

Driver Require



Going beyond the extra mile



CEO Kieran Smith

Driver Require is a multi-award winning specialist recruitment agency. Established in 2000, it follows a simple philosophy based on trust, professionalism and high-quality customer service. It owns an extensive branch network across the home counties and from the south coast to the Midlands and provides both temporary and permanent drivers to a range of industries, 24 hours a day, 365 days a year. CEO Kieran Smith tells *The Parliamentary Review* more.

Our tagline, “Beyond the Extra Mile”, captures our desire to deliver excellence to everyone we interact with. Many of our staff have a background in the transport and logistics industry and they are passionate about what they do. Our experience brings integrity and insight to the art of providing agency drivers within a tough, demanding sector.

The road to success

Driver Require has been on a remarkable journey, going from a thriving business to one facing complete financial crisis when the recession hit, reducing sales by 50 per cent. This was a defining moment in our history and we took tough strategic decisions to stay in business, despite formidable debt repayment plans, and worked our way out of the recession. We drastically reduced our overheads, to the point that our CEO made himself redundant for a year and remortgaged his house to fund the company through this challenging period. In the process we gained HMRC’s permission to defer VAT, PAYE and NIC payments, while renegotiating bank loans, to stabilise the company’s short-term cash position, enabling us to survive the recession and rebuild the business.

FACTS ABOUT DRIVER REQUIRE

- » CEO: Kieran Smith
- » Founded in 2000
- » Located in Stevenage, with 6 regional branches
- » Services: Specialist driver recruitment agency
- » No. of employees: 40
- » One of the top 30 fastest growing recruitment agencies in UK in 2019
- » www.driverrequire.co.uk

“We emerged stronger, with our values and principles intact, retaining our loyal customers and drivers and are still growing at a rate of 25 per cent each year”

We emerged stronger, with our values and principles intact and retaining our loyal, core customers and drivers. By the end of 2010 we had returned to break-even point and by 2012, despite still being in the midst of the recession, we had exceeded pre-recession sales levels. We have since gone from strength to strength: revenues have grown rapidly from £2 million in 2012 to £13 million in 2018, with a target of £20 million by 2020, from one branch to seven; now, with a team of 40, we are still growing at a rate of over 25 per cent each year.

We are a purpose-driven organisation with a loyal team of employees whose collaboration creates something special. We focus on driver recruitment and we aim to be the best at it. Alongside our commitment to building long-term partnerships with our clients, we are committed to providing a personal service to our drivers. Above all, we ensure that our values of integrity, excellence and commitment are at the heart of everything we do, steering our behaviour and defining our standards.

A perfect storm

We have overcome many hurdles and not least the last recession. We are

now facing more challenges with Brexit and planned regulatory changes, such as the new IR35 regulations due to be applied to the private sector in April 2020, which could drastically impact the agency sector and specifically the road haulage industry. These events will potentially bring to crisis level the shortage of LGV drivers that has been growing steadily over the past ten years. Demand is estimated at 370,000 drivers with only 320,000 currently working, leaving a shortage of 50,000. The UK has been able to avoid the shortage becoming critical due to a combination of recession and Eastern European immigration, which coincided with increased demand.

During this time the recession-struck hauliers cut back on costs, depressing agency charge rates and imposing insurance constraints on agencies that effectively prevented new British LGV drivers joining the sector. The result is a permanent workforce that is disproportionately skewed towards the older end of the age range. Hauliers are increasingly dependent on agency, and particularly foreign drivers, which goes beyond the level that is needed to cope with seasonal requirements and that is now necessary to sustain normal operations.

IR35 is likely to throw the haulage sector into crisis



For the first time since 2005 we have increased LGV driver requirements with no continental EU nationals to make up the deficit. Meanwhile, the UK has become a less attractive place to work for foreign LGV drivers due to a combination of Brexit, the associated drop in the exchange rate and the government's crackdown on limited company operators via the IR35 legislation, which comes into effect in April 2020.

The only way to avoid a short-term crisis will be for the haulage operators to accept increased agency charge rates so that agencies can pass the uplift on to the agency drivers to prevent them returning to continental Europe or quitting driving. This won't solve the systemic issue, however, of an overall shortage of LGV drivers that can only be addressed by a combination of improvements to remuneration and working conditions that are sufficient to attract qualified LGV drivers back onto the road.

The haulage sector is hugely competitive and margins are so thin that they won't increase costs until forced to do so. Our primary concern is that, as happened in the public sector, unscrupulous agencies and umbrella companies resort to tax avoidance schemes to avoid significant increases to agency driver costs and consequently client charge rates. If this is permitted, the ethical agencies will be put at a competitive disadvantage while agency rates will not rise quickly enough to prevent a potential exodus of drivers from the sector, possibly causing good agencies to go out of business. If the driver shortage worsens, pay rates will be inflated above the market rate until enough drivers return to the market to restore supply. The effect will be disruption to the supply of goods and over-inflated costs to hauliers, which will inevitably be passed on to the end consumer.



Improvements to drivers' pay, health and welfare must be made in order to attract qualified LGV drivers back to the road

We appeal to the government, HMRC and regulators to strictly enforce the IR35 legislation. If they were to make clear examples of end clients, agencies and umbrella companies who conspire to employ tax avoidance schemes, we might stand a chance of an effective implementation of the new regime in April 2020. It is important that all parties go into the new tax year convinced that they must comply quickly with the new regulations, especially the end clients who must absorb a significant increase in agency costs.

We believe the temporary recruitment sector provides a critical service to road haulage and logistics operators by enabling them to cost-effectively cope with substantial variations in demand throughout the year. The driver supply shortage, combined with Brexit and impending regulatory changes, represents a threat to the continued supply of temporary drivers and to the haulage sector. We will do our best to avert a driver shortage crisis but in reality, it is only the government and HMRC that can intervene and achieve a successful outcome.

“We appeal for concerted action by HMRC, the government and regulators to avert a driver shortage crisis”