## Minutes of Northern Ireland Freight Council – 4 February 2025, TST Group, Ballymena, 90 Raceview Road, BT42 4HZ.

### **Introduction**

The Chair opened up the meeting and welcomed everyone.

The minutes of the last meeting were approved.

Attendees were reminded by the Chair, Gary Barnes, of the need to always comply with competition law.

### Guest Speaker – Aidan Flynn, CEO, FTA Ireland.

Aiden Flynn (AF) gave an overview of FTA Ireland and its relationship with Logistics UK. The links between FTA Ireland and Logistics UK have been really important to the work that AF and FTA Ireland has been doing in recent years.

A key focus of FTA Ireland's work is on research/data capture, skills, decarbonisation and highlighting the contribution the logistics makes to the Irish economy. A campaign highlight was starting a logistics apprenticeship which is now on the National Framework and receives funding from central government.

AF gave an update on the legislative landscape including changes within the Road Safety Authority, imminent and forthcoming changes to speed limits, Smart Tacho 2, and the Electronic Travel Authorisation (ETA). On road safety, FTA Ireland was not in favour of reducing the speed limits and continues to argue that mandatory drug testing should be carried out at all collisions. On Smart Tacho 2, there will be a two month educational learning period on the retrofit obligation.

Ireland (RoI) trade in goods in 2023 – total value of goods exported was 196 billion Euros, and total value of goods imported was worth 140.2 billion Euros. The US is a major player in Ireland. Trade export from NI to Ireland amounted to £6.5 billion in 2023, with £2.7billion of imports from Ireland to NI.

A big challenge in Rol is capturing data to demonstrate the importance of the industry. There are more people in Rol working in logistics than there are in agriculture, however there is little government data to support this economic impact.

Transport accounts for 21% of GHG emissions in Rol and commercial fleet accounts for 51% of total transport emissions. Moving freight via inland waterways is not an option. Rail freight will increase with time. Ireland will have population growth of 1 million people by 2040, and this will create an increase in demand for freight services.

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Holyhead Port closure had a huge impact on the sector. 3/4 days passed before everyone properly understood the seriousness of the situation. Drivers were having to wait up to 14 hours with no welfare facilities. There is still a lack of information, including no sight of the engineer's report on damage and no detail on the timeline for repairing the second berth. The lack of access for Irish Ferries to Liverpool (reason still unclear), the central corridor, had a big impact on unaccompanied trailers. Rosslare reached capacity and was not able to cope with the additional demand. The big take away is that damage to a single port can cause havoc to the Irish supply chain, and unaccompanied loads in particular. Overall, there was an 18% fall in weekly sailings between GB and Ireland. This has highlighted the need for a wider logistics forum with all key stakeholders in the supply chain involved.

AF gave an overview of FTA Ireland's report *Decarbonising Road Freight Sector Ireland* which sets out a range of options including electricity, hydrotreated vegetable oil (HVO), Bio (CNG) and hydrogen. FTA Ireland continues to lobby for a National Freight and Energy Strategy. Carbon Tax – 40 cent per KM of fuel is paid on tax. 160,000,000 euro per year is collected from the industry in carbon tax and nothing goes back to the industry to support it to decarbonise.

#### Member Q&A

Members asked what subsidies are available in Rol? To support decarbonisation? The Zero Emissions Grant is still available for hauliers, but FTA Ireland wants more bridging support for gas. There is a diesel rebate scheme for the haulage sector but not Owner Accounts. FTA Ireland would like to see this scheme widened out to all in the sector and for alternative fuels.

Members asked about the Holyhead situation and a ferry company doubling its rates during the closure. AF says government is unlikely to get involved in this issue as they say it is down to market forces.

#### Northern Ireland Items (page 27 of policy report)

#### Impact of Holyhead closure

Nichola Mallon (NM) gave an overview of the situation at Holyhead Port and Logistics UK's engagement with governments on the immediate response, contingency planning and a resilience action plan for individual ports and the port network servicing GB and the island of Ireland. The Welsh government is establishing a government led multi-stakeholder taskforce to develop a new strategy for the future of Holyhead. Minister Lawless from the Irish Government will also help lead this work to ensure that the port will meet the future needs of both nations. Logistics UK has requested to be a member of this taskforce. In Wales, the Senedd's Economy, Trade and Rural Affairs Committee have launched a new inquiry on the Holyhead Port Storm Damage and Closure, and Logistics UK will be submitting written evidence by 14 February 2025. NM asked members for feedback on how they had been impacted and priority

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actions required from governments, ports, ferry operators and other key stakeholders going forward.

