

DRIVER REQUIRE THINK TANK:

The Answer to the UK's HGV Driver Shortage

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EXECUTIVE SUMMARY & CALL TO ACTION

This extension to the Driver Require Think Tank's first report on the critical HGV driver shortage, focuses on the longer-term issues of the aging HGV driver workforce and the severe depletion of the younger HGV driver pool, which presents a serious and immediate threat to the UK Haulage Sector.

We analyse the composition and dynamics of the UK HGV licence holder and driver pools, and reveal some shocking statistics that will magnify existing concerns about the aging workforce and young driver attrition rates.

The report's key conclusions are:

- We recognise the great efforts of the organisations, such as Road to Logistics and Think Logistics, who have successfully attracted candidates to maintain a constant supply to the HGV driver training schools.
- The consequence has been a steady flow of up to around 30,000 new HGV test passes per year, but this has been offset by 10,000 per year retiring and a further 20,000 quitting HGV driving for a living.
- Specifically, over the past decade we have trained around a fifth of a million HGV drivers under the age of 40, yet the under-40 HGV driver pool remained steadfastly at 67,000.
- This equates to around 150,000 new HGV passes below the age of 40 who have left the UK HGV driver pool to pursue other careers.
- Assuming an average of £3,000 per HGV test pass, this equates to over half a billion Pounds invested by drivers over the past decade to pass their test, only to leave the industry.
- It is shocking that all the good work attracting candidates is squandered by a lack of action to retain these drivers in the HGV workforce after they have passed their HGV test.
- We also have a plug of aging drivers passing into retirement resulting in a net depletion of the HGV driver workforce of around 6,000 drivers per annum.
- Our estimate of the severity of the issue could worsen as we better understand the rate of departure of the EU HGV driver contingent.

A key point to emphasise is that this is not a “new problem”... back in July 2016 the House of Commons Transport Committee produced a report “Skills and Workforce Planning in the Road Haulage Sector”. The Committee concluded that:



The [UK haulage] industry must take a long-term view if it is to meet the challenges posed by likely growth in demand and the effects of the demographic time-bomb, both of which will be felt increasingly over the next 10-15 years. A lack of investment by employers in training, poor terms and conditions, an increasingly pressured and unpleasant work environment, complicated rules and requirements and a growth in alternative careers have all contributed, to varying extents, to the current driver shortage.

It appears based on current statistics, the industry is not faced with a shortage of licensed and qualified drivers; rather a shortage of those willing to work as drivers. Industry and government have focused principally on recruitment. But the industry is reluctant to take on young, inexperienced drivers because of the costs of training and insurance.

Both the industry and Government have taken steps to address the shortage. None of these are on a scale likely to deliver the number of drivers needed. The road haulage sector, supported by the Government, needs to take further steps to:

- *meet any shortage and reduce dependence on foreign drivers (about 60,000 drivers);*
- *meet any predicted growth in demand; and*
- *deal with the demographic time-bomb (about 75,000 drivers [will retire] by 2020).*

The principal responsibility for taking action lies with the industry. Industry seems to expect the Government to step in and resolve the problems caused by years of underinvestment. There are a number of issues on which it is right for the Government to support the sector. But operators across the country and their trade associations will need to do more to secure a sustainable future for the industry. It is vital that the road haulage sector takes a more strategic approach to planning for future recruitment and retention.

A great deal has been written about the driver shortage. It is now time for the industry, supported by the Government, to take action to secure the future of the UK road haulage sector.



Five years later, not a lot has been done to further the recommendations of this Transport Committee report, and we are in very much the same position.

As in 2016, we still have a government in power that believes in free market economics and will resist directly intervening in matters such as the HGV driver shortage, preferring to allow economic forces to adjust market conditions until a stable equilibrium is achieved. If this is indeed the case, we can expect the government to watch on as the shortage forces up pay rates, initially in the agency sector and subsequently in the permanent workforce, until wages rise to the point where enough non-driving HGV licence holders are attracted back into driving to meet demand. This is inevitable unless the government changes its stance. However, the government and the Haulage Sector can still take action to accelerate resolution of the shortage and thereby prevent excessive inflation of employment costs, avoiding unnecessary damage and pain.

We hope this report and the output from the Think Tank will achieve this goal.



In our first report we concluded that we currently face a critical HGV driver shortage. Not only do we need to resolve this, but we also need to reverse the long-term trend that will otherwise continue to deplete the UK HGV driver workforce and lead to further critical shortages in the future.

In this first report we established that there are three fundamental approaches to resolving both the short-term crisis and the longer-term retention issues:



Increase UK HGV driver training capacity and throughput.



Attract back UK HGV licence-holders who are not currently driving for a career.



Possibly permit EU HGV drivers to enter the UK for work.

There are many worthy initiatives to increase HGV driver training capacity and throughput, but we should be asking ourselves honestly:

“Why invest so much energy and money in increasing HGV training throughput only to see it wasted as the vast majority of candidates soon leave for other careers?”

We now need to focus more of our effort and money on:

“How can we fundamentally and significantly improve HGV driver retention to reverse the depletion of our HGV driver workforce?”

It is largely up to us, the UK haulage sector, to solve our own problems, but we should nevertheless call upon assistance from the government and our regulatory bodies:

We could (in no particular order of priority or impact):



Provide funding for haulage operators and HGV Training Schools, or other specially created entities, to “nurture” newly qualified drivers. Perhaps this could be integrated or associated with the HGV Apprenticeship Programme?



Get a much better understanding of why HGV drivers have ceased working as a driver for a living, then develop targeted initiatives to bring back certain groups of HGV licence holder into driving for a career.



Pay the cost of CPC training, lost wages and a refresher course for returning HGV licence holders, perhaps through a network of approved HGV driver training schools?



Pay new and returning HGV drivers the first few weeks of income so that haulage companies engaging these drivers are subsidised for the time they spend getting them up to standard.



It is still worth trying to get HGV drivers declared as a “Shortage Occupation”, but this may not be as effective as we hope, given that the driver shortage on the continent is not getting any better.

Underlying all the above is a need to dramatically improve working conditions for our HGV drivers. Significant investment is needed in Truckstop facilities and roadside services, as well as the provision of secure and well serviced overnight parking facilities.

We appeal to the various representative bodies, specifically the RHA, Logistics UK and the REC, to combine forces and work cooperatively to drive forward the chosen initiatives with their haulage operator members and the government bodies.

Read on to understand the underlying trends in our HGV driver workforce to fully appreciate why we need to seriously consider acting urgently on many, if not all of the above proposed initiatives.



DRIVER REQUIRE THINK TANK:

We would like to thank The Think Tank participants for their invaluable insights and contributions to this Report:



Kate Shoemith, Deputy CEO – **REC** (Recruitment and Employment Confederation)



Alex Veitch, General Manager, Public Policy - **Logistics UK**



Jim French MBE, Co-Chair, **Trailblazer Group** for Transport and Logistics



Neil Cottam, General Manager - Service Delivery - **Ocado Group PLC**



Mick Doe, Transport Operations Director - **Clipper Logistics PLC**



Stuart Charter, Managing Director – **Aztek Logistics Ltd**



Kirsten Tisdale, Director – **Aricia Ltd** (Logistics and supply chain consultant)



John Fletcher, Managing Director - **Dawsongroup** truck and trailer (National haulage fleet hire supplier)



Ruth Wallace, Co-Director - **Wallace School of Transport**



Mick Skerrett, Chair - **REC Driver Sector Group** Executive Committee; Representative of **Think Logistics**



Kieran Smith, CEO - **Driver Require Ltd**

INTRODUCTION

Driver Require has been tracking the UK's HGV driver shortage for several years prior to the Coronavirus outbreak, in anticipation of the impact of Brexit and IR35, and then more closely as we progressed through the pandemic. We 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. This culminated in the preparation of a report titled "A PERFECT STORM OF ELEVATED DEMAND AND REDUCED SUPPLY IN THE UK HAULAGE SECTOR 2021: Investigating HGV Driver Demand and Supply", where we brought together a panel of sector experts to validate the report's workings and conclusions, through a series of workshops, which we named the "Think Tank".

You can download the "Think Tank Report" at:

<https://driverrequire.co.uk/resources/demand-dynamics>

This document is an extension to the main Think Tank report, exploring in more detail the HGV driver workforce age composition and dynamics, focusing more on the medium to long term, and reinforcing the arguments for concerted pursuit of the actions recommended by the first report.



In its first report, the Think Tank acknowledged the consensus that the UK will experience a strong economic recovery in the latter part of 2021 from the COVID-19 pandemic setback. It concluded that haulage activity has recently returned to pre-pandemic levels, i.e. demand for approximately 300,000 HGV drivers, and that it is likely to increase throughout the remainder of 2021. It also anticipated that further pressure would come from HGV drivers taking vacation over the school summer holiday period.



The Think Tank noted that, prior to the COVID-19 Pandemic, the haulage sector was already suffering from a chronic low-level shortage of HGV drivers that became severe in times of rapid uplift in requirements or during seasonal peak demand. It also observed that the sector had relied heavily on EU HGV drivers to avoid a supply crisis in the event of a rapid increase in demand.



The Think Tank examined the impact of the Pandemic on HGV driver supply and concluded that the “most likely” scenario was a 22,000 (7%) drop in HGV driver supply since the beginning of the pandemic in March 2020, rising to a “worst case” drop of 30,000 (10%). This drop in supply was caused by:

- Reduced inflow of new HGV drivers due to restricted HGV training capacity during lockdowns.
- Increased outflow of HGV drivers due to:
 - Retirement of HGV drivers.
 - EU HGV drivers leaving the UK because of the combination of COVID-19, alienation due to Brexit, £/Euro exchange rates falling, improving Eastern European economies, HGV driver shortages on the Continent and implementation of IR35 reforms in the UK Private Sector.
 - Drivers seeking other careers due to poor pay and conditions.

The conclusion of this analysis was that the “most likely” impending deficit position is a shortage of 22,000 HGV drivers, which could increase to 50,000 if demand grows to exceed the pre-pandemic demand of 300,000 drivers.

The Government’s points-based immigration rules effectively prevent EU drivers coming to the UK to offset this deficit, leading the Think Tank to conclude that this could be the first time in 20 years that we may experience a true HGV driver shortage, along with potentially serious consequences for the UK economic recovery.

The report then proposed actions to mitigate against the impact of this impending HGV driver supply crisis, which included:

- How to increase HGV driver training capacity and throughput.
- How to attract back UK HGV licence-holders who are not currently driving for a career.
- The possibility of permitting EU HGV drivers to enter the UK for work.

The report also acknowledged that most of these mitigating actions will have limited effect in the short-term. Nevertheless, it reinforced that these initiatives should be progressed as quickly as possible if they are to have any chance of mitigating the medium to longer-term impact of the shortage crisis. It also determined that, in the interim, competition over a depleted available HGV driver

workforce will force up driver pay rates, initially in the agency market and eventually across the permanent driver pool. This would inevitably push up haulage costs and subsequently rates.

