FTA Transport Manager Survey: findings

September 2019

Sponsor

Leading UK Logistics

We support, shape and stand-up for efficient logistics

FTA is one of the biggest business groups in the UK, supporting, shaping and standing up for efficient logistics. We are the only organisation in the UK that represents all of logistics, with members from the road, rail, sea and air industries, as well as the buyers of freight services such as retailers and manufacturers whose businesses depend on the efficient movement of goods.

An effective supply chain is vital to Keep Britain Trading, directly impacting over seven million people employed in making, selling and moving the goods that affect everyone everywhere.

With Brexit, technology and other disruptive forces driving changes in the way goods move across borders and through the supply chain, logistics has never been more important to UK plc.

As champions and challengers, FTA speaks to government with one voice on behalf of the whole sector, greatly increasing the impact of our messages and achieving amazing results for members.

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FTA's foreword

David Wells
Chief Executive
FTA

Welcome to the findings of our seventh annual, national survey centred on the role and responsibilities of transport managers.

By responding to this survey, transport managers have helped contribute to FTA's unparalleled understanding of the concerns and challenges of those who fulfil a role that is so vital to the safety and compliance of logistics. This means we can make certain that we are developing the support and advice our members need, as well as enabling us to be as effective as possible in informing government and regulators of the impact of legislation.

In this year's survey, in addition to wide-ranging questions about the transport manager role and the people performing it that we always track, we have gained fascinating insights into what our members think about urban restrictions, approaches to brake testing and challenges for the coming year.

These are shared with you in this summary of the findings of our survey; I hope you find them a valuable source of information and insights. You can find out more by attending our Transport Manager events in the autumn and, throughout the year, FTA members have access to our wealth of policy, compliance and engineering expertise.

Sponsor’s message

Andy Mathias
Marketing Communications Manager
North Europe Region, Bridgestone

Bridgestone is proud to sponsor the FTA’s Transport Manager Survey for a second successive year, the results of which provide an invaluable insight into many of the burning issues facing the commercial motor industry.

The survey – and the broad range of topics it touches upon – shares so much in common with our own business, including road safety and reducing downtime for fleets which we know is of critical importance.

In this specific area, we share many similarities, as we are constantly developing new products to make our fleet customers’ lives easier – and safer.

Our FleetPulse solution is one of Bridgestone’s most safety-conscious technological developments in decades, improving transparency into vehicle health to significantly reduce the likelihood of unexpected, costly and potentially dangerous breakdowns.

With the safety of tyre-technicians one of the biggest challenges faced by businesses today, FleetPulse keeps businesses one step ahead of any mechanical-related breakdown, thus increasing time on the roads while ensuring high safety standards. It also helps fleets to simplify their operations and reduce maintenance costs – two other key challenges.

Other examples can be seen across the business from our Tyre Pressure Monitoring Systems (TPMS) right through to our holistic Total Tyre Care package for fleet operators.

As a business which provides so many ground-breaking solutions to the same audience, Bridgestone thoroughly endorses the work carried out by FTA and the value of its Transport Manager Survey as a whole.

The Trailer Company.

Sponsor’s message

Alan Hunt
Managing Director, Schmitz Cargobull UK

Schmitz Cargobull UK is delighted to sponsor the FTA’s Transport Manager Survey, which provides critical analysis of the challenges and opportunities facing operators across the country.

FTA’s work is essential in ensuring transport providers get the complete picture of the industry. At a time when supply chains are facing increased complexity and uncertainty, we are great believers that the operators who are the best informed – be it on legislation, wider trends or the fine detail of their fleet operations – are those who will be the success stories of the future.

At Schmitz Cargobull we help provide that information, by equipping transport providers with the tools and technology to get the most detailed insight into their fleet – meaning it’s easier than ever before to identify ways to reduce operating costs, reduce emissions and maximise uptime.

Technology has transformed every element of the supply chain – although, all too often, it is easy to forget the trailer has the potential to be so much more than a ‘box on wheels’. With developments such as retrofittable trailer telematics, lower-emission intelligent fridge units and pan-European asset maintenance networks, Schmitz Cargobull is helping operators to more effectively manage their trailers. New technology can provide the crucial information needed by every transport manager to run a smarter, safer, more sustainable and cost-effective fleet that’s ready for the future.

Introduction

FTA's annual Transport Manager Survey has increased in popularity and participation since it was launched seven years ago as part of our annual Transport Manager events. The survey and report rely on the continued commitment of FTA's transport manager members who want to highlight the issues affecting the road transport industry. Their contribution is key to improving standards, highlighting issues and concerns for the industry, and identifying solutions to challenges such as workforce recruitment and operational management. This year, like last, the response rate was 448.

The survey was conducted in June and July 2019, and the high number of participants provides the most comprehensive overview of transport managers' assessment of the state of the industry and the role they play in UK logistics. This survey covers a variety of issues affecting transport managers, from age, salary, operation type, and core responsibilities to driver recruitment, alternative sources of fuel, Low Emission Zone regulation, brake-testing, IR35 tax legislation, tyres and trailers.

Profile of transport managers: roles and responsibilities

Ageing profile responsible for increase in transport managers leaving the logistics industry

This year, there were 448 responses to the survey. Of those who responded, 352 were operator-licence–nominated transport managers and a further 62 respondents fulfilled the day-to-day role of transport manager. Respondents who were operator-licence–nominated or performing the daily duties of a transport manager (a total of 414 individuals) form the basis of the findings in this report.

The majority of transport managers (69.6%) held one or more standard operator licences, 20.2% held at least one international licence and 16.6% held a restricted licence.

Shortages across the higher-skilled logistics job roles, such as HGV drivers, transport managers and mechanics, have been apparent this year, with an ageing workforce and problems recruiting and retaining younger staff contributing to the situation.

Just over 80% of transport managers who responded were over the age of 45; the highest proportion reported since the survey began. There was also a noticeable drop in the number of transport managers under the age of 35, which almost halved to 7.1% this year from 11.8% in 2018 (figure 1).

The proportion of respondents who were leaving the industry in the next five years increased to 36.4% from 31.0% last year. There was also a significant drop in the number of 65 to 74-year-olds planning to leave the industry in the next five years; the proportion fell from 100% in 2017, to 88.9% in 2018, and significantly to 69.2 % in 2019 (figure 2). This tailing off may be due to transport managers who retired because of Transport Manager Certificate of Professional Competence (CPC) and have now all left the industry. Another possible reason is that transport managers may be incentivised to work longer to mitigate staff shortages, with some evidence for this seen in the proportion of transport managers reporting higher incomes this year compared to 2018 (see figure 4). The proportion of other age groups intending to leave the industry in the next five years remained broadly unchanged. The percentage of 25 to 34-year-olds planning to leave was just slightly higher than last year at 16.7% the year before. The results highlight the difficulty in attracting and retaining younger transport managers to counteract attrition due to retirement.

The average length of time transport managers reported being in their current role was 6.5 years; at the same time, the average length of time spent as a transport manager in their career was 11.2 years. Again, this reflects the age profile of transport managers.