Questions put to members:

- 1. What has been the impact on a) capacity, b) volumes and c) cost from the closure of Holyhead?
- 2. What action is needed going forward to ensure ports and key shipping routes are more resilient?

#### Members discussion:

Members highlighted the costs of additional drivers' wages, fuel, empty mileage, delays in delivery, and having to forgo jobs. With regards to ports that are in private ownership, what is government doing to ensure the UK and Ireland has robust and resilient infrastructure to withstand increasing extreme weather. All members were agreed on the need for a contingency plan to be agreed now for all ports and for greater cooperation between government and all stakeholders.

#### Storm Eowyn

NM explained the process Logistics UK had to go through to secure a temporary relaxation of drivers' hours rules to help the industry recover in the immediate aftermath of Storm Eowyn and how it was clear that there was no contingency plan in place to be activated. NM is having a meeting with the Department for Infrastructure to try to get a better, preplanned process in place going forward.

NM asked members if there is anything else other than a relaxation that would have helped during or after the red weather warning? Members highlighted the need to ensure key logistics corridors are cleared and treated quickly. This was not the case on the A5 in the North West.

#### **Update on Driver CPC reforms**

NM gave an update on the UK Driver CPC reforms which came into force from 3 December. Very few NI members will benefit from this given the cross border nature of their work. While international courses will count towards national, national does not transfer to the international qualification. A member queried how this will be policed and enforced in the south.

### TRU – Transport Manager changes become fully digital

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NM set out that from 31 January 2025, all alterations to transport managers on an operator's licence must be made digitally within the Vehicle Operator Licensing (VOL) system. The TM1 form has been withdrawn and will no longer be accepted. All changes must be made on the VOL system. At the same time, TRU is also requiring that all applications to surrender a licence are made digitally through the VOL system.

NM also gave an update on a meeting she and Jayne Currie had on 29 January 2025 with the Head of TRU. Staffing changes – Caroline Hobson is being moved and from March, Kevin McVeigh from DFE, will take over the post. Gerald Devine, in a 6 month pilot, is acting up as the NI Presiding Officer to try to speed up processes and reduce the backlog of Public Inquiries. TRU flagged an issue with the quality of independent audits from some transport consultants. Operators need to check the quality of the consultant they employ. TRU is also focusing on the issue of establishment in NI and compliance.

#### Logistics UK calls for logistics industry to be included on Just Transition Commission

NM outlined how the DAERA Minister is establishing a Just Transition Commission for Northern Ireland. The commission aims to ensure a fair transition to net zero and prevent disproportionate effects on sections of society. In its consultation response, Logistics UK called for the transport and logistics sector to be represented on the new Commission given the economic, social and environmental importance of the industry and the significant barriers to net zero transition it is facing.

### Finance Minister commissions Cost of Doing Business Research

Ulster University is conducting a study on behalf of the Department for Finance on the cost of doing business in NI. This will include the increase to Employers NICs, NMW, NLW, insurance, property and energy costs, disparities in tax, such as VAT, between GB and NI systems. On 7 February, NM will be interview as part of this research and members were asked for feedback.

#### Member discussion

The Budget announcements on the sharp increase in Employers contribution to NICS and changes to inheritance tax will hit the industry hard. The increase to the National Living Wage will push up all pay scales to maintain the wage differential. One member said this will cost their business £700k a year in increased wages. Members also cited shipping costs, which increase every year, as a key issue as full costs cannot always be passed on to the customer. Hauliers are also being squeezed by freight forwarders who have much lower overheads. A member said that the cost of recruitment and onboarding of new drivers costs them twice as much in NI as it does in GB because of the lack of experienced drivers. Energy costs and the lack of infrastructure for alternative fuels is another barrier. With tight profit margins and increasing operating costs, members are not able to invest in innovation and decarbonisation. Members would like match funding to support decarbonisation. For example, in Rol there is a 60% grant for electric vehicles.