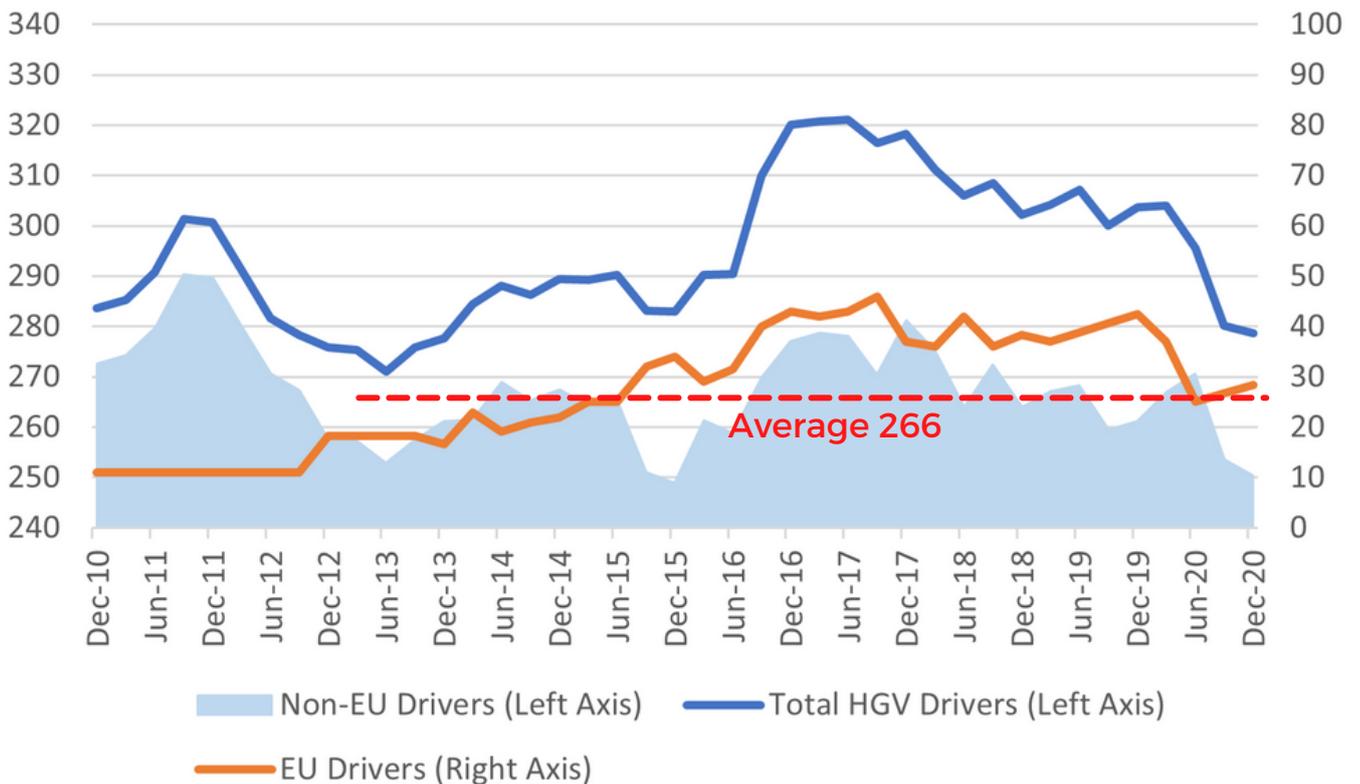
This document demonstrates that the government and the haulage sector has neglected the chronic shortage of HGV drivers for nearly 20 years, leaving us in a position where urgent action must be taken to stem the depletion of this strategically critical labour group. Most importantly it emphasises this must be just the beginning of a concerted long-term campaign to improve HGV driver remuneration and working conditions so that the workforce becomes self-sustaining.



Special thanks to **Kirsten Tisdale of Aricia**, who has generously contributed her own extensive work on the HGV driver shortage and who has rigorously vetted the logic and conclusions of this document. Particular credit goes to Kirsten's recent analysis which produced the breakdown of HGV licence holders by age and "driving status" (page 18); this provided particularly valuable insights into the nature of the challenges we are facing.

MACRO-ANALYSIS OF THE HGV DRIVER DYNAMICS

UK HGV Driver Numbers (,000)



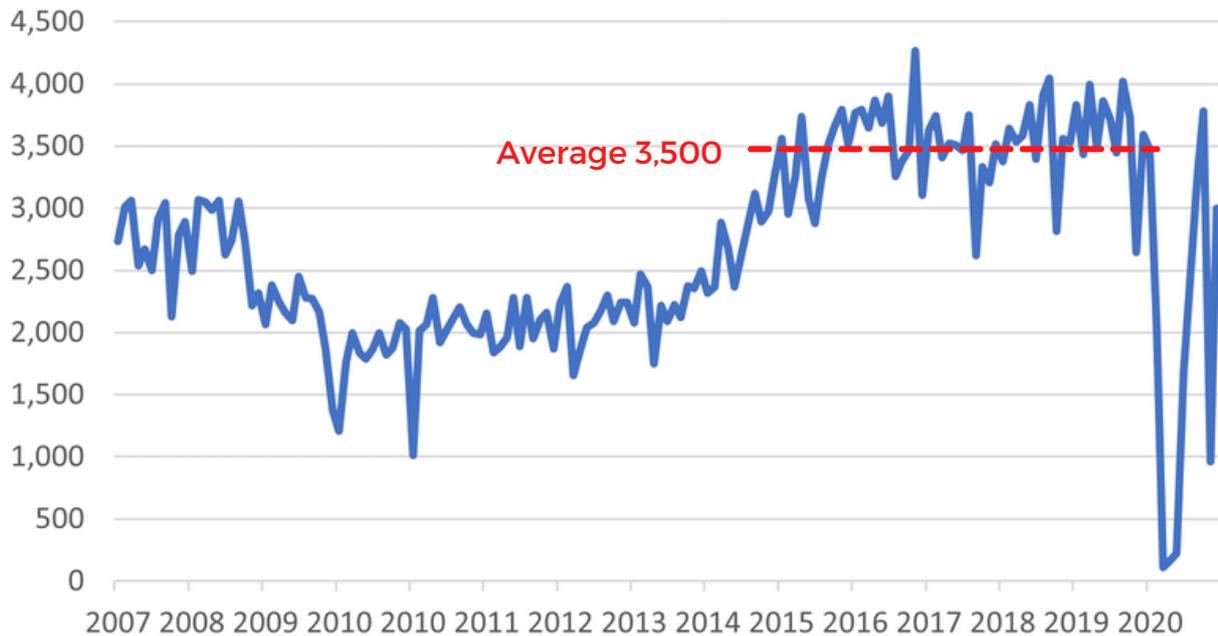
Source: ONS Quarterly Labour Force Survey (SOC8211)

The above chart shows the number of people declaring their occupation to be an HGV driver (SOC8211) in response to the ONS Quarterly Labour Force Survey. The number of EU HGV drivers was provided by the ONS QLFS team in response to our specific request.

Even though these numbers are extrapolated from a relatively small sample set and are therefore limited in their point accuracy, the longer-term trends can be treated with confidence.

The most revealing point is that the number of non-EU HGV drivers, i.e. British drivers, remained very stable for the 8 years preceding the pandemic, oscillating around 266,000. Importantly this number did not increase throughout this prolonged period, despite large numbers of candidates gaining their HGV driving licence (see below).

Monthly HGV Test Passes



Source: ONS Quarterly Labour Force Survey

We can see from the DVSA HGV Test Pass statistics that for the 5 years preceding the pandemic, an average of 3,500 candidates passed their HGV test per month, which equates to 42,000 per year.

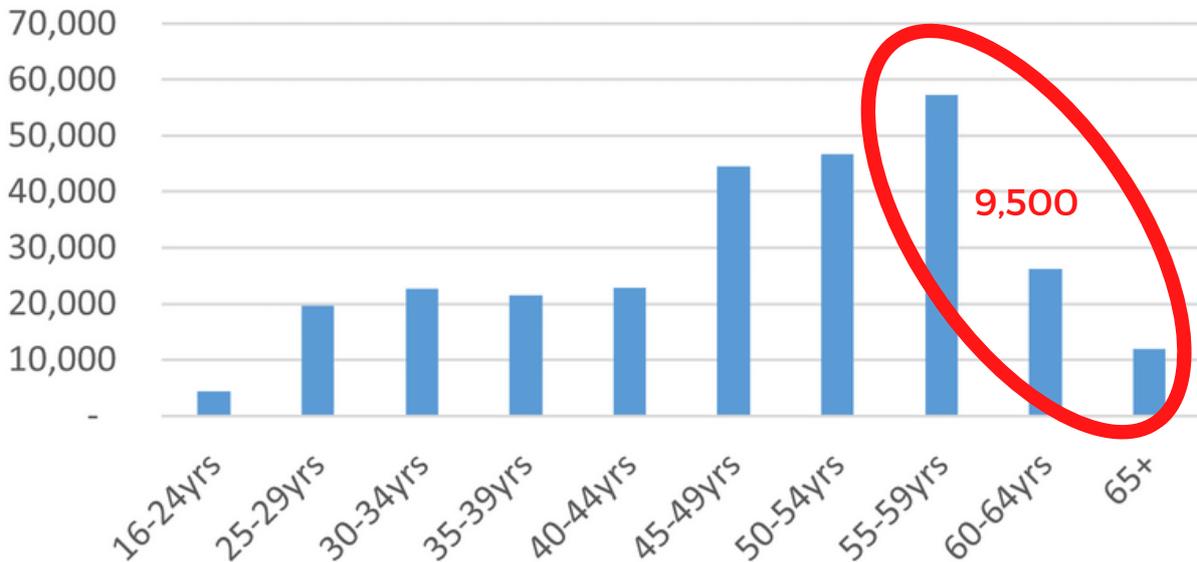
Not all of these “Test Passes” are “New HGV Test Passes”, i.e. people qualifying to become a HGV (category C or C+E) lorry driver for the first time. This is because a proportion will have been:

- Upgrades from category C (rigid) to C+E (articulated)
- New 7.5t (Category C1) passes, for professions such as ambulance driving

Of these 40,000 Test Passes we therefore estimate 30,000 to be “New Passes” (to be validated with an information request from the DVSA).

Retirement Rate:

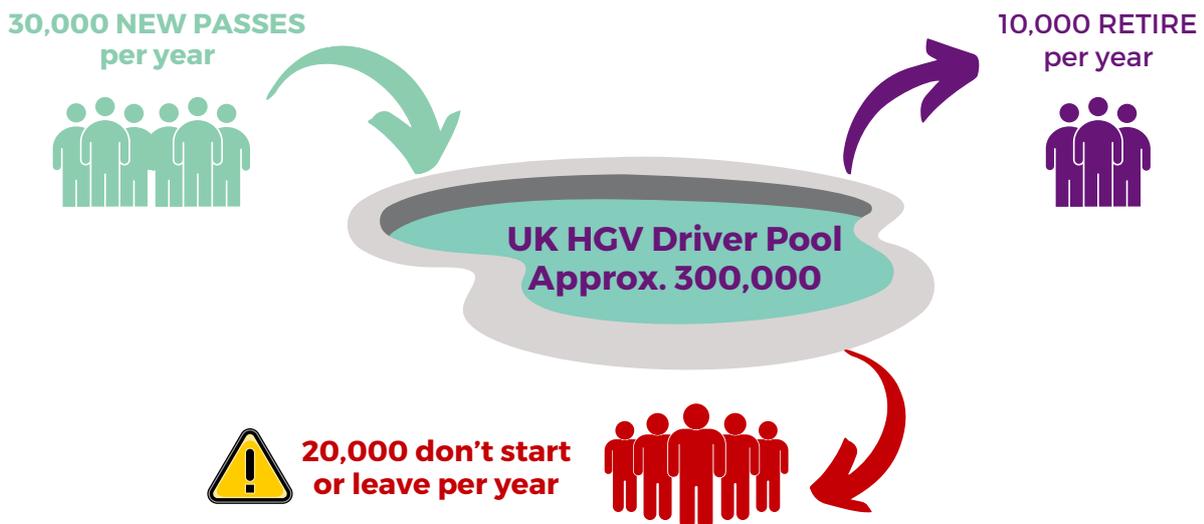
LGV Driver Age - Dec 2020



Source: ONS Quarterly Labour Force Survey

There are 95,000 HGV drivers aged over 55, and they should typically retire by 65.

