

Analysis of Logistics Specific Occupational Demand in the South East Midlands

July 2020



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Introduction

As a large employment sector within the South East Midlands at 11%, logistics is a key sector within the area.

The sector is growing and with the increasing demands of online shopping and trading, plus the growing demand for same day delivery, will continue to do so.

Being positioned in the heart of the UK and close to London, the South East Midlands offers the ideal base for the distribution of products with direct links to ports on the east coast, international freight terminals and proximity to airports.

This report has been compiled using data analysis, surveys and contributions from employers and sector bodies. The aim is to act as a prompt for wider discussion to define both current and short/medium-term occupation and skills needs for the sector and how to develop a talent pipeline to address skill shortages.

Focus is on 'logistics specific' occupations, i.e. not occupations that are common with other sectors such as engineering, digital, sales, marketing, procurement, etc. These occupation groups are covered in other SEMLEP reports.

The report is also to help inform stakeholders for training provision, investment and promote the development of partnerships in the South East Midlands and across the Oxford-Cambridge Arc.

Paul Thompson
Employer and Skills Manager
South East Midlands Local Enterprise Partnership

“There needs to be more done to attract talent to the industry. Logistics is hugely important to the UK economy, and if the sector is struggling to recruit the effects will be felt by other industries that rely on logistics to operate effectively.”

Kevin Richardson, Chief Executive, CILT

Executive Summary

The logistics sector in the SEMLEP area:

- High growth sector, both for logistics and associated wholesale
- Opportunities for both full-time and part-time employment
- Employment growing in Northamptonshire and Milton Keynes

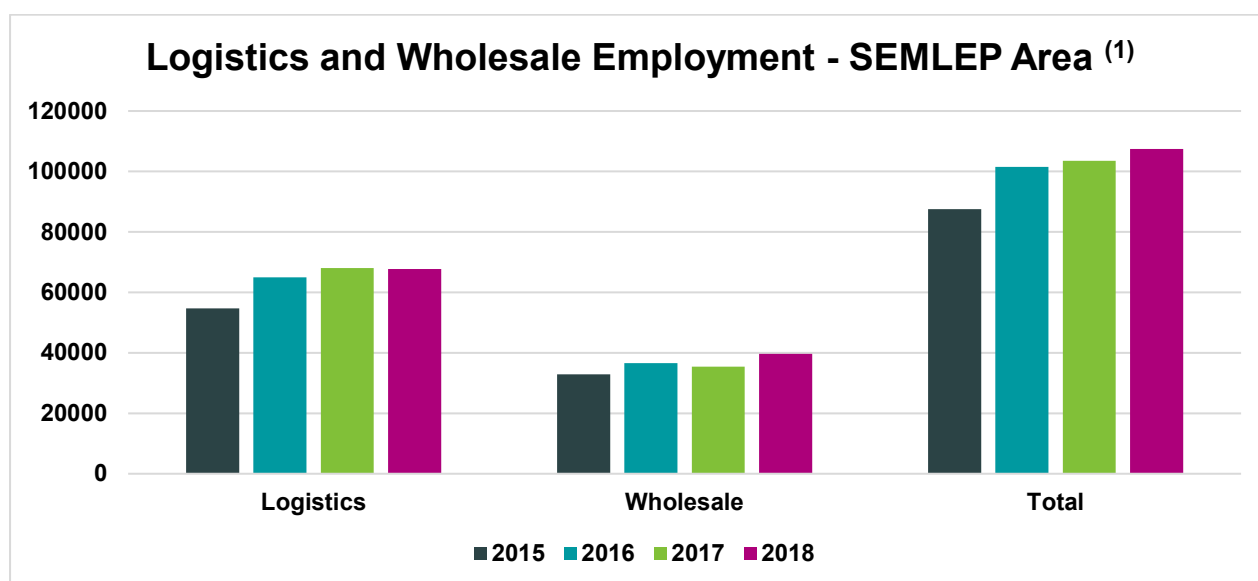
Currently:

- Increased employment opportunities at all levels
- Job postings levels have increased with the highest levels for vacancies for warehouse staff, drivers and office/administrative support staff
- There are a reduced number of businesses reporting 'hard to fill' vacancies, however key occupations remain a challenge, primarily drivers, sales/marketing, warehouse staff, plant and machine operatives
- Many of the 'hard to fill' occupations align with the largest proportions of EU workers, i.e. warehouse staff, forklift drivers, van and HGV drivers
- There is increasing female participation
- BAME participation is increasing slowly
- There has been a rise of self-employed ('gig economy') van drivers
- There is a large differential between the number of people employed within the logistics sector and pathways directly from ESFA funded education, with employment from people already in the labour market and the increase of in-house skills development
- There is significant employment of part-time labour to fill low skill roles and the need for flexibility of employment numbers by logistics employers during the year
- For specialised roles such as HGV drivers and some lower skill occupations such as warehouse staff, the pathways via ESFA funded provision is not deemed appropriate
- Most ESFA funded provision is at level 2 or below (91% apprenticeships, 74% non-apprenticeships)
- The primary challenges to recruit for 'hard to fill' vacancies are core competencies, attitudes and behaviours
- Apprenticeship numbers and the number of businesses using apprenticeship programmes is increasing with an increasing awareness of apprenticeships
- Close to half the employers not using their levy, have plans to do so in the future although most would prefer a 'skill' levy for use on alternative fast track pathways to address skills shortages
- Low participation of Asian/Asian British and Black/African/Caribbean/Black British ethnic groups in apprenticeships
- Female participation in educational pathways is increasing
- Low levels of employer engagement in schools/colleges and levels of work experience offered resulting in poor perceptions of the quality of schools in the area.
- Businesses have concerns on safety, time allocation and the value of engagement with education and young people
- Businesses within the logistics sector recognise the need to improve the image of industry to develop a talent pipeline

Recommendations:

- Promote desired pathways into logistics specific occupations with need for;
 - Van drivers
 - HGV1 and 2 drivers
 - Warehouse staff
 - Forklift, plant and machine operatives
 - Managerial roles
- Promote desired pathways and opportunities in non-specific logistics occupations such as;
 - Sales and Marketing
 - Digital
 - Procurement
 - Engineering including maintenance
 - Vehicle technicians
- Promote the development of closer working relationships between logistics businesses and further and higher education establishments including the adoption of more apprenticeships and traineeships where appropriate
- Support education stakeholders with increasing understanding of the logistics sector needs both currently and, in the future, to ensure provision exists at the right levels and is accessible to employers and individuals
- Help inform adult learning budget holders in terms of pathways and employer requirements for core competencies, attitudes, behaviours, digital literacy, technical and practical skills, up-skilling and re-skilling for entry into logistics. This includes the promotion of lifelong learning.
- Support innovative methods of delivery and accessibility for the development of skills in individuals including the use of Ed-Tech
- Encourage retention of the workforce through investment in training, up-skilling and re-skilling and creating career paths with prospects and financial reward.
- Make roles more appealing through adopting practices in other sectors such as greater flexibility of working hours, reduced hours, improved shift patterns and social enhancements
- Apply focus on increasing diversity and inclusivity of the talent pipeline in to engineering and manufacturing for gender, ethnicity and disability. This includes tackling unconscious bias regarding gender, ethnic background and disability.
- Sector needs to present itself highlighting the innovation and technology used and opportunities presented in the 'hidden' occupations within the sector such as digital, business management and operations and engineering. There is also a need to 'bust myths' on some occupations including drivers.
- Prescribe and/or encourage the development of relevant, inspirational activity for use in schools, colleges and universities, to inspire a talent pipeline into logistics for young people and parents/carers
- Promote employer engagement with educators through #GrowingTalent and Give an Hour, a single focal point for all activity

Employment



Industry	2015	2016	2017	2018
Logistics	54700	64970	68055	67770
Wholesale	32845	36570	35470	39625
Total	87545	101540	103525	107395

Employment within the logistics and wholesale sectors has increased by 22.7% (19,850) from 2015 to 2018 compared with an 8% for all employment within the SEMLEP area ⁽¹⁾.

The top industries are listed below ⁽¹⁾

Logistics (Top 8, 98% of total)	2015	2016	2017	2018
5210 : Warehousing and storage	21900	28150	32450	28750
4941 : Freight transport by road	11200	14700	13800	13000
5221 : Service activities incidental to land transportation	4750	4750	5300	5700
5310 : Postal activities under universal service obligation	4750	4850	4850	5050
5320 : Other postal and courier activities	3650	3825	3500	4675
4690 : Non-specialised wholesale trade	3250	3600	2800	3400
5229 : Other transportation support activities	2675	1995	2175	3400
5223 : Service activities incidental to air transportation	1635	1860	2120	2180

The largest growth within logistics has been in Warehousing and Storage (+6,850, +31%), Freight Transport by Road (+1,800, +16%) and Other Postal and Courier Activities (+1,025, +28%).

