



Department
for Transport

Freight Council – Fifth Meeting

10:00 to 11:30, Wednesday 22 March 2023

Venue: Virtual via Microsoft Teams

Attendees

Ministerial attendance

- Richard Holden MP – Parliamentary Under Secretary of State for Transport (Roads and Local Transport), (Chair)

Member attendance

- Richard Ballantyne, British Ports Association (CEO)
- Clare Bottle, UK Warehousing Association (CEO)
- Peter Campbell, Airport Operators Association (Head of Public Affairs and Media)
- Liam Challenger, Cold Chain Federation (Communications and Campaigns Manager)
- Jonathan Chatfield, Rail Delivery Group (Head of Railway Strategy and Policy)
- Sharon Kindleysides, Chartered Institute of Logistics and Transport (CEO)
- Rupinder Pamme, Airport Operators Association (Policy Manager)
- Declan Pang, Road Haulage Association (Director of Public Affairs and Policy)
- Alex Pepper, UK Major Ports Group (Senior Policy Lead)
- Chris Seaton, UK Warehousing Association (Head of Policy and Public Affairs)
- Maggie Simpson OBE, Rail Freight Group (CEO)
- Richard Smith, Road Haulage Association (MD)
- David Wells, Logistics UK (CEO)
- Robert Windsor, British International Freight Association (CEO)
- Matthew Wright, UK Chamber of Shipping (Policy Manager)

Department for Transport senior official attendance

- Iain Forbes, Director Logistics and Borders

- Rupesh Mehta, Director Economy and Levelling Up
- Rosalind Wall, Director Motoring and Freight
- Dan Moore, Director General International Rail
- David Buttery, Director Roads Strategy
- Alex Rubin, Deputy Director Logistics and Supply Chains Analysis
- Hannah Tooze, Deputy Director Road Freight Strategy
- Katherine Macdivitt, Deputy Director Road Freight Strategy
- Laura Marquis, Deputy Director Logistics and Supply Chains Policy

Other government departments (OGDs) attendance

- Sarah Maclean, Director for Skills Strategy and Engagement, Department for Education
- Ben Wilkins, Head of Labour Market Sectors Strategy, Department for Work and Pensions

Actions

- 1) Minister Holden's office to facilitate a meeting with UK Warehousing Association (UKWA) and Baroness Scott of Bybrook
- 2) DfE to share guidance with members on the apprenticeship process.
- 3) DfT officials to bring in departmental colleagues to discuss Industry concerns around the future of fuels/alternative fuels, electrification, the local power networks, and use of existing rail infrastructure.
- 4) DfT to announce the winners of the Zero Emission Freight Demonstrator programme as soon as possible.
- 5) DfT officials to update Freight Council on Green Corridor planning and progress.
- 6) DfT officials to follow up on planning around airports and highlight the importance of air freight to officials.

Minutes

1. Introductions and reflections

The Minister opened the meeting and announced Isabel Deding as the new Freight Council (FC) Co-chair. The Minister gave an overview of Isabel's new role and professional background, as she was unable to join the meeting.

The Minister emphasised that the Future of Freight (FoF) Plan published in 2022 does not conclude the Council's work, and in fact, is a starting point for what the Council should deliver or refine collaboratively.

The Minister celebrated the progress of FoF actions including:

- The January launch of the Freight Innovation Fund (FIF) and the upcoming announcement of the small and medium enterprises (SMEs) that were successful in applying for funding to support innovation freight solutions.
- Successful collaboration between government and industry on the Generation Logistics Campaign, promoting talent and diversity across the logistics sector.
- The Call for Evidence on planning and freight that will be published in due course in collaboration with Department for Levelling Up, Housing & Communities (DLUHC) to ensure necessary planning reforms.
- The first meeting of the Freight Energy Forum, bringing together the freight and logistics sector with the energy distribution sector, manufacturers, and regulators to address the energy supply challenge and Net Zero.

The Minister emphasised that the Freight Council will be used to drive forward FoF actions, identifying where members can contribute and add value, as well as discuss how to approach new issues as and when they emerge.

