businesses, including the UK's vital SMEs, to thrive. For hauliers, van and coach operators, vehicles are their most important asset. Yet, at a time where vehicle costs are rising, companies who lease their vehicles are currently excluded from this benefit and is perhaps a reason that so many choose to purchase instead. We have asked in our Budget submission that Government extend full expensing to leased assets as committed to by the previous Government.

VED + LEVY: 3.61 percent

The Vehicle Excise Duty & HGV Levy were both raised by RPI from 1 April 2025.

The E1 VED band for a 38,000 – 44,000kg applies at £580 for 12 months.

The levy rate for over 38,000kg applies at £597 bringing the total to £1177 compared to £1136 the previous year. From 1 April 2026 these would be increase in line with RPI (July 4.8%)

Insurance: 5 percent

Our survey response averaged an increase of 5 percent in the 2025 survey with several members reporting welcome policy reductions. Generally, to get this scenario there must be lower claims and this is normally because a more proactive approach had been taken about managing the risks.

Monitoring telematics and driver behaviours, dealing with accident claims quickly and analysing the reasoning behind them. Younger drivers are often mentioned along the lines of 'we can't get cover'. If however, the case is put forward with good context and a willingness for example to take an excess then the case is often resolved. Such an example was given at a recent specialist group meeting of RHA members where the company owner explained his young son who was an up-and-coming racing driver was granted coverage but with a £5,000 excess. He was employed in an ad-hoc capacity when race seasons were not in operation.

Where coaches are concerned there is a very limited market of underwriters writing that sort of business as explained by Liam Chatfield of RHA Insurance Services. This is resulting in less appetite by insurers and premium increases apart from those with exceptional claims experience.

Driver employment costs: 6 percent

The increased NICs has added to the increased costs for the driver aspect this year since April and the increasingly tight market for quality HGV drivers persists with 21 percent of members mentioning the concern about driver availability, of course that also means the cost aspect too.

The increase to the employer NICs added £615 per employee and thus adding at least 2 percent to the driver cost line on our 44-tonne model.

By April 2026, the National Living Wage will have risen from £8.72 (April 2020) to £12.71 meaning the increase over six years has been 45.75 percent. The creates additional pressures on the roles about the NLW and means in this case that drivers want increases to keep the keep between NLW and their role.

We publish an annual survey regarding employee remuneration within the haulage industry, and this is due to be published in December where we will look further into the driver role and related pay.

Repairs and maintenance: 6.5 percent

The skills shortage with technicians is discussed in the skills section – there has been many comments through the year of members unhappy with the service standard provided by main dealer along with the extra expense. Adopting EPBMS was a mention this year to counter the requirements for laden brake testing at each PMI

Tyres: 5 percent

Some members commented on buying tyres in bulk as a method for cost control and changing suppliers.

The UK Trade Remedies Authority (TRA), announced on 1 August 2025 revised anti-dumping and countervailing duties on truck and bus tyres imported from China. This followed a notice issued by the Secretary of State and backed by the Trade Remedies Authority (TRA). The move targets pneumatic tyres with a load index above 121 – standard across trucks and buses.

The result:

- Hankook Group: £6.55 anti-dumping duty per tyre (until Oct 2028); £0.00 countervailing duty
- All other exporters: £45.71 anti-dumping + £64.41 countervailing = £110.12 total per tyre
- These new UK measures replace the EU-era tariffs, amount to a staggering 113 percent increase.

Overhead costs: 5.3 percent

The overheads average slipped back a little for 2025 which could have been a result of reducing headcount to counter the higher employer NICs. We are deeply concerned that the government have committed to a new high-value business rates multiplier for properties with rateable values of £500,000. This will set the multiplier 2.8p above the national standard multiplier from April next year.

Though this is aimed at large multinationals, it will have the unintended consequence of dragging large warehouses across the country into a new rate, driving up inflation.

Logistics premises require a larger footprint but offer a relatively low return on land values. The proposed changes will result in higher prices for the transportation of goods.

Diesel exhaust fluid (DEF): -11.79 percent

AdBlue fell again in 2025 and this year our 1000 litre IBC price was 41.9ppl compared to last year at 47.5ppl. Over the distance of 75,000 miles than means the cost dropped from £1185 to £1045 based on 6% of fuel used.

Fuel: -4.93 percent

We measure diesel using a 60/40 mix of bulk fuel (via our survey) and card related pricing using the RHA fuel card. For the year to end of September the diesel average was 107.87ppl ex-vat compared to 113.46ppl for the same period in the previous year which meant a reduction 4.93 percent in the fuel associated with a 44-tonne model.