Figure 1 Age profile for transport managers

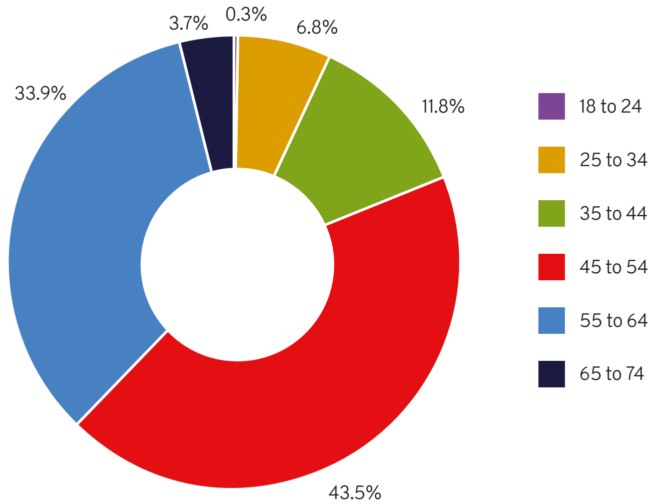
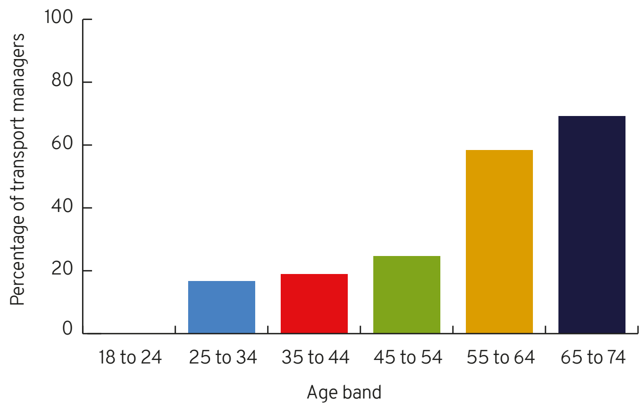


Figure 2 Percentage of each age category of transport managers who are leaving the industry in the next five years



Roles and responsibilities

The average number of operator licences per transport manager was two. Transport managers were responsible for just under 60,000 staff and the operation of 26,138 HGVs and 31,159 vans under 3.5 tonnes (table 1). HGV driver-to-vehicle ratios were the same for the past three years, at around 1.1 drivers per HGV. The driver ratio for vans was significantly higher this year, at 0.69 drivers per van compared to 0.34 in 2018. This may be due to the improvements in filling van driver vacancies (see figure 7).

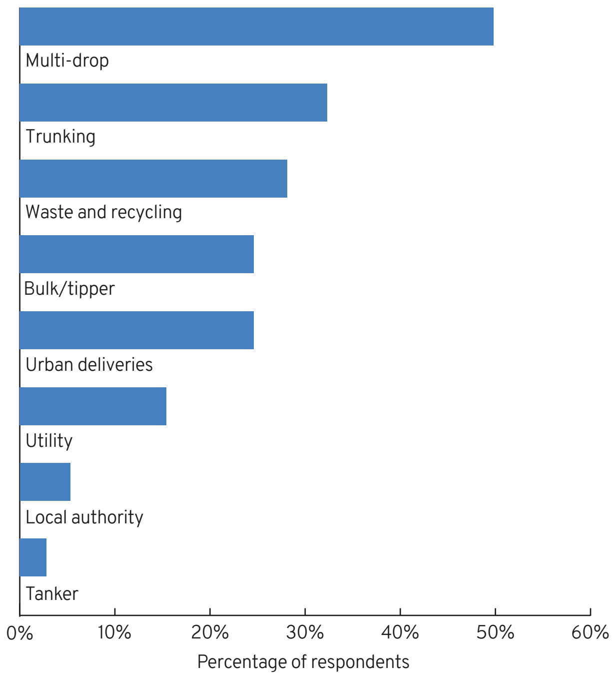
Table 1 Transport managers' roles and responsibilities

	Vehicles responsible for		Staff responsible for		
	HGVs over 3.5t	Vans under 3.5t	HGV drivers	Van drivers	Other
Max	1,864	3,500	2,000	5,000	2,000
Average	73	100	85	72	30
Median	27	12	29	5	6
Total	**26,138**	**31,159**	**29,342**	**21,395**	**8,960**

Operation type

Multi-drop was still the most common type of operation managed by survey respondents, followed by trunking, waste recycling and urban deliveries (figure 3).

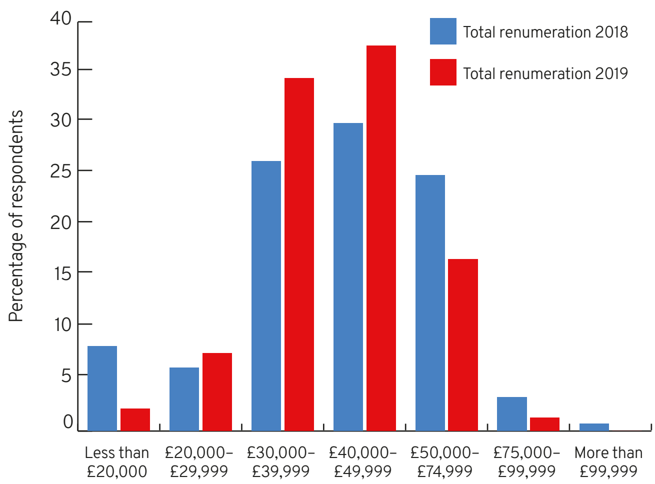
Figure 3 Type of operation managed



Remuneration and budgetary responsibilities

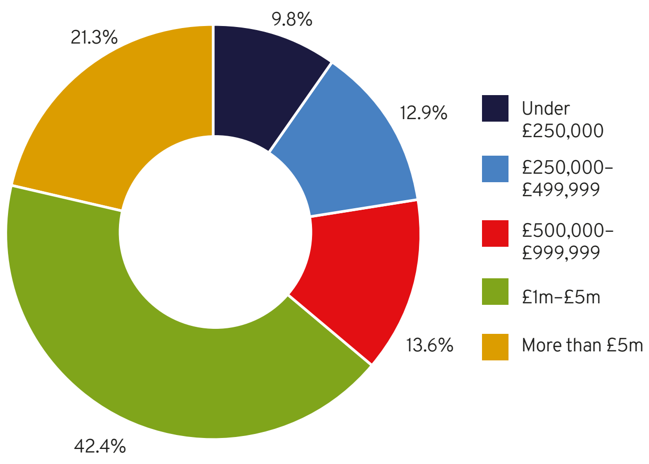
The proportion of transport managers earning less than £20,000 in total compensation fell from 8.3% to 2.2% (figure 4). However, there were large increases of around eight percentage points in mid-range pay bands, likely due to efforts to incentivise and retain staff.

Figure 4 Total remuneration for transport managers (by salary bands), 2018 and 2019



Transport managers were responsible for larger budgets again this year. The proportion responsible for budgets under £500,000 fell from 25.2% to 22.7% (figure 5) at the same time as those responsible for budgets over £500,000 increased from 74.7% to 77.3% compared to 2018.

Figure 5 Transport manager budget size

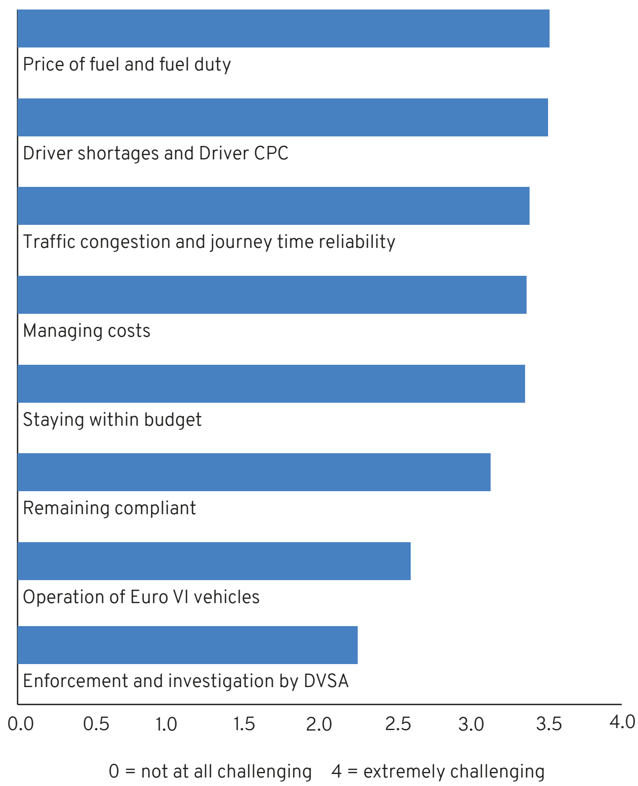


Challenges and opportunities

General role challenges

Respondents were asked to rate a set of issues according to how challenging they perceived them to be, on a scale from 'not at all challenging' to 'extremely challenging'. The price of fuel and driver shortages remain in the top two spots as in 2018, but traffic congestion and journey time reliability moved from fourth place to third (figure 6).