- This infers a retirement rate of $95,000/10 = 9,500/\text{year}$.
- This number remains the same if we expand the calculation to include drivers over 45 and divide by 20.

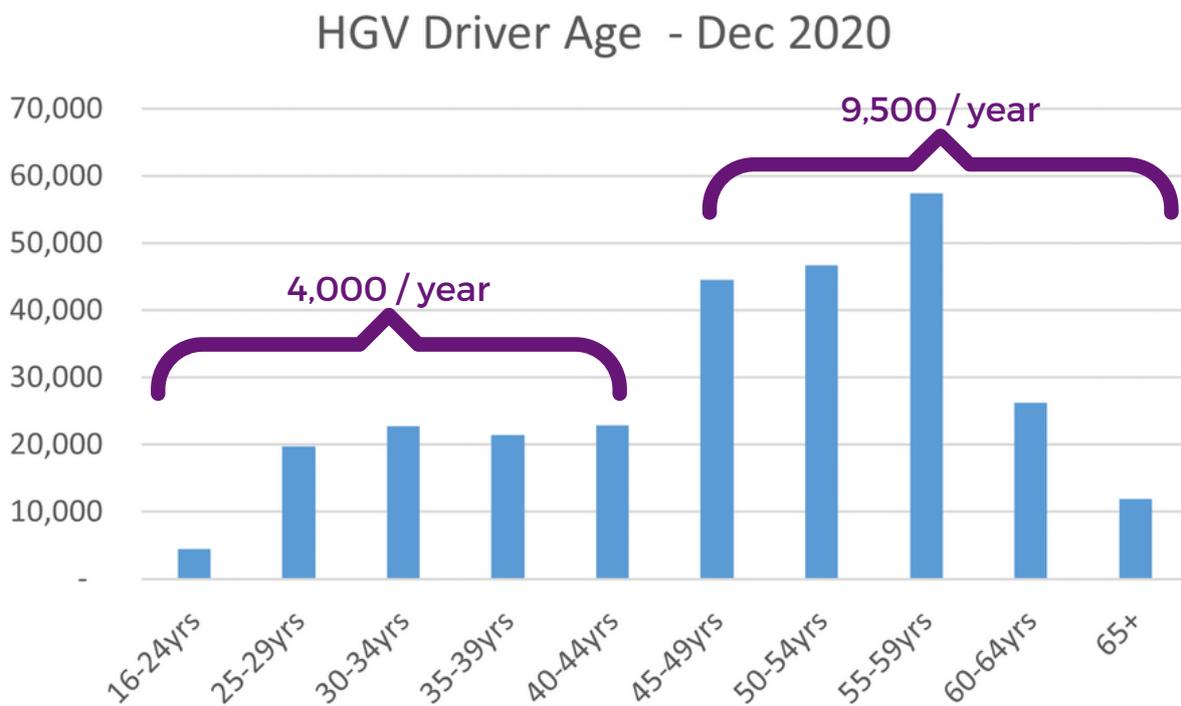


We can therefore deduce that every year approximately 20,000 HGV drivers don't take up a job as an HGV driver after passing their test or leave the UK HGV driver pool to pursue another career. This is an appallingly high churn rate.

It is clear that the current challenge is not sourcing candidates to acquire their HGV licence, but rather keeping them driving once they have passed!

Now let’s look at the age dynamics of the HGV driver pool. We have seen earlier that there are a lot fewer younger drivers than older; it is worth exploring the severity of this issue.

If we look at the graph below, we can see that we have only 90,000 HGV drivers aged below 45 years old, compared to a “plug” of 148,000 older drivers between 45 and 60. Another way of looking at it is that a third of the drivers are younger than 45, another third are between 45 and 55, and the remaining third are over 55. The addition rate seems to be 4000 per year and the exit rate is 9,500, so we can deduce that, if nothing changes, we can expect a net reduction of 5,500 drivers per year.



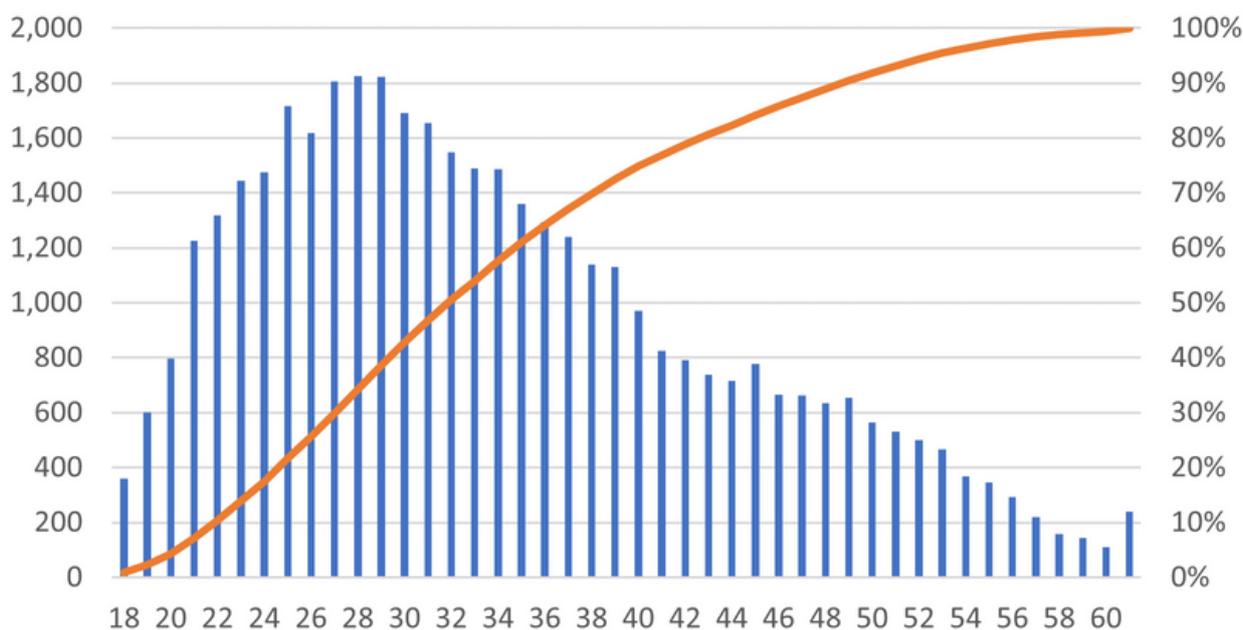
Source: ONS Quarterly Labour Force Survey

We looked at the age profile of the HGV test passes and the age profile below is typical for the last 10 years. This gives us the key statistics:

- Average age of test passes is 32, i.e. 50% of test passes are below 32 years old
- 80% of test passes are below 45 years old

Note that these numbers are “test passes”, which include 7.5t (Cat C1) passes and also upgrades from Cat C to Cat C+E. It is not clear what proportion of each age range these constitute, and therefore what the age profile is for “new Cat C and Cat C+E passes”.

HGV Test Passes by Age - Apr '19 - Mar '20



Source: Department for Transport Statistics DRT0503

We must exercise some caution with this age profile when applying it to “New Passes”, for example we expect that:

- 7.5t (Cat C1) passes should be mainly concentrated in the younger age range.
- Upgrades from C to C+E may be mainly in the older age range.
- "Non-starters", i.e. those who pass their practical test but don't obtain a DQC should mainly be in the younger age range.
- We also expect that a non-trivial number take tests for non-commercial purposes, such as horse boxes and towing large/heavy trailers.

Once we have better statistics, we can generate more accurate conclusions.

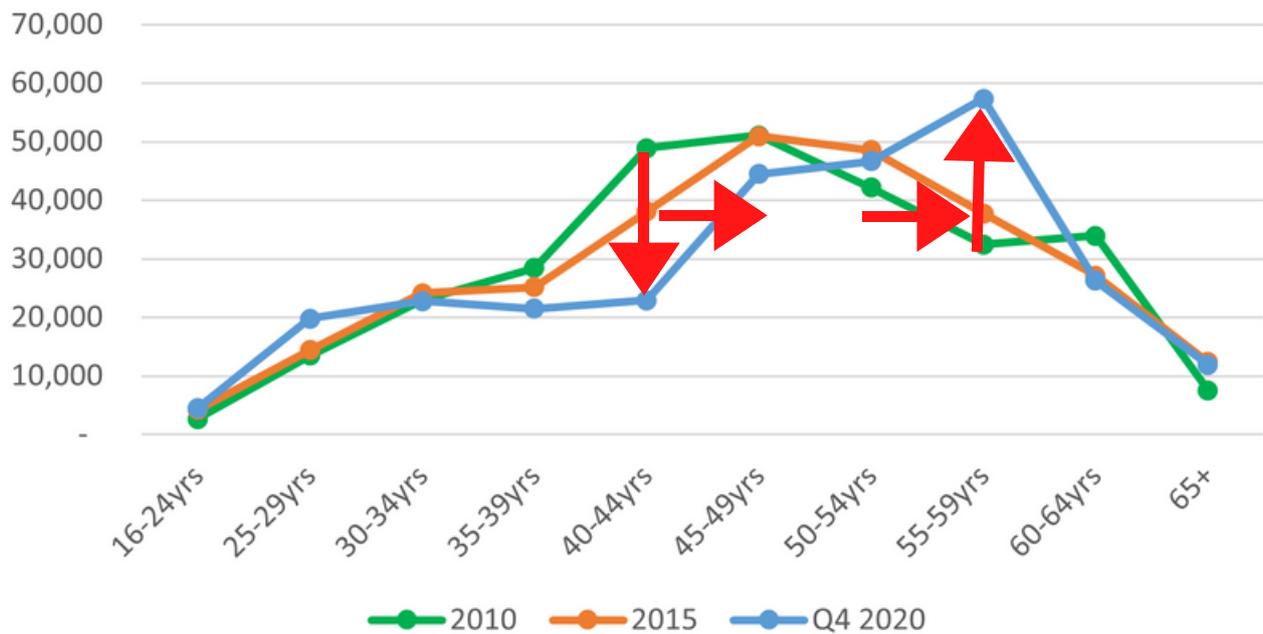
Nevertheless, we can conclude that the majority of the 20,000 who leave HGV driving each year are under the age of 40. This is confirmed by the analysis later in this document.

AN AGEING HGV DRIVER WORKFORCE

A further angle we wish to examine is the HGV driver age dynamic. There has been general concern that the HGV driver workforce is aging, but, to date, it hasn't been a "critical" concern because the "plug" of aging drivers had not reached retirement age.

The difference now is that the "plug" of drivers has moved inexorably to the right in the graph below, to the point where it has "hit retirement age". The retirement rate has accelerated from around 7000/year pre-2010 to nearly 10,000/year in 2020, and it will remain at this rate for the next 15 years.

