


Distribution

West of England Local Sector
Skills Statement 2019



Working together to develop the current
and future skills of the sector.



The Local Sector Skills Statements provide up-to-date market intelligence from industry sectors; celebrating the notable achievements and expertise of businesses and education in the region compared to regional and national policy and research.

They provide insights into: the skills challenges faced by businesses in 2018/19, possible solutions, and potential partnerships for stakeholders to collaborate in the region.

The reports inform key priorities for: investment in training, education, careers advice and professional development in the West of England.



Produced and written by Business West

Business West is working in partnership with the West of England Combined Authority, West of England LEP and the region's universities and colleges through the Western Training Provider Network. The intelligence gathered feeds into the West of England skills strategy.



Distribution

Local Sector Skills Statement 2019

The distribution sector represents a major section of business in the West of England and the region is home to many dynamic distribution and logistics companies. It has great potential for further growth, particularly in the regional Enterprise Areas that adjoin the road networks and the sea port.

In the UK the logistics sector directly employs 1.7 million people, along with 2.35 million people in related occupations, making up 7.6% of the workforce in the UK. ⁽¹⁾ The sector is worth £55 billion to the economy, making up 5% of the UK's total GDP. In 2016/17, turnover in the sector increased by 29%, which was greater than the whole economy average. ⁽²⁾

The logistics sector involves the commercial activity of transporting goods to customers. The sector comprises many different areas including: freight logistics; supply chain management; passenger transport; vehicle manufacturing and retail; transport planning; and traffic management. In the West of England, the logistics sector directly employs 15,000 people, along with 14,000 people in broader occupations, forming 5% of the workforce of the local economy. ⁽³⁾

The growth of the sector locally means that there are large employment opportunities within the region. With some of the UK's biggest logistics employers having branches located within the West of England, the area continues to benefit from a large and diverse labour market offering an abundance of occupations and roles including; storage workers, large and small goods drivers, postal workers, forklift truck operators, technicians, mechanics and electricians. Companies in the sub-region include: DHL, Kuehne + Nagel, XPO logistics, Royal Mail, Eddie Stobart and Wincanton, plus established companies like: Nisbets, Warburtons, Lidl, Co-op and Amazon.

The West of England has the 9th busiest airport in the UK for commercial flights, alongside cargo distribution imports and exports; building the area's

strong logistics profile. A new or extended terminal and multi-storey car park are among the plans at Bristol Airport to increase the passenger numbers by 2 million, as part the government's encouragement for airports to produce master plans.

The Bristol Port Company, located in the Avonmouth and Severnside Enterprise Area, offers shipping, transit storage, distribution and logistics services. The port connects the West of England directly with motorway links to London, Birmingham, Manchester and South Wales, with rail connectivity direct from Avonmouth and Royal Portbury Docks. The company is committed to workforce developments beyond its 550 strong workforce and has recently partnered with Skills Training UK to deliver apprenticeships in management and business administration to help workers gain a greater understanding of commercial needs.

The Business West Skills and Training Survey 2018 listed the top five skills that employers require in this sector as: communication, problem solving, numeracy/analytical, team working and customer service. 95.5% cited communication as the most important with customer service following closely at 91.3%. ⁽⁷⁾ With areas such as the Avonmouth and Severnside Enterprise Areas presenting high employment levels, the result is that low skilled jobs in the logistics sector are particularly hard to fill. ⁽³⁾

In the West of England, the logistics sector has a higher than average age demographic which represents a challenge for future growth if left unaddressed. The challenge remains in attracting, recruiting and retaining drivers and other skilled workers at all levels in the industry, particularly

young people. ⁽⁵⁾ As well as sought after technical skills, there is a requirement for leadership and management by businesses to aid growth.

The Avonmouth & Severnside Enterprise Area Survey 2017, ⁽¹⁰⁾ in partnership with Skills for Logistics and Business West, also reflected the challenges faced locally around recruiting drivers, skilled and non-skilled workers. The companies surveyed expected their workforce head count to grow in the next 12 months and were concerned about where new personnel would come from. Public transport into the Avonmouth and Severnside area continues to add barriers to accessing a workforce from outside of the area, particularly for low skilled roles.

