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# Transport & Logistics Insight

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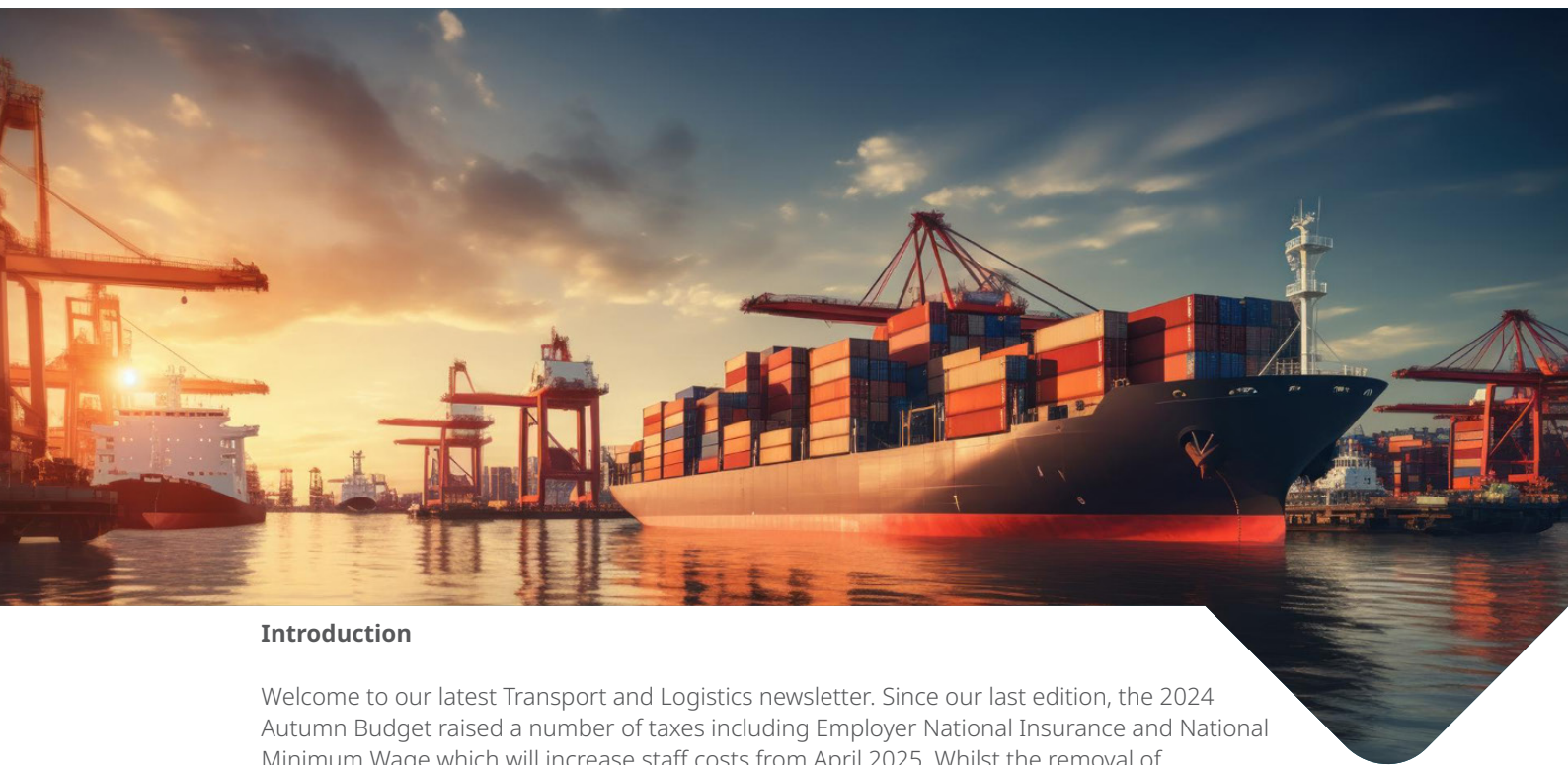


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# Paul Wormald Partner



## Introduction

Welcome to our latest Transport and Logistics newsletter. Since our last edition, the 2024 Autumn Budget raised a number of taxes including Employer National Insurance and National Minimum Wage which will increase staff costs from April 2025. Whilst the removal of Agricultural Property Relief and the impact of that on family farming businesses has been well publicised, the proposed removal of Business Property Relief will have very similar consequences for privately owned businesses. Early engagement with your tax adviser ahead of the April 2026 implementation date is recommended.