HGV Driver Age Dynamic



Source: ONS Quarterly Labour Force Survey

This is demonstrated in the graph above, which shows the drop over the past 10 years in the 40-44 age range mirrored by a similar increase in the 55-59 age range. **From now on, every year a significant number of drivers will retire, and this will not be balanced by the new entrants, unless something changes.**

The statistics are most concerning over the recent past. In the last 10 years the number of people under 40 declaring their occupation to be an HGV driver has remained steady at around 67,000. Yet every year for the past 5 years (2015-2019) 30,000 people below the age of 40 passed their HGV test and in the previous 5 years (2010 - 2014) it was 20,000 per year.

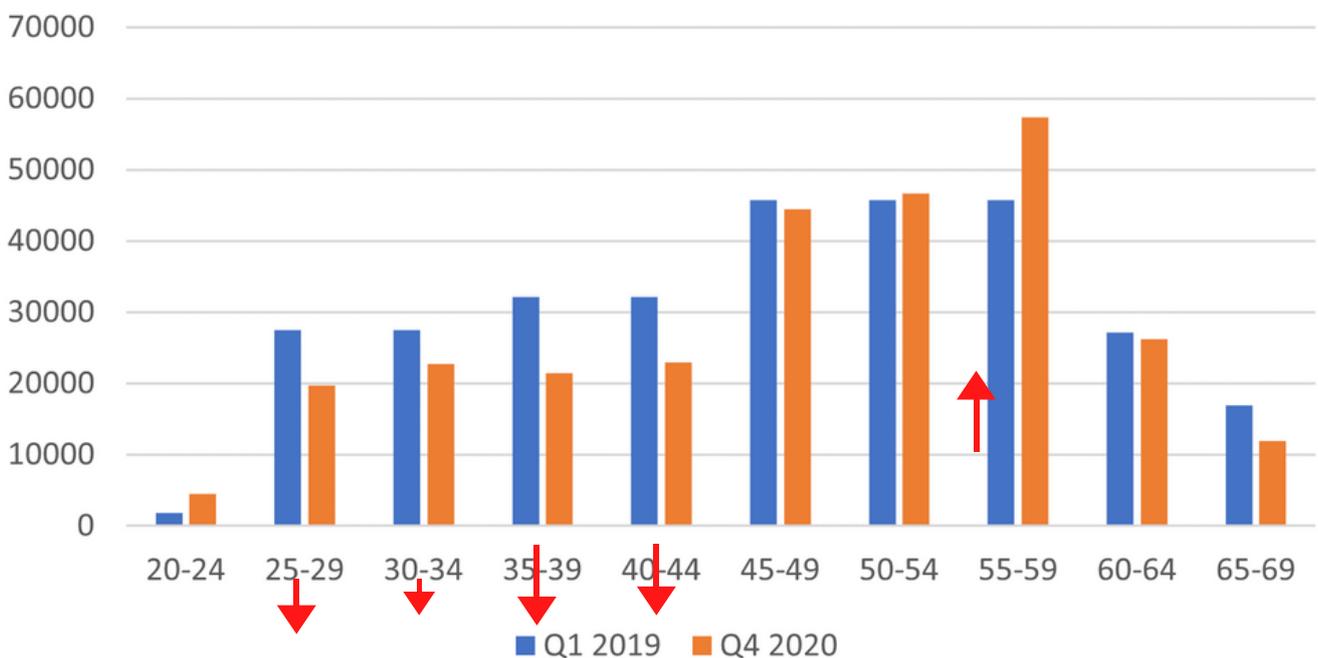


It is startling to observe that over this period there were approximately 250,000 people under the age of 40 (at the time of taking their test) who passed their HGV test, which translates into approximately 200,000 new HGV drivers after we allow for licence upgrades and 7.5t (Cat C1) drivers. Then we must deduct 50,000 to account for the drivers who moved into the 45+ age bracket, which leads us to conclude that approx. 150,000 left the driver pool, which is a shocking statistic.

In summary we can conclude that for the last 10 years, despite all the effort and expense of training HGV drivers, it has not contributed at all to the size of the HGV driver workforce.

When we examine more recent trends, we can see the impact of the COVID pandemic and Brexit on the HGV driver pool.

LGV Driver Age Profile Q1 2019 vs Q4 2020

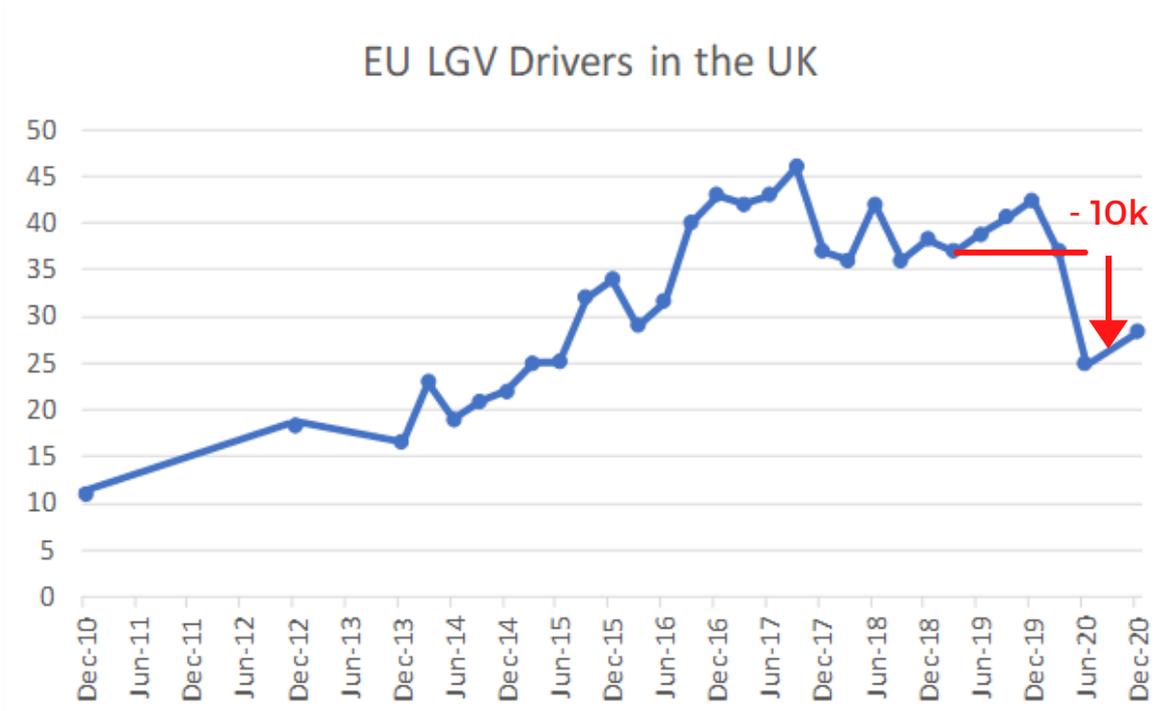


Source: ONS Logistics UK Skills & Employment Report 2020 and ONS QLFS (SOC 2811)

Note that the statistics in the graph above are derived from two time-point estimates from the ONS Quarterly Labour Force Survey, which itself is an extrapolation from a limited survey data set, so we need to treat the numbers with caution. Also, one set of data is for the Off-Peak Q1 2019 period and the other for the Peak 2020 period during a Pandemic Lockdown.

Nevertheless, it is reasonable to deduce that, from Q1 2019 until the end of 2020, the under 45-year-old HGV driver pool dropped by 30,000, which we believe included at least a 10,000 drop in the number of EU HGV drivers (see graph below), leaving a balance of around 20,000 British drivers who left this group.

At the same time, we can't help wondering if it was older British drivers, rather than EU drivers, who stepped in to meet the 2020 Christmas peak requirements.



Source: ONS Logistics UK Skills & Employment Reports and ONS QLFS (SOC 8211)

Another worrying observation is that, if more EU drivers leave, we may see a further disproportionate depletion of the younger HGV driver group, which may reveal that the situation is worse than we currently believe. We suspect that is exactly what has happened since the roll-out of the IR35 reforms to the Private Sector in April, which we believe has further alienated the EU HGV driver contingent.

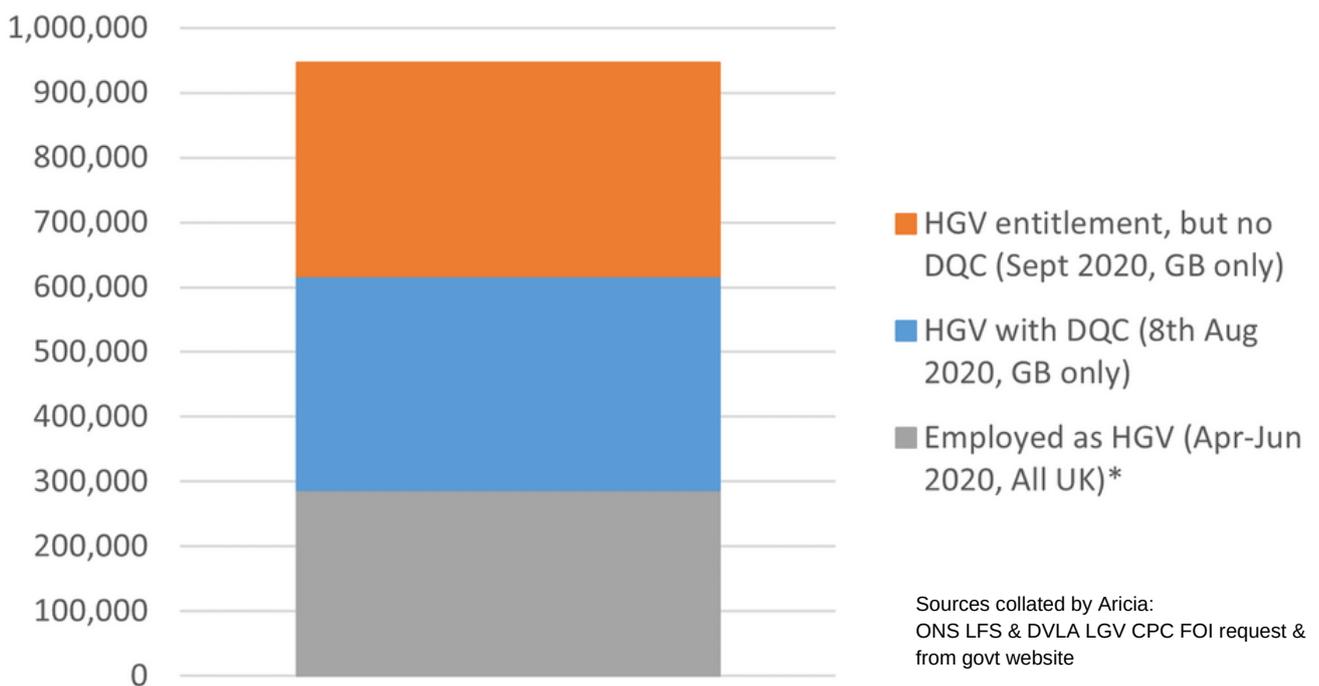


A next step is therefore to request confirmation from the ONS QLFS team of the number of EU nationals declaring their occupation to be HGV Driver in Q1 and subsequently Q2 2021.

COMPOSITION OF THE HGV LICENCE HOLDER POPULATION

So, having examined the numbers of people who declare that they are employed as a “HGV driver” and the rate of addition, the key statistic we want to understand next is how many people have left the HGV driver workforce in each age group and why.

