

# Logistics for Britain

Produced by FTA Policy

Logistics underpins every aspect of modern life. Delivering goods to our high streets, collecting waste from our homes, refuelling our petrol stations, supplying money to our banks or transporting vital medicines to our hospitals; logistics is indispensable to our lives – society needs over 30 million tonnes of goods delivered every week in order to function. For the most part, this is done seamlessly in the background without people appreciating what goes on.

If Britain has better logistics in the years ahead, we can secure:

- Economic growth.
- Lower cost of living.
- Enhanced international competitiveness.
- More and better employment.
- Reduced environmental impacts.
- Improved transport safety.

This document sets out the key measures government can take to deliver these objectives:

- Protect the seamless movement of goods post Brexit.
- Cut Fuel Duty.
- Invest in road and rail infrastructure.
- Provide sufficient driver facilities.
- Back Heathrow expansion.
- Change the Apprenticeship Levy to a Skills Levy.
- Support development and use of alternatively powered vehicles.
- Allow more efficient road freight.
- Continued access to workers post Brexit.
- Support mode shift to maritime and rail.



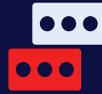


## Logistics in a day...

Every day, in order to keep the UK functioning, the logistics industry must deliver and collect around four million tonnes of goods, including:



**39.5 million**  
letters essential for business



**6.6 million**  
bricks essential for construction



**74,000 tonnes**  
of household waste essential for communities

### Protect the seamless movement of goods post Brexit

Government needs to make its intentions regarding Brexit as clear as possible and without delay. Leaving without a deal would generate significant costs and disruptions for logistics companies and should be avoided. It is equally important that enough time is given for industry to adapt to new rules and processes if the Withdrawal Agreement is ratified and a subsequent free trade agreement is concluded. It is vital the government protects frictionless trade and transport connectivity between the UK and the EU. Whilst the sector has invested time and resources in preparing for Brexit, there are still many unanswered questions and unresolved issues.

**FTA calls on the government to provide clarity by answering all pending questions and solving remaining issues identified by the FTA in its no-deal dashboard.**

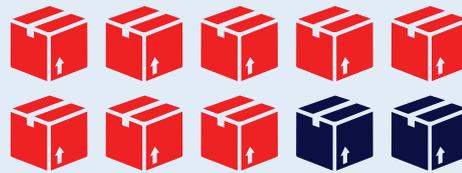
### Cut Fuel Duty



Industry currently pays around £7 billion annually in fuel duty and an increase of just 1ppl would add £470 a year to the cost of running a 44-tonne truck.

FTA urges government to cut Fuel Duty to boost UK economic activity. Research shows if Fuel Duty was cut by three pence per litre (ppl) the size of the economy in the following year would increase by 0.1% and create over 30,000 jobs. It would also be virtually revenue neutral for the government, as rises in other tax receipts would offset losses on Fuel Duty. There is no environmental purpose to increasing diesel duty on vans and lorries as they have no alternative, so **the government should take the opportunity to boost the economy by introducing a reduction in fuel duty by three pence per litre.**

### Invest in road and rail infrastructure



More than **80%** of goods go by road and as the economy grows, the demands placed on the road network will only increase.

Efficient and effective transport networks are crucial for the logistics industry to be able to support the needs of UK businesses. Links to, and capacity at, our ports, airports, road and rail hubs need investment to work well and ensure delays and disruption are minimised and journeys are reliable. Congestion on key road and rail routes threatens the optimisation and reliability of supply chains. It is important government continues to provide certainty on continued infrastructure investment projects such as High Speed 2 (HS2) so the logistics industry can plan.



HS2 frees up space for **144** extra freight trains per day – enough to transport over 2.5 million more lorries' worth of cargo on our railways each year.

**FTA calls on the government to reconfirm commitment to rail and road infrastructure improvements into the 2020s and to back HS2 and unlock the additional capacity needed for freight.**

### Provide sufficient driver facilities

Goods vehicles perform an essential role in delivering the products we all need, so it is vital not to lose sight of the importance of driver facilities, which are imperative for the safe use of the network. Drivers are required to take breaks by law and should have access to acceptable facilities, yet Department for Transport (DfT) figures have shown there are 1,400 too few HGV parking spaces

across the UK. The provision of adequate stopping places provides benefits for drivers, operators, the community and the economy.



*FTA asks government to consider the provision of suitable facilities for drivers in the planning of infrastructure on the road and at development sites.*

### Back Heathrow expansion



Air freight services are a key ingredient in the UK economy – more than half of UK exports (by value) beyond the EU are carried by air. Heathrow acts as a key transport hub for air freight, and increasing runway capacity at Heathrow is the most important development the government can secure for the UK’s air freight connectivity. However, the limited number of night flights that currently operate are vital for UK trade and must be maintained.

