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Logistics UK Midlands manifesto

Unleashing the power of logistics to drive growth across the Midlands



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Foreword



Welcome to Logistics UK's 2024 manifesto for the Midlands. With mayoral elections approaching, this is a document to support policymakers to unleash the power of logistics to drive growth across the region.

Whichever candidates become the mayors of the East and West Midlands, they will need to seize the opportunities and confront the challenges facing this country for the long-term, from climate change and the development of AI to getting growth going. Our sector has a crucial role to play in addressing all these agendas.

Logistics is one of the Midlands' largest economic sectors, playing a key role in driving growth. It creates good jobs using highly technical skills and underpins all other economic sectors. Where it is supported to thrive, it is investing in new, state of the art vehicles, facilities and logistics hubs. However, its potential is too often held back by capacity constraints on the transport network, planning barriers, skills shortages and border friction. Resolving this would deliver up to £7.9 billion in UK productivity-led growth per year, by 2030.

All goods and products delivered to households, businesses and public services in the Midlands, and imported and exported, are moved by logistics operators – meaning we all pay for logistics services. It

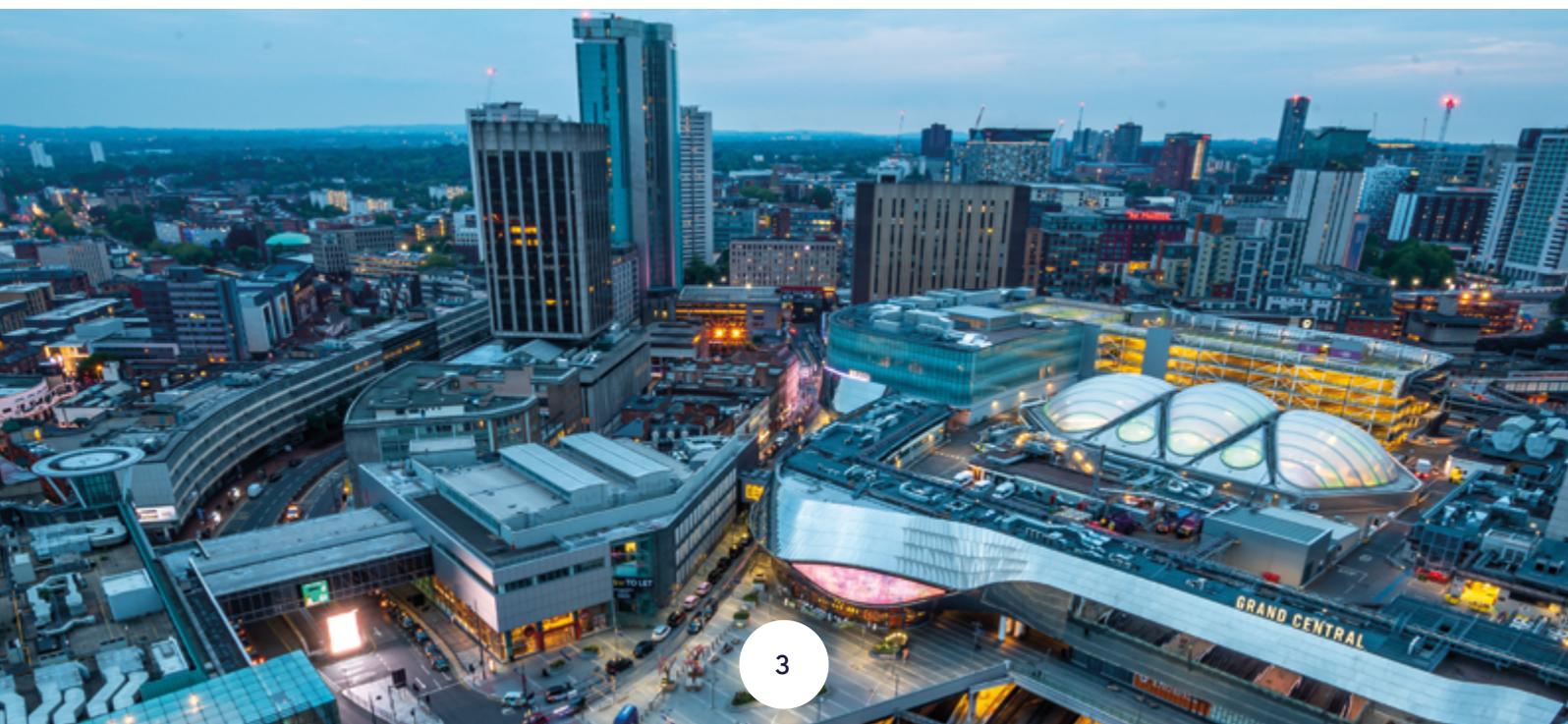
is incumbent upon our sector to continually strive for efficiency, avoiding adding pressure to the cost of living while maximising safety and reducing emissions. We are calling on policymakers to work with us to do the same, by optimising charges, regulations and transport investment to make logistics a priority and thereby support the economy for everyone.