2. Discussion

The Minister opened the floor to members to hear views on two areas:

- *Delivering the collectively agreed actions in the FoF Plan: What do you think a “good” outcome for those actions looks like and how you can contribute to that outcome?*
- *Comments on the current health of industry and how industry priorities have evolved since we agreed those actions early last year.*

David Wells, Logistics UK (LUK) (DW)

- Welcomes the Zero Emission Road Freight (ZERFD) demonstrator and emphasised the need to announce the winning projects so that demonstrations can begin.
- Expressed concerns over the delays to ZERFD as members are close to their next vehicle buying cycles and will need visibility of the technology they should be looking for.
- Regarding the economy, the sector is starting to feel the impacts of the increase in the cost of living.
- Expressed concerns with now seeing a shortage of HGV technicians. Welcomes the People and Skills section of the FoF and emphasised the need for flexibility to ensure a thriving sector.

Declan Pang, Road Haulage Association (RHA) (DP)

- RHA is keen to have a better understanding of timescales of the planning pillar of the FoF. This is particularly important due to their ongoing work of increasing the number of truck stops and development of motorway service areas.

- Regarding governance around the Freight Council, they are keen on having a good level of representation from key government departments.
 - Action – Secretariat to ensure a good level of representation from key government departments and senior level collaboration.

Richard Smith, Road Haulage Association (RHA) (RS)

- Added that whilst Generation Logistics has been successful, an effort should be made to connect with SMEs, particularly at the vocational level.
- Flagged that as industry is made up of SMEs, it is important to make them aware of the policy changes, particularly around alternative fuels and that a clear road map is in place for them whilst there is still an appetite to invest in the industry going forward.

Clare Bottle, UK Warehousing Association (UKWA) (CB)

- Commended the acknowledgement of the UK Warehousing Association (UKWA) in the FoF plan and stressed the importance of their collaboration with the Department for Levelling Up, Housing and Communities (DLUHC)
- Welcomed progress on the Planning Call for Evidence
- UKWA expressed concerns that the timelines for feeding into the Call for Evidence are not aligned with those of the Levelling Up and Regeneration Bill which is currently at the committee stage in the Lords.
- UKWA have been trying to arrange a meeting with Baroness Scott of Bybrook to give the warehousing point of view (as the consultation was mainly focused on housing). CB queried whether there is still chance to influence the bill and whether Minister Holden could help arrange a meeting.

Action – Minister Holden's office to facilitate a meeting between UK Warehousing Association (UKWA) and Baroness Scott of Bybrook

- Flagged that warehousing activities are not always welcomed by Local Authorities, so there is a need to raise the profile of the value the sector adds economically, socially, and potentially environmentally.
- Welcomes Terms of Reference for the Freight Energy Forum (FEF), commended David Elvy's work on it.
- UKWA published a policy paper on the importance of solar panels on warehouse roofs. Keen to promote that work further and do more research. The next stage of research will consist of more data projects, and although the Freight Innovation Fund (FIF) is more about technology than data, they are keen to see the winners of the fund.

Iain Forbes (IF) reiterated the Minister's point on the planning call for evidence and added that this reflects the fact that government recognises the importance of planning to the sector.

Rupesh Mehta (RM) added that this forms part of the wider work to planning reform both in terms of major infrastructure and the wider thinking on speeding up delivery including EV chargers. This work is being done closely with DLUHC. A team is being set up within DfT looking specifically at planning reform to build upon previous work. Keen for any work in relation to freight to be integrated and to hear ideas in terms of reforms that would be of benefit.

- *On skills, IF raised Generation Logistics and its successes to date on bringing the sector together to address skills gaps. Sarah Maclean (SM), DfE, added that DfE is feeding into the skills strand of FoF. She flagged that it is important to hear from DfT on the level of need for training such as Skills Bootcamps and whether the focus should now be on apprenticeships and other programmes.*
- *Action- DfE to share guidance with members on the apprenticeship process.*

IF welcomed the strong interest in the Zero Emission Road Freight demonstrator (ZERFD) programme that had been demonstrated earlier by council members and proceeded to note the next steps on announcing the winning projects.