*The government must continue its support for expanding Heathrow but ensure high-value, early-morning arrivals and late-night departures continue to be available.*

### Change the Apprenticeship Levy to a Skills Levy



The logistics industry faces skills shortages in many areas, especially HGV drivers. Shortages of trained labour could add significant problems to the task of keeping Britain moving in the future. Not all skills needed fit within an apprenticeship, so more funding options should be available.

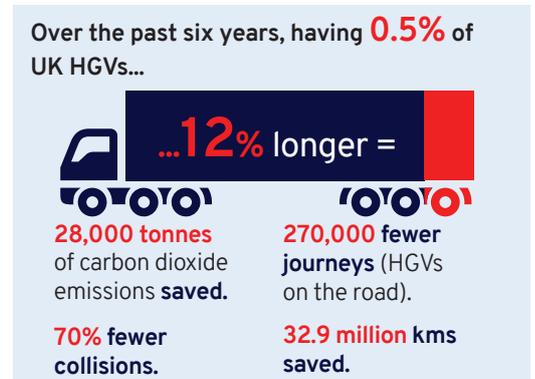
*FTA calls for the Apprenticeship Levy to become a Skills Levy, providing more flexibility to employers and employees.*

### Support development and use of alternatively powered vehicles

Road transport will continue to play the dominant role in the movements of goods in the UK: 82% of goods are moved by road. Even if alternative modes increase, road’s predominance will remain, and it is vital cleaner fuels are deployed if the UK is to meet zero emission targets. Industry needs help in getting diesel alternatives brought to market in a fashion that can replicate the role this fuel currently plays – at the present time, alternatives are not operationally viable on anything more than a niche basis.

*Government support is required to develop the market in alternatively fuelled vehicles to the point where economies of scale will make them fully competitive with diesel. Government should also consider regulatory incentives to create market conditions and encourage uptake.*

### Allow more efficient road freight



There are measures that can be taken now to reduce further road freight’s emission levels. A key one would be reducing the amount of road freight journeys by enabling modern, load-efficient vehicles to be used on the trunk road network – carrying more of the goods the UK requires in each single vehicle movement. The ‘Longer Semi-Trailer’ being trialled now is delivering this concept and *FTA calls on the government to make longer semi-trailers permanent.*

### Continued access to workers post Brexit

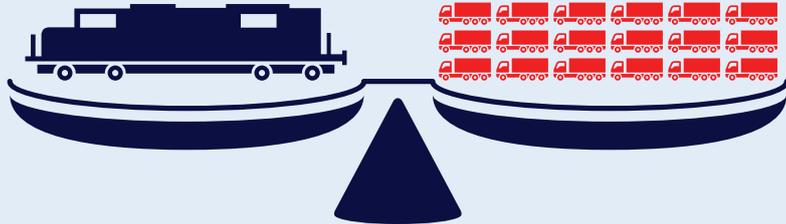
Logistics is currently reliant on European Economic Area (EEA) workers to fulfil many roles, and it is crucial that, whatever the outcome of Brexit, businesses can continue to access non-UK workers. FTA is concerned recommendations made to government for a salary threshold and minimum qualification requirement for future non-UK workers will have a detrimental impact on the sector’s talent pool. Many roles in logistics are highly skilled but would not qualify under the proposed recommendations, meaning businesses would not be able to recruit non-UK workers within the proposed future immigration system.

*FTA believes that the immigration salary and qualification standards for non-UK workers should be scrapped.*

## Support mode shift to maritime and rail

Each freight train can, on average, carry as much as

**48** lorries



The UK is a world leader in maritime services but risks falling behind in the coastal and inland shipping sectors, which offer sustainable logistics alternatives and can ease road congestion. These services, along with rail connections from ports, can require a degree of government intervention to become financially sustainable. It is also vital to unlock rail capacity using a transparent system for bids, ensuring that capacity already allocated for freight is not promised to passenger franchises. **Government must continue its support for mode-shift grants and broaden the scope to include coastal shipping, while also providing fair infrastructure access for rail freight.**

### About FTA

FTA is the voice of the sector with over 18,000 members, supporting, shaping and standing up for efficient logistics. We are one of the biggest business organisations and 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.

FTA campaigns on behalf of our 18,000 members who operate in road, rail, sea and air industries including buyers of freight services such as retailers and manufacturers whose businesses depend on the efficient movement of goods.

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**50%** FTA members operate more than 200,000 lorries – almost half the UK fleet



**70%** FTA members consign 70% of UK visible exports by sea



**90%** FTA members deliver over 90% of freight moved by rail



**70%** FTA members consign 70% of UK visible exports by air

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