

# Logistics Skills Review 2023



# LOGISTICS UK

## **We support, shape and stand-up for safe and efficient logistics**

Logistics UK is one of the biggest business groups in the UK, supporting, shaping and standing up for efficient logistics. We are the only organisation in the UK that represents all of logistics, with members from the road, rail, water and air industries, as well as the buyers of freight services such as retailers and manufacturers whose businesses depend on the efficient movement of goods.

An effective supply chain is vital to Keep Britain Trading, directly impacting over seven million people employed in making, selling and moving the goods that affect everyone everywhere.

With Brexit, technology and other disruptive forces driving changes in the way goods move across borders and through the supply chain, logistics has never been more important to UK plc.

As champions and challengers, Logistics UK speaks to Government with one voice on behalf of the whole sector, greatly increasing the impact of our messages and achieving amazing results for members.

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# CEO's foreword



Our skills review shows the logistics sector remains resilient despite economic pressures – with around 2.7 million people employed in logistics roles, contributing £163 billion to the UK economy in 2021, which is

16% higher than in 2019 (pre-pandemic).

Logistics makes up around 8.2% of total UK employment – and around 12% of the UK non-financial economy.

As this report demonstrates, logistics unlocks many career opportunities, with roles ranging from drivers and mechanics to robotics and technology developers. Job opportunities can be found across all UK nations and regions, with strong potential for social mobility as entry level roles remain accessible for those without a university degree, but still offer highly competitive salaries and some of the best opportunities for progression.

Logistics is a system greater than any single transport mode – freight is transported by road, rail, water and air.

Now is an exciting time for those joining logistics as a growing and successful sector – an industry which is facing challenges and opportunities presented by the transition to net zero, alongside the chance to improve productivity, innovate and grow the UK economy.

2022 saw the logistics sector adapt well to the increasingly tight labour market which has cut across most sectors in our economy. From 2013 to 2021, the value of the industry has grown by 85%, mainly due to wholesale. The number of jobs increased by 15%. However, as the sector continues to grow, further pressure has been placed on operators to continue providing the essential services needed to keep the country moving.

Our last report on skills was in 2021, a year in which the logistics sector experienced an acute shortage of HGV drivers whilst still dealing with fallout from the joint impacts of COVID-19 and leaving the EU. Positively, 2022 showed some promising signs, including an increase in the number of HGV driving tests being taken, and an increase of those entering employment in

key driving roles. 2023 has seen economic headwinds and a downturn in demand which in turn has eased pressure on logistics recruitment across many roles.

That said, staff shortages have persisted in the sector for a number of other jobs. A significant skills gap exists for technicians – both for traditional roles and in particular for those who have the training and experience required to operate on electric and alternatively fuelled vehicles. In response, 2023 has seen Logistics UK launch its own electric vehicle (EV) training courses which will help to bridge this gap.

Given the widespread nature of this shortage, which affects numerous sectors, we have also called on the government to provide more support for these types of courses, to ensure that the training and resources necessary are readily available to both people and employers. We have also used this report to re-affirm our commitment to Apprenticeship Levy reform, which will help levy-paying employers to address their own skills shortages in a more flexible and effective manner.

This skills review also highlights how the industry is working to address skills shortages and get ready for the challenges of the future.

Through industry-led initiatives and productive collaboration with government, we are confident that the sector is playing its part in ensuring it remains resilient to the challenging economic environment and continues to provide a crucial backbone for the rest of the UK economy. Moving forwards, the logistics sector will continue to work to retain and acquire talent: while challenging economic times may be on the horizon, a thriving logistics industry is crucial to ensuring that the UK can prosper in years to come.



**David Wells OBE**  
Chief Executive  
Logistics UK

# President's foreword



As we reflect on a year characterised by economic turbulence and staff shortages across most sectors, I am incredibly proud to be able to talk about the progress of our major industry-led careers

awareness campaign, Generation Logistics, which has recently been confirmed for its second year.

Generation Logistics was launched in August 2022 in recognition of the fact that, despite the logistics sector's central importance to the UK economy, there was a broad lack of awareness of the scope and scale of the careers available within the industry. At the time, our survey showed that only 7% of young people, and 15% of career switchers were considering a career in logistics, with just over a fifth of respondents not knowing what a career in logistics could offer. The mission of Generation Logistics was therefore to demonstrate the value that a career in logistics can provide, to ensure that the sector can recruit a talented and diverse workforce in the years ahead. As a result, leading logistics brands and trade groups, alongside the Department for Transport, joined forces for the first time to change perceptions and raise awareness of the opportunities available. In uncertain times, and with so many other sectors struggling to recruit new personnel, such collaboration between business and government is essential to the continued growth and future-proofing of the sector.

I am therefore delighted to be able to comment on the fantastic progress which this programme has made over the past year. To date, the campaign has created over 400 million opportunities to see the message, over 3 million engagements with our innovative social campaigns, as well as attracting over 600,000 visits to our dedicated campaign web hub, and these numbers are increasing every day. We have also recruited over 280 Ambassadors to the programme, who will bring talent and expertise to the table, and offer great advice to those looking to get involved in the industry.

The campaign saw around 200 logistics professionals including apprentices and graduate trainees meet Roads Minister Richard Holden at a Parliamentary reception hosted by Caroline Ansell MP. Richard Holden also joined a logistics day event hosted by Amazon and DHL – to discuss the challenges and opportunities faced by the sector and hear direct from young logistics professionals.

Following the highly successful first year, Transport Secretary Mark Harper has recently announced the Department for Transport will continue to raise awareness and promote logistics as a career of choice, alongside sponsors from right across the industry, all committed to ensuring the resilience and talent of the industry's workforce. In the campaign's second year it is set to expand to include a national, long-term programme for careers awareness, with Generation Logistics becoming the first port of call for logistics information and activities that enrich teaching and learning. With a renewed focus on 13-24 year olds, teachers and career leaders, year two of Generation Logistics will ensure that the young people entering the world of work are made aware of the value that a career in logistics can provide for them.

Thank you to all who have supported Generation Logistics from the beginning. I am excited for this programme to grow and reach even further heights in year two, as we continue to inspire the next generation of logistics professionals.

A stylized, handwritten signature in black ink, appearing to read 'Phil Roe', with a long, sweeping underline.

**Phil Roe**  
*President*  
Logistics UK



# Executive summary

## Industry ambitions and policy recommendations

Logistics UK members are ambitious for our sector. Through initiatives at company and national level, including Generation Logistics, we are seeking to:

- Celebrate logistics as a sector that underpins the economy – creating career opportunities across the UK.
- Promote recognition of logistics as a sector which adds value to local communities, creating diverse and inclusive opportunities for people from all backgrounds, across a range of career types:
  - Customer service to drivers and pilots, professional services to technicians and engineers.
  - Entry level, to managers and leaders of local, national and global supply chains.
- Work together to ensure we improve diversity at all levels and support wellbeing for all.
- Ensure that logistics is recognised as a leading sector for the development and deployment of innovation, including future skills needs – from net zero to data and robotics.

### Headline policy recommendations

**Funding:** Reform of skills funding to ensure businesses can create opportunities and meet long-term needs, including:

- Transforming the Apprenticeship Levy into a more flexible Training Levy.
- Appropriate funding for training providers.
- Broadening eligibility for roles in the sector to receive support through the National Skills Fund.

**Access and appeal:** Improving access to, and the appeal of, careers in logistics by:

- Continued collaborative effort to promote the industry to young people and job seekers through Generation Logistics.
- Targeted use of migration to meet short-term, acute skills needs.
- Investment in facilities to improve the welfare of logistics workers.

**Future skills:** Identification and development of transferable and cross-cutting skills needed by the current and future logistics industry.

**We see a significant opportunity for the logistics sector to work in partnership with government at national and local levels to ensure both the industry and the UK develop and maintain the skills we need for the future.**



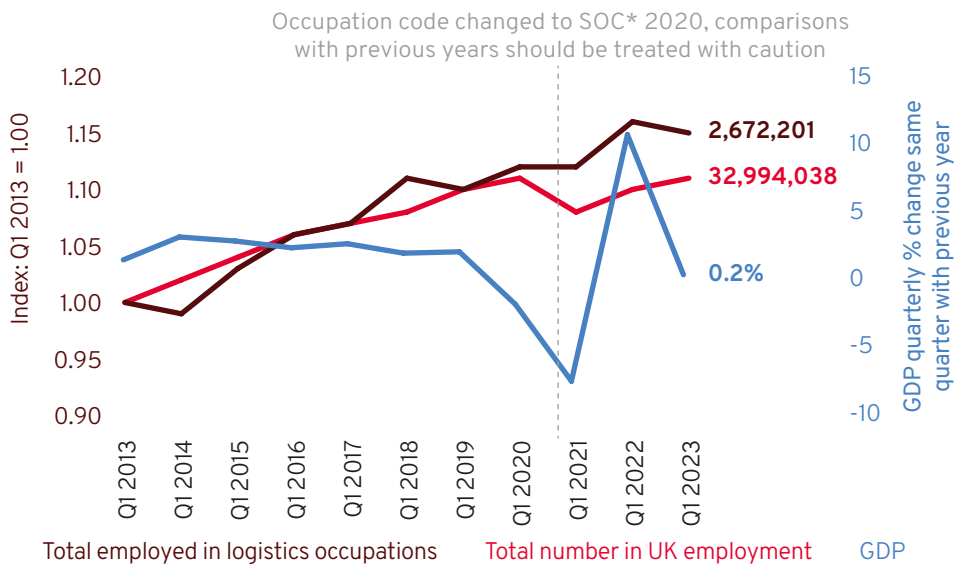
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# Logistics sector in profile

The logistics sector employs around 2.7 million people directly and indirectly in logistics roles, representing 8.2% of the UK workforce, yet, prior to the COVID-19 pandemic, it quietly operated in the background with few people understanding its importance. At the end of 2021, the economic value of logistics was 16% higher than 2019 (pre-pandemic) levels. This is linked to the record rise in online shopping in 2021 during the pandemic.

Over the past 10 years, logistics has outperformed the rest of the economy as overall employment numbers have grown by 15% (total UK employment rose 11% over the same period) (see **figs 1.1 and 1.2**).

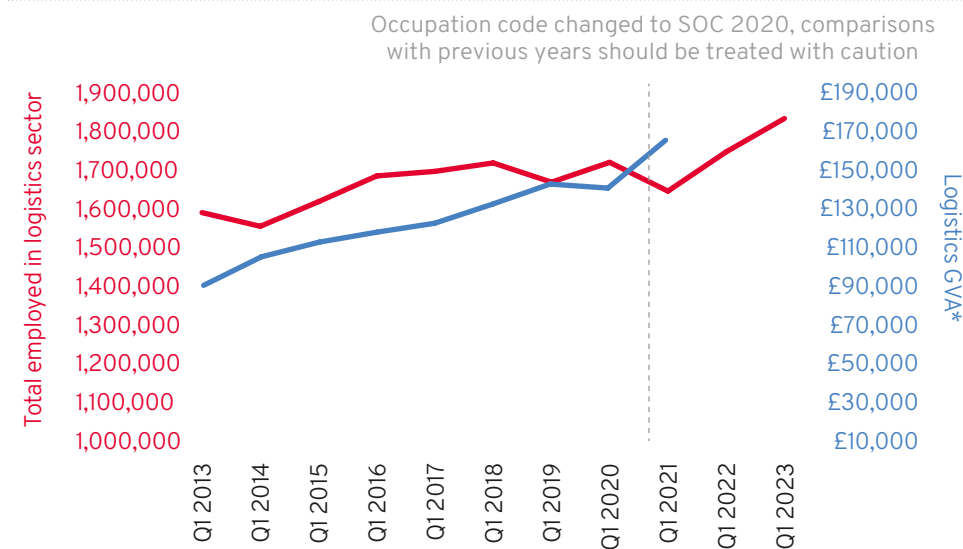
### 1.1 Total number employed in logistics occupations, total number in employment and % quarterly GDP growth Q1 2013 to Q1 2023



\*SOC – Standard Occupation Code

Source: Repgraph analysis for Logistics UK, Labour Force Survey, ONS, Q2 2021, GDP quarterly national accounts, UK: January to March 2023, ONS, 2023

### 1.2 Logistics sector employment and GVA contribution



\*Approximate Gross Value Added at basic prices (aGVA) is the amount individual businesses, industries or sectors contribute to the economy.

Sources: Non-financial business economy, UK: Sections A to S. ONS, 2023, Repgraph analysis for Logistics UK, Labour Force Survey, ONS, Q3 2022

The value of logistics to the UK economy in 2021 was 85% larger than it was in 2013 due in a large part to the growth in wholesale. Distribution and wholesale have undergone significant changes in the past 10 years, due to technological advancements and shifts in consumer behaviour. Notably, online sales now make up a quarter of total retail sales, marking a substantial increase from a decade ago when it was just 9.5%. This change prompted the emergence of fresh business models with increased online presence of established retailers and more home deliveries. However, both COVID-19 and Brexit have led to certain employment and skills challenges, with shortages of HGV drivers and HGV technicians in particular.

## Diversity of roles

**Figure 1.3** highlights the variety of roles in logistics, which include drivers, warehouse operators, mechanics and technicians, as well as managers and directors. The sector employs professional service advisors, data and digital specialists and innovators. Logistics teams facilitate the connections between the production of goods and end customers, operating across airports, ports, rail hubs and warehouses. The customer destination is diverse and can be a home, shop, hospital, local authority, construction or infrastructure project.

**1.3 Employment in logistics: numbers and percentages employed Q1 2023 (SOC 2020)**

Occupation	Employment (thousands)				By nationality (thousands)			
	Logistics sector	All other sectors	Total	%	UK	EU	EU%	Other
Purchasing managers and directors	6,794	71,404	78,198	2.9%	72,478	2,287	2.9%	3,433
Directors in logistics, warehousing and transport	10,041	15,705	25,746	1.0%	19,256	886	3.4%	5,604
Managers in transport and distribution	38,085	72,898	110,983	4.2%	106,901	4,082	3.7%	-
Managers in storage and warehousing	22,122	37,874	59,996	2.2%	57,691	2,305	3.8%	-
Managers in logistics	4,890	24,704	29,594	1.1%	29,594	-	-	-
Importers and exporters	3,134	3,775	6,909	0.3%	4,116	1,990	28.8%	803
Transport and distribution clerks and assistants	26,246	33,818	60,064	2.2%	53,073	4,777	8.0%	2,214
Heavy goods vehicle drivers	204,791	99,094	303,885	11.4%	256,994	41,738	13.7%	5,153
Delivery drivers and couriers	143,137	140,464	283,601	10.6%	222,125	37,296	13.2%	24,180
Road transport drivers n.e.c.	15,484	57,950	73,434	2.7%	62,808	6,671	9.1%	3,955
Fork-lift truck drivers	41,749	47,376	89,125	3.3%	50,800	27,568	30.9%	10,757
Postal workers, mail sorters and messengers	122,116	8,165	130,281	4.9%	106,624	15,988	12.3%	7,669
Elementary storage supervisors	18,622	11,254	29,876	1.1%	20,829	7,849	26.3%	1,198



Occupation	Employment (thousands)				By nationality (thousands)			
	Logistics sector	All other sectors	Total	%	UK	EU	EU%	Other
Warehouse operatives	218,036	209,078	427,114	16.0%	279,467	101,271	23.7%	46,376
Delivery operatives	7,971	14,142	22,113	0.8%	20,372	626	2.8%	1,115
Elementary storage occupations n.e.c.	2,782	2,445	5,227	0.2%	5,227	-	-	-
Other occupations within the logistics sector	936,055		936,055	35.0%	765,826	109,323	11.7%	60,906
<b>Total</b>	<b>1,822,055</b>	<b>850,146</b>	<b>2,672,201</b>		<b>2,134,181</b>	<b>364,657</b>	<b>13.6%</b>	<b>173,363</b>

Source: Repgraph analysis for Logistics UK, Labour Force Survey, ONS, Q1 2023

Logistics operates all over the country – and companies in the sector range from family businesses to national and global companies – creating opportunities for individuals to work close to home – or wherever their career takes them.