Figure 6 Job role challenges



Staff recruitment and retention: HGV drivers and mechanics are the hardest roles to fill

Staff recruitment, for HGV drivers and mechanics in particular, remains an ongoing problem for transport managers. However, the difficulty in recruitment for other job roles has eased. 64.2% of respondents reported they were either unable to fill vacancies for mechanics or had experienced long delays in doing so. The percentage of those who reported no issues in recruiting mechanics was around the same as last year, at 17.9%. In respect of HGV drivers, the percentage of respondents reporting that they were either unable to fill vacancies or had experienced long delays fell from 52.8% in 2018, to 44.8% in 2019. For other vocations, there was a significant decrease in problems hiring van drivers and warehouse staff. Last year, around one-fifth of respondents stated they had been unable to fill warehouse or van driver positions, but this fell back to 3.5% and 1.6% respectively this year (figure 7). It appears more skilled roles are more difficult to fill than jobs that do not necessarily require specialist qualifications. Table 2 outlines the number of vacancies among respondents.

Figure 7 Proportion of respondents unable to fill job vacancies – 2018 vs 2019

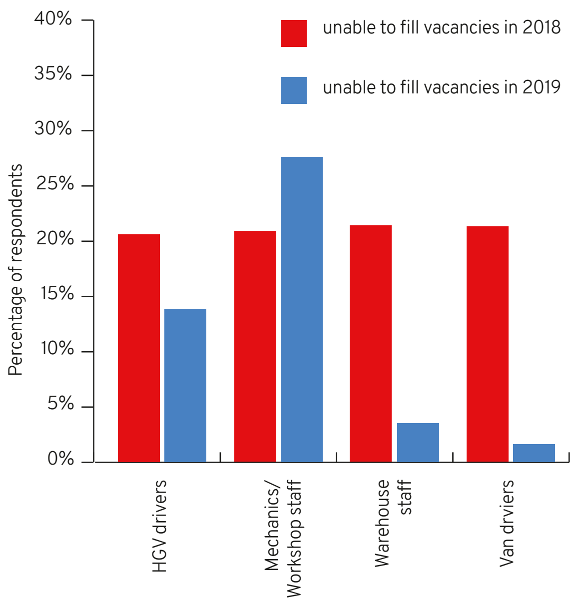


Table 2 Number of staff vacancies

	HGV drivers	Van drivers	Other staff
Average	4	2	2
Total	1,261	570	661

Pay increases for drivers

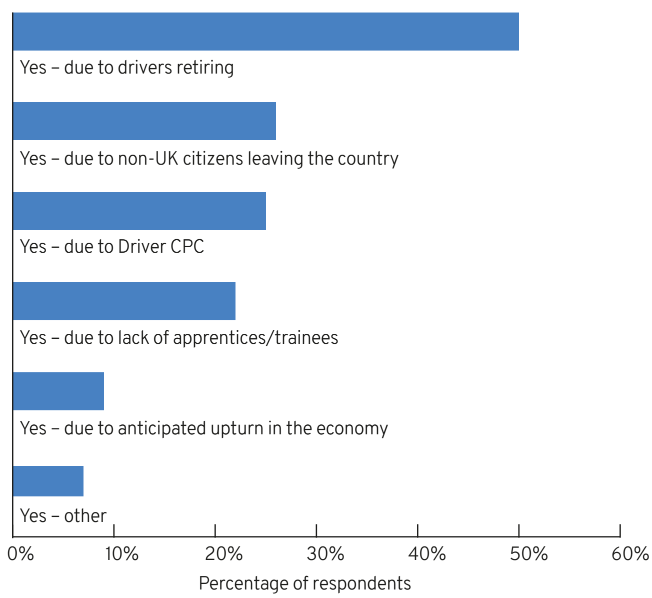
The proportion of transport managers incentivising the recruitment and retention of HGV drivers through pay increases is up across all employment types, with the exception of newly employed drivers which is down to 25.6% from 29.5% in 2018 (table 3). Of particular note is the share of transport managers increasing pay to existing drivers, which is up by nearly 10 percentage points compared to 2018.

The majority of transport managers continue to expect a shortage of qualified HGV drivers in the near future; however, 28.9% did not forecast this to be the case. Once again this year, driver retirement was cited as the most significant contributing factor to shortages, followed by non-UK citizens leaving the country (figure 8). These findings are in line with the general ageing profile of drivers and the change in UK migration patterns. Of those who provided an 'other' reason, the dominant issue was a 'lack of qualified drivers' with few mentioning 'low pay and poor conditions', as in previous years.

Table 3 Pay increases for drivers

Driver pay/use	2018	2019
Increased pay to your existing HGV drivers	70.8%	80.2%
Increased pay to newly employed HGV drivers	29.5%	25.6%
Increased rates paid to agency drivers	21.9%	23.3%
Used more agency drivers	38.9%	41.9%

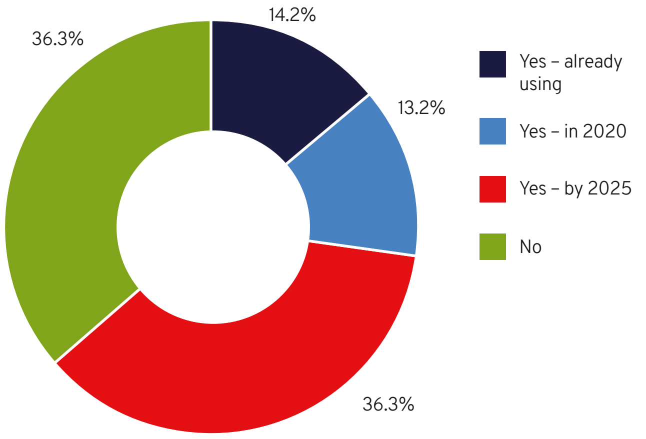
Figure 8 Reasons for an anticipated shortage of HGV drivers in the coming months



Alternative sources of fuel

This year, transport managers were asked if they were considering using alternative sources of fuel or power for their van and HGV fleets. Currently, 14.2% of respondents indicated they use alternative sources of fuel, with 49.5% stating they would be using alternative sources by 2025, leaving just 36.3% who are not considering using alternative fuel or power sources (figure 9).

Figure 9 Are you considering using alternative fuel/power sources for your van and/or HGV fleet?



Respondents were asked to specify which alternative sources of fuel they intend to use for their van and HGV fleet. For vans, the most popular source was electricity, for use by battery electric vehicles (BEVs) chosen by 41.7% of transport managers, followed by plug-in hybrid electric vehicles (PHEVs) indicated by 35.9% (figure 10). BEVs and PHEVs were also the top two choices for HGV fleets – just over one-fifth favoured these. In a close third place, was natural gas, in the forms of compressed natural gas (CNG) and liquefied natural gas (LNG) and its biogenic-equivalent biomethane (figure 11).

Figure 10 Which alternative sources of fuel do you intend to use for your van fleet?

