FTA Skills Shortage Report

An independent analysis of professional drivers and other job roles in the UK logistics sector

November 2017

Prepared for FTA by RepGraph Ltd

Notices

Selected Key Indicators

Indicators	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	%Δ[a]	
LGV drivers																
Total LGV drivers in employment (thousands)	290	287	293	284	288	299	286	298	299	**315**	330	333	323	**302**	-4%	☹
Driver number index (Q4 2014 = 1.00)	1.02	1.01	1.03	1.00	1.01	1.05	1.01	1.05	1.05	**1.11**	1.16	1.17	1.14	**1.06**	-4%	☹
Average age of LGV driver	48.1	48.0	48.7	48.8	48.2	48.0	48.0	48.2	48.1	**47.9**	47.9	47.7	48.1	**48.3**	1%	☹
Number of EU LGV drivers (thousands)	23	19	21	22	25	25	32	34	29	**32**	40	43	42	**43**	34%	☺
Percentage of LGV drivers who are EU nationals	8%	7%	7%	8%	9%	8%	11%	11%	10%	**10%**	12%	13%	13%	**14%**	N/A	☺
Gross hourly pay	£10.49	£9.54	£9.67	£10.00	£9.94	£10.01	£10.42	£10.23	£10.78	**£10.70**	£10.63	£10.26	£11.21	**£11.30**	6%	☺
Drivers claiming jobseekers allowance[b]	3,003	2,187	1,568	1,362	1,317	1,053	857	730	788	**627**	540	500	530	**455**	-27%	☺
Number of LGV practical tests taken	11,850	8,332	12,929	14,129	15,481	16,819	17,563	17,286	18,565	**19,819**	20,154	19,085	19,179	**18,165**	-8%	☹
Number of practical tests passed	6,527	4,494	7,178	7,930	8,615	9,126	9,771	9,693	10,410	**11,076**	11,308	10,849	11,113	**10,477**	-5%	☹
Driver CPC initial qualification	5,583	5,869	7,549	8,767	7,840	8,117	8,978	9,748	9,772	**10,358**	9,265	9,754	8.943	**9,939**	-4%	☹
Other selected logistics occupations																
Total transport managers and directors in employment - SOC:1161 (thousands)	71	70	77	82	82	79	79	74	83	**80**	80	87	84	**91**	14%	☺
Total van drivers in employment - SOC:8212 (thousands)	199	201	205	211	200	205	215	240	241	**251**	254	259	240	**250**	0%	☹
Number of EU van drivers in employment (thousands)	16	17	19	17	17	20	21	31	28	**22**	24	22	22	**30**	36%	☺
Percentage of van drivers who are EU nationals	8.0%	8.5%	9.3%	8.1%	8.5%	9.8%	9.8%	12.9%	11.6%	**8.8%**	9.4%	8.5%	9.2%	**12.0%**	N/A	☺
Total forklift drivers in employment - SOC:8222 (thousands)	95	104	102	102	103	93	83	91	92	**97**	101	87	83	**88**	-9%	☹
Number of EU forklift drivers in employment (thousands)	12	13	15	17	22	16	14	21	23	**20**	13	16	16	**19**	-5%	☹
Percentage of forklift drivers who are EU nationals	12.6%	12.5%	14.7%	16.7%	21.4%	17.2%	16.9%	23.1%	25.0%	**20.6%**	12.9%	18.4%	19.3%	**21.6%**	N/A	☺

a. *Latest year-on-year percentage change*
b. *Figures taken at midpoint of each quarter*

