

## Distribution

West of England Local Sector  
Skills Statement 2018



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



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 2017, 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 2018

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.

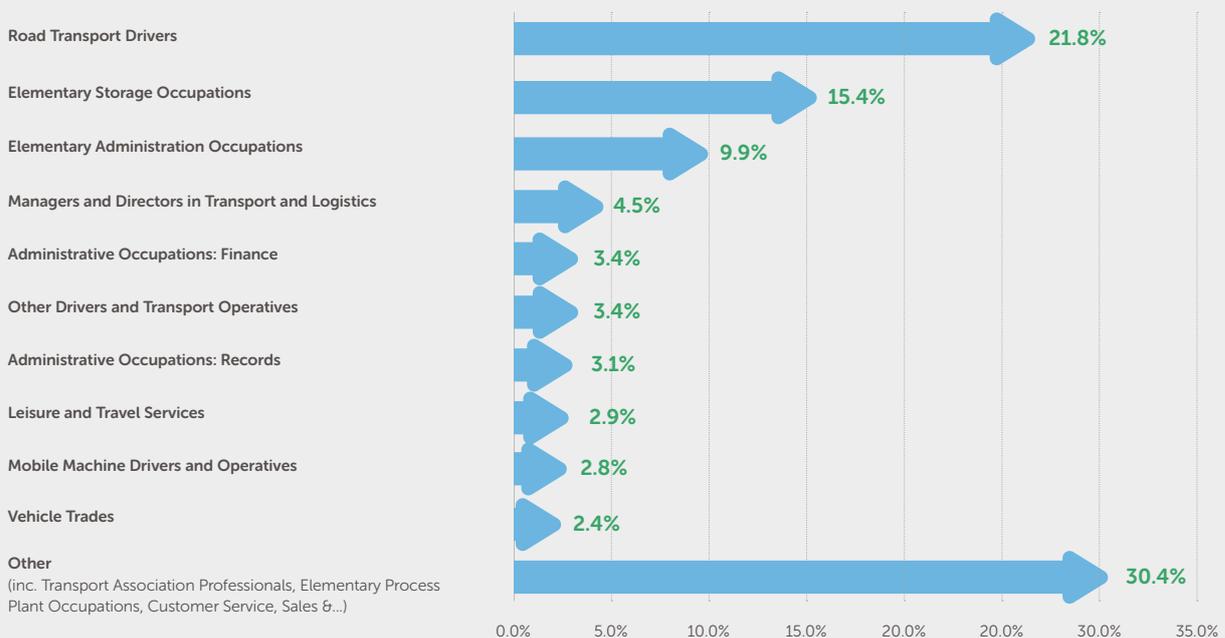
Nationally, the logistics sector directly employs 1.7 million people in the UK, along with 2.35 million people employed in related occupations, making up 7.6% of the workforce in the UK <sup>(1)</sup>. The sector is worth £55bn to the economy, making up 5% of the UK's total GDP. In 2016/17, turnover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

The logistics sector involves the commercial activity of transporting goods to customers. The sector comprises of 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 <sup>(3)</sup>.

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, fork lift truck operators, technicians,

### % of Total Jobs in Industry Group (2017)





“Our sector has a major, worsening skills shortage, particularly in technical and leadership/management skills, driven by our inability to attract younger, qualified people through a misconception of low pay and poor working conditions.”

David Coombes, Distribution and Logistics Sector Group Chair, West of England LEP.

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, Warburton's, 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. The Bristol Port Company, located in the Avonmouth and Severnside Enterprise Area, offers shipping, transit storage, and distribution and logistics services. The port links 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 Bristol Port 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 2017 listed the top 5 skills that employers require in this sector as: communication, problem solving, numeracy/analytical, team working and customer

service in all roles. 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 <sup>(3)</sup>.

Nationally skills shortages remain an issue, although 32% of respondents to the FTA Logistics Industry Survey in 2017 indicated they were anticipating problems with general staffing in 2017, compared to 72% in 2016 <sup>(4)</sup>. Brexit also still presents a problem with 11% of HGV drivers non-UK nationals, 1% of these are non-EU nationals <sup>(4)</sup>.

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 of attracting, recruiting and retaining drivers and other skilled workers at all levels in the industry, particularly young people <sup>(5)</sup>. As well as sought after technical skills, the requirement for Leadership and Management are valued by businesses to aid growth.

The Avonmouth & Severnside Enterprise Area Survey 2017 <sup>(10)</sup>, in partnership with Skills for Logistics and Skills West, also reinforced the challenges 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 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 those 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 <sup>(5)</sup>.

# Key Facts

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

The road haulage industry will have to **recruit a further 1.2 million staff by 2022** to keep pace with rising demand. <sup>(6)</sup>



**53.8%** of companies undertaking the Business West Skills and Training Survey 2017 **reported vacancies for drivers.** <sup>(7)</sup>



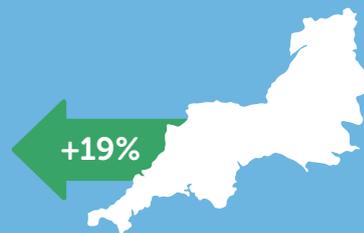
The **average age of a HGV driver** continues to rise and is **currently 49 years of age.** <sup>(5)</sup>



**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. <sup>(3)</sup>



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.