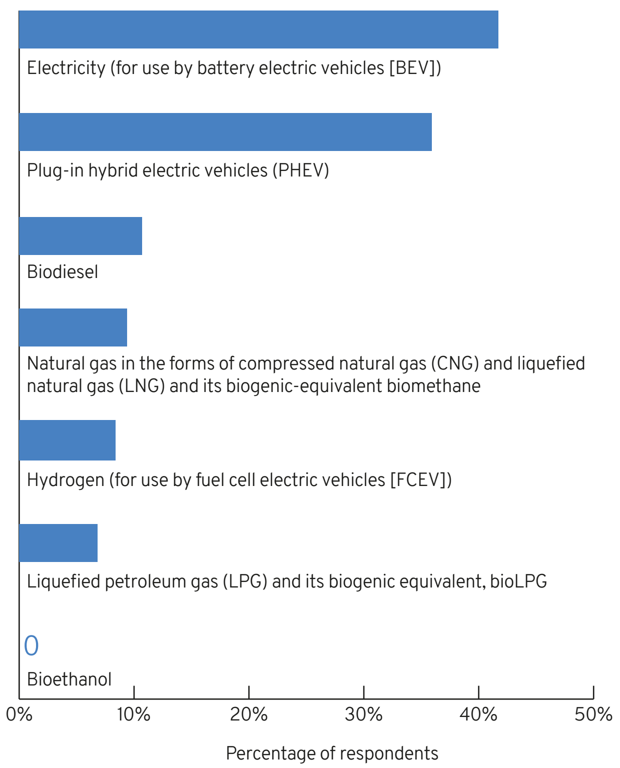
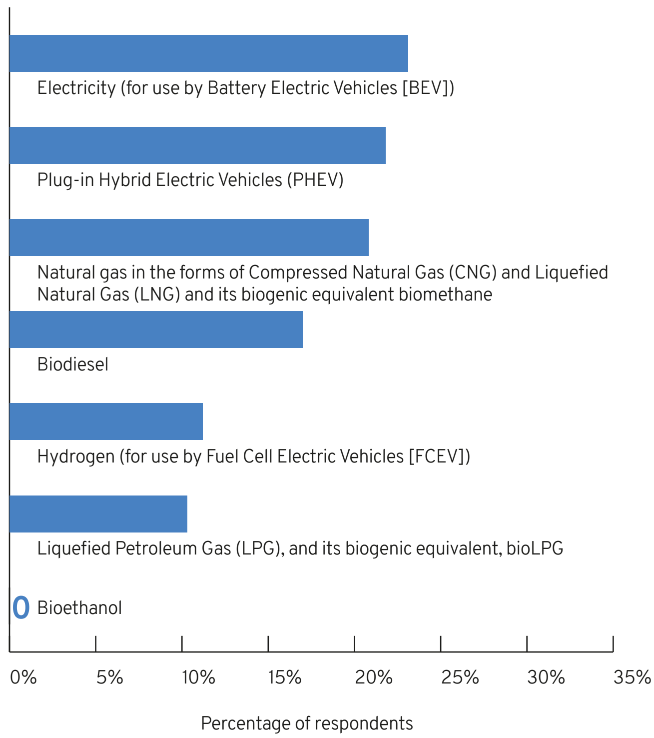


Figure 11 Which alternative sources of fuel do you intend to use for your HGV fleet?



Diesel–emissions-reducing measures were also surveyed. The majority had telematics and driver analytic systems in place (85.3%) (figure 12). A large proportion used fuel efficient driving training for drivers (78.0%), tyre management processes (76.2%) and route optimisation (70.6%). In terms of return on investment, fuel efficient driving training was considered the best value and fitment of aerodynamics the least value (figure 13). However, although fuel efficient driving was best value, it was also deemed to be somewhat limited in terms of fuel efficiency improvements, with route optimisation being the least limiting (figure 14). Other efficiency measures included the fitment of night heaters to remove the need for idling and lowering cruising speed to 52 mph.

Figure 13 Emission-reducing measures ranked in terms of return on investment

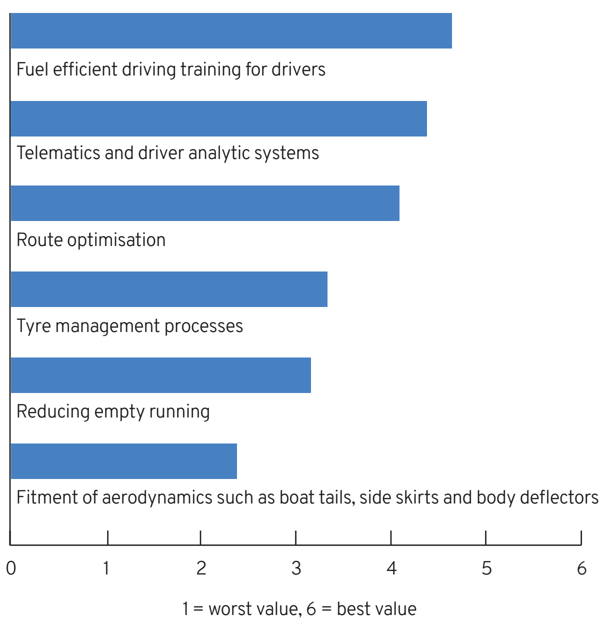


Figure 12 **Which from the below emission-reducing measures do you currently have in place?**

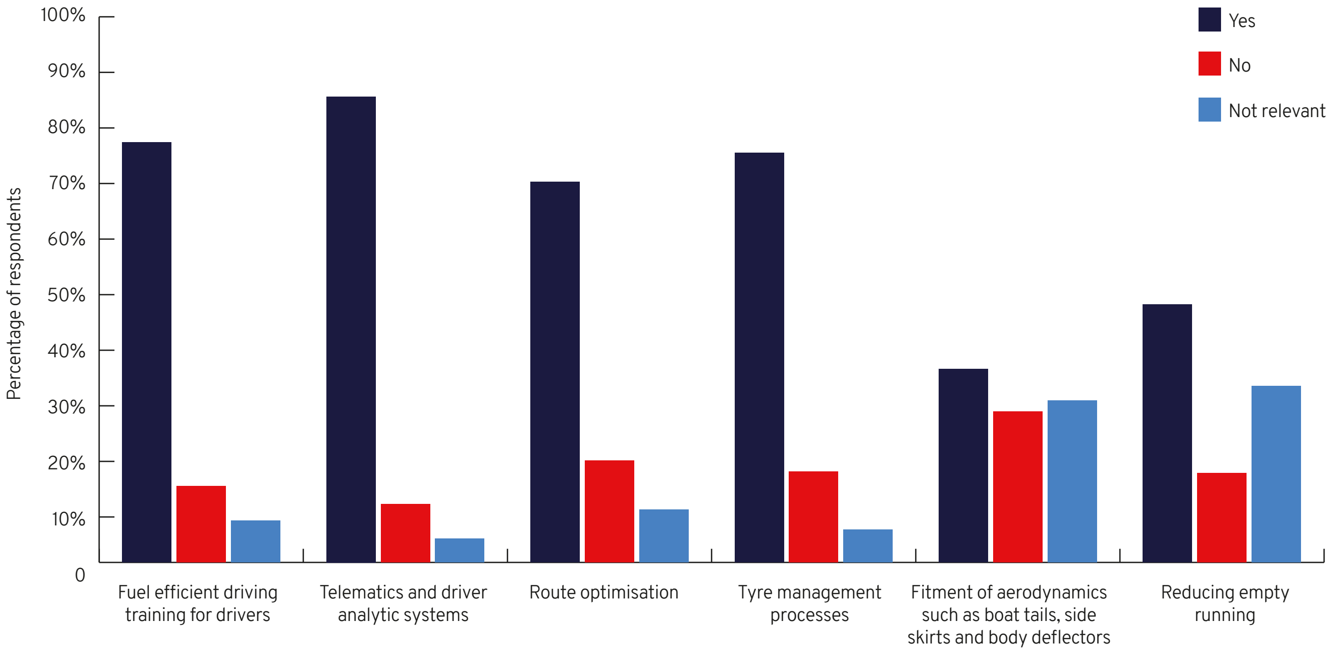
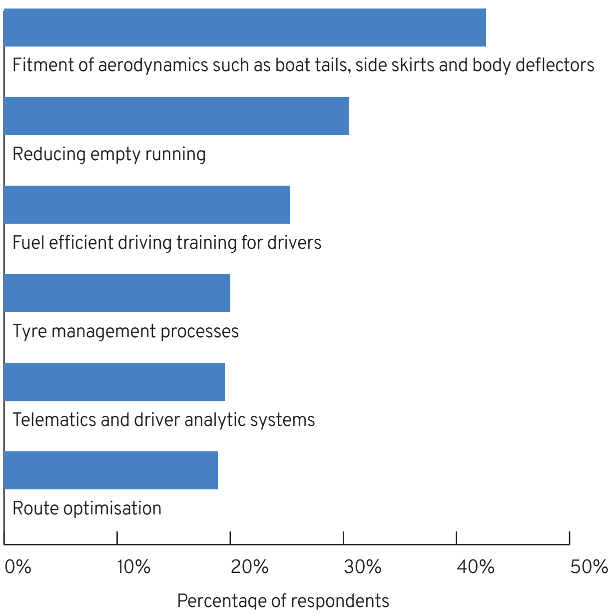


