RHA

Mission driven: A blueprint for delivery

A partnership for growth between Government and the logistics industry

July 2024

Version 1

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The road haulage, van and coach industry will be a key partner in enabling the new Government to achieve its 5 national missions. We stand ready to do so. Everything we eat, drink, wear and consume depends on road haulage services and the companies and drivers that operate them. Road freight moves 89% of all goods and 98% of agricultural and food products. We all rely on the hard work of hauliers and coach operators every day. The influence our industry has on the wider economic and environmental picture is significant. Here's how road haulage supports Labour's Mission Driven Government, and what we need from Government to play our part in that mission:

1. Kickstart economic growth

The road haulage industry is a key enabler and deliverer of economic growth. Yet when record numbers of hauliers are entering administration, with the remainder facing rising cost and regulatory pressures, we need the new Government to minimise the financial burden on operators to ensure our industry is there to deliver for the rest of the economy.
Frictionless movement of goods on our roads allows for business to grow, local economies to thrive, and with that, new sectors and jobs to be created. A threat to the reliability of our road network is a threat to the nation's economic recovery. It is vital that the Government invests in our road network and speeds up delivery at all levels, from pothole repairs to local bypasses to major infrastructure like the Lower Thames Crossing, helping clear the path towards consistent, sustainable economic growth.

2. Make Britain a clean energy superpower

Key to this mission will be decarbonising the heavy commercial vehicle fleet. The road haulage industry knows the part it has to play, but the cost of decarbonising HGVs, estimated to be £100bn, is simply astronomical. We need a clear, managed roadmap so that all haulage and coach businesses, particularly our vital SMEs who represent 95% of our sector, are able to make that journey on the road to net zero.

3. Take back our streets

Last year there were over 5,300 incidents of freight crime, with a loss value of good stolen of over £68m. It is carried out by organised crime gangs with industry knowledge, and the proceeds of their crimes feed into their other illegal activities. Tackling it is not just a question of driver safety and wellbeing – it is about cutting off a low risk, high reward funding stream for some of the most dangerous criminals in the country.

4. Break down barriers to opportunity.

A skills revolution to plug skills gaps and build the foundations for a future workforce is essential. Over the next five to ten years businesses are going to experience significant change, whether that be due to decarbonisation or emerging AI. The road haulage industry is no different, and as jobs in logistics are comparatively better paid with better prospects for promotion, there are real opportunities for young people and career changers at all levels.

5. Build an NHS fit for the future

Our efficient road haulage industry keeps our doctor's surgeries and hospitals supplied with medicines and equipment. As we explore new technologies and efficiencies to support the growing demands on our health service, so the road haulage industry is looking to these measures to secure its own future in a changing world.

We stand ready to work with the new Government to achieve these missions to support our country's economic growth and prosperity and look forward to working in partnership with the new Ministers in the years ahead.

With a new Government in place, we have set out our blueprint for delivery in each of the policy areas impacting operators.

Prioritising the road haulage industry to kickstart economic growth

The road transport industry is critical to the prosperity of British businesses, the supply chain, and the UK's economic growth. The industry contributes £13.5 billion to the economy, 5.6% of the UK's total GDP. The sector is an economic multiplier; domestically, for every £1 generated by the logistics industry, £3 is generated elsewhere in the UK economy.

Road freight moves 89% of all goods and 98% of agricultural and food products. Critically, the UK logistics sector is made up of small to medium-sized enterprises (SMEs) who are spread across the UK and represent around 90% of all logistics businesses.

Logistics is a growing industry in the UK and a huge employer. In total, 1.86 million people work in transport and storage, with over half a million (574,400) having joined the sector between 2012 and 2021. There are high-quality jobs in a variety of areas and our work underpins the success of the wider economy.

Logistics jobs also provide growth opportunities for people with low formal qualifications. A 2022 Oxford Economics report shows that 35,000 people were promoted to managerial roles in logistics in 2021, and two in three logistics managers do not have a university degree.

Roles in the sector are relatively well paid. These jobs pay as much as, or more than, other jobs in the same occupational categories (as defined by the ONS).

However, our sector faces significant challenges including acute skills shortages, a major lack of roadside facilities for drivers, and unsustainable cost pressures that impinge on our ability to deliver high productivity and keep supply chains moving. Tackling these issues will be crucial to the industry's future growth – and that of the wider UK economy.

Recommendations to Government:

The growth, productivity and competitiveness of the UK economy is dependent upon having an efficient road haulage sector and road infrastructure that works for all users.

We urge the Government to prioritise implementing measures that will support hauliers and coach operators to drive growth in the wider economy. These should include those that minimise the financial burden on road haulage operators, and those that attract and retain talent in the industry.

- Continuing the current freeze on fuel duty and Vehicle Excise Duty for HGVs
- Introduce an emissions-linked rebate on fuel duty to encourage hauliers, van and coach operators to use alternative fuels to cut carbon emissions now, supporting the net zero transition.
- Suspending the HGV levy and ring-fencing of future funds for green fueling infrastructure.
- Implementing an essential user rebate for haulage and coach firms to reduce inflationary pressures, cost-of-living challenges and stem the significant increase in insolvencies amongst hauliers.

- Reforming the Apprenticeship Levy into a Skills Levy to allow for greater flexibility for businesses to fund short courses such as bootcamps, alongside apprenticeships, thereby attracting more people into the sector.
- Increase apprenticeship funding bands to account for rising costs, particularly the heavy vehicle mechanic apprenticeship to create greater course availability.

Delivering Growth with an Essential User Rebate

A record number of 500 hauliers collapsed in the last 12 months, more than double the number two years ago. An Essential User Rebate, which would take 15ppl off the cost of fuel for commercial vehicles would provide significant support to hauliers and coach operators, as well as a real terms decrease in the price of goods for consumers.

We estimate, using data from the Department for Business and Trade and the OBR, that an essential user rebate would cost only £1bn per year in comparison to the £6bn per annum that the continued fuel duty freeze for all vehicles is projected to cost.

Road freight businesses are facing a moment of acute challenge owing to rising vehicle, equipment and maintenance prices and higher labour costs combined with an ongoing skills shortage.

Road freight is central to supply chains, with 89% of all goods transported by land in Great Britain moved directly by road, including 98% of all food, agricultural and consumer products.

The sector is however under incredible strain, operating on average margins of 2%. Several conflating factors including a 10% drop in freight volumes in 2023, a 10% increase in operating costs for a typical HGV (excluding fuel) in addition to a 20% increase in 2022 have contributed to current pressures. ONS Labour Market Statistics show that from September 2022 to September 2023, the number of vacancies in the transport and storage industry dropped by 15,000.

Fuel duty and fuel costs represent a significant amount of turnover, amounting to up to one third of running costs for the average fleet (44 tonne vehicle), with average annual fuel costs for hauliers currently hitting £47,652 at 116 ppl excluding VAT[1].

It is vital that the Government consider that these costs are not only impacting hauliers but are driving up costs on every day and essential items, with transportation costs passed on to businesses who have little option but to pass these costs onto consumers.

UK hauliers face a competitive disadvantage across the European market. UK diesel prices at the pump remain significantly higher than most European nations and well above the EU 27 average. In 2024, the average fuel duty (diesel) for all EU countries was 44.46 pence per litre (ppl) compared to 52.95ppl in the UK, set to rise to 57.95 ppl in March 2025.

1 RHA Annual Costs Survey 2023

Many operators are already struggling to serve certain markets and are being forced to refuse loss making work or accept losses. With the industry dominated by SMEs, this situation is unsustainable and only deteriorating.

It is important to note that there is precedent for the Chancellor to introduce an essential user rebate, with the existing Bus Service Operators Grant (BSOG) mechanism currently offering a rebate of 34.57ppl for bus operators to recover some fuel costs based on the amount of fuel that they use[2]. The Rural Fuel Duty Relief scheme also reflects that the Government has and continues to intervene where fuel duty is having a damaging impact on motorists and businesses.

Recommendations to Government:

- An 'essential user rebate' for hauliers of 15ppl should be introduced to bring the UK fuel duty levels closer to those in Ireland, France and Germany. This would provide support to mitigate growing pressures and help to counter inflation caused by costs passed on by hauliers to consumers.

2 https://www.gov.uk/government/publications/bus-service-operators-grant-guidance-for-commercial-transport-operators/bus-service-operators-grant-guidance-for-commercial-transport-operators

Extending Full Expensing to Deliver Growth

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. We therefore recommend that the Government extend full expensing to leased assets as committed to by the previous Government.

Full expensing is a tax allowance which allows companies to claim a deduction from taxable profits that is equal to 100% of their qualifying expenditure on plant and machinery in the year that expenditure is incurred.

Vehicles can either be owned outright or leased – our Costs Survey indicates that 84% of RHA members own vehicles outright and 27% lease vehicles (some companies of course will have mixed owned/leased fleets).

Typically, SMEs are more likely to lease their vehicles instead of owning them outright as they are less likely to hold significant capital. This makes them more susceptible to inflation which has caused significant damage to the industry over the past two years.

Extending full expensing to the cost of leased vehicles would unlock investment for hauliers and coach operators across the country and would drive productivity and investment into the UK economy.

According to the RHA Costs Survey, the cost of vehicles rose 14.3% from 2022 to 2023, the highest rising cost for a haulage business.

Plant and machinery that may qualify for full expensing includes:

- Vehicles such as vans, lorries and tractors (but not cars)
- Warehousing equipment such as forklift trucks, pallet trucks, shelving and stackers
- Office supplies such as computers, printers, lathes and planers

The introduction of full expensing for capital assets will bring about an additional £3bn annual investment into British businesses, according to the OBR. This is a significant boost for the hauliers who have the capital to make that investment in their fleets.

However, for those for whom leasing is the only option, they have not been able to benefit from one of the most generous tax allowances in the world. Indeed, for those leasing, costs have also increased significantly given the rapid rise in interest rates over the last 2 years.

The announcement in the 2024 Budget that full expensing would be extended to leased assets "when fiscal conditions allow" was welcomed by the RHA and its members. It would particularly assist the smaller hauliers upon whom the industry and economy rely and would serve as an effective measure to assist those businesses for whom rising interest rates have been an unavoidable burden on their bottom lines.

Recommendations to Government:

- For the Government to commit to extending full expensing to leased assets at the earliest opportunity.

Break down barriers to opportunity

Break down barriers to opportunity

Whether it's related to growth, net zero or infrastructure, skills policy plays a pivotal role in making the UK more productive and therefore helping grow the economy. Over the next five to ten years businesses are going to experience significant change, whether that be due to decarbonisation or emerging AI. Future skills will be needed to cope with change and we need the next government to work to plan ahead to meet those challenges.

