

The Rt Hon Boris Johnson MP
Prime Minister
10 Downing Street
London
SW1A 2AA

23rd June 2021

Dear Prime Minister,

Critical supply chains failing due to the significant shortage of HGV drivers

We are urgently writing to ask for your personal intervention to help resolve the significant and rapidly deteriorating shortage of HGV drivers.

Prior to the pandemic, we estimated a shortage in excess of 60,000. At that time UK road transport businesses employed approximately 600,000 HGV drivers, including 60,000 from EU member states who were residing and working in the UK.

Several factors have exacerbated the shortage which is now at crisis point (over 100,000) and critical supply chains are failing. Those factors include:

COVID - Many drivers returned to their country of origin during extended periods of lockdown and restricted travel. The vast majority have not yet returned.

EU exit - The uncertainty of Brexit and future rights to live and work in the UK forced many drivers to do the same. Again, the vast majority have not returned nor are they expected to.

Retiring drivers - The average age of an HGV driver is 55, with less than 1% under the age of 25. Prolonged periods of inactivity have resulted in much of this aging workforce retiring early or finding employment in other, less demanding, sectors.

Test shortage - During a typical year, 72,000 candidates train to become HGV drivers with 40,000 succeeding. The complete shutdown of vocational driving tests throughout much of last year resulted in the loss of over 30,000 test slots and only 15,000 were able to complete training successfully - a drop of 25,000 from the previous year.

IR35 - The introduction of IR35 has resulted in agency labour withdrawing their services as low-profit margin logistics businesses (typically 2-3%) cannot sustain demands for £5-£6 per hour rate increases. For clarity, we welcome legislation that ensures fair and equal tax for all. However, Government must now recognise the repercussions of this and the other issues mentioned and urgently intervene to help us to resolve the resulting crisis.

We are grateful to Ministers from the Departments for Transport, and Work and Pensions, who have met with us to discuss solutions, but it is clear, despite best intentions, that there is no immediate plan. We firmly believe that intervention from the Prime Minister / Cabinet Office is the only way that we will be able to avert critical supply chains failing at an unprecedented and unimaginable level. Supermarkets are already reporting that they are not receiving their expected food stocks and, as a result, there is considerable wastage.

To make the situation even worse, summer holidays are fast approaching, and drivers will take their leave entitlement. The lack of agency drivers to help support their absence will exacerbate the problem even further as will continued unlocking of the economy and the spikes in demand for food and drink created by the hot weather and major sporting events. Furthermore, the Christmas build that retailers begin in August / September will be seriously affected – all of which will affect Government’s ability to “build back better”.

We are asking for your direct support as follows:

- 1) We need an immediate solution to this problem - we are not going to solve this now by training drivers and as such need access to EU and EEA labour. **We ask for the introduction of a temporary worker visa for HGV drivers and for this occupation to be added to the Home Office Shortage Occupation List.**

This will allow UK-registered transport operators to access a workforce that can live and work in the UK more easily and encourage those who have left to return - even if this is short-term measure whilst we concentrate on a longer-term plan. DEFRA already have arrangements in place that support our harvest periods when foreign labour restrictions are eased for specific demand. The same principles should be applied.

- 2) Government needs to work with the industry to help address the broader issues around the skills shortage. We must work collectively to achieve a sustainable way of recruiting and training a homegrown workforce so that our reliance on foreign labour dissipates over time. **We ask that a taskforce is immediately established to include representation from all of the relevant areas of Government and industry to help drive this change at the pace that is so desperately needed.**
- 3) The DEFRA Food Resilience Industry Forum, chaired by Chris Tyas, helped to ensure the nation’s supply integrity throughout the pandemic. **This was recently disbanded. However, in view of the growing crisis, it must be re-established at the earliest opportunity.**

It is our collective view that there has never been a more challenging time for this industry and we urge you to take these decisive steps to ensure that we can continue to maintain the UK's integrated and finely balanced supply chains.

Yours sincerely,



Richard Burnett

Chief Executive - RHA

Co signatories:

John Williams, Executive Chairman, Maritime Transport

Steve Granite, CEO, Abbey Logistics Group

David Pickering, CEO, Eddie Stobart

James Wroath, CEO, Wincanton

Thomas Van Mourik, CEO, Culina Group

Dan Myers, Managing Director, XPO Logistics

Paul Bennell, Managing Director, Samworth Brothers Supply Chain

Andrew Malcolm, CEO, The Malcolm Group

Mark Johnson, National Customs & Trade Control Director, KUEHNE + NAGEL

Andrew Howard, Managing Director, P C Howard

Kate Lester, Founder and CEO, Diamond Logistics Group

Lesley O'Brien OBE, Director, Freightlink Europe

Ian Wright CBE, Chief Executive, Food and Drink Federation

Richard Harrow, Chief Executive, British Frozen Food Federation

James Bielby, CEO, Federation of Wholesale Distributors

Shane Brennan, CEO, Cold Chain Federation

Emma McClarkin, Chief Executive, British Beer and Pub Association

Nick Allen, CEO, British Meat Producers Association

Angus Blundell, Marketing Director, Certas Energy UK

Mark Garner, Marketing Director, SNAP

James Anthony French MBE, Managing Director, Road to Logistics