Figure 14 **Measures that had limited or no improvement in fuel efficiency**



Low Emission Zone regulation

The impact on fleet operations of new urban charges and restrictions for pre-Euro 6/VI vans and HGVs, known as Ultra Low Emissions Zones (ULEZs), Clean Air Zones (CAZs) or Low Emissions Zones (LEZs), was explored. The central London version of this has now started, Leeds' and Birmingham's zones will start at the beginning of 2020, and others across England and Scotland will come into force by 2023. All these zones will remain free to Euro 6/VI vehicles, but non-compliant vehicles have to pay a fee – up to £100 a day for HGVs and £12.50 for vans (except in Scotland where the restriction would be a ban).

Participants in the survey were asked how they would respond to the regulation, and 66.5% indicated they would use their current Euro VI/6 fleet to serve the zones, with 48.0% stating they would upgrade vehicles early (ie, buy/lease Euro VI/6). Only 5.3% said they would retrofit existing vehicles to Euro VI/6 standard diesel (figure 15). Transport managers were also asked how they would deal with the extra costs of new urban charges and restrictions in the absence of support. Nearly 30% answered that they expect to absorb the cost, while around one quarter of those surveyed would pass it on to customers and a similar proportion did not know (figure 16).

Figure 15 **Response to the LEZ regulation**

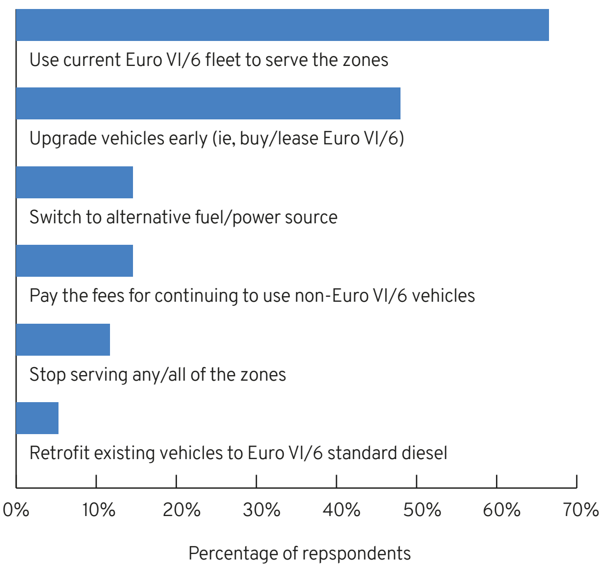


Figure 16 In the absence of support, how will you deal with the extra costs?

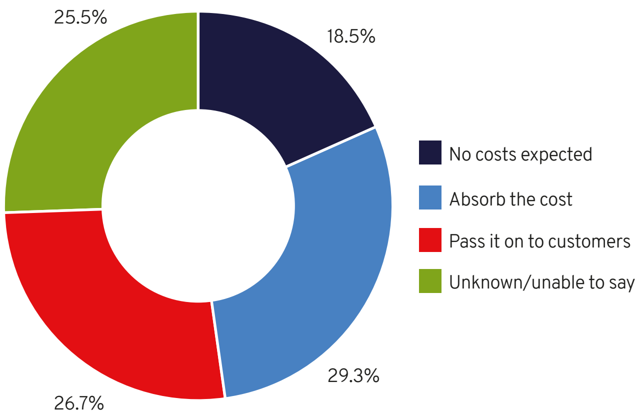
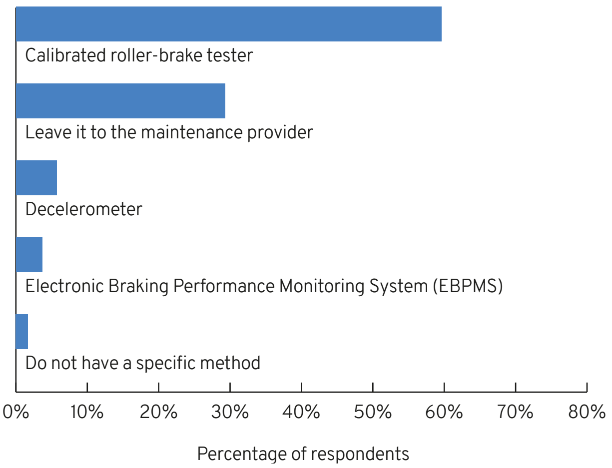


Figure 18 What method does your company use for brake performance testing of vehicles and trailers?



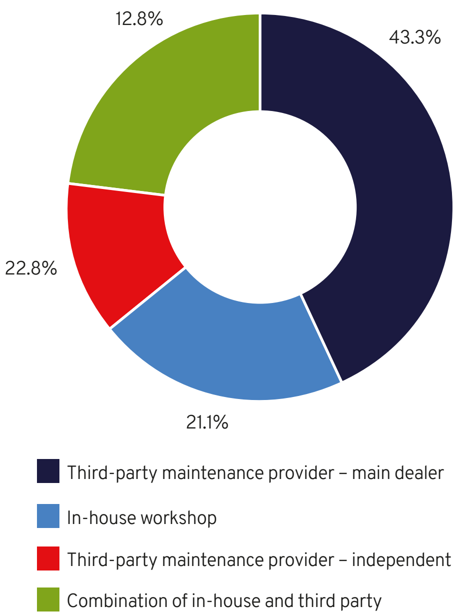
Demystifying brake testing

A series of questions on brake testing were posed to assess methods, routines and procedures among respondents.

In respect of maintenance facilities, third-party maintenance provided by a main dealer was used by the majority (43.3%), with in-house and independent third-party providers employed by 21.1% and 22.8% respectively (figure 17).

The most popular method used for brake performance testing was the calibrated roller-brake tester, chosen by 59.6% of transport managers. A small minority adopted either an Electronic Braking Performance Monitoring System (EBPMS) (3.7%) or a decelerometer (5.7%) (figure 18).

Figure 17 What maintenance facilities does your company use?



Frequency of brake performance tests for vehicles and trailers was examined, and just over three-quarters of those surveyed had these tested at every safety inspection (figure 19). Furthermore, nearly a quarter of respondents stated that all their brake tests were conducted with the vehicle or trailer fully loaded, and a similar proportion indicated this was the case for between 50% and 99% of tests (figure 20). Transport managers pointed out that refuse collection vehicles (RCVs) are unladen at test, due to the nature of the load, and these responses were included and treated as 'exempt'. Around 80% of the transport managers stated they are able to interpret any information from a brake performance printout/report, which they check after each test (49.0%) or just to look for pass or fail (30.4%), with around one-fifth leaving it to the maintenance provider (figure 21). Other responses included review at regular meetings, asking advice, and checking random samples.

Figure 19 How often do your vehicles and trailers have a brake performance test?