From gearing up schools, colleges and universities to upskilling the current workforce, there will need to be a plan in place to ensure that training and funding aligns with learners and business needs. The future funding for training, especially for upskilling the current workforce will need to be flexible and not all courses need to be 12 months. Quality training can be delivered in many forms and for those people in the workplace who have multiple commitments, crucially they need to be adaptable to fit in with work, family and personal life.

For some time, we have been calling for a Skills Levy which would make it easier for hauliers and coach operators to secure the funding for the programmes which better suit their business needs. We are pleased the new Government has listened and plans to implement this.

We have seen the effectiveness of the HGV Skills Bootcamps since they were introduced in 2022; offering a short course alternative provides people with a more flexible option for training.

With an increase in the uses of AI for businesses, the option of short, quality digital courses to fit in alongside work so all businesses, including SMEs, can benefit from its opportunities will be crucial for improving productivity; that can be to help with vehicle routing, forecasting or automation for example.

Decarbonising transportation is key to the UK hitting Net Zero targets. As technology changes to zero-emission vehicles, we'll need the existing technicians to retrain to keep up with the switchover. It doesn't require a qualified technician to do a 12-month apprenticeship to train. EV bootcamps are a key component within the training.

We need the next government to put in the building blocks to help us attract, train and retain staff we need to drive that growth.

Creating opportunity in logistics through reform of the Apprenticeship Levy

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 average age of an HGV driver in the UK being 49[1]. Our members are also struggling to recruit and train vehicle technicians. The long-term viability of road haulage is dependent on recruiting and training a new generation of skilled workers. This can be achieved with the delivery of a new Skills and Growth Levy.

Apprenticeships have been pursued as the primary method for delivery of vocational skills by successive governments, and the Apprenticeship Levy was introduced in 2017 to support them. However, since the introduction of the Levy and the impact of the pandemic, there were 157,800 fewer apprenticeship starts in 2022/23 than in 2016/17.[2]

Apprenticeships work well for some jobs, but not all. A minimum 12-month training course can be unnecessarily long: for many skilled jobs the required learning can be completed in 3-6 months. However, as Levy funds have to be used on apprenticeships, and businesses want to make full use of their Levy Funds, they consequently pursue apprenticeship programmes which are not fit for purpose, resulting in low achievement rates. According to IfATE, the average achievement rate is 37% for logistics apprenticeships, whereas the average across all apprenticeships in England is 57%.

The transportation and storage sector has paid over £1.1bn into the levy since its inception[3], however it is estimated that only 20% of those funds have been used for logistics related apprenticeships[4].

Within logistics, the key job role that requires specific training is driver licence acquisition. Given the numbers of people completing their vocational driving test each year, a funded route linked to employers would be beneficial. However, as shown in the table below, very few licences are gained via an apprenticeship.

1 https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/14398hgvdriversbynationalityand10yearagegroup
2 https://researchbriefings.files.parliament.uk/documents/SN06113/SN06113.pdf
3 FOI request (March 2024)
4 Lord Aberdare APPG for Apprenticeships 2021

[5]

Date	Passes by apprenticeship	Total Passes	% via apprenticeships
2017/18	3,350	40,808	8%
2018/19	1,620	43,065	4%
2019/20	1,670	41,434	4%
2020/21	1,540	15,979	10%
2021/22	870	56,281	2%
2022/23	970	68,026	1%

Recommendations to Government:

- Reform the Apprenticeship Levy into a Skills and Growth Levy, allowing for greater flexibility for levy payers and more accessible courses for learners.
- Allow employers to access short courses for training to enable greater upskilling of current employees, especially in areas which are seeing considering change such as decarbonisation and AI.

5 Data from DfE Apprenticeship statistics and DVSA HGV test statistics

Creating opportunity through the continuation and expansion of skills bootcamps

The RHA is a strong advocate for skills bootcamps. They offer short-term training courses aimed at helping individuals gain in-demand skills and addressing skill shortages in various sectors. Skills Bootcamps are currently set at a qualification level 3 and above and allow for a greater diversity of learner. Whereas apprenticeships require a full-time position, there are no such stipulations for bootcamps and no qualification requirements such as Maths and English

When the HGV driver shortage hit crisis point in autumn 2021, in response to requests from industry, HGV driver training was added to skills bootcamp courses. Although HGV driving is a level 2 qualification, the severity of the shortage and the demand for the training meant that the Department for Education allowed an exception to the qualification criteria.

The original funding allocated for the HGV driver bootcamps was £34 million and further funding has been made available for 2024/25. However, there are no funding commitments past 2025. 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. The achievement rate for the HGV Driving Apprenticeship is only 42%[1], due to the 12-month minimum training period, off the job training requirement and the lack of incentive to finish the course once a licence has been granted.

[2]

Year	HGV Bootcamp completions	HGV Apprenticeship completions	Total HGV licences gained
2021-2022	4,740	870	56,281
2022-2023	5,710	970	68,026

Bootcamps are a key funded route for gaining an HGV licence. However, the funding is allocated on a yearly basis which makes it difficult for training providers to invest.

The skills bootcamps are a proven training format, allowing people to gain skills without a minimum 12 month learning commitment. The RHA believes that other skills shortages would benefit from the scheme, such as training mechanics or warehouse operatives.

1 IfATE achievement data
2 DfE Skills Bootcamp data November 2023 and DfE Apprenticeship data November 2023

Given that there has already been an exception made for HGV driving, the well documented shortage of coach drivers could be eased by extending the course to a heavy vehicle driver bootcamp, adding Category D licence acquisition.

The vehicle technician shortage which is becoming as pressing as the driver shortage, would benefit from greater access via entry level training such as tyre fitting and vehicle inspections. Although both are level 2 training, they are valuable skills and could lead to an apprenticeship.

Currently, bootcamps are predominantly linked to training providers, however by offering bootcamps via the apprenticeship levy, funding could be linked to employers, providing a greater guarantee of a job at the end of the training.

Recommendations to Government:

- Make the HGV skills bootcamps a permanently funded option to ensure the resilience of the future HGV driving workforce and supply chains.
- Given the success of the HGV driver bootcamp, we recommend that bus and coach licence acquisition be added and for the bootcamp to become a 'heavy vehicle driver bootcamp', rather than simply an HGV Driver one.
- Additional tyre fitter and vehicle inspection skills bootcamps should be created to create entry level training options to ease technician shortages.

Addressing the vehicle technician shortage to drive growth in the road transport sector

The skills gap in road transport and logistics does not just apply to drivers but also vehicle technicians – roles that are just as vital to ensuring the sector can continue to operate safely and meet our national economic demands.

Recruiting for workshops in road transport businesses, maintenance providers, and dealerships has long been a challenge, particularly in finding new apprentices. This issue has intensified over the years, with vehicle technicians becoming increasingly hard to find, as noted by RHA members who now rank it as their most challenging position to recruit for. There were 4,700 vacancies for HGV mechanics[1] over the past year and vehicle technicians have decreased by 30%, or 60,000, since 2019.[2]

One key factor contributing to the shortage of heavy vehicle technicians is the reduction of specialised courses in colleges over the last decade. Apprenticeship funding that has failed to keep up with the cost of technology has led to many technical colleges discontinuing heavy vehicle technician apprenticeship courses. Presently, the number of sites offering heavy vehicle technician apprenticeships in England stands at just 36[3] (down from 100 providers in 2010[4]), compared to 127 sites offering light vehicle apprenticeships, creating a clear disadvantage in recruiting heavy vehicle technicians.[5] There are also a lack of entry level feeder courses that can stimulate interest in and eventually lead on to full apprenticeships.

We are therefore urging the Government to address the vehicle technician shortage in the road haulage and coach sector by increasing funding and providing more avenues for training in relevant skills. These measures can stimulate growth across the industry and ensure businesses can meet increasing demand and stay safe on the road.

Recommendations to Government:

- Creation of 3 new vehicle technician skills bootcamps; (1) a tyre fitter bootcamp to create an entry level course for HGV maintenance, (2) a vehicle inspection bootcamp to allow a fast-track option for training new technicians within the workshop, and (3) a light to heavy vehicle conversion courses to allow qualified light vehicle technicians to upskill.
- Increase the funding band for the heavy vehicle technician apprenticeship to £23,000 to make it viable for colleges and training providers to offer the course.
- Help colleges with capital expenditure to enable them to restart heavy vehicle technician training

1 Adzuna job vacancy analysis
2 ONS Labour Force Survey 2022
3 IfATE apprenticeship provider listing 2024
4 Number of colleges and providers registered with IMI
5 https://www.motortradenews.com/news/shortage-of-vehicle-technicians-is-costing-the-uk-motor-dealers-millions/

Futureproofing the industry with HGV and coach drivers

In recent years, there have been a range of measures from both Government and industry to increase the recruitment of lorry drivers. However, the present number of drivers is too low to support the UK's mission of economic growth. It will not be enough for driver numbers to remain steady – the economy will struggle to thrive without a driving workforce large enough to meet demand and facilitate growth.

There have been effective measures put in place by the Government including the prioritisation of vocational driver testing and HGV driver skills bootcamps.

To futureproof the industry, the RHA recommends a two-pronged approach – strengthen and introduce measures to attract young people into the industry and retrain working-age adults to become HGV drivers.

As well as attracting new drivers, it will be crucial to retain the workforce we have. One of the main reasons for drivers leaving the role is due to the lack of quality driver facilities available on the road network. We welcomed the £52.5 million announced by the previous government to improve standards at existing truck stops, however it still falls significantly short of what is required and does not address the difficulty in building new facilities to increase capacity.

The labour shortage is not limited to HGV drivers, coach operators have similar issues recruiting drivers. Driver apprenticeship training is not suited to smaller businesses who struggle with the off-the-job training and the fixed 12-month duration of apprenticeships. HGV skills bootcamps have been successful for bringing in new drivers due to the shorter 16-week course. However, at this point, the courses are limited to HGV licence acquisition.

Recommendations to Government:

- The Government should work with the road haulage and coach industry to raise awareness of the range of jobs available and ensure schools and DWP work coaches represent and promote opportunities in the logistics industry.
- HGV Skills Bootcamps should be made permanent and extended to include Category D license acquisition to ease the coach and bus driver shortage.
- Providing more and improved lorry and coach parking addresses a significant issue affecting retention and recruitment of commercial vehicle drivers and will be a visible expression of the investment by the Government and industry in this vital workforce.

