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**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 30 November 2021

**Subject:** **HGV and PSV driver shortages**

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## **HG1. Purpose of this report**

1.1 To update the Board on activity to explore issues around driver shortages and actions being taken at a West Yorkshire level.

## **2. Information**

### **HGV and bus driver shortages**

2.1 An acute shortage of active HGV drivers in the UK has attracted widespread attention with impacts on the wider economy becoming more evident. A combination of factors has contributed to the current situation, many are long standing issues that have been compounded by recent events.

2.2 It has been estimated that 230,000 HGV licence holders under the age of 45 in the UK are choosing to not currently work in the sector and the Road Haulage Association estimates that there is currently a shortage of around 100,000 drivers in the UK. There is a lack of diversity in the sector with very few female (2%) or BAME (2%) drivers.

2.3 In addition to this national picture, local intelligence has also highlighted a shortage of bus drivers (Passenger Carrying Vehicles – PSV) which is impacting on the delivery of services.

### **Round table with industry**

2.4 Mayor Brabin and Sir Roger Marsh held a roundtable on 12 Oct with the HGV and PSV sectors to better understand the impact on West Yorkshire, vacancy issues, barriers to recruitment and links to training and employment.

2.5 For HGV drivers, feedback largely focused on issues beyond training. This included poor facilities across the UK, and European haulage rates that UK firms cannot compete with. Ownership of the issue of lack of parking was unclear. This was highlighted as a contributing factor to the shortage of

women in the HGV workforce. Slightly different challenges were faced by large vs small hauliers.

- 2.6 The roundtable feedback confirmed that there are multiple issues which have resulted in the shortage and recruitment challenges, with the industry focussing predominantly on significant wait times for provisional licences, examinations, and a hiatus in training more examiners. For PSV, employers reported that they weren't experiencing a significant shortage of people attracted to the role, but there are significant wait times for provisional licences, examinations, and a hiatus in training more examiners. An estimate of 95 people are reportedly awaiting licence, which is close to 40% of the c250 PSV driver shortage figures recently reported. Applicants tend to find other jobs while waiting through this process, which is lasting c.6-8 weeks rather than the usual c.7-10 days. This is compounded by a buoyant jobs market doubling the usual turnover rate of 5- 15% leading to a local scarcity of PSV drivers.
- 2.7 Driver shortages have not been caused by barriers to training, and support for training will not address the underlying issues. However, there was support for modest interventions that may have an impact on recruitment in the longer term and contribute to increasing the diversity of the sector/s.

### **Action being taken in West Yorkshire**

- 2.8 The West Yorkshire Combined Authority will amend its Adult Education Budget Funding Rules to allow providers to claim the funding for PSV, HGV and Medical licences. The change will therefore allow for training providers to claim some of the expenses for training HGV and PSV drivers (not currently permitted) – and therefore makes the training programmes more viable. This should incentivise an uptake in training in the area for these sectors, by covering a cost normally covered by individuals and/or absorbed by employers/training providers. Our approach goes further than the national programme by supporting public service vehicle training as well as HGV.
- 2.9 Officers have been asked to explore the following opportunities to bolster a robust talent pipeline into both industries:
1. Bus Driver Apprenticeship Schemes
  2. How we can make best use of unspent levy funds for these sectors
  3. Learning from and/or mirroring the training provision other MCAs (e.g. Tees Valley) have developed to tackle shortages

## **3. Tackling the Climate Emergency Implications**

- 3.1 There are no climate emergency implications directly arising from this report, however, however the contribution of the transport and logistics sector to tackling the climate emergency should be considered in any action arising.

## **4. Inclusive Growth Implications**

- 4.1 AEB supports the inclusive growth agenda by increasing the skills and employability of low skilled residents, connecting them to employment opportunities. There may be a need to consider the impact of sector pay working conditions on the regions skills and employment profile.

## **5. Equality and Diversity Implications**

- 5.1 There is a lack of diversity in both HGV and PSV sectors and action to bolster a robust talent pipeline should include targeted action to attract underrepresented groups into the sector. The sector may need to consider whether/how working practices may also need to change in order to attract a more diverse workforce.

## **6. Financial Implications**

- 6.1 There are no financial implications directly arising from this report.

## **7. Legal Implications**

- 7.1 There are no legal implications directly arising from this report.

## **8. Staffing Implications**

- 8.1 There are no staffing implications directly arising from this report.

## **9. External Consultees**

- 9.1 HGV and PSV employers have been engaged through a round table discussion.

## **10. Recommendations**

- 10.1 That the LEP Board notes and comments on the report as required.

## **11. Background Documents**

There are no background documents referenced in this report.

## **12. Appendices**

None.