#### 1.4 Contribution to the UK economy by logistics mode and number of employees

Logistics mode	Contribution to aGVA*	Direct employees	
	Billion	Number	% of logistics employees
Road (including postal and courier)	£30.1	643,014	35.3%
Rail	£0.7	16,169	0.9%
Sea and inland waterways	£4.1	64,627	3.5%
Air	£0.3	3,114	0.2%
Warehousing and cargo	£22.4	336,375	18.5%
Wholesale	£104.8	744,890	40.9%
Transport via pipeline	£0.7	13,866	0.8%
<b>Total</b>	<b>£163.1</b>	<b>1,822,055</b>	

\*Approximate Gross Value Added at basic prices (aGVA) is the amount individual businesses, industries or sectors contribute to the economy.

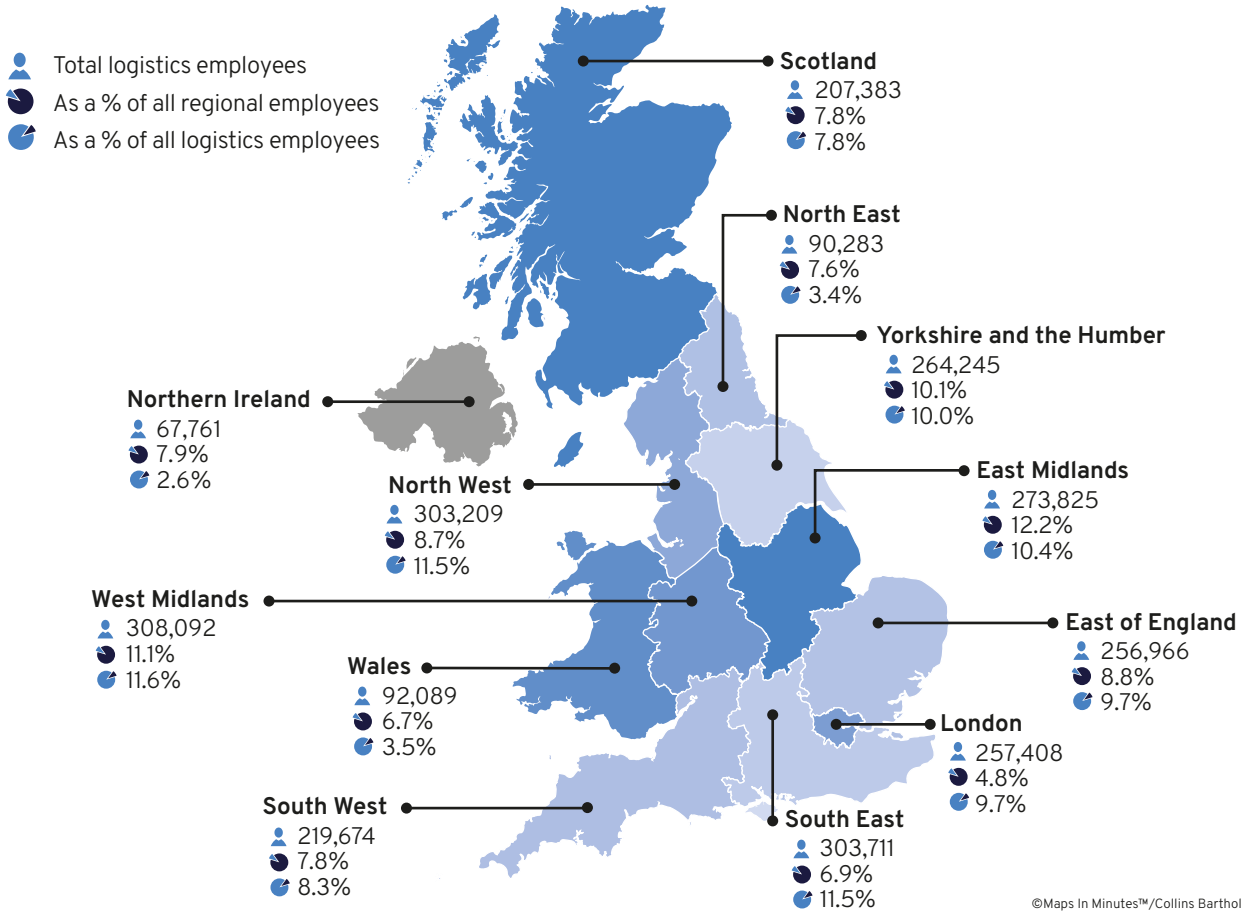
Sources: Repgraph analysis for Logistics UK, Labour Force Survey, ONS, Q1 2023

Non-financial business economy, UK: Sections A to S, ONS, 2023

The varied nature of logistics is highlighted in **figure 1.3** and **figure 1.4**, and shows the contribution to the UK economy by logistics mode and number of employees. While 35.3% of direct logistics employees work specifically in road freight – the part of the industry most people are familiar with – 40.9% work in wholesale, and 18.5% work in warehousing and cargo. Other modes, while the numbers are smaller than for road, still employ significant numbers of direct employees in sea and inland waterways freight (3.5%) and rail freight (0.9%).

Job opportunities can be found across the breadth of the UK, with logistics roles spanning all countries and regions (**fig 1.5**).

1.5 Logistics employees by region as a proportion of all regional employment

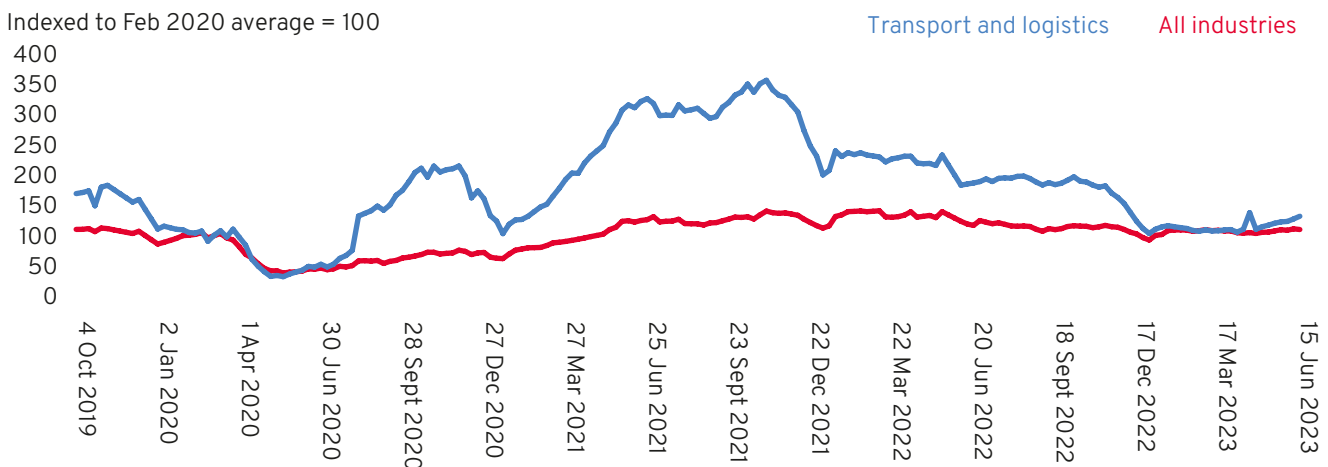


Source: Repgraph analysis for Logistics UK. Labour Force Survey, Office for National Statistics, Q1 2023

## Skills gaps and Generation Logistics

During the COVID-19 pandemic, significant skills gaps and logistics vacancies – most notably an acute shortage of HGV drivers – raised awareness of the essential role the logistics industry plays. **Figure 1.6** shows that following the peak number of vacancies at the end of 2021, vacancies have largely returned to pre-pandemic levels, but remain above the rest of the economy.

1.6 Transport and logistics vacancies compared with all UK industries



Source: Adzuna online job advert dataset, ONS, 23 June 2023

However, not enough people fully understand the breadth of the sector, its complexity and the job opportunities this brings. Research for Generation Logistics has shown that only 7% of young people and 15% of careers switchers would consider logistics careers, underlining the often hidden nature of the industry.

In reality, logistics is an exciting industry, offering a wide range of job roles and career opportunities. Whilst HGV and parcel delivery drivers are often seen as the face of the sector due to the nature of their role, and while these roles were shown to be critical throughout the pandemic, the industry must showcase other opportunities that exist within the sector more effectively to fill its wider skills gaps.

### Partnership with government

The Future of Freight Plan – the first government plan for the logistics industry – was published in June 2022. The plan commits to industry-led and government backed action to ensure logistics is seen as an industry of choice and has the people and skills it needs.

Generation Logistics, launched in August 2022, is working to deliver this vision and attract more talent to the sector. The campaign is seeking to reach young people and career changers alike to emphasise that a career in logistics can be both rewarding and secure as the sector continues to grow. Developed by Logistics UK, in collaboration with the Chartered Institute of Logistics and Transport and the Department for Transport (DfT), and supported by key logistics businesses and trade associations, the campaign highlights the proactive steps the industry is taking to address its own skills shortages and to promote the career opportunities the industry creates.

Having recently secured an additional £300,000 from DfT following a successful first year, Generation Logistics will now devote even greater attention towards raising the profile of logistics in schools, working closely with educators to drive a new generation of talented individuals to pursue rewarding career paths in the sector.

## Skills shortages

While the sector has continued to face skills shortages for a number of key roles throughout 2022, it has adapted well to the increasingly tight labour market that has cut across most industry sectors<sup>1</sup>.

This follows the unprecedented shortage of drivers in 2021, which was characterised by chronic and acute phases. The chronic shortage stems from the recession of 2008, which led to drivers leaving the industry, as many did not return when the economy began to recover. The subsequent acute phase was a result of the economic shocks of the COVID-19 pandemic coupled with the post-Brexit reduction in the number of EU workers in the UK. Both government and industry took action<sup>2</sup>, including by launching driver Bootcamps and addressing the HGV qualification testing backlog.

Driver numbers continue to stabilise. Driver testing and qualification numbers processed by the Driver Vehicle and Standards Agency (DVSA) show that HGV driver testing has now exceeded pre-pandemic levels, as of Q1 of 2022. However, the number of HGV drivers in employment is still close to 2019 levels when there was an estimated chronic shortfall of 60,000 drivers. This means that the industry has adapted to the chronic driver shortage but must be able to continue to attract, train and retain new

<sup>1</sup> Skills and Employment Update. Logistics UK, Q1 2023

<sup>2</sup> UK government action to reduce the HGV driver shortage, DfT

HGV drivers to avoid returning to an acute crisis. The case study below reveals steps Wincanton has taken to respond to driver shortages and the impact of COVID-19.



## CASE STUDY

COMPANY

**Wincanton: Responding to COVID-19 and driver shortages**

The logistics industry must be dynamic in its normal operations, but during the pandemic it had to prove just how adaptable it can be. This was strongly tested in home deliveries – with most of the population “locked down” at home consumers required much greater volumes to be delivered to their doors. With this came an increase in smaller commercial vehicles, and also an increase in demand for drivers in sectors where significant pressure already existed.

Any driver who acquired their driving licence before 1997 will have had entitlement to drive commercial vehicles up to 7.5 tonnes. Then in 1997, driving licence harmonisation across the EU meant a new driver passing their driving test in a car only received entitlement to 3.5 tonnes and would have to take an additional test to gain this 7.5 tonnes “C1” entitlement. Since 1997 the pool of drivers available to drive commercial vehicles up to 7.5 tonnes – heavily used in home delivery operations – has dwindled, and as the pandemic hit, operators in this sector had already been starting to feel the squeeze in finding suitable staff.

Wincanton is a leading British supply chain solutions company and provides business critical services, including two-person home delivery, for many of the UK’s best-known companies. It is active across a range of markets including retail and eCommerce and employs around 5,000 drivers. The company is proud of its industry-leading safety record which is embedded across its business. Central to this is the intensive and ongoing driver training and Continuous Professional Development instilled in all their drivers; none more so than the 850 home delivery drivers. During the pandemic, in response to the increase in home deliveries, the company found it was able to meet the demand for drivers of smaller commercial vehicles as many other professional drivers – such as bus and taxi drivers – who still held the pre-1997 entitlement found themselves unable to work. But as the country and the economy started to open up again demand for home delivery remained high while this temporary pool of workers returned to their pre-pandemic roles.

The company reports turnover in home delivery drivers remains high now – as much as 60% in some roles. The role of home delivery driver brings a unique set of complexities, with a very high proportion of driving being in high-intensity urban areas, pressures around unloading and access to the point of delivery in residential areas, and the driving role being almost ancillary to the delivery and sometimes installation or building of the delivered product. And add to this, almost constant exposure to both the best and worst of the Great British public.

To meet this challenge Wincanton has had to be innovative in both its recruitment and also its retention of staff. This has included regular “stay interviews” with new staff at the 1-, 4-, 8- and 12-week points. Held separately from probationary performance reviews these aim to give the staff member the opportunity to head off concerns and raise issues they might otherwise reserve until an exit interview when it is too late. The company reports this has contributed to reducing driver turnover.

Career maps have been developed, giving greater visibility to future opportunities available in the Wincanton Group; this helps established staff to understand what future career possibilities could exist.



Wincanton has identified new pools in which to recruit. New campaigns will focus on recruiting ex-armed forces personnel and their families. Work with the Department for Work and Pensions hopes to draw on supporting long-term unemployed and those needing to restart their careers. The company is also a designated *Disability Confident* employer.

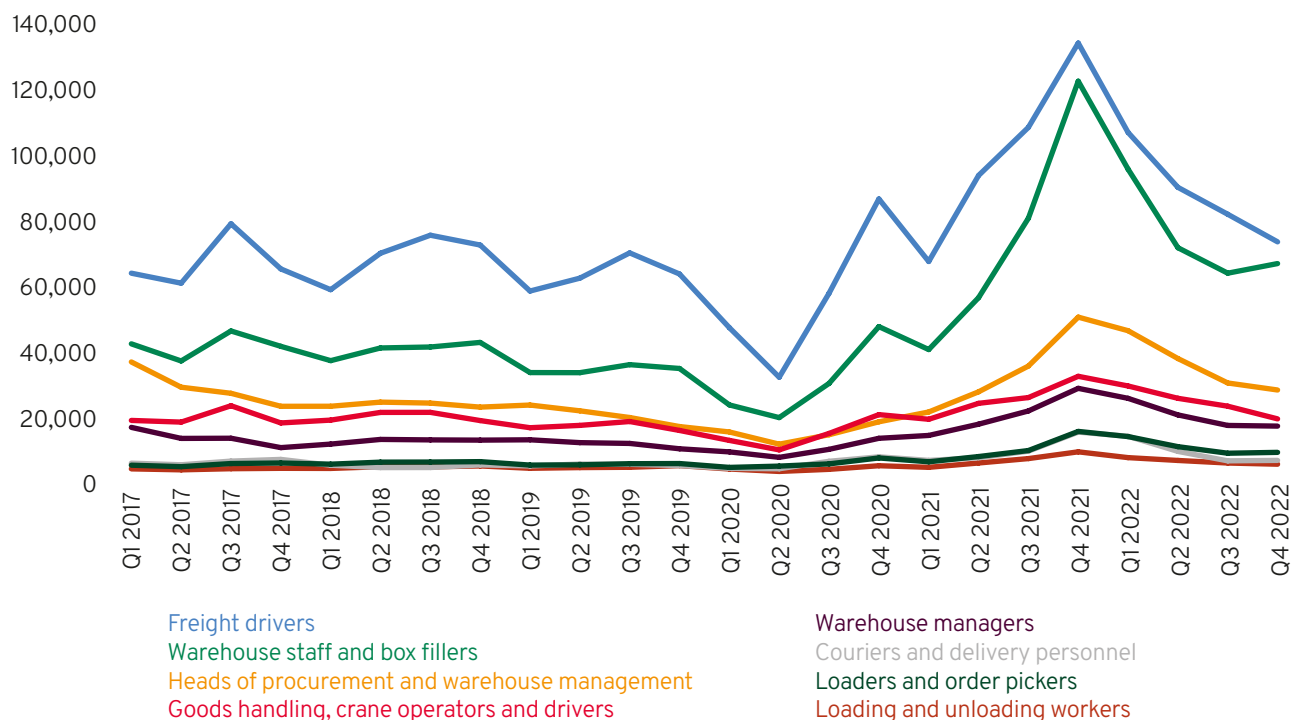
Wincanton’s *W<sup>2</sup>* innovation lab has integrated *W<sup>2</sup> Recruiter* into the organisation’s recruitment mechanisms. This is an innovative recruitment process which integrates a digital day-in-the-life introduction to a job role with assessment criteria meaning candidates effectively self-select themselves for role suitability. This process has proved effective with candidates who do not have a CV or may struggle with traditional recruitment processes such as interviews.

