

# BULLETIN: THE HGV DRIVER SHORTAGE CRISIS

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 **DRIVER  
REQUIRE**



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## EXECUTIVE SUMMARY

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Earlier this year the Driver Require Think Tank published its influential report, “The Answer to the UK’s HGV Driver Shortage”, which presented a factual analysis of the causes of the UK HGV driver shortage crisis and how to address it. Since then, more statistics have been issued by the Office for National Statistics (“ONS”), specifically the results of the Quarterly Labour Force Survey (“QLFS”) for the period July to September (“Q3”). These results are the best available measure for estimating the size of the HGV driver pool and its composition by age and nationality. We have studied this latest set of QLFS results and produced an analysis, which delivers a positive and insightful set of conclusions.

This Bulletin reveals that we may be starting to turn the corner and that the shortage has meaningfully lessened in the 3rd quarter of 2021. This doesn't mean that we are out of the woods - quite the contrary, the Bulletin demonstrates that despite rising wages churn is still high, critically in the Under 45 age group, demonstrating that in fact the issue of retention has not yet been resolved and that the addition of new entrants to the market has effectively been negated. This reinforces the need for concerted and unified action to improve HGV driver working conditions, provide more quality secure HGV parking facilities in conjunction with other measures.



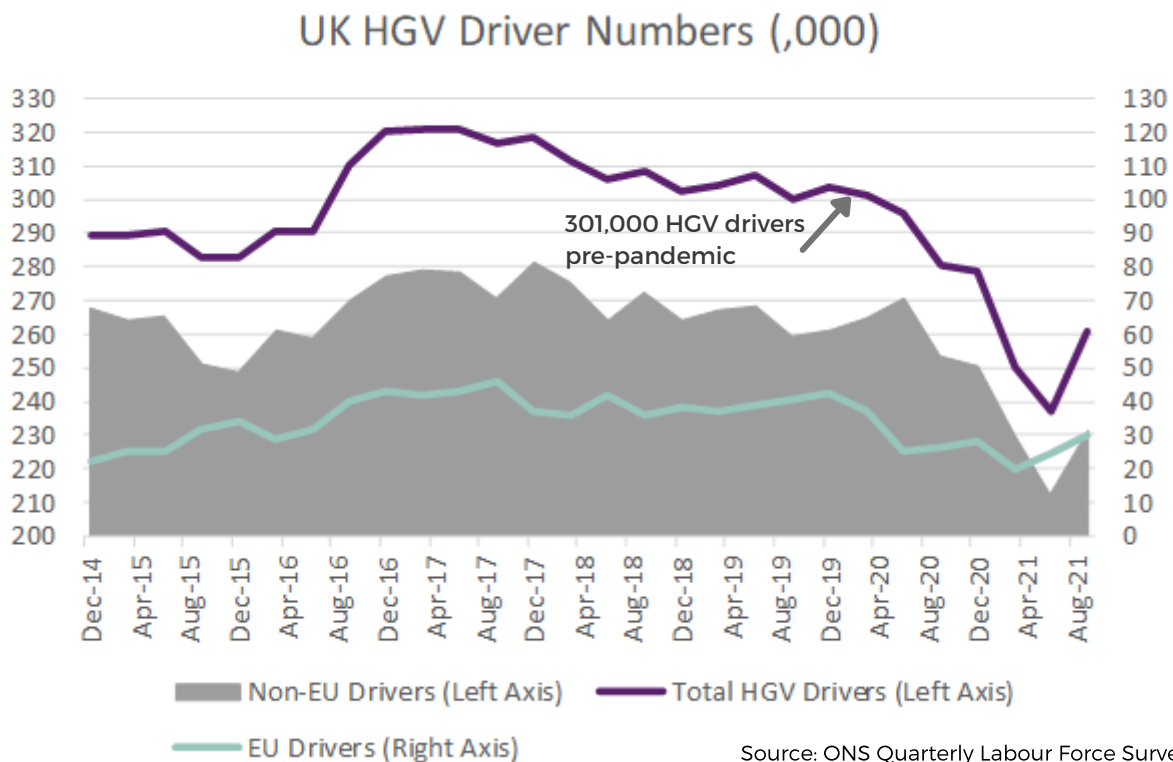
# HGV DRIVER SHORTAGE: Q3 2021 SUMMARY

- Almost 30,000 HGV drivers returned to driving in Q3 2021, resulting in a 40% recovery of the drop in numbers experienced since the beginning of the pandemic.
- Most of the increase in driver numbers was in the over-45 age range, which we suspect was due to many of the 53,000 over-45s who left the sector in Q1 2021, returning for better wages and conditions.
- Around 5,000 HGV drivers joined the under 35-year-old workforce, which indicates that the increased testing capacity and throughput seems to be working.
- Meanwhile the number of drivers aged between 35 and 45 dropped by around 4,000.
- Furthermore, it appears that just over 5,000 EU nationals returned to driving HGV for a living, presumably from other UK-based jobs. We expect most of these would have been below the age of 45.
- This implies a net addition of approximately 10,000 HGV drivers below the age of 45, yet this age group only increased by a little over 1,000.
- We can conclude that about 9,000 HGV drivers left from the under-45-year-old group, leading us to suspect that employment conditions and a lack of suitable quality parking facilities is still causing drivers to abandon driving for a career.

We are therefore optimistic that we have reached a turning point in the UK's HGV driver shortage crisis and that the shortage is moving to "severe" rather than "crisis" levels. The Government's efforts to increase HGV testing capacity and throughput seem to be working and will continue to accelerate the numbers of new entrants to the sector over the coming months.

