

Drivers for economic growth?

The economy is growing but are there enough drivers to deliver Christmas this year? It seems there has always been a shortage of drivers in the road transport industry. The question has only been how severe? This year, however, a combination of the fast-recovering economy, the Driver CPC deadline, a shortage of qualified agency drivers and a series of administrative changes to driver licensing arrangements are creating the 'perfect storm' for fleet managers and piling pressure on scheduling plans for the Christmas peak period. FTA's Managing Director – Membership and Policy **JAMES HOOKHAM** examines the extent of the driver shortage.

“A real shortage of qualified drivers could trigger a series of responses...”

In theory this should be a 'quality problem'. The main cause of increased demand for drivers is because the economy is growing again, helped in the main by consumers spending more. This is what businesses have waited six years for. As a result retail and service sector supply chains are returning to their pre-recession levels of activity and that means more drivers are needed. The expectation of a 'good Christmas' for retailers means that supply chains will be much busier this year than last and the need for reliable stock availability in store will be a crucial factor in who emerges as the winners or losers when Christmas trading is reported in early 2015.

Normally fleet managers would look to their employment agencies to supply temporary drivers to meet their peak demand periods but surveys of agency driver availability suggest that there may not be the numbers of qualified drivers to meet the peak



A decision that is faced by a number of drivers



demand. This is largely the effects of the Driver CPC (DCPC) deadline that falls on 10 September. By that date all HGV drivers in scope of the regulations will be required to have completed 35 hours approved training and be in possession of a Driver Qualification Card (DQC) issued by DVLA. Official estimates are that 'the vast majority' of drivers will be compliant (see *CPC ready?* opposite) but this ignores the conscious decision by a small, potentially significant, number of drivers to retire from driving as they do not see a return on the investment of time and money they will need to make in meeting the DCPC requirements.

Paying for CPC training

Most transport operators have paid for DCPC training for their permanent employees, either through a training provider or using their in-house training facilities. FTA member surveys show high levels of confidence amongst fleet managers that sufficient numbers of their own drivers will have completed training by the 10 September deadline. Given the 'freelance' nature of agency drivers the expectation has been that these drivers would fund their own DCPC training and getting a fix on exactly how many

will have done so in time for the Christmas peak seems to be the big uncertainty in fleet managers' minds. Agencies in FTA's Driver Agency Accreditation Scheme report high levels of readiness exceeding 90 per cent but are concerned that the more elderly, and experienced, drivers will not be DCPC-compliant and therefore leave the industry or move on to other driving work where DCPC is not required.

A real shortage of qualified drivers could trigger a series of responses as fleet managers take steps to avoid missed deliveries. The most likely is an increase in wages to attract those drivers who are qualified into contracts that can afford to pay them. This could create some turbulence in the agency market as drivers will naturally migrate to the highest paying jobs for which they are qualified. This would mean the shortage is actually felt amongst smaller businesses in sectors unable to afford the higher rates, squeezing margins still further and putting pressure on recovery prospects. In practice the impacts will be highly localised and the ability of drivers to move at short notice during the critical few weeks or so is limited. Hence the concern that even the major contracts are vulnerable to a shortage of qualified drivers just when they need them most.

Missed deliveries?

The possibility of missed deliveries and empty shelves in December (and awkward reports to analysts and shareholders in January!) begs the question of what is so important about the September deadline for Driver CPC? Surely another few weeks grace to help get the economy through a crucial trading period in its recovery from the longest downturn since the 1930s is a reasonable ask? After all, most drivers have been driving their entire working lives without this training. Surely an extra 10 weeks on from a date that was fixed simply because it was the anniversary of the directive being adopted is not a major threat to public safety?

Recent public statements by enforcement authorities don't bode well (see box right) and the industry itself has long been asking for reassurance that the deadline will be taken seriously so as to counter persistent suggestions that the DCPC requirement could be ignored, and to raise the stakes for those who would wilfully ignore it and compete unfairly with those who have spent the time and money getting up to speed. Ministers may have a tough decision to make though if consumers are frustrated because their Christmas is still in a warehouse because of a directive from Brussels.

Nevertheless, the Department for Transport and its executive agencies do have a contribution to make in sorting out the administrative systems through which driver compliance is monitored and assured. As if the Driver CPC deadline wasn't a big enough cliff for the industry to jump off, the Driver and Vehicle Licensing Agency (DVLA) chose the end of 2014 as the date for the withdrawal of the paper counterpart to the driver licence. From January there will be no further updating of these documents and they will have no legal status. Instead drivers and operators needing to check provisional entitlement, endorsements and penalty points will need to access the driver's records through an online service that is promised to become available before the end of the year. Hold



Keeping shelves – and shops – fully stocked could be a problem over the Christmas period

CPC ready?

The Driver and Vehicle Standards Agency (DVSA) released data in August suggesting that the vast majority of drivers will have completed their 35 hours' periodic training by the 10 September deadline. The current figures show that nearly 800,000 drivers are engaged in Driver CPC and just over 564,000 have completed their 35 hours' training. These figures will include bus and coach drivers as the DVSA system does not record which qualification has been awarded. During July, over 1.1 million hours of training were logged by DVSA, bringing the total periodic training that has been taken by professional drivers since 2008 to over 24 million hours. This includes training of new drivers who have been required to hold a Driver CPC from the date of their vocational licence.