Breaking Down the Barriers to Diversity in the Logistics Sector

Diversity in the workplace is crucial for fostering innovation, improving employee satisfaction, and enhancing overall business performance. Despite its centrality to the economy, the logistics sector has traditionally been characterised by a lack of diversity, particularly in terms of gender, ethnicity, and age.

Addressing these disparities is essential for solving skills shortages which reduce productivity in the sector.

Logistics is male dominated, with women representing about 20% of the workforce[1]. Ethnic minorities and younger individuals are also underrepresented. This lack of diversity can be attributed to several factors, including poor working standards for drivers, historical recruitment practices and insufficient awareness about the diverse roles available within the sector.

There is a persistent stereotype that logistics jobs, particularly in warehousing and transportation, are better suited for men. This cultural perception discourages women and other underrepresented groups from pursuing careers in logistics.

With logistics being a 24/7 sector, the long and irregular working hours can deter a more diverse workforce. This is compounded by the poor state of facilities that HGV and coach drivers contend with – this is reflected in the lack of diversity in this cohort, where just 1% of HGV drivers are women.

Female leaders often bring diverse perspectives on work-life balance, influenced by their own experiences with balancing professional and personal responsibilities. With other sectors better placed to offer flexible working opportunities, logistics will need to adjust and create working conditions better suited to the responsibilities outside of work that people have today. Therefore, it's important to encourage women in our logistics businesses to take on leadership roles.

Traditional recruitment practices often fail to reach diverse candidates. With many employees finding logistics due to family or friends rather than making a positive decision to find work within the logistics sector.

There is a general lack of awareness about the variety of roles available within the logistics sector, with most young people assuming it is working on the road rather than careers like HR, marketing and IT. In fact, the sector needs data specialists to realise the opportunities of AI.

Improving diversity in the UK logistics sector requires a concerted effort from both industry stakeholders and the government.

1 Logistics UK Skills Report 2022

Recommendations to Government:

- Creation of 3 new technician skills bootcamps; (1) a tyre fitter bootcamp to create an entry level course for HGV maintenance, (2) a vehicle inspection bootcamp to allow a fast-track option for training new technicians within the workshop, and (3) a light to heavy vehicle conversion courses to allow qualified light vehicle technicians to upskill.
- Increase the funding band for the heavy vehicle technician apprenticeship to £23,000 to make it viable for colleges and training providers to offer the course.
- Ensure that funding for the apprenticeships and bootcamps keep up with cost of new technologies.
- Help colleges with capital expenditure to enable them to restart heavy vehicle technician training

Future of Roads

Future of Roads

It is a fundamental need for the UK economy that goods can be moved to meet the needs of people and businesses in an efficient and predictable way. From gearing up schools, colleges and universities to upskilling the current workforce, there will need to be a plan in place to ensure that training and funding aligns with learners and business needs.

Road haulage and coach tourism is critical to keeping our economy and supply chains running all year round. The UK economy is reliant on the efficient and predictable movement of goods and people to meet the needs of UK consumers and businesses. A threat to the reliability of our road network, therefore, is a threat to the nation's economic recovery, and its long-term commercial prospects.

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[1]. In the road transport sector, this is felt even more acutely, with congestion alone estimated to account for 16% of the cost of road freight, equivalent to around £6bn a year[2]. Maintaining investment in road infrastructure is vital for the economy, and ultimately the environment.

The new Government has key decisions to make on the future of our road network. Investment in our road network throughout the last decade has significantly boosted national productivity. Looking to the future, there are opportunities throughout this country to unlock further economic growth through such ground-breaking schemes as Lower Thames Crossing. However, these major road-building schemes are subject to the lengthy and bureaucratic Development Consent Order (DCO) process. The timespan for a decision on DCO projects increased by 65% between 2012 and 2021 from 2.6 to 4.2 years[3].

Investing in our road network is a long-term investment in our nation's economy. Planning reforms are key to deliver essential infrastructure quickly and unlock economic growth.

1 Inrix, Traffic Scorecard 2016
2 The value of freight, vivideconomics (for NIC), Page 12
3 Nationally Significant Infrastructure: action plan for reforms to the planning process, DLUHC, February 2023

Strengthening the Third Road Investment Strategy

The UK road network is the lifeblood of our economy, connecting our towns, cities, communities and our businesses. It is this frictionless movement of goods that allows for business to grow, local economies to thrive, and new sectors and jobs to be created. A threat to the reliability of our road network, therefore, is a threat to the nation's economic recovery, and its long-term commercial prospects.

It is estimated that congestion costs the UK economy a minimum of £30.8bn a year[1]. This works out at an average cost per driver of £968 a year, which includes direct (wasted time and fuel) and indirect costs (increased prices and delays in production). In the road transport sector, this is felt even more acutely, with congestion alone estimated to account for 16% of the cost of road freight, equivalent to around £6bn a year[2]. The cost of an HGV stuck in stationary traffic for an hour is £120[3], a crippling cost at a time when hauliers are under significant financial pressures. Congestions delays HGV journeys by 23% now and projected to be 35% by 2050[4].

Conversely, investing in our road network is a significant economic enabler, with transformational benefits. A typical highways scheme, which costs £100m is estimated to provide up to 2000 jobs in the Construction and Logistics sectors alone, as well as up to an additional 3000 jobs in the supply chain . Recent projects, such as the A14 Cambridge to Huntingdon improvement scheme are currently expected to deliver economic benefits worth over £2.5 billion in reduced congestion and improved productivity[6].

In Transport Focus' Logistics and Coach Survey 2022, less than half of HGV and Coach operators interviewed were satisfied with their experience of the Strategic Road Network (SRN)[7]. A significant reason behind this is the variability of journey times, with congestion being a major disruption.

Ahead of the General Election, National Highways finished preparations for their Third Road Investment Strategy (RIS3) and we eagerly await publication. With a new government, there is an opportunity to explore whether this document goes far enough to meet the threat of congestion. A RIS3 which is modestly funded, and unambitious in its aims to eliminate congestion, connect the country, and unlock economic growth should not be accepted.

1 Inrix, Traffic Scorecard 2016
2 The value of freight, vivideconomics (for NIC), Page 12
3 £120 figure provided by National Highways officers
4 The value of freight, vivideconomics (for NIC), Page 7
5 Calculation based on methodology used throughout "The skills construction needs", CITB, 2022.
6 "Drivers reap benefits of Britain's biggest road upgrade", National Highways, July 2020
7 Logistics and Coach Survey: Strategic Roads 2022-23, Transport Focus, Page 3

Recommendations to Government:

- Creation of 3 new technician skills bootcamps; (1) a tyre fitter bootcamp to create an entry level course for HGV maintenance, (2) a vehicle inspection bootcamp to allow a fast-track option for training new technicians within the workshop, and (3) a light to heavy vehicle conversion courses to allow qualified light vehicle technicians to upskill.
- Increase the funding band for the heavy vehicle technician apprenticeship to £23,000 to make it viable for colleges and training providers to offer the course.
- Ensure that funding for the apprenticeships and bootcamps keep up with cost of new technologies.
- Help colleges with capital expenditure to enable them to restart heavy vehicle technician training

Annex 1: Key schemes to be progressed in RIS3

Note: Schemes chosen enjoy support from local and regional authorities and strengthen cross-boundary freight corridors and local economies

South East:

- Lower Thames Crossing and associated improvements on the A229, as well as Junctions 3, 5 and 7 of the M2 and Junction 6 of the M20 to resolve freight journey challenges.
- Improvements on the M3/A34/M4 between Southampton and the Midlands/West of England

West Midlands:

- Capacity improvements to alleviate congestion in 'Midlands Motorway Hub' (MMH): the network surrounding the West Midlands metropolitan area (the M5, M6, M42)
- Safety and capacity enhancements along the A5 Corridor between the M6 in Staffordshire and the M6 in Warwickshire
- Safety and capacity enhancements on the A38/M42 and A42, linking the West Midlands to Derby and Nottingham

East of England:

- Upgrading the A14 in Suffolk. The A14 forms the road component of the UK's premier freight corridor but is not expressway standard along its length.
- Capacity enhancements for the A120 between Felixstowe and Stansted Airport.
- Upgrading the A13 between Tilbury and the M25.

East Midlands:

- Safety and capacity improvements on the A46 Corridor between Tewksbury and Humberside (including junctions with the M69 and A15)
- Safety and capacity enhancements along the A1 between Doncaster to Peterborough

The North:

- Improving the M6 at Junction 15 between Manchester and Birmingham
- Dualling the A1 between Morpeth and Ellingham
- Improvements on the A50/500 corridor between Stoke and Derby

Reforming the National Planning Policy Framework (NPPF) to drive economic growth

The National Policy Planning Framework is the key planning framework which informs and shapes how planning decisions which support housing and business growth should be made. However, it has become majorly apparent in recent years that it does not do enough to support the needs of freight and logistics. Reform is critical to enabling economic growth.

The road freight and logistics industry intersects with the planning system in the building of new operator yards, distribution centres, warehousing and lorry and coach parking facilities. An effective NPPF with a clear strategic vision and outline of priorities is essential. We observe that the current fragmented approach to planning does not create the conditions that allow for economic growth nor the efficient flow of road freight to improve productivity to be achieved.

The NPPF must be strengthened to recognise the strategic importance and needs of road freight. A case-study which epitomises these issues is the significant shortage of driver facilities. The Department for Transport's own National Survey of Lorry Parking 2022 reports that the utilisation of lorry parking spaces is near critical levels of capacity - 83% nationally, and as high as 100% on some major routes[1].

However, while Local Planning Authorities assess new planning applications in line with the NPPF, the current guidance is too narrowly drafted for it to be fit for purpose. As such, many local authorities are not abiding by this guidance in a meaningful way, with many planning applications for lorry parking facilities ultimately being turned down, exacerbating issues of freight crime, safety and driver mental wellbeing.

Recommendations to Government:

- The Government must ensure that the NPPF clearly articulates how it can support the delivery of the Government's mission-driven approach to unlock "good jobs and productivity growth in every part of the country", starting with a revision of S87. Suggested wording is provided overleaf.
- The NPPF must strengthen its provisions around the need for driver facilities, beginning with a revision of S113 (suggested wording is provided overleaf). It should be amended to ensure that local planning authorities consider the following additional factors: regional & national requirements for lorry parking spaces; the welfare needs of drivers; the need to minimise travel distances; logistics needs and requirements; any additional infrastructure required as vehicles move away from diesel towards alternative fuels like electric or hydrogen
- Maintaining supply chain resilience should be at the heart of this approach, where local authorities should be required to provide plans that demonstrate how these priorities are delivered coherently both within and across local authority boundaries to ensure a strategically joined-up approach.
- The NPPF should grip the strategic importance and imperative to implement infrastructure that powers low and zero emission commercial vehicles as part of the UK's Net Zero ambitions.