Our sector is crucial to addressing the strategic opportunities and challenges facing the East and West Midlands. It is connecting new markets, investing in automation to optimise supply chains, acting as a testbed for innovation, and is embracing the decarbonisation agenda. Delivering these transformations while supporting economic productivity and growth will require a close, trusted partnership between our sector and the combined authorities – and we want to see that partnership strengthened in the months and years to come.

In short, if the East and West Midlands are to get growth going, its mayors and combined authorities must put logistics first. This manifesto sets out how.



David Wells OBE
Chief Executive
Logistics UK



To unleash the power of logistics to drive growth, the Midlands needs:

- **A public-private partnership** to unlock investment and enable logistics to maximise the benefit it can deliver to the economy. This should be backed by the mayors each appointing a senior lead for logistics, responsible for ensuring the sector has its rightful, prominent place in each region's growth, environmental and skills strategies.
- **Innovative and integrated infrastructure**, with the Midlands playing an integral part in a national logistics network. This must be based on long-term infrastructure plans, planning reforms and the development and adoption of technologies to deliver logistics in new ways – all focused on achieving the most productive, strategic and green movement of goods.
- **A fair transition to a green economy** underpinned by investment in commercial vehicle electric charging and low carbon fuel production. Urban logistics must also be backed as an essential part of our communities, not inhibited by patchworks of rules and charges that risk inefficient transport movements and increased overall emissions.
- **Skills partnerships to support a thriving sector**, with careers in logistics backed by reforms to skills funding, effective local skills strategies and a sustained commitment to attracting people, ensuring businesses have a strong pipeline of talent to draw from and nurture.

To achieve this, the logistics sector is seeking partnerships with combined authorities focused on:

- Creating, and encouraging their local authorities to develop, supportive policy environments for logistics, including in decisions on transport and energy infrastructure, planning and urban rules and charges.
- Fostering collaboration and intelligence sharing between logistics businesses and the advanced manufacturing, technology and energy sectors – to drive green growth.
- Providing material support to boost their logistics sectors in the areas of skills and innovation.



A public-private partnership to boost productivity and growth across the Midlands

There is widespread consensus that the UK needs to radically improve its economic growth, and that the Midlands has a key role to play in delivering that. The Midlands needs a public-private partnership to unlock investment and enable logistics to maximise the benefit it can deliver to its economy and communities. To achieve this, the mayors should each appoint a senior lead for logistics, responsible for ensuring the sector has its rightful, prominent place in each region's growth, environmental and skills strategies.

