

Logistics UK priorities for the government's first 100 days and first fiscal event

Logistics UK published its [manifesto](#) for the new government in January 2024. Now that government is formed, this short document sets out how it should take forward the logistics sector's priorities in its first 100 days and in its first fiscal event. This document should be read alongside our manifesto.

Why the logistics sector matters

The logistics sector underpins the economy, safely and efficiently delivering for households, businesses and public services, every day. It is critical, national infrastructure, comprising road, rail, maritime and air transport, together with warehousing, ports and other logistics hubs.

The logistics sector is crucial to delivering the UK government's missions, including kickstarting economic growth and getting the country building again. By putting logistics first, with the right partnerships, regulations and investment, government can deliver productivity gains that will supercharge the UK economy by [up to £8 billion per year by 2030](#), according to Oxford Economics.

To unleash the power of logistics to drive growth, Logistics UK seeks to work in partnership with the government to deliver:

- An industrial strategy that directly drives growth and strengthens the critical enablers of growth, including our road, rail, maritime, aviation, warehousing, energy & digital networks.
- Innovative and integrated infrastructure, to move goods in the most productive, strategic and green way. This will get the country building again and deliver a more resilient economy.
- A fair transition to becoming a clean energy superpower that rebuilds the UK's industrial strength, keeps the costs of decarbonisation down, and ensures resilient supply chains.
- Skills partnerships to support a thriving sector and break down barriers to opportunity.
- Trade growth, to support economic growth and resilience, backed by reduced friction with the EU.
- Safe and efficient road freight, underpinned by industry-informed and evidence-based standards and regulations.

To support a public-private partnership to kickstart growth we are calling for the new government to:

- Establish a cross-Whitehall Logistics Productivity Forum, led by a dedicated minister for logistics and supply chain, with cross-departmental responsibilities. This will manage the challenge that results from vital policy areas for logistics, such as industrial strategy, planning, energy, trade and skills, being spread across Whitehall, beyond the Department for Transport.
- Appoint Logistics UK to the new Industrial Strategy Council, and ensure there is a logistics voice in the missions for kickstarting economic growth, the Green Prosperity Plan and breaking down barriers to opportunity.
- Facilitate immediate dialogue with the logistics sector to:
 - Get the country building again – first looking at the identification of a National Logistics Network and planning reform, as part of the infrastructure strategy, transport strategy and preparations for a Spending Review.
 - Achieve a fair transition to becoming a clean energy superpower, with a co-created logistics roadmap to net zero and the phase-out of fossil fuels.
 - Break down barriers to opportunity, recruitment and retention.
 - Address the cumulative impact of recent and upcoming changes to trade, customs and border regimes.

To support innovative and integrated infrastructure to enable goods to be moved in the most productive, strategic and green way, we are calling for the government to:

- Commit and begin work to identify the National Logistics Network and the energy needs of that network, to optimise the use of existing transport corridor capacity as part of a transport strategy and to inform the 10-year infrastructure strategy.
- Commit and begin work to improve the A2/M2 corridor, M62/M60, A1, and A303 at Stonehenge; progress the Lower Thames Crossing by approving the DCO before 4 October; undertake planned improvements to Smart Motorways; sanction funds to progress the next stage of the Ely Junction rail upgrade; start the process to deliver 60 miles of infill rail electrification between ports and key mainline rail interchanges; identify and commit to plans for increased capacity on the West Coast Main Line; and support the Manston Airport project.
- Commit to the rail freight growth target and begin working with the logistics sector to develop the policy framework that will be required to deliver it, including ensuring that the Rail Reform Bill safeguards rail freight growth and maintains private sector confidence.
- Commit and begin work to reform local and national planning for infrastructure projects and logistics facilities, both public and private.
- Set out how transport and planning powers will be devolved to regional mayors and locally, ensuring the measures focus on growth and do not create a patchwork of rules that would inhibit logistics, which operates UK-wide.
- Permit additional night flight capacity at airports without curfews to support the UK's trade ambitions.

To support a fair transition to becoming a clean energy superpower, we are calling for the government to:

- Commit and begin work to develop a co-created logistics roadmap to net zero and phase-out of fossil fuels, based on the availability of technology, infrastructure investment, regulatory reform and tax incentives. This emission reduction plan should include zero tailpipe emission technology and supporting infrastructure, rail electrification, shore power at ports, as well as the role of low carbon and sustainable fuels across all transport modes.
- Publish a zero emission HGV infrastructure strategy, and ensure policy does not force the adoption of zero tailpipe emission HGVs before they are fully proven for all types of operation and the infrastructure to support them is in place.
- Publish a Low Carbon Fuels Strategy and develop measures to incentivise the adoption and production of low carbon and sustainable fuels across all transport modes, capitalising on their ability to reduce emissions from internal combustion and aircraft engines by up to 80%. This should include formalising a SAF mandate in legislation, implementing a government backed revenue certainty mechanism and reducing the cost differential between SAF and kerosene, with similar measures for low carbon fuels for road, rail and maritime.
- Publish an update to the 2019 Clean Maritime Plan.
- Commit and begin work to upgrade energy transmission to support the electrification of logistics and ensure the connection process is streamlined and accelerated.
- Commit and begin work to accelerate the rollout of vehicle charging infrastructure, and ensure public chargepoints are accessible, affordable and fit-for-purpose for commercial vehicles.
- Clarify the end of sale date for new internal combustion engine vans and ensure this deadline is matched by a substantial increase in public and depot charging, and incentives for businesses so they can afford the investment.
- Remove regulatory barriers to the uptake of electric vans, by delivering full alignment of 4.25 tonne electric vans with 3.5 tonne diesel vans, stopping them being caught in costly licensing, MOT and drivers' hours rules designed for HGVs, and removing the five-hour classroom training requirement, as recommended by the Office of Zero Emission Vehicles (OZEV).