Annex - Recommended wording for the NPPF:

On supporting freight and logistics we recommend adoption of the following wording for S87:
S87 "Planning policies and decisions should recognise the critical role of freight and logistics in supporting economic growth, national competitiveness, and sustainable development. Authorities must ensure that the needs of the freight and logistics sector are fully integrated into transport strategies and local plans"

On safe and secure lorry parking we recommend adoption of the following wording for S113:
S113 "Planning policies and decisions should recognise the necessity of providing adequate safe and secure overnight lorry parking facilities, taking into account:

a) local, regional and overall demand for lorry parking to meet all overnight lorry parking needs;
b) the facilities and welfare provision needs of drivers;
c) the need to minimise distance travelled by lorries when analysing a location, keeping local, regional and national needs in mind when making decisions;
d) the requirements of all users of the Strategic Road Network and Primary Route Network;
e) the benefits locally and regionally of reducing impacts of lorry parking in locations that lack proper facilities;
f) the logistics needs and requirements of businesses, residents and stakeholders in nearby towns and areas; and
g) the likely demand for overnight charging of electric lorries needed to meet climate change goals.

Proposals for new or expanded distribution centres and large multi-user business parks should make provision for sufficient overnight lorry parking for their anticipated use either on site or at identified locations. This will require local authorities to take and maintain a proactive approach to assessing supply and demand for lorry parking facilities to solve the shortage locally, regionally and on the Strategic Road Network.

Maintaining the local road network

A major concern for commercial vehicle operators is road safety, and the effect the deterioration of our road network is having on vehicles and journey reliability.

According to figures released by The Pothole Partnership, pothole damage to vehicles cost £474million in 2023 alone[1]. In a recent survey of more than 11,000 AA members, the top transport issue for 96% of drivers was increased investment in repairing and upgrading the roads[2]. The Transport Focus' Logistics and Coach 2022/23 survey revealed that 75% of freight operators were unable to say they were satisfied with the condition of the road service in the country[3].

According to the Asphalt Industry Alliance, the rate of pothole repairs in England and Wales has reached an eight-year high, with a staggering £16.3 billion needed to fix the country's roads[4].
The annual Alarm survey found that local authorities expect to fix 2 million potholes in the current financial year, up 43% compared with 1.4 million during the previous 12 months. This trend is not financially sustainable[5].

A key barrier to resolving this problem is limited budgets provided to local highway authorities, who due to financial constraints are only able to carry out emergency, temporary repairs. There is a considerable disparity in costs, with planned works costing an average of 35% less than reactive repairs in England (£46 planned; £71 reactive) and 57% less in Wales (£45 planned; £105 reactive)[6].

When local authorities are properly financed, they are not only able to undertake more repairs, but longer-term more resilient road maintenance.

This offers far better value to the taxpayer, and results in more effective repairs. There is also a need to ringfence and track road maintenance funding: existing funding is currently allocated to those local authorities not in a combined/regional mayoral authority arrangement, using the same formula as the existing 'needs' element. This means that it is no longer targeted specifically for local road maintenance. Consequently, it is now much harder to track this spending.

1 The AA, New partnership formed as shock figures show pothole damage at record high (Pothole Partnership), January 2024
2 The AA, New partnership formed as shock figures show pothole damage at record high (Pothole Partnership), January 2024
3 Logistics and Coach Survey: Strategic Roads 2022-23, Transport Focus, Page 5
4 Annual Local Authority Road Maintenance Survey Report 2024, Asphalt Industry Alliance, Page 2
5 Annual Local Authority Road Maintenance Survey Report 2024, Asphalt Industry Alliance, Page 16
6 Annual Local Authority Road Maintenance Survey Report 2022, Asphalt Industry Alliance, Page 16

Recommendations to Government:

- Safeguard the £8bn allocation of Network North road maintenance funding over the next three years.
- Ringfence local authority pothole funding so that it does not become rediverted into other funds, through the restoration of the Pothole Action Fund.
- Local authorities to limit the practice of temporary pothole repairs or patches and, where possible, every pothole or patch to be repaired permanently
- All local authorities / contractors to adhere to UK-wide repair and inspection standards, and report annually on the repairs undertaken.
- Resource and equip local authorities with the latest technology to allow for longer lasting and more cost-effective road maintenance

Investing in the local road network

A thriving freight and logistics sector is only as strong as its road network and at the strategic level, requires investment in our motorways and major roads. However, if this is not matched with a similar level of investment at the local level, it is impossible for hauliers to operate on reliable journey times.

Spending on local roads has fallen by half in just under two decades, more than almost any other OECD country, according to the Local Government Association (LGA)[1]. This is down to significant reductions in funding provided to local authorities, coupled with significant rises in the costs of delivering services. According to the Institute of Fiscal Studies, total spending power for local authorities fell by 26% between 2010/11 and 2020/21 and funding released from government fell in real terms by more than 50% in the same period[2]. This reduction has significantly reduced the ability of local authorities to improve or deliver new local schemes which can reduce congestion.

In 2023 the government announced its Network North plan, a plan to invest £36bn in hundreds of transport projects across the country, including many strategically vital local highways schemes. The RHA welcomes this as a starting point to improve our road network and give a boost to local authorities who have had limited resources.

Given the quick timescales in which the project was outlined, there is an opportunity for the next government to review the list of candidate schemes and ensure that those which are the best value for the taxpayer, focused on eliminating congestion. It is also vital that funds are released as soon as is feasibly possible to avoid spiralling costs and prevent the exacerbation of existing transport issues. Consequently, it is now much harder to track this spending.

1 Analysis from LGA, August 2023, based on International Transport Forum on Road Infrastructure Maintenance
2 How have English councils' funding and spending changed?, IFS, June 2024

Recommendations to Government:

- Review the list of schemes in the Network North document and prioritise maximum value for the taxpayer and relieving congestion in order to support local economic growth.
- Maintain the funding commitment provided in Network North and ensuring that the £36bn of funding is released to local authorities.
- Beyond Network North, ensure that funding for local authorities increases, in order to deliver local highways improvements.
- Review current proposals around the Community Infrastructure Levy (CIL), as local authorities find it more manageable to secure ringfenced infrastructure from developers via S106 agreements.

Bringing efficiency to Nationally Significant Infrastructure Projects

Infrastructure that allows the seamless flow of goods and coach passengers across the country is essential. It creates reliable journeys and reduces costs for hauliers, resolves congestion and unlocks economic growth through better connectivity between UK towns and cities.

Currently, the Nationally Significant Infrastructure Projects (NSIP) consenting process under the Planning Act 2008 is the route for many of the UK's large infrastructure projects.

Many of these projects are vital to the road haulage industry. Recent schemes which have gained consent include improvements to the A66 in Cumbria, for which HGVs make up 25% of traffic[1], the A1 in Northumberland, which is the sole strategic route for freight in the country, and the A14 in Cambridgeshire, which forms a key section of the Felixstowe-Nuneaton freight corridor. There are many major schemes currently awaiting consent which can be transformative for freight and logistics, including Lower Thames Crossing, the A303 at Stonehenge, and improvements to the M5.

However, in recent years, the speed of decision-making has slowed and the volume and complexity of cases in the pipeline is increasing. This needs to change. The average timeline for gaining Consent has increased from 2.6 years to 4[2]. In addition, **there has been an increase in the volume of documentation created during the NSIP process** with some applications have generated in excess of 90,000 pages of documentation[3]. This requires a significant level of resource and cost from local authorities, which often involves money having to fund specialist consultancies; money which could otherwise be spent on local highways improvements.

1 Development Consent Order approved –A66, National Highways, March 2024
2 Nationally Significant Infrastructure: action plan for reforms to the planning process, DLUHC, February 2023
3 Nationally Significant Infrastructure: action plan for reforms to the planning process, DLUHC, February 2023

Furthermore, **the number of projects that are subject to successful legal challenge is increasing.** Since 2021 there have been 4 successful challenges out of a total 15 legal challenges to date[4]. There have been 4 Development Consent Orders (DCO) quashed in the system overall, all of which occurred in 2021.

A clear example of this is the A428 Caxton Gibbet – Black Cat improvement scheme, which was given consent in August 2022, but construction was only able to commence in December 2023 due to lengthy appeals and challenges.

Recommendations to Government:

- Establish targets to reduce the delay in awarding consent to two and a half years, achieved in the 2010s and streamline strategic environmental mitigation to deliver more infrastructure more quickly.
- Streamline the objections and appeals process to avoid lengthy delays in the post decision-making period.
- Funding and support to be made available to local authorities who must process and provide input into DCO Projects; local government involved within the DCO process is incredibly cost and resource intensive, which takes funds away from other vital highways and transport projects.

4 Nationally Significant Infrastructure: action plan for reforms to the planning process, DLUHC, February 2023
5 Nationally Significant Infrastructure: action plan for reforms to the planning process, DLUHC, February 2023

Improving facilities for lorry and coach drivers

High quality rest and parking facilities for lorry and coach drivers reflects a well-planned, advanced, and compassionate economy. Driver facilities across the country are significantly below acceptable standards – two thirds of drivers are dissatisfied with both the quality and quantity of roadside facilities[1]. Nationally, the utilisation of lorry parking spaces is near critical levels - 83% nationally, and as high as 100% on some major routes[2]. The RHA estimates that 11,000 additional lorry parking spaces are needed across the country to address this issue.

Every day HGV and coach drivers have to deal with this lack of safe and secure parking, and in some cases are forced to take their rest periods in their vehicles at the side of the road with no access to hygiene facilities. We welcomed the £52.5 million announced by the previous Government for improving driver facilities – so far around £16m of DfT funding has been allocated to various projects improving security, showers, toilets and food availability, as well as increasing the number of secure spaces available. However, this still falls significantly short of the level of investment required to transform driver facilities nationwide and safeguard driver welfare. The comparative European Union scheme also allows funding to be granted to new sites with planning permission, a change that we would welcome.

Further national investment in improvements to lorry parks and overnight roadside facilities for drivers is needed, not only to ensure that facilities are up to an acceptable standard across the UK as an end to itself, but to support economic growth and productivity. Providing more and improved lorry and coach parking addresses a significant issue affecting retention and recruitment of commercial vehicle drivers and will be a visible expression of the investment by the Government and industry in this vital workforce.