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1 Report Summary

1.1 LGV Drivers

- The driver shortage number has risen sharply to 52,000 in the year to Q2 2017 which is an increase of 49%
- The job shortage ranking for drivers (compared with all other professions) has risen, reflecting this sharp increase
- LGV driver numbers are down by 4% year-on-year
- Job creation in the logistics sector is static with the number of jobs remaining at around 2.5 million
- EU nationals account for 14% of LGV drivers (up from 10% In Q2 2016). EU nationals are filling the gap left by UK drivers leaving or not joining the profession
- Changes in the LGV driver workforce in recent years have been driven by the gain and loss of both the youngest and oldest staff
- Recent losses in the LGV driver workforce have largely been brought about by a failure to retain younger drivers who had flocked to the industry in 2016
- In Q2 2017 the average age of an LGV driver increased from 47.9 to 48.3 compared with Q2 2016. This increase is indicative of a return to an ageing driver population which had been falling since the beginning of 2016
- Comparing LGV drivers to the general working population, differences in age demography were similar to a year ago and continued to show a large proportion of drivers aged 45 and over (63%). Above this age, there was a significant proportion who were near to retirement; 14% were over 60 compared with only 9% of the general working population
- The number of LGV drivers claiming Jobseeker's Allowance in Q2 2017 was 455

1.2 The Wider Logistics Industry

- The number of van drivers was broadly static at 250,000, but the proportion of EU nationals increased from 9% to 12% (around 8,000 drivers)
- The number of UK nationals employed in logistics fell slightly by around 50,000 whilst the number of EU nationals increased by just over 10,000. The number of non-EU nationals was unchanged. Postal workers and couriers saw the most significant fall in EU nationals, with their proportion of the workforce dropping from 8% to 5%
- Fork-lift driver numbers were down nearly 10% overall
- A comparative job shortage measure shows that among managerial and administrative logistics occupations, managers in storage ranked as the most severe for job shortage. For non-managerial/administrative roles, van drivers exhibited the largest job shortage score
- The estimate for the number of mechanics and technicians working in the logistics sector has followed a similar trend to the LGV driver count; the number began to rise in 2014 as the economy recovered but has fallen back by 40% comparing Q2 2016 with Q2 2017
- In terms of ethnicity and gender, the logistics sector is dominated by people who describe themselves as ethnically white (91%) and is dominated by male workers (87.3%)

Note 1: *In recent years the truck and coach licensing category names have changed. HGV (Heavy Goods Vehicle) is now LGV (Large Goods Vehicle). For consistency the term LGV is used.*
Note 2: *In the Labour Force Survey the LGV driver population of around 300,000 is estimated from a sample of approximately 440 survey responses each quarter (see Appendix A).*

2 Employment in UK Logistics

The following table provides estimates of employment in UK logistics in Q2 2017.[1]

Table 1 *Year-on-year comparison of employment in logistics: numbers and percentages employed (Q2 2017 with Q2 2016)*

Logistics occupations	Employment (thousands)[a]				By nationality (thousands)			
	Logistics sector	All other sectors	Total	%	UK	EU	EU %	Other
Purchasing managers and directors	5 (8)	57 (50)	62 (58)	2% (2%)	58 (53)	2 (2)	*3%* *(4%)*	2 (3)
Managers and directors in transport and distribution	38 (38)	53 (42)	91 (80)	4% (3%)	88 (71)	3 (7)	*3%* *(9%)*	0 (2)
Managers and directors in storage and warehousing	31 (35)	63 (74)	94 (109)	4% (4%)	81 (103)	9 (5)	*10%* *(4 %)*	3 (1)
Importers and exporters	7 (5)	1 (2)	8 (7)	0% (0%)	5 (5)	3 (1)	*39%* *(10%)*	0 (1)
Transport and distribution clerks and assistants	26 (26)	37 (43)	63 (69)	3% (3%)	59 (67)	2 (2)	*3%* *(3%)*	2 (0)
Large goods vehicle drivers	189 (210)	113 (105)	302 (315)	12% (13%)	256 (280)	43 (32)	*14%* *(10%)*	3 (4)
Van drivers	97 (112)	152 (139)	250 (251)	10% (10%)	212 (223)	30 (22)	*12%* *(9%)*	8 (6)
Fork-lift truck drivers	32 (31)	56 (66)	88 (97)	4% (4%)	66 (74)	19 (21)	*22%* *(21%)*	3 (2)
Postal workers, mail sorters, messengers and couriers	123 (133)	32 (28)	155 (161)	6% (6%)	141 (146)	7 (12)	*5%* *(8%)*	6 (3)
Elementary storage occupations	174 (176)	242 (223)	416 (399)	17% (16%)	308 (296)	94 (93)	*23%* *(23%)*	14 (10)
Other occupations within the logistics sector	975 (996)	N/A	975 (996)	29% (39%)	852 (862)	91 (94)	*9%* *(9%)*	33 (40)
Total	**1,697** **(1,770)**	**806** **(776)**	**2,502** **(2,546)**	**100%**	**2,125** **(2,180)**	**303** **(291)**	***12%*** ***(11%)***	**74** **(72)**

a. Numbers in round brackets are for Q2 2016, provided for comparison. Job estimates are rounded to the nearest thousand