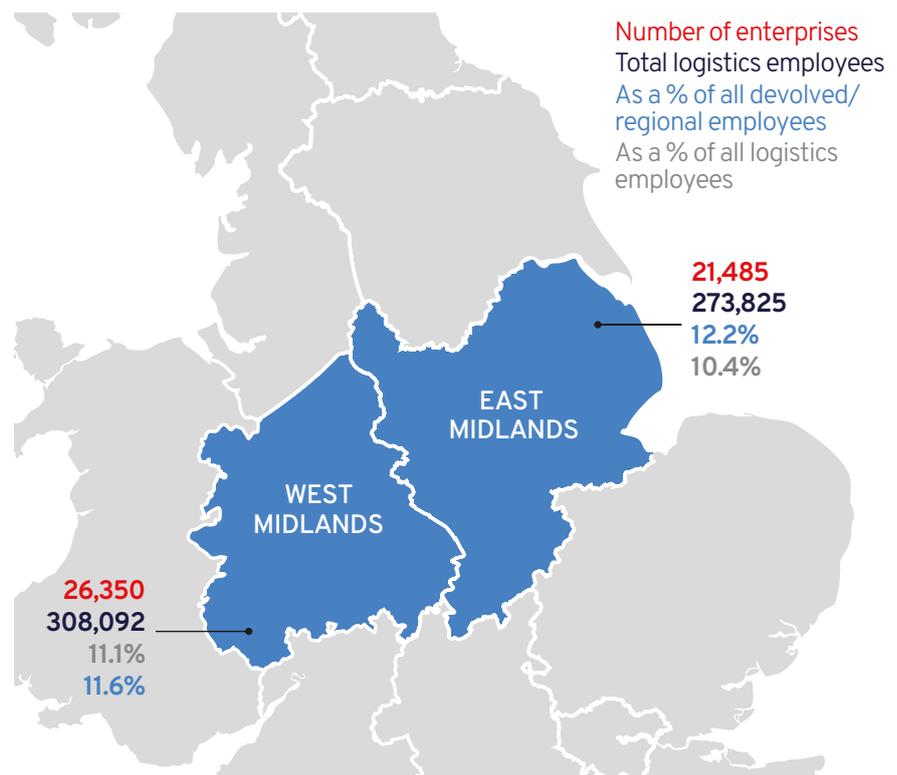
- Logistics underpins the economy of the Midlands, delivering for its households, businesses and public services, every day.** It is central to enabling the affordable homes, green industrial sites and exports that the Midlands needs to thrive.
- Logistics creates opportunities across the Midlands** and links the region to the wider UK and global trade network. There are more than 580,000 people employed in logistics roles and over 45,000 logistics business in the Midlands, making, selling and moving goods. In fact, more than a fifth of the UK's logistics roles are in the Midlands.
- Logistics is highly innovative.** It transformed the Midlands, linking it to the wider UK and world through canals, roads, railways, airports, port connections, and, from the second half of the twentieth century onwards, enabled revolutions in global trade and e-commerce. It is now innovating to deliver decarbonisation and even greater efficiency.
- Logistics delivers for the future.** By putting logistics first – with the right partnerships, regulations and investment – policymakers can help deliver productivity gains that would supercharge UK GDP by £3.9 billion to £7.9 billion per year by 2030.

Logistics creates opportunities across the Midlands and underpins the economy

More than 580,000 people are employed in logistics roles and there are over 45,000 logistics businesses in the Midlands, making, selling and moving goods.

22% of the UK's logistics roles are in the Midlands.

Sources:
 Repgraph analysis for Logistics UK.
 Labour Force Survey.
 Office of National Statistics Q3 2022 and Q1 2023.
 Logistics: delivering a solution to the UK's productivity puzzle, Oxford Economics, 2023



Innovative and integrated infrastructure

The UK needs investment in a national logistics network, planning reforms and innovation funding to enable goods to be moved in the most productive, strategic and green way – and the Midlands has a key role to play in this. The UK's logistics sector is becoming ever smarter and more integrated, within businesses and between logistics sites and transport modes – and the infrastructure it relies on needs to become more integrated and multimodal too.

A national logistics network

The government's 2022 Future of Freight Plan commits it to working with the freight sector to develop a National Freight Network (NFN). Together with reforms to planning, this must include investment in the Midlands' key road, rail and international connections and its logistics hubs. This will enable goods to be moved in the most productive, strategic and green way, reducing congestion and carbon emissions, boosting trade through better connections with ports and airports, and adding resilience to the overall logistics system and economy.