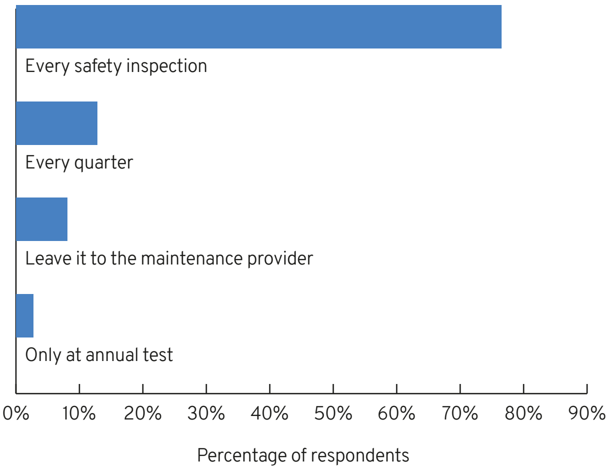


Figure 20 **What proportion of your brake tests are undertaken with the vehicle/trailer loaded?**

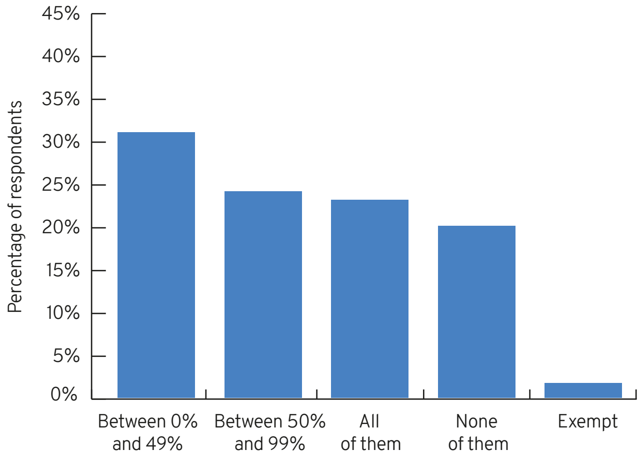
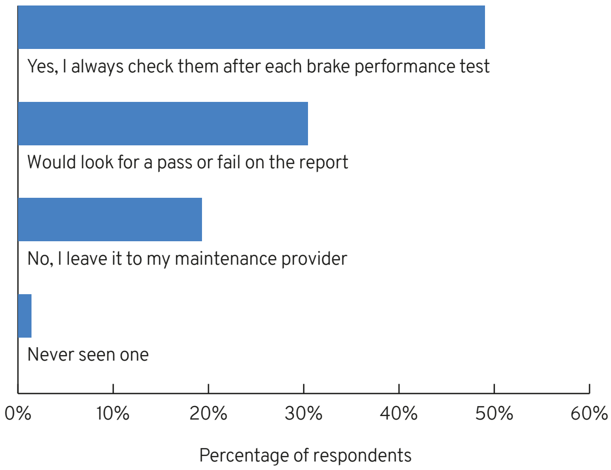


Figure 21 **Would you be able to interpret any information from a brake performance printout/report?**

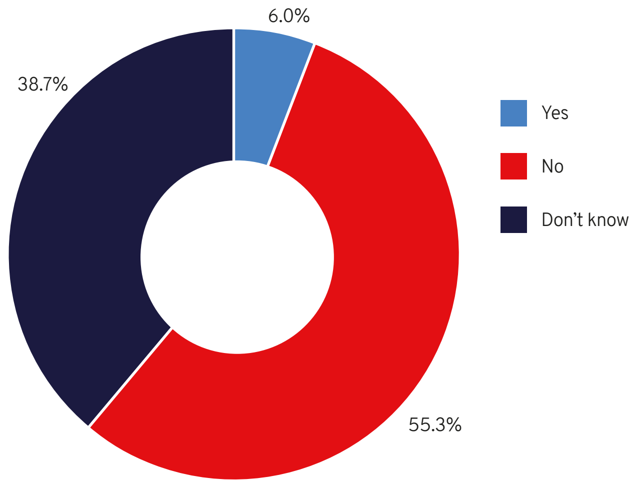


IR35: are you ready?

IR35 is tax legislation designed to combat tax avoidance by independent workers supplying their services to clients, usually via a personal service company (PSC) or limited company, but who would be an employee if the PSC was not used. IR35 changes for private sector companies will be introduced after 6 April 2020, and the key change is a shift in the responsibility for determining employment status from contractors (PSC) to hirers (ie, clients).

Transport managers were asked if their company made use of independent workers or PSCs directly in its logistics operations; over half did not, while only 6.0% did, leaving a large proportion (38.7%) that did not know (figure 22). These findings point to a lack of preparedness for the new IR35 legislation.

Figure 22 **Does your company make use of independent workers or PSCs directly in its logistics operations?**



Responses from transport managers whose company uses independent workers or personal service companies

The 6.0% of transport managers who stated that their organisation makes use of independent workers or PSCs directly were questioned on aspects of their employment. However, with such a small sub-sample answering questions, the findings should be treated with caution.

An average of 17% of logistics workers were classed as independent workers or PSCs; the median was 5% and the maximum was 60%.

The majority (70. 6%) were moderately to totally prepared for the IR35 reforms (figure 23) and two-thirds had already discussed IR35 status with independent workers or PSCs, while 16.7% had not but expected to have the discussion in the next few months; the remaining 16.7% did not know.

Two-thirds of respondents stated that their organisation was equipped with the expertise to assess the status of independent workers or PSCs (figure 24), with 26.7% indicating they had used HM Revenue and Customs' (HMRC's) Check Employment Status for Tax (CEST) questionnaire to check IR35 status (figure 25).

Figure 23 **How prepared is your organisation for the IR35 2020 reforms?**

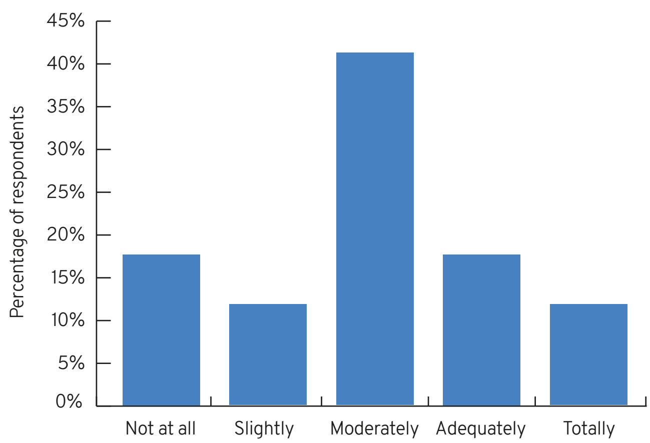


Figure 24 Is your organisation equipped with the expertise needed to assess status of independent workers or PSCs on a case-by-case basis?

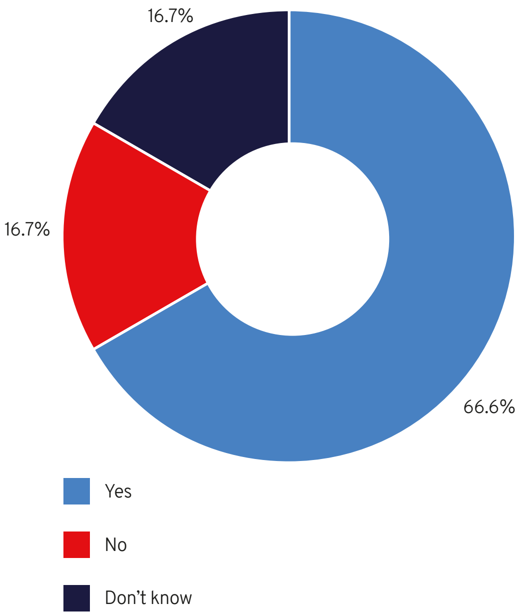
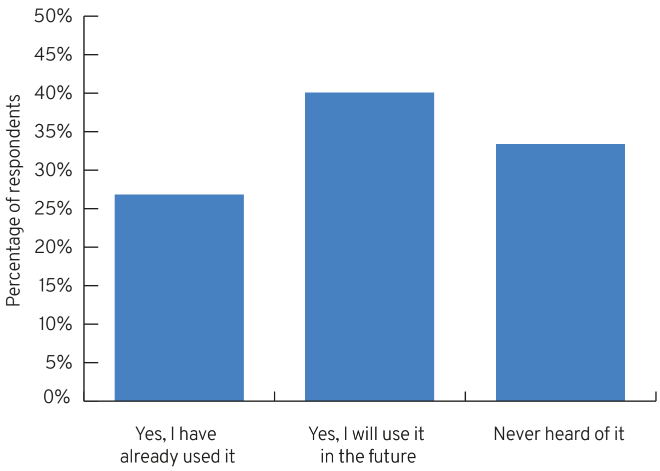


Figure 25 Do you intend to use HMRC's CEST questionnaire to check the IR35 status of independent workers or PSCs?