**We remain convinced, however, that urgent and sustained concerted action is needed to address the poor employment conditions and the lack of adequate quality secure HGV parking facilities throughout the UK. Only this will prevent continued churn of HGV drivers out of the sector due to disillusionment with the poor-quality working environment.**

**The latest ONS Quarterly Labour Force results were released on 15th November for the 3rd quarter, July to September 2021, and they reveal a rise in the total number of HGV delivery drivers from 233,000 in Q2 to 261,000 in Q3; an increase of 28,000 drivers, this being 40% of the Q2 70,000 drop relative to the pre-pandemic workforce of 301,000.**



In the above graph we can see a marked improvement in the number of people employed as HGV delivery drivers, clearly visible as the 28,000 increase in Q3 2021 (purple line), of which approximately 5,000 were EU nationals (teal line). The solid grey area is the non-EU driver group (mostly UK nationals), which has increased by 23,000. This represents a drop of 40,000 HGV delivery drivers relative to the pre-pandemic peak level of 301,000.



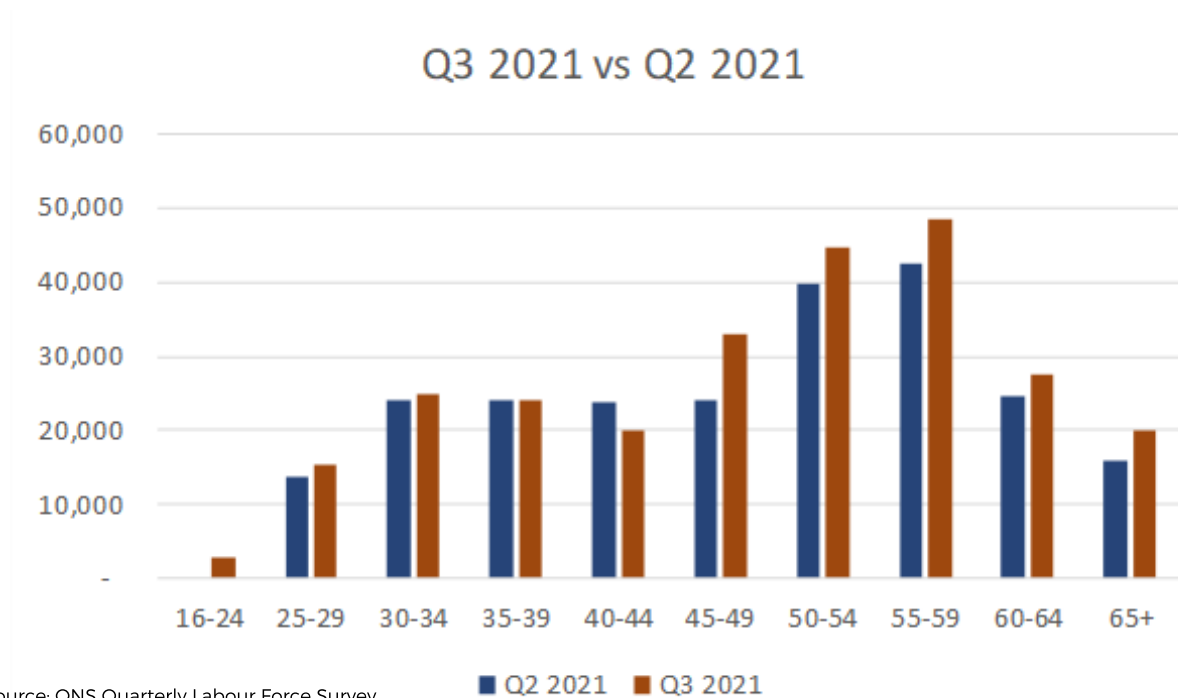
We are unsure of what proportion of the 5,000 EU nationals who came from the EU community and who are currently resident in the UK, i.e. those who are likely to be HGV drivers who chose another career path but have been tempted back by the better pay rates, and what proportion had settled or pre-settled status but had left the UK and then returned for the better wages. We suspect the majority would be from the former category.

The detailed ONS QLFS results are shown in the table below. Remember that these are an approximation because they are extrapolated from a limited sample set to the size of the national labour force. This means that the absolute figures should be treated with caution, but that relative changes and trends are likely to be meaningful.

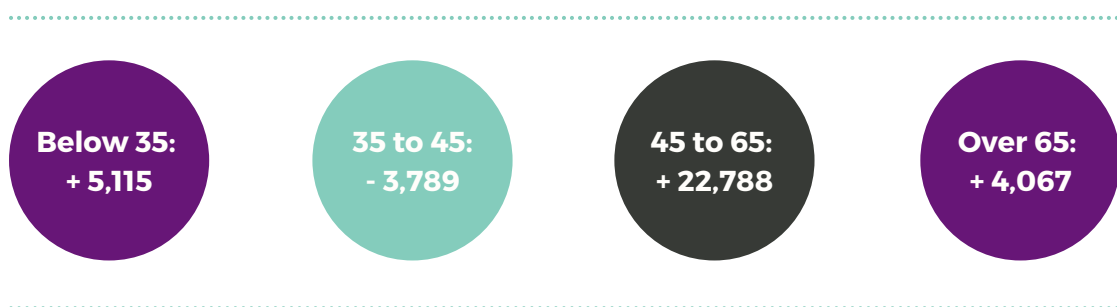
Note that the survey is now collected by telephone, which makes it less likely that HGV drivers will respond compared to other occupations. This is compounded by the fact that we are "sweating" the HGV workforce to maintain maximum freight traffic levels, so most of our HGV drivers will be out driving most of the time and, when at home, will be eating and sleeping, so will be less available to respond to a telephone survey. Consequently we believe that the survey results are likely to under-represent the number of HGV drivers relative to other occupations. This means that the shortage number could be overstated.