Recommendations to Government:

- Maintain the funding set aside for lorry parking grants in both the DfT and National Highways schemes.
- Extend the deadline for when schemes may be completed beyond March 2025.
- Alongside planning policy reform, consider allowing grant funding for new truckstops rather than just existing businesses.

1 Transport Focus, Lorry drivers and roadside facilities: the user experience - August 2022
2 Department for Transport; National Survey of Lorry Parking 2022 Part 1 & 2

Bringing greater focus to truck parking and driver welfare

In 2023, the Secretary of State established a new Taskforce with the RHA and other industry stakeholders to give greater focus on this issue and the solutions available. Initially formed for 12 months, the group continues to develop industry-led solutions on increasing capacity and improving standards. There are two main workstreams, focusing on Capacity and Standards issues. Membership of the Taskforce is provided in Appendix 1, and a list of core projects is provided in Appendix 2.

Industry stakeholders are committed to the aims of the Taskforce and are keen for its work to continue. There is also a desire, particularly in the Capacity work group, to be more involved in the policy making process, particularly when it comes to planning policy, which has been identified as the main blocker to increasing commercial vehicle parking capacity.

In line with the new Government's mission driven approach to government and policy making, we believe the Taskforce is in prime position to make a significant and meaningful contribution to Government policy in this area. Engaging with the Taskforce can help bring about reforms to planning and other policies with a wide support basis from across the logistics economy that can be delivered at speed.

Recommendations to Government:

- Commit to continuing the work of the group beyond 12-months, to ensure the ongoing projects can be completed.
- Expand the remit of the Taskforce to take an advisory role to support upcoming planning reforms, ensuring these reflect the needs of the logistics sector.
- Implement the initial recommendations of the TFG to better support planning applications.
- Bolster the senior capability and resource provided by officials from DfT and include MHCLG.
- Increase ministerial involvement with periodic attendance from the Future of Roads Minister.

Appendix 1: Attending Organisations

Chaired by Steve Gooding from CILT and vice chaired by Ashton Cull RHA and Mike Yarwood of TT Club.

DfT	DLUHC	Town and Country Planning	National Highways	RHA	Logistics UK
CILT	RTPI	NAVCIS	Police CPI	BPA	CERTAS Energy
LGA	MOTO	Roadchef	Ashford International Truckstop	Red Lion Truckstop	ESPORG
	Kent County Council	Motis Ltd	TAPA	TT Club	
England's Economic Heartland	Transport East	Transport for the North	Transport Scotland	Transport for the South East	Midlands Connect

Appendix 2: Current Work Projects

Capacity Workstream

- Guidance for Local Planning Authorities
- Guidance for Applicants to help ensure applications are approved
- Targeted Interventions on Key Routes across England and mapping demand hotspots.

Standards Workstream

- Mapping of high crime areas and identify risk mitigation measures
- Comparison exercise across three recognised standards
- Investigate the low uptake in adoption of available sgtandards
- Mapping robbery crimes against truck drivers
- Truck Driver Mental Health

Commercial Vehicle Parking and the Planning system

Current planning rules do not sufficiently support local planners to grant permission for new and expanded lorry parks. This is partly because the current guidance is too narrowly drafted for it to be fit for purpose, with other planning priorities e.g. environmental concerns being given much greater weight than those related to truck parking.

Relevant policy on truck parking is also not clearly codified in one location. This makes it difficult for local planners when determining applications to both identify relevant policies, such as DfT Circular 01/2022, and give them adequate weight.

Planning for truckstops needs to be included at all levels of policy, both national and local. Alongside potential reforms of the NPPF, government needs to both make clear the need to include truck parking in local plans, along with guidance on how to do so, while also ensuring that additional truck parking is provided for in NSIPs and other major roadworks.

Recommendations to Government:

- Ensure Nationally Significant Infrastructure (NSIP) and major road schemes within RIS3 include provisions for lorry parking.
- Provide guidance for Local Planning Authorities in respect of the determination of planning applications for the delivery of additional HGV or lorry parking spaces.
- Provide a central source of information for policy related to truck parking, hosted on GOV.UK and regularly updated.
- Set out national development management policy on HGV parking for new sites and retention of existing sites.
- Help local planning authorities to identify sites for lorry parking, alongside a presumption in favour of development for planning applications for lorry parking where sites have not been identified.
- Develop Local Plan Guidance on how LPAs should assess and include the need for commercial vehicle parking in their Local Plans, including relevant engagement with industry stakeholders.
- Provide a model local plan policy for decision taking to support the development of lorry parks

Tackling freight crime to keep supply chains moving

Freight crime refers to any crime targeted at road vehicles designed to carry goods, and it ranges from threats and attacks on drivers to the theft of entire lorry loads. Freight crime is a significant concern for the road freight and logistics sector in the UK, and is viewed as a low risk, high reward enterprise for criminals.

Freight crime costs the UK economy around £250 million annually. (In 2023, the estimated cost to the economy exceeded £420m). According to the National Freight and Cargo Crime Analysis Yearly Report, the number of reports of HGV and cargo crime in 2023 was 5,373 in the UK (with actual figures likely to be much higher), resulting in an estimated cost of the loss in value from thefts alone of £68 million. The retail value will be much higher. The average loss per reported incident was £13,252.

The cost of freight crime cannot be calculated by the value of goods lost alone; it places the logistics industry under immense pressure, affecting the viability of companies, retention of staff and loss of contracts and investment in the UK. It is exacerbated by the lack of lorry parking facilities and insufficient secure parking standards and a lack of national police focus on tackling the issue. Incidents of fuel theft are also increasing year on year and van thefts are a growing concern.

Freight crime is not opportunistic; it is perpetrated by serious Organised Crime Groups with significant industry intelligence. The proceeds of freight crime then feed into other organized crime activities. A known gang currently operates nationally out of West Yorkshire.

A national police unit – the National Vehicle Crime Intelligence Service (NaVCIS) – acts as a single point of contact collating crime reports and intelligence from a variety of sources and providing a national perspective on the issue including running the National Freight Crime Database. Their task is made more difficult given that most incidents of freight crime are recorded as "Theft from a motor vehicle", making it impossible to differentiate such incidents from petty thefts from personal vehicles without regular voluntary reporting by police services.

Recommendations to Government:

- Create a new recording category for freight crime incidents.
- Create a specific offence with appropriate sentencing options to reflect the seriousness of freight crime.
- A national crime reporting code for theft from a commercial van.
- Work with industry to create a national truck parking security standard with certified sites.
- Increase the funding available to support operators improve safety and security measures at roadside facilities and parking spaces.
- Creation of a National Police Chiefs Council (NPCC) lead for freight crime
- Set minimum standards of police investigation and crime recording to be agreed by NPCC and police forces.
- A new awareness campaign in partnership with industry and Government on best practice to protect logistics businesses from fraud including impersonation, cyber-crime and diversions.

Make Britain a clean energy superpower

Make Britain a clean energy superpower

Decarbonising the heavy commercial vehicle fleet will be key to the new Government's mission of making Britain a clean energy superpower. We need a clear, managed roadmap so that all haulage and coach businesses, particularly SMEs who represent 95% of our sector, are able to make that journey on the road to net zero.

Our Net Zero Forum, together with our pragmatic approach, will continue to drive this agenda centred around five themes - reducing the costs of Net Zero, energy infrastructure investment, ensuring zero emission vehicles performance, upskilling our workforce, and mindset change. Guiding our activity is our roadmap to Net Zero.

The to do list for the incoming Government will be long. Chief among them will be how the astronomical cost of decarbonising HGVs, estimated to be £100bn, can be managed so that our vital small businesses, who represent 95% of our sector, feel supported. We look to see how the investment in vehicle trials and scoping of where energy infrastructure investments are needed are taken forward.

Urgent decisions must also be taken to ensure a fit-for-purpose planning system is in place that expedites, not hinders, the Net Zero transition. And on-going issues from the previous Government need addressing swiftly – such as the use of low carbon fuels in road transport, phase-out dates for coaches and ensuring that vehicle weight regulations evolve to accommodate payload loss. We will continue our campaign for a roadmap from the new Government that affirms how all these issues will be managed.

The introduction of new technologies however also creates new and exciting opportunities. We will look to see how autonomous vehicles and artificial intelligence can help make freight and coach operations more efficient and drive down emissions.

Informed by our members and their needs, the RHA will continue to work with our many partners across industry and national, devolved and local government to ensure these many issues are resolved satisfactorily.

Driving the transition to net zero

Our industry is committed to supporting the net zero transition.

In recognising that decarbonising HGVs and coaches is complex, five structural barriers must be overcome. These include: vehicle cost and performance, investment in infrastructure, skills and mindset change. Our aim is to support the commercial vehicle sector with the knowledge they need to make investment decisions that are consistent with net zero objectives.

When HGVs and coaches account for around 20% of UK transport greenhouse emissions, we know our sector must play its part to decarbonise. Our success in improving air quality where nitrogen oxide (NOx) emissions have fallen by over 70% since 2013 shows how decarbonisation can be achieved with investment in vehicle standards and new technologies.

The cost of decarbonising the HGV sector alone is estimated to be £100bn, with between £40 -£75bn of additional finance needed for operators; between £11-£24bn needed for depot infrastructure, and between £1-£2bn needed for public infrastructure[1].

There are just over 300 UK-registered electric HGVs[2] on our roads out of a UK-fleet of 535,000 lorries[3]. There are currently no registered hydrogen-powered HGVs on UK roads, and just one public electric HGV rapid-recharging point (at Rivington Services on M61).

In the interim, the use of low carbon fuels should be promoted. Low carbon fuels are a category of fuels that include hydrotreated vegetable oil (HVO), compressed natural gas (CNG) and liquid natural gas (LNG). Although, CNG and LNG require retrofitting, HVO can be used in existing diesel vehicles. HVO could reduce emissions by up to 90% during the transition.

We welcome the confirmation of the HGV phase out dates, which provides the certainty businesses need to plan vehicle replacement cycles. However, a similar date needs to be set for coaches to help provide certainty to that industry

In addition, we welcome the £200m investment by the Department for Transport (DfT) in the Zero Emission and Hydrogen Infrastructure Demonstrator (ZEHID) programme – this will trial how battery and hydrogen fuel-cell HGVs perform with data arising from ZEHID helping operators plan their investments.