Maggie Simpson, Rail Freight Group (RFG) (MS)

- RFG members are interested in moving more freight by rail. They welcome the progress on the FoF plan so far. Looking forward to receiving the planning papers as it is critically important to their members.
- In terms of the market, RFG members have similar points regarding the economy, as a lower volume of goods is currently being moved than this time last year.
- Construction activity is also down. However, members are cautiously optimistic about an improvement through this year.
- Rail Freight is largely more sustainable than other modes, but pressures of net zero by 2050 are being felt. There is willingness among members to invest in new locomotives and to go electric, but the existing infrastructure does not allow them to do this. MS highlighted power distribution at a local level as an area of concern.
- Regarding alternative fuels, there is a need to assure people of its sustainability and guidance on its use within the rail freight sector would be welcomed. This should be picked up as part of that work.
 - Action: DfT officials to bring in alternative fuels colleagues to discuss Industry concerns around the future of fuels, electrifications, the local power networks, and the existing infrastructure.

Richard Ballantyne, British Ports Association (BPA) (RB)

- There is a big concern with “plugging in” which enables ships to reduce pollution, as there are worries that the government may see this as an overall

solution of maritime issues. Also, to note that the grid capacity is not available and some of the infrastructure does not (yet) exist.

- Some leading operators want net zero, such as cruise and ferries, but majority of vessels in UK ports are not ready. Therefore, there is the need for more engagement as there is no quick fix to decarbonise the maritime sector.

The Minister noted the discussion around the future of fuels and electricity connections and the concerns raised. On planning, officials will continue to engage with industry as the Levelling-up and Regeneration Bill goes through Parliament to ensure issues are addressed.

IF added that the Bill will lead to a review of the National Planning Policy Framework and that there are further opportunities to influence and shape the way in which the planning framework is formed.

Rupinder Pamme, Airports Operators Association (AOA)(RP)

- Highlighted the importance of air freight and international freight and the need to ensure that this sector is not lost in the conversation.
- Agreed that planning is key for the sector especially regarding land use near airports.

Matthew Wright, UK Chamber of Shipping (UKCS)(MW)

- Agreed with BPA on the unavailability of grid capacity and infrastructure for electrification.
- Welcomed the recent meeting on a decarbonisation mapping exercise. Ready to support establishing data sets that can improve decision making relating to funding mechanisms.
- Green corridors need more attention, industry do not see them as port-to-port but warehouse-to-warehouse instead. Will be a benefit to encourage the end-to-end user experience as there isn't too much evidence of connecting green corridor element of maritime with wider logistics demands.
- Welcomed the spring budget in terms of provisions for simplifying custom declarations, albeit not clear what that would mean in practice for the Target Operating Model for the UK border.
- Praised National Crime Agency and Home Office work in respect to security of freight with improved communication and data sharing between industry and government.

Minister Holden gave his final remarks and agreed on the following additional actions.

- *Action – DfT to announce the winners of the Zero Emission Freight Demonstrator programme as soon as possible.*

- *Action – DfT officials to update Freight Council on Green Corridor planning and progress.*
- *Action – DfT officials to follow up on planning around airports and highlight the importance of air freight to officials.*
- *Action – Secretariat to invite officials from The Department for Energy Security and Net Zero (DESNZ) to the next meeting.*

CB, UKWA, noted the importance of Generation Logistics. She works with Saron Kindleysides at the Chartered Institute of Logistics & Transport (CILT) within the Women in Logistics forum to promote diversity in the sector. CB emphasised she is pleased to see the strategic intent of the campaign to promote a more diverse sector, but disappointed that it was not mentioned in the budget. She queried if future funding will be secured.

The Minister agreed with the broader issue and stated that he is optimistic that decisions about funding will be made in the near future.