The Midlands is being held back by transport congestion and a lack of maintenance

The Midlands' transport infrastructure is increasingly constrained, adding further cost to the logistics sector and hampering the economy. Poor transport conditions, overrunning works and capacity constraints are all combining to make journey planning highly unpredictable, increasing business costs such as through missed deliveries, unnecessary overtime, increased fuel consumption, inefficient fleet utilisation and damaged vehicles. Congestion cost the UK economy £9.5 billion in 2022 alone¹.

The logistics sector's infrastructure priorities for the Midlands

- Across the Midlands:
 - The Midlands acts as logistics centre for the whole of the UK. To unlock efficiencies, we are calling for enhancements to the A5, the delivery of the Midlands Rail Hub, and investment in the Syston-Trent gauge enhancements. Improvements are also needed to the A458, A483 and A40, to enable more efficient freight flows and support economic growth either side of the England-Wales border, as identified by National Highways.
- Between the Midlands and the North of England:
 - Reversing the decision to scrap the northern leg of HS2, or replacing it with an alternative

project on the same or similar alignment, would create vital capacity for rail freight on the existing network. Logistics UK is urging the government not to sell off the land bought for HS2 to ensure it is safeguarded in the event that any future government decides to revive the project.

- Midlands – Felixstowe:
 - Investment is needed on this key corridor supporting east-west supply chains. We are calling for upgrades to the A14 and improvements in intermodal operability, as well as measures to separate strategic and local traffic as much as possible.
 - We want to see Ely Junction upgraded to enable more freight trains between the Port of Felixstowe and the Midlands and beyond. This would also unlock rail freight capacity to and from London Gateway.
 - The Felixstowe to Nuneaton railway upgrade would also bring significant benefits to the Midlands.
- Birmingham – Exeter:
 - Investment is needed on this important route for connecting the West Midlands conurbation with the South West's ports and manufacturing facilities. The route is particularly vulnerable to disruption during peak holiday periods, so an emphasis on improving journey reliability and speed is essential.

Driving logistics efficiency through innovation

Innovation plays a key role in enabling logistics to work as an efficient system. Logistics is leading the way on the use of robotics and AI, businesses are implementing new systems to support modal shift, adopting green technologies to reduce carbon emissions and are training people in new data-based skills. In fact, logistics is at the centre of introducing such cutting-edge technologies into the workplace. The logistics sector, SME innovators, investors and combined authorities must continue to work together to create opportunities to develop new solutions.

¹ Source: INRIX 2022 Global Traffic Scorecard



To deliver the innovative and integrated infrastructure that the Midlands needs to thrive, we are calling for:

- The Midlands to be part of a national logistics network, backed by reforms to planning and alignment between national, regional and local plans, 30-year infrastructure strategies and five-year delivery plans.
- Investment and planning decisions focused on enabling efficient logistics and tackling the region's top congestion hotspots on road and rail, and to ports and airports.
- Investment in better maintenance of existing strategic and local infrastructure to improve reliability and safety.
- Mayors to champion the innovation that is delivering an increasingly productive, green and strategic logistics system and, building on the work already underway in the West Midlands, bring SMEs and the logistics sector together to develop new solutions, leveraging the region's strengths in advanced manufacturing.

Fair transition to a green economy

The decarbonisation of the logistics sector must be underpinned by investment in electric charging and low carbon fuel production. Urban logistics must also be backed as an essential part of our communities, not inhibited by patchworks of rules and charges that risk inefficient transport movements and increased overall emissions. The logistics sector is committed to playing its part to help achieve net zero but needs a greater say on plans that impact its ability to decarbonise.

Achieving net zero while protecting supply chains

Logistics businesses are focused on decarbonising, investing in zero tailpipe emission road vehicles; introducing low carbon fuels, including Sustainable Aviation Fuel; and developing plans and calling for investment in rail electrification.

The sector is doing this while operating on small margins so must invest carefully to cut emissions while avoiding inflationary impacts for households, businesses and public services. It is also responsible for maintaining UK supply chains, meaning the technologies it adopts must get goods from A to B.