Overall, employment in UK logistics remained static over the year to Q2 2017. The estimate of total number of jobs fell very slightly to 2.502 million (from 2.546 million in Q2 2016).

As previously mentioned, the number of LGV drivers fell by around 14,000 (margin of error ± 3,000)[2] or 4%. At the same time, the proportion of EU LGV drivers increased to 14% from 10% a year earlier. The number of van drivers was broadly static but the proportion of EU nationals increased from 9% to 12% (around 8,000 drivers).

The number of UK nationals employed in logistics fell slightly by around 50,000 whilst the number of EU nationals increased by just over 10,000. The number of non-EU nationals was unchanged. Postal workers and couriers saw the most significant fall in EU nationals, with their proportion of the workforce dropping from 8 % to 5%.

1. *Source: Repgraph analysis of ONS Labour Force Survey for Q2 2017*
2. *Measured as confidence interval at the 95% level*

3 Logistics Occupations: Comparison of Job Shortage Rankings

Table 1 shows the job shortage scores and constituent measures for the main logistics occupations.[3] A higher score indicates a relatively larger job shortage (see *Appendix C: The Job Shortage Ranking Measure*).

Table 2 *Overall job shortage rankings for logistics occupation categories*

Indicators	Job shortage score[a]	Job shortage measures (Q4 2013 to Q4 2016)		
		Δ job number	Δ average pay	Δ claimant count
Vets (highest job shortage score)	925	19%	73%	-100%
Managers and directors in storage and warehousing	**691**	14%	17%	-83%
Van drivers	**666**	25%	17%	-79%
Transport and distribution clerks and	**603**	4%	7%	-83%
Large goods vehicle drivers	**580**	5%	16%	-79%
Importers and exporters	**580**	-44%	27%	-84%
Managers and directors in transport	**556**	30%	-10%	-81%
Fork-lift truck drivers	**484**	-15%	14%	-81%
Purchasing managers and directors	**442**	3%	12%	-74%
Elementary storage occupations	**435**	0.54%	14%	-74%
Postal workers, mail sorters, messengers and couriers	**234**	-11%	-4%	-72%
Glass and ceramics process operatives (lowest job shortage score)	**33**	-49%	0%	-65%

a. Across all occupation categories, veterinarians ranked the highest with a shortage score of 925 and glass and ceramics operatives ranked the lowest with a shortage score of 33

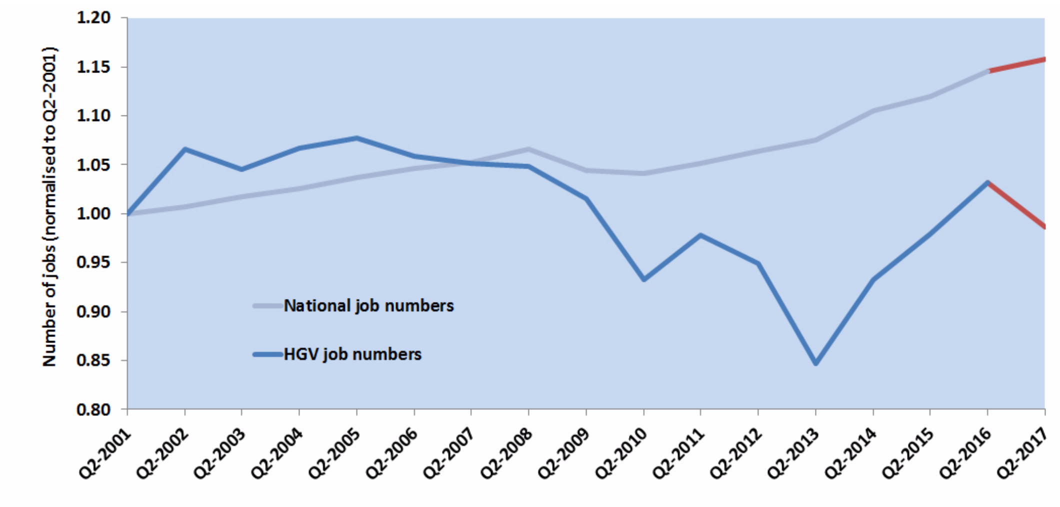
The most striking change in shortage ranking is for LGV drivers occupation whose score has risen from 526 to 580. Van drivers remain largely unchanged in shortage ranking score but transport managers have fallen down the list. Storage and warehousing management has risen, due to an upsurge in job numbers and average pay. Couriers, fork-lift drivers and unskilled storage occupations were broadly unchanged.