As part of its response to the 2021 driver shortage, the government established licence acquisition *Bootcamps* working with the driver training industry. These 16-week courses take drivers who hold their category B car entitlement and deliver the skills needed to achieve a vocational licence. Wincanton has engaged in the bootcamp process, and it is now their primary mechanism for new drivers to acquire their vocational licence – either as development within the organisation or newly recruited staff. Twenty-five new drivers have qualified with Wincanton through the Bootcamps with 30 more currently in the programme.

While HGV driver numbers are stabilising, the sector is still seeing the number of people in other logistics roles, such as HGV technicians, at lower levels than needed. **Figure 1.7** shows the number of online adverts for various logistics occupations up to the end of last year. The number of forklift drivers in employment has nearly reached pre-pandemic levels, falling by just 2.5% since 2019, while the number of vehicle technicians, mechanics and electricians has decreased by 4.8% in the same period. **Figure 1.8** shows how this demand is spread across the UK. Logistics UK’s Performance Tracker (Q1 2023) showed that 90% of respondents were having difficulty filling vehicle technician roles (**fig 1.9**).

**1.7 Online adverts for selected logistics occupations**

Number of online adverts

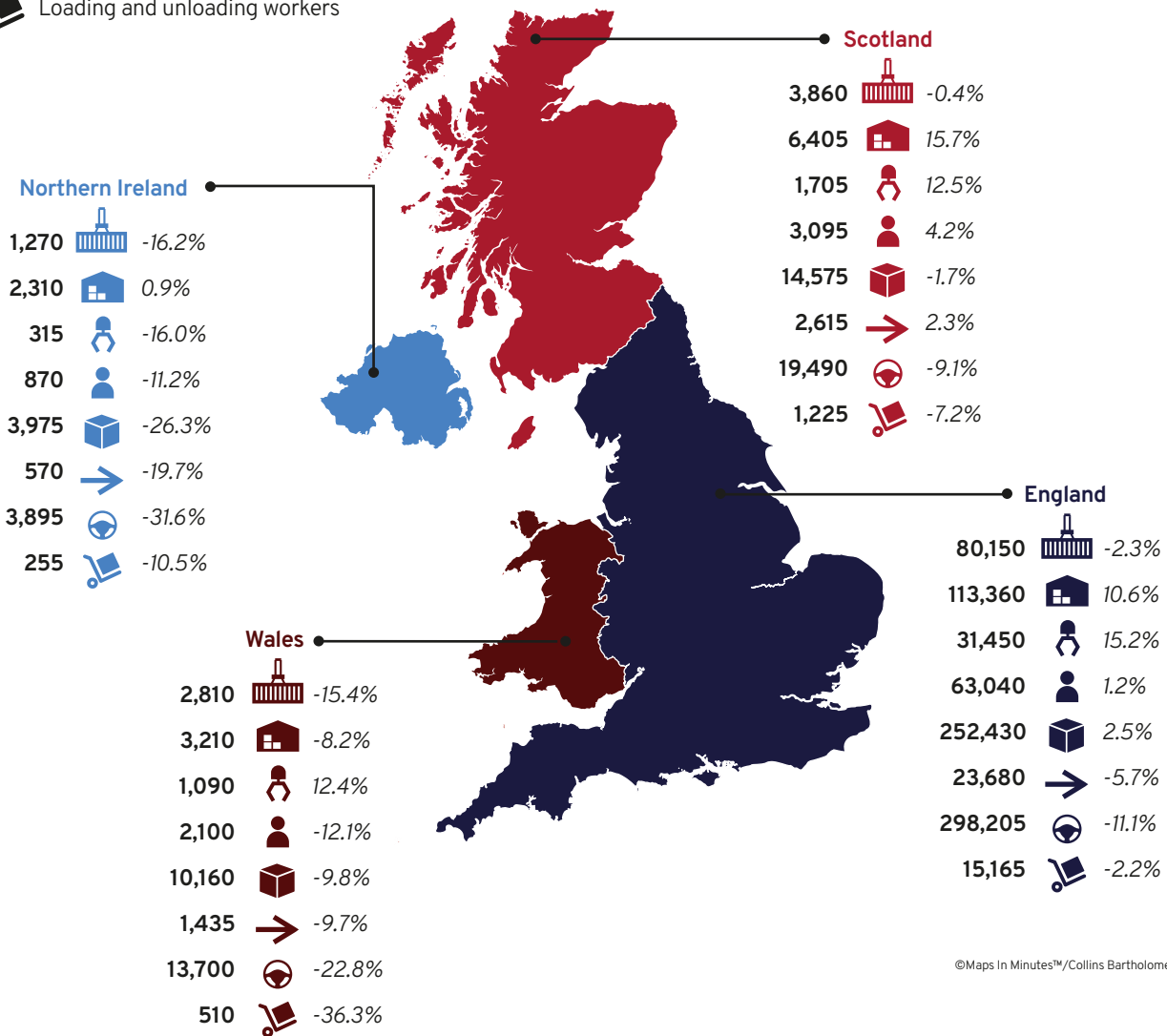


Source: Labour Demand Volumes by Profession and Local Authority, UK: January 2017–December 2022, ONS

1.8 Demand for logistics occupations by country (annual vacancies 2022)

- Goods handling, crane operators and drivers
- Heads of procurement and warehouse management
- Loaders and order pickers
- Warehouse managers
- Warehouse staff and box fillers
- Couriers and delivery personnel
- Freight drivers
- Loading and unloading workers

Annual vacancies, 2022  
% Change since 2021

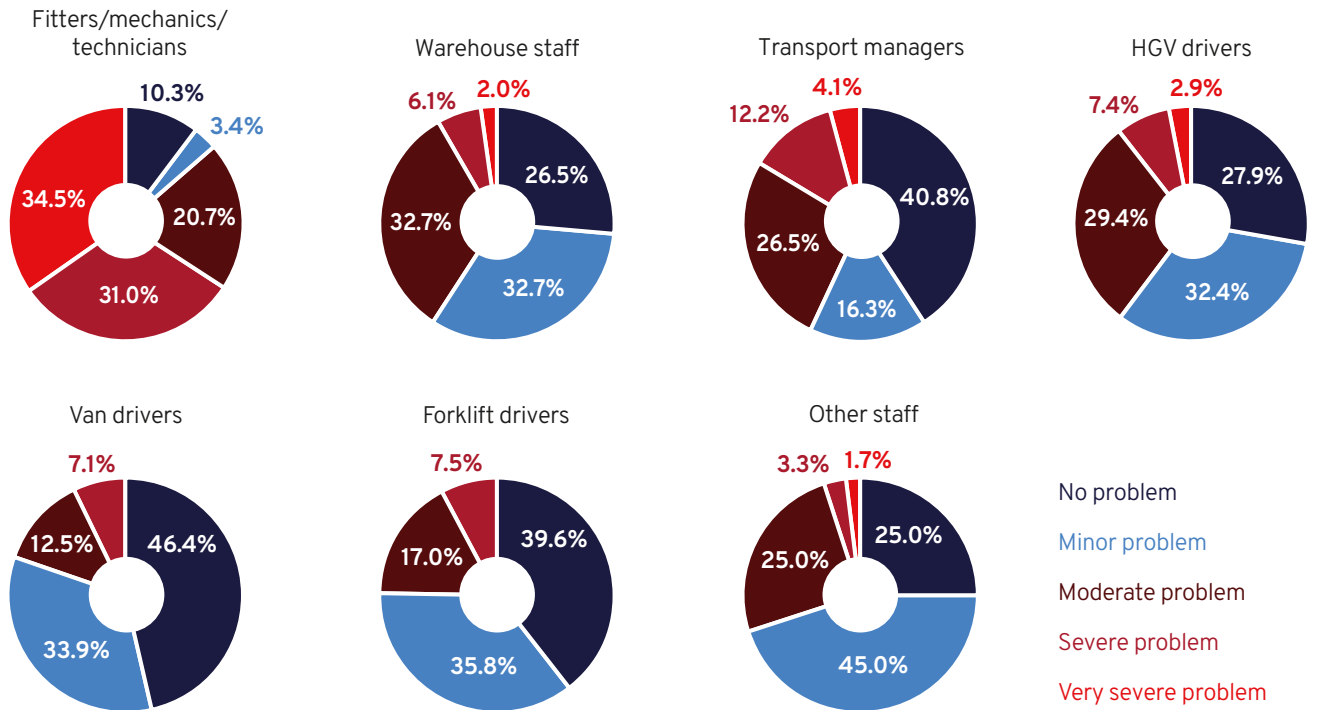


©Maps In Minutes™/Collins Bartholomews 2023

Notes: Data were calculated using Textkernel online job adverts data, is experimental and represents the average monthly number of live adverts

Source: Labour Demand Volumes by Profession and Local Authority, UK: January 2017–December 2022, ONS

1.9 Expectations for filling vacancies (Q1 2023)



Source: Logistics Performance Tracker, Q1 2023, Logistics UK, July 2023



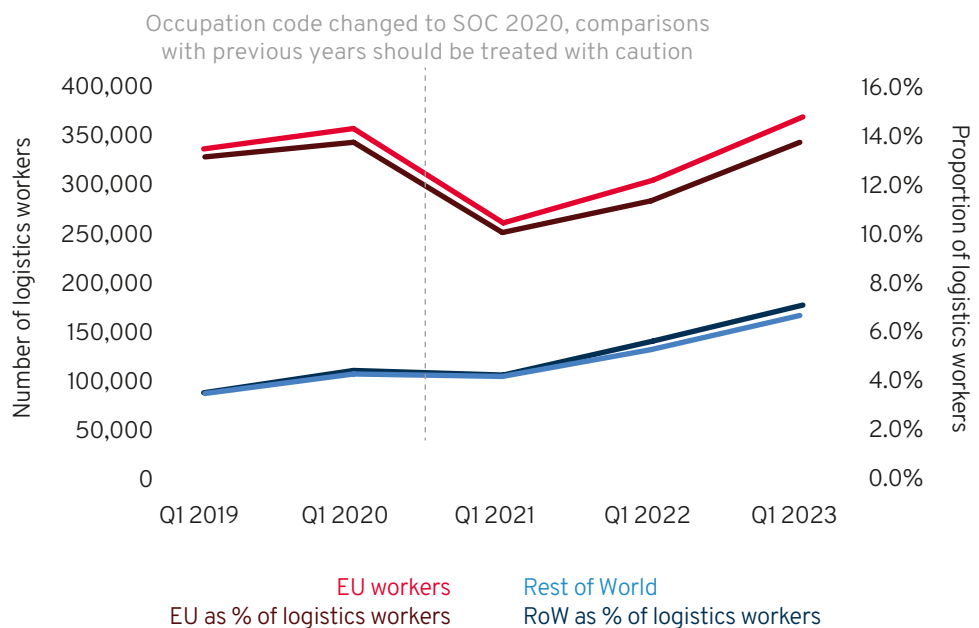
The Logistics Performance Tracker (Q3 2022) explored skills gaps and recruitment in its survey of over 200 of logistics businesses. The two main causes of skills gaps identified by respondents were companies being ‘unable to recruit staff with the required skills’ and ‘employees who are new to the role’, followed by ‘difficulties retaining staff’. The inability to fill vacancies was reported as increasing workload for other staff, increasing operating costs and leading to difficulties in meeting customer objectives. Respondents to the survey stated that having relevant work experience and vocational qualifications were of significant or critical value to their organisation, while formal academic qualifications were less important.

It was reported that regularly training employees, upskilling existing employees to more technical roles and investing in apprenticeships were the top three mitigating actions organisations were taking to narrow the skills gap. Section two of this report, ‘Creating opportunity’ covers training in more detail.

## Immigration and logistics

While attracting and upskilling the existing workforce is a key priority for industry, logistics has a high reliance on overseas workers. The sector has been impacted by the ending of freedom of movement.

**1.10 Number of non-UK workers in logistics (2019-2023)**



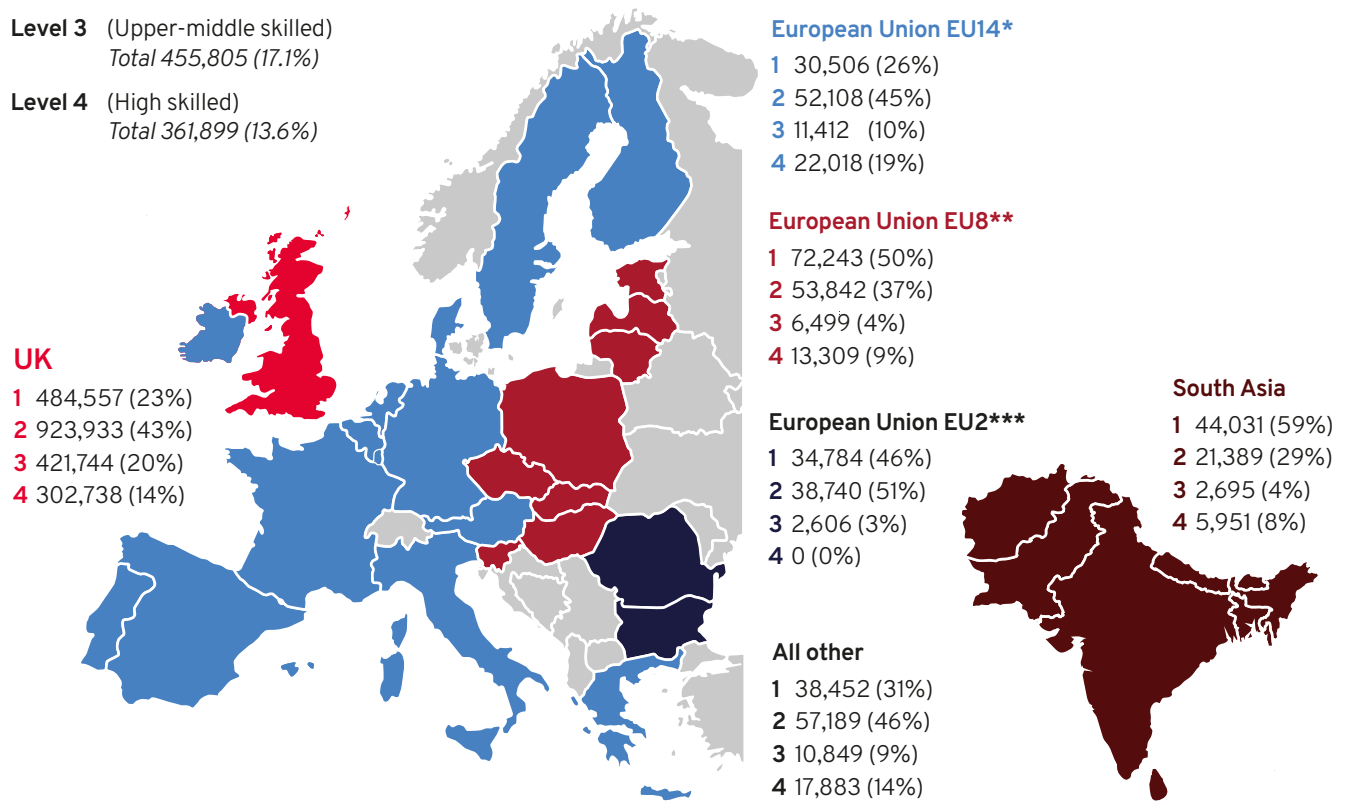
Source: Repgraph analysis for Logistics UK. Labour Force Survey, ONS, Q1 2023

In Q1 2023 around one-fifth of all logistics workers were non-UK nationals, with 13.6% coming from the EU (fig 1.10). Figure 1.11 shows the skill level of overseas workers is similar to UK workers although EU8 and EU2 (see note on fig 1.11) proportionately account for more level 1 workers. This may be due to immigration rules, see below. There has been a slight increase in workers from the rest of the world (non-EU and non-UK) since 2019, rising from 3.3% of logistics workers in Q1 2019 to 6.5% in Q1 2023, as companies recruited workers from farther afield, post-Brexit. Furthermore, while there was a decline in the proportion of EU workers in Q1 2021, by Q1 2023 it was back to 2019 levels (fig 1.10).