With net zero deadlines approaching, there is a growing risk that the energy infrastructure needed will not be delivered at the pace the sector requires, while zero tailpipe emission HGVs remain unproven for long-distance operations. There is also no agreed plan for the role low carbon fuels will play in the transition, despite being able to reduce emissions by up to 80%², provide a bridging technology for heavy vehicles, and that many internal combustion engine vehicles will remain in use into the 2050s.

² Source: Zemo Partnership, Market opportunities to decarbonise heavy duty vehicles using high blend renewable fuels, 2021

Managing the costs of decarbonisation through public-private partnership

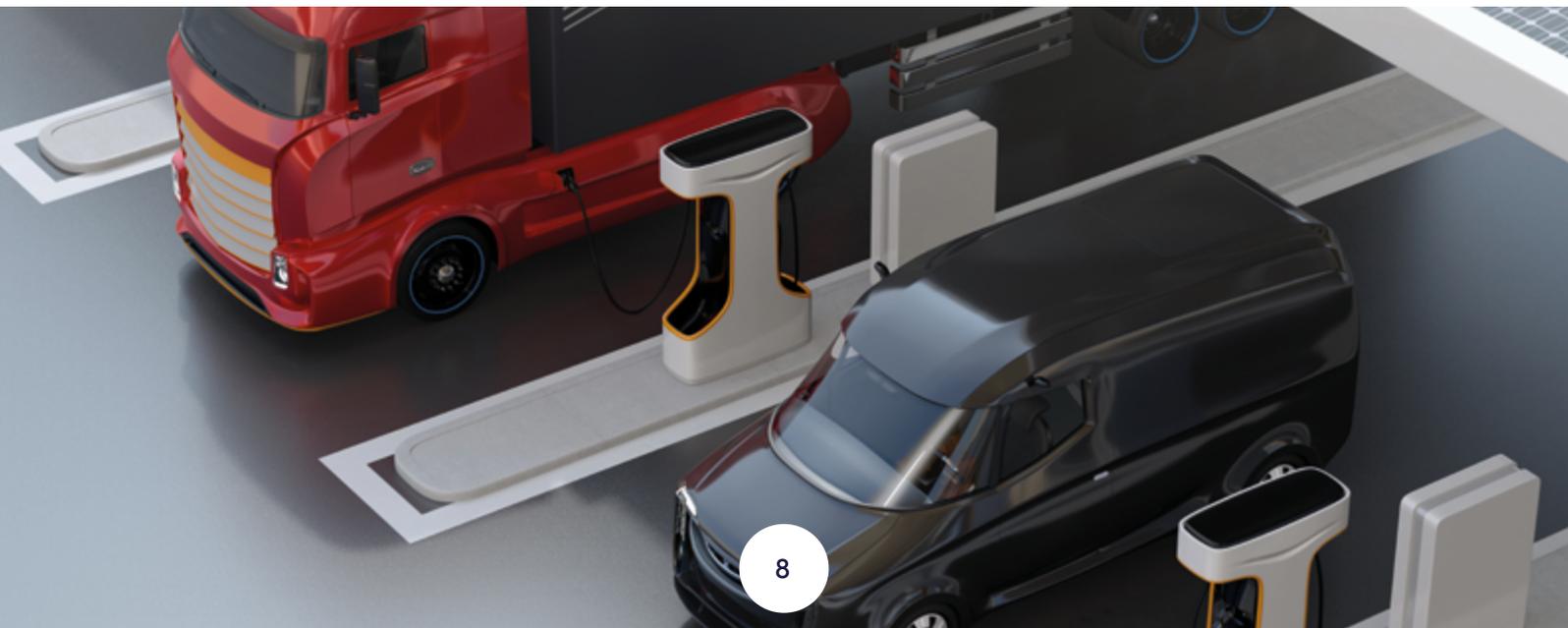
Unlocking private sector investment in decarbonisation requires policymakers to work in partnership with industry and be committed to developing clear plans and policies.

Such an approach will enable the sector to invest wisely and in a way that keeps costs down for households, businesses and public services.

Transport planning and charging

Improving the region's transport corridors, across transport modes, is key to enabling goods to be moved in the most productive, strategic and green way.