Our weekly bulk fuel survey average opened in January at 109.50ppl ex-vat, the low point of the year at 101.05ppl came in May and then in mid-November prices climbed to a high 114.01ppl after the latest round of Trump tariffs on Russian oil assets. This then started to calm as news of a potential peace deal was making progress.

In July, Prax and the Lindsey Oil Refinery under the ownership of State Oil went into administration creating a sudden void in the UK fuels supply market. The group also operated Axis Logistics as its fuel delivery arm which meant redundancy for approximately 100 tanker drivers.

The position for refining of fuels in the UK is now very weak for in Scotland the Grangemouth refinery stopped operating in April 2025 and has become merely an import terminal and hub for fuel distribution. This leaves just four oil refineries: Fawley (ExxonMobil), Stanlow (EET Fuels), Pembroke (Valero Energy) and Humber (Phillips 66). Looking back 25 years ago the UK had 12 refineries!

The closure of Grangemouth & Lindsey refineries has increased UK import requirements, changing the supply points requiring distribution. The Northwest is now mainly supplied by the Stanlow refinery which may increase in size to help supply the Midlands as well. Meanwhile, imports via the Thames are also likely to rise, some is supplied by pipeline in the UK, but due to limits, other supply methods will be increasingly important.

Of course, oil is a globally traded product, and it is the global Brent rate that determines our oil before other considerations such as cracking into the various fuels, demand, shipping and currency exchange are considered when buying diesel plus of course fuel duty. At the beginning of January Brent was just under $76, by mid-January it peaked in the $81 range. Cold weather globally had increased the price of Brent plus US sanctions on Russia, and many tankers had dropped anchor as those sanctions took hold. President Trump at this point had called on OPEC to lower prices, made his 'drill baby drill' comment as he announced the US pulling out of the Paris Climate Agreement.

Several months later OPEC decided it would start to loosen the supply of oil, perhaps with longer term goals in mind of letting other oil producing countries take a hit on cheaper oil especially those that have high refining costs.

Diesel pricing reached the low point for the year in May when Trumps tariffs had caused a plunge in oil prices. They started rising again in October as Trump levelled yet more sanctions at Russian oil companies and at the same time OPEC+ decided to pause the effective hike in production. As we move towards 2026 while the price of oil is set to decline.

Goldman Sachs is the latest market commentator to update their forecast in that Brent oil will, in their opinion, average $56 in 2026 compared to their previous opinion of $63 due to an expected surplus globally 2 million barrels per day. The surplus though is as much a confusion with a gap between what OPEC+, the US Energy Information Administration and the Paris based International Energy Agency. For just a few weeks back, Morgan Stanley raised its Brent crude forecast for the first half of 2026 to $60 a barrel from $57.50, citing the decision by OPEC+ to pause quota hikes in the first quarter of next year and recent on Russian oil assets.

Fuel though, based on geopolitical reasons, the same as oil, can change course in the blink of an eye and at present global pricing is once more climbing to a peak for 2026!

Energy specialists Wood Mackenzie recently reported that in their opinion peak oil demand has shifted back two years to 2032 due to continued demand for petrochemical products compared to slower than expected take up both in the US and Europe of electric vehicles.

Fuel forecast *(Table 7)*

Brent crude oil forecast	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026
EIA Forecast - November	**62.52**	**54.3**	**54.02**	**55.32**	**56**
EIA Forecast - October	62.05	51.97	51.67	52	53
UK forecasts for the UK Economy (annual forecast only)	74	70.2	70.2	70.2	70.2
Actual average (Brent oil)	64.22	TBA	TBA	TBA	TBA
RHA Fuel average PPL	**110**	**108**	**108**	**108.5**	**114**
Fuel duty ppl	52.95	52.95	52.95	52.95	**55.95**
Exchange rate £/$	133	136	136	136	137

In the first half of the year there seemed to be more interest in HVO generally with a few requests to have an HVO fuel survey price but not enough to supply RHA with their price data. In 2024 there were 534 million litres consumed in the UK compared to 502 million in 2023 which transpires as a 6 percent increase. However, there is no specific data regarding its end use as HVO can be used in heating oil, red diesel or white diesel, but HVO did made up 1 percent of total UK fuel sales in both 2024 and in 2023.