### 1.11 UK logistics jobs skill level for nationality groupings

- Level 1** (Low skilled)  
Total 704,573 (26.4%)
- Level 2** (Lower-middle skilled)  
Total 1,147,201 (43.0%)
- Level 3** (Upper-middle skilled)  
Total 455,805 (17.1%)
- Level 4** (High skilled)  
Total 361,899 (13.6%)



Source: Repgraph analysis for Logistics UK – Labour Force Survey, ONS, Q1 2023

Note:  
 \*EU14 is Austria, Belgium, Denmark, Finland, France, Germany, Greece, Republic of Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and Sweden.  
 \*\*EU8 is Czechia, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.  
 \*\*\*EU2 is Romania and Bulgaria.

### 1.12 Skill levels for occupations

	Level 1 (Low skilled)	Level 2 (Lower-middle skilled)	Level 3 (Upper-middle skilled)	Level 4 (High skilled)
<b>Total logistics employees</b>	704,573	1,147,201	455,805	361,899
<b>Proportion logistics employees</b>	26.4%	43.0%	17.1%	13.6%
<b>Total UK workforce</b>	3,204,159	9,601,724	8,922,074	11,153,937
<b>Proportion of UK workforce</b>	9.7%	29.2%	27.1%	33.9%

Source: Repgraph analysis for Logistics UK, Labour Force Survey, ONS, Q1 2023

Figure 1.12 shows that level 2 workers constitute the largest percentage of logistics employees at 43.0%, however, there are 361,899 high skilled workers in the industry.

As it takes time to train and upskill workers, both the tight UK labour market and continuing skills gaps in key roles highlight the need for targeted immigration.

Skills gaps have also led to wage inflation. The latest data from the jobs website Adzuna, shows that advertised HGV driver salaries peaked in October 2021, while technician salaries are rising. Management salaries have remained largely stable, which indicates the market is responding quickly to where demand is greatest. **Figure 1.13** outlines the average hourly wages for logistics occupations, with **figure 1.14** showing the estimated proportion of logistics jobs below the £25,600 threshold.

### 1.13 Logistics occupations skill levels and salaries

Occupation (SOC 2020)	Skill level	Median hourly wage (£)
Purchasing managers and directors	4	£21.86
Directors in logistics, warehousing and transport	4	£30.77
Managers in transport and distribution	*3	£18.29
Managers in storage and warehousing	*3	£15.88
Managers in logistics	*3	£16.44
Importers and exporters	3	£12.50
Transport and distribution clerks and assistants	2	£12.90
HGV drivers	2	£13.46
Delivery drivers and couriers	2	£10.70
Road transport drivers n.e.c.	2	£10.29
Fork-lift truck drivers	2	£11.87
Postal workers, mail sorters and messengers	1	£12.13
Elementary storage supervisors	1	£11.02
Warehouse operatives	1	£10.81
Delivery operatives	1	£9.92
Elementary storage occupations n.e.c.	1	£7.99
Vehicle technicians, mechanics and electricians**	3	£13.10

\*Previously level 4;

\*\*Not included in overall logistics occupations but closely related

Source: Repgraph analysis for Logistics UK, Labour Force Survey, ONS, Q1 2023

#### Migration

Since 1 January 2021, EU citizens not already living in the UK have been treated the same way as those from the rest of the world. They must meet the minimum skill level and salary requirements as non-EU citizens do when they come to the UK on 'Tier 2' work visas. The minimum salary threshold is £25,600. The transport and communication sector and the distribution, hotels and restaurants sector have the lowest proportion of UK-born in employment, and these sectors therefore have the most exposure to the new immigration system. The logistics sector and logistics-related occupations share a slightly higher proportion of jobs paying below £25,600 per annum.



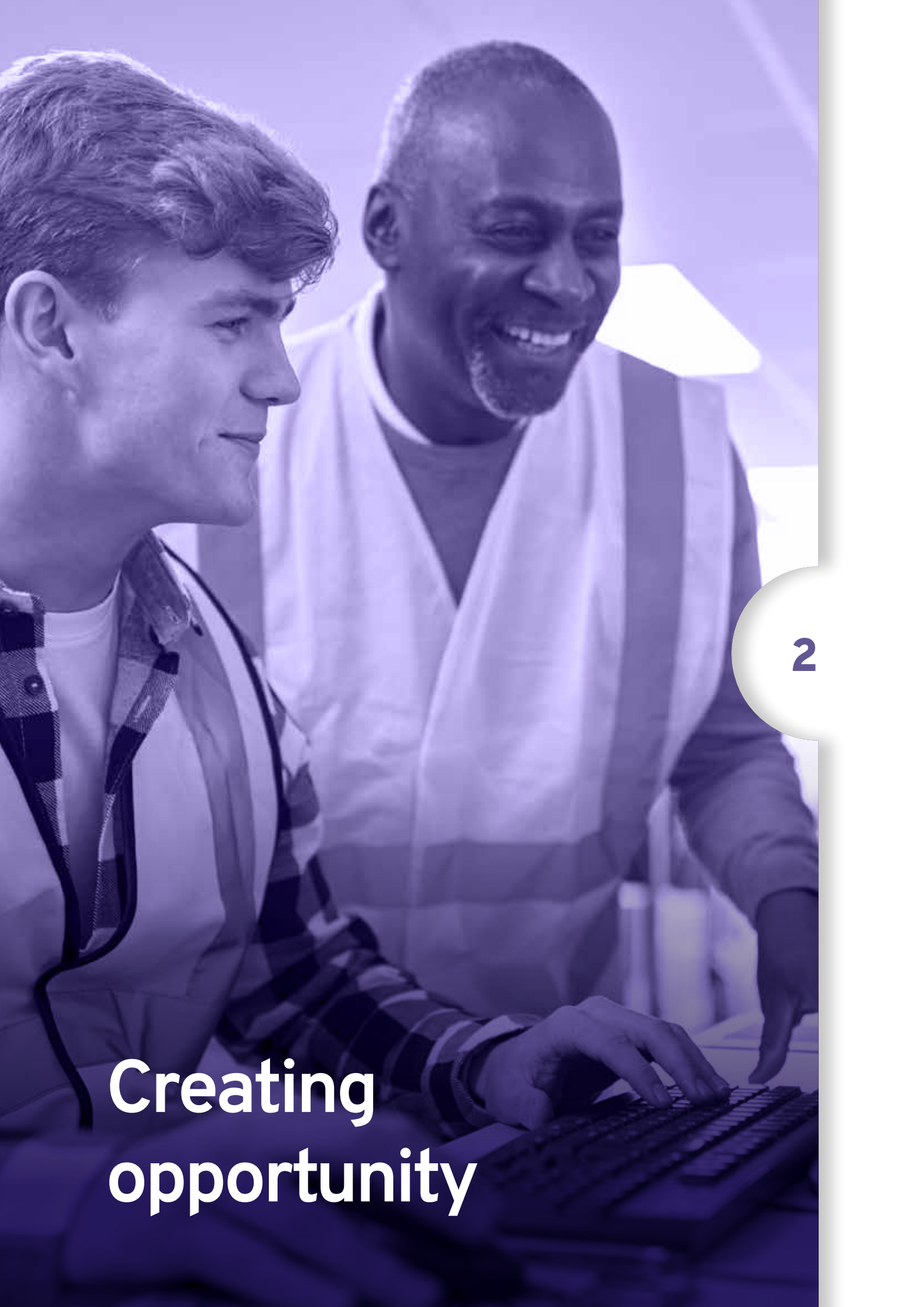
#### 1.14 Estimated proportion and number of logistics jobs below the £25,600 threshold (Q1 2023)

	Total number of jobs (thousands)*	Percentage under £25,600	Number of jobs under £25,600 (thousands)
<b>Logistics occupations</b>	2,391	49.9%	1,193
<b>All UK workers</b>	28,424	45.8%	12,637

\*Weighted by income which is a lower estimate than numbers employed

Source: Repgraph analysis for Logistics UK, Labour Force Survey, ONS, Q1 2023

In response to the changing rules, the sector is focused on attracting UK talent, including through Generation Logistics and upskilling existing employees but this will take time to come to full fruition. We explore this fully in the following chapters.



# Creating opportunity



### Industry ambitions

Celebrate logistics as a sector that underpins the economy – creating career opportunities across the UK.

Promote recognition of logistics as a sector which adds value to local communities, creating diverse and inclusive opportunities for people from all backgrounds, across a range of career types:

- Customer service to drivers and pilots, professional services to technicians and engineers.
- Entry level, to managers and leaders of local, national and global supply chains.

Work together to ensure we improve diversity at all levels and support wellbeing for all.

### Policy recommendations

**Funding:** Reform of skills funding to ensure businesses can create opportunities and meet long-term needs, including:

- Transforming the Apprenticeship Levy into a more flexible Training Levy.
- Appropriate funding for training providers.
- Broadening eligibility for roles in the sector to receive support through the National Skills Fund.

**Access and appeal:** Improving access to, and the appeal of, careers in logistics by:

- A collaborative effort to promote the industry to young people and job seekers through Generation Logistics .
- Targeted use of migration to meet short-term, acute skills needs.
- Investment in facilities to improve the welfare of logistics workers.



## Logistics and community value

Logistics provides career opportunities across the UK and the diversity of roles available offers access for people from all backgrounds and levels of education. Tim Doggett's case study below reveals his journey joining the logistics industry and describes his pathway from warehouse sweeper to CEO. Evidence suggests a correlation between the number of logistics businesses and lower levels of deprivation, indicating the role freight operations play in providing employment and generating growth across all regions. Growth of the logistics sector has further increased such opportunities.

The *Impact of Logistics Sites in the UK* report commissioned by Amazon and supported by Logistics UK demonstrated that the number of jobs supported by road and warehouse logistics operations has more than doubled since 2012 and that much of this increase has been in the government's high priority areas for growth<sup>1</sup>. The report finds that 2 in 3 managers do not have a university degree, 87% received training in the past year, and 35,000 had received a promotion.

<sup>1</sup> *The Impact of Logistics Sites in the UK*. Logistics UK, June 2022



## CASE STUDY

### Tim Doggett: From warehouse sweeper to CEO

Tim's current role is chief executive officer of the Chemical Business Association (CBA) – the voice of the UK chemical supply chain. Tim also works with international bodies and governments, national authorities, other trade associations and organisations to promote trade and cooperation.

He is an influential member of various key groups in the logistics sector, including the Trade Advisory Group for the Department for Business and Trade (DBT), the Domestic Advisory Group for the Foreign, Commonwealth and Development Office (FCDO), and the Industry Advisory Group for the Department for Transport (DfT).

Not only this, but Tim is a fellow of both the Chartered Institute of Logistics and Transport and the Society of Leadership Fellows, and he holds a number of professional qualifications to boot.

What may be surprising to hear, is that Tim worked his way up the logistics ladder to this position, as his first role in the industry was brushing warehouse floors.

And as Tim recalls himself, "I hadn't considered a career in logistics, and once I started in the industry, I realised that I knew very little about it. I fell into it when I took on a part time job sweeping the warehouse floor, but I've never looked back!"