3. More details of the job shortage ranking measure methodology are described in the FTA Skills Shortage Report, July 2017

4 Driver Shortage Headline Figure

From the Q2 Labour Force Surveys for 2016 and 2017, the estimated extra jobs created year-on-year across all roles is around 0.33 million, or roughly 1% (figure 1). At the same time, the estimated LGV driver population has fallen by 4.4% (see figure 3 for more detail and margin of error). This translates to a calculated shortfall of around 52,000 drivers based on job number trends baselined to Q2 2001 (as presented in previous Skills Shortage reports).

Figure 1 *National job number trends compared with LGV driver trends*



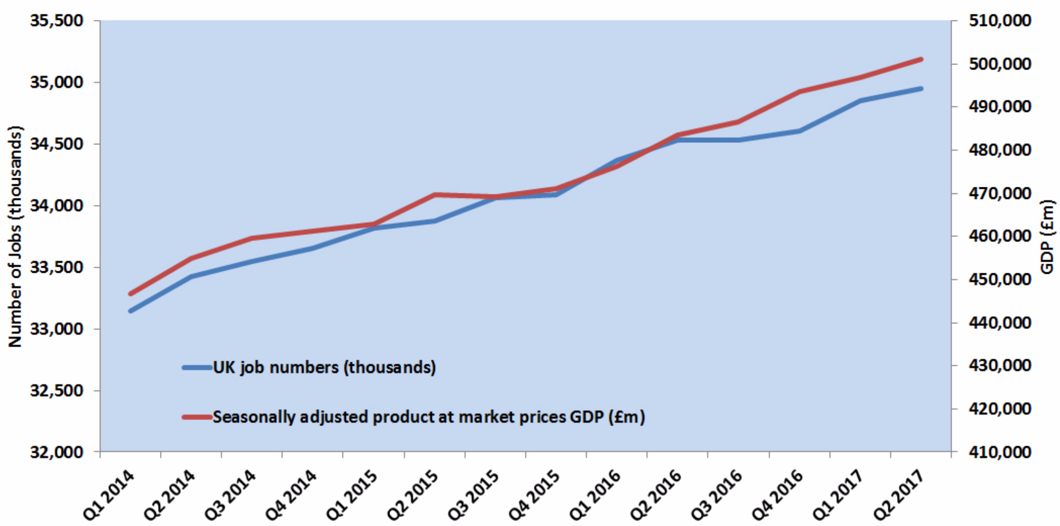
4.1 LGV Driver Claimant Count

The number of LGV drivers claiming Jobseeker's Allowance in Q2 2017 was 455. This is down 27% from Q2 2016 and is 97% lower than the peak of 15,255 in March 2009

5 Driver Number and GDP

The following graph illustrates how growth in the UK workforce has followed Gross Domestic Product (GDP) for the last few years.[4]

