



Department
for Transport

Road Transport Cabotage

Consultation about further flexibilities during
2022 for foreign hauliers

March 2022

Department for Transport
Great Minster House
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London
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Executive summary

In October 2021, the Government consulted on proposals to extend temporarily road haulage cabotage rights for foreign goods vehicles in Great Britain. The Government published a response to the consultation also in October 2021.

Following the October consultation, the Government legislated to allow unlimited cabotage movements of heavy goods vehicles for up to 14 days after arriving on a laden international journey into the UK. (Normally EU operators only are allowed to carry out 2 cabotage journeys within 7 days of entry to the UK.) The extension was provided for a period of 6 months which ends on 30 April 2022.

This further consultation reviews the evidence to date both on the take up of the extension of cabotage rights and any wider effects it has had. This evidence suggests that there has been take up of the additional rights but that this has been less than anticipated.

The extension of cabotage rights is one of the 32 measures the Government has taken to tackle a shortage of lorry drivers and the supply chain pressures that this has caused. The additional cabotage rights are a short-term measure to help tackle immediate supply chain issues and give time for measures to improve the retention and recruitment of a larger domestic workforce to take effect.

While measures to tackle driver shortages are having an effect, issues remain. The government wishes to hear views on whether a short-term extension of the additional cabotage rights could ease particular supply chain pressures. These pressures could be immediately after the extra cabotage rights are due to end (on 30 April) or later in the year, for example in the busy period up to Christmas.

This consultation seeks views and evidence about:

- whether the additional cabotage rights - which allow non-UK hauliers to carry out unlimited cabotage within a 14 day period – should continue;
- information on the uptake of cabotage rights since 28 October 2021 including uptake by particular sectors;
- effects - positive or negative - of the extension of cabotage rights to date.

How to respond

The consultation period began on 9 March 2022 and will run until 23 March 2022. Please ensure that your response reaches us before the closing date. If you would like further copies of this consultation document, it can be found at <https://www.gov.uk/dft#consultations> or you can contact FOLRnotification@dft.gov.uk if you need alternative formats (Braille, audio CD, etc.).

Electronic responses to this consultation would be preferred either by:

- responding to the online survey
- emailing your response to FOLRnotification@dft.gov.uk

If you are unable to respond electronically you can provide a response to the postal address of:

Second Cabotage Consultation, 3rd Floor, Zone 19, Great Minster House, 33 Horseferry Road, London SW1P 4DR

When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

Freedom of Information

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.

If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the Data Protection Act (DPA) and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Data Protection

The Department for Transport (DfT) is carrying out this consultation to gather evidence on road transport cabotage. This consultation and the processing of personal data that it entails is necessary for the exercise of our functions as a government department. If your answers contain any information that allows you to be identified, DfT will, under data protection law, be the Controller for this information.

As part of this consultation, we're asking for your name and email address. This is in case we need to ask you follow-up questions about any of your responses. You do not have to give us this personal information. If you do provide it, we will use it only for the purpose of asking follow-up questions.

DfT's privacy policy has more information about your rights in relation to your personal data, how to complain and how to contact the Data Protection Officer. You can view it at <https://www.gov.uk/government/organisations/department-for-transport/about/personal-information-charter>.

To receive this information by telephone or post, contact us on 0300 330 3000 or write to Data Protection Officer, Department for Transport, Ashdown House, Sedlescombe Road North, St Leonards-on-Sea, TN37 7GA.

Your information will be kept on a secure IT system, before being transferred to DfT servers after 2 months, and destroyed within 12 months after the consultation has been completed.