**52.5%** of businesses forecast that their workforce headcount will grow in the next 12 months, 39% will stay the same and 0% are expecting it to decrease. <sup>(7)</sup>



69.5% of businesses had advertised vacancies in the last 12 months, of which **67.7%** found that **experienced, skilled and technical vacancies** were the hardest to fill. <sup>(7)</sup>



51% of organisations reported that the effect of non-filled vacancies was an **increased workload for existing staff.** <sup>(7)</sup>



**34.3%** of companies had used **apprentices** for recruiting new staff or upskilling existing staff. <sup>(7)</sup>



**73.9%** of these organisations **didn't know if local colleges and universities offered training courses to match their needs.** <sup>(7)</sup>



**74%** had little or no knowledge of apprenticeships. <sup>(7)</sup>





# Notable Achievements

## Local Sector Skills Achievements in 2017

31.4% of respondents to the Business West Skills and Training Survey 2017 had recruited women returners. <sup>(7)</sup>

**N-Gaged training** continues to provide sector work based academy programme training to aid recruitment for skills required in distribution organisations. (e.g. Fork lift driving & warehouse)

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

**Avonmouth/Severnside** continues to be one of the West of England's most important economic development opportunities, which could contribute to achieving employment and economic growth over the next 30/40 years.

**The Economic Development Fund (EDF)** will be used to deliver an investment programme designed to maximise economic returns in all 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.

**The Bristol Port Company** states that 42% of their staff live in Avonmouth/BS11 from a total workforce of 524 with 25 employees on an apprenticeship.

**Skills West** supported education providers at a series of events aimed at young people and career advisers to inform 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 and dissemination of the local sector skills statements to all colleges in the region.

**5 new apprenticeship standards** that have been developed and approved for delivery to support the sector are: Traffic Officer, Goods Driver, Passenger/ Transport Driver, Heavy Vehicle Service & Maintenance Technician, and Supply Warehouse Operative. <sup>(8)</sup>

# Skills Priorities for 2018

## Priority One

### Improve Careers Education Information Advice and Guidance (CEIAG)

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



#### Issue

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 2017 found that 69.5% of employers in the region had vacancies in the last 12 months and 75% of those found them difficult to fill <sup>(7)</sup>. Early results suggests that there is a shortage of: drivers, warehouse operatives and technically skilled logistics workers <sup>(3)</sup>. 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: Pathways to Professions, Careers Enterprise Company and the WECA Enterprise Advisor 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.
- ▶ Skills West and industry to work with the National Careers Service contract holder and Careers Enterprise Network Advisers to further develop and improve Labour Market Intelligence (LMI) and ensure that materials are available to support careers advice and guidance for practitioners as well as careers advisers.
- ▶ 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 new media tools to reach young people: social media, school outreach and community groups to engage an enthusiastic and diverse workforce.
- ▶ Industry and education to increase opportunities for work experience and school career involvement (sector ambassadors / advisors and employer speakers).

# Skills Priorities for 2018

## Priority Two

**Improve the quality and responsiveness of local education and training provision.**



### Issue

The Business West Skills and Training Survey 2017 stated that 65% of companies find vacancies for skilled and technical workers hard to fill <sup>(7)</sup>, with professional and managerial roles, lorry drivers and fork lift 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 education providers offered courses that met business needs and whilst 34.3% had used apprentices to add to their workforce, a further 70% had little or no knowledge of the apprenticeship reforms <sup>(7)</sup>.

### Objectives

- ▶ Skills 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, advisor skills clinics, case studies, 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. (All soft, personal and leadership and management skills in particular).
- ▶ 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)

# Skills Priorities for 2018

## Priority Three

### Increase apprenticeship starts and availability of higher apprenticeships

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



### Issue

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 are, that across the UK apprenticeship starts are down, possibly due to the new reforms process and end point assessment process. The Business West Skills and Training Survey 2017 highlighted locally that 34% of companies in the region offered apprenticeships <sup>(7)</sup>, the sector, however, needs to increase apprenticeship starts and develop pathways through to higher level apprenticeships.

### 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.
- ▶ Skills 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.

# Skills Priorities for 2018

## 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.*

### Issue

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 barriers to growth in the UK is the current driver shortage and this is a growing issue with the average age of drivers now at 49 years old <sup>(4)</sup>. 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. In addition, there is a perception that it's difficult to retain staff, as working conditions are quite 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

- ▶ Through the Skills West programme, provide SMEs with the opportunity to identify skills requirements to enable growth.
- ▶ Develop and support succession planning within organisations to secure future roles and passing on of key skills, whilst bringing new prospective 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 such vehicles as Skills West advisor clinics, 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.

# Skills Priorities for 2018

## 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.*



### Issue

**The distribution and logistics industry continues to have issues around diversity and inclusivity. There are still a disproportionate number of males entering the industry compared to females. Many businesses in the logistics industry rely on skilled workers from the EU with them accounting for 13% of HGV drivers and 26% of warehouse operatives<sup>(9)</sup>. 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 advisors in schools the local Labour Market Information necessary to inform and promote the range of career paths available.
- ▶ Industry to support the Careers Enterprise Network Advisers 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 providing 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.

## 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, Distribution and Logistics Sector Group Chair, West of England LEP.

## Reference Documents

- 1) Freight Transport Association 2017
- 2) ONS, Annual Business Survey UK Non – Financial Economy 2015
- 3) Promoting Avonmouth & Severnside Report 2016
- 4) Freight Transport Association Logistics Report 2017
- 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 2017
- 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

## 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  
<https://www.gov.uk/government/publications/industrial-strategy-the-grand-challenges/industrial-strategy-the-grand-challenges>
- 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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#skillswest

Advise, connect, support



The West of England Combined Authority (WECA) covers Bath & North East Somerset, Bristol and South Gloucestershire. WECA also supports the Local Enterprise Partnership, which includes North Somerset.