Sharon Kindleysides, Chartered Institute of Logistics & Transport (CILT)(SK)

- Thanked DfT for their continued support on Generation Logistics. Flagged that anyone could get in touch with her if interested in becoming a generation logistics ambassador. Hoping to get into schools and talk to young people. DfE will be involved in this

3. HGV & Future of Freight Updates

Iain Forbes gave updates on HGV and the Future of Freight. In summary:

- HGV 33 Measures
 - Several months ago, as the country was facing significant HGV driver shortages, government worked with the industry to put together a plan to alleviate the situation such as increased driving test slots, introducing apprenticeships, and £34m investment from DfE to train up to 11,000 drivers through Skills Bootcamps.
 - Most recent data show number of HGV drivers has stabilised. An evaluation is being done within government to ascertain which measures were most effective and delivered most impact. It is fair to say that things appear to be more stable at the moment, however we should not be complacent about the issues in the sector.
- Freight Energy Forum
 - The point of this forum is to bring together the range of sectors to work collaboratively on energy and the logistics. Invitations to a meeting on 5

April are being issued to senior representatives from across the industry, manufacturers, energy distributors and the regulators.

- Planning Call for Evidence
 - This is a major area where the sector is seeking collaboration with government. This is expected to be launched shortly.
- HGV parking – plan in place to improve roadside facilities.
 - Rosalind Wall: first application window for the HGV parking and welfare grant scheme closed on 24 February 2023. The feedback so far has been very positive. Results are expected to be announced in the next financial year.
- People and Skills
 - Recent disruptions to our supply chains have made it more important than ever to ensure the sector has the people and skills it needs to thrive.
 - Generation Logistics has had a good impact, profile of sector has been raised, perceptions on sector are starting to change and keen to identify further actions in this area. Delivery group under the Freight Council is to be established.

Sarah Maclean: DfE is happy to help to continue to support the people and skills delivery group and would welcome feedback on the skills required so policy approaches can be refined to reflect current and future needs.

David Wells, LUK, added:

- Great to hear the support for Generation Logistics
- Welcomes the 33 measures. The industry initially started to raise the salaries for HGV drivers which compelled many HGV Technicians to move into a driving role. The exodus of HGV technicians needs to be fixed. The challenge is that it takes 3 years to train and qualify, much longer than drivers. This is a bigger issue that is not getting enough traction and the concern is that this will eventually impact significantly on safety.

Ben Wilkins, Department for Work and Pensions, stated that DWP is keen to see Generation Logistics continue and engage with JobCentres and jobseekers in the logistics sector. A degree of reskilling is needed as majority of people are already in work and that would still be the case for the next 10 to 20 years. This would help people who are working in one part of the sector to progress into other roles. There are other skills barriers other than training, where progress may be needed. Image of the sector also affected by pay, working conditions, and flexible working hours which could impact apprenticeship uptake. Keen to work with industry on the related challenges that might be seen as a skills shortage, but it might be about conditions

or flexibility or the image related issues that the Generation Logistics seeks to address.

Declan Pang, RHA

- Agreed that the driver situation is stabilising. There should be focus chronic issue with the ageing population and RHA supports the continuation of Skills Bootcamps beyond 2024. Flexible and short aspect makes it much more accessible, especially when the apprenticeships are quite hard to access.
- Agreed with David Wells' assertion on the cause of shortage of technicians, RHA's findings are that there are fewer college courses available for HGV technicians, resulting in fewer joining the existing pool. Keen to work with DfE and Generation Logistics and other trade bodies to develop a T-Level in logistics.

Sarah Maclean, DfE: Some colleges struggle to find people to teach the courses as it can be challenging to release people from the sector to teach in the colleges. Work needs to be done to ensure that people with the right skills and experience can work in colleges (often part time) to help train the next generation.

Clare Bottle, UKWA

- Highlighted that there are entry level roles available in the warehousing sector, such as pickers and packers, which do not necessarily require high level education. These roles can be an engine of social mobility. There are lots of other career opportunities also available in the sector.
- Flagged that they are seeing skills shortages like forklift and truck drivers and robotics engineers.

Iain Forbes recapped, skills are clearly of short- and long-term importance for Freight council discussions and industry. IF thanked members for their valuable input and insights on the agenda items.

4. Industry Updates

No further updates.

5. AOB

Iain Forbes recapped and flagged that the Freight Council will be meeting quarterly. There is a lot of interest in continued high level dialogue on skills.

- Action – Secretariat to make skills a standing item on agenda.

Decarbonisation also stood out in the discussion.

- Action – Secretariat to make Decarbonisation a standing item on agenda. Keen to ensure that the Freight Council agenda covers the industry's perspectives therefore the Secretariat should be notified of any items that need to be covered.