The industry struggles with negative perceptions. This issue is widely acknowledged within the sector, but clearly one that individual distribution operators struggle to deal with alone. Despite the existence of initiatives such as 'Road to Logistics', which provides support and training to help start and build careers in the sector, and the National Lorry Week aimed at promoting the haulage industry to the next generation of employees, there have been few examples of co-ordinated industry action. ⁽⁵⁾

"Our sector faces more uncertainty than ever before. The impact of Brexit, the reliance on EU labour to fill vacancies, an ageing workforce and pervasive skills shortages threaten our sector's security, which is crucial for the regional and national economy. We need to attract a new generation of talent."

David Coombes, Skills for Logistics and route panel member for Transport and Logistics at the Institute of Apprenticeships

Key Facts

A summary of key facts both locally and nationally in this sector

Bristol Port Estate contributes more than £1 billion to UK GDP alone and is a key national asset. It is a major economic driver for the South West region.



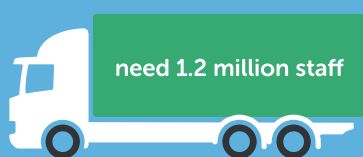
The distribution sector in the West of England **employs 15,000 directly** and a further 14,000 in broader linked occupations. ⁽³⁾



There is **1.6 million square feet of warehousing facility** in the Hinterland area of Avonmouth alone, making this a hive of opportunity for distribution companies.



The road haulage industry will have to **recruit a further 1.2 million staff by 2022** to keep pace with rising demand. ⁽¹²⁾



The Freight Transport report 2018 reports that the logistics industry in the UK lacks diversity. It is dominated by **male workers (87%) and people who describe themselves as ethnically white (71%)**. ⁽⁴⁾



In the Business West Skills and Training Survey 2018 **47.8%** of businesses had recruited in the last 12 months, of which **27.3%** found that experienced, skilled and technical roles were the hardest to fill. ⁽⁷⁾



The UK Warehouse Association reports that the global food chain demand is building to enormous proportions and supply needs to be nearer to the consumer. **50% is still imported from the EU in 5000 trucks per day.**



In 2016, the CBI published a survey of its members, which employ a third of all private sector employees in Britain. It found that **80% believe being part of the EU is best for their business** and **77% said it was better for the UK economy as a whole.**



The Business West Skills and Training Survey 2018 reveals that **70%** of organisations had little or no knowledge of apprenticeship reforms, funding, or new standards. **62.5%** had never used apprentices in their business.



The average age of HGV drivers is 53, much older than the national average workforce, and **only 2% are under the age of 25**. In the Business West Skills and Training Survey 2018, **17.4% of respondents stated this was their highest skills shortage**. ⁽⁷⁾



Notable Achievements

Local Sector Skills Achievements in 2018

Bristol Port has been celebrated as a key South West business supporting the creation of Britain's first new nuclear power plant in more than 20 years, at **Hinkley Point C**. The significant role played by the port in the logistics supply chain for the multi-billion pound project was recognised by the government's Department for Business, Energy and Industrial Strategy (BEIS), and EDF Energy, the power giant behind the new plant. The port has won contracts which make it a critical hub for the infrastructure required to develop one of the largest building sites in Europe for the next 10 years.

Viridor's £252m Resource Recovery Centre (RRC) is currently **being constructed** in Avonmouth which means more jobs for the local and wider West of England workforce.

The **Economic Development Fund (EDF)** will be used to deliver an investment programme designed to maximise economic returns in all of the Enterprise Areas, including Avonmouth & Severnside, alongside the potential of a Skills Academy to address the skills issues for the Enterprise area and distribution sector.