HGV Licence Holders - mid 2020



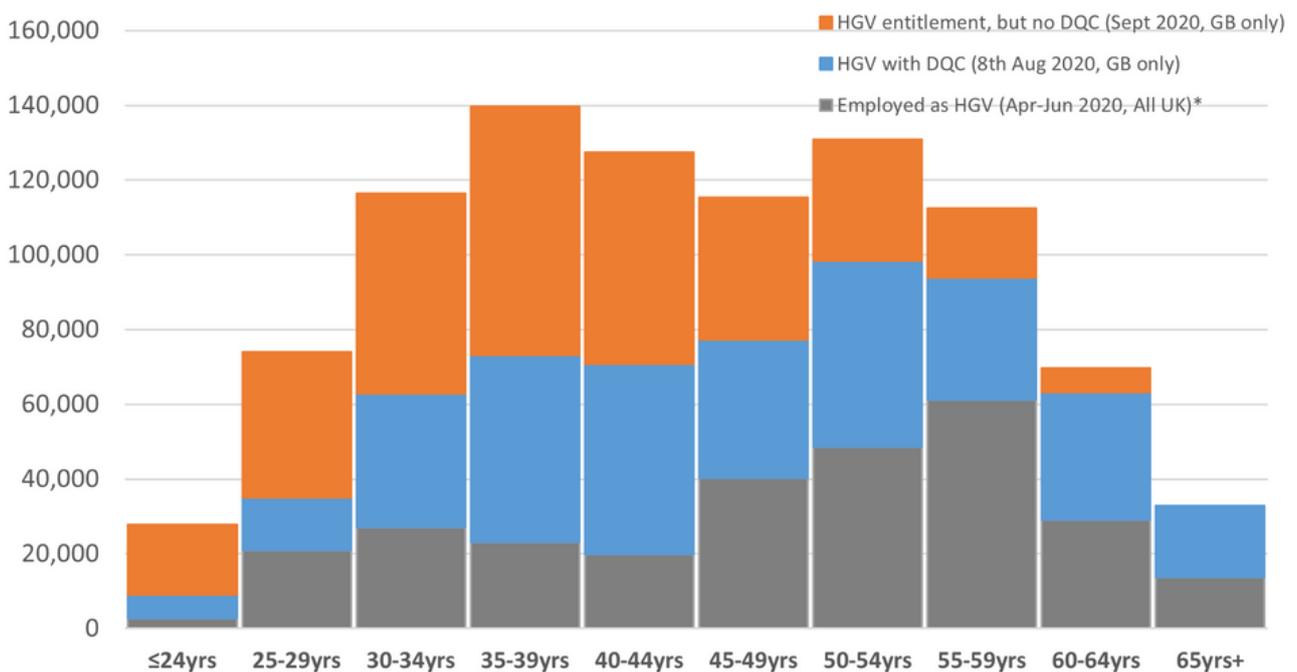
As at mid-2020, in total there were 944,000 HGV licence holders in the UK and only one third declared their main occupation to be lorry driving:

- **287,000** declared their occupation to be a HGV driver
- **330,000** had an HGV licence and a valid DQC (Driver CPC), which meant they were legal to drive an HGV, but did not class themselves as driving HGV for a living:
 - These will be managers, planners, assessors and trainers etc., as well as those where driving is a part of their main profession, e.g. firemen, scaffolders, crane operators, dustcart drivers, removals operators, highways maintenance, etc.
- **327,000** held an HGV licence but no DQC:
 - This group would have to attend one week (35 hours) of Driver Certificate of Professional Competence (DCPC) training, to gain their Driver Qualification Card (DQC) and then they should attend an HGV driving refresher course to ensure their driving skills are acceptable to drive a lorry safely on the public road network.
 - This assumes hauliers and insurers will take the risk.

It is worth noting that approximately 18 million people have “grandfather rights” to drive 7.5t vehicles (category C1), though to drive a commercial vehicle they would need to hold a DQC. These C1 entitlements ceased from January 1997, so the youngest “grandfather rights” C1 licence holders are now 41 years old.

Now we will look at the breakdown by age of these three categories and see what we can conclude. The unique analysis in the graph below was prepared by Kirsten Tisdale of Aricia in mid-2020 and provides an excellent understanding of the distribution by age of these three groups of HGV licence holders. Note that the accuracy of the analysis is limited by the fact that the different data sets were for slightly different periods of time and for different geographic regions (GB and UK), but it is nevertheless accurate enough to give us some really valuable insights into the overall dynamics of our HGV driver workforce over the past 20 years or so.

Driver Nos in 2020: Employed as HGV, HGV+DQC, HGV entitlement but no DQC



Sources collated by Aricia: ONS LFS & DVLA LGV CPC FOI request & from govt website

Our observations from the above graph are:

Age	Comment
Under 24	<ul style="list-style-type: none"> The majority of this group do not have a DQC. We expect these are mainly British Forces personnel. Of those who do have a DQC only 30% are driving HGV for a career.
25 – 29	<ul style="list-style-type: none"> It is odd that the number without DQC rises so quickly. These cannot all be British Forces drivers. This includes the group that never really got started. It could also be a significant number of leisure and non-professional drivers. <i>[Could this include people who passed the practical test (as they had already paid for it) but decided not to proceed to driving as a career and therefore didn't obtain a DQC?]</i> The majority of those who have a DQC are driving HGV for a living, which intuitively makes sense.
30 – 44	<ul style="list-style-type: none"> As we progress through this age band we observe that the number driving HGV for a career barely changes, while those not driving increases rapidly from 30 onwards and then remains stable. Further research is required to work out why so many are abandoning driving as a career and what alternative employment are they choosing.
Over 45	<ul style="list-style-type: none"> We believe this group consists of the “traditional HGV driver” group who chose HGV driving as a career before the introduction of the EU Tachograph Regulations and the enforcement of the Working Time Regulations. As more experienced and mature drivers, they may command some ability to choose the better-quality work. Their children will also have grown up so they will have to make fewer earning and lifestyle compromises than their younger colleagues. They may be tied in by pensions or with length of service so are hanging on in there for redundancy.

We can deduce that, over the past 25 years, 235,000 HGV licence holders below the age of 45 have abandoned HGV or not taken up HGV driving as a career, and a further 156,000 HGV licence holders have maintained their CPC qualification but have chosen to work in a different occupation.

This tells us that over the past 25 years, on average, every year:

- 19,000 “new passes” have joined the UK’s HGV driver workforce per year, of which
- 4,000 remained driving HGV for a career,
- 6,000 took up another occupation but maintained their licence and DQC, and
- 9,000 per year moved to non-driving roles.

Meanwhile every year, at the tail-end of the age range, 7000 rising to 10000 would have retired, resulting in a net reduction of the HGV driver workforce or at best zero growth.



UNDERSTANDING ATTRACTION & RETENTION

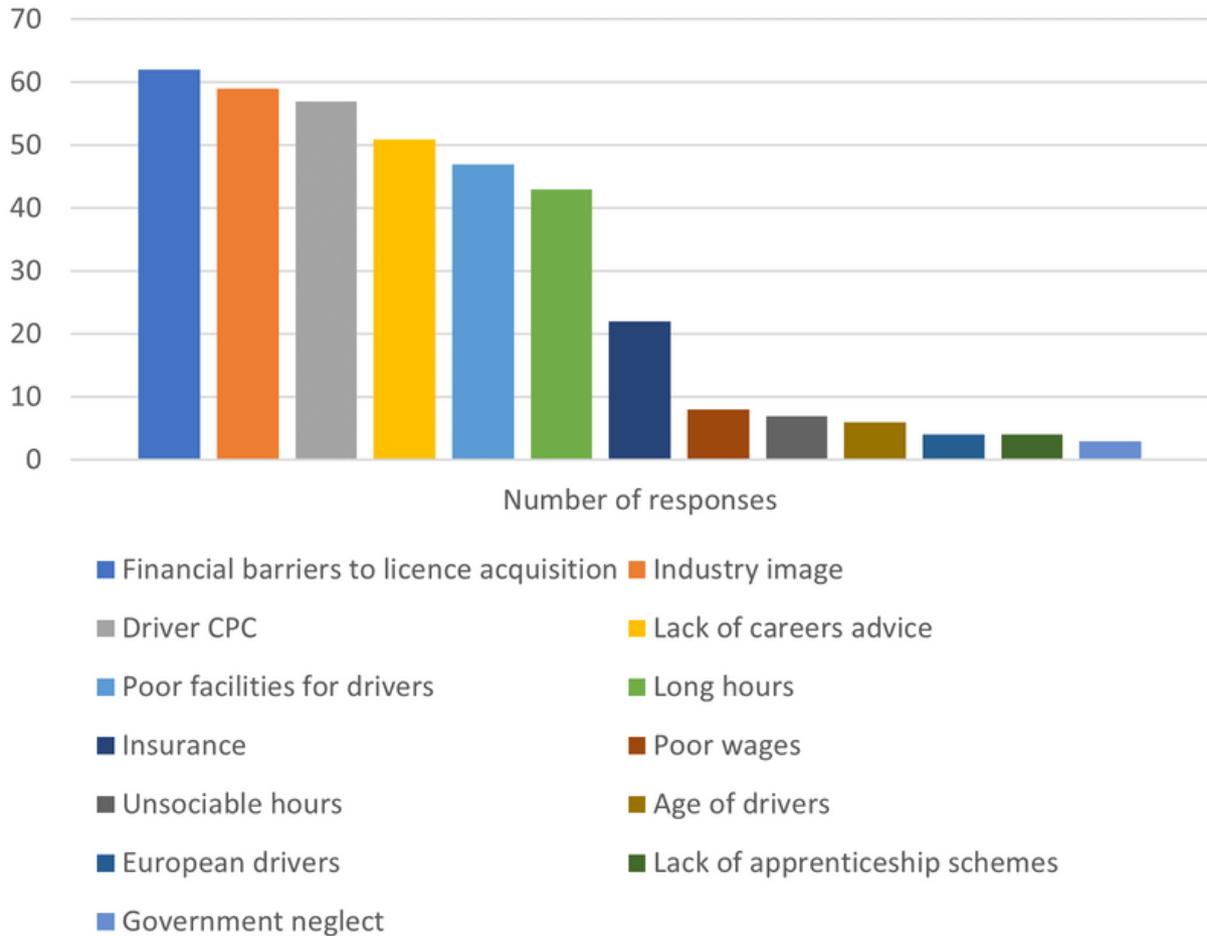
We have extensively researched surveys and analysis of the reasons why HGV drivers have abandoned driving as a career. Below is a good example of a survey conducted in January 2015 by the Chartered Institute of Logistics and Transport (CILT) in conjunction with LogMark | Supply Chain Benchmarking: “CILT Driver Shortage Crisis – 2015 Report”.

The purpose of the survey was to gauge CILT members’ opinions about the driver shortage at that time, and its aim was to establish a series of recommendations to fleet operators, industry and government.

In total the survey received 103 responses from a selection of haulage companies, end users with their own distribution operations and service providers to the haulage sector, the majority of whom operated in the domestic (UK) Private Sector. 60% of respondents were worried or very worried about negative business impact due to the driver shortage.