In this edition of the newsletter we discuss the following:

- Logistics UK warn Government regarding exclusion from industrial strategy
- Top Tips for Managing a Fleet of Vehicles Efficiently
- Transport secretary launches Integrated National Transport strategy
- Autumn Budget 2024 Summary

As always we hope you enjoy the contents of this newsletter and as ever please do not hesitate to contact one of our experts if you have any questions about these articles.

## Paul Wormald Partner



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## **Logistics UK warn Government regarding exclusion from Industrial Strategy**

In October, the new government published a green paper titled: Invest 2035: The UK's Modern Industrial Strategy. This outlines Labour's industrial strategy for next ten years and focuses on sectors that they believe offer the highest growth opportunity for the UK economy. The Logistics sector was not highlighted as one of the eight focus sectors in this document.

Since the publication, Logistics UK have asked the government to reconsider prioritising the logistics sector as a key platform to economic success. They believe that the logistics sector must be included in the final version of the industrial strategy when it is published in the Spring of 2025. This is because the performance of the economy is dependent on an efficient logistics sector.

Logistics UK have said that 'With appropriate investment, policy changes and the right partnerships with government, the logistics sector could provide a boost of up to £7.9bn per year to the UK's GDP in productivity gains by 2030'.

Transport & Logistics partner, Paul Wormald commented: "Whilst the eight sectors identified in the strategy are no doubt worthy of inclusion as high growth areas for the UK economy, none of them are likely to fulfil their growth potential without a logistics sector that is functioning efficiently. The logistics sector is the backbone of the UK economy and its requirements should be integral to the strategy if this is to succeed."



## Top Tips for Managing a Fleet of Vehicles Efficiently

### Top challenges faced by Fleet Managers

Fleet managers face multiple challenges on a daily basis that they need to tackle when it comes to managing a fleet of vehicles efficiently. These challenges include:

#### Administrative tasks

- Fuel usage (rising costs, reducing wastage and increasing efficiency)
- Repair costs
- Vehicle acquisition
- Health & safety and regulatory compliance

#### Administrative tasks

Administration is one of the top challenges for a fleet manager because it involves a wide range of time-consuming tasks including, managing vehicle records, maintaining compliance with regulations, tracking expenses, ensuring proper documentation and much more. These tasks are very important as it enables the fleet manager to remain organised as they need to adhere to budget constraints and legal requirements. However, a fleet manager can often spend the majority of their time completing these necessary tasks, diverting their attention and focus away from more strategic tasks.

#### Fuel

The next big challenge for a fleet manager is fuel

management. Due to fluctuating fuel costs the need to reduce wastage and improve fuel efficiency is more important than ever. Fluctuating fuel costs also makes managing operating costs very difficult as they can vary significantly month to month. This is perhaps more important with larger fleets where fuel inefficiencies can increase costs significantly. Therefore, fleet managers need to consider implementing fuel saving measures to improve operational efficiency.

#### Repair costs & fleet maintenance

Another big challenge for a fleet manager is repair costs as they directly impact both operational budgets and vehicle uptime. Maintenance costs and unexpected repairs can soon add up especially with vehicles that have high mileage. Fleet managers are required to regularly monitor vehicle condition, maintenance and have the ability to anticipate issues early. If vehicle maintenance is not managed properly this can lead to more complex vehicle issues which are not only more expensive to fix, but also cause vehicles to be off the road for longer periods.

#### Continued overleaf



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## Top Tips for Managing a Fleet of Vehicles Efficiently (continued)

### Vehicle acquisition

Vehicles are at the heart of any fleet and acquiring them can be a significant challenge for fleet managers. This is because there are many factors to consider when purchasing a vehicle. These include:

- Suitability and purpose to the fleet
- Tax and insurance costs
- Fuel efficiency
- Which members of staff are qualified to operate the vehicle?

These are all key considerations and if these are overlooked, it can result in a very costly and inefficient purchase for the company.

### Health & safety and regulatory compliance

Due to the nature of the haulage industry, health and safety is taken very seriously. Therefore, fleet managers are required to put measures in place that will minimise the chance of a driver having an accident. In cases where drivers do have accidents the fleet manager is required to undertake the necessary procedures. These include, providing assurance that health & safety guidelines were adequately followed, as well as those for the driver's insurance so that claims may be handled quickly and efficiently. It is very important that fleet managers take health and safety very seriously as failure to comply with health and safety regulations can result in large fines.