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#### Proposal for meeting request with Infrastructure Minister

Following a reshuffle, NI has a new Infrastructure Minister, Liz Kimmins MLA. Logistics UK has written to congratulate her and request a meeting. Given pressures on the DFI budget, NM asked members for their views on the agenda for this meeting. It was agreed it would focus on parity on the Category B licence derogation, HGV speed limits and increased weight threshold for alternatively fuelled HGVs (as quick, minimal resource required wins), key infrastructure projects and decarbonisation.

### Secretary's report and key national updates.

NM gave an update on issues contained in pages 8-10 and pages 16-18 in the Policy Report. Issues covered included: decisions taken by Road Council, ongoing efforts to improve Freight Councils and member engagement, a live DFT consultation on barriers to the uptake of zero emission vehicles, Logistics UK's public affairs activity in NI and GB, publication of Logistics UK's infrastructure network map, an update on the work of all of Logistics UK's modal councils and the 2025 schedule for the Engineering Forum.

Action: NM invited members to share further feedback on improvements to the NI Freight Council meetings via email to <a href="mailton@logistics.org.uk">mailton@logistics.org.uk</a>.

Action: Link to the DFT consultation for members who wish to respond directly - <u>https://www.gov.uk/government/consultations/zero-emission-vans-regulatory-flexibility/zero-emission-vans-regulatory-flexibility</u>

Action: Members to contact NM if they would like to join any other councils or working groups wihtin Logistics UK to ensure the NI voice is being heard.

### A1 - Budgets and Comprehensive Spending Review (page 11 of Policy Report)

Following a challenging UK Budget for businesses in October 2024, a Comprehensive Spending Review (CSR) is expected in summer 2025 which will outline the UK government's spending plans for at least three years and set capital budgets for the next five years. NM asked members to provide feedback on how the UK Budget has affected their business and what their priorities are for the CSR to help inform Logistics UK's response and lobbying work.

Questions put to members:

- 1. What announcements in the UK did members welcome and what are the biggest concerns?
- 2. Looking ahead to the Comprehensive Spending Review.
  - a. What priority asks should Logistics UK consider including in its submission to the UK government?

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b. Are there any areas where government departments or agencies could find savings through efficiencies or improvements in services?

#### Members discussion

The big concern from the budget is the hike in Employer's contribution to NIC as well as changes to inheritance tax given the high number of family haulage businesses in NI. NM asked about the freeze in fuel duty and if this was welcomed? Members felt this was of very limited benefit to the industry as a surcharge has already been accepted by customers. Members felt strongly that the NI Executive and Westminster government should prioritise incentives and interventions to support the industry to decarbonise.

#### A2 - Speed limits and national speed review (pages 12-13 in the Policy Report).

Given the renewed focus, in recent years, by devolved administrations and local authorities across GB on the issue of speed limits for safety and emission reasons, NM asked members to share their experiences in relation to reduced limits and/or increased enforcement.

#### Questions put to members:

1. Have members experienced any changes to speed limits in their area recently? What has been the impact of these?

N/A in NI.

2. Have members experienced any increased speed limit enforcement activity?

No, but frustration was expressed that speed vans seem to be located in areas based on revenue raising potential rather than safety. Members said they are increasingly concerned about the standard of car driving in NI. 'People are being taught to pass a test, not learn to drive a car'.

#### 3. Are members supportive of the proposed national speed limit changes in Scotland?

- a. What would be the benefits of this change?
- b. Would there be any downsides?

Some members expressed support for variable speed limits depending on the conditions of the road given advancing technology in vehicles. NM reassured members that logistics UK continues to lobby for parity with England and Wales on the speed limit for HGVs on single and dual carriageways.

Road regulation issues (pages 14-15 of the Policy Report).

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**A3 - Graduated driving licence** – The chair asked members for their views ahead of any review/potential call for evidence. NM stressed that this is not being introduced as a change in policy by government. Logistics UK is taking the opportunity of this round of Freight Councils to hear members views as a pre-emptive step in case government does decide to look at this.

#### Questions put to members:

1. What impact would the possible restrictions have on operations if newly qualified drivers faced restrictions on what they could do?