The results relevant to this report were as follows:

Factors Responsible for Driver Shortage

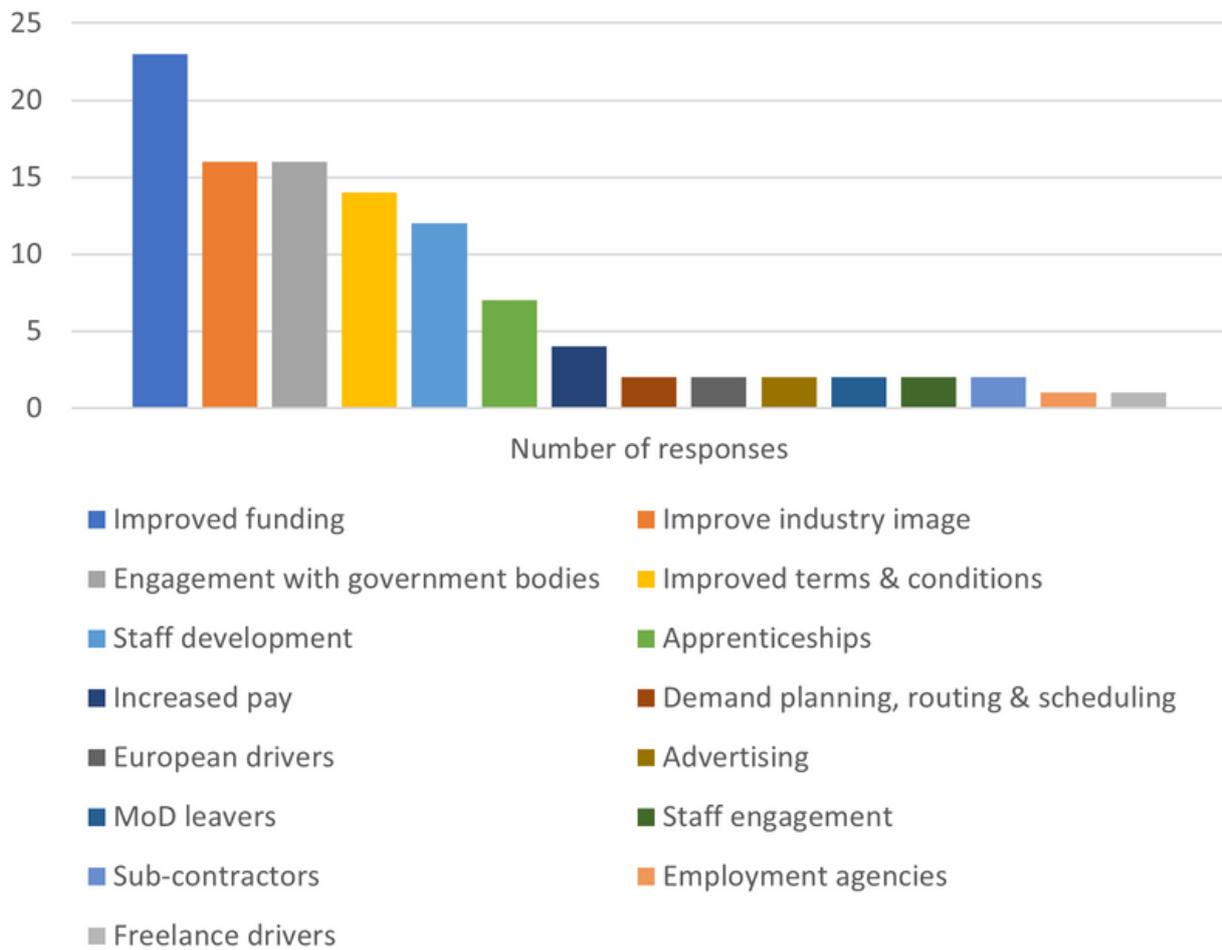


Source: CILT Driver Shortage Crisis 2015 Report

Remembering that these responses were from the haulage companies, and therefore their interpretation of why drivers didn't want to drive HGV for a living:

- The first point, "Financial barriers to licence acquisition" is definitely not a barrier as the DVSA Testing capacity has been adequately supplied for the last 10 and more years.
- The next 6 items are relevant to drivers: Industry image; Driver CPC (cost and lost earnings); lack of careers advice; poor facilities for drivers; long hours and insurance.
- It is a surprise that poor wages and unsociable hours ranked so low.

What should the Government do to help?

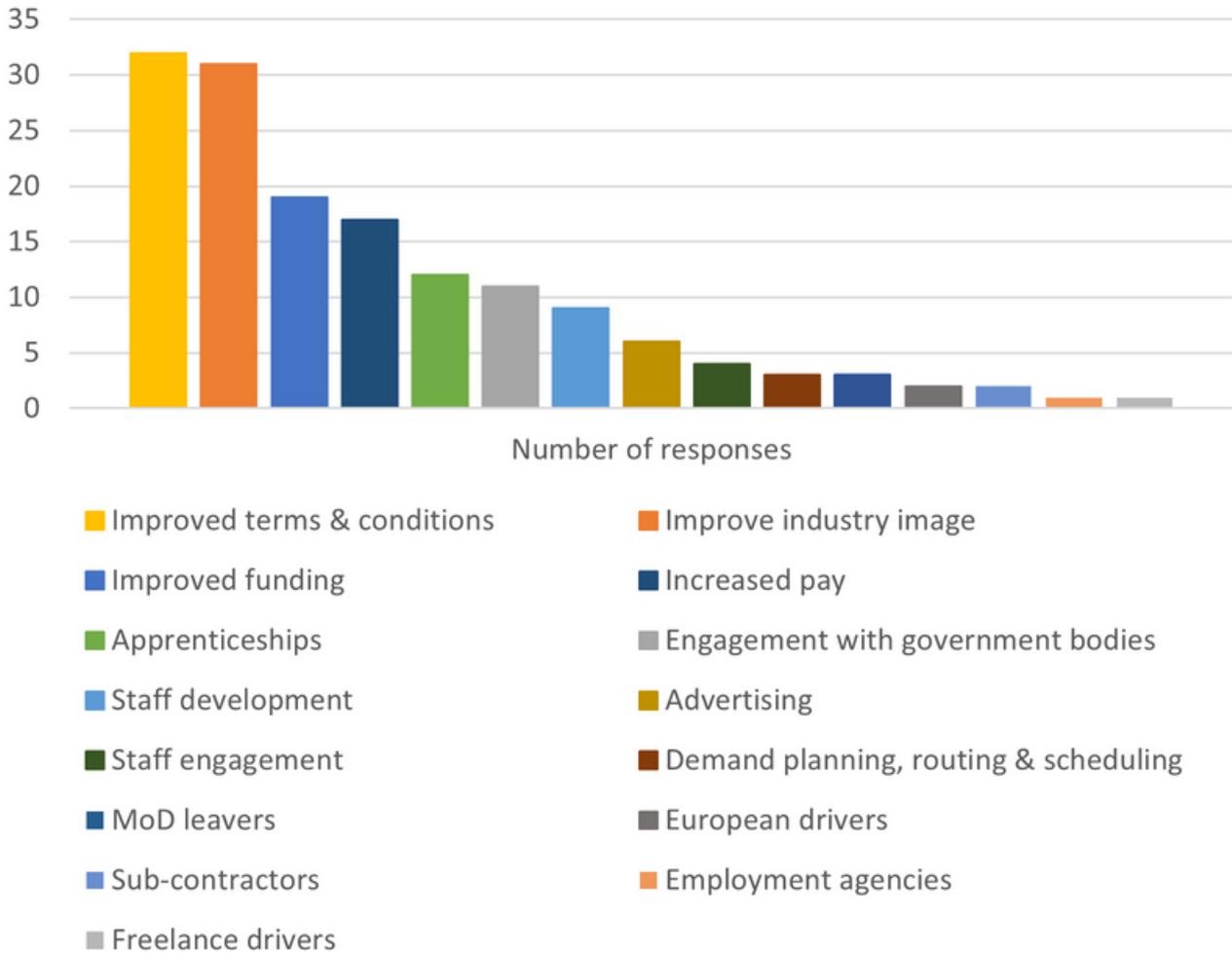


Source: CILT Driver Shortage Crisis 2015 Report

When asked what they thought “the Government should do to highlight and deal with the driver shortage issue”, they responded with:

- an appeal for Government funding
- help to improve the industry’s image
- more engagement with the government bodies
- improved terms and conditions (not sure what this means in a “government” context)
- staff development (government funded training?) and
- apprenticeships.

What can the industry do to attract drivers?



Source: CILT Driver Shortage Crisis 2015 Report

Most relevantly, when asked “what can the industry do to attract new drivers?” they responded with the two top focus areas being:

- improved terms and conditions: presumably “working conditions” such as work/life balance, hours of work and facilities in the workplace, and
- improved industry image.

Then followed:

- Improved funding: presumably of licence acquisition and professional training, and perhaps provision of better roadside services and parking facilities,
- increased pay,
- apprenticeships,
- engagement with government bodies, and
- staff development.

In 2018 Talent in Logistics, in partnership with the Pertemps Driving Division, conducted a survey and produced a White Paper titled “Driving Engagement in Logistics”. This was based on a survey of over 1300 HGV drivers “who do the job on a day-to-day basis”.

They examined many aspects of employee engagement in the Logistics sector and included a specific section to “Provide the sector with suggestions for improving the driver shortage”.

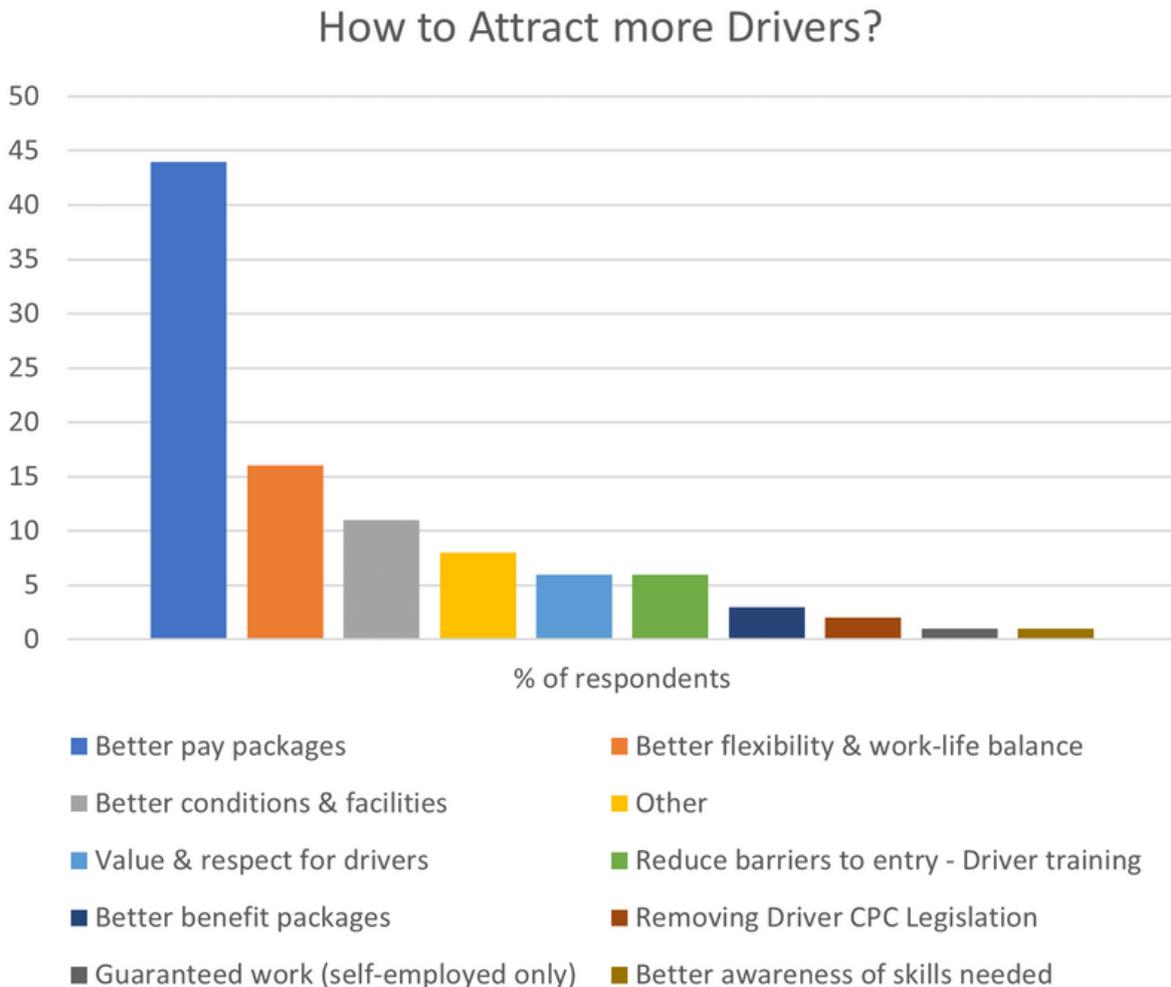
In the Recognition and Reward section they determined that:

- 68% would rather have a better work/life balance than a 5% pay rise.
- 66% would prefer a 5% pay rise over a comprehensive healthcare package.
- 52% would rather have a trustworthy manager than a 5% pay rise.