### Top Tips for Managing a Fleet of Vehicles Efficiently

Now we have addressed some of the most common challenges fleet managers face. We are now going to look at how fleet managers could manage these challenges more efficiently.

### Consider adopting an automated fleet management system

Looking to reduce your administrative burden? Fleet management systems can automate many of your time consuming administration tasks so you can focus on more strategic tasks such as future vehicle purchases, fleet operations, vehicle management and building relationships with customers and developing any future strategic plans for your fleet management. Here are some of the best rated fleet management systems.

### Continued overleaf



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## Top Tips for Managing a Fleet of Vehicles Efficiently (continued)

### Optimise route planning

To optimise fuel consumption it is essential to optimise route planning. This is because it can reduce unnecessary mileage and idle time whilst avoiding traffic congestion. There are many route optimisation tools that fleet managers can use to identify the quickest and most fuel-efficient routes. This ensures that drivers take the shortest routes whilst considering factors like road conditions and delivery schedules. Whilst this increases fuel efficiency it also increases overall productivity allowing drivers to complete more deliveries in less time. In the long term, optimised route planning helps reduce fuel costs, lower emissions and extend the lifespan of vehicles, contributing to a more sustainable and cost-effective fleet operation.

### Make vehicle maintenance easy for your drivers (vehicle maintenance)

Drivers are more likely to engage with vehicle maintenance if you make it easy for them. Simplifying the process by removing the need for handwritten notes by implementing cloud based systems with mobile accessibility. These systems send the drivers automated messages regarding upcoming service and maintenance requirements.

### Set guidelines for vehicle acquisition

When it comes to vehicle acquisition being consistent is key. By setting guidelines for vehicle acquisition you can quickly rule out vehicles that are going to be unsuitable for your fleet. This is very important if you have multiple

fleet managers or other staff members that are responsible for purchasing fleet vehicles, to ensure consistency. It is recommended that you set guidelines in the following areas:

- Availability and affordability of replacement parts for repairs
- Fuel efficiency
- Load carry
- Low total cost of ownership

### Be proactive not reactive when it comes to health & safety (health and safety)

Don't wait for an accident to start considering health and safety. A good way to monitor that your drivers are adhering to health and safety rules is to have a driver behaviour monitoring app or retrieve data regarding driver behaviour from the vehicles telematics devices. Understanding what your drivers are doing on a daily basis will enable you to implement measures to encourage a culture of safe driving across your entire fleet.

### Conclusion

To conclude, there are many challenges faced by fleet managers on a daily basis. In this article, we have found that implementing technology on some areas of vehicle fleet management will increase efficiency and allow fleet managers to focus their time more on strategic tasks where technology and automation has less of a role to play.



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## Transport secretary launches Integrated National Transport strategy

On 28th November the Department for Transport unveiled their Integrated National Transport Strategy. The strategy aims to provide a vision for how transport can evolve across England in the next 10 years and provide a 'people-first' approach.

This strategy was launched by the previous Transport Secretary Louise Haigh who resigned on the same day she launched the strategy.

### What are the highlights of the Integrated National Transport Strategy?

#### More power to local leaders

Firstly, this strategy aims to give more power to local leaders when it comes to regional transport strategies. This will be done through the English Devolution White Paper. Furthermore, the Bus Services Bill will aim to empower locally designed and controlled networks.

#### Call for ideas to improve the transport network

As part of this strategy the Department for Transport is also launching a call for ideas to make the transport network better which will be followed by a series of regional roadshows which will take place early next year. If you have any ideas you would like to submit you can

do this here via the government website.

### Railways back into public ownership – Great British Railways

This strategy has also confirmed the Department for Transport is committing to bringing railways back into public ownership through the Great British Railways. Which was first announced over three years ago.

#### Inspired by Dijon?

When putting together the plan the previous Transport Secretary, Louise Haigh said she was inspired by a visit to Dijon where she saw a transport network that was reliable, efficient and effective. Here she saw how this city was implementing technology by bringing all modes of transport together into one app where you can plan and pay for your journey across multiple modes of transport. Louise Haigh said that the main reason that Dijon was able to achieve this is because the city was given the power to make the changes it needed which is why this strategy aims to give power to local leaders when it comes to regional transport strategies.