Figure 2 *UK job numbers compared to GDP*

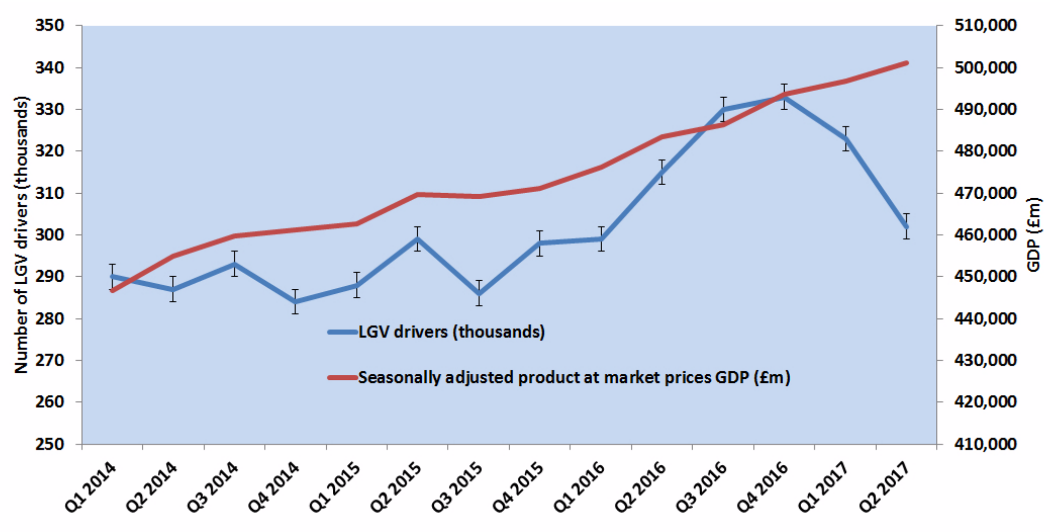


4. *Workforce and driver numbers calculated from Labour Force Surveys Q1 2014 - Q2 2017*

Up until the middle of 2016, job growth and GDP followed the same rate of increase. Since then, however, there has been a slight reduction in the rate of increase in jobs, perhaps an indication that the UK is now approaching full employment.

The following graph maps recent movement in GDP along with LGV driver numbers.

Figure 3 *LGV driver numbers (with error margin) compared to GDP*

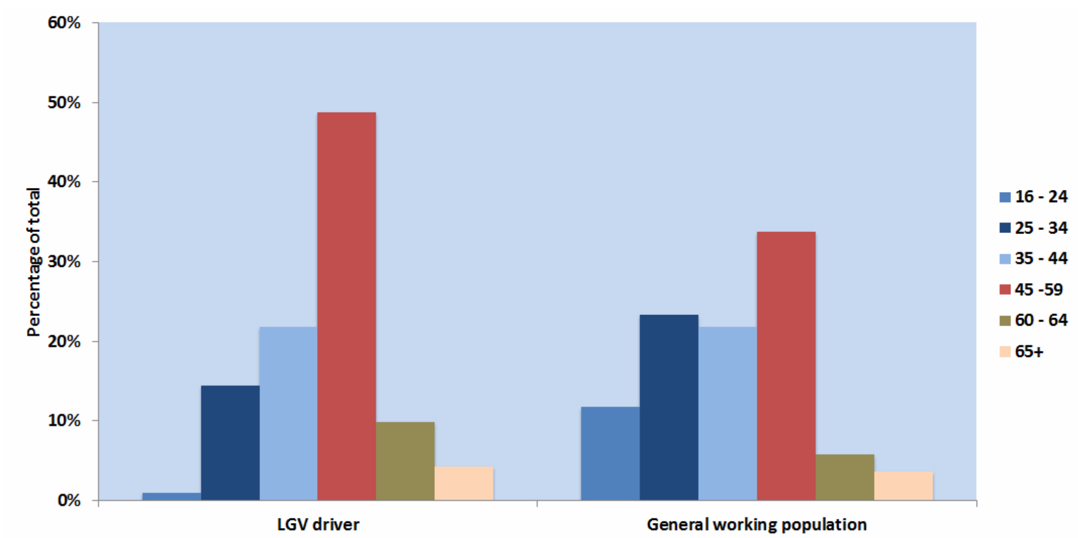


Towards the end of 2016, the number of LGV drivers began to decrease even as GDP continued to grow. Given the continuation of increase in the national workforce, this is an indication that workers are turning away from LGV driving as an occupation perhaps due to the abundance of more attractive jobs in other areas.

6 Driver Age Profile

The average driver age has increased from 47.9 to 48.3 comparing Q2 2017 with Q2 2016.