Last year, we reported how HVO fuel primarily being US imports were pricing lower. By February 2025 for a brief period, parity had been reached with regular diesel but alas this was short lived and while writing this report in November the cleaner drop-in fuel had reached as high as a 50% wholesale premium over diesel and was currently 37 percent more expensive. In mid-March the Trade Remedies Authority (TRA) in the UK started an investigation into the import of 'cheap' US HVO biodiesel which UK producers are concerned with since the last view in 2022

HVO is great opportunity to go up to 90 percent cleaner but with a cost that effectively, a customer needs to be picking up. In July, Greenergy confirmed it was to begin consultation on a proposal to cease production at its biodiesel plant in Immingham because despite significant cost reductions to improve the plant's viability, the Immingham plant continued to be negatively impacted by market factors, including slower increases in the UKs biofuels blending mandates compared to European countries and competition from subsidised US-origin products. It had temporarily closed production in May while in talks with the Government.

The Trade Remedies Authority (TRA) has in August published a Statement of essential facts about their anti-dumping investigation into biodiesel imports from China which it found that Chinese companies were dumping low priced biodiesel in the UK which was a material cause to UK producers such as mentioned in the previous paragraph. The TRA concluded that applying anti-dumping measures would be in the UK's economic interest and to date it remains to be seen if the Immingham plant will cease.

MPG in our model 44-tonne articulated combination is 8.3mpg over 75,000 miles. Fuel consumption is dependent on many factors including the vehicle, operation, geography, and load type. A skilled driver can make a positive contribution and will save companies money.

Fuel price considerations:

Oil price & Sterling:
The price of Brent is affected by the amount of oil available globally, thn demand for this and the conversion from Dollars to Sterling. The general view is that Brent will be less expensive in 2026 although recent forecasting is bringing the low view up a little.

Exchange rate:
Oils and fuels are traded globally in Dollars and are then converted to Pounds for the UK market. The Sterling spread in 2025 against the Dollar has moved up and down between 123.74 to 137.34 cents (late June peak) and in November was around 131.2 cents. The average at the time of writing was 131.65 cents cents.

Fuel duty:
The fuel escalator is set to return but is delayed. The Budget of 26 November 2025 brought news of a five-month freeze to fuel duty rates until September 2026 at which point it states that the five pence cut first introduced in 2022 will be reversed through a staggered approach. From April 2027, the Government has stated that the fuel duty rates will then be uprated annually by RPI. The detail of this is to extend the 5p cut in rates (52.95ppl) to 31 August 2026, then increase by 1p from 1 September 2026, 2p from 1 December 2026, and 2p from 1 March 2027.

Renewable fuel transport obligation (RTFO) Bio:
Each year until 2032 the percentage of biofuel added to make a litre of diesel increases for calculation purposes. The two are mixed at the percentages shown below to produce a litre and hence each year as the bio percentage increases it affects the overall cost, obviously compared to for example the oil price in comparison.

We await the January 2026 split however, it is estimated that the changes will add 0.41ppl approximately.

Quarterly fuel figures (bulk fuel) table 6

Month/year	RHA Average Monthly Bulk Diesel Price ppl ex vat	Monthly rounded average exchange rate £ v $ (shown in Cents)	Brent barrel price $	Diesel per tonne $
Oct-24	**105.59**	130	75.38	756.05
Nov-24	**108.21**	127	72.71	773.87
Dec-24	**107.93**	126	72.78	762.15
Quarter 4 (2024) Average	**107.24**	127.67	73.62	764.02
Jan-25	**111.31**	123	77.43	798.18
Feb-25	**110.87**	125	74.52	794.59
Mar-25	**107.09**	129	70.95	760.65
Quarter 1 (2025) Average	**109.76**	125.67	74.30	784.47
Apr-25	**103.97**	131	65.6	721.12
May-25	**102.2**	134	63.47	710.68
Jun-25	**106.06**	136	68.76	786.03
Quarter 2 (2025) Average	**104.08**	133.67	65.94	739.28
Jul-25	**109**	135	68.67	827.67
Aug-25	**105.93**	134	66.66	772.1
Sep-25	**107.87**	135	68.01	810.87
Quarter 3 (2025) Average	**107.60**	134.67	67.45	803.55
Oct-25	**107.08**	133	64.89	785.1
Nov-25	**113.93**	131	63.21	844.95

Cost Tables

This report highlights cost movement and provide a commentary on key issues. The figures are median averages and are not the cost changes for an individual transport operator but an overall reflection of the market. All companies are different, but any firm should bear in mind that various aspects of an individual job need consideration, such as time, distance and job-related costs (subsistence, tolls, escort vehicles, etc.), not to mention of course the addition of profit margin.

