

Driver Require



Going beyond
the extra mile



CEO Kieran Smith

Driver Require is an independent, specialist commercial driver recruitment agency. Established in 2000, it follows a simple philosophy based on trust, professionalism and uncompromising customer service. It owns an extensive branch network from the south coast to the Midlands, providing both temporary and permanent drivers to a range of industries, 24 hours a day, 365 days a year. CEO Kieran Smith explains more.

Since we opened our doors, our focus has exclusively been on matching professional, commercial drivers to the clients who need them. We operate on a simple philosophy rooted in our core values of excellence and integrity. We've built a track record of standing by these values and a reputation that is not just about putting drivers in trucks, but includes building successful, long-term partnerships with our clients. By delivering unparalleled customer service, we are the trusted and preferred supplier for many leading regional and national brands.

The road to success

We have been on a remarkable journey, going from a thriving business to one facing complete financial crisis when the recession hit in 2008, 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, we worked our way out of the recession, stabilised the company's cash position and rebuilt the business.

We emerged stronger, with our values and principles intact and retained our loyal, core customers and drivers. By the end of 2010, we had returned to break-even point, and by 2012, we had exceeded pre-recession sales levels. We have since

FACTS ABOUT DRIVER REQUIRE

- » CEO Kieran Smith
- » Established in 2000
- » Located in Stevenage, with six regional branches
- » Services: Specialist driver recruitment agency
- » No. of employees: 35
- » www.driverrequire.co.uk

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gone from strength to strength. Revenues have grown rapidly, from £1 million in 2009 to nearly £15 million in 2019, an average growth rate of 30 per cent per annum over the last 10 years, and we have expanded from one branch to six and a team of 35.

We are a purpose-driven organisation with a loyal team of employees whose collaboration creates something special. We focus on driver recruitment and aim to be the best at it, while also being one of the most compliant recruitment agencies in the haulage sector.

A perfect storm

We have overcome many hurdles, not least the last recession, and yet we are now facing even greater challenges, with the toxic combination of the current Covid-19 pandemic and the ensuing recession. This is likely to be aggravated by Brexit, the new points-based immigration regulations and the roll-out of IR35 reforms to the private sector in April. Meanwhile, the haulage industry has been polarised and has suffered enormous dislocation. Many of our clients, particularly supermarket and grocery suppliers, have operated at maximum capacity; home delivery has been in overdrive; while clients in the hospitality, service, manufacturing and construction sectors were seriously disrupted.

Haulage sector faces a turbulent decade ahead



Around 300,000 LGV drivers are currently driving for a living in the UK, and the consensus is that there is an underlying shortage of up to 60,000 drivers. We expect the Covid-19 recession to cause a 10 per cent drop in demand for LGV drivers over the next couple of years, although we also anticipate that this will be largely offset by a significant fall in the number of new drivers entering the market, caused by disruption and closure of LGV driver test centres. The net effect is that the driver shortage should remain unchanged.

Furthermore, the roll-out of IR35 reforms to the private sector in April 2021 will increase agency LGV driver employment costs. Hauliers, who are operating on razor-thin margins, will resist any increase in agency charges, while agencies will also be unable to absorb these cost increases due to decades of having their margins squeezed by their haulage customers. This will result in pressure on LGV driver pay rates, especially for those moving from the limited company model to PAYE, which disproportionately affects foreign workers. Added to this is the concern that Brexit and the new immigration rules will combine with IR35 to alienate many of the 40,000 foreign LGV drivers, while British drivers, dissatisfied with low pay and poor conditions, will also be tempted to move to other careers. The result is likely to be a worsening of the LGV driver shortage.

Managing the circumstances

We have been working tirelessly through the pandemic to respond to these challenges and keep the nation's businesses on the road. We have been investigating and analysing how the pandemic has affected our industry, and we recently published a report to provide a clearer understanding of how Covid-19 has impacted our business, our clients and this sector,



We hope for continued recognition of the essential services provided by delivery drivers and logistics workers

and how it will continue to do so for many years to come.

We've also taken a look into the future, beyond 2021, examining the trends that will influence the UK haulage sector's prospects in the long term: the need for greater supply chain resilience; an increase in home working, ecommerce, digitisation, automation and robotics; greater government intervention; increased prominence of green methods; and an appreciation of key workers as strategic assets.

Although we face a turbulent decade with many challenges, we believe there will also be plenty of opportunities for the taking. We expect there to be a levelling of the playing field over the next couple of years, which will provide the survivors with exciting openings for growth and profit generation. We will continue to focus on being one of the most compliant specialist agencies in our sector, offering best-in-class service levels, in the belief that it will make us the partner of choice for the leading haulage operators.

In the meantime, 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 that conspire to employ tax avoidance schemes, we might stand a chance of an effective implementation of the new regime in April 2021. 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 may have to absorb a significant increase in agency costs.

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. This has been amply demonstrated throughout the Covid-19 crisis. 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 continue to support initiatives to avert a driver shortage crisis, but, in reality, it is only the government and HMRC that can intervene to achieve a successful outcome.

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