Figure 4 *LGV driver age compared with working population age*



Age demography was similar to a year ago and continued to show a large proportion of drivers aged 45 and over (63%). Above this age, there was a significant proportion who were near to retirement; 14% were over 60 compared with only 9% of the general working population.

6.1 LGV Driver Leavers and Joiners by Age

The following table provides a breakdown of the change in driver numbers by age band, measured using Labour Force Survey results for Q2 of the last four years.

Table 3 *LGV drivers numbers by age (Q2 2014 to Q2 2017)*[5]

Age Band	Driver count 2014	Driver count 2015	Driver count 2016	Driver count 2017	2014-15 change	2015-16 change	2016-17 change
17-34	44,806 (±410)	46,180 (±422)	60,672 (±555)	46,420 (±425)	1,374	14,492	-14,252
35-59	200,941 (±1,833)	215,732 (±1,967)	210,368 (±1,919)	212,515 (±1,938)	14,791	-5,364	2,147
60+	41,053 (±375)	37,305 (±341)	44,455 (±407)	42,661 (±390)	-3,748	7,150	-1,794
TOTAL:	286,000	299,217	315,495	301,596	+12,417	+16,278	-13,899

For 2014-15, the increase in numbers was driven by recruitment of drivers in the middle age band. Hardly any of the increase came from the younger age band. The following year, losses in the middle age band were counterbalanced by an increase in retention of drivers near to or beyond retirement age. In 2016 there was a substantial boost in the number of young drivers entering the industry, indicating recruitment efforts aimed at this age group were highly successful. For 2016-17, however, this was completely reversed, with the gains in younger drivers over the previous year wiped out. In fact, the loss of younger drivers was more or less responsible for the entire reduction in overall LGV driver count, with modest gains in the middle age band cancelling out small losses of older drivers.

Taken as a whole, these changes demonstrate that recent losses in the LGV driver workforce have been largely driven by a failure to effectively retain younger drivers who had flocked to the industry in the previous year.

6.2 Alternative Occupations for Leavers

It is not possible to quantify the occupations adopted by drivers who have decided to leave the profession using responses from the Labour Force Survey, due to the small sample sizes involved with this particular measurement. It is possible to aggregate responses from the last 5 years and determine the most popular occupations specified by those who had moved away from LGV driving within one year prior to answering the survey. The following table shows the most popular alternative occupations chosen by Labour Force Survey respondents who had moved on from being an LGV driver in Q2 of the last 5 years.

Table 4 *Alternative occupations for leavers in the last 5 years*

Occupation	Number of responses
9260 Elementary storage occupations	5
8229 Mobile machine drivers and operatives	4
4134 Transport and distribution clerks and assistants	3
5223 Metal working production and maintenance fitters	3
5231 Vehicle technicians, mechanics and electricians	3
8212 Van drivers	3
9120 Elementary construction occupations	3

5. Margins of error (in brackets) are expressed as confidence interval at the 95% level. See Appendix 1 in "Labour Migration in the Hospitality Sector: A KPMG report for the British Hospitality Association, March 2017" for more details on calculation of Confidence Intervals for Labour Force Survey data

7 New Entrants and Test Pass Rates

7.1 Initial Qualification

The figures for drivers acquiring Driver Certificate of Professional Competency (DCPC) through initial qualification (which represents new entrants to the industry who did not hold a category C licence prior to 10 September 2009) are provided in table 5. There was a slowdown in the rate of increase to 4.7% (from 22%) in new entrants for the year ending March 2017 compared to the previous year. The downward trend is continuing through 2017 with the number of qualifications decreasing from 10,358 in Q2 2016 to 9,939 in the same period of 2017.