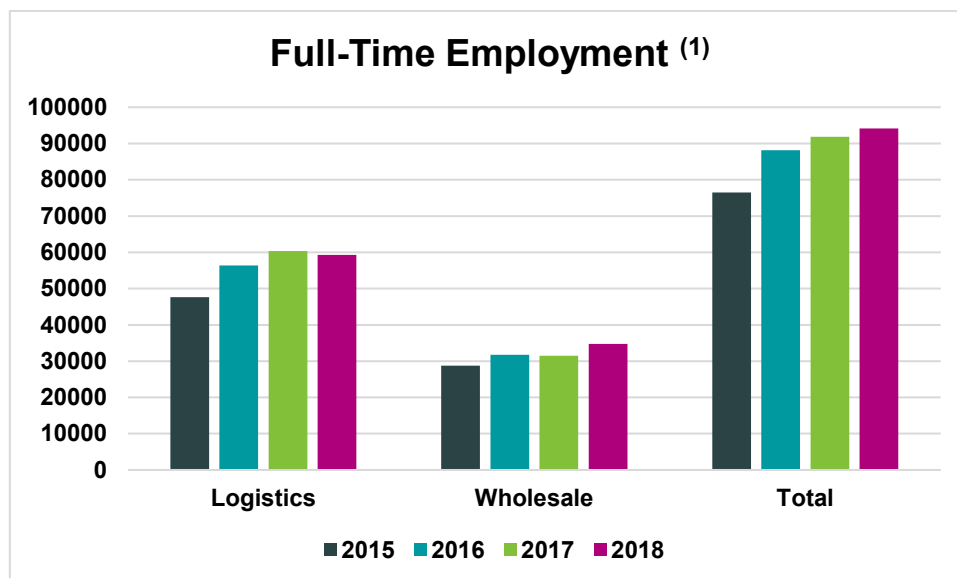
All industries have grown from 2015 to 2018.

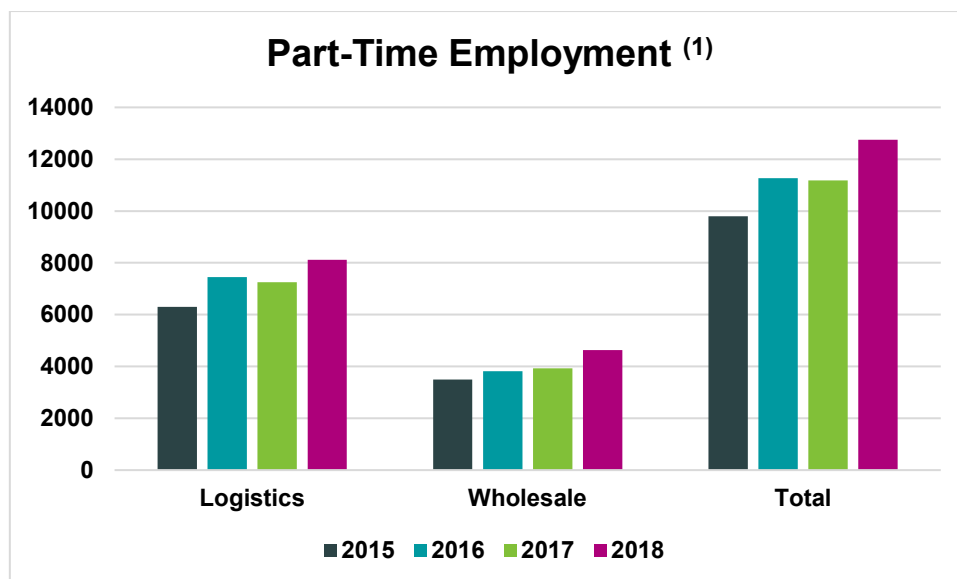
Wholesale (Top 10, 77% of total))	2015	2016	2017	2018
4673 : Wholesale of wood, construction materials and sanitary equipment	4050	4950	5000	5000
4652 : Wholesale of electronic and telecommunications equipment and parts	3650	3900	3850	4150
4531 : Wholesale trade of motor vehicle parts and accessories	3050	2925	3175	3650
4646 : Wholesale of pharmaceutical goods	2250	3300	3125	3250
4651 : Wholesale of computers, computer peripheral equipment and software	1410	1965	1925	2925
4649 : Wholesale of other household goods	2200	2275	2100	2625
4643 : Wholesale of electrical household appliances	2425	2825	2540	2450
4674 : Wholesale of hardware, plumbing and heating equipment and supplies	2050	1825	1600	1925
4642 : Wholesale of clothing and footwear	1135	1445	1675	1695
4631 : Wholesale of fruit and vegetables	1325	1825	1320	1600
4645 : Wholesale of perfume and cosmetics	1815	1320	1350	1325

The largest growth within wholesale has been in Wholesale of computers, computer peripheral equipment and software (+1,515, +107%), Wholesale of pharmaceutical goods (+1,000, +44%) and Wholesale of wood, construction materials and sanitary equipment (+950, +23%).

There has been a reduction in Wholesale of perfume and cosmetics (-490, -27%) and Wholesale of hardware, plumbing and heating equipment and supplies (-125, -6%).

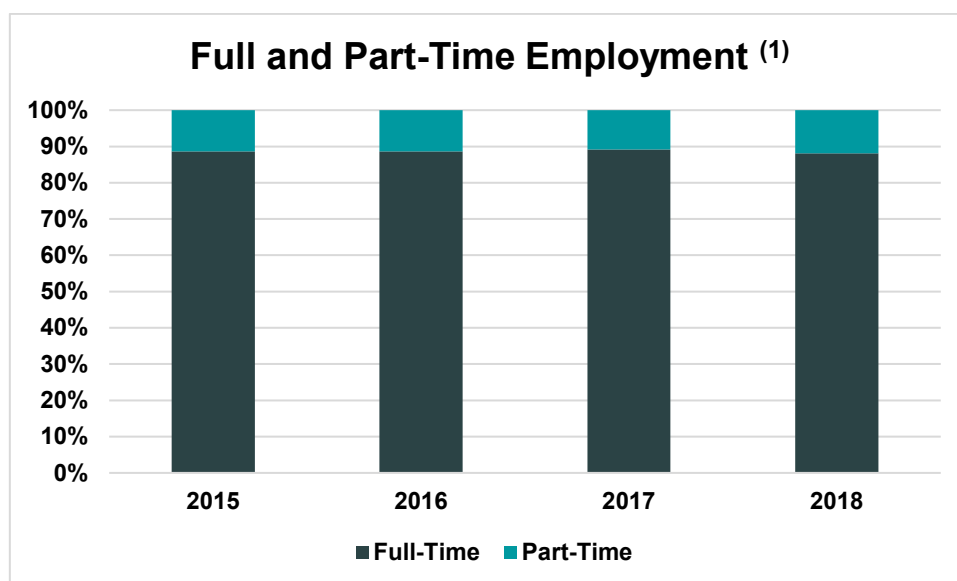
Full-Time and Part-Time Employment





Both full and part-time employment has increased in both logistics and wholesale from 2015 to 2018.

Part-time employment has increased by 30% (2,950) and full-time by 23% (17,645).



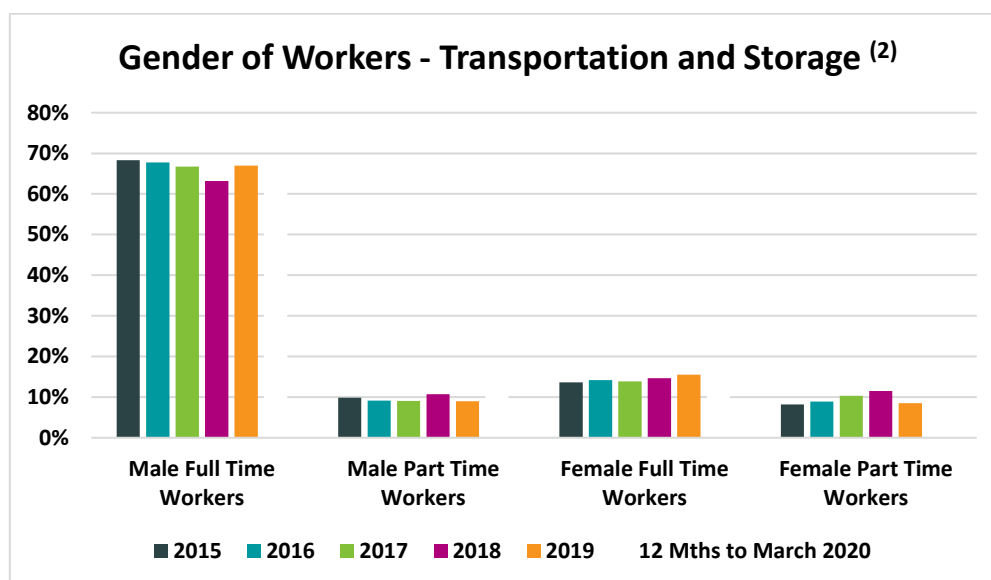
Part-time employment has increase by 1% as a proportion of the workforce to 11% from 2015 to 2018 (12,745).

Gender Participation

Data shows that for transportation and storage (SIC 2007) in the combined regions for the East, East Midlands and South East an increase in female participation in the sector ⁽²⁾.

Year	Male Full Time Workers	Male Part Time Workers	Female Full Time Workers	Female Part Time Workers
2015	68%	10%	14%	8%
2016	68%	9%	14%	9%
2017	67%	9%	14%	10%
2018	63%	11%	15%	11%
2019	67%	9%	16%	9%
12 Months to March 2020	65%	11%	16%	8%

Female participation has increased by 2% from 2015 to March 2020. This increase has all been for full-time workers.