Our core ask is that policymakers and industry work together to establish the conditions that create an adequate supply of zero emission HGVs and coaches – allowing, , all businesses to acquire these vehicles fairly and at reasonable cost. For our vital micro-businesses employing fewer than 10 people but who make up 95% of our sector, the end-goal is establishing a vibrant second-hand market so that vehicles can be obtained affordably. The RHA Net Zero Forum, drawn from the across the full diversity of the RHA membership base, estimate this will occur from 2037 onwards with the right policy support from Government.

1 Green Finance Institute, Delivering Net Zero: Unlocking Public and Private Capital for Zero Emission Trucks, November 2023
2 Source: Society of Motor Manufacturers and Traders (SMMT)
3 Source: Department for Transport statistics – Table VEH1111

The RHA Net Zero Forum, drawn from the across the full diversity of the RHA membership base, estimate this will occur from 2037 onwards with the right policy support from Government.

Recommendations to Government:

- a Net Zero roadmap to 2050 for our sector
- phase-out dates for new diesel coaches
- investment in the energy infrastructure
- unequivocal support for the use of low carbon fuels in road transport including Hydrogen Combustion Engines
- financial incentives for businesses
- DfT's Freight Energy Forum should continue to scope and steer the investments needed in the energy infrastructure.

Building lorry and coach energy infrastructure

An essential pre-requisite to ensure a switch away from diesel to zero emission HGVs and coaches is the energy infrastructure needed to power such vehicles. In May 2022, the National Grid provided the following annual energy consumption estimates for all HGVs:

> *If all the HGVs in England and Wales were Battery Electric Vehicles (BEVs), their annual energy demand would be around 29TWh/yr, equivalent to a continuous energy demand of 3.3GW which equates to approx. 10% of the total amount of electricity generated in 2019.*
>
> *If all the HGVs in England and Wales were Hydrogen Fuel Cell (FCEVs) with hydrogen production by electrolysis, their annual energy demand would be around 98TWh/yr, equivalent to a continuous energy demand of 11.2GW which equates to approximately 30% of the total amount of electricity generated in 2019[1].*

The Department for Transport Freight Energy Forum consists of key government departments and industry representatives including the RHA and National Grid to scope how and where the investment in the energy infrastructure required should take place. This work should continue.

In December 2023, DfT opened a call-for-evidence to help develop an HGV and Coach Infrastructure Strategy and the RHA conducted a survey among its membership to inform its response.

Our members were clear that investment in the energy infrastructure should be prioritised in the following order):

- at depot
- public location (e.g. motorway service area)
- at end-destination (e.g. freight hubs, ports)

Recommendations to Government:

- continue the work of the Freight Energy Forum to scope where and how HGV/coach energy infrastructure investment should take place
- publish the HGV and Coach Infrastructure Strategy to bring certainty
- accelerate investment in the energy infrastructure needed to power zero emission HGVs and coaches
- drive delivery of the six key areas of action set out in OFGEM's Connections Action Plan to speed up connections to the electricity grid
- reform the planning system to ensure applications to install energy infrastructure are approved quickly
- bring forward plans to extend the remit of Project Rapid to provide HGV/coach re-charging facilities at motorway service areas and other public locations
- Publish the outcomes of the Rapid Charge Fund consultation and outline an appropriate investment pipeline that includes commercial vehicle needs.

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1 Source: National Grid, Supporting the growth of clean transport: Decarbonising Heavy Goods Vehicles on the Strategic Network, 2022

Strengthening the Zero Emission and Hydrogen Demonstrator Programme (ZEHID)

For an HGV operator, understanding how HGVs perform is essential. Before acquiring any vehicle, an operator will want to be assured that the vehicle can do the jobs they need it to do cost-effectively. This reality creates multiple and very different operational needs, particularly where there are specialist ancillary requirements for transporting a particular good e.g. cement mixing, refrigeration, tipping facilities or the transportation of very heavy goods of up to 150 tonnes. These different operational needs present different power demands on the lorry and it is essential that these different power demands are understood to inform business cases to invest.

We strongly welcome the £200m committed by the Department for Transport in the Zero Emission & Hydrogen Infrastructure Demonstrator (ZEHID) programme to trial zero emission lorries and develop the necessary infrastructure. Four consortia have successfully secured funding to run the following five year trials from 2025:

- Project electric freightway: to deliver electric HGVs and dedicated eHGV charging infrastructure along the UK's strategic network
- Zero emission northern (ZEN) freight: to accelerate the decarbonisation of HGVs by establishing "seven sites spanning a combination of hydrogen refuelling and electric charging technologies
- eFreight 2030: a project to demonstrate how battery electric HGVs can "replace conventional HGVs at scale
- Hydrogen aggregated UK logistics project (HyHaul): trialling 30 hydrogen fuel cell HGVs along the M4 corridor[1]

With historic performance data based on diesel vehicles being discarded as the UK switches to zero emission vehicles, trials provide the operating data needed to verify the performance of otherwise untested battery electric and hydrogen powered commercial vehicles. We see the outcomes from these trials also informing investments in zero emission coaches.

Recommendations to Government:

- continue funding the Zero Emission and Hydrogen Infrastructure Demonstrator (ZEHID) programme to provide certainty for operators on the usability of zero emission vehicles.
- establish an industry advisory group which includes the RHA to share vehicle performance data with operators
- Increase the number of small haulage and coach businesses in trials to further demonstrate the efficancy of vehicles between operator profiles

Reducing emissions now with low carbon fuels

The RHA believes we cannot wait for a perfect zero emission solution. Whilst zero emission solutions such as battery or hydrogen-powered vehicles are developed, low carbon fuels offer an interim solution that help HGV and coach operators to reduce CO2 emissions from existing fleets – potentially - by up to 90%.

Low carbon fuels are a category of fuels that include hydrotreated vegetable oil (HVO), compressed natural gas (CNG) and liquid natural gas (LNG).

CNG and LNG fuels require existing diesel vehicles to be retrofitted with suitable equipment.

HVO is chemically similar to conventional fossil fuel diesel. It is classed as a 'drop-in' fuel, which means it can be used in existing diesel vehicles with no retrofitting needed. HVO is produced from virgin vegetable oil, typically crude palm oil, and waste products such as used cooking oil.

The use of HVO is controversial as concerns exist that virgin rainforests in Brazil and Indonesia would be destroyed to make way for the land needed to grow the palm oil crops to manufacture HVO at the scale required. To prevent this, the Zemo Partnership has developed its Renewable Fuels Assurance Scheme (RFAS) so that buyers of HVO can be assured it is produced from sustainable sources (e.g. used cooking oil).

The supply of low carbon fuels for road transport use in the UK is currently very low due to a lack of refuelling infrastructure and high cost. In 2022, HVO constituted 1% of the UK fuels market, with CNG and LNG together constituting 0.3%. This compares with diesel (57%) and petrol (31%)[1]. Government must nurture a market that offers fuel diversity.

Recommendations to Government:

- The Government should unequivocally support the use of low carbon fuels for use in road transport
- The Government should incentivise increased supply and demand by introducing a fuel duty rebate linked to emissions reduction
- Low carbon fuels (HVO, CNG and LNG) must be exempt from clear air zone charges and penalties.
- Commit to investment in refuelling infrastructure.

1 Source: DfT Statistics, Table RF0101, November 2023

Adding hydrogen combustion to the alternative fuel mix

Recognising that decarbonising HGVs and coaches is complex, our approach is pragmatic, and our aim is to support the commercial vehicle sector with the knowledge they need to make investment decisions that are consistent with net zero objectives. Currently, there are just over 300 registered electric HGVs on UK roads out of a total UK fleet size of 535,000 vehicles.

A range of different engine and fuel technologies are being developed to enable existing petrol and diesel vehicles to be phased out. UK policy to date has been to focus on the development of pure zero emission technologies at the tailpipe – this translates into the development of battery electric or hydrogen fuel cell engines.

During the transition to Net Zero, a range of fuel options must be available. This accomplishes short-term emissions reduction and greater competition and innovation in the commercial vehicle sector. In fostering experimental fuels, one such technology is hydrogen internal combustion engines (HICE), which like diesel produces notable by-products i.e., nitrogen oxide (NOx).

Importantly, the emissions of HICE vehicles can be mitigated and appropriately offset – in line with the overarching objective of Net Zero. The RHA believes that near-zero emission technologies such as hydrogen combustion should be permitted for use in lorries and coaches, provided appropriate mitigations are built into the technology, which can be strengthened by government action.

Recommendations to Government:

- permit the development of hydrogen combustion engine technologies for use by lorries and coaches
- implement appropriate regulations to ensure NOx emissions from such technology is reduced to the lowest possible levels

Reforming the Clear Air Zone Framework

The RHA supports the aim of improving air quality, and measures in pursuit of that aim that are effective, proportionate, and fair.

However, we believe that the current Clean Air Zone framework, whilst well-intended, does not meet those standards and needs fundamental reform. This is because it does not target pollution sources effectively nor account for the supply of compliant diesel vehicles.

At the heart of the problem is that CAZ/ULEZ created a supply shortage of complaint vehicles. In turn, this caused an adverse market reaction with the price of compliant vehicles unnecessarily rising and the asset value of non-compliant vehicles collapsing.

Together with a charge on top to encourage a switch to cleaner vehicles, this created financial circumstances that many businesses, particularly SMEs, could not bear. Healthy asset values underpinning the existing fleet are essential if policymakers desire operators to switch to new vehicles before the existing fleet reaches its end-of-life.

The RHA estimates that Clean Air Zone policy caused operators to pay an extra £1.9bn for compliant HGVs yet suffered an unnecessary asset value loss of £1.2bn on uncompliant HGVs.

Designing policies to phase out non-compliant vehicles to avoid market distortions must balance the geographic size of CAZ or ULEZ and choice of compliance standard. If the geographic size is too large and the choice of compliance standard too tight, this creates a supply shortage of compliant vehicles.

A structural governance flaw exists where local authorities are responsible for choosing the geographic size, yet the compliance standard sits with DfT/DEFRA. Creating an accountability fault-line, with it not clear where responsibility lay to resolve vehicle supply problems.

The RHA recognises the framework governing how the policy works must be reviewed so that future supply shortages of compliant vehicles are avoided.

Meanwhile, we believe the fairest way to meet legal air quality limits as quickly as possible with the existing fleet is to target the oldest, most-polluting vehicles across all types (cars, vans, HGVs and buses), with policy measures focussed on retiring the disproportionately small number of pre-Euro V vehicles generating the largest amounts of pollution.