- Commit and begin work to deliver 60 miles of infill rail electrification between ports and key mainline rail interchanges.
- Set out plans to invest £1.8 billion to upgrade ports to support Britain in becoming a clean energy superpower.

To support a thriving logistics sector and break down barriers to opportunity in all parts of the country, we are calling for the government to:

- Co-fund our sector's groundbreaking *Generation Logistics* campaign for its third year and beyond, to continue engaging the next generation and attracting new entrants to logistics.
- Begin work to reform the Apprenticeship Levy into a Growth and Skills Levy and identify eligible courses.
- Begin work to align skills provision with an industrial strategy and the work of the Migration Advisory Committee.
- Commit that Skills England will review funding for technical courses for logistics roles and skills, particularly heavy vehicle technicians, and review the syllabuses of vehicle technician apprenticeship courses to ensure they cover electric and other alternatively fuelled propulsion systems.
- Deliver match-funding for improvements to facilities for the welfare of logistics workers.
- Consult with businesses on plans for the New Deal for Working People, to ensure the reforms achieve the government's aims to improve employment rights, while retaining flexibility and avoiding pushing up costs across the economy.

To support trade as a driver of growth and resilience, we are calling for the government to:

- Urgently work to mitigate the cumulative impact of recent and upcoming changes to trade, customs and border regimes, underpinned by a commitment to co-create border policy with the logistics sector, and provide details and guidance to industry in a clear and consistent way and in sufficient time for businesses to adapt, to assist the smooth flow of routine trade.
- Urgently work with French counterparts and the European Commission to agree a plan for mitigating the border disruption that the EU Entry / Exit System is expected to cause, including securing an immediate extension to the autumn 2024 deadline to facilitate the delivery of an app or web-based system to enable registration to take place away from the border.
- Commit to the further digitalisation of trading processes and to ensuring a robust plan for the timely delivery of the Single Trade Window, including its interoperability with other trading platforms.
- Work with the EU to agree a transitional period for changes to parcel movements under the Windsor Framework, and set up a Transitional Support Team within government to support businesses and protect Northern Ireland consumers.
- Commit to work to remove legacy barriers to air freight at UK airports, including delivering a rescreening exemption for transiting air cargo that has been securely trucked, permit airside transshipments, and enable co-loading and co-unloading.
- Publish detailed objectives for resetting, evolving and expanding our trading relationship with the EU, including through the development of a comprehensive new Veterinary Agreement.

To support safe and efficient road freight, we are calling for the government to:

- Pass the Driver CPC reforms that are currently frozen, having been introduced as secondary legislation before Parliament was dissolved.

- Reform drivers' hours recording regulations, to remove the burdensome requirement for drivers to maintain records for the previous 28 calendar days. This was introduced in 2021 as part of an EU regulation, which the EU is in the process of removing.
- Reform the burdensome regulations on the use of longer semi-trailers, to support the more efficient movement of freight.
- Permit the recording of domestic drivers' hours to be carried out electronically such as via apps, rather than in a paper logbook, to improve data quality, analysis and efficiency.
- Commit and begin work to deliver a trial of longer, heavy vehicles, to inform reforms to HGV axle and gross vehicle weights and dimensions regulations, to support the efficient transition to zero tailpipe emission HGVs.
- Commit and begin work to introduce national standards for reporting and recording freight crime, to rebuild confidence in policing and the criminal justice system.
- Commit and begin work to permit Earned Recognition (ER) operators to carry out their own MOT testing on vehicles and trailers or delegate the responsibility to their third-party maintenance provider, subject to them meeting additional compliance requirements.

The logistics sector's priorities for the government's first fiscal moment are:

- A dynamic mechanism for Fuel Duty that, in periods of inflation, enables the Treasury to keep Fuel Duty down by taking into account its tax receipts from VAT on fuel, and the introduction of dynamic alignment between Fuel Duty and rail track access charges, to enable rail freight to be cost competitive.
- A long-term funding settlement for local authorities to adequately maintain roads.
- Incentives for the adoption and production of low carbon and sustainable fuels across all transport modes.
- The maintenance and expansion of mode shift grants beyond April 2025, to grow the use of rail freight, inland waterways and coastal shipping by enabling them to be cost competitive.
- Extending full expensing for capital investment to cover leased and hired vehicles, and fees paid to energy network operators to deliver the asset upgrades necessary for vehicle charging, to support fleet decarbonisation.
- Extending the Plug-in Grant post 2024/2025, providing financial support for SMEs to purchase used BEV vans, and not introducing VED for zero emission vans from April 2025.
- Continuity of funding for freight innovation and zero emission programmes.
- A halt to proposed changes to the Greenhouse Gas Protocol (GHGP), as the changes would reduce the incentive for using biomethane.
- Full consultation with the logistics sector over the replacement of the business rates system, to ensure the reform does not increase logistics costs and therefore costs across the economy.

About Logistics UK

Logistics UK is one of the country's largest business groups, representing the entire logistics industry and supporting, shaping and standing up for safe and efficient logistics. Our membership of more than 20,000 includes global, national and regional businesses and SMEs spanning the road, rail, maritime and air industries as well as the buyers of freight services, such as retailers and manufacturers.

To discuss how to unleash the power of logistics to drive growth across the whole economy, contact: publicaffairs@logistics.org.uk.