Participation of Ethnic Groups

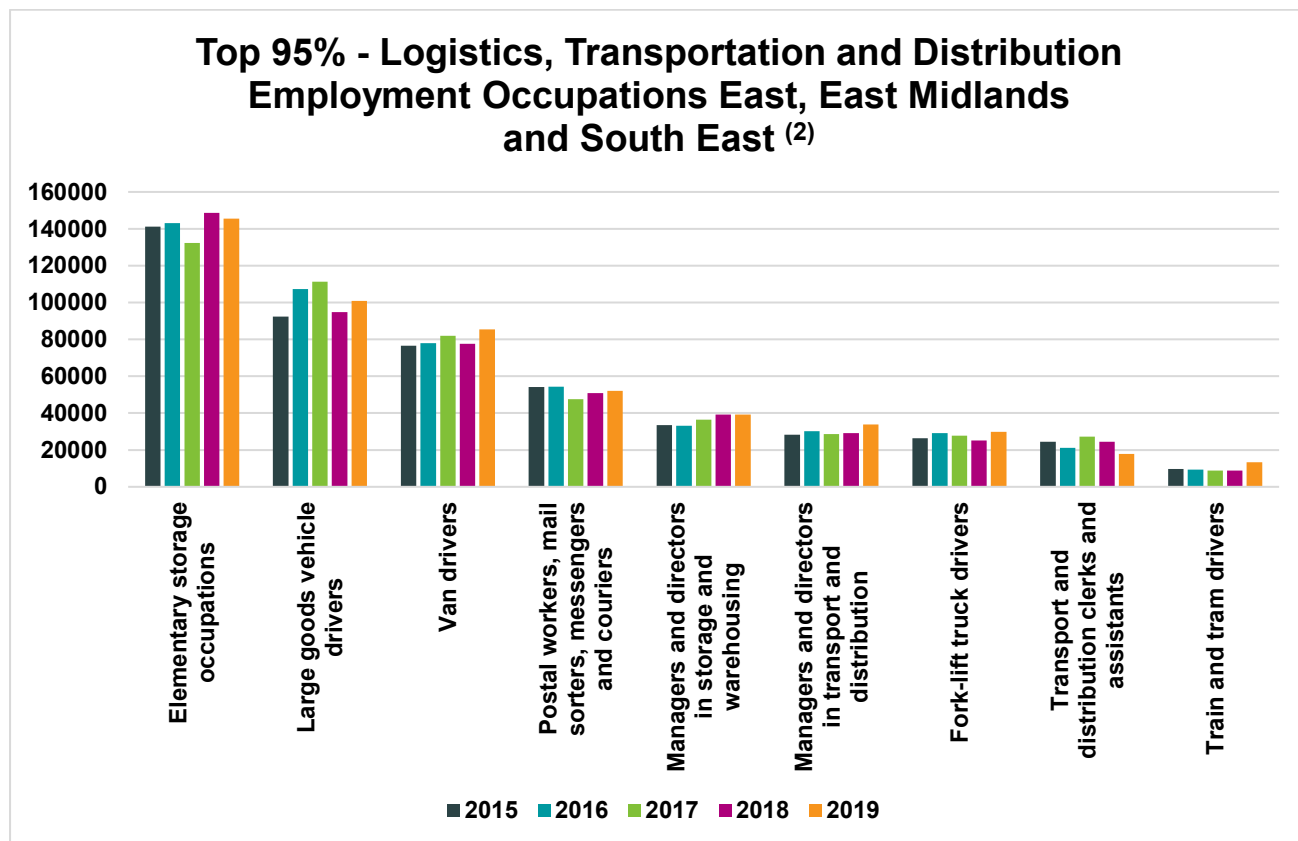
Data shows that for transportation and storage (SIC 2007) for 2019 in the combined regions for the East, East Midlands and South East compared with the average for the SEMLEP area, Black, Asian and minority ethnic group participation is 1% higher in the sector ⁽²⁾.

Sector (SIC2007) 2019	Black or Black British	Indians	Mixed ethnic groups	Other ethnic groups	Pakistani/ Bangladeshis	White
Transportation and Storage	2%	3%	1%	3%	5%	86%
SEMLEP Working population	5%	2%	1%	2%	3%	87%

There is under representation from Black or Black British ethnic groups.

Occupations

Whilst not linear, there has been an increase in employment for most occupations in logistics, transportation and distribution in the East, East Midlands and South East ⁽²⁾.



The largest increases in employment have been for:

1. Van drivers +12%
2. Large goods vehicle drivers +9%
3. Managers and directors in storage and warehousing +18%
4. Managers and directors in transport and distribution +19%
5. Elementary storage occupations +3%
6. Train drivers +37%
7. Fork-lift truck drivers +13%

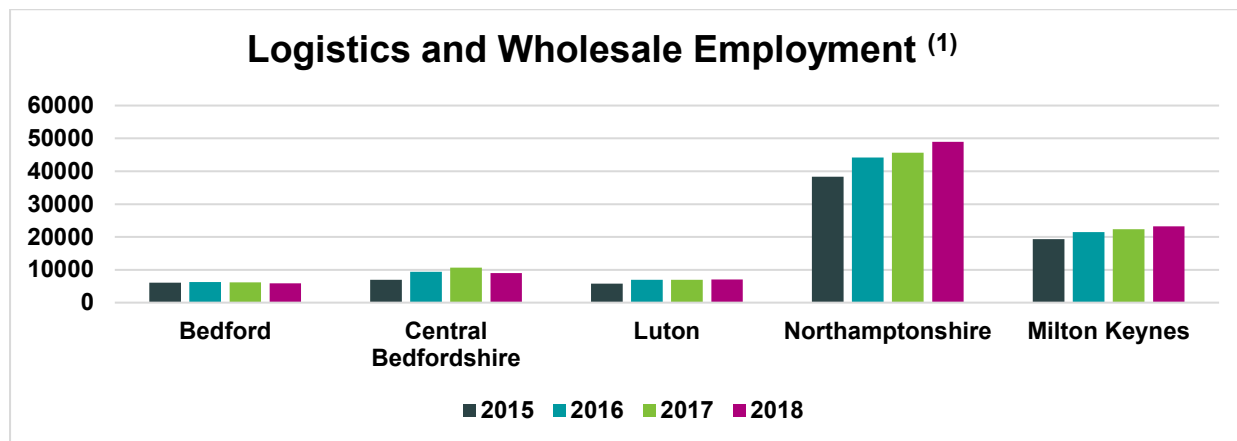
The largest decreases have been for:

1. Transport and distribution clerks and assistants -27%
2. Other drivers and transport operatives not elsewhere classified -30%
3. Postal workers, mail sorters, messengers and couriers -4%

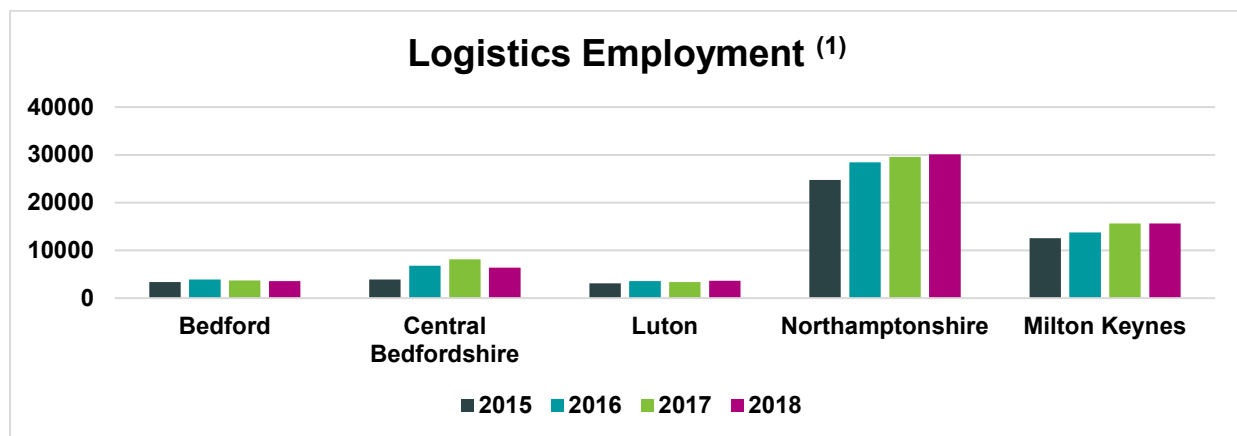
Location

Employment trend for logistics and wholesale combined is increasing in Northamptonshire and Milton Keynes.