Members said the biggest barrier currently is the cost to insure younger drivers and insurance companies should be publishing data to justify such high costs. Other barriers to attracting younger people into the industry are wages, long hours, over regulation/compliance burden and poor facilities compared to other industries. In NI, unlike GB, we have Restricted Drivers.

2. Do members believe that newly qualified HGV drivers pose a greater risk to road safety?

No. HGV drivers are required to build up evidence to show they are professional drivers, not because they are a risk to road safety. Their training, and the technology on board HGVs, reduces their risk compared to newly qualified car drivers. Members agreed that government needs to do more to ensure newly qualified car drivers are prepared for the road, rather than just the test. Learning should involve awareness of HGV's and their blind spots as well as night time and motorway driving.

A4 - Domestic drivers hours – NM again emphasised that this item has been tabled to gather members view in case there <u>may</u> be a future review/call for evidence. There is no change to domestic driver's hours planned at this time.

Questions put to members:

1. Would members support a definition of a fixed calendar day for 'working day'?

Members do not see the benefit of such a change especially if the business relies on shift workers.

- 2. Is the current definition of 'duty' sufficient? If not, what would members prefer to see?
- 3. Would members prefer to see a more precise definition of 'adequate rest'? If so, what?

Yes. Members think there needs to be a better definition of rest. One member highlighted weekly rest as particularly important.

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4. What demonstrable benefits would members gain if domestic hours recording was permitted via an app?

#### Election of Council Chair and Vice Chairs.

NM thanked Gary Barnes for his work as the Chair of the Council over the past two years and Lynda Gregg and Maire-Claire Reid for their contributions as Vice Chairs. Gary thanked members for their support during his term and said he looked forward to continuing as an active member on the Council.

Elections were held for Chair and Vice Chairs. Marie-Claire was elected Chair and Lynda Gregg and Graham Patchet were elected vice-chairs. Marie-Claire said she was excited to take on this role and looked forward to working with members.

#### AOB

No AOB was raised. Gary Barnes closed the meeting, and members were taken on a tour of TST's new warehouse facility.

#### Date of next meeting:

15 May 2025 Clifton House, Belfast.

Freight Council Meeting 09:30 – 12:30 MAC Briefing 13:30 – 15:00

#### Attendees:

Craig Tumilson	Moy Park Ltd (NI)
Clive Whylie	Savage & Whitten Wholesale

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David McDowell	Savage & Whitten Wholesale
Gary Barnes	Briggs Equipment UK Ltd
Geoffrey Ringland	Manfreight Limited
George Monaghan	Kier Fleet Services Ltd
Graham Patchet	Musgrave Retail Partners NI Ltd
Jeff Shaw	Ards & North Down Borough Council
Patrick Flannagan	Translink
Mark Laughlin	Beattie Property Developments Ltd T/A BPD
Martin McGoldrick Mya McGoldrick	Surefreight Ltd
Thomas Black	BOC Ltd
Maire Claire Reid	TST Transport Ltd
Michael Fiseko	BOC Ltd
Neil Thompson	Musgrave Retail Partners NI Ltd
Ronnie Millar	Almac Pharma Services
Ronan McFadden	Henderson Wholesale Ltd
Rory Coulter	Northern Ireland Ambulance Serv H & Social Services Trust
Ruairí Gildernew	Manfreight Limited
David Hurley	Sysco NI
sarah Gunning	Musgrave Retail Partners NI Ltd
Sarah O'Neill	Moy Park Ltd (NI)
Stephen Thompson RiverRidge Recycling Ltd	
THOMAS BLACK	BOC Ltd
Andrew Spence	WAS Training
Lynda Gregg	Antrim and Newtownabbey Borough Council
Martin Turner	Almac Pharma
Nichola Mallon	Logistics UK
Jayne Currie	Logistics UK
Josh Fenton	Logistics UK

**Apologies:** 

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Andrew Weir – Sysco Sarah Hards – AM Logistics Eugene Carson – Ardboe Coldstore Ltd Mark Lorimer – McAvoy Johnny Walker – Express Freight Paul Roberts – McQuillan John Purdy – Thompson DAF Trucks Jennifer Beattie – Education Authority