Boost for freight as government unveils major new plan to bolster supply chain

- industry and government joint pledge to secure an even more robust supply chain and drive economic growth with £7 million investment for new freight technology
- more people to be encouraged into skilled, logistics jobs through major new government-backed campaign
- follows unprecedented government action during the pandemic, which created a stronger supply chain with record numbers of people taking and passing HGV driving tests

Millions of people across the UK will be encouraged to kickstart a rewarding career in logistics, with the government unveiling a multimillion-pound new plan to bolster the supply chain and create a more resilient and greener haulage sector.

A major campaign is being launched today (15 June 2022) to recruit and retain a skilled workforce in the logistics sector. This builds on the government's unprecedented action during the pandemic, which has led to sector reports of pressures easing, following global challenges on the supply chain.

The campaign is one part of the government's Future of Freight plan published today, setting a strategy for the government and industry to work more closely together to deliver a world-class, seamless flow of freight across the UK's roads, railways, seas, skies and canals.

The <u>Generation Logistics campaign</u>, led by Logistics UK, the Chartered Institute of Logistics and Transport in the UK, and backed by £345,000 government funding, includes an online hub full of resources, learning materials and job openings to make it easier for people to kickstart their career in the industry, as well as TV and radio adverts which will help to attract candidates.

This follows the government's 33 actions taken to tackle the heavy goods vehicle (HGV) driver shortage and protect the supply chain. This included increasing the number of driving test slots, investing in new roadside facilities and introducing bootcamps, which has seen the number of available HGV drivers stabilise.

It comes as part of wider government efforts to help more people into work, since this is the best way to support families in the long-term while growing the economy to address the cost of living.

The strategy launched today includes £7 million investment to boost the uptake of innovative new technology, helping decarbonise and digitalise the sector. Funding could go towards initiatives like trialling hydrogen cranes

to support decarbonisation or even testing low carbon fuels across the industry.

These technologies will support a more cost-efficient, reliable, resilient and sustainable freight sector. Today's investment will support wider economic growth by ensuring businesses can operate efficiently, getting the goods they need on time and at a reasonable cost while safeguarding their jobs.

Transport Secretary Grant Shapps said:

The pandemic shone a spotlight on the importance of our country's freight sector. As a proud, free-trading nation, moving goods at home and abroad has always been the backbone of Britain's economy.

Our 33 interventions to tackle the shortage of drivers means we now have a stable recruitment pipeline and a robust supply chain, and today's measures will help the sector grow from strength to strength.

We are committed to working closely with the industry to attract a strong pipeline of talent, decarbonise the freight network and deliver a world-class haulage sector.

The government's unprecedented action to help the sector tackle the global shortage of drivers has included making 11,000 HGV driver training places available through Skills Bootcamps, injecting a major and sustained boost to the number of HGV driver tests available, and investing £52.5 million in improvements in roadside facilities and lorry parking.

Since then the sector has started to recover and industry bodies are reporting positively on the number of HGV drivers stabilising. They indicate that the initiatives introduced by government and industry have started to yield results, showing that perceptions of the industry are changing as a result of government support and more people are looking to train and qualify as HGV drivers.

New HGV drivers are taking and passing their driving test in record numbers. Between March 2022 and May 2022, the Driver and Vehicle Standards Agency (DVSA) carried out 29,384 HGV tests - 54% more than the corresponding period in 2019 before the pandemic.

Today's Future of Freight plan explains how a National Freight Network will be explored to help remove any existing barriers faced by the sector that prevent it from delivering a seamless flow of goods across the country.

A call for evidence will also be launched to better understand how the sector can more easily approach planning applications, so there are fewer obstacles to creating bigger warehouses to meet customer demand, introducing more HGV parking or improving driver facilities.

In a further bid to decarbonise the sector, a Freight Energy Forum led by both government and industry will be set up to help create a clear path to net zero and to assess the freight sector's future energy and fuel needs.

Saul Resnick, CEO DHL Supply Chain UK and Ireland, said:

The logistics industry contributes £127 billion to the UK economy and offers career opportunities that are varied and rewarding, so we're pleased to see this reflected in the government's Future of Freight strategy and the Generation Logistics campaign.

As we look to the future, bringing new talent into the workforce will be essential to help the UK achieve its ambitions in the sector, whether that's building a robust and resilient supply chain or the path to net zero.

As a global business, DHL Supply Chain is making significant investments to support both recruitment and retention across the workforce and the development of clean technologies. We look forward to working alongside the government on this and other initiatives.

With 1.6 billion tonnes worth of goods transported in and around Britain each year and more than 2 million workers currently employed by the wider logistics sector, the government recognises the freight industry's vital contribution to the country's economy and continues to take unprecedented action to support this crucial sector.

Phil Roe, President of Logistics UK, said:

Generation Logistics will provide our industry with the capability to attract and retain the skilled and ambitious workforce that it needs as our role in society continues to flourish.

After the recognition of our workforce as key workers during the COVID-19 pandemic, it is critical that we protect and enhance our talent pool to keep our sector developing and thriving to support all sectors of the economy.

Generation Logistics will give us the opportunity to do just that by attracting and retaining the very best talent from across the country.

The members of the Freight Council said:

We strongly welcome the Future of Freight plan, which marks a stepchange in government's partnership with the freight and logistics sector. We are proud that this plan, co-developed between us and government, marks the first major milestone of the Freight Council.

The plan sets out a clear path for our sector to continue delivering for the whole country, powering economic growth, global trade and levelling up, while ensuring a more efficient, resilient, reliable and environmentally sustainable future.

We look forward to further collaboration as we move ahead to implement the industry and government commitments contained in the plan.