Note: *DCPC initial qualification includes both lorry and bus drivers combined*

Table 5 *Initial qualification April 2008 - March 2017*

Financial year	DCPC initial qualification[a]
April 08 – March 09	3,948
April 09 – March 10	7,524
April 10 – March 11	12,104
April 11 – March 12	14,003
April 12 – March 13	16,511
April 13 – March 14	21,054
April 14 – March 15	30,025
April 15 – March 16	36,615
April 16 – March 17	38,320

a. https://www.gov.uk/government/statistics/driver-certificate-of-professional-competence-cpc-statistics

7.2 LGV Pass Rate

Table 6 *Practical large goods vehicle (LGV) test, Great Britain: 2008-2016*[6]

Year	Tests	Passes	% pass rate[a]
April 08 – March 09	65,852	32,298	49%
April 09 – March 10	46,426	23,874	51%
April 10 – March 11	43,894	22,664	52%
April 11 – March 12	46,549	24,401	52%
April 12 – March 13	46,246	24,498	53%
April 13 – March 14	48,283	26,224	54%
April 14 – March 15	55,161	30,574	55%
April 15 – March 16	67,149	37,205	55%
April 16 – March 17	70,233	39,000	55%

a. Source: DfT 2017 Practical large goods vehicles (LGV) test pass rates (DRT0501)

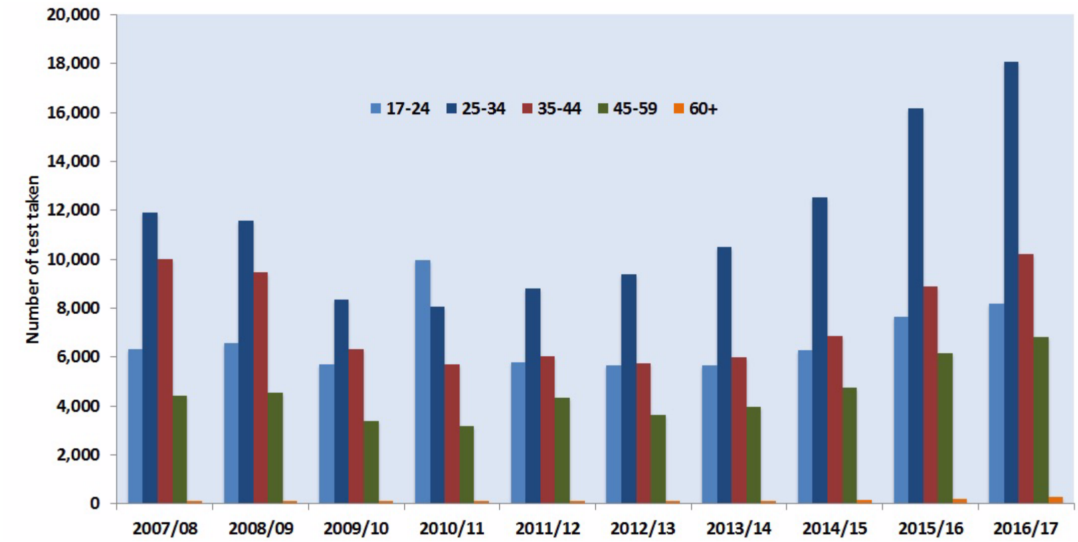
The pass rate for LGV drivers impacts on the number of drivers in employment. The number of practical tests taken in 2016 increased by 16% compared to 2015. Overall the number of tests taken has increased in the year to March by 88% since the low of 2010. It should be noted that more recently, Q2 2017 witnessed a fall in both number of tests taken and the pass total when compared to Q2 2016 (see the *Selected Key Indicators* section of

6. Includes test categories C, C1, C+E, C1+E this report for more detail). Although the pass rate has gradually improved since 2008, still only just over half of test takers pass (table 6).

7.2.1 Age of Test Takers

In the year to the end of March 2017, 60% of all tests were taken by those under the age of 35. In addition the average age of a person taking a practical test was 34.

Figure 5 *Age breakdown for the number of practical LGV tests conducted*[7]



7.2.2 Gender of Test Takers

The number of women taking the practical LGV test has remained between 6 and 7% of all test takers since 2008. The pass rate for women is, however, consistently higher than their male counterparts.