DVSA and the Office of the Traffic Commissioner (OTC) have warned drivers and their employers that they risk being fined, and even losing their livelihood, if they fail to comply by the deadline. DVSA's Chief Executive,

Alastair Peoples, has said there will be no amnesty period by enforcement officers and Joan Aitken, lead Traffic Commissioner on Driver CPC, said: "The industry has been given plenty of notice of the deadline and any offences will be reported to Traffic Commissioners".

Driving without the Driver Qualification Card (DQC), or failing to produce it, carries a maximum fine of £1,000 – for both the driver and the operator licence holder. Since the introduction of Driver CPC in 2008, 245 drivers have received a fixed penalty for failing to produce evidence at the roadside, of which 124 were HGV drivers and 121 PSV drivers. Twenty-two of these were foreign drivers who should have had Driver CPC. DVSA also reported 143 cases to the court for prosecution involving 123 defendants (drivers and operators). Of these, 100 were from the road freight industry. The majority of these cases were successfully prosecuted with fines of up to £1,000. Some prosecutions were in relation to multiple offences.



on! Big Government IT project? Crucial deadline beyond which existing systems will be discontinued? Promises of seamless switchover? And it's only 10 weeks away and we know nothing about it? History does not suggest a good outcome. Should members be worried?

The ability to check that the driver stood in front of you is who he or she says they are and is entitled to drive the size of truck you want them to and has not actually been banned from driving, or come close to it, because of a serious infringement, is a fundamental part of the risk profiling of drivers that every transport manager is responsible for. Removing the physical means by which this is normally done is a major change, as failure to get this right places a legal liability on the operator of the vehicle and not just the driver. FTA has secured watertight guarantees from DVLA and transport ministers that the paper counterpart will not be withdrawn until satisfactory commissioning of the new online system has been demonstrated to FTA's satisfaction. FTA is assembling a User Acceptance Group of members

to put the new Integrated Enquiry Platform through its paces and National Council heard first-hand from Oliver Morley, Chief Executive of DVLA, in July that members' verdict will be decisive in when the switchover actually happens.

Medical clearance delays

Another factor currently frustrating members' efforts to recruit and deploy drivers are the delays in receiving medical clearances from DVLA, with reports of drivers waiting for up to 12 weeks for decisions on conditions such as diabetes and eyesight. Challenged on this during his presentation to National Council in July, Oliver Morley expressed his equal frustration at the low priority being given to these cases by, admittedly hard-pressed, drivers' GPs. FTA has written to the British Medical Association pointing out that these cases deserve a higher priority by doctors as they can be the difference between employment and dismissal for drivers, and delays in their resolution are certainly resulting in loss of earnings.

Even getting fit and able drivers through the vocational driving test is proving difficult with members reporting chronic delays in securing driving test bookings with DVSA vocational driving examiners' in some parts of the country. FTA is exploring the possibility of block booking test slots on behalf of members to secure a more even share of examiners time.

The next few weeks will be a critical period in the road freight sector for government, enforcement agencies and the wider economy. It could be a good year to be a driver, especially if you have a DQC and a clean driving licence, with no adverse medical condition. It will not be the year to leave driver rostering and recruitment to the last minute. It could just be the year when the public finally find out just how much their standard of living relies on trucks and drivers to physically deliver the goods. More likely it will be a year like every other when the industry once again against the odds and all the predictions just make it all happen in the background through the determination and sheer hard work of everyone who works in logistics. That will be the real magic of Christmas!

FTA help and guidance for members

The government continues to support training of drivers and other staff through a range of initiatives and programmes largely aimed at returning the long-term unemployed back into work. Navigating the labyrinth of different funding sources and application routes is too often the challenge that prevents the road freight industry taking up financial support from government. To help members make the most of these opportunities, FTA has issued new guidance to funded support for training and development for operators in England, Scotland and Wales. It describes the eligibility criteria for apprenticeships and alternatives such as the recently introduced 'Certificate to Work' scheme and provides contact details and the approximate

amounts of funding available. The guide is being distributed to delegates attending FTA's Transport Manager conferences this autumn and will be available for download from the FTA website.

The FTA Skills Working Group is working closely with the Department for Work and Pensions and JobCentre Plus to improve understanding and funding of job opportunities in the logistics sector. Contact is also being made with the Ministry of Defence to source drivers and other skilled staff who may be leaving the armed forces this autumn as part of planned reductions. This has long been an important recruitment pool for the logistics sector given the ability of drivers to receive an HGV entitlement at just 17 years old, and the highly developed transport and logistics

skills needed to support the deployment of British troops and equipment across the world.

FTA has added a further facility to its Driver Licence Checking Service that it offers to members. Transport managers can now check the entitlement of staff to work in the UK under the complex employment rules for non-British nationals. The system checks the validity of work permits and residency status, which if not observed can result in substantial penalties for the employer. The Driver Licence Checking Service is a cost-effective way of checking the credentials of drivers held by DVLA on a routine basis and removes doubts about the validity of documents presented by drivers.

Further information from www.fta.co.uk