Cabotage rights

Background

1. Cabotage is the transport of goods or passengers between 2 places in the same country by a transport operator from another country for the purposes of hire and reward.
2. As agreed in the UK/EU Trade and Co-operation Agreement, the UK allows EU heavy goods vehicle operators to undertake up to 2 laden transports within 7 days of a laden entry into the UK.
3. The UK's bilateral road transport agreements with other countries do not provide anything beyond very limited cabotage rights. The European Conference of Ministers of Transport (ECMT) system allows international transport using a fixed quota of permits within a 43 State system including the UK and nearly all of Europe, but does not permit any cabotage rights.
4. The Government consulted in October 2021 on extending cabotage rights. That consultation set out the rules that applied to international goods transport and cabotage.
5. Following the October consultation, the Government legislated to allow unlimited numbers of cabotage movements of heavy goods vehicles for up to 14 days after arriving on a laden international journey into the UK. The extension was provided for a period of six months which ends on 30 April 2022. It applied to all hauliers who had the right to make international laden transports to and from the UK (not just EU hauliers).
6. The cabotage extension was introduced in response to acute shortages in lorry drivers which were causing problems in distributing food and other essential goods. The shortage was caused by several factors including HGV driving tests not taking place because of the coronavirus (COVID-19) pandemic, the economic bounce-back from COVID-19, an ageing workforce, a lack of diversity in the industry and an over-reliance on overseas labour. Some in the haulage industry, including a group of 31 Netherlands-based haulage operators, argued that increased levels of cabotage could assist with the immediate problems caused by the shortage.
7. Qualitative feedback indicates cabotage is concentrated on long-distance movements and that, currently, recruitment and retention for these driving roles (with overnight stays away from home for UK drivers) is particularly difficult.

8. The government recognised that there was considerable uncertainty about the likely take up of additional cabotage rights. It was expected that take up would be higher in some sectors (food supply chain and transports related to ports) than in others (such as fuel transport and parts for construction). Factors such as the shortages of drivers in the EU and existing commercial contracts were expected to restrict the number of operators who could also serve the UK market. On the other hand, the extension was expected to be attractive commercially to some operators; this was because it might enhance the return from international haulage, if this could be combined with additional cabotage in the UK.
9. In response to the consultation, a number of concerns about the effects of the proposed change were raised:-
 - Effects on UK road haulage - UK road haulage businesses might be undercut, improvements to driver pay compromised. The proposal was inconsistent with promoting reliance on a better recognised home-grown workforce.
 - Safety – Some respondents argued that vehicle testing standards across parts of Europe differ from those in the UK, and driver training and adherence to drivers' hours are not as stringent.
 - Access to parking and driver welfare facilities the risk that increased numbers of drivers from European operators will lead to decreased capacity in existing facilities as well as an increase in vehicles parked in laybys or industrial estates.
10. This consultation summarises information about the effects of the extension of cabotage rights in these areas as well as take-up of the additional cabotage rights. We welcome views from interested parties on all these matters.

Driver shortages

11. The Government has taken 32 measures in 6 areas to tackle the shortage of domestic lorry drivers –
 - Increasing efficiency in existing supply chains
 - Providing support and training for new HGV drivers
 - Expanding HGV driver testing capacity and improving licensing processes
 - Attracting drivers back to the sector and improving conditions
 - Ensuring the stability of the fuel supply chain
 - Economic measures to support the haulage industry.
12. The effect of these measures has been to begin to tackle the supply chain issues caused by the lorry driver shortages. Some of these measures have had immediate effect; others are longer term.
13. While noting that there is still an acute shortage of drivers, Logistics UK reported in December 2021 that there were some improvements. Fewer drivers were leaving the profession and there had been 25% increase in HGV driver tests between July and September period compared to the same period in 2019. The Road Haulage Association noted in November 2021 that, while there remained a shortage, deliveries were happening more effectively than a few months previously.
14. In addition, additional rules requiring EU operators to post and carry records of information about their cabotage operations and drivers in the UK took effect during

February 2022. The requirements also apply to cabotage in other EU States and most laden international journeys within the EU not to or from their State of Establishment.