Tyres

Survey respondents were asked what the most important aspect to consider when choosing a new tyre brand was. Durability/longevity was declared as the most critical element by 62.5% (figure 26). Transport managers were asked how likely they were to adopt tyre pressure monitoring. Over 40% of respondents stated they already monitored tyre pressure, while a slightly smaller proportion said they were considering doing so, and just over one-fifth had no plans (figure 27).

Figure 26 Most important aspect in choosing a new tyre brand

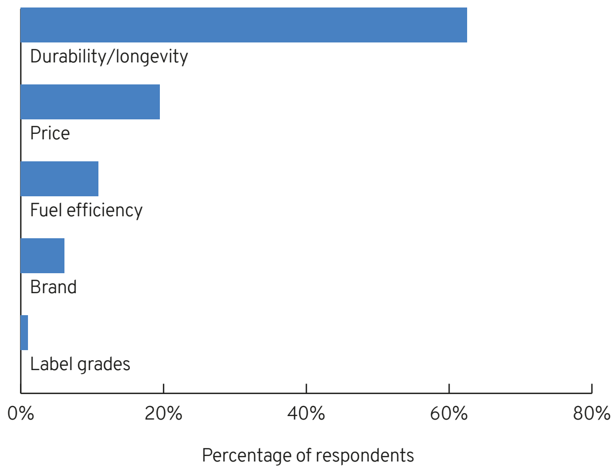
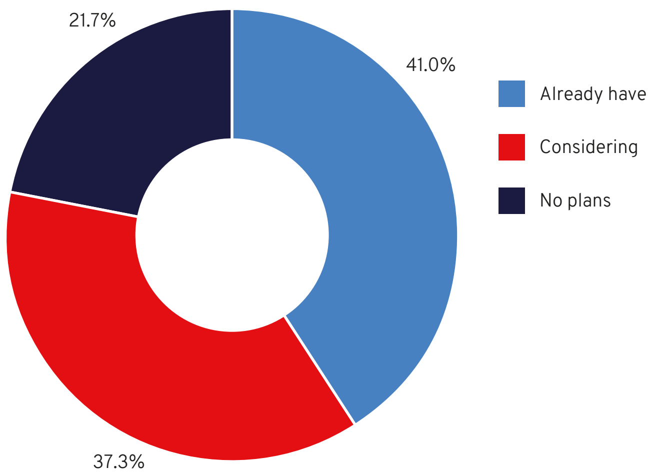


Figure 27 Adoption of tyre pressure monitoring



The vast majority (86.4%) use telematics to some degree, to measure fuel efficiency (figure 28) and two-thirds saved up to 3% with a fuel-efficient tyre, while 18.5% stated they saved>/= 5% (figure 29).

Figure 28 To what extent do you use telematics to help measure your fuel efficiency?

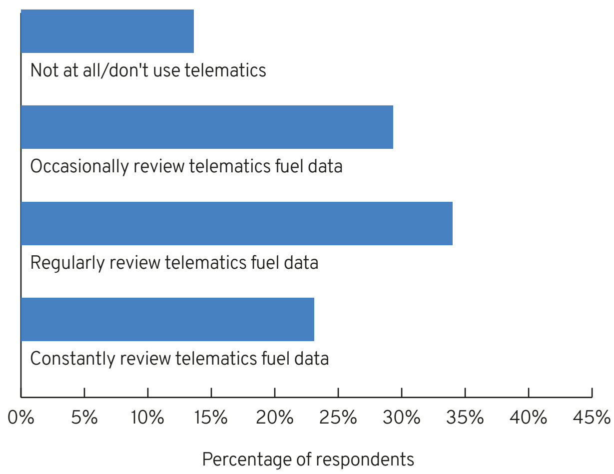
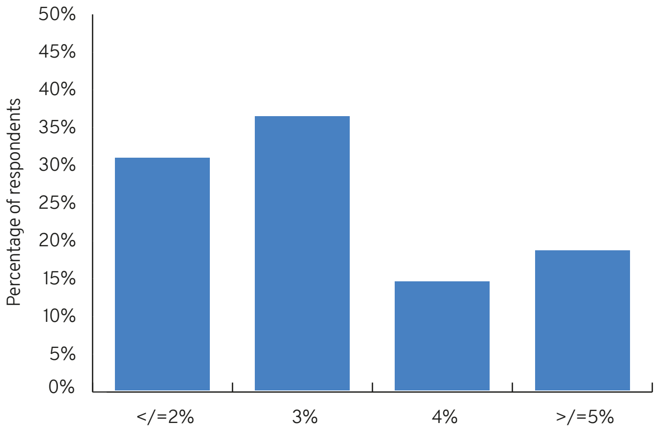
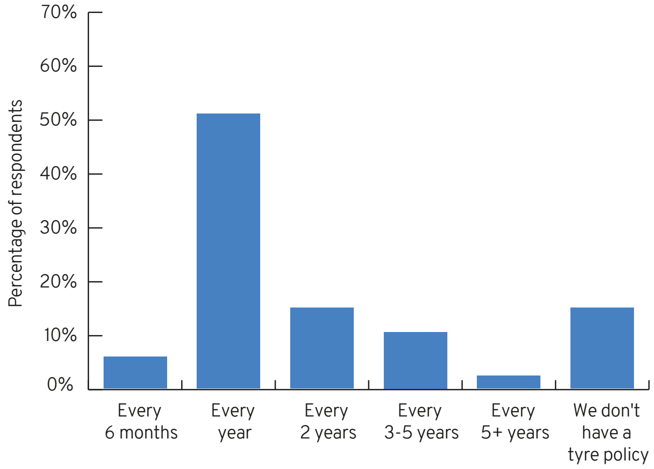


Figure 29 **What percentage saving do you think can be achieved with a fuel efficient tyre?**



Survey participants were also asked how often they currently review their operation's tyre policy. The majority (51.0%) reviewed tyre policy on an annual basis (figure 30), while 15.0% of respondents stated they did not operate a tyre policy, and additional responses under an 'other' option included 'as required' and 'continuously'.

Figure 30 **Frequency of review of tyre policy**



Trailers

Transport managers were asked what the most important aspect to consider when purchasing a new trailer is. The top consideration was lifetime operating costs (28.8%) followed by build quality (22.9%) (figure 31). Respondents found it relatively easy to access qualified maintenance support when operating overseas (figure 32). Only 18.8% of those surveyed were using trailer telematics and, of those, 53.8% were using one monitoring system, 45.1% were using between two and five systems, while only 1.1% were using more than five.