| Age Group           | Q1 2020 pre-COVID | Q2 2021        | Diff vs pre-COVID | Q3 2021        | Diff vs pre-COVID | Diff vs Q2 2021 |
|---------------------|-------------------|----------------|-------------------|----------------|-------------------|-----------------|
| 16 – 24             | 7,504             | *              | - 7,504           | 2,874          | - 4,630           | + 2,874         |
| 25 – 29             | 23,021            | 13,822         | - 9,199           | 15,387         | - 7,634           | + 1,565         |
| 30 – 34             | 23,791            | 24,116         | + 325             | 24,792         | + 1,001           | + 676           |
| 35 – 39             | 24,730            | 24,149         | - 581             | 24,161         | - 569             | + 12            |
| 40 – 44             | 21,041            | 23,895         | + 2,854           | 20,094         | - 947             | - 3,801         |
| 45 – 49             | 46,545            | 24,054         | - 22,491          | 33,098         | - 13,447          | + 9,044         |
| 50 – 54             | 54,329            | 39,872         | - 14,457          | 44,660         | - 9,669           | + 4,788         |
| 55 – 59             | 52,045            | 42,506         | - 9,539           | 48,479         | - 3,566           | + 5,973         |
| 60 – 64             | 35,940            | 24,675         | - 11,265          | 27,658         | - 8,282           | + 2,983         |
| 65 +                | 12,551            | 15,858         | + 3,307           | 19,925         | + 7,374           | + 4,067         |
| <b>Total</b>        | <b>301,497</b>    | <b>232,947</b> | <b>- 68,550</b>   | <b>261,128</b> | <b>- 40,369</b>   | <b>+ 28,181</b> |
| <b>EU Nationals</b> | <b>37,000</b>     | <b>24,350</b>  | <b>- 12,650</b>   | <b>29,704</b>  | <b>- 7,296</b>    | <b>+ 5,354</b>  |
| <b>Under 45s</b>    | <b>100,087</b>    | <b>85,982</b>  | <b>- 14,105</b>   | <b>87,308</b>  | <b>- 12,779</b>   | <b>+ 1,326</b>  |
| <b>Over 45s</b>     | <b>201,410</b>    | <b>146,965</b> | <b>- 54,445</b>   | <b>173,820</b> | <b>- 27,590</b>   | <b>+ 26,855</b> |

Source: ONS Quarterly Labour Force Surveys: Q1 2020: Q2 2021 & Q3 2021



The increase of 28,000 since Q2 2021 breaks down across the age groups as follows:

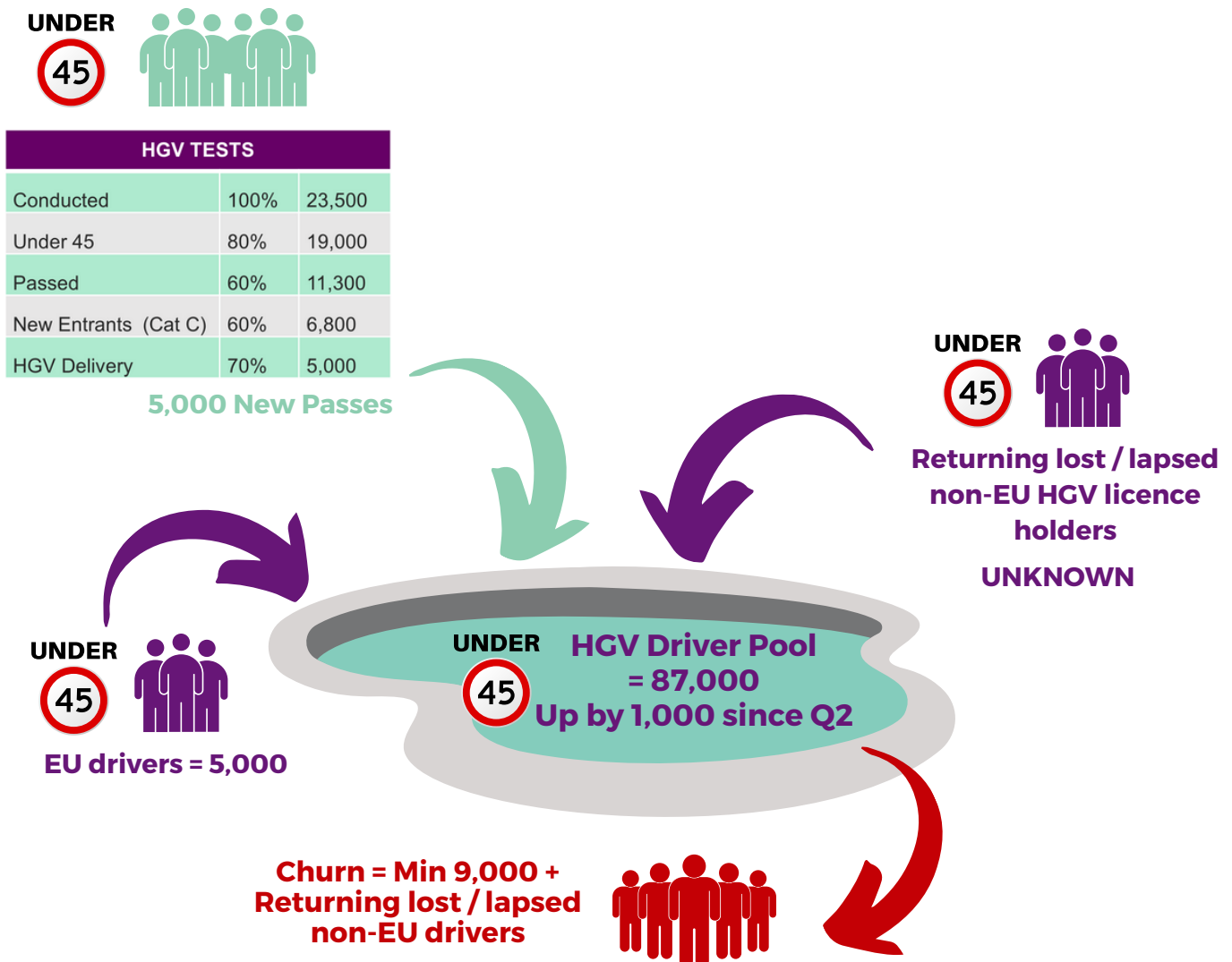


## UNDER

**45**

- We believe the increase of 5,115 below the age of 35 is largely due to new HGV test passes entering the profession.
- Interestingly we note the -3,789 decrease in the 35 – 45 age range. We are unable to definitively explain this, but we suspect it could be drivers leaving the sector due to the employment conditions and low-quality roadside services and parking facilities.
- We also note that just over 5,000 EU nationals returned to driving HGV for a living. We expect most of these would have been below the age of 45.
- See the next page for a schematic of the under-45 workforce dynamics.

## HGV DRIVER POOL: UNDER 45's



- This implies that there was a net addition of at least 10,000 HGV drivers below the age of 45.
- There would also have been a number of "lost/lapsed" HGV licence holders returning to driving HGV, attracted back by the higher wages.
- Yet we know that this age group only increased by a little over 1,000.
- We can therefore conclude that at least 9,000 HGV drivers left from the under-45-year-old group, and likely significantly more if we account for "lost/lapsed" non-EU drivers.

## HGV DRIVER POOL: OVER 45's

### OVER



- The HGV workforce over the age of 45 increased by 27,000, of whom, interestingly around 4,000 were over the age of 65. We believe that many of these would have come from the 53,000 over-45s who left the sector in Q1 2021. They would have been able to return to driving with no re-training and a much-improved salary, being able to drive a hard bargain with desperate haulage operators.

### OVER



| HGV TESTS            |      |        |
|----------------------|------|--------|
| Conducted            | 100% | 23,500 |
| Over 45              | 20%  | 4,700  |
| Passed               | 60%  | 2,800  |
| New Entrants (Cat C) | 60%  | 1,700  |
| HGV Delivery         | 60%  | 1,000  |