15. The UK's current operational position is for the enforcement of the requirements to post and carry information to not be a routine priority. Consultation is planned about requiring EU operators to comply with these requirements as a condition of their cabotage operations.
16. The UK is also planning to formally terminate during the course of 2022 some permanent access rights for EU operators which have not been reflected in the Trade and Co-operation Agreement. These include the right of one cabotage journey within three days of an unladen international arrival) and certain road legs wholly within the UK connected to some international intermodal journeys (known as "combined transport").

Use of the additional cabotage rights

17. The Department has assessed both the take up of the cabotage extension and its wider effects.
18. Standard information on cabotage in the UK and in other European countries is reported through Eurostat. However, the time needed to collect and process data means that Eurostat is yet to publish data for 2021. To assess the effects of the cabotage extension, the Department has collected data in two ways:-
 - Mobile phone data has been used to assess the number of stops that HGV drivers arriving in the UK at Dover/Eurotunnel, Felixstowe/Harwich and Portsmouth have made in Great Britain. This allows an assessment of the number of trips that HGVs make after dropping off their load.
 - A survey of foreign hauliers has been undertaken at the Information and Advice sites that the Department has established. The survey of foreign hauliers asked about (i) awareness of the cabotage extension and intention to make use of it (ii) the number of additional cabotage trips taken (iii) the cabotage movements typically taken on each trip to the UK.
19. As of 10 February 2022, the survey had found that about 8% of the respondents were both aware of the cabotage extension and had taken advantage of it. Of those who had utilised the cabotage relaxation in the UK, about 50% reported performing on average more than 2 cabotage movements per trip to the UK (i.e. movements that would not have been allowed before the cabotage extension).
20. This suggests that as expected the number of hauliers that carry out cabotage movements remains low. Before the pandemic, and while the UK was a member of the EU, cabotage comprised about 0.8% of national UK transports, equivalent to the work of around 3,000 permanent lorry drivers in the country. By comparison the UK workforce of professional lorry drivers was 266,300 in September 2021 (and this figure excludes many others who drive lorries in the course of other work).
21. The mobile phone data suggests that the relaxation of the cabotage rules from the 28th of October has only had a very small impact. There is uncertainty around the effect that the pandemic and EU exit have had on cabotage levels earlier in 2021 but the mobile phone data shows that the aggregated amount of cabotage movements per foreign haulier within the UK has only risen very slightly from 1.2 pre-relaxation to about 1.3 after the relaxation.

Questions (for users of haulage services)

Q1: Which sectors do you operate in (general, food, energy, port services etc)?

Q2: Over the past 12 months have you encountered any difficulties in accessing drivers in the haulage sector to serve your business?

**Q3: To what extent has this affected the normal operation of your business?
Q3A How has your business been affected?**

Q4: Prior to 28 October 2021, which type of hauliers did your company rely on?

- (a) UK based only,**
- (b) mix of UK and foreign hauliers,**
- (c) foreign hauliers only,**
- (d) don't know**

Q5: How has your use of foreign hauliers changed since 28 October 2021?

- (a) more**
- (b) less**
- (c) the same**

Q6: If your use of foreign hauliers has changed, what were the main reasons for the change?

Questions for non-UK hauliers providing cabotage services in the UK

Q7: Which sectors do you serve (general, food, energy, port services etc)?

Q8: Prior to the 28th October 2021 how many trips did you typically make to the UK per month?

Q8A Of these trips, how many would typically include cabotage movements, per month?

Q9: Since 28th October 2021 has the number of trips you made to the UK per month changed?

Q9A Of these trips, how many have included cabotage movements also, per month?

Q10: If you made undertook cabotage, how many individual cabotage movements have you made per trip on average?