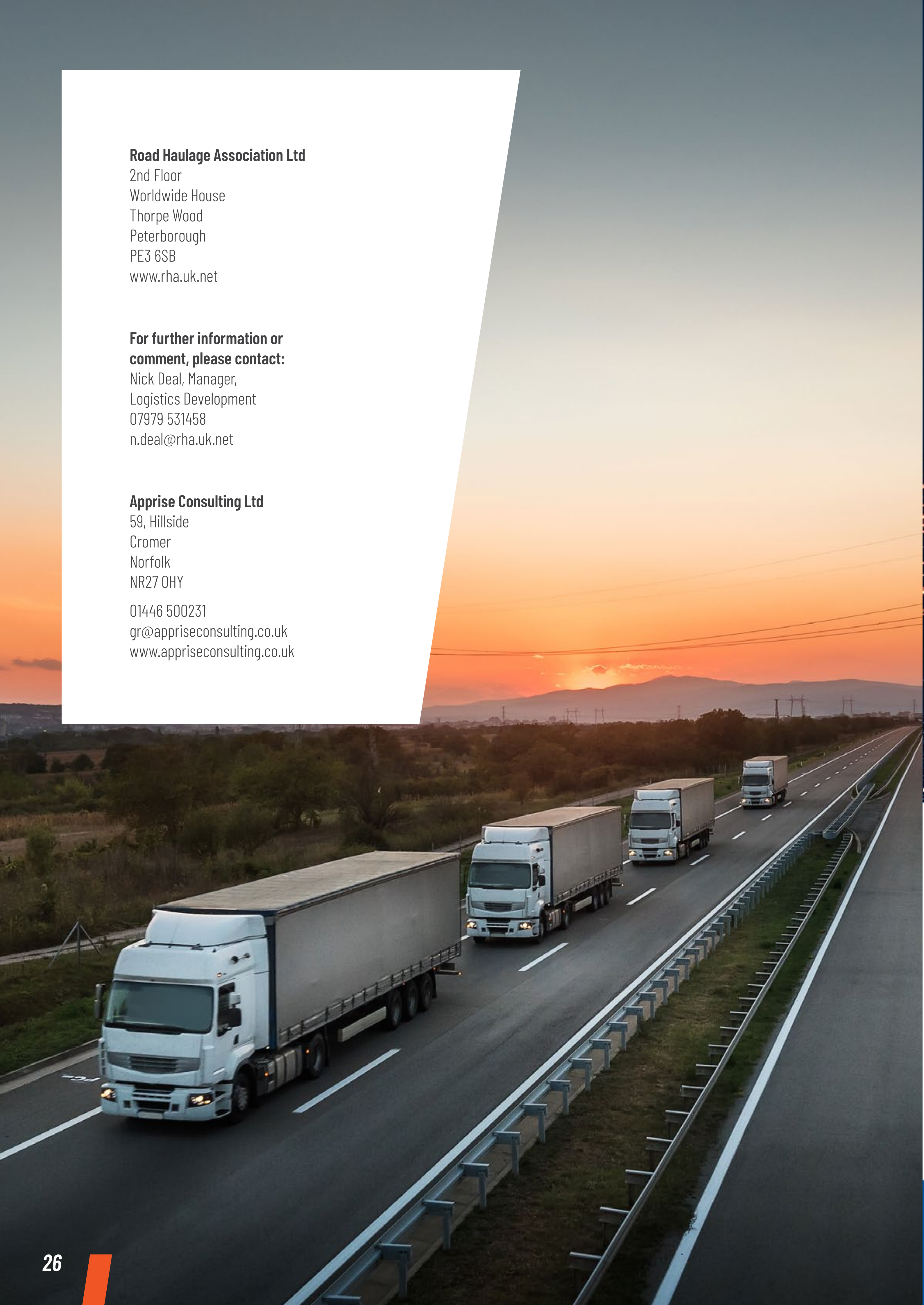
We also produce a cost-tables document as an example method, with updated information and a formula to allow operators to look at and model their own unique costs relating to their haulage operations.

It is pointless to rely on costs relating to another firm. A company can monitor basic shifts and trends of competitors, but they need to understand their own costs and from that work out where they need to be.

Key points:

- Manage your costs
- Do not rely on per mile or per day only charging
- Use a fuel mechanism
- How to make a profit

The Cost Tables will be available to members and include interactive models via www.rha.uk.net



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