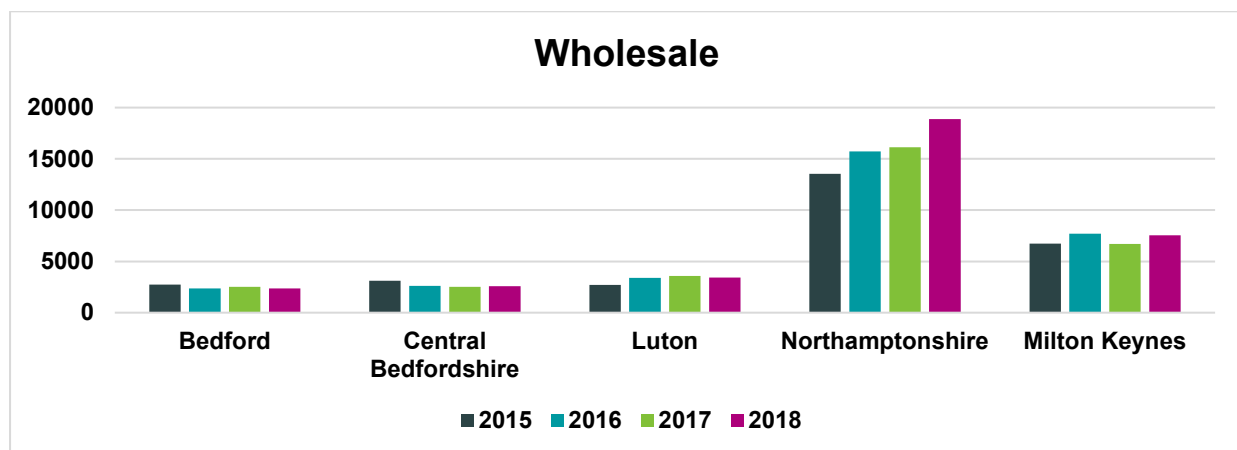
Northamptonshire accounts for 52% of employment in the sector within the SEMLEP area, Milton Keynes 25%.



There have been consistent increases in employment within logistics in Northamptonshire, Milton Keynes and Luton.



There has been consistent increase in employment within wholesale in Northamptonshire only, with small decreases in Bedford and Central Bedfordshire.

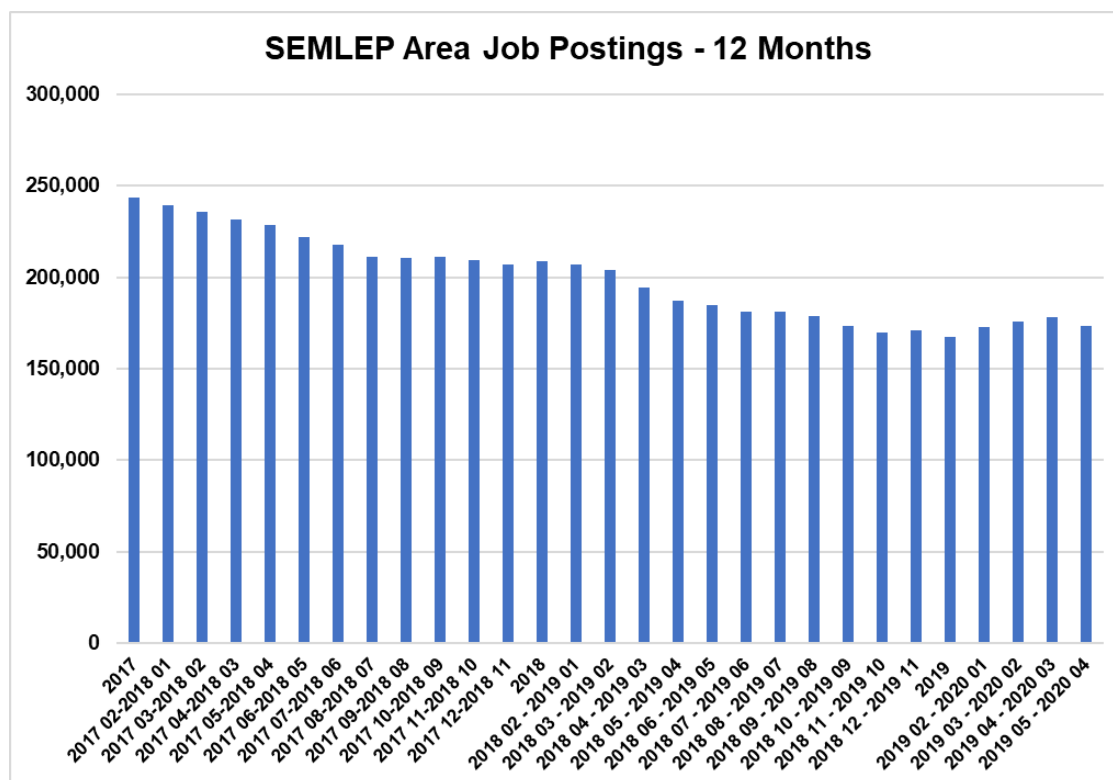


Observations:

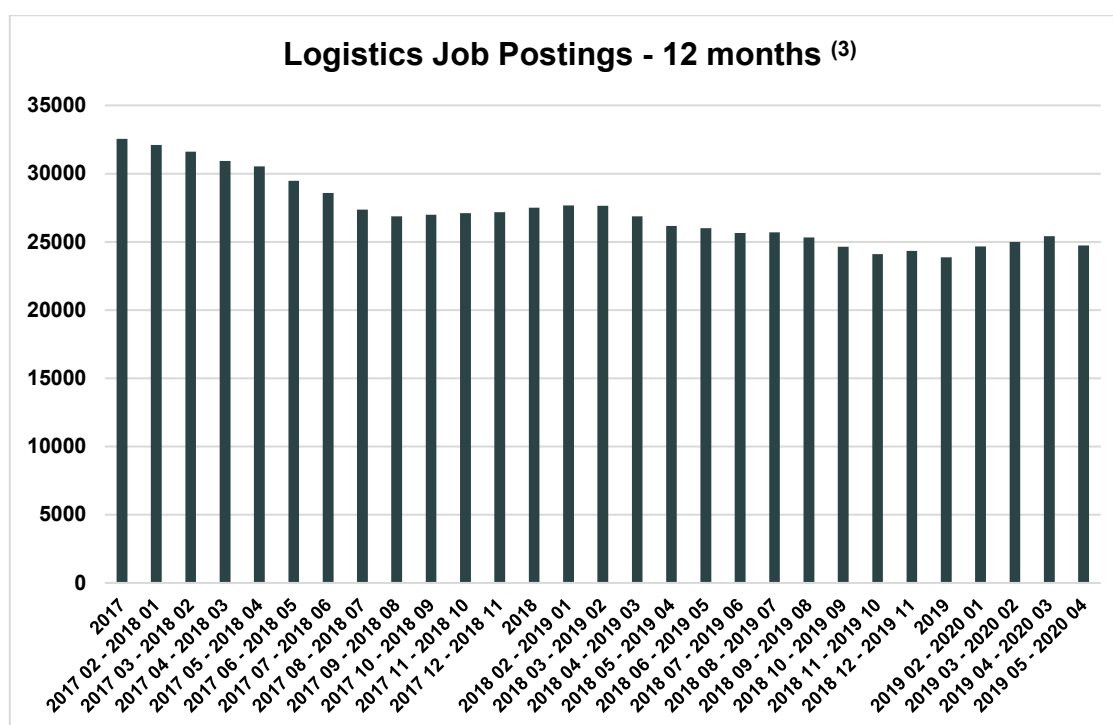
- High growth sector both for logistics and wholesale
- Opportunities for both full-time and part-time employment
- Increasing female participation, opportunities for more in the future
- BAME participation increasing slowly, opportunities for all
- Increased employment opportunities at all levels, especially for drivers and managerial positions
- Employment growing in Northamptonshire and Milton Keynes
- There has been a rise of self-employed ('gig economy') van drivers ⁽⁷⁾

Job Postings

Overall the number of job postings in the SEMLEP area have been reducing since 2017 with the announcement of Brexit and slowdown of the global economy. There has been an increase pre Covid-19 from the start of 2020 ⁽³⁾.