Figure 31 **Most important aspect in purchasing a new trailer**

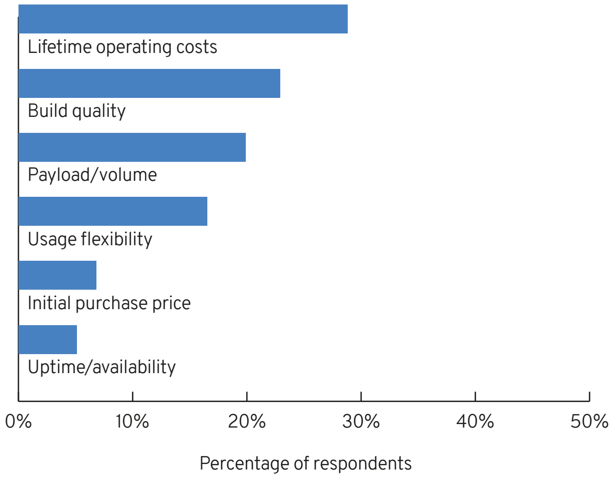
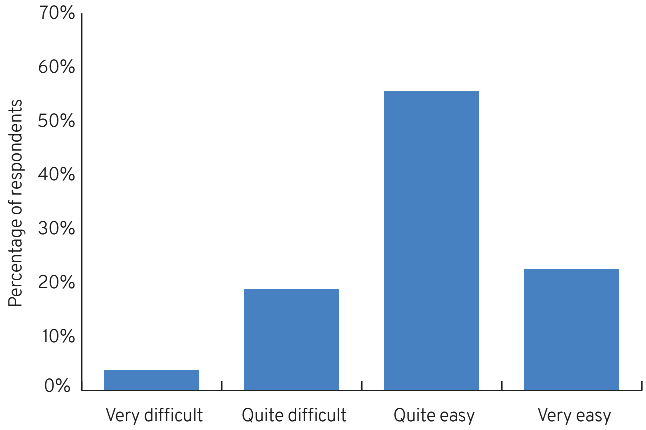
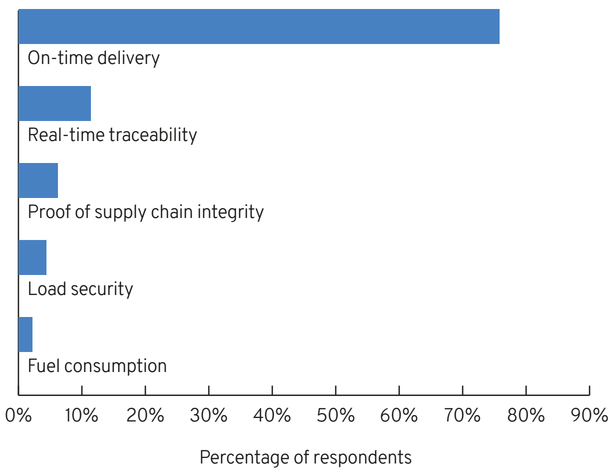


Figure 32 **How easy is it for your fleet to access qualified maintenance support when operating away from your depots or overseas?**



Transport managers were asked to choose the most important element of their transport operation for their customers. Three-quarters of respondents considered on-time delivery to be the most crucial aspect for customers (figure 33).

Figure 33 **What is the most important element for your customers in your transport operations?**



Information sources

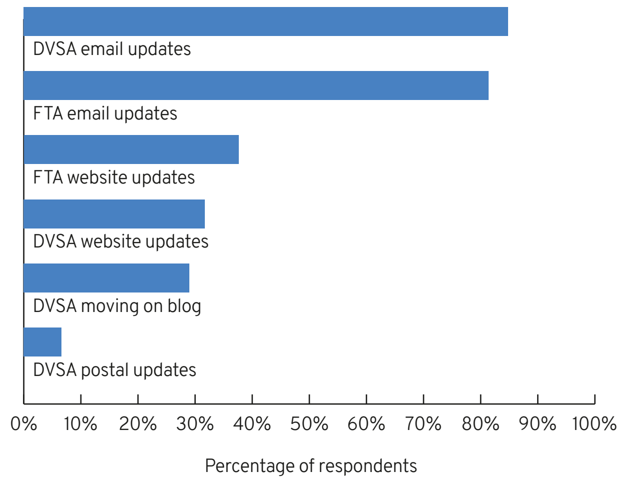
Transport managers were asked about where they find information to keep their professional knowledge up to date. The most popular information source highlighted was FTA Transport Manager events (figure 34). Other sources that were all similarly popular included, FTA *Freight & Logistics* magazine, FTA member briefings, Driver and Vehicle Standards Agency (DVSA) email alerts, FTA enews and training courses such as the CPC refresher.

The most popular 'other' sources were: the Chartered Institute of Logistics and Transport in the UK (CILT), the Fleet Operator Recognition Scheme (FORS), the Institute of Road Transport Engineers/Society of Operations Engineers (IRTOC/SOE), Traffic Commissioners and "word of mouth".

Figure 34 Information sources used by transport managers

Respondents to the 2019 Transport Manager Survey were asked how they would like to receive information and guidance from DVSA about keeping their vehicles safe to drive. The most frequent response was DVSA email updates, followed by FTA email updates (figure 35).

Figure 35 How do you like to receive information and guidance from DVSA about keeping your vehicles safe to drive?



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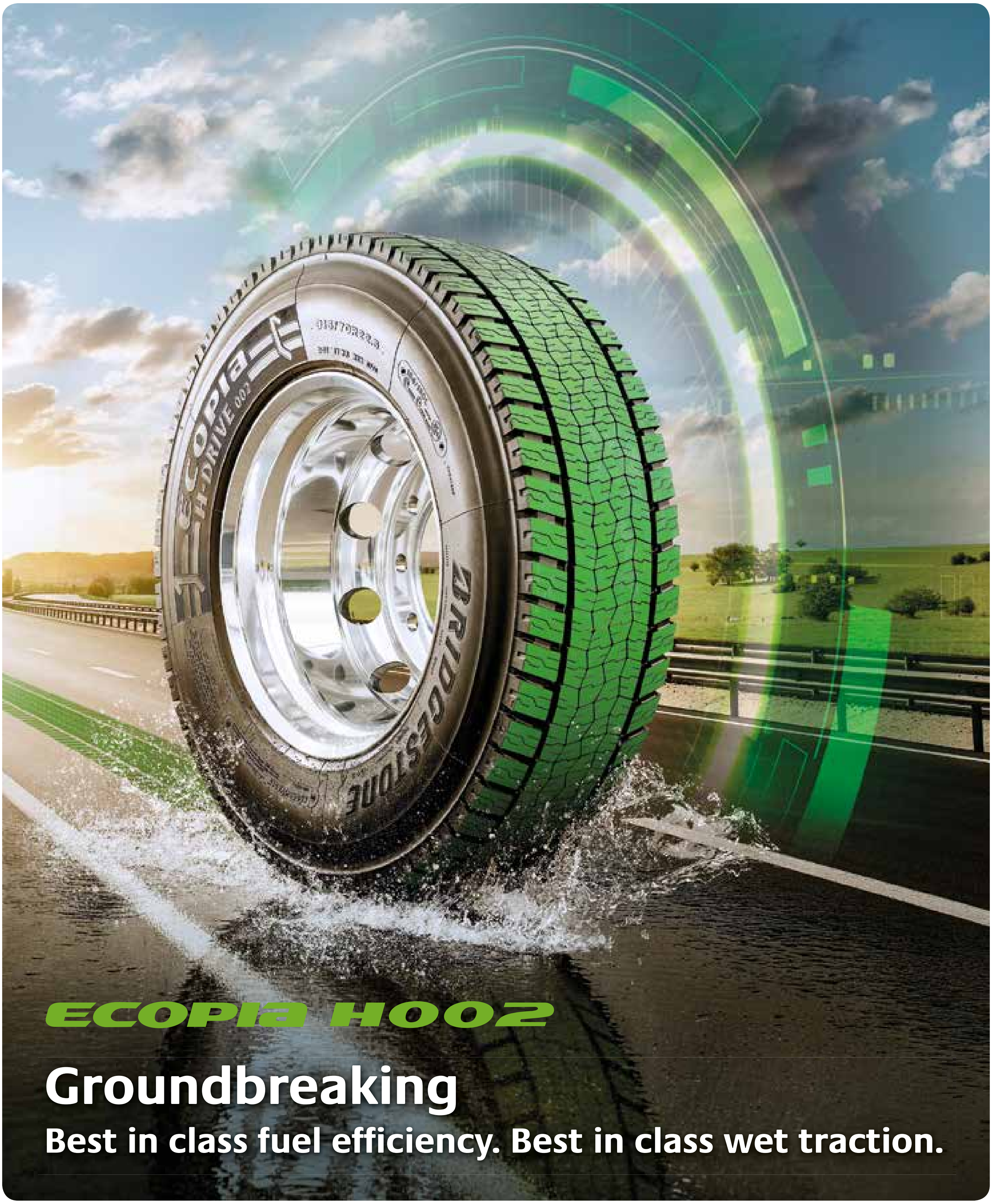

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