



Response of the Road Haulage Association to Migration Advisory Committee.

“EEA Workers in the UK Labour Market”

26 October 2017

Background about the RHA

1. The Road Transport Industry is a dynamic, business critical sector upon which the UK economy depends. The Road Haulage Association (RHA) is the only UK trade association dedicated solely to the needs of UK road transport operators. It is the voice of the road haulage profession, a champion of its interests and a respected partner to the broader logistics community. We represent approximately 7,000 member companies operating near to 100,000 HGVs nationally and internationally. Companies range in size from those working with a single truck to those with thousands of vehicles.
2. Largely taken for granted, these companies provide an essential service on which the people and businesses of the UK depend. The food we eat, the clothes we wear, the houses we live in and the places where we work all depend upon road haulage working to get goods to where they need to be.
3. 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.
4. We would like to thank the Migration Advisory Committee for the consultation and this opportunity to comment on the issues raised.
5. In addition to answering the questions directly we have added further comments on related issues where we feel these are relevant.

General Comments

6. Free movement of EEA labour has been essential to the Logistics Industry a sector primarily made up of lower skilled workers, It is estimated that one in four workers in the warehousing sector are EEA workers, and some 60,000 are employed as HGV Drivers. Without access to this level of labour would have a catastrophic effect on the Logistics Sector.
7. The productivity of low skilled workers is weak in the UK and the most recent OECD economic report¹ suggests that “their contribution to productivity growth is

¹ [OECD Economic Survey of the United Kingdom 2017](#)

negative”, insufficient skills is one of the major reasons the UK relies upon migrant labour and in fact cannot do without it.

8. Our responses have focused on the issue we feel needs the greatest consideration – That is the employment of Lorry Drivers.

Responses to the Questions

EEA Migration Trends

- **Please provide evidence on the characteristics (e.g. types of jobs migrants perform; skill levels, etc) of EEA migrants in your particular sector/local area/region. How do these differ from UK workers? And from non-EEA workers?**

The Logistics sector and primarily the road haulage sector relies heavily on EEA labour much of which is low skilled at level 2 or below. Jobs range from warehouse operatives such as pickers and packers, and forklift truck drivers, to Heavy Goods Vehicle and Van drivers. The sector is unable to recruit non-EEA workers due to the restrictions of tier two immigration, should this be reversed then we would have to ensure the skill set of these drivers meets the requirements of UK Driving legislation

- **To what extent are EEA migrants seasonal; part-time; agency-workers; temporary; short-term assignments; intra-company transfers; self-employed? What information do you have on their skill levels? To what extent do these differ from UK workers and non-EEA workers?**

We are not able to fully answer this question, there are seasonal spikes in the sector such as Christmas and Easter Periods and more recently the black Friday phenomena, however there is a constant need for the approx. 150,000 EEA workers employed in the logistics sector.

- **Are there any relevant sources of evidence, beyond the usual range of official statistics, that would allow the MAC to get a more detailed view of the current patterns of EEA migration, especially over the last year?**

No data is taken from ONS.

- **Have the patterns of EEA migration changed over time? What evidence do you have showing your employment of EEA migrants since 2000? And after the Brexit referendum? Are these trends different for UK workers and non-EEA workers?**



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We only have access to ONS data, however member surveys and communication indicate that EEA workers have been returning to the EEA since the drop in the pound post Brexit announcements.

- **Have you conducted any analysis on the future trends of EEA migration, in particular in the absence of immigration controls?**

No we do not have the ability to track trends other than the response from member organisations that inform us.

- **Have you made any assessment of the impact of a possible reduction in the availability of EEA migrants (whether occurring naturally or through policy) as part of your workforce?**

No

We are only able to review the consequences of such a reduction based on the answers below. Our members are concerned about labour availability.

- **What impact would a reduction in EEA migration have on your sector/local area/region?**

The impact of not having access to EEA migrants has the potential to be devastating for our sector; we rely heavily on the approx, 150,000 EEA migrants currently working in the sector. As tier 2 immigration rules will not currently allow our sector to recruit outside of the EEA due to wage restrictions we have no other options. We believe if tier 2 restrictions were amended to allow our sector to recruit internationally then may be able to replace some EEA labour and maintain access for some EEA labour

- **How will your business/sector/area/region cope?**

The RHA would like to see a change in tier 2 regulations, on top of this we would like to see real flexibility in allowing lower skilled level EEA labour access to the UK post Brexit. The RHA are lobbying government for a change in policy around training HGV drivers this would allow us to take action pre Brexit.

- **Would the impacts be different if reductions in migration took place amongst non-EEA migrants?**

Our sector is unable to recruit other than from the EEA, lifting non-EEA restrictions would have a positive effect on the sector as long as the skills are compatible with regulatory requirements.