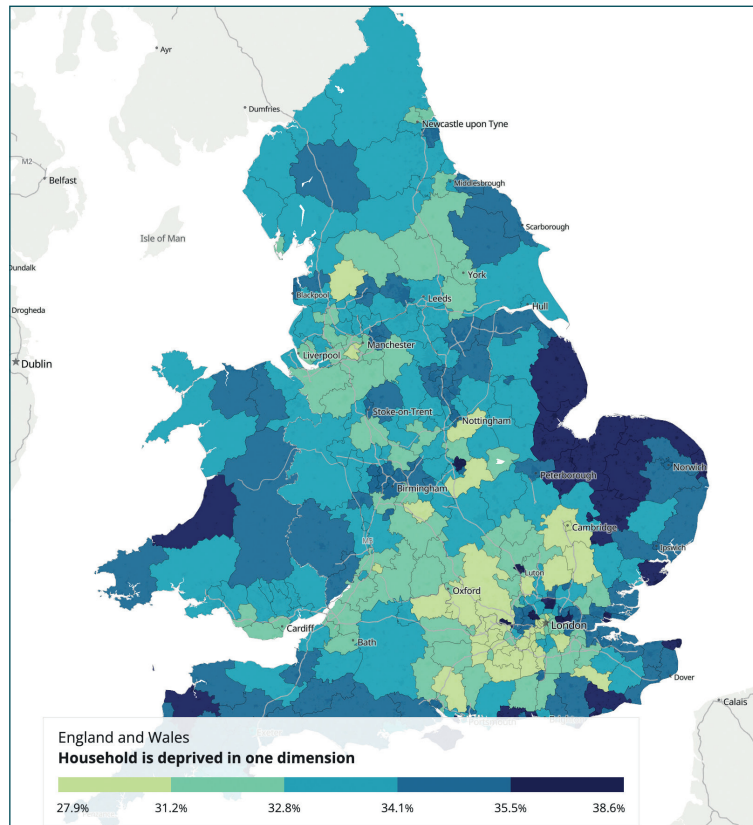
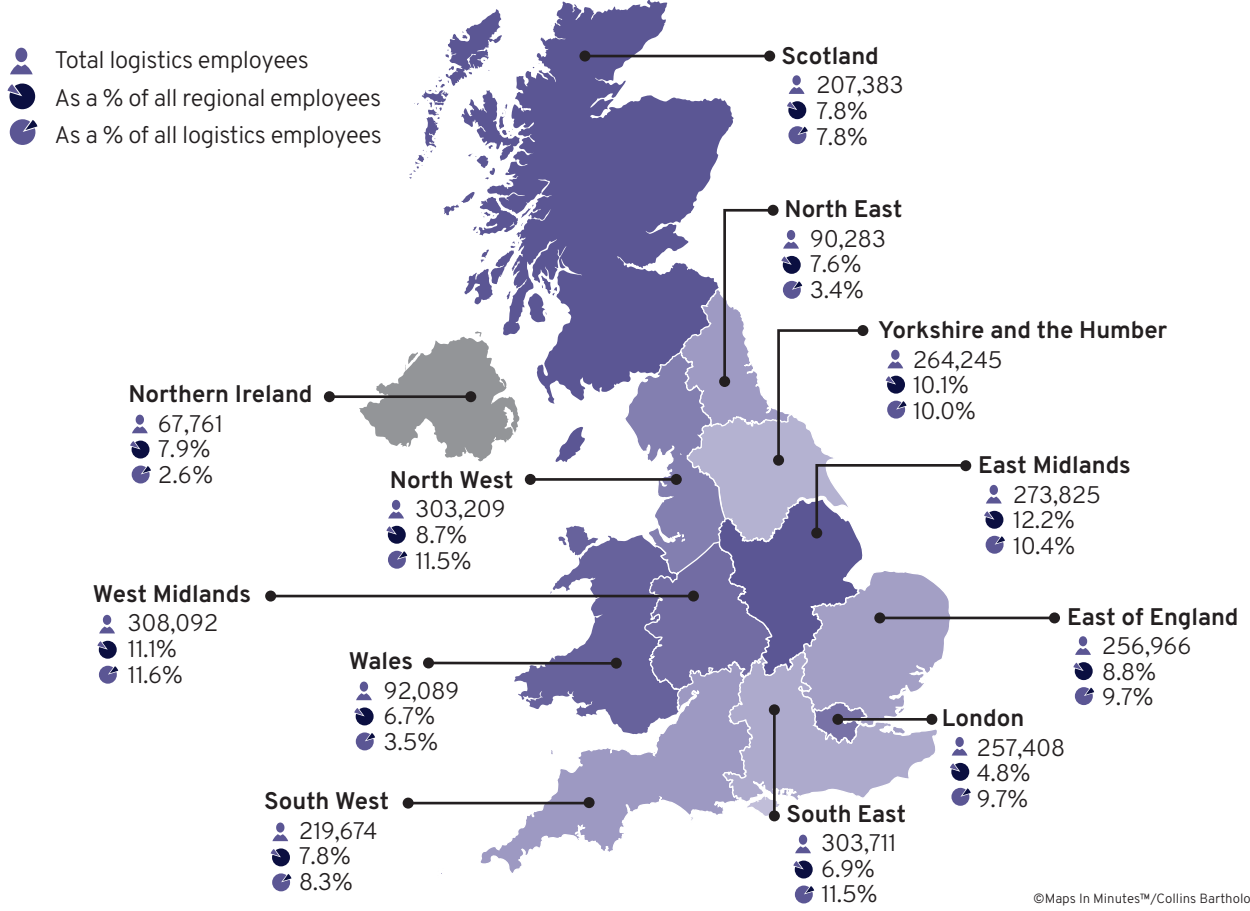
As Tim continues, "Working in logistics and my current role is very much different to what I could ever have imagined when I started out."

"I meet and talk to senior people in government and I travel the world on business, meeting all sorts of people in some incredible locations. During my career, I started my own transport and logistics company in Germany, and lived and worked in Switzerland. My work makes a real difference to the chemical supply chain and it's a really rewarding career that's so different to what I thought a role in logistics would entail.

"The logistics industry offers a huge range of exciting and diverse roles with multiple routes of entry and opportunities for people to develop and progress. It is a place that encourages innovation and drives change and I hope that sharing my story inspires the next generation of logistics talent."

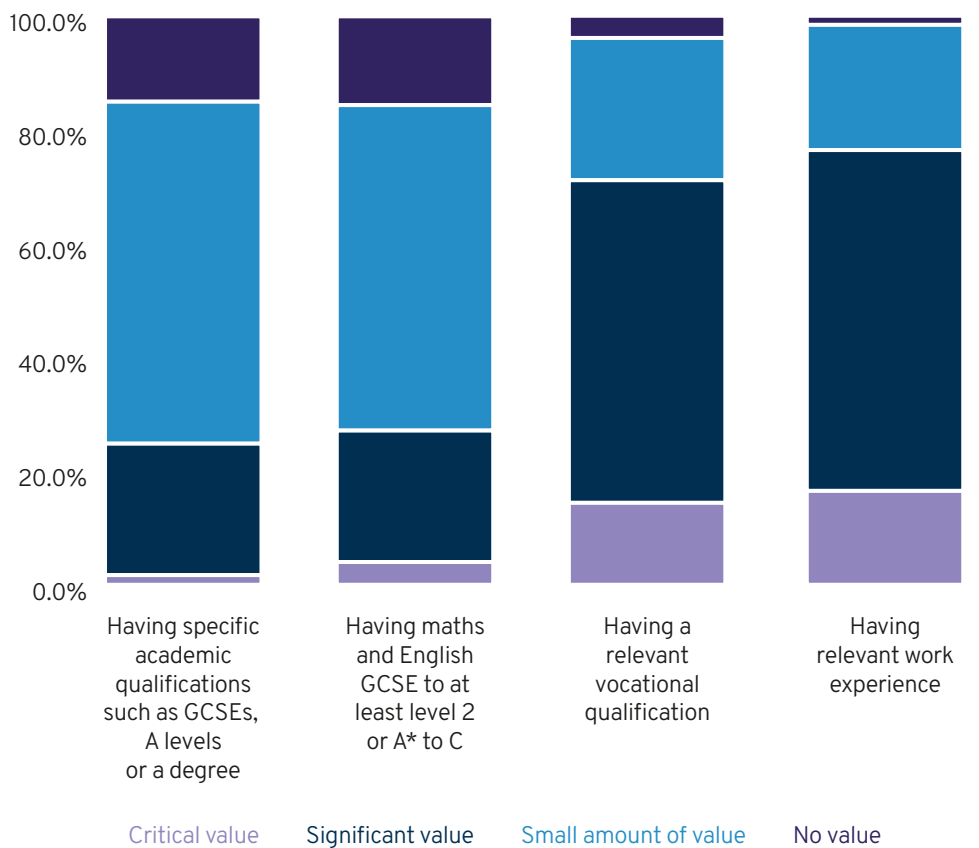


2.1 Logistics employees by region and household deprivation



Sources: Repgraph analysis for Logistics UK, Labour Force Survey, Office for National Statistics, Q1 2023, Census Map, England and Wales, Household deprivation in one dimension, ONS 2021

**2.2 When recruiting new staff how much value does your organisation place on the following:**



Source: Logistics Performance Tracker, Q3 2022, Logistics UK, November 2022

**Figure 2.2** shows that organisations placed four times as much critical value on potential employees having relevant work experience over having maths and English GCSE to at least level 2 or A\* to C when recruiting new staff.

## Investment in skills

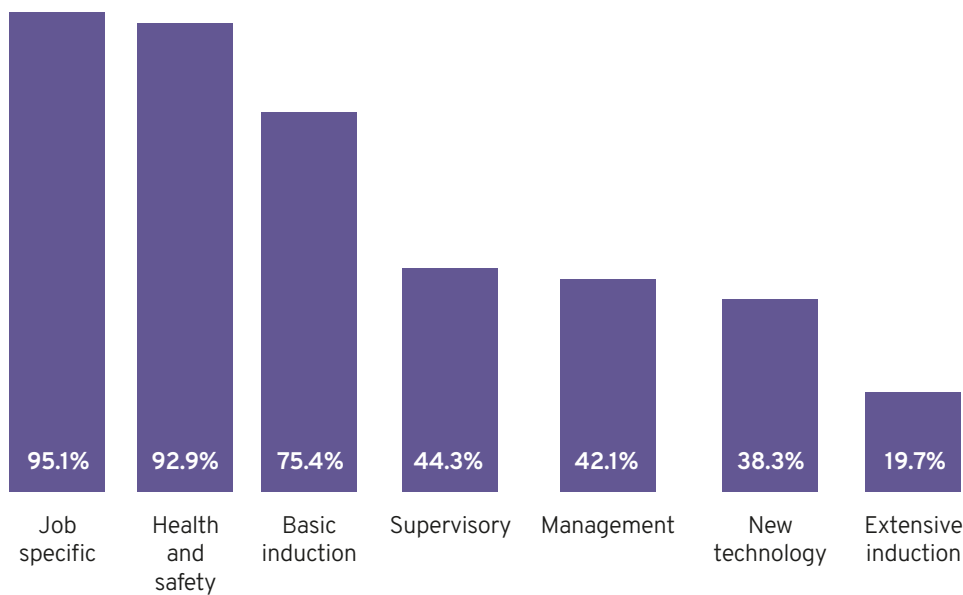
Skills training, such as the work described in the Hughes Driver Training case study (below), is critical to the logistics industry. Whether it is on-the-job training or a formal qualification, each type of learning can help individuals develop the skills they need to fulfil the requirements of their role and progress in their career. Any training must fulfil the needs of both the employee and the employer, and be cost effective. Where funding is provided by the government to support its delivery, this must present value for money for both the government and the taxpayer.

**Figure 2.3** shows the type of training undertaken by logistics companies in 2022, with 95.1% undertaking job specific training. Four-fifths of employers provided between 1 and 5 days training per year (**fig 2.4**) to around 60% of staff. 41.2% invested up to £500 per employee in training, while 32.9% invested between £501 to £1,000 (**fig 2.5**). These figures are largely consistent with Department for Education (DfE) research, which suggests that in 2019 the transport and storage sectors provided 4.9 days training which was in line with the average for larger businesses<sup>2</sup>.

<sup>2</sup> Employer Skills Survey 2019: Summary report. DfE, 2020

### 2.3 What type of training was provided by your company over the past 12 months?

Percentage of respondents



Source: Logistics Performance Tracker, Q3 2022, Logistics UK, November 2022



#### CASE STUDY

COMPANY

#### Hughes Driver Training: Impact of reforms on training sector

*As part of a package to address the acute driver shortage which started to be felt in the latter part of 2021, the government introduced reforms to vocational driver testing. These included ending of 'staged' testing (meaning a candidate no longer needed to attain their vocational licence in a rigid vehicle before advancing to an articulated truck), allowing accredited training providers to examine the reversing and uncoupling exercise of the test, and abolishing the requirement to sit an additional test to draw a larger trailer behind a car or van. All these measures were intended to increase the capacity of vocational testing throughput.*

Hughes Driver Training operates 15 vocational driver testing centres from Durham to Basingstoke and puts around 250 candidates through their vocational driving test each week. The training school had to rapidly adjust to the reforms, and now that the peak of demand for vocational tests from 2021 has subsided, is trying to find its new steady state. The reforms meant there was now less demand for rigid vehicle tests, and many driver training schools found the balance of their fleet was wrong – with rigid vehicle standing idle while demand for articulated training vehicles intensified. Dominance of articulated vehicle training has also impacted on fuel consumption.

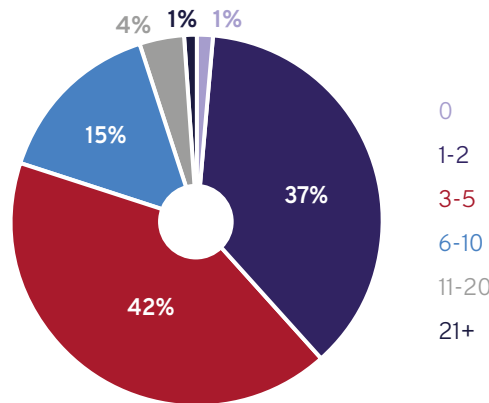
Hughes Training – like many other driving schools – still requires candidates to train for several days in a rigid vehicle before progressing to an articulated truck. For candidates training through Hughes, approximately 1 in 4 will take their Category C and do not progress to Category CE for articulated vehicles. Much as we are seeing in the 7.5 tonne vehicles sector, the industry may be storing up a shortage of rigid vehicle drivers in the future.

Hughes Driver Training has embraced the shifting of the reversing test to the training sector. While this has created an increased burden in administration – including in the processes for quality control, over which the Driver and Vehicle



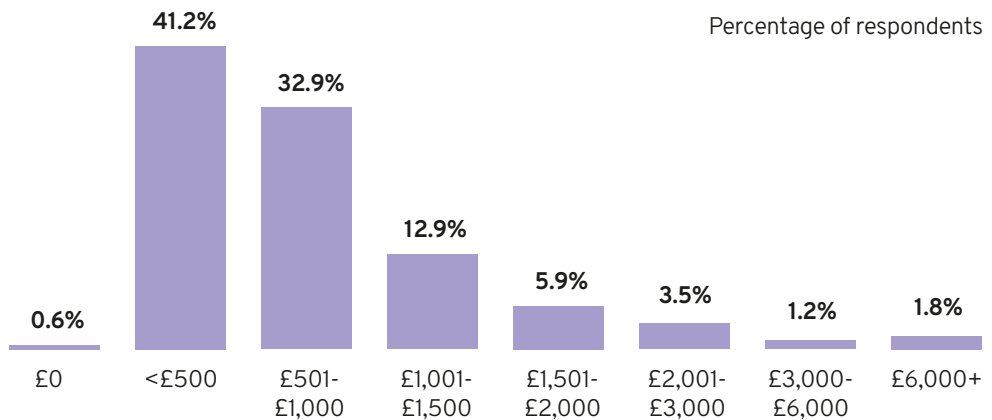
Standards Agency (DVSA) has become incrementally more exacting since the reforms launched – there is a greater flexibility in delivery of the testing and training process. This means that candidates can approach the road test – which for articulated vehicles is now longer and more demanding with fewer allowances for minor faults– with greater confidence having a partial pass under their belt. There is hope this could be seen as a pilot for expanding use of delegated driver testing in the goods sector.

**2.4 Over the last 12 months, on average, how many days training and development has the typical staff member received?**



Source: Logistics Performance Tracker, Q3 2022, Logistics UK, November 2022

**2.5 Estimated value/cost per employee of the training provided over the past 12 months**



Source: Logistics Performance Tracker, Q3 2022, Logistics UK, November 2022

## Apprenticeships in logistics

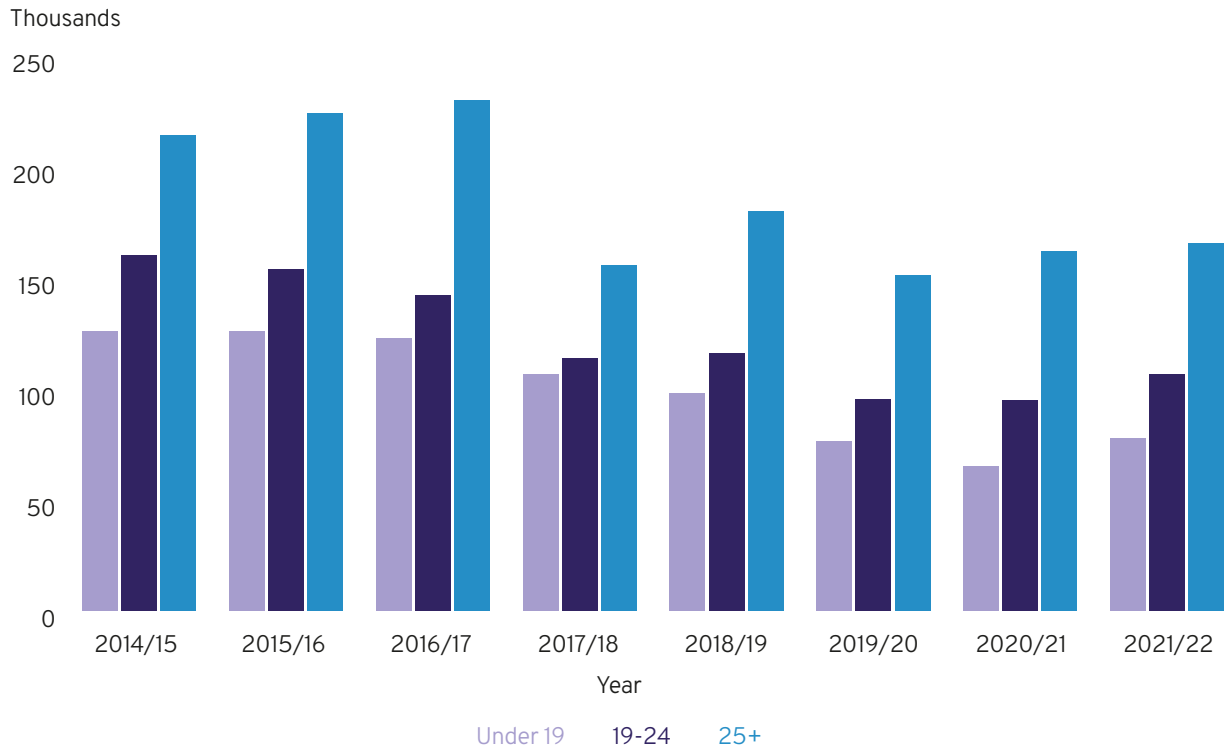
Apprenticeships were designed to increase skills and productivity, with the introduction of the Apprenticeship Levy in 2017 intending to improve the quality and number of apprenticeships. However, evidence on the Levy suggests that there is significant difficulty for employers to fully utilise the funds available to them: over the past five years, only 4% of levy paying employer accounts were able to do so<sup>3</sup>. In that time, levy-paying employers across the country have spent less than 60% of the total levy funding available to them.