1,000 New Passes

Returning lost / lapsed  
HGV licence holders

### OVER

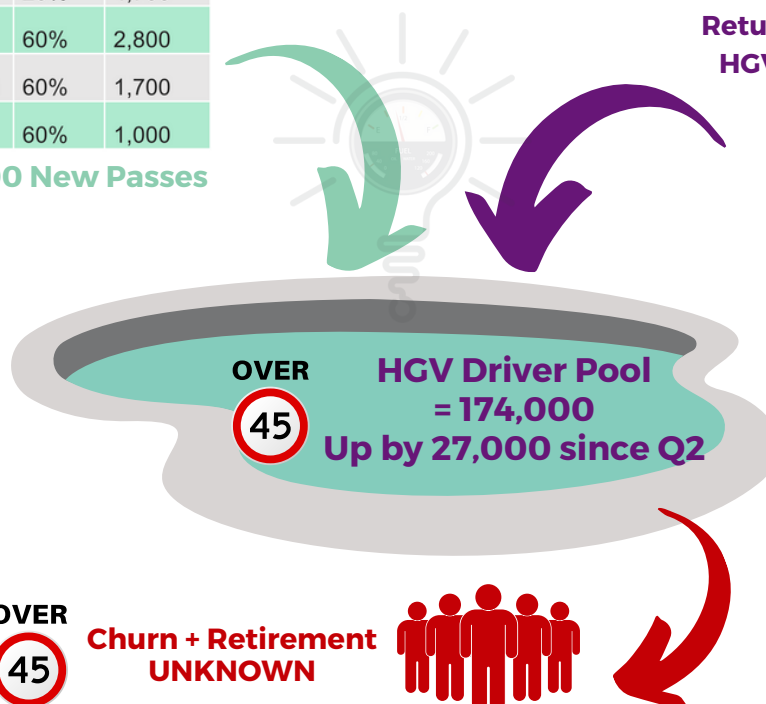


26,000 + Churn +  
Retirement

### OVER

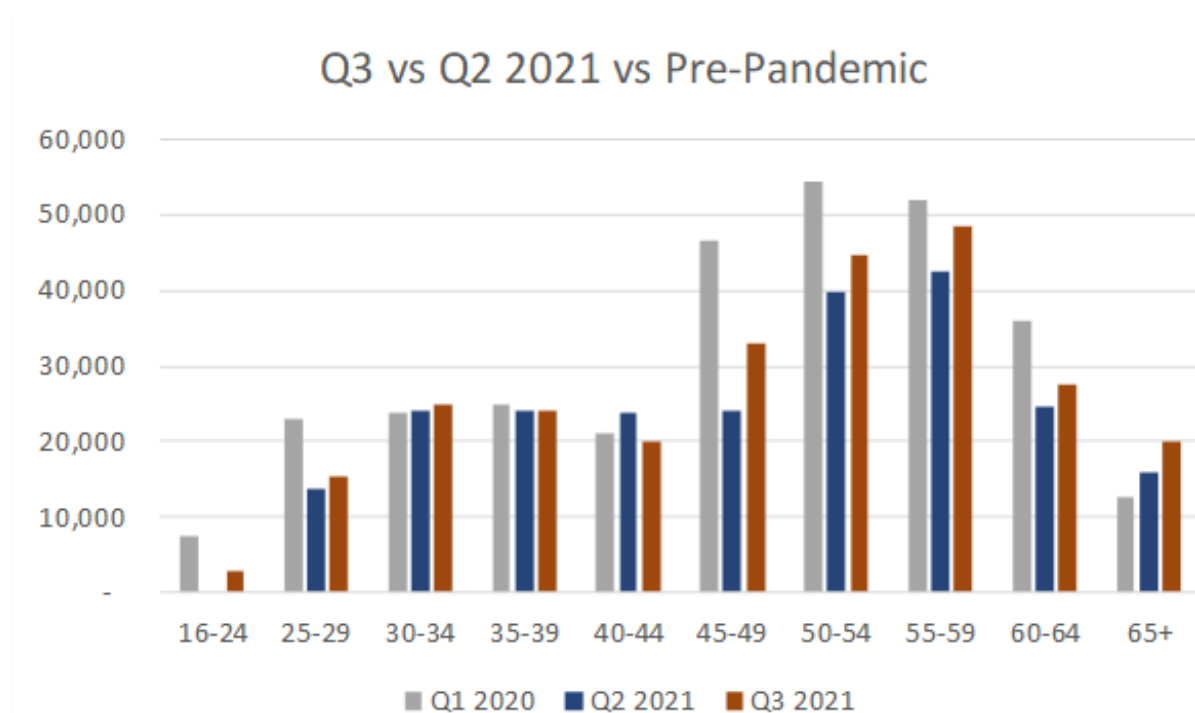


Churn + Retirement  
UNKNOWN



- We can estimate that about 1,000 new HGV test passes joined the over-45 age group.
- We cannot determine the number who retired because of the potential distortion to the normal retirement rate because of COVID-19 and the Q1 exodus.
- We can therefore only confidently state that at least 26,000 "lost/lapsed" drivers over the age of 45 returned and that it is probably significantly greater given that there would have been churn and retirement.





Source: ONS Quarterly Labour Force Survey

If we compare Q2 and Q3 2021 with pre-pandemic (Q1 2020), it remains clear that the largest drop in driver numbers occurred in the 45 – 55 age group. We suspect that renewal of medicals may be a factor preventing drivers, whose licence had expired, from returning to work in this age group. We believe that lots of HGV drivers have been told by the DVLA that they will have to wait many weeks for their licence renewal to be processed.

Anecdotal evidence suggests that many of these drivers are struggling to provide evidence of their HGV medical result and their DVLA licence renewal submission. Consequently, despite Section 88 of the Road Traffic Act 1988, we suspect that many haulage operators and agencies are refusing to allow expired HGV licence holders to drive until they receive their new licence card. We therefore recommend urgent action to address the backlog of HGV licence renewals.



# DEMAND FOR HGV DRIVERS

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In Q3 2021, GDP was still running approximately 2% below pre-pandemic peak level, despite a significant climb throughout 2021. Economists at Capital Economics said growth is likely to slow further in the coming period, stating that *"...the economy regained some momentum in September, but continued shortages and the drag on real incomes from higher utility prices probably mean it will soon fizzle out..."*. From this we can assume that demand levels remain stable at current levels in the medium term.

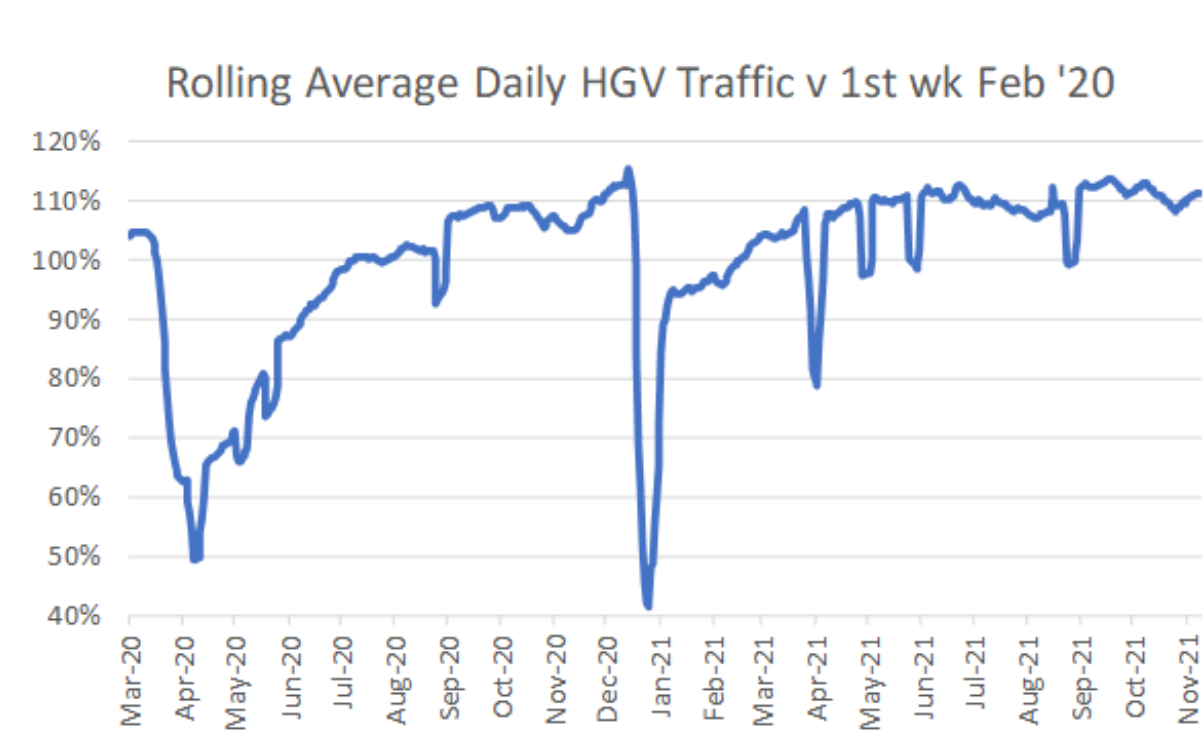
There is growing evidence that supply chain bottlenecks are not only caused by a shortage of HGV drivers, but by other constraints, such as:

- Warehouse labour shortages
- Van driver shortages
- Product and component supply problems, such as shortages of semi-conductors and other key components
- A shortage of shipping containers and congestion at container ports
- We are also hearing that there is a shortage of operational haulage fleet due to a combination of delayed deliveries of new vehicles and a shortage of spare parts to keep the existing fleet on the road.

Whereas, previously, a lot of supply chains were finely tuned Just-in-Time arrangements, these have now been thrown into chaos, leading to inefficient fleet and labour utilisation. Consequently, some distributors are resorting to more innovative approaches such as transferring road freight to rail freight services, or collaborating with competitors to consolidate loads.

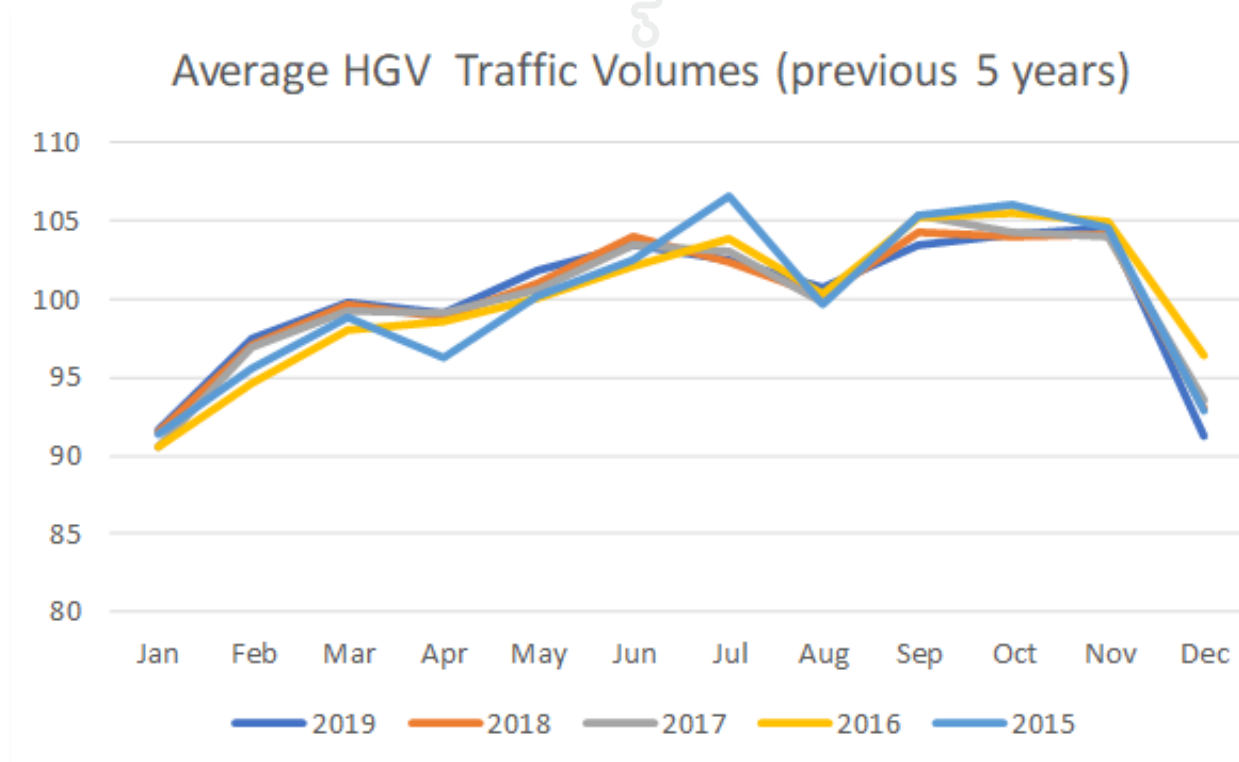
A further mechanism being used to counter the shortage of fleet is to exploit visiting EU vehicles through cabotage.

Considering these factors, it is reasonable to believe that demand for road haulage services is no greater than pre-pandemic peak levels and possibly lower if cabotage levels are elevated and volumes are being transferred to rail freight.



Source: Department for Transport Statistics "Use of Transport Modes"

Road traffic volumes, tracked by the ONS using road traffic cameras throughout the UK, are currently running at 110% of February 2020 levels (see the graph above).