- **Have you made any contingency plans?**

The RHA is making its members aware of the issue and is lobbying as above, the sector as a whole has not begun to react as yet.

Recruitment Practices, Training & Skills

- **Please provide evidence on the methods of recruitment used to employ EEA migrants. Do these methods differ from those used to employ UK and non-EEA workers?**

There are no special methods of recruitment for EEA migrants; regulation does not allow any discrimination.

- **What impact does this have on UK workers?**

No impact there are insufficient available workers in the UK to fill meet the needs of the sector.

- **Have these methods changed following the Brexit referendum?**

There is more caution in the sector now with operators concerned that EEA migrants recruited may not be able to stay in the UK or may decide to move back home or to another EEA country due to the financial situation.

- **Do recruitment practices differ by skill-type and occupation?**

Lower skilled recruitment does differ from higher skills; however the bulk of recruitment is at the lower skills levels.

- **What are the advantages and disadvantages of employing EEA workers? Have these changed following the Brexit referendum result?**

EEA workers have a strong work ethic, in most cases EEA workers are sending money home to family in their original country, they can return home during normal work breaks unlike non-EEA workers.

- **To what extent has EEA and non-EEA migration affected the skills and training of the UK workers?**

A recent OECD economic surveyⁱ has indicated that more than a quarter of the UK workforce has low basic skills with many being functionally illiterate, the ease of access to EEA migrants has played a large part in the UK Logistics sector having a workforce to enable it to function. The sector is still in the region of being some 45,000 HGV drivers short and finding itself in a situation that this deficiency is getting larger even before the Brexit decision such as (ageing workforce, no route to the sector through funded training, complicated apprenticeships and a sector with a poor image that is not attracting school leavers), the impacts of immigration restrictions will affect the way in which the sector functions. The sector needs access to EEA workers as the schooling in the UK is NOT providing even the basic skills required to work within the sector.

- **How involved are universities and training providers in ensuring that the UK workforce has the skills needed to fill key roles/roles in high demand in your sector? Do you have plans to increase this involvement in the future?**

Universities do not play a part in the training of the sector which is primarily low skilled. The Training providers attempt to do as much as they can. The Apprenticeship Levy has had a negative effect on training within the sector. Larger levy paying employers now will not allocate funds to training as they are forced to pay into the levy. Levy funds are not being used due to the restrictions required to comply with an apprenticeship, 12 months duration and 20% off the job training for instance. No other funding is available and the move to the apprenticeship levy has seen restriction placed on training smaller employer's workers which has caused a complete slowdown in any training.

- **How well aware are you of current UK migration policies for non-EEA migrants? If new immigration policies restrict the numbers of low-skilled migrants who can come to work in the UK, which forms of migration into low-skilled work should be prioritised? For example, the current shortage occupation list 2 applies to high skilled occupations; do you think this should be expanded to cover lower skill levels?**

Access to the shortage occupation list is too restrictive and not aligned with the requirements of the needs of the UK. Large parts of the UK workforce are made up of low skilled workers, yet immigration policies are out of kilter with these needs. The Care sector, the retail sector, the catering sector, the farming industry, the hotel and cleaning sector, the building sector along with the Logistics sector all rely on low skilled employees. The UK is now at one of its lowest ever unemployment rates, many of those unemployed now do not have even the basic skills. Restricting EEA and non-EEA workers is having a detrimental effect on UK Productivity and competitiveness.

Economic, Social and Fiscal Impacts

- **What are the economic, social and fiscal costs and benefits of EEA migration to the UK economy?**

As stated above not having the workforce required affects the competitiveness of the UK, Brexit will add further complications by restricting access to low skilled workers in which the UK requires. To enable the UK to be effective we need the right workers be they high, medium or low skills skilled. The knock on affect is seen socially and fiscally.

- **What are the impacts of EEA migrants on the labour market, prices, public services, net fiscal impacts (e.g. taxes paid by migrants; benefits they receive), productivity, investment, innovation and general competitiveness of UK industry?**

In reality the workers in the UK Logistics sector some 150,000 have direct impacts not only on the UK's economy as a whole but locally also, many EEA workers remain in the UK and pay normal taxes thus helping the local economy and by doing so impact on UK productivity and competitiveness.

- **Do these differ from the impact of non-EEA migrants?**

Yes there is no significant non-EEA migration now

- **Do these impacts differ at national, regional or local level?**

No

- **Do these impacts vary by sector and occupation?**



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Yes depending on the sector for instance the IT sector want access to high skilled programmers, but just as importantly the flow of workers into the low skilled sectors and occupations requires a larger flow that are not available in the UK.

- **Do these impacts vary by skill level (high-skilled, medium-skilled, and low-skilled workers)?**

Most definitely many UK sectors rely heavily on low skilled labour, many employers take time to upskill once employed, however this does not distract that there is need for low skilled workers.

CT Snape
Deputy Policy Director

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