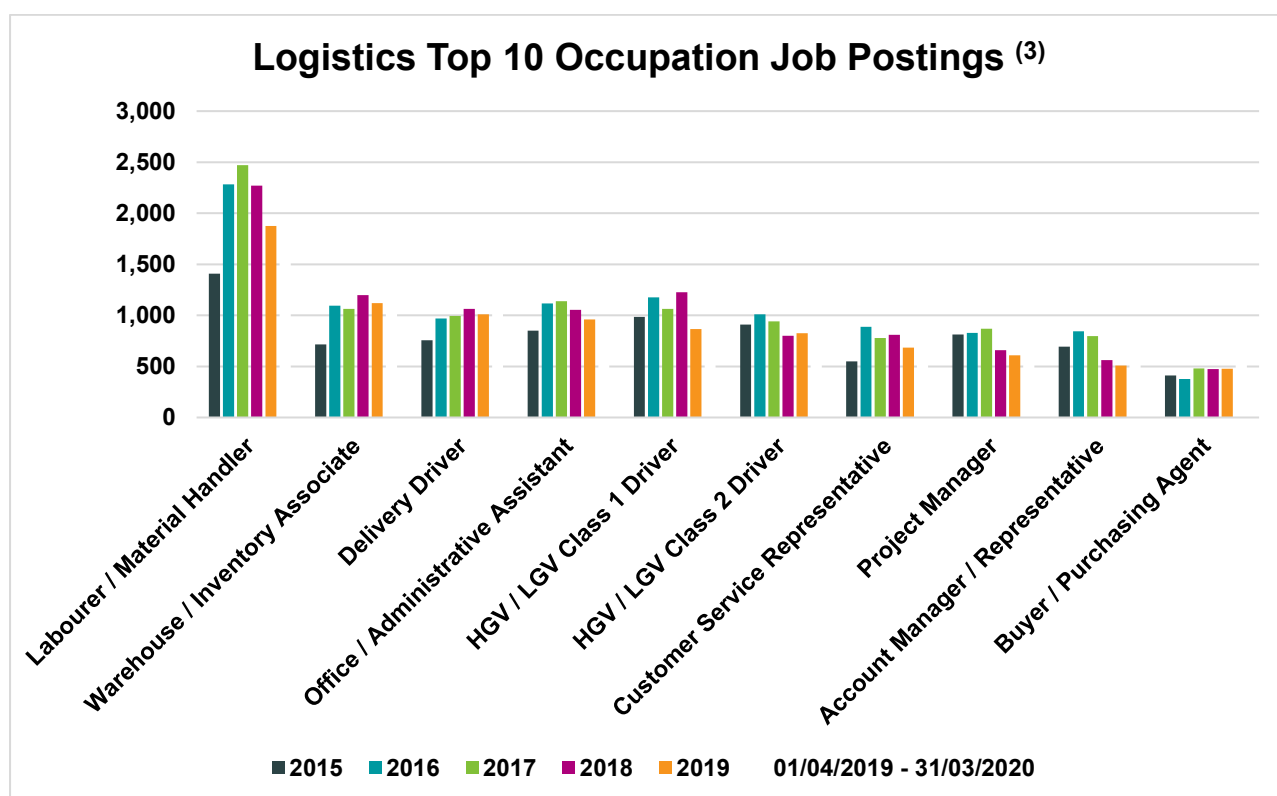


The trend for logistics online job postings within the SEMLEP area has been positive since January 2020 up until the impact of Covid-19 in April.



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Occupations



The top occupations with high levels of job postings and positive trends from 2015 are:

1. Labourer / Material Handler +35%, +491
2. Warehouse / Inventory Associate +70%, +503
3. Delivery Driver +49%, +372
4. Office / Administrative Assistant +16%, +136
5. Customer Service Representative +19%, +106
6. Buyer / Purchasing Agent +25%, 104

There remains high demand for HGV/LGV Class 1 and 2 Drivers, demand for which peaked in 2018 and is increasing again.

Other occupations with increased need within the sector are related to engineering, maintenance and digital. These occupational groups are covered in other SEMLEP reports.

Office/Administrative Assistant, Customer Service Representative, Labourer/Material Handler, Delivery Driver, HGV/LGV Class 1 and 2 Drivers are all in the top 25 job postings in the SEMLEP area.

The full list is shown in Appendix 1.

Observations:

- Vacancies within logistics have decreased from 2017 in line with the overall trend in the SEMLEP area, increasing in 2020 prior to the impact of Covid-19
- Job postings levels for key roles with increased demand and shortages have increased
- Highest levels for vacancies for warehouse staff, drivers and office/administrative support staff

Pipeline, Supply and Demand

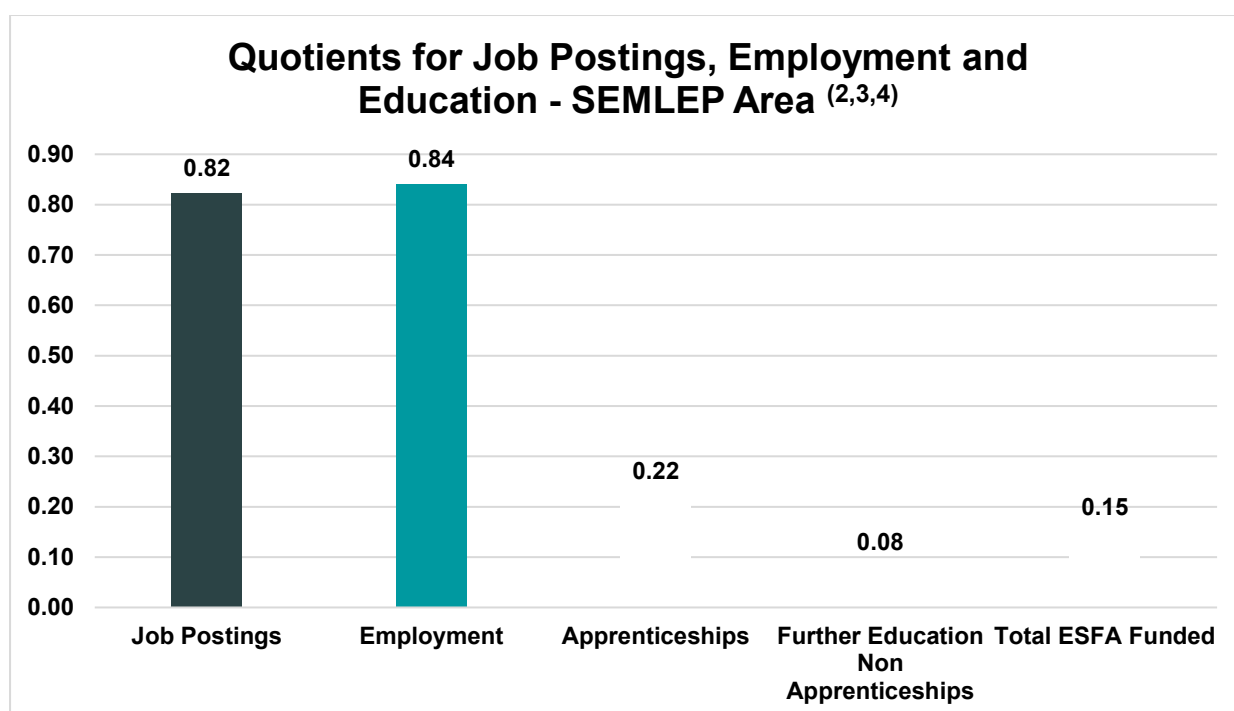
For all sectors, SEMLEP compare the employment numbers, recruitment pipeline (job postings) and learners passing through education using quotients. These are based on actual numbers aligned to specifically to the logistics sector versus the average number in all sectors, i.e. the higher the quotient, the more people engaged.

It should be stated that this is not an exact science as there are slight variations in the definitions of the sectors for job postings, employment and education.

The quotients are an indicator that help identify differences in supply and demand.

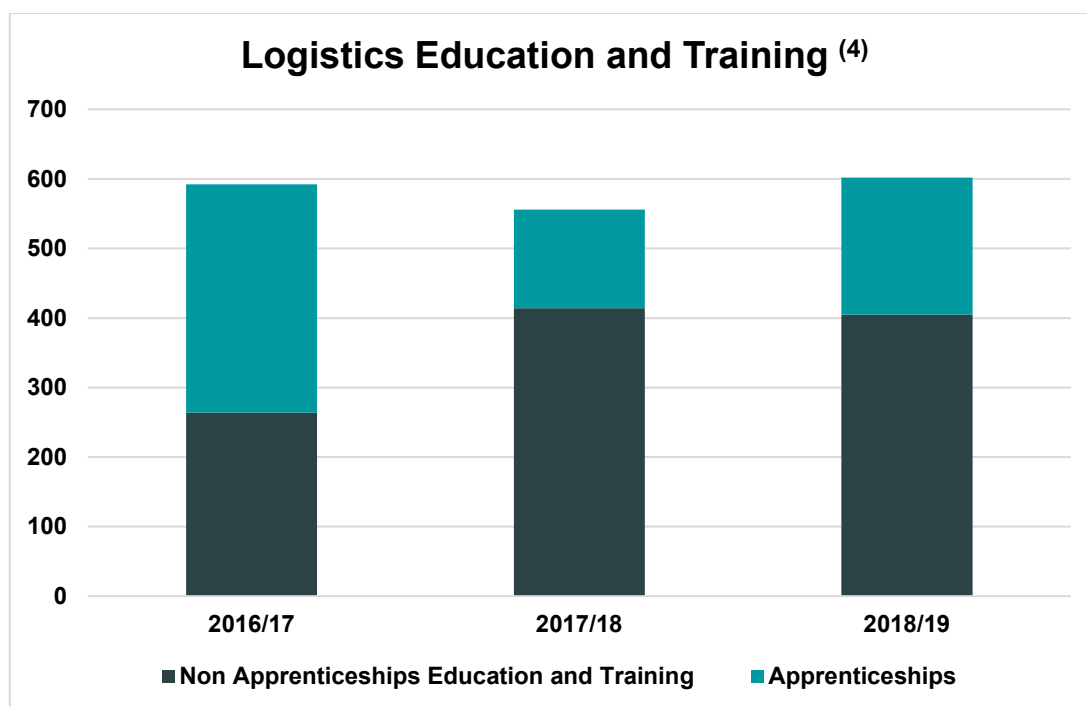
A summary of the outcomes combined with anecdotal evidence from employers is:

- Both job postings and employment quotients are considerably higher than the education quotients for occupations specific to logistics
- This suggests employment from people already in the labour market and low development of a talent pipeline into the sector
- This is also an indicator of the employment of part-time labour to fill low skill roles and the need for flexibility of employment numbers by employers
- For some lower skill occupations and specialised roles such as HGV drivers, the pathways via ESFA funded provision is not deemed appropriate



Overall numbers of ESFA funded learners for training and education in logistics has remained unchanged since 2016/17 at approximately 600 within the SEMLEP area ⁽⁴⁾.

The change from Frameworks to Apprenticeships has coincided with a reduction in the number of apprenticeships for training and education in logistics. Non apprenticeship learner numbers have risen to 400 and remained stable since 2017/18. Apprenticeship learner numbers fell by 186 from 2016/17 to 2017/18 and increased from 2017/18 to 2018/19 by 55⁽⁴⁾.