Other effects of the cabotage extension

22. The previous consultation noted that there was significant pay pressure in domestic road haulage and that the temporary cabotage rights proposed were unlikely to affect pay and conditions in the UK significantly. The driver shortages have created significant upward pressure on pay. Logistics UK's Skills and Employment update in February 2022 estimated that in the 12 months to January 2022, average HGV drivers' pay increased by nearly 12%.
23. There has been no intelligence received by the Department to suggest there are any significant reductions in haulage rates or driver pay since the introduction of the additional cabotage rights. There is also no indication that there has been insufficient work for, or threats to the viability of UK-based operators, attributable to the cabotage rights. Cabotage has historically represented a small proportion of freight moved within the UK, at around 1% or less of million tonne kilometres or around 0.5% of freight lifted. The low usage of the relaxation in cabotage rules combined with the still ongoing, although less acute, driver shortage is not expected to result in much impact from the policy on domestic hauliers.
24. The response to the October consultation noted that all the goods vehicles which could use the additional temporary cabotage rights are already permitted on UK roads. Furthermore, almost all foreign lorries arriving in the UK from mainland Europe are from the EU and already have cabotage rights under the UK/EU Trade and Co-operation Agreement (and previously under EU legislation).
25. Figures of crash rates indicated that, per mile travelled, foreign HGVs were involved in fewer or a similar rate of serious accidents, reflecting the fact they drive on less dangerous roads. Based on targeted checks, the Driver and Vehicle Safety Agency (DVSA) found similar rates of roadworthiness defects for GB and non-GB HGVs, but higher rates of serious defects for non-GB HGVs and higher rates for non-GB HGVs of traffic offences (for example drivers' hours infringements). Overall non-UK operated international and cabotage transport is undertaken with comparable risks to UK operated national transports.
26. We have reviewed the latest data from DVSA to identify whether there have been significant changes in safety data since the extension of cabotage rights. DVSA data shows that the number of HGV driving offences recorded in the period since cabotage relaxation (late October 2021 to late January 2022) has increased marginally (5% per reporting date) when compared to a baseline over the same period in 2019/20 (prior to Brexit and Covid restrictions taking place). In terms of enforcement, over the same time period, the average number of offences issued to non-UK HGV drivers per encounter was 0.42 (42%) in 2019/20, and 0.44 (44%) in 2021/22. The slight increase in enforcement may account for some of the increase in offences issued. The evidence suggests that only a small proportion perform cabotage.
27. DVSA data shows a 13% increase in the average amount of serious offences issued to non-UK drivers in 2021/22 per reporting date, when compared to the same time period in 2019/21. The average number of serious offences issued to non-UK drivers over the same period per encounter was 0.16 (16%) in 2019/20, and 0.18 (18%) in 2021/22. The higher rate of enforcement may account for some of the increase in serious offences issued. As before, not all non-UK drivers captured will be performing cabotage trips.

28. DVSA data also shows that there has been a 12% decrease in the average number of cabotage related offences committed by non-UK drivers during the 2021/2022 period when compared to the same period in 2019/20. The enforcement rates over this time period for non-UK drivers were similar, with the number of cabotage related offences issued per non-UK driver encounter being 0.0015 (0.15%) in the 2019/20 period, and 0.0014 (0.14%) in 2021/22.
29. Part of the government's plans to increase the domestic supply of HGV drivers is to support improvement to working conditions so as to make the profession more attractive to potential drivers. HM Treasury announced £32.5 m of funding to improve welfare facilities.
30. The Department has commissioned Transport Focus to undertake a survey of roadside facilities on the Strategic Road Network including truck stops and 'A' road services that are likely to be used by drivers serving ports such as Felixstowe (which could be affected more than others by cabotage). Early indications from this work are that operators have not detected an impact from the cabotage relaxation. This is to be expected given the low take up of the extra cabotage rights.