#### Continued overleaf



## Transport secretary launches Integrated National Transport strategy (continued)

Infrastructure strategy to be launched in the Spring of 2025

Finally, the Department for Transport announced that in the Spring of 2025 they will publish an infrastructure strategy that will set out the priorities for next decade in transport. By doing this the government aim to provide clarity and certainty which they believe will help unlock private investment.

Transport & Logistics Partner, Paul Wormald commented on the Integrated National Transport Strategy:

The ambition shown in the aims to create a unified and integrated approach in transport planning has to be welcomed, along with an emphasis on putting the customer first in future plans.

A better integrated public transport system is fundamental to economic growth.

However, these aims and ambitions are nothing new for those of us who recall the establishment of the metropolitan passenger transport executives in the 1970s, and whilst they did bring a greater level of cohesion between various modes of transport for a number of years in our major conurbations, these

improvements seemed to lose impetus through changes in government sentiment towards these regions, and public transport in general. As a result, it could be considered that the time is ripe to inject fresh momentum into public transport improvements on a more widespread basis across the country.



## Autumn Budget Recap – Key Tax Announcements

Today, Chancellor Rachel Reeves announced her 2024 Spring Budget where she summarised the UK economic performance and announced her proposals for tax.

In this budget, the chancellor announced that she will raise taxes by £40bn to increase government funding.

In this article, we have highlighted some of the key tax changes.

### Employee National Insurance Contributions

From April 2025, Employer National Insurance Contributions will be increased by 1.2% to 15%. Furthermore, the threshold at which businesses will start paying National Insurance Contributions on a workers' earnings will be lowered from £9,100 to £5,000. This will result in Employers National Insurance Contributions increasing significantly from April 2025.

### Employment Allowance

From April 2025, the Employment Allowance will increase from £5,000 to £10,500. The Employment Allowance is a government initiative aimed at small businesses to reduce their National Insurance liability.

### Capital Gains Tax

With immediate effect, the lower rate of Capital Gains Tax on most assets is increased from 10% to 18% and

the higher rate of Capital Gains Tax is increased from 20% to 24%.

However the Capital Gains Tax rates on residential property will remain at 18% and 24% respectively.

There are also changes for Business Asset Disposal Relief. The lifetime allowance remains at £1 million but the tax rate will increase from 10% for this tax year to 14% from 6 April 2025 and then 18% from 6 April 2026.

### Inheritance Tax (pensions)

From April 2027, pensions will be brought into inheritance tax and pension scheme administrators will be responsible for reporting and paying inheritance tax to HMRC.

### Inheritance tax

The inheritance tax threshold will be extended by a further two years to 2030. Furthermore there will be a reform to Agricultural Property Relief and Business Property Relief. From April 2026, there will be no inheritance tax on the first £1m of combined business and agricultural assets. But for assets over £1million, inheritance tax will apply with a 50% relief and a tax rate of 20%.

### Continued overleaf



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## Autumn Budget Recap – Key Tax Announcements (Continued)

### Stamp Duty Land Tax surcharge

From 31st October 2024 (tomorrow) there will be an increase in the Stamp Duty Land Tax surcharge for second homes from 2% to 5%.

### Fuel duty

Fuel Duty rates will remain frozen for the 2025/26 tax year.

### Income Tax and National Insurance threshold

The chancellor announced that she will increase Income Tax and National Insurance threshold in line with inflation in 2028/29.

### Abolishing non-domicile tax regime

From April 2025, the current non-domicile tax regime will be abolished. This will affect individuals whose permanent home or domicile is outside the UK for tax purposes (ie have lived in the UK for more than 4 years). The chancellor said that a new residence based scheme will be introduced.

### Windfall tax

From November, windfall tax will increase on oil and gas profits to from 35% to 38%.



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# Get in touch



## Our experts

We act for a large number of clients in this sector across our three offices, ranging from hauliers to international couriers, and understand the challenges this dynamic sector faces.

Nearly every other commercial sector is reliant on the services transport and logistic businesses provide and, in many ways, this specialist sector is the linchpin for our country's economy.

With our experience in the transport and logistics sector we are able to develop a close understanding of your business and, through active year round involvement, we can help you anticipate and deal with challenges quickly and effectively.



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