Recommendations to Government:

- Reform the Clean Air Zone framework, including greater cost proportionality and predicting outcomes for small businesses.
- conduct a CAZ/ULEZ lessons learned exercise
- use policy measures to phase out Euro IV-and-below vehicles (across cars, vans, HGVs & coaches)
- abolish charging Clean Air Zones and the ULEZ once legal air quality limits are met

Green Financing and Sustainable Investment

With HGVs and coaches accounting for around 20% of UK domestic transport greenhouse emissions, we know our sector must play its part to decarbonise. However, the cost of decarbonising the HGV fleet is estimated to be an eye-watering £100bn and presents a formidable barrier for a sector where 95% of operators are micro-businesses employing 10 people or fewer[1] and on a typical 2% margin which equates to around £70 per week or £3500 per year per lorry[2].

According to the Green Finance Institute (Nov 2023), the £100bn breaks down as between £40 -£75bn of additional finance needed for operators, between £11-£24bn needed for depot infrastructure, and between £1-£2bn needed for public rapid recharging infrastructure[3].

The new Government has an opportunity to be much bolder in supporting road transport businesses, especially our vital micro-businesses, by ensuring that they can access the National Wealth Fund to invest in the transition to Net Zero. This would build on welcome commitments from the previous Government, such as the £200m investment in the Zero Emission and Hydrogen Infrastructure Demonstrator (ZEHID) to provide essential research and development support into how battery electric and hydrogen fuel cell lorries perform.

It is also essential that the Government creates supportive fiscal and regulatory conditions that allow businesses to transition. A key goal for small businesses is the establishment of a vibrant second-hand market, from which they can acquire affordable zero emission HGVs and coaches.

The lifespan of conventional diesel vehicles is typically 12 years for HGVs and 18 years for coaches, yet the zero emission market is currently nascent with just over 300 new battery electric HGVs on UK roads and no hydrogen-powered vehicles out of a total UK fleet of 535,000 HGVs. Given the HGV phase out dates, we estimate that it will take until 2037 for this second hand market to become fully established. Challenging decisions also need to be made on how the conventional fleet is phased out sustainably either via the circular economy or the export market.

1 Source: Centre of Sustainable Road Freight, www.csrf.ac.uk/wp-content/uploads/2023/05/ENG-TR.030-slideset-Final-version-for-website.pdf, p15 (January 2023)
2 Source: RHA Costs Survey 2023
3 Green Finance Institute, Delivering Net Zero: Unlocking Public and Private Capital for Zero Emission Trucks, November 2023

Recommendations to Government:

- Work with the road freight industry on how it can access the National Wealth Fund to invest in zero emission vehicles and infrastructure
- Ensure full expensing allows for investment in zero emission vehicles and infrastructure
- Outline a long-term funding roadmap for the road freight sector
- Extend the Rapid Recharging Fund (RCF) to also ultra-rapid recharging units up to 350Kw suitable for HGVs and coaches
- Reform the scope and deadlines for the 'plug-in van and truck grants', increasing grant contributions from 20% to 33% (with incentives for group vehicle purchases) and extend the program beyond March 2025
- Accelerate investment in the energy infrastructure needed to power zero emission HGVs and coaches
- Introduce a fuel duty rebate linked to emissions reduction to encourages the use of low carbon fuels that can reduce emissions from the conventional diesel fleet by up to 90%

Boosting trade

Boosting trade

As import and export procedures become more complex, the change we've been experiencing in recent years has been significant. With the rolling out of new regulations and controls and with more to come in October, members have had to react quickly to absorb fresh challenges.

Firms in our sector continue to operate in an environment of increased bureaucracy and uncertainty. After lobbying by the RHA and others, the last Government helped EU goods remain accessible to UK consumers by postponing the introduction of border controls. As more controls have come into play over the past year, and with others coming into play in the months ahead, we'll be lobbying the next Government to ensure that they represent the interests of British businesses to their European and international counterparts.

The Entry Exit System (EES) is coming in October and with the introduction of the European Travel Information and Authorisation System in 2025, more issues and complexities could arise for our HGV and Coach members.

The EES system will work when non-EU citizens enter the Schengen Area. We'll continue to urge Government and Ports to ensure that all infrastructure and technology is ready, updated and secure before going live. The system needs to be fully tested before activation to ensure that it can cope when problems occur, and we have been working with all concerned parties to ensure this happens. Over the past few years, we have worked with Government officials to ensure that there has been full consultation with our industry on the introduction of any new systems, with serious consideration given to the practicalities of their implementation.

For our coaching members, there is still concern that further damaging delays lie ahead as a result of the various forthcoming changes. We're working hard to address concerns and get further clarity on the specific processes. Coaches will be significantly impacted by the new changes due to the numbers of passengers they typically carry, the amount of information the new border schemes require from each passenger. The impact any new changes could have on international coach operators must be carefully considered as the changes are introduced.

As it relates to the complexities of the trading arrangements in Northern Ireland and at our border with the EU, we continue to articulate the challenges firms in Northern Ireland and in Great Britain are facing because of the nuances of NI-GB, GB-NI and UK-EU trade.

It's vital that we keep the UK supply chain resilient and protect the free circulation of goods. We look forward to continuing this engagement with the new Government.

In all of these matters, it remains essential for decision-makers at all levels and across our industry to continue to work together to address outstanding issues of concern.

Breaking down the barriers of trade with the European Union

Since the UK left the European Union in 2020, HGV and coach drivers have been subject to the 90 out of 180-day travel restriction when entering the Schengen zone. As this regulation has not been strictly enforced at the border, the changes have not yet impacted the UK economy.

In October this is due to change with the implementation of the Entry Exit System (EES). EES will accurately record entry, exit and length of stay within the Schengen zone, ensuring strict enforcement of the 90/180 rule.

After several delays, it is set to be introduced on 6 October 2024. There are however significant industry concerns about the readiness of infrastructure to support these changes. It has been widely reported that delays are expected at all ports including airports.

The RHA conducted a member survey to understand operator expectations for the current state of continental movements. Results indicate enforcement of Schengen movement restrictions may force operators to reduce their workforces significantly (47% of HGV drivers; 36% general staff). Furthermore, over half of respondent businesses expect to reduce journeys into Europe (56%), and project median revenue losses between 41-60%. Most operators suggest diversification is not an option under current economic conditions (67%), meaning business failures could become more likely in the near future.

The coach industry will be significantly affected by EES introduction. Eurotunnel Le Shuttle have already significantly reduced the number of coaches they allow on their trains to account for the additional processing time.

All coach travellers will need to pass through an e-gate at the border to record their information. While this has precedent and works well for air passengers, this system is more difficult to implement at vehicle handling ports with juxtaposed border controls where travellers will have to get out of their vehicles to pass through the border. An app was proposed where travellers could provide information ahead of time to help streamline the process at the ports, but the readiness of the app is unclear.

Recommendations to Government:

- Government is to ensure that necessary infrastructure at all ports has been completed and thoroughly tested before implementation.
- Government to support ports in preparation of EES Restrictions, and if it becomes apparent that the key infrastructure cannot be prepared in time, to lobby for a delay.
- We support a Professional Drivers' Exemption from Schengen restrictions for those who are transporting goods or people between the UK and EU and would welcome the chance to develop this policy with the new Government.

Breaking down barriers through reform of the Windsor Framework

The RHA continues to advocate for easements to the movement of goods between Great Britian and Northern Ireland. To that end, we are committed to ensuring the Windsor Framework delivers this.

RHA members have been vocal on the continuing impact of increased administrative costs and bureaucracy, and a lack of industry-specific expertise amongst the Trader Support Service (TSS). Therefore, the RHA urges government to establish a specialist haulage taskforce, led by industry, to reduce friction on the movement of goods from GB to Northern Ireland.

In 2023, according to the Northern Ireland Statistics and Research Agency (NISRA) around 30% of the value of all goods purchased by NI businesses are from Great Britain (worth £14.4 billion)[1]. A robust and efficient GB-NI supply chain is crucial to the UK economy. Nevertheless, since the introduction of the Windsor Framework in 2023, industry feedback remains uncertain over the seamlessness of goods travel between Great Britain and Northern Ireland and indicates British businesses are looking elsewhere to avoid operational costs and difficulties.

The RHA has previously highlighted the threats to manufacturing sector movements inherent to the Windsor Framework. Government must safeguard Northern Ireland's largest commercial sector where over 60% of goods sold by NI to GB were manufacturing sector products[1]. To do this, the £2 million turnover threshold on businesses for the Trusted Trader eligibility must be removed, as to preserve employment and business confidence in the NI market for home-grown and aspirational firms which could otherwise relocate.

In a similar vein, RHA members repeatedly cite difficulties over the categorisation of 'at risk' goods, which require red lane stops, inspections and liability costs. In practice, irregularities in a groupage load primarily affect the haulier, leading to escalating costs frequently resulting from human error or factors beyond the haulier's control.

With respect to 'Just in Time' (JIT) goods, these effects are devastating. Businesses reliant on lean supply chain methodologies must see exemptions for 'JIT' products (i.e., machine parts or raw materials for food production) and broadly, anomaly removals of 'at risk' goods from consignments. This means having adequate on-site infrastructure to support the handling of these goods.

In 2021-2022, HMRC state 12,800 businesses were associated with 1,470,000 declarations – an increase of 41% from 2021[2]. However, in the RHA's view the current efficacy of the Windsor Framework needs to be studied further. Government must commission a separate supply chain analysis (similar to cross-border analyses in 2015-2016) to understand what barriers persist. An understanding of idling times, rates of inspection, congestion and stops for 'at-risk' goods in groupage loads must be made publicly available in order to inform efficiency gains.

1 Overview of Northern Ireland Trade, NISRA, 2023.
2 Summary of movements of goods into Northern Ireland from Great Britain 2022: commentary, HMRC, 2023.

Recommendations to Government:

- Strengthen stakeholder engagement with actual road haulage operators, modifying existing groups or introducing a specialist taskforce.
- Improve capacity for the Trader Support Service – including dedicated and experienced staff to advise road hauliers.
- Provide exemptions for 'Just-in-time' (JIT) goods, including a new declaration category.
- Eliminate the £2 million threshold for manufacturers and provide an exemption/easement for businesses who guarantee non-EU destinations for consignments.
- Reduce liability for 'at-risk' goods in groupage loads by expanding infrastructure to accommodate on-site package/pallet handling.
- Widen empirical oversight on day-to-day Windsor Framework operations, highlighting inspections, HGV idling and congestion.

