



Response of the Road Haulage Association to Migratory Advisory Committee

Shortage occupation list 2018: call for evidence

03 December 2018

Summary

In June 2018, the Government commissioned the Migration Advisory Committee (MAC) to carry out a full review of the composition of the Shortage Occupation List (SOL)¹. The SOL comprises of occupations and job titles held to be in shortage either across the UK, or in Scotland only, where it would be sensible to fill through non-EEA migration. Job titles on the SOL are not required to undertake the Resident Labour Market Test or meet the five-year salary threshold for settlement.

To be eligible for the SOL occupations and job titles must:

- show demonstrable national shortages that cannot be filled from within the domestic labour market;
- be skilled to the required level set by the Home Office; and
- demonstrate that it is sensible to seek to fill vacancies with migrant labour from outside of the EEA.

Evidence gathering

In order to assess which occupations and job titles should be added to the SOL the MAC uses both national data and evidence submitted by stakeholders. The MAC considers both sets of evidence in combination.



The Road Haulage Association

The MAC is adopting a new approach to its call for evidence and engagement with stakeholders. The MAC will focus on specific job titles rather than broader occupations and requires evidence that supports this approach. The evidence produced by stakeholders is very important in helping to assess which job titles are in shortage. The MAC ask that all respondents to this call for evidence complete an online form that will comprise their evidence to this review of the SOL

The consultation closes on 06 January 2019

Background about the RHA

The RHA is the leading trade association representing road haulage and distribution companies, which operate HGVs as profit centres. Our 7,000 members, operating near to 250,000 HGVs, range from single-truck firms to those with thousands of vehicles. These companies provide essential services on which the people and businesses of the UK depend.

We proactively encourage a spirit of entrepreneurship, compliance, profitability, safety and social responsibility. We do so through a range of advice, representation and services, including training.

We would like to thank the Migratory Advisory Committee for the Call for Evidence and the opportunity to comment on the issues raised.

Our responses focus on the impact on commercial road haulage operators and their customers.

RHA Answers

Q1 to 7 are not relevant

Q8. Please help us by matching the job titles you have provided with the closest standardised ONS job title and associated 4-digit occupation (SOC) code

Answer. HGV Driver – LGV Driver – 8211 – Road Haulage



The Road Haulage Association

Q9. What do you think are the main reasons for job shortages (answered in the question above), and or wider shortages in the sector(s)? (Not to exceed 500 words).

Answer. The Road Haulage Sector is made up of approx. 72,500 businesses, 50,000 of these operate between 1 and 5 vehicles, 28,000 being owner drivers.

The sector does not have a sector skills council and is under represented due to this.

Road Haulage has a very low profit margin, in the region of 2 to 2.5%, due to this very little is invested in training.

The sector does not have a clean image and is not likely to be attractive to school leavers and LGV Drivers cannot drive until they are 18 for UK operations and 21 for International operations, due to this they do not attract school leavers.

The sector has been very cut throat for many years and due to low margins is not best placed to offer regular salary increases. Some sub-sectors pay extremely well and for low skilled workers salaries of £50,000 per annum can be achieved, however this is rare and the majority average is approx £31,000 per annum.

The 72,500 businesses operate some 378,000 vehicles (data supplied from the office of the Traffic Commissioners). ONS 2018 Period two reported the LGV driver trade as having 323,000 Lorry drivers, this includes full and part time and self employed.

This leaves a gap in drivers to vehicles of 55,000, this figure does not take into account that many lorries are used twice in a day and all of those drivers have to take 6 weeks holiday each. so in reality each vehicle should have 1.2 drivers to operate all equipment. This would require 453,600 drivers.

The RHA have just over 7000 members and many of these are now having to park vehicles due to not having sufficient HGV drivers. Driving Employment Agencies are also struggling to find HGV drivers to fulfil their contracts.

We are seeing a reduction in EU national HGV Drivers since Brexit and the fluctuation in the Pound/Euro.

Q10. Please explain what measures have been taken to reduce shortages in the sector as informed by your members and or research. (Not to exceed 500 words).

Answer. The Sector have a Trailblazer Apprenticeship group that have written three level two apprenticeships, however along with many new apprenticeship standards, take up has been poor.



The Road Haulage Association

The sector have paid in over £150 million into the Apprenticeship Levy and have only drawn back in the region of £10 million.

Two further higher level apprenticeship standards have been written but await authorisation by the institute of apprenticeships.

The LGV Driver apprenticeship has been under review for over a year now and the minor changes have still not been approved and the funding level is insufficient to complete the full amount of training to gain the HGV licence and complete the theory based requirement of the standard.

The RHA have launched a national charity The Road to Logistics to try to alleviate the HGV Driver shortage but awaits Government seed funding.

The RHA have also ran a national competition to provide 20 new apprentice drivers to 20 small employers.

There is no funding to help small employers to raise the £3000 needed to train an HGV driver outside of an apprenticeship and the cost is too much to bear for a small employer and too much for an individual to pay.

There is no sector skills council to offer advice to schools and lobby on behalf of the sector.

Q11. Have these measures worked, if not why? (Not to exceed 500 words).

Answer. The Trailblazer along with most other apprenticeships have seen numbers decrease considerably, initially due to the apprenticeship levy being introduced so businesses waited.

Then the Levy ESFA Digital portal was not publicised enough and many employers did not know to register. It is also complicated. Funding for non levy paying apprenticeship providers was severely cut and the registration process for training providers was overly complicated.

This has all caused delays to apprenticeship take up.

The Road to Logistics concept will work well, but requires the initial infrastructure to be in place first and this needs Government support.

The other projects are working well but are not big enough to make a difference.

In essence we need to be able to continue to recruit from EU nationals post Brexit without restrictions such as a skills based points system which would mean our sector is highly unlikely to be able to recruit from the EU.



The Road Haulage Association

The HGV Driver trade needs to be on the Shortage Occupational List so that we can recruit from outside of the EU with a salary level more consistent with what we pay in the sector.

Q12. Are the jobs that you have said are in shortage, open to eligible workers from the Tier 2 points-based visa system?

Answer. NO

Q13. If known, how many workers from outside of the UK have been recruited using the Tier 2 points-based visa system in the past 12 months, stating the job titles. (Not to exceed 500 words).

Answer. Not known

However we do believe there are approx 60,000 EU nationals Working as LGV Drivers, but we have seen a reduction since the Brexit vote.

C.T. Snape
Deputy Policy Director
03 December 2018