<sup>3</sup> *Levy Up: Delivering Sustainable Skills. City & Guilds, 2023*

The Road to Logistics<sup>4</sup> estimates that the total amount of funding possible to be recovered by the sector for transport and logistics since the levy was introduced and up to 30 June 2022, was £250 million, when, in the same period, the sector paid £825 million in levy funds. This calculation encompasses 38 occupations including passenger transport and services. It is noted that the amount of actual funding will be reduced for those apprentices not completing their programme, which is a drop-out rate of around 35% across all sectors with no account made for employers' apprentices on other programmes. For example, larger employers may recover some of their levy by upskilling existing employees on apprenticeships such as 'general management'. These numbers suggest that less than a third of transport and logistics sector levy contributions are spent on funding apprenticeships for the sector.

A Parliamentary research paper published in February 2023 also shows that not only have apprenticeship numbers fallen overall, they have dropped the most for the intermediate and advanced levels, and the younger age groups which are important for ongoing skills resilience to the logistics industry (**figs 2.6 and 2.7**).

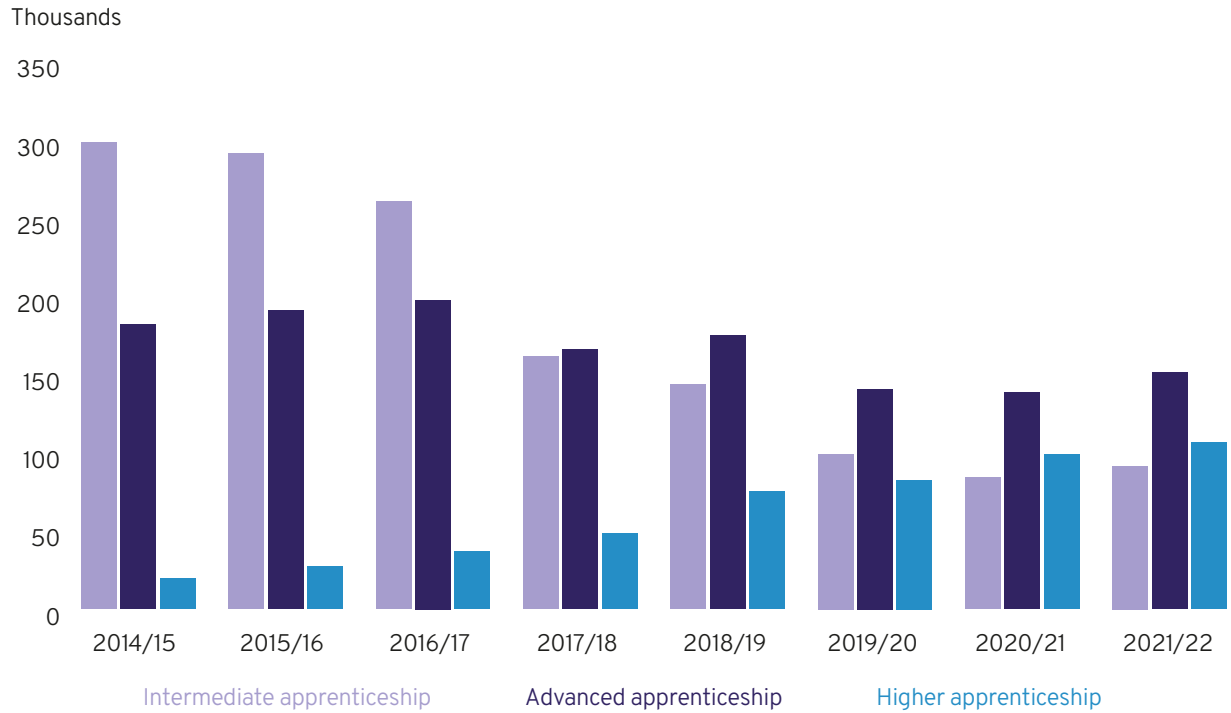
## 2.6 Apprenticeship starts by age, by year in England



Source: Apprenticeship statistics for England. House of Commons Library, February 2023

<sup>4</sup> Road to Logistics, 2023

2.7 Apprenticeship starts by level, by year in England



Source: Apprenticeship statistics for England. House of Commons Library, February 2023.

Despite this, there remains plentiful demand within the logistics industry for further training and particularly apprenticeships: 68% of respondents to the Logistics Performance Tracker (Q3 2022) were interested in taking on apprentices and of those, 72% had taken on apprentices in the past year with nearly all accessing apprenticeship funding.



### Apprenticeship Levy

The Apprenticeship Levy, which was introduced by the UK government in April 2017, is a 0.5% tax on all organisations with an employment bill over £3 million per annum. This tax is earmarked to pay for training courses for new and existing members of staff. For smaller employers who do not attract the Apprenticeship Levy, the cost of course fees is shared between government (90%) and employers (10%).

Eligible training courses are labelled “Apprenticeship Standards”. 540 apprenticeship standards have been published ranging from level 2 (GCSE equivalent) right the way up to Level 7 (Masters). From May 2018, employers who pay the Apprenticeship Levy can fund apprenticeships in one other organisation through a transfer. Employers can transfer a maximum of 10% of annual funds. This is worked out from the total amount of levy declared, with the English % applied, plus the 10% government top-up payment.

The Office for Budget Responsibility (OBR) in its economic and fiscal outlook (accompanying the Spring Statement in October 2021), reported £3.3 billion was received in Apprenticeship Levy funds in 2021/22 and forecast £3.5 billion in 2022/23. Over the four-year period of 2021/22 to 2024/25, the levy is expected to bring in £14.1 billion in receipts. According to the DfE, £2.2 billion was used in 2021/22<sup>5</sup>. HM Revenue and Customs (HMRC) records indicate that the ‘transportation and storage’ sector paid £175 million<sup>6</sup> into the Apprenticeship Levy in 2021/22<sup>7</sup>.

## Barriers to undertaking logistics apprenticeships

There are several barriers within the current apprenticeship system which prevent logistics employers from maximising the value of their investment in training. One such barrier is a lack of information and awareness about apprenticeship programmes and funding.

New courses, such as the large goods vehicle (LGV) driver apprenticeship introduced in 2021, are welcome. However, funding and availability of courses remain an issue. Since 2010 the availability of the heavy vehicle service and maintenance technician apprenticeship has declined from over 100 colleges and training providers to 41 delivering the standard<sup>8</sup>. In the first quarter of 2023, 90% of respondents to the Logistics UK Performance Tracker highlighted difficulties filling technician and fitter vacancies. These roles were seen as the most challenging to fill and Logistics UK members report that apprentices are travelling increasing distances to complete their courses.

A significant reason for the drop in providers is the cost of the course in relation to the inadequate funding band allocated to the apprenticeship, which was set at £15,000 until the recent funding review for the apprenticeship. In 2017, the apprenticeship was funded at £18,000, however, due to an error by the Institute for Apprenticeships and Technical Education (IfATE) (which has been acknowledged) the funding was incorrectly reduced to £15,000. IfATE has since granted an

<sup>5</sup> DfE Freedom of Information (FOI) Request 2022-0037204 CRM:0014067 05 December 2022

<sup>6</sup> \*Figures are rounded to the nearest £5 million

<sup>7</sup> FOI2022/60372 HMRC, 21 October 2022

<sup>8</sup> Heavy vehicle service and maintenance technician (level 3). Apprenticeship Training Courses. Education and Skills Funding Agency



exceptional review for this apprenticeship, and as a result increased the funding to £20,000 on 26 June 2023. However, this will not cover 2023 training costs. Had it tracked inflation alone, excluding errors made in the past, the funding would now be at least £23,000.

Flexibility has been another issue: the 20% requirement for off-the-job training, the 12-month minimum training period for apprentices and English and maths skills requirements can all be a barrier, not least as for operational roles such as drivers, time on the road is a key element of any training programme. New proposals for flexible apprenticeships<sup>9</sup> are therefore welcome.

There have been significant changes to qualifications and the education offer over the past decade, including to the grading systems for GCSEs and the introduction of T levels<sup>10</sup>. With the focus on more practical skills, Logistics UK supports the

<sup>9</sup> *Flexi-job apprenticeships*. DfE, 2023

<sup>10</sup> *T Levels*. HM Government



development of a logistics T Level, but it must be deployed in a way that works hand-in-hand with apprenticeships to develop the broad range of skills needed in the sector. For roles which place greater emphasis on practical experience than on classroom-based learning, apprenticeships are still likely to be the most effective option. For example, the role of supply chain manager.

## National Skills Fund

The National Skills Fund (NSF) was introduced following the government's *Skills for Jobs* white paper, published in January 2021. The NSF provides funding support to help people across England and Wales train for vocational occupations, with additional support for older learners who may need to reskill. Part of this package included £2.5 billion of support for adults to upskill and reskill to roles at level 3 (A level equivalent).

While Logistics UK has been supportive of the broad aims of the NSF, it presents a challenge for a number of employers who are experiencing their most critical shortages for level 2 (GCSE equivalent) roles, such as forklift drivers, HGV drivers and warehouse operatives. Logistics UK would like to see some level 2 roles eligible for funding through the NSF. At present, only training for level 3 and above roles are eligible for funding from the NSF, and this must change in order to accommodate a number of level 2 roles which are currently experiencing shortages. Most funding for level 2 roles is therefore still provided through the apprenticeship system.

## Driver Bootcamps

HGV Skills Bootcamps, introduced to mitigate the driver shortage, have proved successful. The Bootcamps, which launched at the end of 2021, are intense training courses designed to quickly train new drivers. Training providers range from major employers such as Stobarts, to smaller SME training companies and Logistics UK.

The number of HGV drivers increased by 32,000 or 11.9%, in Q1 2023 compared with Q1 2022, back to pre-pandemic levels, with Bootcamps playing a helpful role. However, there is no room for complacency as even before the pandemic there was an estimated chronic driver shortage of 60,000 HGV drivers.

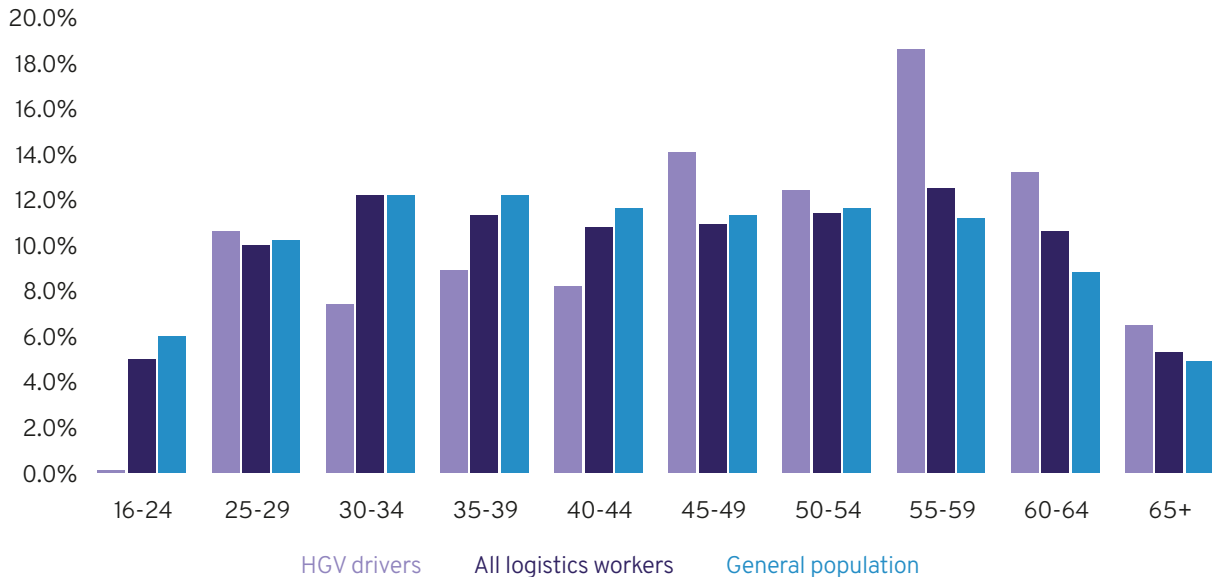
The March 2023 budget confirmed funding for Skills Bootcamps for 2024-25, in addition to new 'Returnership' programmes for over 50s returning to work including Skills Bootcamps, apprenticeships and Sector Based Work Academy Programmes. From 2025, people will also be able to access loans worth up to £37,000 to upskill or retrain, as part of the new Lifelong Learning Entitlement.

It will be important that these schemes continue to support the logistics sector, not least because the industry has a higher than average ageing workforce for drivers in particular (**fig 2.8**). This remains the case, although it is likely that new entrants to the HGV pool have helped reduce the age profile of the demographic. Positively, the average age of drivers has dropped from 51 in 2022 to 48 in 2023 back to 2019 levels. The average age of entrants needs to continue to fall, underlining the importance of the sector improving the attractiveness of roles in logistics. Relatively few people under the age of 29 are joining the industry, and the majority of the increase appears to be older returnees or people in their 40s and 50s.

Approximately one quarter of the driver workforce is below the age of 39. More than one third is over the age of 55, highlighting the need for further support.

**Figure 2.8** shows a comparison of HGV driver age and logistics worker age compared to the working population. In Q1 2023, the percentage of all drivers under the age of 45 was 35.2%, compared with 49.3% for all logistics workers and 52.2% of the general working population. These trends are also seen across the EU, highlighting how it is a problem wider than just the UK.

**2.8 HGV driver age, all logistics worker age, compared with the working population age**



Source: Repgraph analysis for Logistics UK, Labour Force Survey, ONS, Q1 2023

**EU driver shortages**

The ageing population of drivers and driver shortages have been seen across Europe.

