

SW REGION SECTOR SUMMARY

SKILLS FOR LOGISTICS

SECTOR FOOTPRINT

Skills for Logistics is the Sector Skills Council for the industries involved in moving, handling or storing goods (www.skillsforlogistics.org).

- Skills for Logistics SSA now has a national agreement with the LSC which supports the implementation of the delivery model in each region.

SKILLS FOR LOGISTICS LABOUR MARKET

Source: Skills for Logistics South West Regional Profile, SSDA Factsheet, Skills Balance Sheets and Sector Skills Agreement, NESS 2007 data derived from LSC SW research team.

Sector size & business unit size

- There are 16,030 logistics workplaces in the SW.
- There are 128,800 people directly employed in the SW. By a wider definition, such as logistics-related employment in other sectors (retail, construction, etc), the size of the workforce is 180,950 (7.4% of the total regional workforce).
- The sector represents 5.3% of total regional employment and 7.6% of total workplaces.
- Employment forecasts 2004-2014 suggest a reduction of 6,000 jobs. However, 19,000 jobs will need to be filled due to replacement demand (people leaving the sector or retiring).

Profile of the workforce

- 42% of the logistics workforce is employed in the wholesale sub-sector. A further 15% are employed in national post activities, 14% freight transport by road and 10% in storage and warehousing
- The sector is dominated by the food and drink supply chain
- Process, plant and machine operatives (including LGV and van drivers) account for 46% of employment in the sector
- There are relatively low levels of self-employment and part-time working – 9% and 16% respectively.
- 79% of the workforce is male
- 9% of the workforce is aged under 25 (regional average is 14%).
- 34% of the workforce is aged 50 and over compared to a regional average of 30%.

Vacancies & recruitment

- Employing establishments within Skills for Logistics in the SW reported 1,400 vacancies in 2007, accounting for 2% of the total number of vacancies in the region.
- Of those vacancies 23% were hard-to-fill, lower than the overall average for the SW of 35%.

SW REGION SECTOR SUMMARY SKILLS FOR LOGISTICS

- In 2007 there were 125 vacancies that were as a result of skills shortage accounting for 8% of all vacancies. Skills shortage vacancies also account for 36% of all hard-to-fill vacancies, lower than the SW average of 62%.
- 14% of Skills for Logistics establishments in the SW reported skills gaps amongst their existing workforce, in line than the regional average of 16%.

Qualifications in the workforce

- 26% of workers are qualified to below Level 2 compared to 15% for all industries regionally.
- 13% are without qualifications and this compares to 8% for the SW as a whole.
- 63% of Skills for Logistics establishments in the SW provided on or off the job training in the 12 months prior to the NESS07 survey, lower than the average for all industries as a whole in the SW (68%).

KEY DRIVERS AND ISSUES

Source: Skills for Logistics South West Regional Profile, SSSA Factsheet, Skills Balance Sheets and Sector Skills Agreement

- Economic growth priorities in other sectors are dependent upon a suitably skilled logistics workforce, therefore the sector contributes to GVA and underpins the efficiency of every sector of the economy.
- There is inadequate qualification provision with no core skills. What exists is entirely craft based.
- A Skills Stairway has recently been agreed within the sector to provide a career framework and progression route. National Occupational Standards and a qualification strategy now will be developed to embed the framework.
- Employers generally lack understanding of the business case for training.
- 37% of employers (does not include wholesale sector) do not have a business plan, training plan or training budget. During 2005, 35% of all employers did not fund or arrange any training.
- Only 15% (does not include wholesale sector) of employers providing off the job training used further education colleges.
- Only 5% of employers have LSC funded apprenticeships.
- Bristol Port Company's proposed new deep water terminal and the resurgence of interest in acquiring land for distribution site developments in Avonmouth are significant. Additionally, increased freight developments through Bristol airport will increase demand.
- Gloucester and Swindon have seen considerable recent investment within distribution operations.
- The sector has a requirement for an additional 14,000 people by 2014.
- An ageing driver population accounts for a third of the replacement demand needs – 54% of drivers in the SW are aged over 45 years.

SW REGION SECTOR SUMMARY SKILLS FOR LOGISTICS

- Changes due to increased customer facing and technological advances will lead to a strong increase in management roles.
- Large contracts within national logistics companies often function as separate business operations, therefore there is a lack of corporate approach to workforce development.
- EU Driver Directive will provide an opportunity to increase engagement in training.
- A regional employer forum was recently established including representation from the Road Hauliers Association and Freight Transport Association.

NSAS/COVES /14-19 DIPLOMA/HE (NATIONAL SKILLS ACADEMIES AND CENTRES OF VOCATIONAL EXCELLENCE)

National Skills Academy (NSA)

A recent NSA bid was unsuccessful, but the establishment of a hub and regional spoke training delivery model is the key objective for the LSC/Skills for Logistics joint working.

Bridgwater College was selected after a successful tender. The plan is to develop a logistics curriculum and build supply side capacity. The hub would be responsible for the identification of need, strategic development, co-ordination of customer access and securing public funding.

The regional spoke will offer a range of specialist programmes delivered in partnership with employers that will seek to move the sector away from ad hoc purchase of training and towards an ethos of Continuing Professional Development (CPD).

KEY EMPLOYERS

Wincanton Transport, Bristol Port Company, TDG, Christian Salvesen, Exel, Gregory (Devon), Framptons (Somerset), Westfields (Cornwall).

LOCAL AND REGIONAL PROJECTS/ NETWORKS

Skills for Logistics is working with Business Link to put together an employer offer around improving recruitment and using Train to Gain to support the trial period.