There is no data to extract information on higher education provision aligned specifically to the logistics sector.

Gender Participation

Female participation through apprenticeships and Non-Apprenticeship Education and Training for logistics has increased from 2016/17 to 2018/19 by 7% and 20% respectively ⁽⁴⁾.

Apprenticeships Starts – Logistics ⁽⁴⁾	2016/17	2017/18	2018/19
Female	23%	22%	30%
Male	77%	78%	70%

Non-Apprenticeships ESFA Funded Education and Training Starts – Logistics ⁽⁴⁾	2016/17	2017/18	2018/19
Female	24%	32%	44%
Male	76%	68%	56%

Participation of Ethnic Groups

Apprenticeship starts within the logistics sector are higher than the average employment proportion for the SEMLEP Working population (15% vs 13%). However, this figures disguises very high participation for the 'Other Ethnic Group' category at 11% and low participation rates for all other ethnic minority groups except 'Mixed/Multiple Ethnic Group' ⁽⁴⁾.

Apprenticeships Starts – Logistics ⁽⁴⁾	2016/17	2017/18	2018/19
Asian/ Asian British	1%	3%	1%
Black/African/Caribbean/Black British	3%	3%	3%
Mixed/ Multiple Ethnic Group	2%	1%	2%
Not App/Unknown	1%	2%	0%
Other Ethnic Group	3%	1%	11%
White	90%	89%	85%

Non-Apprenticeship Education and Training shows high participation rates from all ethnic groups within the logistics sector (17% vs 13%) ⁽⁴⁾.

Non-Apprenticeships ESFA Funded Education and Training Starts – Logistics ⁽⁴⁾	2016/17	2017/18	2018/19
Asian/ Asian British	3%	6%	7%
Black/African/Caribbean/Black British	3%	10%	6%
Mixed/ Multiple Ethnic Group	2%	2%	3%
Not App/Unknown	3%	0%	0%
Other Ethnic Group	1%	2%	1%
White	87%	79%	83%

Sector (SIC2007) 2019 ⁽²⁾	Asian/ Asian British	Black or Black British	Mixed ethnic groups	Other ethnic groups	White
SEMLEP Working population	5%	5%	1%	2%	87%

Learner Levels

The majority of the ESFA funded provision within the SEMLEP area, including apprenticeships, being delivered for the pipeline is at level 2 or below.

This reflects the levels reported nationally in the Freight Transport Association (FTA) Skills Shortage Report, November 2018 reported UK logistics jobs by skill level ⁽⁶⁾.

Skill Level (UK) ⁽⁶⁾	2018
Level 1 (Low skilled)	25%
Level 2 (Lower-middle skilled)	44%
Level 3 (Upper-middle skilled)	12%
Level 4 Plus (High skilled)	19%

Apprenticeships Starts – Logistics ⁽⁴⁾	2016/17	2017/18	2018/19
Level 2	91%	92%	91%
Level 3	9%	8%	7%
Level 4 Plus	0%	0%	2%

A full list of apprenticeship starts with standards and framework descriptions can be found in appendix 2.

Non-Apprenticeships ESFA Funded Education and Training Starts – Logistics ⁽⁴⁾	2016/17	2017/18	2018/19
Entry level	2%	7%	12%
Level 1	25%	28%	8%
Level 2	45%	52%	54%
Level 3	3%	2%	0%
Not Applicable/ Not Known	26%	12%	26%

The top 20 Non-Apprenticeship Education and Training Starts, Number of Learners, ESFA Funded for logistics can be found in appendix 3.

Employer Viewpoint

SEMLEP conduct a business survey biannually of over 1600 businesses reflecting the composition of the business sectors and their geographical location.

The 2019 Business Survey interviewed 191 logistics related businesses the skills related results compared with 2017 being ⁽¹⁰⁾;

Perceptions of the area

- Polarisation in the perceptions of the availability of appropriately skilled staff with 'good/very good' improving from 44% to 50% but 'poor/very poor' also rising from 20% to 22%.
- A reduction in the perception of the area having good quality schools/colleges with 'poor/very poor' rising from 3% to 24%, 'average' 5% to 36%, 'good/very good' 67% to 40%. This is the only sector to show this trend, the averages for the area showing a reduction in 'poor/very poor/average' and an increase in 'good/very good' by 4%.

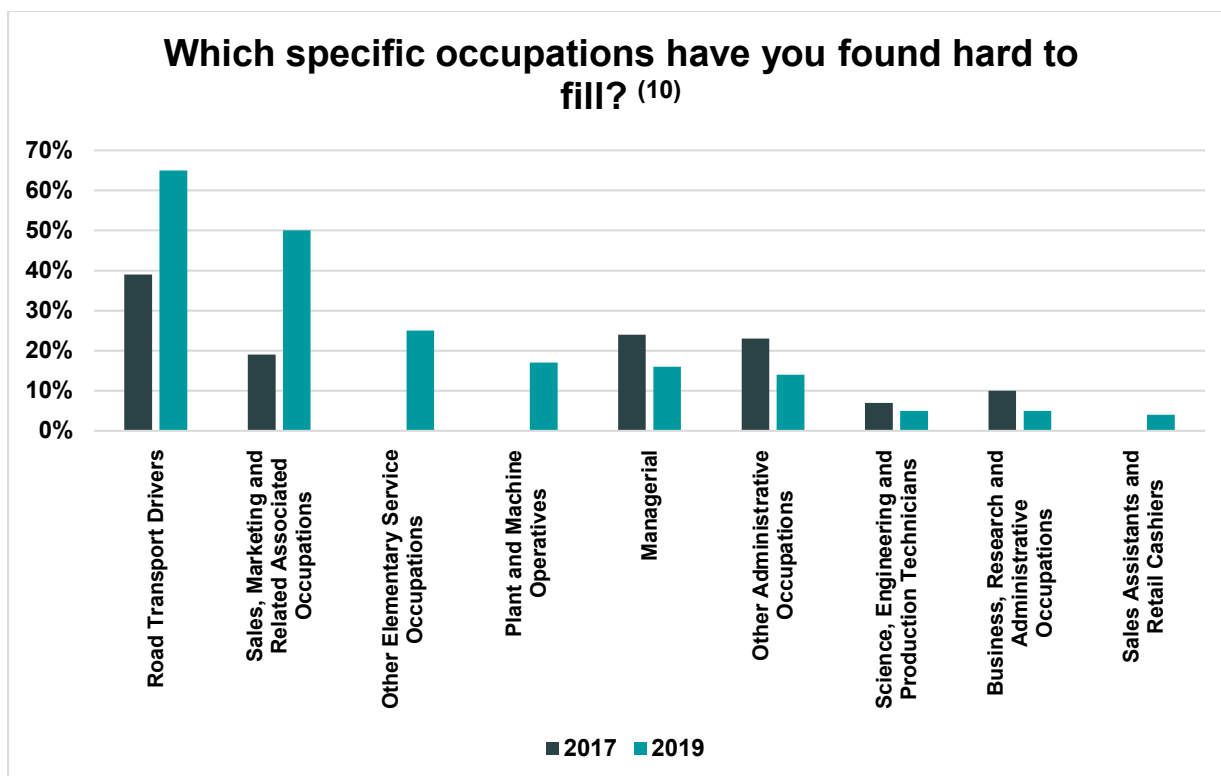
Leaving the EU

- Only 1% cited labour availability being a concern with the UK leaving the EU

Recruitment

- Most promotion of vacancies through social media (49%), free websites (32%), word of mouth (31%), agencies (17%), paid for websites (13%), job centres (10%)
- There has been a reduction in the number of businesses reporting 'hard to fill' vacancies from 57% to 41%, lower than the SEMLEP average of 46%
- The occupations proving hardest to fill are;

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- Challenges in recruiting drivers and sales and marketing related occupations have increased. Lower skill service and plant/machinery operatives are new to the list.
- The highest reason for having hard to fill vacancies are low number of applicants with the required attitude, motivation or personality at 64%. This compares to an average of 36% for this reason for the whole survey.
- Other causes include a low number of applicants generally (33%), low number of applicants with the required skills (26%), too much competition from other employers (25%), lack of qualifications the company demands (12%) and a lack of work experience the company demands (10%)
- Employability skills proving difficult to obtain when recruiting staff were general employability (22%), technical or practical skills (8%), communication skills (8%), numeracy (8%), literacy (8%) and digital skills (6%)
- Reasons given for finding these skills difficult to obtain were general lack of skills in available workforce (52%), people applying for jobs they are not suited to (50% - SEMLEP average 27%), low quantity of applicants available (28%), poor quality applicants generally (25%), lack of work ready school leavers (8%) and lack of work ready college/further education leavers (4%)

The Existing Workforce

- 65% of the respondents stated they had no skills gaps within the workforce compare to 44% in 2017
- When asked what actions businesses were taking when they did have skills gaps the response was offering in-house training & development (24%, up from 15% in 2017), investing in apprenticeships (9%, up from 2% in 2017) and outsourcing training & development / working with independent training providers (4%, down from 6% in 2017)
- 2% reported that they were not doing anything, down from 31% in 2017