By the end of 2022, the estimated shortage of drivers in Europe was predicted to grow to 14%, with 40% more truck driver jobs left empty<sup>11</sup>. Between January and September 2022, the demand for drivers in France, Spain, Germany, Romania, Poland and Denmark has risen markedly (+44%). Each quarter, at least 6,000 new positions are advertised, making the situation even more difficult than in 2021. In September 2022, there were a total of 83,182 driver positions open, with France and Germany having the most vacant jobs (23,548 and 20,113 respectively). The trend is forecast to continue increasing at a rate of 10% every year for the next five years<sup>12</sup>. Growing demand for transportation services, coupled with the ageing HGV driver population is resulting in a large number of truck drivers reaching retirement age and not being replaced with enough new drivers.

## Apprenticeship reform

Skills funding remains a critical issue and similarly to other business sectors, Logistics UK has called for a new, more flexible Training Levy. However, as shown

<sup>11</sup> The European Road Freight Rate Development Benchmark, Q2 2022, UPPLY, TI and IRU

<sup>12</sup> The European Road Freight Rate Development Benchmark, Q3 2022, UPPLY, TI and IRU



above, reasons for falling numbers of apprenticeships are complex and include the need for flexibility, the right courses, information and appropriate funding levels. The skills landscape is highly complex – with a language all of its own – including multiple funding streams, changes to qualifications and grading systems all in the past few years.

If designed in the right way a Training Levy could not only help to address skill gaps, but also increase the value that employers gain from their spending on training. Levy funds should be made available for spending on alternative training and qualifications in order to allow businesses to address their own skill shortages, and thus maximise the value of their investment in training. Given that many employers are both paying the levy and funding this type of upskilling through modular courses, allowing levy funds to be spent on this type of training would ensure that employers are able to maximise the value that the levy can potentially provide.

## Wellbeing

Employee wellbeing is important for logistics employers and one significant concern is the lack of driver welfare facilities and safe parking. Logistics workers, like workers in any sector, need quality, secure and hygienic rest facilities. The latest Lorry Parking Survey published in September 2022 shows the provision of lorry parking at on-site facilities in England is at critical level, having reached 83% utilisation level across the network, with the highest utilisation rates found in the East, South East and East Midlands. From the same survey, NaVCIS (National

Vehicle Crime Intelligence Service) data shows that, in 2021, it received 4,434 notifications of UK cargo crime. 971 of those occurred at motorway service areas (MSAs) and 2,149 of those occurred in independent parking locations. 25% of MSAs have security features, vs 39% for independent parking locations, 19% for local authority locations and only 3% for trunk road service areas (TRSAs).

In 2018, the previous study found there was an urgent need for 1,411 overnight lorry parking spaces in England, which the government committed to deliver. This new report shows progress is not being made with addressing the barriers to more overnight parking. This issue was recognised in the DfT Freight Plan – new planning guidance has been issued and as of November 2022, the government, including through National Highways, has provided £50 million in match funding for improved and safer rest areas and roadside facilities for hauliers.

This represents a start – but more needs to be done to support new facilities and for local authorities, as planning decision makers to recognise the value of logistics to their communities.

Investment in logistics facilities is vital for the welfare of logistics workers and the sector’s ability to attract a diverse pool of talent – particularly HGV drivers.

#### Transport labour market and skills

Mid 2022, DfT published a call for views and ideas on transport labour market and skills. This coincided with the creation of a new taskforce – the Transport Employment and Skills Taskforce (TEST), headed up by Rachel Skinner CBE. One of the key priorities for TEST is improving diversity in the industry, where women make up just 15% of the workforce and ethnic minorities are underrepresented. Both of these issues are also key themes in the logistics sector-wide campaign Generation Logistics. Logistics UK has been invited to join the new Future of Freight People and Skills Delivery Group.

The summary of responses to DfT’s call for evidence highlighted key themes across the sector that need to be addressed to improve diversity and opportunity in logistics. There was consensus that “barriers to transport careers include ‘traditional’ views on the types of people who can do certain roles, poor recruitment practices that favour those who have been in the field a long time, and inflexible arrangements that do not sufficiently support underrepresented groups (such as poor parental leave policies and inconsistent working patterns)”<sup>13</sup>.

Logistics is typical of the wider transport sector. **Figure 2.9** summarises the estimates of the gender of individuals working in key logistics vocations. The logistics industry continues to be dominated by male workers (85.0%), with the case study below highlighting Gurkiran Rai’s personal experience joining the industry as the first female transport manager at her company. It is estimated that women account for just over 1% of HGV drivers, relatively unchanged since 2013. However, overall there has been a slight shift towards more females in logistics roles, compared with a decade ago when they accounted for 11% of logistics workers compared with 15% in 2023.

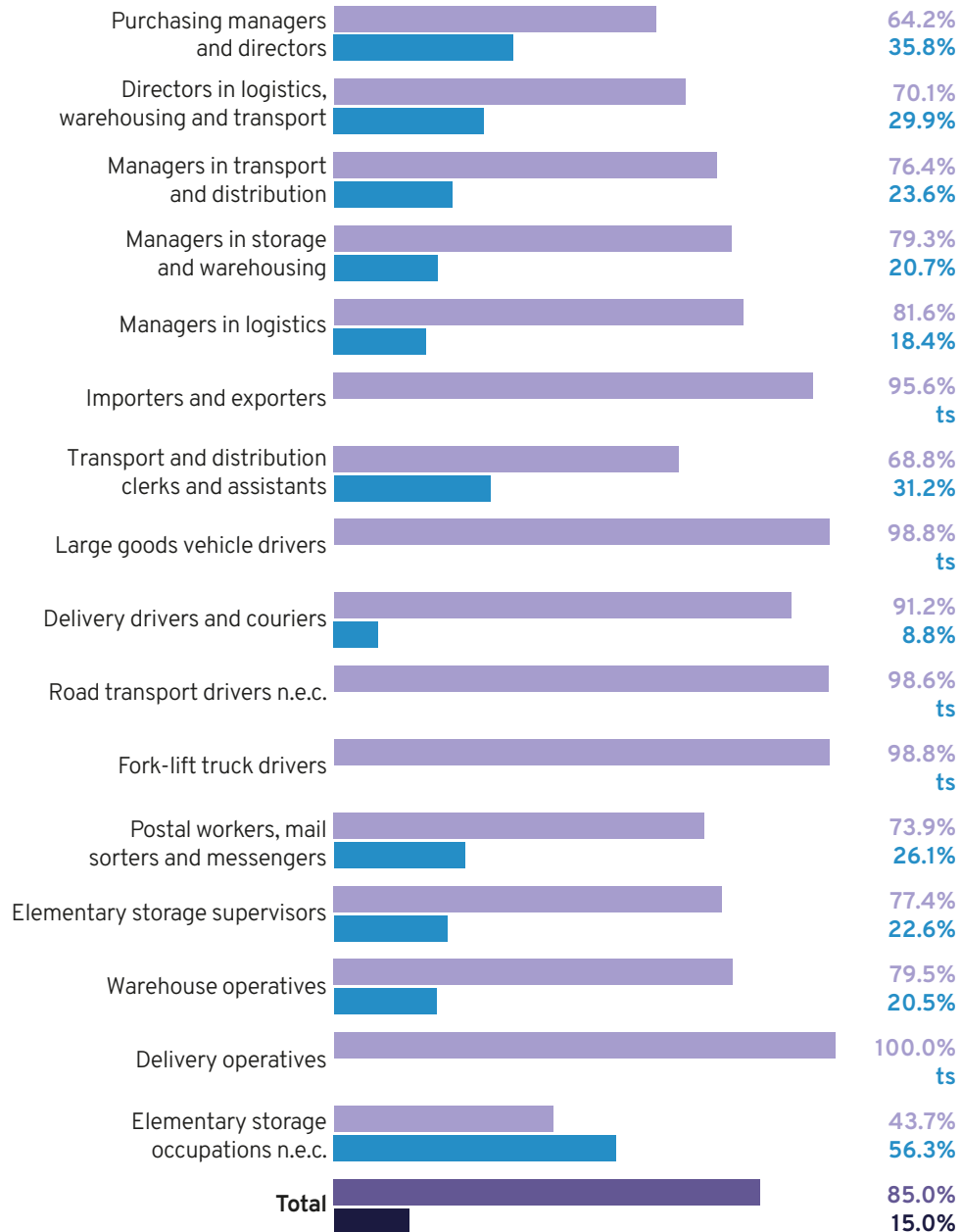
<sup>13</sup> Transport Labour Market and Skills Call for Views and Idea: Summary of Responses. DfT, July 2022

## Diversity and logistics job roles

### 2.9 Gender and logistics job roles (Q1 2023)



Note: ts = the sample was too small to report



Source: Repgraph analysis for Logistics UK, Labour Force Survey, ONS, Q1 2023

## Ethnicity

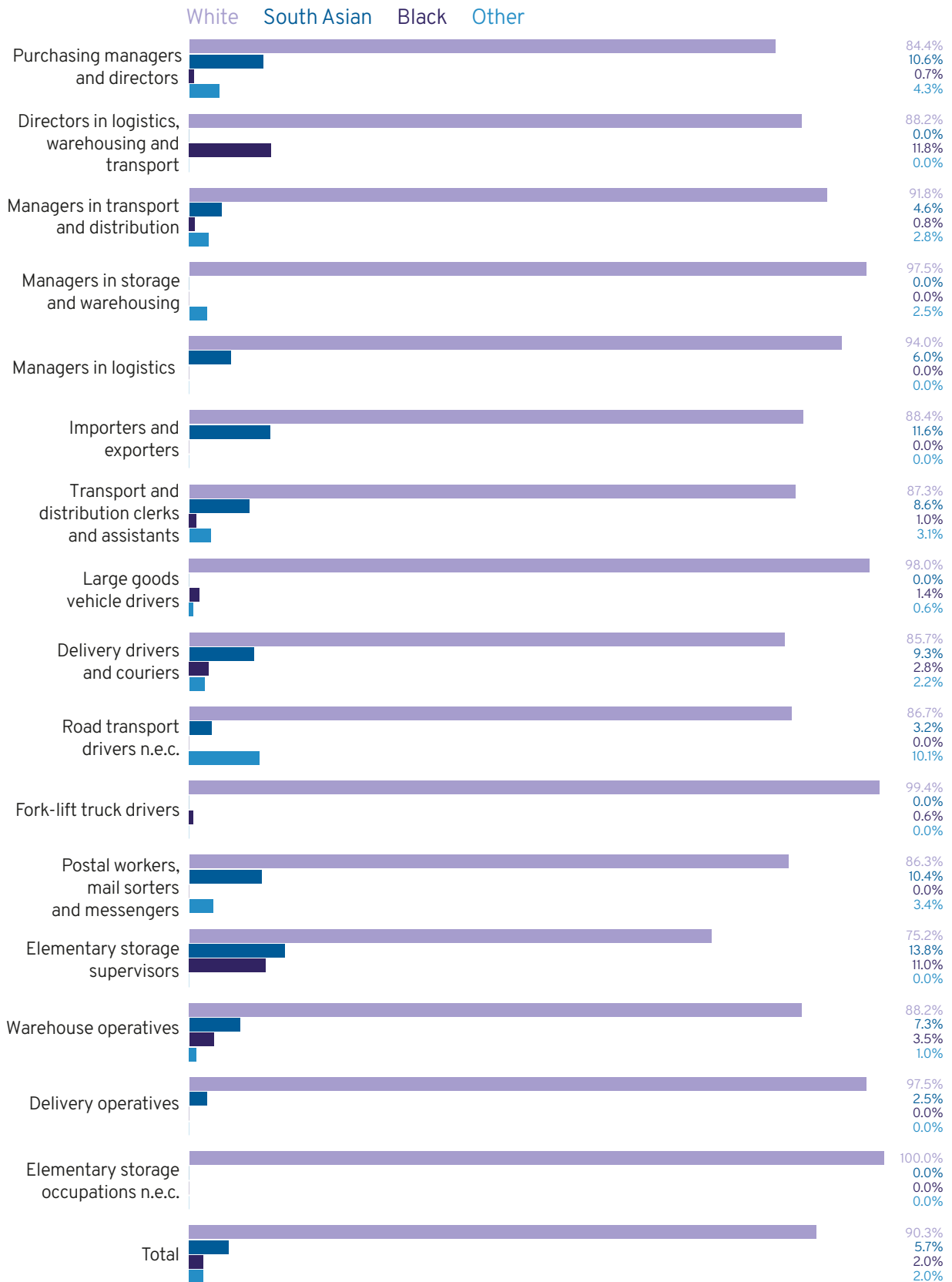
As **figure 2.10** outlines, the logistics industry continues to be dominated by people who identify themselves as ethnically white (90.3%), the second largest group is South Asian (5.7) followed by black (42.0%). This compares with 82% white, and 18% black, Asian mixed or other ethnic groups (2021 census).

Through the Generation Logistics campaign, the industry hopes to attract more diverse talent and make logistics a top career prospect for all. By increasing awareness of the sector as a whole, Generation Logistics will support the recruitment



of ethnically diverse teams drawing on a broad range of experiences, giving us the dynamism needed to cement ours as an industry of the future.

2.10 Ethnicity and logistics job roles (Q1 2023)



n.e.c. means not elsewhere classified



## CASE STUDY

PERSONAL

**Gurkiran Rai: Transport Operations Manager at DHL**

Having finished school at 18 with GCSEs and A-levels and set to pursue a career in teaching, Gurkiran left after her first year of university having decided that it wasn't the career that she was looking for. She set out on a search to find something she enjoyed and gave her the job satisfaction she wanted.

After leaving university, Gurkiran continued her part-time role at DHL which then turned full time. This led then to involvement in multiple projects before she was promoted to a supervisor role. Not stopping there, Gurkiran was motivated to complete her apprenticeship before becoming a manager which has led to her current role as Transport Operations Manager.

After finding her role at DHL, she's keen to stress that logistics, and specifically operations, might be more than meets the eye. Speaking honestly, Gurkiran admits that she went into her role thinking logistics, and linehaul, were just trucks and trailers, but she quickly found that there's a lot more to it than that.

When asked what attracted her to the role she recalls, "I wanted to be the first female Transport Operations Manager in the business. The company have always promoted gender equality across the business, but no females had ever gone into linehaul as a supervisor or manager."

As Gurkiran continues, "It was something that looked like a challenge for me to overcome, but also for me to learn [about] a whole new world I never knew existed."