12 new apprenticeship standards have been in development or approved for delivery to support the sector. Examples include: Goods Driver, Passenger/Transport Driver, Heavy Vehicle Service & Maintenance Technician, Supply Warehouse Operative, Transport and Warehousing Operations and Supervisors, Port Agents, Port Operations, LGV Driver, International Freight Forwarding Specialists.

Skills for Logistics is now an End-Point Assessor for logistics apprenticeships offering national coverage and working closely with employers, training providers and colleges to improve the quality of logistics skills. David Coombes, the MD of SFL, has been appointed by the Institute of Apprenticeships as a member of the Transport and Logistics Route Panel, to help shape the future of logistics apprenticeships.

Skills West supported education providers at a series of events aimed at young people and career advisers to inform them of the sector challenges, needs and landscape. These included: the Pathways to Professions advice, events, Ambitions + and sector-based talks to students at SGS College, plus dissemination of the Local Sector Skills Statements to all colleges in the region.

Weston College, N-Gaged and Working Knowledge are local education providers also operating in the Avonmouth and Severnside Enterprise Area, working closely with businesses to develop workforce training particularly with apprenticeship programmes.

Skills Priorities for 2019

Priority One

Improve Careers Education Information Advice and Guidance (CEIAG)

- *Reflecting on how the objectives in this section can address equality and diversity.*



Issues

Young people and those advising them do not understand the breadth, depth or accessibility of the distribution and logistics sector. The amount of people employed in the logistics sector in the West of England has fallen in recent years, which has opened a large skills gap. This is exacerbated by an ageing workforce. The Business West Skills and Training Survey 2018 found that 47.8% of employers in the region had recruited in the last 12 months and 54.5% of those found the vacancies difficult to fill. ⁽⁷⁾

Early results suggest that there is a shortage of: drivers, warehouse operatives and technically skilled logistics workers. ⁽³⁾ The relevance of the sector and career pathways has not been appropriately established in education. As a result, companies within the sector have higher than average challenges recruiting young people.

Objectives

- ▶ Further support to teachers and careers advisers required in schools to understand the different career paths
- ▶ Industry to support local initiatives such as Careers Enterprise Company and the WECA Enterprise Adviser Network through employability programmes and pledging through Skills West. Provide education with information of the skills, both personal and technical, required by the organisations in the sector, highlighting apprenticeship opportunities
- ▶ Education and business to support the work of National Careers Service and Careers Enterprise Network Advisers to further develop and improve Labour Market Intelligence (LMI) and ensure that materials are available to both to offer support and guidance for career advisers and practitioners
- ▶ Education to support the government's skills plan establishing career paths that bridge technical and academic education, to ensure that young people have access to opportunities within the logistics sector
- ▶ Use relevant channels to reach young people: social media, school outreach and community groups to engage an enthusiastic and diverse workforce
- ▶ Work with South West Young Apprenticeship Ambassadors Network to improve knowledge of apprenticeships in school leavers

Local Response

In October 2018, SGS College and City of Bristol College delivered the Ambitions + event, which featured the distribution sector amongst others. The event had 120 exhibitors and welcomed over 4000 students from schools.

Skills West has delivered over 24 Labour Market Intelligence (LMI) and careers advice events across the region over the period of the programme. This has included dissemination events at the 4 local FE Colleges and Careers Network Advisers.

Future Recommendations

Promote the new apprenticeship standards to employers, which portray a varied role focus and support the modern and progressive distribution sector.

The sector to support the objectives of the Careers Enterprise Company in the West of England as part of the Enterprise Adviser Network and Careers Hub. In addition, to partner with other CEIAG agencies to engage with schools, FE Colleges and Higher Education to promote the distribution sector.