Joint visits with Train to Gain Brokers are taking place, with Business Link sending some referrals to Skills for Logistics so that they can be followed up.

Business Link has also been involved in the discussions around the REMPLOY project with Skills for Logistics, which is going through Light Touch with City of Bristol College.

A bid for LSC research funds to identify the gap between likely demand for Driver CPC training and the supply of qualified tutors was successful.

SW REGION SECTOR SUMMARY SKILLS FOR LOGISTICS

SUMMARY OF SUPPLY

Source: LSC IPOL data (ILR extract)

Analysis of further education and work based data by Sector Skills Council footprint is not yet available for 2006/07. The data presented below relates to Train to Gain activity which can, in most cases, be attributed to a specific sector.

Logistics Starts 06/07		
Starts	NVQ in Distribution, Warehousing and Storage Operations	224
	NVQ in Driving Goods Vehicles	210
	NVQ in Driving Instruction	2
	NVQ in Storage and Warehousing	122
	NVQ in Traffic Office	5
Total Starts		563

SUMMARY OF DEMAND

Source: Skills balance sheet

Proportion of people working in each occupation

	South West
Transport & Distribution managers	11%
Storage and Warehouse managers	14%
Importers, exporters	1%
Transport & Distribution clerks	11%
HGV drivers	12%
Van Drivers	10%
Other goods handling and storage clerks	8%
Post workers, mail sorters, messengers, couriers	11%

Number of people requiring a L2 qualification in each occupation

	South West
Transport & Distribution managers	91
Storage and Warehouse managers	114
Importers, exporters	1
Transport & Distribution clerks	70
HGV drivers	607
Van Drivers	278
Other goods handling and storage clerks	488
Post workers, mail sorters, messengers, couriers	331

SW REGION SECTOR SUMMARY SKILLS FOR LOGISTICS

Number of people requiring a L3 qualification in each occupation

	South West
Transport & Distribution managers	22
Storage and Warehouse managers	22
Importers, exporters	0
Transport & Distribution clerks	20
HGV drivers	48
Van Drivers	40
Other goods handling and storage clerks	43
Post workers, mail sorters, messengers, couriers	34

Two key demands from employers that run through the SSA are for **relevance** and **consistency**. Although the 'Stairway' provides a framework for these to be addressed through qualifications and programmes, it is the Delivery Model based on the hub and spoke system (Logistics Academy and specialist providers) that will ensure relevance and consistency are addressed on the ground.

For **relevance**, a key component of the delivery model is the UK National Curriculum for Logistics. This will be developed with employers through a series of on-going forums and will ensure that qualifications and programmes have content that is relevant and current.

For **consistency** each region will be asked to provide a consistent training offer, delivered with consistent high quality. The Regional Delivery model through its hub and spokes in each region is expected to achieve this. The hub is envisaged to act as a flagship Logistics Academy for the region.

Preferred Qualifications

Mapping of occupations to relevant qualification required

Occupation	Qualification funding needed for	Level
Transport & Distribution managers	Logistics Operations Management	3
Storage and Warehouse managers	Logistics Operations Management	3
Importers, exporters	International Trade and Logistics Operations	2 & 3
Transport & Distribution clerks	Traffic Office	2 & 3
HGV drivers	Driving Goods Vehicles	2 & 3
Van Drivers	Carry and Deliver Goods	2
Other goods handling and storage clerks	Warehousing and Storage	2 & 3
Post workers, mail sorters, messengers, couriers	Mail Services & Carry and Deliver Goods	2

In addition there are generic job roles performed within logistics companies where qualifications such as NVQs in Business Administration will be appropriate.

NB: Skills for Logistics' suite of qualifications at L3 was based on the L2 categories outlined above. Early in 2008 these were superseded by a logistics wide L3 Supervisory Management qualification entitled *Logistics Operations Management* which has optional units relating to the environment in which the supervisory work is being done i.e.:

- Warehouse supervisors
- Traffic office supervisors
- Import/export supervisors

SW REGION SECTOR SUMMARY SKILLS FOR LOGISTICS

The Logistics Operations Management project has successfully teased out those aspects of operations management that are specific to logistics, resulting in 12 new units of national occupational standards developed for use in any logistics setting. This project is currently being finalised.

In addition it is anticipated that there will be significant demand, equal to or even exceeding that for Logistics Operations Management, for generic management qualifications awarded by the Institute of Leadership & Management and other equivalent awarding bodies. This demand for management qualifications will extend “up the Stairway” to first and second line manager level (Steps 7 & 8).

There are two other areas of significant need within the sector where funding support is required:

- **Skills for Life** – delivery of adult literacy and numeracy certificates
- **Teacher training** – up-skilling teachers, coaches and instructors in the sector to meet the QTLS standard

Other qualifications, VRQs, short courses, etc

Skills for Logistics would not wish to prioritise funding training interventions that are not part of a full NVQ or apprenticeship framework but recognise that providers need to have some time to adjust to this change and build capacity.

Skills for Logistics are involved in the development of unit based qualifications that meet the needs of the Qualifications and Credit Framework (QCF), and this will undoubtedly begin to affect some of the “qualifications” listed above and therefore the projections listed in terms of specific qualification outcomes.

Skills for Logistics are flagging up to their training provider network that by September 2009 they will be asking the LSC to remove any qualifications that are not a full NVQ or part of an Apprenticeship or a newly developed unit based qualification from the LAD.

However there is an expectation that as of now providers should be moving towards delivering Train to Gain and Apprenticeship funding for the Logistics sector. Skills for Logistics recognise that the LSC itself may well remove many of the funded qualifications they use which are currently funded under Section 98.