Source: Department for Transport Statistics Table TRA0305

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We know from analysis of HGV traffic levels by month over the 5 years prior to the pandemic that October and November HGV traffic levels are typically 110% of February levels. From this we can deduce that current HGV traffic is running at levels typical for this time of the year in the pre-pandemic period.

Given we are at the high end of pre-pandemic freight volumes, it is unlikely there is much additional “unmet demand”. The key factors that would cause this would be if we had much reduced road haulage efficiency and if there were still significant backlogs to be cleared. The question then becomes, are these backlogs critical requirements? If not, they could be deferred until quieter times and won't add to current critical demand.

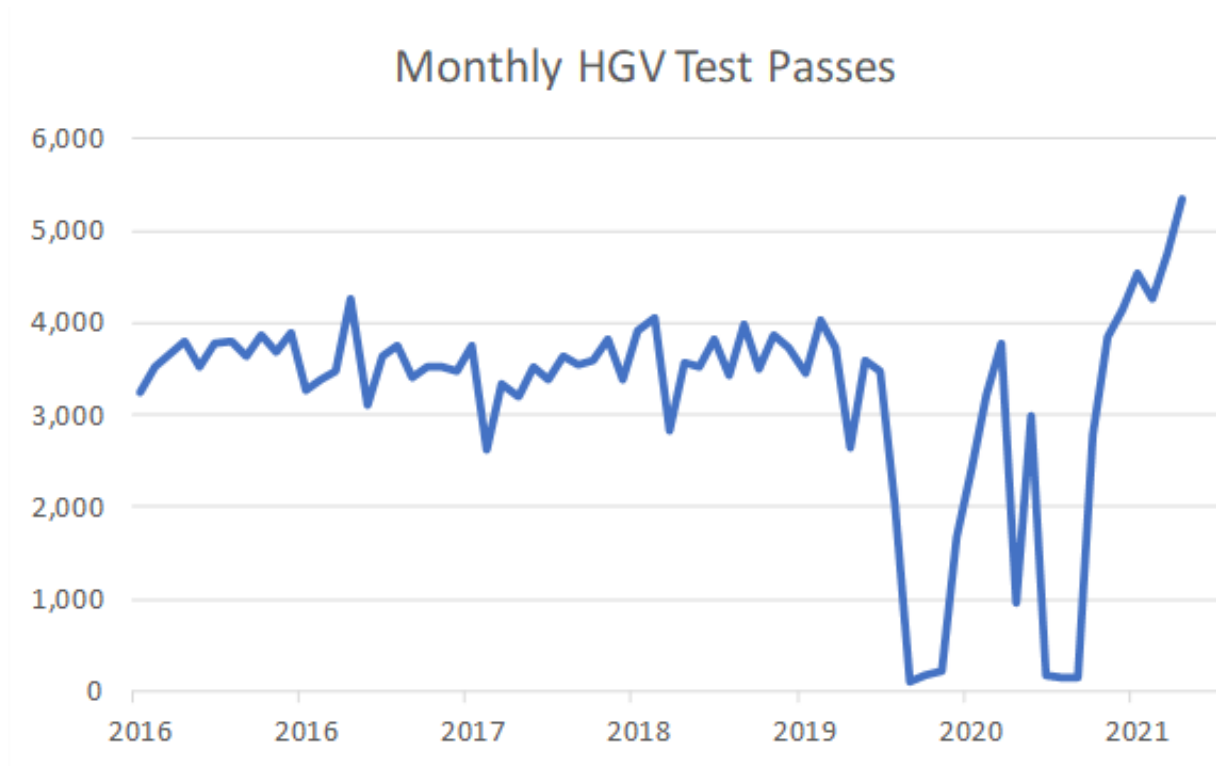
An interesting point however is, how are we managing to maintain pre-pandemic HGV traffic volumes with a significant driver shortage? We can conclude that it is likely we are “sweating” our HGV driver workforce, which is possible for a limited time frame, but not sustainable in the long term.

Returning to the question of the HGV driver shortage, assuming road haulage levels are an approximation for demand, we can assume that current demand is for approximately 300,000 drivers, which was the number employed at peak pre-pandemic (Christmas 2019).

Given the current workforce now numbers 261,000, we can conclude that the HGV driver shortage is no greater than 40,000. In fact, as explained previously, the ONS Quarterly Labour Force survey collection mechanism and the fact that we are “sweating” our HGV driver workforce, means that the numbers provided by the QLFS are probably under-estimates of the actual number employed relative to the estimates gathered pre-COVID-19. We can therefore be reasonably confident that the actual shortage number is less than 40,000.



# HGV TESTING



Source: Department for Transport Statistic Table DRT0501

The Government initiatives seem to be having a positive effect on HGV test capacity and throughput. The number of passes has risen from a pre-pandemic average of 3,500 passes per month to 5,354 in October 2021, a 50% increase in throughput!

The higher throughput will undoubtedly boost the size of the HGV driver pool, as long as the churn rate remains lower than pre-pandemic levels, which we hope it will, due to the better wages and the promise of improved working conditions.

