

Sector Summary Report Transport and Logistics Sector

Sector Definition

The Transport & Logistics Sector relates to the footprints of two Sector Skills Councils (SSCs), Skills for Logistics and GoSkills, covering freight and passenger transport respectively. Qualifications relate to the following occupational areas:

Skills for Logistics: Freight

- Road, Rail & Air
- Storage & Warehousing
- Driving Occupations
- Courier/White Van
- Royal Mail Services
- Traffic Planning

GoSkills: Passenger transport

- Aviation
- Bus/Coach
- Taxi & Private Hire
- Community Transport
- Rail, Light Rail & Tram

Overview

Skills for Logistics

Logistics is the UK's fifth biggest industry employing 2.28 million people and it is a growth sector that contributes high GVA. The majority of the workplaces are small to medium sized enterprises with a high percentage employing 1-10 people. 52% of the workforce is employed in workplaces with less than 50 people. It has an ageing workforce with few young people, especially within the road freight sub-sector.

GoSkills

Passenger transport is the thread that links the business and social life of the UK. There are a small number of large bus/coach operators, but the majority of employers are formed by SME Taxi & Private Hire operators. The sector has difficulty attracting young people and consequently has an ageing workforce.

	GoSkills	Skills for Logistics
	Passenger transport	Freight logistics
EMPLOYERS		
Number of establishments	600	1,200
Share of all establishments	1.0%	2.1%
EMPLOYMENT		
Number of employee jobs	15,100	22,300
Share of all employee jobs	1.5%	2.2%
QUALIFICATION LEVELS (INDICATIVE)		
Employees whose highest qualifications are at:		
Level 4 and above	10.2%	6.0%
Level 3 and above	23.6%	21.1%
Level 2 and above	28.8%	31.5%
Below Level 2	27.0%	30.9%
No qualifications	10.4%	10.4%
Proportion of employees without qualifications at Level 2	37.4%	41.4%
PROJECTED EMPLOYMENT CHANGE		
Projected employment change 2007-2017	6.1%	7.9%

(Sector Skills Needs in the NE: Summary Matrix (modified 13 October 2008))

Future Skills Key Demand side issues for 2009/10

From research conducted by the SSCs for their Sector Skills Agreements, the following key issues were identified:

- 1) The development of management and leadership skills for the workforce are critical to support the development of the sector.
- 2) There are issues relating to numeracy and literacy; this is seen as a barrier that can prevent the workforce from achieving the skills levels required to be productive.
- 3) There is limited capacity of trainers and assessors; therefore there is a need to increase the volume of trainers and assessors.

Sector Qualification Strategies (SQS) and Vocational Qualification Reform (VQR)

All Sector Skills Councils have recently completed their SQS and Action Plans. Through this process a variety of new and updated qualifications will emerge that are more closely aligned to the needs of employers. It is anticipated that there will be a need for providers to develop capacity and upskill their workforce to deliver new qualifications. The following is a link to the sector qualification strategies:

www.skillsforlogistics.org/EasySiteWeb/GatewayLink.aspx?allId=1927

www.goskills.org/files/Microsoft%20Word%20%20GoSkills%20SQS%20Draft%2020%20%2026th%20October%202007%20POST%20QA%20APPROVAL.pdf

Compacts

A sector compact is a non-contractual agreement between the Department for Innovation Universities and Skills, the Learning and Skills Council and a Sector Skills Council to work collaboratively to drive up demand for skills across England through Train to Gain. The LSC will be working with GoSkills and Skills for Logistics to develop compacts in 2009/10. It is anticipated that the flexibilities within the compact will facilitate growth in provision.

Economic Developments

There are several key economic developments in the region that will create opportunities for growth in the sector. For example the £300m development at Teesport which is due for completion in 2020 will create the potential for 7000 new jobs. The plans include the development of the site as a major retail distribution centre. There are also plans to develop the freight capacity at Newcastle Airport and Durham Tees Valley Airport which will have an impact on provision and capacity.

Analysis of provision - Train to Gain

Following thorough analysis of provision, it has been identified that there may be potential for growth in particular the following NVQs:

Level 2 in Road Passenger Transport,	Level 2 and 3 in Warehousing and Storage
Level 2 Port Operations	Level 2 and 3 in Driving Goods Vehicle
Level 3 Supervision of Port Operations	Level 2 and 3 in Traffic Office
Level 2 in Carry and Deliver Goods	

and the new Logistics Operations Management qualifications due in late 2008.

Consideration should be made to the additional Train to Gain level 2 and 3 qualifications lists.

WBL Apprenticeships

There is a need to increase the uptake of apprenticeships although some employers have cited fuel costs/credit crunch as a barrier to delivering growth in numbers. In relation to the economic developments, there is scope for growth in the following frameworks:

- Carry and deliver goods
- Storage and warehousing
- Traffic office
- Distribution and warehousing
- Driving goods vehicle

Level 2 Apprenticeship in Port Operations and Level 3 Apprenticeship in the Supervision of Port Operations are in the process of being reviewed.

Focus Recommendations for 09/10

- Respond to the economic developments in the region with regard to skills growth and demand from employers.
- Deliver the new qualifications when available ensuring that the provision continues to adapt and be responsive to sector needs.
- Further develop the provider base across the region to best respond to the needs of employers in the sector including developing capacity of assessors and verifiers.
- Develop new delivery models to allow SMEs to get involved and grow provision in the region.
- Support the sector during the economic downturn.
- Drive up demand for Apprenticeships.