Conclusion

31. The above assessment and the additional information provided in response to this consultation will inform policy decisions about whether to continue the additional cabotage rights that are currently in place. These additional rights allow non-UK hauliers which have the right to move goods between the UK and other countries to carry out unlimited cabotage in Great Britain within 14 days of their entry to the UK. These extra rights are available until 30 April.
32. These rights are implemented in legislation which includes a provision in the Finance Act 2022 to exempt HGVs using these additional cabotage rights from Vehicle Excise Duty requirements. Powers in the Act would enable this measure to be extended in 2022 if appropriate by means of a negative resolution statutory instrument alongside a DfT statutory instrument required to amend HGV operator license regulations.
33. The options that we are considering include to revert to the permanent cabotage levels from 30 April (i.e. no more than two movements by EU hauliers in a 7 day period). This could be followed by a review in the summer to consider whether to restore the additional cabotage rights for the period up to Christmas 2022. This would require evidence that these additional rights would provide significant benefits in the busy autumn period.
34. We are also considering whether instead to continue the additional rights after 30 April either for a further short period, with a further review, or a longer extension until 31 December 2022.

Questions (for UK hauliers)

Q11: What sector(s) do you serve (general, food, energy, port services etc)?

Q12: Has the government's relaxation of cabotage rights on 28th October 2021 affected your business in any way?

Q12A How has your business been affected?

Q13: Why do you think this change has happened?

General questions (for all)

Q14: Should extra cabotage rights

(a) be allowed to expire on 30 April

(b) continue beyond 30 April

(c) be allowed to expire on 30 April but reintroduced for the pre-Christmas period

(d) other?

Q15: Why do you hold this view?

Q16: Any other general comments you would like to share?

What will happen next

A summary of responses, including the next steps, will be published within three months of the consultation closing on <https://www.gov.uk/government/consultations/ending-or-extending-temporary-exemptions-to-road-haulage-cabotage>. Paper copies will be available on request.

If you have questions about this consultation please contact:

Further background information can be found at <https://www.gov.uk/government/consultations/ending-or-extending-temporary-exemptions-to-road-haulage-cabotage>

Annex A: Full list of consultation questions

Questions for users of haulage services

Q1: Which sectors do you operate in (general, food, energy, port services etc)?

Q2: Over the past 12 months have you encountered any difficulties in accessing drivers in the haulage sector to serve your business?

**Q3: To what extent has this affected the normal operation of your business?
Q3A How has your business been affected?**

Q4: Prior to 28 October 2021, which type of hauliers did your company rely on?

- (a) UK based only,
- (b) mix of UK and foreign hauliers,
- (c) foreign hauliers only,
- (d) don't know

Q5: How has your use of foreign hauliers changed since 28 October 2021?

- (a) more
- (b) less
- (c) the same

Q6: If your use of foreign hauliers has changed, what were the main reasons for the change?

Non-UK hauliers

Q7: Which sectors do you serve (general, food, energy, port services etc)?

Q8: Prior to the 28th October 2021 how many trips did you typically make to the UK per month?

Q8A Of these trips, how many would typically include cabotage movements, per month?

Q9: Since 28th October 2021 has the number of trips you made to the UK per month changed?

Q9A Of these trips, how many have include cabotage movements also, per month?

Q10: If you made undertook cabotage, how many individual cabotage movements have you made per trip on average?

Questions for UK haulage companies

Q11: What sector(s) do you serve (general, food, energy, port services etc)?

Q12: Has the government's relaxation of cabotage rights on 28th October 2021 affected your business in any way?

Q12A How has your business been affected?

Q13: Why do you think this change has happened?

General questions (for all)

Q14: Should extra cabotage rights

(a) be allowed to expire on 30 April

(b) continue beyond 30 April

(c) be allowed to expire on 30 April but reintroduced for the pre-Christmas period

(d) other?

Q15: Why do you hold this view?

Q16: Any other general comments you would like to share?

Annex B: Consultation principles

The consultation is being conducted in line with the Government's key consultation principles which are listed below. Further information is available at <https://www.gov.uk/government/publications/consultation-principles-guidance>

If you have any comments about the consultation process please contact:

Consultation Co-ordinator
Department for Transport
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London SW1P 4DR
Email consultation@dft.gsi.gov.uk