When asked about their “Perspectives on the Sector”, drivers provided the following responses:

- 66% believed their role is NOT seen as a profession by the general public.
- 69% would NOT recommend a driving career to their family members and friends, however this reduced to 57% for 18-30 year olds.

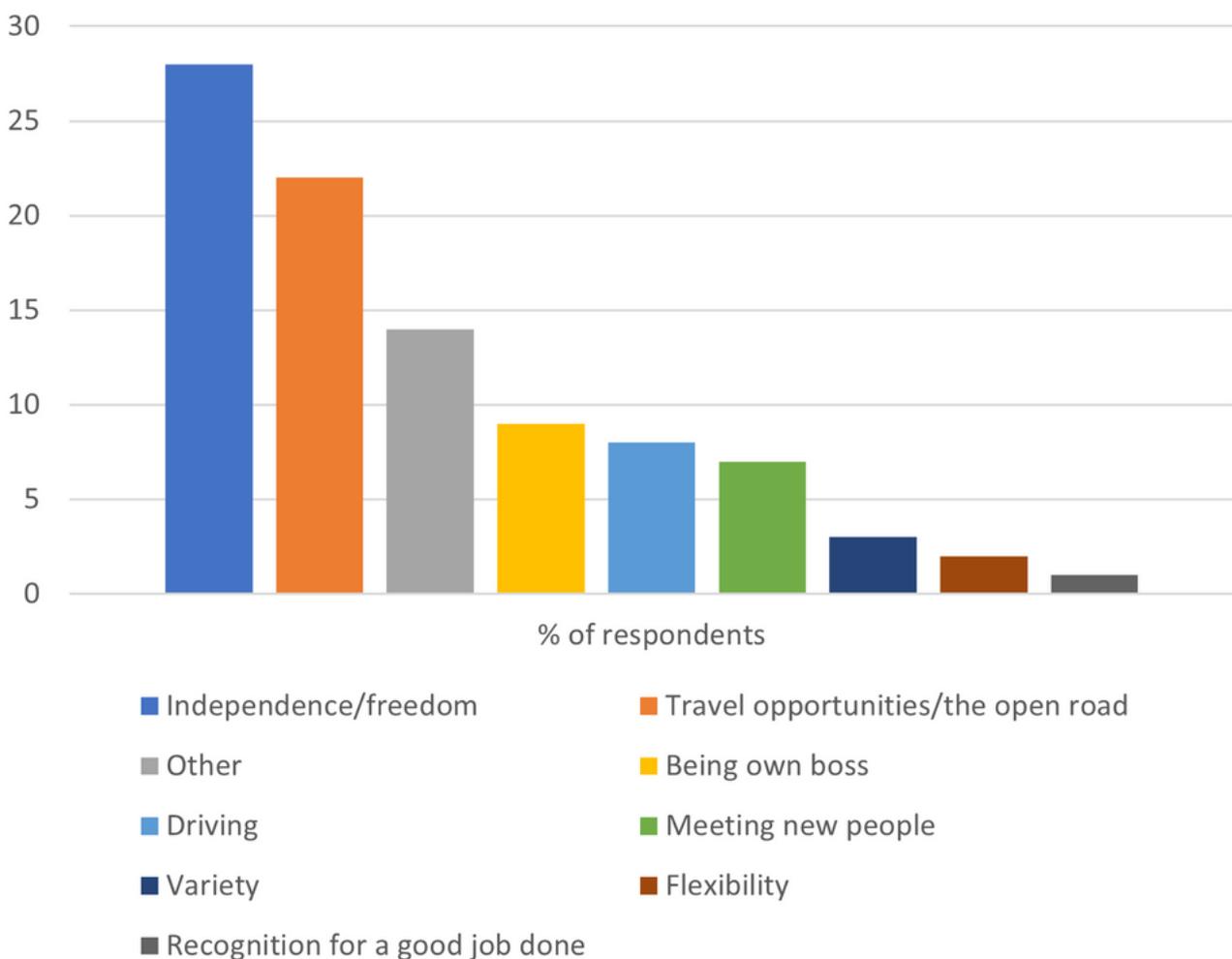
Their response to the question “What do you think should be done to attract more drivers?” was:



The response of the drivers was emphatically that better remuneration was their primary motivator followed by better flexibility, work-life balance, working conditions and facilities.

It often feels that we are always looking for the negatives, i.e. the reasons preventing drivers entering or staying in the sector. The TiL/Pertemps survey therefore asked the positive question of their HGV drivers “What are your favourite aspects of the job?”. This produced the results below:

Drivers' Favourite Aspects of the Job

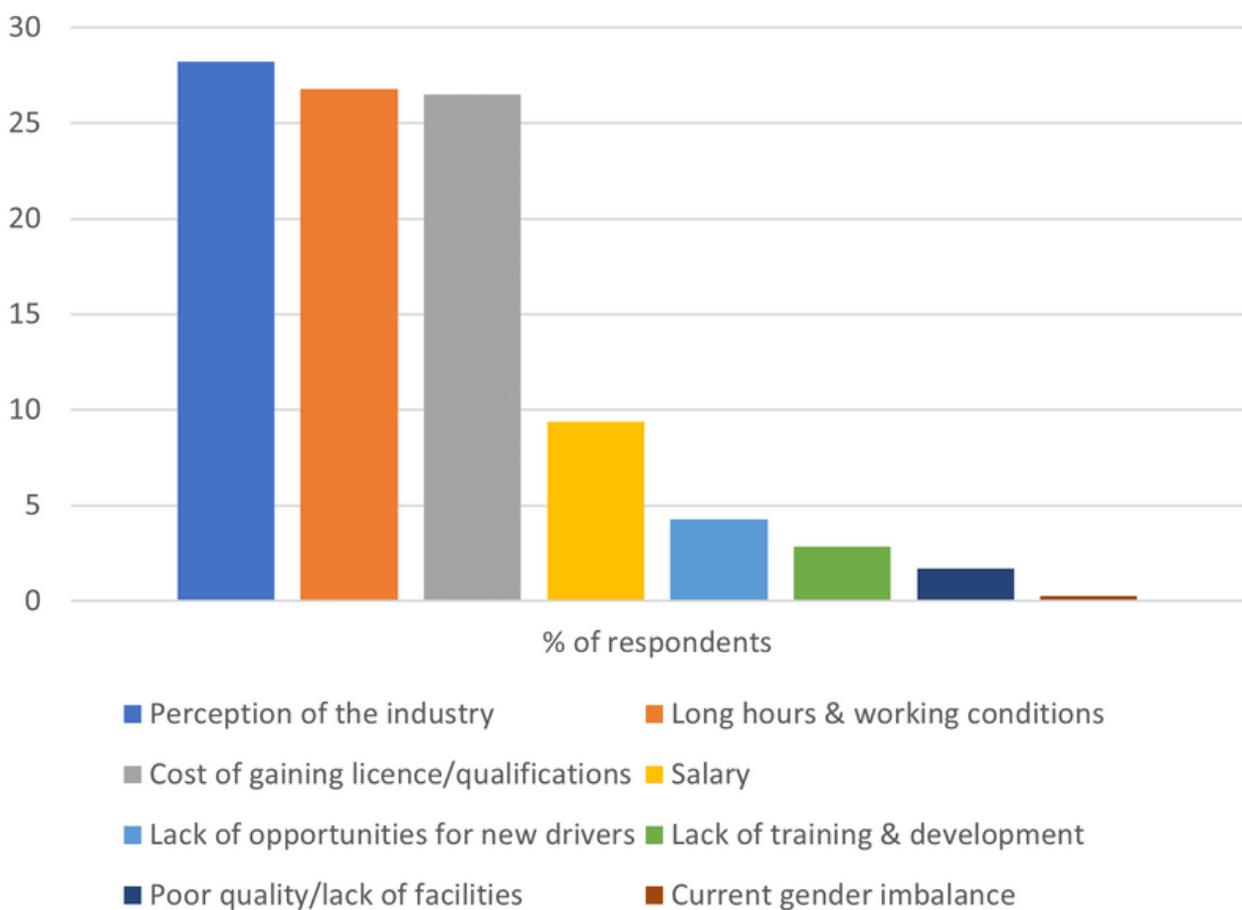


Source: Talent in Logistics / Pertemps – White Paper “Driving Engagement in Logistics” 2018

It is notable that “Recognition for a good job done” came bottom of the list. Also “Variety” and “Flexibility” ranked low, which implies that the drivers wanted routine and more predictable work patterns, despite independence and freedom on “the open road” being their primary motivators.

In 2019 Adrian Jones, National Officer of Unite the UNION, presented to the Microlise Transport Conference 2019 on the topic of “The Future of the Driver Workforce”. In his session he looked at the ways in which operators and employers could support increased diversity. He also provided the results of a survey in which the following question was asked of haulage operators: “What is the primary factor preventing new drivers from entering the industry?”