Clandestine Entrant Civil Penalty Scheme

In January 2023, the UK Government announced changes to the Clandestine Entrant Civil Penalty Scheme. The Scheme was designed to more severely penalise drivers and operators who do not take adequate steps to secure their vehicle from clandestine entrants to help ensure compliance and protect the UK border.

RHA engaged extensively with Government throughout the consultation process, including:

- developing a compliance checklist for drivers to complete before approaching Border Control,
- ensuring the Civil Penalty Accreditation Scheme was also available to coach operators, and
- urging the Home Office not to dramatically increase the size of the penalty for drivers and operators who have taken best efforts to secure their vehicles in line with the regulations.

The amended penalty scheme came into effect April 2023. Since then, we have received several reports from RHA members of penalties being incurred despite having taken all reasonable possible steps to secure their vehicles.

We have also received reports that illegal immigrants are increasingly targeting vehicles as a means to enter the UK, developing new methods to hide their presence and attacking vehicles at distances further and further away from the ports.

The RHA supports all reasonable measures to secure the UK border, but does not want to see drivers and businesses who have done everything they reasonably can to prevent clandestine entry being punished.

It is important that any scheme designed to protect the border responds to changing situation and criminal tactics.

Illegal migrants, and the criminal gangs facilitating their entry into the United Kingdom, will always target the weakest, lowest profile part of our border security.

In the year since the new Clandestine Entrant Civil Penalty Scheme was introduced, significant publicity and action has been taken to reduce the number of small boats crossing the English Channel.

We therefore identify a potential risk of increased targeting of HGVs, utilising new techniques to conceal entry on a vehicle and increase the risk of drivers being penalised under this scheme.

Recommendations to Government:

- A review of the Clandestine Entrant Civil Penalty Scheme and Entry Checklists in line with the changing illegal immigration situation to ensure it is fit for purpose.
- Statistics on illegal immigration by small boat have been published regularly in recent months, but the figures appertaining to HGVs have not been updated since 2022.
- A publication of figures for illegal immigrants travelling by other means than small boats, in order to provide the best evidence base for future action.
- HGV drivers should not be expected to personally deal with potential clandestine entrants, who may turn to violence if discovered. We have been informed by members that often the first chance a driver has had to seek assistance is at the Border, and thus receive a penalty when reporting the potential entrant on their vehicle. We have also received reports of low levels of enforcement on behalf of the French.
- Avenues for HGV drivers to seek assistance from UK Border officials must be made clearer to ensure no driver seeking assistance to deal with a clandestine entrant is punished.

Tackling abnormal load restrictions in the UK to keep supply chains moving

Abnormal loads movements relates to the transportation of large or heavy cargo across the UK. Examples of abnormal loads movements include green infrastructure such as wind turbines, and large defence equipment. At present, the regulations are both inconsistent and unjust – causing significant repercussions for the road haulage sector and the construction and manufacturing industries it supports.

Police forces across the country are enforcing different movement restrictions and varying enforcement practices when it comes to the transportation of abnormal loads on the road. In recent months, some forces have begun mandating police escorts for certain loads in breach of legislation and national police guidance. Abnormal load movement restrictions refer to regulations and limitations imposed on transporting oversized or overweight cargo on public roads.

The consequences of these disparities are severely impacting road haulage businesses, amplifying costs and bureaucracy. Many businesses within this sector are small-to-medium-sized enterprises (SMEs) operating with thin profit margins, exacerbating the financial strain at time when insolvencies in the road haulage sector are at record levels – 490 haulage firms entered administration in 2023 – more than double the number of failures in 2020. Disturbingly, findings from the Heavy Transport Association indicate that approximately 5% of its members are contemplating discontinuing abnormal load movements due to the unresolved situation.

These issues extend their ripple effects across various sectors, including tourism, housing, manufacturing, and construction. The issue also impacts parking availability, added mileage around embargo areas, and drivers' hours rest and breaks. Movements are taking twice as long, doubling the cost for drivers, and increasing prices for the end user, making haulage businesses unviable.

Independent economic research by the CEBR has found that delays in the transport of loads pose significant financial implications for industries reliant on timely deliveries with estimated annual impacts of up to £1.2 billion over a 10-year period. The research also found that the impact of police restrictions on abnormal load movements has led to increased financial costs of administration and staff time amounting to £14million over a 10-year period and reduced economic activity for the road haulage sector - up to £171 million per annum. The total costs in terms of economic output, measured as GVA, stands at up to £584 million per annum, underscoring the substantial economic consequences associated with heightened driver downtime.

94% of haulage businesses surveyed felt that extended embargo times had negatively affected their business. It is vital the needs of this important sector are balanced with the impact on local communities.

Recommendations to Government:

- **Industry Consultation:** Before implementing any significant changes in abnormal load movement restrictions and enforcement practices, the Government should engage in thorough consultation with industry stakeholders, including professional hauliers, the Heavy Transport Association, the British Holiday & Home Parks Association, and the National Caravan Council. This will ensure that any new regulations are well-informed and consider the practical challenges operators face.
- **Set Clear Guidelines:** The National Police Chiefs' Council (NPCC) should establish clear and standardised guidelines for Chief Constables regarding abnormal load movements. These guidelines should outline the proper procedures, notification requirements, escorting and enforcement actions, providing a consistent framework for law enforcement agencies nationwide.
- **Strive for consistency**. Police forces should strive for consistency with their neighboring forces where possible particularly in relation to peak hours.
- **Provide Training:** Adequate training should be provided to police officers responsible for enforcing abnormal load regulations via the College of Policing. Given the complexity of these regulations, officers need comprehensive training to understand the nuances of abnormal load movements. Additionally, efforts should be made to raise awareness among operators about these regulations through educational campaigns and outreach to industry trade associations.
- **Establish a Proactive Feedback Mechanism:** Establish a mechanism for hauliers and operators to provide ongoing feedback on the impact of abnormal load restrictions and enforcement practices. This feedback should be used to continuously refine and improve the regulations, ensuring they strike the right balance between safety and practicality.
- **Review the Road Vehicles (Authorisation of Special Types) (General) Order 2003 legislation** to update requirements for notifications as this is out of date and not fit for purpose, both in terms of industry compliance and police enforcement
- **All notifications to be afforded 30-day notification window –** this will benefit operators and notifiable authorities by reducing the number of notifications, and therefore the administrative burden.
- **Introduce new legislation** for abnormal load escorting.
- **Allow self-escort vehicle drivers the powers to stop & direct traffic.** This power is currently available under CSAS legislation, but not encouraged. Vehicle escort services will then be more rigorously delivered, with upside of freeing up police resources.

Reforming the Office of the Traffic Commissioner

The RHA supports Traffic Commissioners. They undertake an essential judicial function promoting the safe operation of HGVs, coaches and buses on our roads by supporting transport operators to keep goods and passengers moving, independent from central government. The most recent review (2021/22) found that it generally operates effectively.

However, we believe some functions exercised by the Traffic Commissioner need reform to ensure they best serve the needs of transport operators and maintain high levels of road safety and compliance.

Since their establishment, the Traffic Commissioners have acquired additional responsibilities including the registration of local bus services, assessing the environmental suitability of planning applications for lorry parking as well as a significant role in promoting compliance and best practice across the HGV and PSV sectors. Reform of their function is required to reflect the additional remit as well as the evolution of the road transport sector.

Recommendations to Government:

- After no reforms in over nine years, implement the 2021/22 Review of the Traffic Commissioner Function by the end of 2025.
- Change the requirement for an operator to place a print advert in a local newspaper for a new operating centre to reduce application times. The current print advertising requirements impose significant costs on applicants and are now outdated with the decline in local print newspapers. Local Authorities are already charged with considering planning applications and have the expertise to consider the impact on the relevant local community.
- Reform the fee structure for licence applications. The current flat-rate fee structure places disproportionate burden on small businesses. Fees should be proportionate to the size of business and level of service received.
- Introduce interim operator licences for PSVs to support competition and encourage new entrants to the industry for the benefit of passengers

Disability access to coaches

We support the principle of improving access for disabled passengers to coaches. However, to ensure that measures to improve access are workable, we are calling for a legislative change where a duty is placed a coach operator to provide an accessible coach when one is demanded. This contrasts with the current thinking to make every coach accessible under proposed changes to the Public Service Vehicle Accessibility Regulations (PSVAR).

Our rationale stems from the unintended consequences of extending the principle of making every bus accessible to coaches. Whilst well-meaning, the logic does not apply to coaches because, unlike buses, the roadside infrastructure that enable disabled passengers to board a bus is not routinely available to coaches. This creates real-world practical issues such as how disabled passengers can embark/disembark coaches safely.

With buses on set routes, it is straightforward to provide appropriate roadside infrastructure (e.g. tactile paving, standardised kerb heights) to assist a disabled passenger to access a bus. This is because the timing and location of the access point is known and appropriate infrastructure can be provided in advance.

This is not the case for coaches where the timing and location of the access point will be different on each occasion. Given that a coach may be required to pick up a passenger at any point within the United Kingdom or abroad, we consider that it would be cost-prohibitive for local authorities to provide appropriate roadside infrastructure for this purpose. In addition, there are practical safety issues to consider – for example, with wheelchair lifts extending up to 2 metres from the side of a coach, how wheelchair-bound passengers can access the coach safely from grass verges, along narrow lanes or busy main roads.

To get round this anomaly, we strongly advocate instead a focus on the customer and their journey. This would require operators being legally obligated to have access to vehicles that meet the specific needs of a person with a disability (both visible and hidden); however, to be clear, there would be no requirement for all coaches to be accessible.

We recognise that, in making this ask, this is a sensitive matter and raises questions of indirect discrimination which, if proven, is rightly prohibited under the Equality Act 2010. We have carefully considered the conflicting issues that arise and, in asking for a duty to be placed on an operator to provide an accessible coach where one is demanded, are guided by the Citizens' Advice Bureau who advise that the Equality Act allows for legitimate discrimination if it is a "proportionate means of achieving a legitimate end". This can include the "running of an efficient service" and "desire to make a profit"[1].

1 See: https://www.citizensadvice.org.uk/law-and-courts/discrimination/what-are-the-different-types-of-discrimination/justifying-discrimination/#:~:text=The%20Equality%20Act%20says%20discrimination,if%20discrimination%20can%20be%20justified.

Recommendations to Government:

- The RHA calls on the incoming Government to:
- to reset of the regulatory framework governing disabled access to coaches, founded on the principle of a coach operator having a legal duty to provide an accessible coach when one is demanded.
- work with coach operators to promote industry best-practice to invest in and raise the standards of service provided to passengers with disabilities.

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

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