



Moving the Economy Forward

A manifesto for the future stability and prosperity of the UK haulage industry

Road Haulage Association

01 May 2017



The Road Haulage Association is calling on Government to urgently establish the relevant transport policy needed to achieve a cost-effective route to success. If the challenges facing the logistics industry are not immediately confronted, the sector responsible for moving 85% of the UK economy will be placed in jeopardy.

The forthcoming General Election presents an opportunity for politicians to support the road haulage industry and as Brexit approaches, to re-examine the key issues facing our sector. This manifesto focusses on five of the most prominent issues facing our members up and down the country in every Parliamentary constituency. It provides effective solutions and the potential consequences of failing to act.

The UK logistics industry is the fifth largest in UK employing 1.8 million people. It contributes £78bn to the economy and 35% of fuel duty collected by the Treasury.

The competitiveness and productivity of the UK economy depends of an efficient road haulage industry.

The Road Haulage Association represents 7,000 member organisations from owner operated businesses through to and including 90% of the top 100 companies in the sector.

Road Investment and Facilities to Support Competitiveness

Congestion costs the UK economy £31bn per year and leads to increased pollution especially in urban areas. In addition, poorly maintained roads cost the UK economy millions of pounds each year; the cost of repairing potholes alone has been estimated at £683m per annum and the cost in vehicle repairs is over £675m per annum. The UK needs well-maintained roads, fit for the 21st century, to make sure UK businesses are as competitive as possible.

Investment in roads and infrastructure is critical in ensuring our sector can work efficiently and safely. Investment in the road network is essential. Government needs to:

1. Ensure that investment in roads is sufficient to provide a congestion free road network.
2. Ensure that adequate investment is made for the 'last mile' of delivery, i.e. on local roads.
3. Ensure that technology is used to help ensure more efficient use of available road space.
4. Improve modern rest facilities on the road network for drivers. These should also be secure facilities for their vehicles. We recognise recent steps taken to improve provision, however this is nowhere near enough and much more needs to be done.

Fuel Duty

Fuel represents over a third of a hauliers operating cost and the current level of fuel duty, the highest in Europe at 57.95ppl, represents a hugely significant cost to our industry and is a massive tax on the entire supply chain. High duty drives up costs for companies and consumers, undermining the competitiveness of the UK and undermining the working capital of businesses. The impact in the more remote areas of the UK; further from suppliers and major markets, is especially damaging.

The next Government needs to:

1. Reduce the differential between duty rates in the UK and the rest of the EU.
2. Rebalance the uncompetitive advantage that EU hauliers currently exploit in the UK through bringing in full tanks of cheaper diesel from the EU and never filling up in the UK.
3. Take into account that for the prosperity of UK plc, the government needs to act in a post Brexit landscape to support hauliers and the UK supply chain.





Emissions and Local Air Quality

Tackling local air quality issues will be a priority for the next Government. The positive contribution of Euro VI diesel engines fitted to HGV's and buses is recognised by Transport for London, the toughest emissions regulator in Europe, which describes these vehicles as "ultra-low emission".

NOx emissions from HGVs are estimated to have fallen by one third in the past three years and continue to fall as new Euro VI HGVs replace older vehicles.

The next Government needs to:

1. Encourage cities and regions to target local air quality improvement on areas where air quality is at its worst, the priorities include:
 - a. tackling congestion in pollution "hot spots" (usually where there are a higher proportion of buses and taxis)
 - b. encouraging the retirement of old buses and taxis (especially those that are pre Euro V)
 - c. reducing congestion through better traffic management and control or roadworks
 - d. removal of restrictions that force HGVs to use congested roads at peak times.
 - e. implement a realistic vehicle scrappage scheme for hauliers operating pre-Euro VI HGVs
2. Ensure that plans to restrict HGVs around the country are:
 - a. Phased to get the quickest air quality benefits while ensuring businesses have time to adapt.
 - b. Not penalise hauliers who have followed the advice of previous governments.
 - c. Fully costed and measured against the benefits they will bring.
 - d. Simple and uniform in their application across the country to ensure hauliers do not face unnecessary costs.
3. Accelerate carbon savings through modestly-funded promotion of the intelligent use of telematics

Skills

The driver shortage is increasing as the number of drivers retiring from the industry exceeds new entrants. The sector and the Government are working together to improve driver training to increase the supply of new drivers and to improve their working environment. The next Government needs to work with the sector to:

1. Ensure that they deliver the required funding for the newly agreed Trailblazer apprenticeship and that the RHA can act as an intermediary for smaller firms.
2. Implement a mechanism to help fund licence acquisition. This is absolutely critical for encouraging new entrants, in particular those leaving schools and colleges. The cost of obtaining a HGV license is up to £5,000 and therefore beyond the reach of many.
3. Support industry employment schemes and explore other means of expanding initiatives such as Road to Logistics, a charitable organisation backed by the RHA and Care after Combat that matches jobseekers with employers and is aimed at reducing unemployment and reoffending. It has particular focus on the disabled, young people leaving care, veterans and ex-offenders. This works alongside another RHA initiative, 'She's RHA', to help to encourage women into our sector.
4. Support and help our industry build on the success of the RHA's first two national awareness weeks, 'Love the Lorry' aimed at improving the image of the industry in the eyes of the media, the public, policy makers, potential industry recruits and of course the next generation.





Brexit

The RHA and its members are clear about the outcomes needed when the UK finally exits from the EU. The next Government needs to:

1. Retain the current UK border at Calais and ensure that the Le Touquet agreement remains in place to maintain the juxtaposed border controls in each country.
2. Ensure frictionless customs procedures at borders to allow easy movement of goods across Europe, especially at Calais and between Eire and Northern Ireland.

Failure will result in chaos on either side of the Dover Strait as ports and officials are overwhelmed by the 10,000 goods vehicles that cross the English Channel each day. Beyond that, approach roads will be paralysed by HGV's awaiting processing and all supply chains, from supermarket supplies to parts for the automotive sector will face major disruption.

3. Ensure that the current licensing system for HGVs on international journeys between the UK and the EU remains. This is an effective licensing system and there is no advantage for the UK or the EU in making substantial changes.
4. Ensure that our industry retains the ability to recruit HGV drivers and other workers from abroad based on the industry needs.

There are 60,000 drivers currently working in the UK who are from other EU member states. While improved efforts to train drivers in the UK will help ease the shortage there will be continuing a need to recruit from outside the UK. With a current driver shortage of 45,000 these workers are critical for the competitiveness of the UK economy and the smooth running of the supply chain.



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