Factors Preventing new HGV Drivers Entering the Industry



Source: Adrian Jones, Unite the UNION, presentation to Microlise Transport Conference 2019

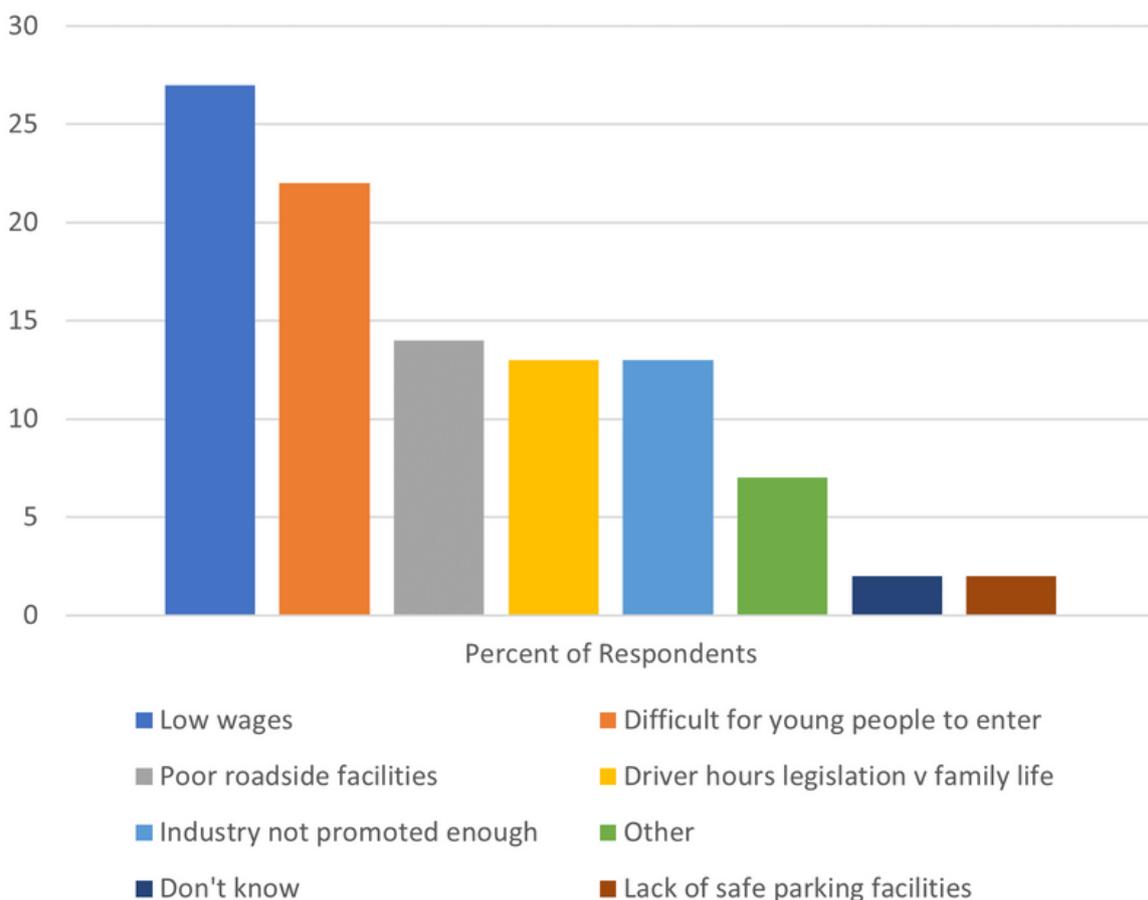
The results clearly placed perception of the haulage industry, long hours and working conditions, and the cost of licence acquisition as the primary deterrents to new entrants. Interestingly, HGV driver remuneration was not deemed by the operators to be a primary factor.

Finally, a further survey was recently conducted (in 2021) by the Asset Alliance Group in conjunction with Motor Transport to produce their annual “Industry Monitor” report. The survey polled a 625-strong sample from the readership of Commercial Motor and Motor Transport. Of this sample, one-third (33%) were company owners, MDs or board directors, while a further 18% were in senior management positions, and 13% in middle management. The remainder were in junior management roles.

Specifically, the survey addressed the driver shortage and established that 29% of respondents stated that a lack of skilled HGV drivers was their biggest concern for the road transport and logistics sector for the next 12 months. This was by a large margin the predominant concern, followed, in order of decreasing concern, by a poor economic outlook for the UK, uncertain legislative future outside of the EU, rising operational costs (excluding fuel and labour) and then the cost of fuel.

On the subject of the HGV driver shortage, they asked the question: What do you believe is the number one reason that there are not enough skilled HGV drivers in the UK? Their responses are summarised in the chart below:

Biggest Barrier to Sourcing New Drivers



Source: Asset Alliance Group / Motor Transport - Industry Monitor 2021 Edition

These results are much more in line with the anecdotal evidence provided to and by members of the Think Tank. It is notable that the results of this recent survey demonstrate a shift in the Haulage Operators' appreciation of their HGV drivers' concerns and wellbeing. Specifically HGV driver remuneration is now the main factor.

It is worth noting that we have been unable to find a survey of HGV licence holders who are no longer driving HGV for a living. We really do need to understand the reasons why this group quit driving for a living, and this can only be achieved by surveying the licence holders themselves. This is a key next step from this report.

SUMMARY CONCLUSIONS AND NEXT STEPS

THE REPORT'S KEY CONCLUSIONS ARE:

- We recognise the great efforts of the organisations, such as Road to Logistics and Think Logistics, who have successfully attracted candidates to maintain a constant supply to the HGV driver training schools.
- The consequence has been a steady flow of up to around 30,000 new HGV test passes per year, but this has been offset by 10,000 per year retiring and a further 20,000 quitting HGV driving for a living.
- Specifically, over the past decade we have trained around a fifth of a million HGV drivers under the age of 40, yet the under-40 HGV driver pool remained steadfastly at 67,000.
- This equates to around 150,000 new HGV passes below the age of 40 who have left the UK HGV driver pool to pursue other careers.
- It is shocking that all the good work attracting candidates is squandered by a lack of action to retain these drivers in the HGV workforce after they have passed their HGV test.
- We also have a plug of aging drivers passing into retirement resulting in a net depletion of the HGV driver workforce of around 6,000 drivers per annum.
- Our estimate of the severity of the issue could worsen as we better understand the rate of departure of the EU HGV driver contingent.

In our first report we concluded that we currently face a critical HGV driver shortage. Not only do we need to resolve this, but we also need to reverse the long-term trend that will otherwise continue to deplete the UK HGV driver workforce and lead to further critical shortages in the future.

SUMMARY CONCLUSIONS AND NEXT STEPS

We established that there are three approaches to resolving both the short-term crisis and the longer-term retention issues:

- Increase HGV driver training capacity and throughput.
- Attract back UK HGV licence-holders who are not currently driving for a career.
- Possibility permit EU HGV drivers to enter the UK for work.

There are many worthy initiatives to increase HGV driver training capacity and throughput, but we should be asking ourselves honestly:

“Why invest so much energy and money in increasing HGV training throughput only to see it wasted as the vast majority of candidates soon leave for other careers?”

We now need to focus more of our effort and money on:

“How can we fundamentally and significantly improve HGV driver retention to reverse the depletion of our HGV driver workforce?”

It is largely up to us, the UK haulage sector, to solve our own problems, but we should nevertheless call upon assistance from the government and our regulatory bodies: Actions could be (in no particular order of priority or impact):

- ➔ Provide funding for Haulage Operators, HGV Training Schools, or other specially created entities, to “nurture” newly qualified drivers. Perhaps this could be integrated or associated with the HGV Apprenticeship Programme?
 - Note that, in 2015, the RTITB launched an initiative called Driver Training Standards. Under this scheme, RTITB accredited driver training schools would support drivers or haulage companies by adding an additional day or two of training while the driver was attending licence acquisition training. This addressed to some extent the “nurturing” concept proposed in the point above.

SUMMARY CONCLUSIONS AND NEXT STEPS

- Bring the RHA and Logistics UK together in an initiative to identify, document and publicise best practice examples of HGV driver engagement and retention initiatives by their haulage client members.
 - Together with their members, they could seek an industry solution on how we can provide drivers with a better work/life balance while still addressing the needs of their employers and their customers.
- Negotiate with Insurers, or their representative bodies, to reduce limitations on the age of HGV drivers:
 - Perhaps introduce post-HGV-Test training or assessment designed to give insurers confidence to the driver, e.g. something similar to “Pass Plus” that is already in place for car drivers.
- Get a much better understanding, from the HGV licence holders who did not take up or gave up driving HGV for a living:
 - Why did they acquire their HGV licence?
 - What is their job now?
 - Why did they leave or not take up HGV driving as a career?
 - What would it take to get them to return?

Then we can develop targeted initiatives to bring back certain groups of HGV licence holder into driving for a career.
- Pay new and returning HGV drivers the first few weeks of income so that haulage companies engaging these drivers are subsidised for the time they spend getting them up to standard (buddying them up and developing their commercial driving skills)
- Pay the cost of CPC training, lost wages and a refresher course for returning HGV licence holders:
 - Perhaps provide this through a network of approved HGV driver training schools?
- Another thought was to offer bus (PSV) drivers the ability to cheaply and quickly convert their category D licence into a category C (rigid HGV) licence. This would provide a quick supply of Cat C HGV drivers from the pool of bus drivers and coach drivers who are not gainfully employed due to the drop in use of public transport and foreign holiday coach trips.

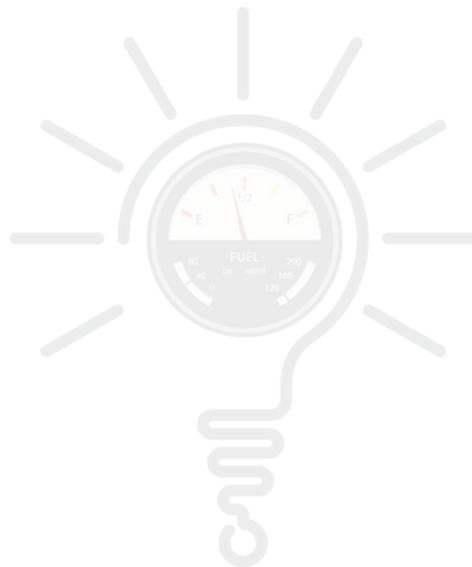
SUMMARY CONCLUSIONS AND NEXT STEPS



It is still worth trying to get HGV drivers declared as a “Shortage Occupation”? Note that this may not be as effective as we hope, given that the driver shortage on the continent is worsening to crisis levels.

- It is worth noting that there are not many occupations where it is possible to earn as much as an HGV driver without some form of academic qualification.

Underlying all the above is a need to dramatically improve working conditions for our HGV drivers. Significant investment is needed in Truckstop facilities and roadside services, as well as the provision of secure, well serviced and affordable overnight parking facilities.



To conclude... our previous report on the impending Driver Shortage Crisis was covered in an article by UKHaulier and the following comment was posted under the article. It is a driver's frank view of the world and is typical of the responses often posted by drivers in relation to the driver shortage. It reflects several of the concerns identified in this report and reinforces the need to pursue our recommendations.



SIMON
June 8th, 2021



If you want to fix the problem then stop making drivers lives more difficult while simultaneously letting our wages remain at almost the same level they were at 15 years ago. We are constantly disrespected everywhere, not provided with adequate restroom facilities or enough showers at a reasonable price. It costs an absolute fortune to eat a decent meal down the road anywhere, which is essentially an extra tax.

Overnight parking places are constantly being made off limits leaving us having to pay ever increasing parking fees at so called secure service stations and truck stops, not all firms cover the whole price of that fee, and those facilities are less and less adequate in the services provided. When you then add in that we are expected to work 60 to 70 hours a week and be away from home all week long all for a flat rate of pay we earned 15 to 20 years ago, with no overtime rates is it any wonder no one wants to do the job anymore. You can almost earn the same hourly rate stacking shelves in supermarkets, plus you get to be home every night, eat decent meals for a normal price and get treated with much more respect!

Stop looking to foreigners to fill the gap and start fixing the system! The haulage sector has been systematically stepped all over for too many years and we have warned you for years that this issue was coming!!

THE UK'S HGV DRIVER SHORTAGE CRISIS

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.

This document will evolve 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 document we have provided a reference point that will bolster arguments to act decisively and quickly to address the UK's HGV driver shortage.

For further information visit:

driverrequire.co.uk/insights

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



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