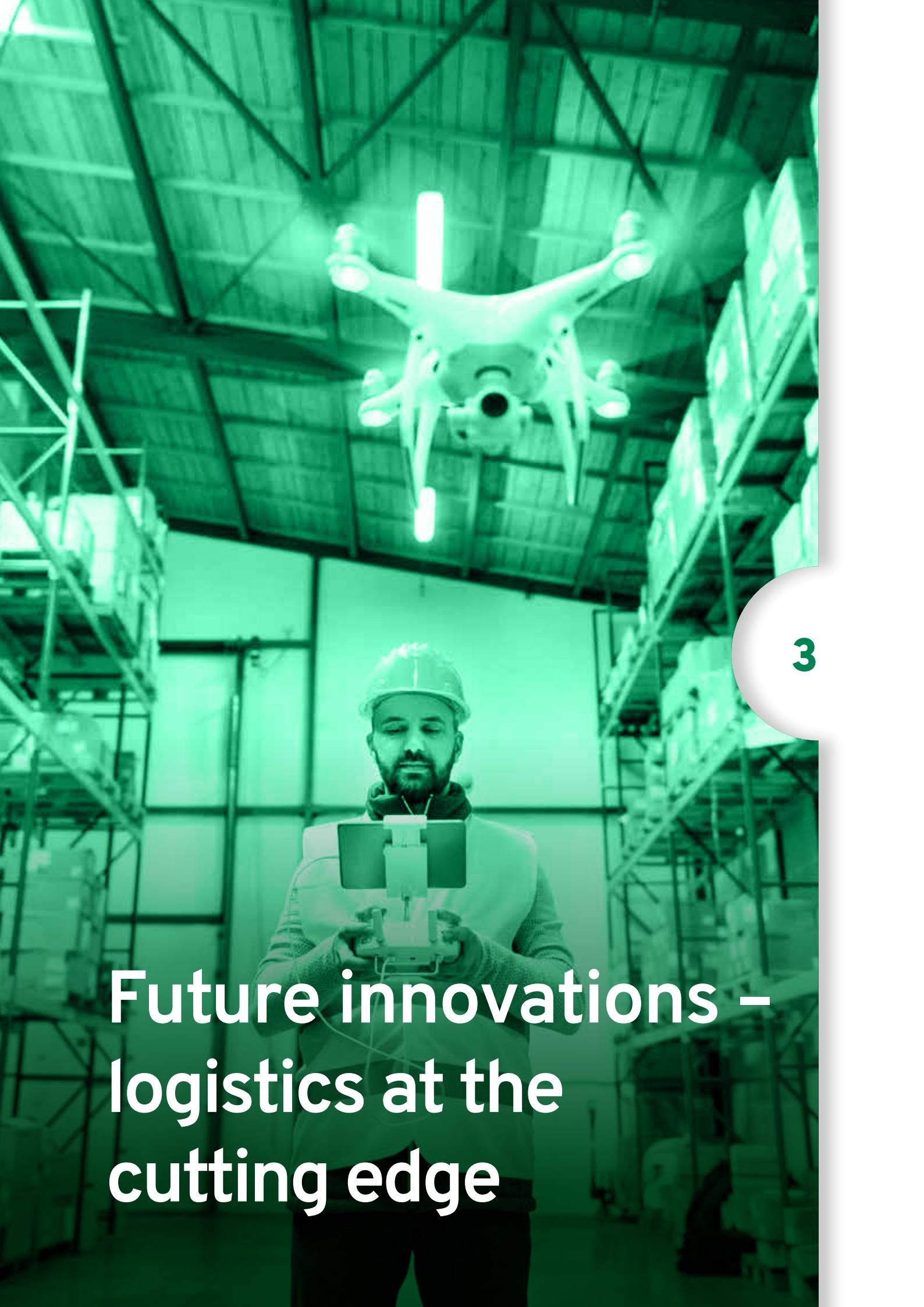
Reflecting on people's reactions to working in logistics, Gurkiran explains how people have said "you work in logistics, that's not a role women tend to be in," however, Gurkiran is keen to change this.

"I cannot stress enough that operations isn't a scary world, [...] but it is equally as challenging and fun. It's not just made for those who don't want to study, it's made for everyone!"

Her career highlight to date is working with people from all backgrounds and cultures and she is excited to see where logistics takes her next.

Many operators are making conscious changes to attract more women, such as offering flexible working to meet family commitments, or building on their environmental credentials and environmental, social, and corporate governance (ESG) policies to attract younger workers. Major employers in the industry have introduced new employer led hours – where employees have complete flexibility to choose their working hours and have seen increases in retention and productivity as a result.

# Future innovations – logistics at the cutting edge



### **Logistics UK's ambition**

- Recognition that logistics is a leading sector for the development and deployment of innovation, including future skills needs – from net zero to data and robotics.
- Promote and celebrate logistics as a sector that underpins the economy – creating career opportunities across the UK.

### **Policy recommendations**

- **Future skills:** Identification and development of transferable and cross-cutting skills needed by the current and future logistics industry.
- **Funding:** Reform of skills funding to ensure businesses can create opportunities and meet long-term needs, including:
  - Transforming the Apprenticeship Levy into a more flexible Training Levy.
  - Appropriate funding for training providers.
  - Broadening eligibility for roles in the sector to receive support through the National Skills Fund.
- **Access and appeal:** Improving access to, and the appeal of, careers in logistics by:
  - A collaborative effort to promote the industry to young people and job seekers through Generation Logistics.

## Overview

Roles in logistics will evolve as the industry transitions to net zero, while advances in technology such as automation, robotics and digitisation will dramatically change the skills needed across the sector. Even now, vehicles, machinery and supporting information systems are all rapidly developing and the sector will need suitably qualified staff to operate, fix and maintain innovative technologies. Without these skills, the industry will fail to capitalise on the productivity and efficiency benefits of new technologies.

## Skills to support decarbonisation

The transition to net zero is well underway across the logistics sector, with operators focussed on developing plans and embracing new technologies to reduce their emissions today and in the long-term. This is demonstrated by the uptake of battery electric vans and trials of zero tailpipe emission HGVs, the adoption of low carbon fuels across all modes of logistics transport and industry support of innovative technology development to achieve net zero transport emissions.

However, where zero tailpipe emission road vehicles are being adopted, logistics operators are already struggling to find suitably qualified engineers and mechanics who can maintain and fix these new vehicles, whether battery electric or alternatively fuelled. As traditional combustion engines become less common on our roads, training programmes in colleges and universities, as demonstrated in the Marshall Fleet Solutions case study, are starting to anticipate future skills requirements.



It is vital that this training is rapidly developed and expanded – whether for upskilling existing staff or bringing in new entrants to the industry. As a proactive solution to this issue, Logistics UK has announced it will now be offering specialist courses that will enable existing vehicle technicians to gain the additional skills required to work on battery electric and hybrid vehicles.

In addition, Logistics UK is calling on government to incentivise training providers to design new modules or courses, as well as highlighting the need for better access and pathways support people from a diverse range of backgrounds to access these courses.



## CASE STUDY

COMPANY

**Marshall Fleet Solutions: Developing engineering skills for net zero**

A shortage of drivers has been the issue which has commanded headlines in the media, but logistics businesses express concerns over availability of other skilled roles in the industry, this includes engineers. Furthermore, this comes at a time of significant developments in vehicle, fuel and propulsion technology as transport continues to strive for net zero carbon emissions. In 2021, Logistics UK supported delegates at its annual Transport Manager seminars to prepare for managing new risks in their workshops.

Marshall Fleet Solutions is part of the Marshall Group whose portfolio includes aerospace engineering and composite material manufacturing. Its fleet solutions operation employs 260 mobile engineers focussed on repair and maintenance of vehicle refrigeration systems. Reflecting the pattern across wider heavy industries, the company found themselves facing an aging demographic in their engineering staff.

Recognising that there was no specific career pathway for a refrigeration engineer, Marshall started to work with Liverpool College to develop an apprenticeship, in the first instance adapting an existing course aimed at air conditioning engineers. A trailblazer apprenticeship in transport refrigeration is now developed and is hoped to take its first candidates in Autumn 2023. Through its state-of-the-art training facility in Tamworth, Marshall offers the necessary week release required for an apprenticeship scheme.

As a larger, multinational operation Marshall is able to leverage economies of scale in recruitment and training to this sector and also offer a diversity of career pathways such as trainer, depot manager and even sales – individuals in customer businesses who oversee the procurement of refrigeration equipment are very often engineers themselves so Marshall's own account managers need to be able to engage at a technical level.

Marshall has also been involved in the decarbonisation of the transport refrigeration sector through its investment in the TITAN hybrid power system; an energy storage and inverter system with solar charging enabling zero emissions refrigeration on vans trucks and trailers. This, of course, means that refrigeration engineers will need to expand their skills into new areas including solar, whilst recognising that due to the long lifecycles expected of refrigeration equipment diesel engines – and the skills needed to maintain them – will exist in the market for some time to come. Marshall has incorporated these ranges of skills into the new apprenticeship scheme, and introduced retraining and development programmes to enhance the skills in their existing workforce.

However, in a sector whose market share is dominated by SMEs, the responsibility to invest in future candidates cannot sit solely with larger businesses, and yet SMEs will always struggle to justify the investment needed to recruit brand new



talent to the industry. For the engineering sector – as with other parts of the logistics industry – young people must be prepared for the workplace with a thirst for vocational and technical skills instilled in them by the education system.

## Role of technology in the logistics sector

Logistics has undergone a dramatic change over the past 50 years, with technological advancements transforming the process of getting products to market. Advances in transportation and storage have allowed for products to be shipped in bulk and stored in centralised locations, reducing the time it takes to deliver to consumers. Innovations like the shipping container, which is used across sea, road and rail show how transformative even a simple change can be. In addition, new software and technology has made it easier for companies to track and manage their shipments. This has led to an increased reliance on logistics services, which have in turn created brand new career opportunities, alongside the automation of existing roles.

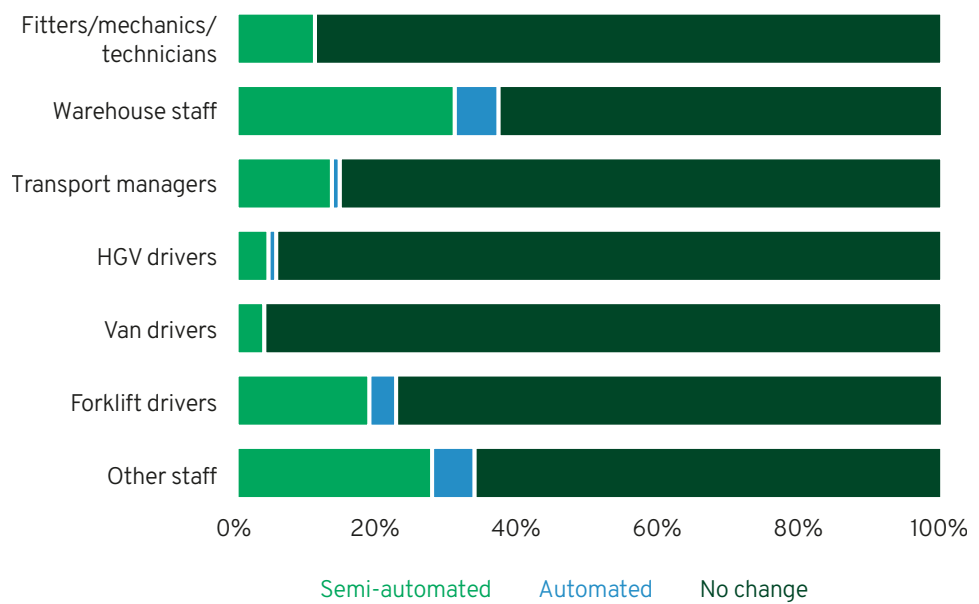
Technology will continue to play a major role in logistics, from the use of automated systems to improve efficiency, tracking, and accuracy to the use of artificial intelligence and machine learning to enable better decision-making. Technologies such as the Internet of Things, blockchain, and robotics will be used to enable better tracking, inventory management, and order fulfilment. Autonomous vehicles and drones will also be utilised to make freight transportation faster and more efficient. Additionally, augmented reality and virtual reality will be used to improve training and customer service. All of these changes will require new skill sets and appropriate change management programmes for the people involved.

## Automation of roles and tasks in logistics

Automation is playing an important role in the logistics industry; improving efficiency and speeding up the process of delivering goods. We are already seeing the use of robotics and other automated technologies to help to reduce the workload for human workers and expect its deployment in an increasing range of logistics operations. Automated systems can also help to improve safety and accuracy in the handling of goods and reduce the cost of logistics.

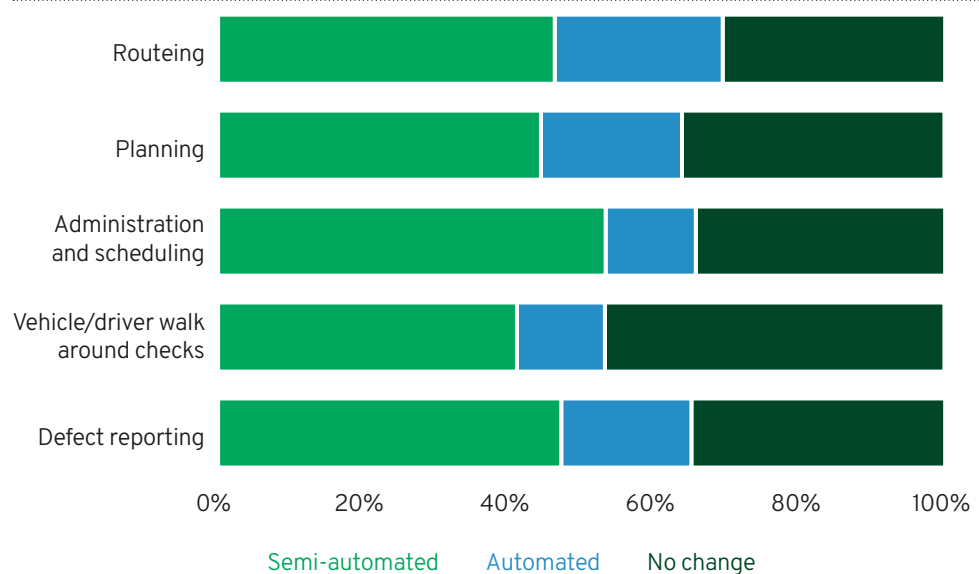
In general, logistics jobs that rely on manual labour or heavy equipment are more likely to become automated. 63% of respondents to the Logistics Performance Tracker Q3 2022 expect some logistics roles to be fully or semi-automated in the next five years with warehouse roles cited as the most likely to be automated (**fig 3.1**). Tasks such as routeing and planning involve processes that may be more easily coded than other functions, and so lend themselves to automation. Nearly 70% of those surveyed expecting these tasks to become automated to some degree (**fig 3.2**).

**3.1 Which of the following logistics roles do you see becoming automated or semi-automated in the next 5 years?**



Source: Logistics Performance Tracker, Q3 2022, Logistics UK, November 2022

**3.2 Which of the following logistics tasks do you see becoming automated or semi-automated in the next 5 years?**



Source: Logistics Performance Tracker, Q3 2022, Logistics UK, November 2022

Logistics needs to leverage digital automation for the industry to thrive, to increase profitability and hone expertise through new business practices. Logistics UK has started to track technology occupation trends within the logistics industry. **Figure 3.3** provides an overview of technology workers in the industry. These occupations are all level 4 skilled, with 2.4% of all IT sector workers employed directly in the logistics industry, accounting for 2.3% of all logistics sector workers. It is expected that these numbers will rise as logistics businesses move towards more automation.

### 3.3 Overview of technology occupations in the logistics industry

Occupation description	Number of IT workers in the UK	Median hourly pay	Skill level	Number in logistics industry	Proportion of IT workers in logistics industry
Information technology directors	136,536	£39.27	Level 4	5,761	4.2%
Engineering project managers and project engineers	39,592	£29.19	Level 4	1,999	5.0%
Engineering professionals n.e.c.	118,358	£23.18	Level 4	3,265	2.8%
IT project managers	86,680	£23.33	Level 4		0.0%
IT managers	242,236	£25.01	Level 4	5,141	2.1%
IT business analysts, architects and systems designers	212,289	£26.13	Level 4	7,686	3.6%
Programmers and software development professionals	588,937	£25.40	Level 4	7,357	1.2%
Cyber security professionals	54,895	£25.72	Level 4	5,291	9.6%
IT quality and testing professionals	44,327	£23.16	Level 4	1,110	2.5%
IT network professionals	35,756	£29.05	Level 4		0.0%
Information technology professionals n.e.c.	166,130	£23.31	Level 4	4,240	2.6%
<b>Total</b>	<b>1,725,736</b>		<b>Level 4</b>	<b>41,850</b>	<b>2.4%</b>

Source: Repgraph analysis for Logistics UK, Labour Force Survey, ONS, Q1 2023

Logistics UK will continue to work with members to identify growing skills needs as new technologies and demands change the face of logistics and result in evolving skills needs across the industry.

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