- The recognition of qualification levels held by the workforce have increased at levels 2 (40% to 54%, 3 (22% to 61%) and 4 (5% to 21%)

Apprenticeships

- Only 2% of those interviewed were levy payers
- 13% stated that they employed someone on an apprenticeship programme currently, up from 6% in 2017
- If not employing anyone currently, 42% stated they would consider taking on an apprentice, up from 16% in 2017
- For those who would not consider employing an apprentice, the main reasons given were that there was no current business need or not recruiting (53%), that apprentices did not have the necessary skills/experience/qualifications or that they wanted to employ people that were ready to do the job (32%) and the size of the business was too small (15%)
- The reason of the business or type of work being unsuitable for apprentices reduced from 27% in 2017 to 4%
- For the levy payers, 49% stated that they did not use the levy yet but had plans to in the future.
- 31% of levy payers were using it to develop existing employees, 11% to take on new apprentices

Employer Engagement with Education

- 82% of respondents did not engage with education or offer work experience, up from 80% in 2017 and higher than the SEMLEP average for all sectors at 74%
- The highest engagement levels were with 14-16-year olds (13%), further or higher education students aged 19 to 24 (7%) and adult schemes (2%)
- Engagement with school/College students aged 17 to 19 fell for 9% in 2017 to 1% in 2019
- When asked why do you not engage with schools, colleges, universities, adult education schemes or conduct employer engagement, the main reasons given were concerns about the safety of students (26%, 3% in 2017), lack of time (21%) and that they did not see the value (19%, 7% in 2017)

A subgroup of employers in the University of Northampton Logistics Forum ⁽¹¹⁾ reports that employers find the lower level apprenticeships for warehousing staff very hard to operate.

Unlike other roles, the 20% 'off the job' training is difficult to accommodate given the nature of the function and the time demands required of the role within the business.

They also report a lack of providers for this level in the area who need large numbers to be a viable proposition.

The following are extracts from the Freight Transport Association (FTA) Logistics Report 2019 ⁽⁷⁾.

The FTA Logistics Industry Survey 2018/19 asked respondents to rate their anticipation of staff shortages in 2019 across key logistics vocations. There was an increase from 10% in 2018 to 15% in 2019 of respondents anticipating an inability to fill HGV driver vacancies.

The report quotes that the Road Haulage Association and Freight Transport Association have both published figures over the past 12 months that estimate the driver shortage alone to be around 50,000.

Respondents to the FTA Logistics Industry Survey 2018/19, were asked about measures being taken to address and improve recruitment and retention of drivers. The most popular measure was funding driver training programmes, promoting driving and other logistics professions to young people, investing in new vehicles/facilities, raising pay and the use of apprenticeships.

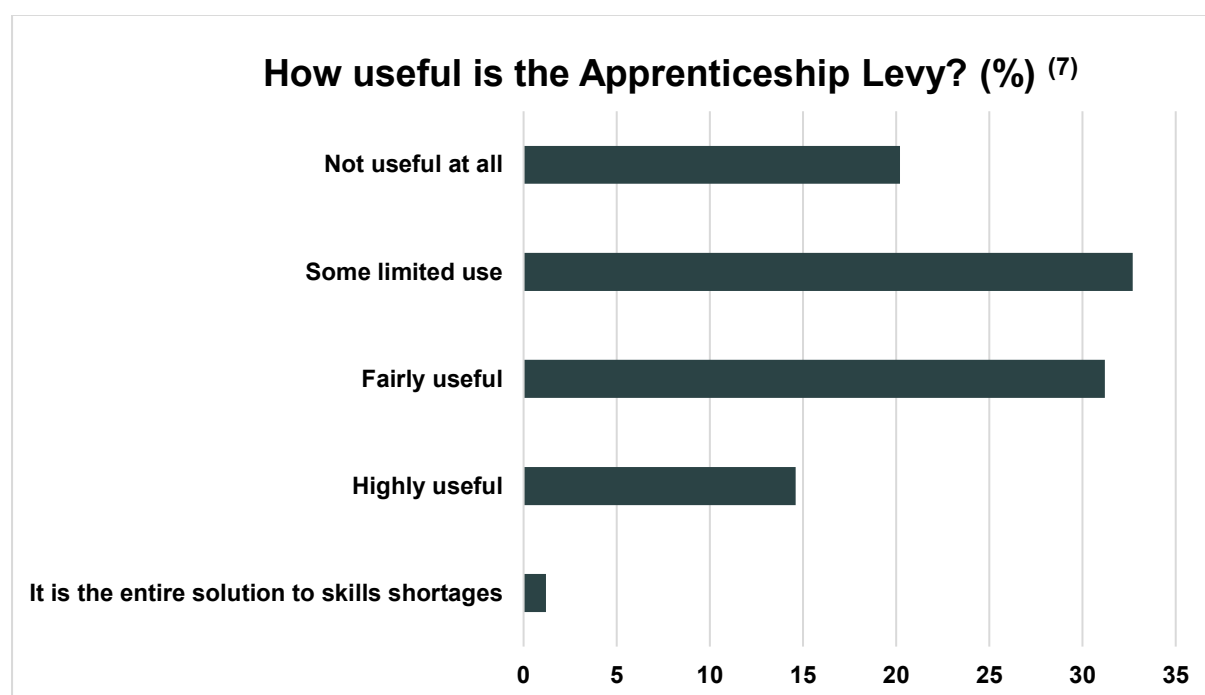


Of the key logistics occupations, fitter, mechanic and technician roles (not covered in this report) were anticipated as being the hardest to fill, with 18% stating that they anticipate unfilled vacancies in this category. Forklift driver jobs were expected to be the easiest to recruit with 52% of respondents expecting no recruitment problems at all.

The FTA Logistics Industry Survey 2018/19 indicated that the occupations with the largest proportion of EU workers were warehouse staff, forklift drivers and van drivers, where they represented 20% of staff. These occupations were then followed by HGV drivers and transport managers.

In England, the overall number of logistics apprenticeship starts fell by 37% from 2016/17 to 2017/18. Driving goods vehicles apprenticeships fell by 30% at the same time from 5,170 to 3,600 starts.

Respondents to the FTA Logistics Industry Survey were asked about the usefulness of the apprenticeship levy. Over 20% stated it was of no use at all, 64% stated it was of some use and only 16% stated it was highly useful and a total solution.



The majority at 91% stated that the funding should be turned into a 'skills levy' so that funds could be spent on a wider array of training needs.

There has been a rise of self-employed, 'flexiworkers' or 'gig economy' particularly in delivery and van drivers.

The continued rise of online shopping and the demand for overnight and same day delivery of goods and services to homes is placing increasing pressure on logistics companies and the demand for drivers.

As a result of, import and export jobs such as customs brokers and international freight forwarders are in much higher demand. FTA report that around 24% of warehouse workers and 14% of HGV drivers are from European Economic Area (EEA) countries. These occupations are already 'hard to fill', so the gap between need and availability will widen.

The current uncertainty of the UK/EU trade relationships and impact on the economy has also made some companies reluctant to invest in training.

In October 2019, FTA reported that the shortage of HGV drivers in the UK has risen to 59,000 with 64% of transport and storage businesses facing severe skills shortages ⁽¹²⁾.

They also reported that 60% of HGV drivers are over the age of 44 and only 19% are under the age of 35 with the number of HGV drivers down 16,000 or 5.0% year-on-year.

Paragon's annual UK customer survey ⁽⁸⁾, highlighted skills shortage as the most significant challenge faced by the logistics sector during 2018. 46% of respondents stated that the lack of drivers and other skilled workers across the industry was their biggest barrier to success (37% in 2017).

When asked what was to be done to attract young talent, the logistics professionals suggested five key areas that need to be addressed to resolve the skills shortage:

- Improving the image of the sector (26%) – The sector has a poor image, dissuading young people into the industry. Sector needs to present itself as an “innovative industry that is embracing the latest technology”. There was also a feeling that “logistics functions are largely unknown and unappreciated by the wider public”.
- Making logistics financially rewarding (23%) - Increasing salaries represent the best way of attracting more young talent into the logistics business. “Wages [in the logistics sector] are simply not good enough for budding bright youngsters”.
- Creating an appealing career path (20%) - Providing attractive career prospects, across all levels of potential entrants from school leavers to graduates and beyond, is seen as a way of “capturing people from a young age and getting them interested in a much needed but sometimes forgotten about sector”. Others pointed towards more apprenticeships, graduate training and “warehouse to wheels” schemes to attract a broad range of young people.
- Removing the barriers (16%) - For drivers it was suggested the industry needed to improve the working environment to make the role more appealing including greater flexibility, with reduced hours, improved shift patterns and social enhancements as well as better vehicles and fleet technology. The cost of entering a driving occupation was also highlighted as an issue.
- Engaging with education (14%) - More to be done to engage with schools, colleges and universities, to increase the visibility of occupations and remuneration available and to promote the logistics business to younger people.

The 'UK Logistics Monitor 2019' by CILT and Statista, quotes that 54% of logistics companies are expecting skills shortages to increase over the next five years, 21% are uncertain as to their future recruitment ability, and 4% expect the skills shortage to improve.

