

# Trucking Lives Research Brief #1

## Is Insurance Driving who Drives Trucks in the UK?

14 May, 2024

### 1: Context

Workforce shortages in UK lorry driving are a long-standing concern shared by the UK government and the road haulage industry. Although acutely felt in 2021, deliberations to attract and retain lorry drivers in the UK predate that period of crisis. The 2016 House of Commons Select Committee Report on 'Skills and Workforce Planning in the Road Haulage Sector' states that the industry needs to encourage young people to become drivers to solve current and future workforce shortages.

It was the 2021 crisis, however, which precipitated a response from UK government. Interventions to attract new drivers into HGV driving include offering free training and testing under the Skills Bootcamp scheme and the LGV Apprenticeship Scheme.

While these initiatives to attract drivers into lorry driving are welcome and necessary, how are newly qualified lorry drivers experiencing the HGV-driving labour market in the UK?

### 2: Outline of research evidence base

The Trucking Lives project has conducted in-depth interviews and engaged in online research to learn about the experiences of skills training, finding employment and building a career in the trucking industry amongst newly qualified HGV drivers in the UK.

Alongside closely monitoring a Facebook group for newly passed drivers in the UK and a lorry driver discussion forum, the research

team has conducted in-depth interviews with 27 new drivers (10 female, 17 males) who qualified to become HGV drivers between 2021 and 2023.

Our research with new drivers also follows an on-going longitudinal approach. Participants' career trajectories will be followed for 2 years, from 2023 to 2025.

### 3: Key findings

Recently qualified HGV drivers struggle to find employment. Participant narratives reveal a paradoxical reality, of newly qualified drivers struggling to find work in an industry suffering workforce shortages. The key reason for this is insurance.

Insurance companies charge high premiums to insure HGV drivers, especially drivers under 25 years of age and drivers with less than 12 months of current continuous experience in HGV driving. In practice this translates to a majority of haulage firms steering clear of employing newly qualified drivers.

The trend is compounded by the size and shape of the road haulage industry. In a sector that remains dominated by small firms with fewer than six trucks, and which operates on margins of around 2%, insurance is one of the few costs that firms can control. It is therefore understandable that haulage firms want to keep their insurance bills as low as possible.



# Is Insurance Driving who Drives Trucks in the UK?

Key questions related to this are:

***Why are insurance premiums as high as they are?***

***Is the cost of lorry driver insurance increasing at a rate that is unsustainable for a sector operating on extremely tight margins?*** And,

***What interventions, if any, have been made by the government and industry to counter the adverse effects of high insurance premiums on young and new drivers?***

*The effects on newly qualified drivers:*

Rejected for being 'too young' or for having no lorry driving experience, new drivers are advised to 'work their way up' by lorry driver peers on social media fora.

For a majority of our research participants, this means starting off by driving vans, C1, or Cat C vehicles even when they had a C+E license.

Out of the 27 interviewees, only six had managed to find their first job in a driving role that matched their license qualifications. Of the six, four admitted to this being a function of tapping into their personal networks to be recommended for jobs.

Notwithstanding the disappointment and rude shock that greet new driver entrants, the need for work experience on one's CV translated to new entrants being happy to 'find *any* job'.

The lack of bargaining power in their positions as newly qualified drivers was evident in the poor working

conditions (e.g. zero-hour contracts, informal working conditions) and heightened exploitation that many of them endured, including having to drive road illegal vehicles so as to not lose a job on hand.

## 4: Recommendations

The experiences of new drivers show that government and industry efforts aimed at attracting new drivers into HGV driving cannot stop at the provision of subsidised skills training programmes or programmes to encourage more (young) people to get into HGV driving.

It must contend with the critical but barely spoken about obstacle posed by insurers that constrict new drivers' entry into the lorry driving labour market.

We suggest the following key interventions to address insurance-related constraints that currently restrict newly qualified drivers from accessing satisfactory employment opportunities:

- Offer enhanced support to (small) businesses by subsidising the excess they incur when they insure drivers below 25 years of age and without prior lorry driving experience.
- Explore alternative models of lorry driver insurance with the road haulage and insurance industries.