Skills Priorities for 2019

Priority Two

Improve the quality and responsiveness of local education and training provision



Issues

The Business West Skills and Training Survey 2018 stated that 54.5% of companies find vacancies for skilled and technical workers hard to fill ⁽⁷⁾, with professional and managerial roles, lorry drivers and forklift truck operators coming out on top. The survey has also indicated that: sector career awareness; the lack of key skills; low unemployment; and sector growth all have an impact on the skills gap. The survey reflected that around 70% of companies were unaware that education providers offered courses which met business needs and, whilst 37.5% had used apprentices at some point to add to their workforce, a further 65% had little or no knowledge of the apprenticeship reforms, funding or new standards. ⁽⁷⁾

Objectives

- ▶ Business West and education providers to continue to support companies to use the apprenticeship levy and reforms, and the financial support available to business to encourage greater take up of local provision. (Running forums, events and adviser skills clinics; and producing case studies and newsletters)
- ▶ Encourage constant and relevant dialogue between education providers and industry to ensure provision is up-to-date, accessible and cost effective
- ▶ Support businesses to benchmark skills requirements collectively; in particular, soft, personal and leadership and management skills)
- ▶ Use forums such as SevernNet to broker public, academic and private organisations' support to work together to solve issues and achieve objectives (Skills Academy formation)
- ▶ Local and national training providers are working to provide the key skills and training needed to support this sector and the establishment of a dedicated skills academy
- ▶ Encourage development of new approaches to flexible learning delivery to minimise impact of staff taking time out from their job

Local Response

West of England designated as, and launched as, an Apprenticeship Diversity Hub.

34 work experience offers from employers via Skills West pledges (mainly 1-4 week placements).

SevernNet social enterprise has a focus on employment and training support in the Avonmouth and Severnside Enterprise Zone.

During the lifetime of the Skills West programme 3 sets of Local Sector Skills Statements and Provider Action Planning analysis have been produced for each industry sector, offering up-to-date insight and data analysis within the region to support education with curriculum development.

Future Recommendations

Local businesses, education providers and stakeholders to work together to ensure continued co-design of curriculum.

Skills Priorities for 2019

Priority Three

Increase apprenticeship starts and availability of higher apprenticeships

- *Reflecting on how the objectives in this section can address diversity and equality.*



Issues

Apprenticeships are one of the key tools to bridge the gap between skills and supply in the logistics sector and are supported by an attractive funding scheme. However, indicators show that apprenticeship starts are down across the UK, possibly due to the new reforms and end point assessment process. The Business West Skills and Training Survey 2018 highlighted locally that 37% of companies in the region had offered apprenticeships in the sector, ⁽⁷⁾ but it will need to increase apprenticeship starts and develop pathways through to higher level apprenticeships to keep pace with demand.

Objectives

- ▶ Support the West of England Apprenticeship Ambition 2020, aligned with the government's ambition to promote, develop and support the evolution of the local apprenticeship offer for logistics, ensuring that provision meets the needs of local people and local employers
- ▶ Promote apprenticeships as a high quality vocational route for everybody to enter the sector, with specific emphasis on promoting logistics apprenticeships to females, BAME communities and young people
- ▶ Provide clear, accessible apprenticeship advice and guidance to individuals and employers with clear pathways and entry points
- ▶ Business West and education to help businesses to increase awareness of the apprenticeship levy and reforms with the aim to increase uptake of apprentices, especially the new standards developed in lorry driving, traffic office and warehousing
- ▶ Education to promote apprenticeships, not only as an entry route into the sector but as a pathway for career progression to new and existing employees
- ▶ Support employers and educators to work together to develop a range of new apprenticeships at all levels to enable career progression and contribute towards a sustainable workforce
- ▶ Businesses to engage with the South West Apprenticeship Ambassador Network and encourage apprentices to become young ambassadors

Local Response

West of England designated as and launched as an Apprenticeship Diversity Hub.

Skills West, as part of Business West, has continued to work with employers to offer free advice and guidance on apprenticeships through face to face engagement and skills clinics. In 2018, skills

advisers opened a pop-up shop during Bristol Independents Day to offer support to local SMEs.

South West Apprenticeship Ambassador Network is building a strong cohort of business ambassadors and encouraging apprentices to become young ambassadors.

Future Recommendations

Local businesses, education providers and stakeholders to continue to work together to ensure ongoing introduction of apprenticeships into business of the right quality and level.