The Monitor confirms that;

- Office staff, drivers and warehouse workers are the most likely to be in demand
- Project managers and business management are the hardest roles to fill
- Software engineers in particular are proving the most difficult to recruit, with 23% of logistics firms saying that it is difficult to recruit people with specialist digital skill
- Job-specific skills as the main barrier to successful recruitment
- A lack of work experience and low wages are the other most common challenges
- To make the logistics sector a more attractive industry in which to work, UK logistics firms are implementing flexible working patterns, focusing on diversity, and improving career paths
- A lack of time and interest on training may hinder these efforts to retain staff

Observations:

The comments below are 'logistics specific' occupations. Occupations based around digital, management, finance, etc are covered in other SEMLEP reports.

- Reducing number of businesses reporting 'hard to fill' vacancies however key occupations remain a challenge, primarily drivers, sales/marketing, warehouse staff, plant and machine operatives
- Many of the 'hard to fill' occupations align with the largest proportions of EU workers, i.e. warehouse staff, forklift drivers, van and HGV drivers
- There is a large differential between the number of people employed within the logistics sector and pathways directly from ESFA funded education, suggesting employment from people already in the labour market and the increase of in-house skills development
- There is significant employment of part-time labour to fill low skill roles and the need for flexibility of employment numbers by logistics employers during the year
- For specialised roles such as HGV drivers and some lower skill occupations such as warehouse staff, the pathways via ESFA funded provision is not deemed appropriate and so despite the growth of employment within the sector, ESFA funded learners have remained the same since 2016/17
- Most ESFA funded provision is at level 2 or below (91% apprenticeships, 74% non-apprenticeships)
- The primary challenges to recruit for 'hard to fill' vacancies are core competencies, attitudes and behaviours
- Apprenticeship numbers and the number of businesses using apprenticeship programmes is increasing with an increasing awareness of apprenticeships
- Close to half the employers not using their levy, have plans to do so in the future although most would prefer a 'skill' levy for use on alternative fast track pathways to address skills shortages
- Low participation of Asian/Asian British and Black/African/Caribbean/Black British ethnic groups in apprenticeships
- Female participation in educational pathways is increasing
- Low levels of employer engagement in schools/colleges and levels of work experience offered resulting in poor perceptions of the quality of schools in the area.
- Need to allay concerns on safety, time and the value of engagement with education
- Businesses within the logistics sector recognise the need to improve the image of industry to attract talent

Sources

1. ONS, Business Register and Employment Survey: open access
2. ONS, Annual Population Survey
3. Labour Insight (Burning Glass Technologies)
4. DfE, DataCube 2019/20 Q2, SEMLEP Area, Learner Starts
5. FTA Logistics Report 2019
6. FTA Skills Shortage Report, November 2018
7. FTA Logistics Industry Survey 2018/19
8. <https://www.paragonrouting.com/en-gb/blog/post/how-do-logistics-professionals-believe-worsening-skills-shortage-can-be-solved/>
9. UK Logistics Monitor 2019 by CILT and Statista
10. SEMLEP Business Survey 2019
11. University of Northampton Logistics Forum
12. The Logistics Skills Report, FTA, October 2019, sponsored by Manpower

Appendix 1 - Job Postings in the Logistics Sector

Source: Labour Insight (Burning Glass Technologies)

Job Posting Occupation	2015	2016	2017	2018	2019	01/04/2019 - 31/03/2020
Labourer / Material Handler	1,408	2,283	2,470	2,270	1,876	1,899
Warehouse / Inventory Associate	716	1,096	1,064	1,197	1,119	1,219
Delivery Driver	757	969	996	1,065	1,009	1,129
Office / Administrative Assistant	849	1,118	1,140	1,055	959	985
HGV / LGV Class 1 Driver	984	1,176	1,062	1,228	866	919
HGV / LGV Class 2 Driver	910	1,011	940	799	824	914
Customer Service Representative	550	889	779	810	685	656
Project Manager	812	829	868	659	608	630
Account Manager / Representative	692	845	797	561	510	521
Buyer / Purchasing Agent	410	377	479	473	476	514
Sales Manager	744	727	698	455	364	408
Procurement Manager	337	358	546	366	317	351
Operations Manager	309	379	346	290	291	331
Storage / Distribution Manager	295	322	323	306	280	306
Maintenance Technician	228	227	255	253	272	302
Logistics / Supply Chain Analyst	382	338	406	362	290	282
Scheduler / Operations Coordinator	244	300	347	275	258	282
Forklift / Pallet Jack Operator	191	258	321	322	263	274
Software Developer / Engineer	542	447	590	343	199	237
Bookkeeper / Accounting Clerk	169	229	223	206	217	236
Automotive Service Technician / Mechanic	240	342	389	161	187	217
Accountant	166	265	356	177	174	209
Transportation Planner / Analyst	169	189	283	275	185	203
Mechanical Engineer	232	192	236	167	192	202
Sales Assistant	244	319	325	258	192	201
Data / Data Mining Analyst	298	294	353	266	154	189

Analysis of Logistics Specific Occupational Demand in the South East Midlands, July 2020

Appendix 2 – Apprenticeship Starts, Number of Learners, ESFA Funded

Source: DfE DataCube

Business, Administration and Law	2016/17	2017/18	2018/19	2019/20, Q2
Commercial Procurement and Supply			5	5
Retail and Commercial Enterprise	2016/17	2017/18	2018/19	2019/20, Q2
Driving Goods Vehicles	43	7	3	2
International Freight Forwarding Specialist			9	4
Logistics Operations Management	6	9	0	1
Supply Chain Practitioner (Fast Moving Consumer Goods)		2	4	1
Supply Chain Warehouse Operative	26	107	165	43
Warehousing and Storage	253	17	12	2
Total	328	142	197	58

Appendix 3 – Top 20 Non-Apprenticeship Education and Training Starts, Number of Learners, ESFA Funded

Source: DfE DataCube

Sector and Subject	2016/17	2017/18	2018/19	2019/20, Q2
Engineering and Manufacturing Technologies				
Award in Land-Based Forklift Truck Operations (Rough Terrain, Masted and Telescopic Types)		19	23	
Award in Land-Based Forklift Truck Operations (Rough Terrain, Masted and Telescopic Types) (QCF)	16			
Award in Logistics and Transport		9		
Forklift Truck Training	24	9	7	
Retail and Commercial Enterprise				
Assemble orders for dispatch in logistics operations		1	0	
Award in Employee Rights and Responsibilities in the Logistics Industry (QCF)	1			
Award in Forklift Truck Operations		14	0	
Award in Warehousing and Storage (QCF)	9			
BTEC Certificate in Warehousing and Storage Principles (QCF)	10			
BTEC Extended Certificate in Principles of Working in Warehousing and Storage		17	0	14
Certificate in Business Awareness for the Logistics Industry (QCF)	6			
Certificate in the Principles of Warehousing and Storage		33	10	
Certificate in Warehousing and Storage		49	33	
Certificate in Warehousing and Storage (QCF)	53	12		
Certificate in Warehousing and Storage (RQF)		11	0	17
Certificate in Warehousing and Storage Principles			11	
Certificate in Warehousing and Storage Principles (QCF)	4			
Certificate in Warehousing and Storage Principles (QCF) (Revised NQF Level)	41	20		
Certificate in Warehousing and Storage Principles (RQF)		56	34	7
Certificate in Warehousing and Storage Skills		1	16	
Contribute to the Provision of Customer Service in Logistics Operations				14
Develop Effective working Relationships with Colleagues in Logistics Operations	1	1	3	14
Diploma in Supply Chain and Logistics				17

Analysis of Logistics Specific Occupational Demand in the South East Midlands, July 2020

Sector and Subject	2016/17	2017/18	2018/19	2019/20, Q2
Diploma in Warehousing and Storage (QCF)	2			
Keep Work Areas Clean in Logistics Operations	1	2	0	14
Non regulated Adult skills formula funded provision, Level 1, Retailing and Wholesaling, 7 to 12 hrs, PW A	6			
Non regulated Adult skills formula funded provision, Level 1, Warehousing and Distribution, 7 to 12 hrs, PW A		50	0	0
Non regulated Adult skills formula funded provision, Level 2, Retailing and Wholesaling, 7 to 12 hrs, PW A	2			
Non regulated Adult skills formula funded provision, Level 2, Warehousing and Distribution, 3 to 4 hrs, PW A		7	0	
Non regulated Community Learning provision, Retailing and Wholesaling	44	41	90	44
Non regulated Community Learning provision, Warehousing and Distribution			10	21
Non regulated provision, Entry Level, Retailing and Wholesaling	4	27	47	
Non regulated provision, Level 3, Retailing and Wholesaling	3	4	0	
Non regulated provision, Level 3, Warehousing and Distribution	3	3	0	
Non regulated SFA formula funded provision, Entry Level, Retailing and Wholesaling, 581 to 1060 hrs, PW A			1	
Non regulated SFA formula funded provision, Level 2, Warehousing and Distribution, 45 to 68 hrs, PW A			120	28
Operate Equipment to Perform Work Requirements in Logistics Operations		2	0	0
Pick goods in logistics operations		1	0	
Prepare the van for driving				14
Process Orders for Customers in Logistics Operations	8	2	0	
Process returned goods in logistics operations	9	3	0	
Receive goods in logistics operations	1	2	0	14
Sort goods and materials for recycling or disposal in logistics operations		2	0	0
Use Equipment to Move Goods in Logistics Operations	9	4	0	0
Warehousing and Storage Principles	7	12		
Total	264	414	405	218