In Q3 2021 13,500 candidates passed their HGV test. If we assume that the ratio of new passes is the same as the pre-pandemic i.e. 60%, then we can deduce that there were approximately 8,000 new passes in Q3 2021. A number of these would have gone into professions other than HGV delivery driver (SOC8211), such as scaffolders, dustcarts, crane operators, etc. Prior to the pandemic the ratio was approximately 40% who went into HGV delivery driving and 60% into other professions. Given the higher HGV delivery driver

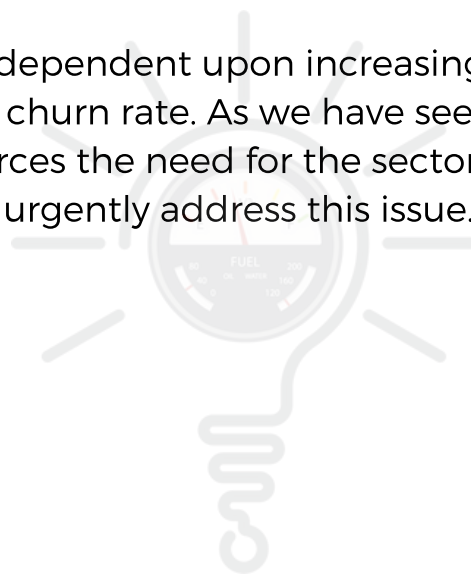
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pay rates, we could expect more to have gone into HGV delivery driving as a career. Let's therefore assume 70% went into delivery driving, which would result in approximately 5,000 new passes in Q3 2021. This correlates well with the ONS QLFS numbers which indicate an increase of 5,100 drivers below the age of 40 from Q2 to Q3.

Interestingly the pass rate remains at 57% despite the increase in test throughput. Note this is prior to the introduction of the car to C+E test, which may well reduce the pass rate from December onwards.

With the elevated testing rates, we could be looking at a net addition to the HGV delivery driving workforce of up to 10,000 per quarter, which would fully resolve the shortage by the end of Q3 2022 and sooner if a substantial number of lost/lapsed HGV licence holders were tempted to return to driving by the better wages and promised improved working conditions.

This however, is entirely dependent upon increasing the retention rate i.e. reducing the HGV driver churn rate. As we have seen, retention remained an issue in Q3, which reinforces the need for the sector and the Government to work closely together to urgently address this issue.



# SUMMARY

We are hopeful that we have turned a corner and that the UK's HGV driver shortage crisis is diminishing. We will only really be able to confirm this trend when the next set of QLFS results are available for Q4 2021. We are encouraged that government initiatives to increase HGV training capacity are showing signs of success and hope that this will continue.

In 2016 the Transport Committee noted

*Investment in recruitment needs to be safeguarded by investment in retention; unless conditions for drivers improve, the sector could lose people faster than it recruits them.*

We believe this to be absolutely the case as evidenced churn in the Under 45 age group in Q3 2021.

- We are convinced that this churn is still the biggest issue facing the sector which means that the drive to improve the perception of the industry, and above all conditions and facilities, must remain paramount.
- Meanwhile wages must be maintained at current levels to attract and retain the workforce while improvements to roadside facilities are rolled out.
- We welcome the creation of the Supply Chain Advisory Group and the industry Taskforce, which we hope will lead to a long-term collaborative approach to resolving the issues facing the UK haulage sector and specifically the supply and retention of HGV drivers.

Driver Require continues to actively work with industry experts, haulage sector bodies, government and directly with hauliers to find ways to diminish the driver shortage, and to ensure substantial improvements to the perception of commercial driving, the industry as a whole, but above all, critical improvements to the working conditions and facilities for our HGV drivers.



# TO CONCLUDE...

The following are excerpts from an article published by [The Guardian](#) on 27/09/21. It is a driver's frank view of the world and is typical of the views of many drivers. It also echoes several of the concerns identified in this Bulletin and reinforces the need to pursue our recommendations.

*Christopher Johns, 37, from Burwash, Sussex, has been an HGV driver for more than 10 years, and drives long distance in UK and Europe. Here he speaks about what conditions are like for HGV drivers in the UK, and why he feels there may be no quick solution to the current truck driver crisis.*

"I'm always staggered by how much truck drivers have been taken for granted in the UK. We work so hard for very little money..... The difference between how truck drivers are treated in the UK and the rest of Europe is huge. We aren't catered for in the UK. There are inadequate or no facilities at all across parts of the UK, particularly in the south, to handle a driver's needs."

"We can spend a week or two or longer away from home. This means we are forced to sleep in tiny lay-bys or industrial estate roads, with no access to basic amenities. The larger services on the big motorways are still not equipped with enough parking for large-scale vehicles, and they charge trucks around £30 a night for the privilege. The rest of Europe doesn't charge for parking. France, for instance, supports HGV drivers with the Routier chain of partnership restaurants and bars – they provide showers, free parking. Getting into Europe is a relief every time."

"The government should think about showing a lot more appreciation for those still driving before trying to find thousands of new drivers....Far more emphasis needs to be placed on this job as a skilled trade, instead of just a tick on your licence."

"The wage structure needs looking at. But first and foremost they need to make conditions better in the UK. There is no easy answer to this shortfall; this was such an obvious and predictable situation we are now in. The UK infrastructure is so far from where it needs to be. I can't see things improving overnight."



# THE UK'S HGV DRIVER SHORTAGE CRISIS

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Driver Require has been tracking the UK's HGV driver shortage issue for a number of years prior to the Coronavirus outbreak and then more closely as we progressed through the pandemic. We have refined our thinking and conclusions through a series of reports on this subject and on the impact of COVID-19 on the UK haulage sector.

We will continue to evolve our thinking as we obtain more data and clarity on the statistics. We also hope that you and others will help us tune our interpretation of the data and firm up our conclusions.

We hope that by producing this Bulletin we have provided a further reference point that will bolster arguments to act to address the UK's HGV driver shortage.

For further information visit:

[driverrequire.co.uk/insights](https://driverrequire.co.uk/insights)

**Should you wish to contribute to the evolution of this document please contact Kieran Smith:**



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