Continue to support businesses that consider apprenticeships; there are now 12 apprenticeship standards (and growing) approved or in development across roles associated with distribution.

Skills Priorities for 2019

Priority Four

Engage SMEs in the active retention of staff through programmes of skills development and training to ensure increased productivity and sustainable growth

- *Encouraging SMEs to consider best practice in staff welfare.*



Issues

Whilst the UK logistics industry is growing, it is not keeping pace with global growth, indicating that the UK is losing its market share to overseas suppliers. The West of England is not immune to this competition. The main barrier to growth in the UK is the current driver shortage, and this is a growing issue, with the average age of drivers now at 53 years old. ⁽⁴⁾ In the West of England, the logistics sector has a higher than average age demographic which will represent a challenge for growth in the future if left unaddressed. Additionally, it is necessary to develop the technical and leadership and management skills valued to aid growth and take the pressure off the existing workforce. There is also a perception that it is hard to retain staff, as working conditions can be difficult (shift patterns, salary). Companies need to consider flexible employment programmes to recruit and retain staff and more must be done to support the talent pipeline to utilise transferable skills.

Objectives

- ▶ Provide SMEs with the opportunity to identify skills requirements to enable growth
- ▶ Develop and support succession planning within organisations to secure future roles and the passing on of key skills, whilst bringing new perspective and vision from successors
- ▶ Improve understanding amongst SMEs of the benefits of using the apprenticeship levy and reforms to upskill existing staff and develop transferable skills
- ▶ Support education to understand the needs of the sector's workforce, through vehicles such as Business West advisers, the skills academy service and industry networking
- ▶ Education providers to ensure that training provision is employer-led and is relevant to the skills required by industry, in order to increase productivity
- ▶ Increased emphasis on leadership and management and key soft/personal skills and training
- ▶ Explore innovative pre-recruit and train models to create interest in career progression in the sector
- ▶ Future Bright, Business West and other local business engagement programmes to ensure businesses are aware of the support for in-work training and apprenticeships to upskill their existing workforce and support in-work progression for all employees; ensuring that best practice and learning is shared between businesses

Local Response

Skills West teamed up with experts Atoll HR, to deliver interactive workshops for SMEs focussing on talent management and succession planning. Attendees gained knowledge, insight and basic tools to help improve their people planning processes and employee retention to aid growth and productivity.

South West Apprenticeship Company worked with Skills West to deliver advice and guidance to SMEs about how apprenticeships can be used to recruit new staff and upskill the existing workforce.

Future Recommendations

Ensure businesses are informed of the support for in-work training and apprenticeships to upskill their existing workforce and support in-work progression for all employees. Ensure best practice and learning is shared between businesses.

Support the promotion of the new LGV apprenticeship route to engage new and young drivers. Raising the referrals for bespoke leadership and management short courses.

Ensure businesses are informed of the support for in-work training and apprenticeships to upskill their existing workforce and support in-work progression for all employees. Ensure best practice and learning is shared between businesses.

Skills Priorities for 2019

Priority Five

Support SMEs to be inclusive and effective in staff recruitment

- *Reflecting on how the objectives in this section can address equality and diversity.*
- *How to build the talent pipeline in the region.*



Issues

The distribution and logistics industry continues to have issues around diversity and inclusivity. There are still a disproportionate number of males (87%) entering the industry compared to females and ethnically 71% are white. ⁽⁴⁾ Many businesses in the logistics industry rely on skilled workers from the EU, accounting for 13% of HGV drivers and 26% of warehouse operatives. ⁽⁹⁾

As a result of the UK voting to leave the EU, changes to the freedom of movement of people may have a significant impact on the industry. Young people do not see the sector as a career route or have the awareness of roles that are available to them, especially technical and managerial ones.