Local patchworks of rules and charging mechanisms must also be avoided. Fleets operate nationally so, when different areas have different approaches, the cumulative impact in terms of cost and red tape can be significant. The result is increased costs for everyone and logistics businesses less able to invest in the future, including their decarbonisation. This is especially the case when local rules and charges do not align with any overall fuels or energy strategy, or where there are no viable alternatives to the vehicles being targeted.





To deliver a fair transition
to a green economy,
we are calling for:

- Investment in electric charging and low carbon fuel production.
- The potential for the region to be a leader in light electric light vehicles and batteries to be fully exploited.
- Urban logistics supported as an essential part of our communities, backed by reforms to planning while avoiding a patchwork of local charges and regulations.

Skills partnerships to support a thriving sector

Careers in logistics must be backed by reforms to skills funding and a sustained commitment to attracting people, ensuring businesses have a strong pipeline of talent to draw from and nurture. With roles in logistics unlocking opportunities from driving to robotics, delivering strong potential for social mobility, and being essential for maintaining supply chains, it is vital that combined authorities and educators work in partnership with our sector.

Boosting access and appeal

The logistics sector is changing. It is at the centre of the introduction of cutting-edge technologies which are set to reshape the workplace, while also managing the pressures that come with an ageing population. However, too few people understand the breadth of the sector and the job opportunities it brings.

To challenge perceptions and attract new entrants to logistics, the sector is leading the Generation Logistics campaign – a collaboration between Logistics UK, CILT (UK), over 50 businesses and the government. The campaign is working. Research commissioned in September 2022, immediately before the campaign

began, showed that only 10% of 18-to-24-year-olds and career switchers would consider logistics careers, underlining the often-hidden nature of the industry. By October 2023, the Generation Logistics campaign had already increased awareness of the sector by 11% and sentiment towards a career in logistics by 170% amongst the above group.

However, the sector cannot do this alone. Attracting people to our sector, maximising the opportunities that change brings and mitigating the risks must be a team effort. As part of this, we want combined authorities, education providers and skills funders to partner with us to ensure young people and those looking for a new career have a true picture of our sector.

To support the welfare of logistics workers, and attract new and more diverse talent, the Midlands also needs improvements to facilities for logistics drivers. Transport Focus data published in August 2023 shows that most vehicle managers regard the UK's rest stops as being of poor quality, lacking availability, and security, and the latest Lorry Parking Survey shows the utilisation of lorry parking facilities in the England at night is above critical level, at 87%.

Reforming skills funding to support the long-term needs of the Midlands

Continued skills shortages in key logistics roles, including vehicles technicians, are a symptom of a skills system that is not delivering for the future. The sector and skills providers must come together, underpinned by the necessary funding to support the delivery of the right courses, to train up a new generation of logistics professionals and upskill the existing workforce.

Local and regional partners have a crucial role to play in supporting this collaboration, both through their own funding powers and through developing strategies such as Local Skills Improvement Plans (LSIPs). These strategies must recognise logistics as an important sector in its own right as well as a critical enabler of wider regional economic aims.





To deliver skills partnerships to support a thriving logistics sector, we are calling for:

- Appropriate funding for training providers to ensure key logistics courses are available.
- A collaborative effort to promote the industry to young people and job seekers.
- Faster planning approvals for facilities to improve the welfare of logistics workers, and such facilities made integral to road investment schemes.
- The proactive identification and development of transferable and cross-cutting skills needed by the current and future logistics sector.



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Logistics UK is one of the country's largest business groups, representing the entire logistics industry and supporting, shaping and standing up for safe and efficient logistics.

Our membership of over 20,000 includes global, national and regional businesses and SMEs spanning the road, rail, maritime and air industries as well as the buyers of freight services, such as retailers and manufacturers.

As an organisation, we deliver services, representation and thought leadership, helping members and policymakers to seize new opportunities for the sector and the economy as a whole, right across the country.

To discuss how to unleash the power of logistics to drive growth across the whole economy, contact: publicaffairs@logistics.org.uk

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