Objectives

- ▶ Encourage more young people from a wider range of backgrounds into logistics, giving careers advisers in schools the local Labour Market Information necessary to inform and promote the range of career paths available
- ▶ Increase collaboration between business groups and education providers that focuses on the improvement of inclusion, social mobility and diversity in the sector
- ▶ Industry to support the Careers Enterprise Advisers Network to link with schools and showcase sector opportunities
- ▶ Initiate and promote pre-recruit and train initiatives to prepare a diverse recruitment pool for employment into the industry
- ▶ Focus on working with community-wide city organisations to review current unemployment initiatives, to enable more people to enter the logistics industry
- ▶ Work with our local businesses to ensure that every young person and adult in the West of England is confident that all career routes are open to them regardless of: age, gender, race, disability, sexual orientation, sexual identity or any other factor beyond their control
- ▶ Support national campaigns to encourage young people and especially women into logistics. Including HerHGV and Women in Logistics
- ▶ Support and encourage businesses in the Avonmouth and Severnside area to look collectively at new ways to improve transport access to jobs, especially for lower paid staff, so that a wider geographical demographic could be used as a pool for recruitment (Access West to provide support for employers and workers in the area)
- ▶ Ensure all recruitment language and advertising is inclusive and strategically engaging with diverse communities, through a variety of different mediums and culturally relevant platforms and places

Local Response

In 2018 Weston College became the first college to sign up to the Ban the Box campaign, meaning candidates with a criminal record can now apply for jobs at the college with the knowledge that they will be assessed on their ability to do the job before any convictions are fairly considered. The college also offers unemployed adults the opportunity to better their IT skills with courses offered from Entry Level 3 through to ECDL Level 2 and a range of Level 1 accounting and business skills courses to those who are unemployed or retraining and want to work within the sector.

Introduced by the Skills West team, Flexology delivered a workshop presentation at SevernNet focussing on flexible working. Signposting to diverse groups within the region was also provided to encourage employer collaboration and engagement opportunities.

Future Bright launched to support individuals on in-work benefits to develop more skills and progressive plan.

Future Recommendations

Partners to continue working collaboratively to support businesses to be more inclusive in staff recruitment and recruitment practices.

Regional Centres of Excellence and Research

Skills for Logistics

Key Training Providers

University of the West of England
University of Bath
City of Bristol College
Bath College
SGS College
N-Gaged Training
Road Haulage Association (RHA)
Weston College
Backline Logistics

Professional Networks and Organisations

Chartered Institute of Logistics and Transport (CILT)
SevernNet
South Gloucestershire Council
Bristol City Council
Invest Bristol & Bath
West of England LEP
Freight Transport Association (FTA)
Road Haulage Association (RHA)

Endorsed by

David Coombes, Skills for Logistics and route panel member for Transport and Logistics at the Institute of Apprenticeships
West of England LEP & West of England Combined Authority

Reference Documents

- 1) Freight Transport Association 2017
- 2) ONS, Annual Business Survey UK Non-Financial Economy 2017
- 3) Promoting Avonmouth & Severnside Report 2016
- 4) Freight Transport Association Logistics Report 2018
- 5) Barclays & Moore Stephens, The UK Logistics Confidence Index 2015 – 2017
- 6) Parliament Transport Select Committee – October 2017 (Parliament.uk)
- 7) Business West Skills and Training Survey 2018
- 8) Institute for Apprenticeships
- 9) Air Cargo Week, UK Logistics Could Grind To A Halt Without EU Workers, June 2017
- 10) Avonmouth & Severnside Enterprise Area skills survey 2018 (Skills for Logistics)
- 11) Emsi economic modelling 2018, courtesy of Prospects Services
- 12) Understanding Skills and Performance Challenges in the Logistics Sector, UKCES October 2014

Supporting Research Documents

- a) West of England Combined Authority Business Plan, 2018/19
- b) West of England Combined Authority Operating Framework 2018/19
- c) Industrial Strategy: building a Britain fit for the future, November 2017
- d) The Grand Challenges, Policy paper, May 2018
- e) Careers strategy: making the most of everyone's skills and talents, December 2017
- f) Careers guidance: for further education colleges and sixth-form colleges, February 2018

Get in touch today

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