Table 7 *Pass rates for men and women*

Year	Male pass rate	Female pass rate
April 08 – March 09	49%	52%
April 09 – March 10	51%	55%
April 10 – March 11	52%	54%
April 11 – March 12	52%	54%
April 12 – March 13	53%	53%
April 13 – March 14	54%	59%
April 14 – March 15	55%	59%
April 15 – March 16	55%	59%
April 16 – March 17	56%	61%

7. *Source: DfT 2016 Practical large goods vehicles (LGV) test pass rates (DRT0503)*

8 Number and Proportion of non-UK EU Drivers Working in the UK

Table 8 *Proportion of UK and non-UK EU LGV drivers*

	Nationality[a]						
Logistics occupations	**UK**	**EU**	**Other**	**Total**	**Δ% total year-on-year**	**Δ% EU jobs year-on-year**	**EU8**
Large goods vehicle drivers 2016	280,173 (89%)	31,542 (10%)	3,780 (1%)	315,495	+5.4%	+25.6%	20,571 (7%)
Large goods vehicle drivers 2017	256,427 (85%)	42,601 (14%)	2,568 (1%)	301,596	-4.4%	+35.1%	30,677 (10%)

a. Source: Labour Force Surveys Q2 2016 and Q2 2017

Non-UK EU driver numbers have increased by over 11,000 at the same time as the total number of drivers has decreased by nearly 14,000 meaning that the EU driver proportion has increased to 14%. The non-EU (Other) driver number has decreased marginally but not within statistical significance. The proportion of drivers who are EU8 nationals[8] has risen by 10,000 and this accounts for nearly all of the extra non-UK EU drivers. Analysis of the Q2 2017 Labour Force Survey indicates that there are a negligible number of LGV drivers who are EEA nationals.[9]

8.1 Profile of EU LGV and Van Drivers

Although it is not statistically possible to estimate the numbers of nationals from all 27 EU countries, of the 43,000 EU LGV drivers, over 30,000 are nationals of the EU8 countries. A large majority of EU drivers are Polish (an estimated 27,000).

An estimated 20,000 of the 30,000 EU van drivers are an equal proportion of Polish and Romanian nationals, with no other non-UK nationality making up a statistically significant proportion of the van driver workforce.

8.2 Non-UK Driver Contracts

Some 98% of non-UK drivers reported that they hold a permanent job, with the remainder stating that they held a temporary job through an agency. At the same time, of those who defined their job as permanent, 9% reported that they were employed through an agency.

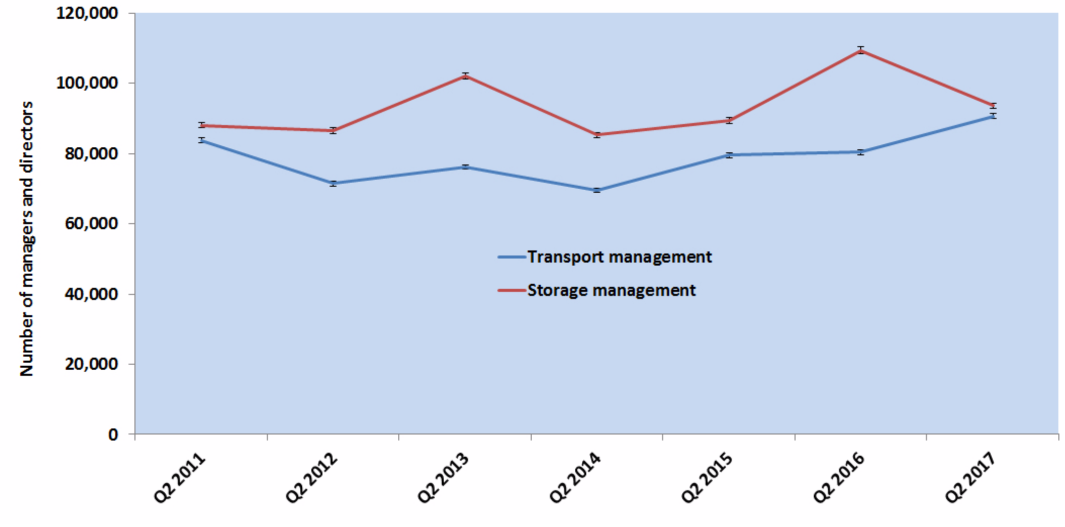
8. EU8 countries are Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia

9. EEA countries are Norway, Liechtenstein and Iceland

9 Job Trends for Other Freight Transport-Related Occupations

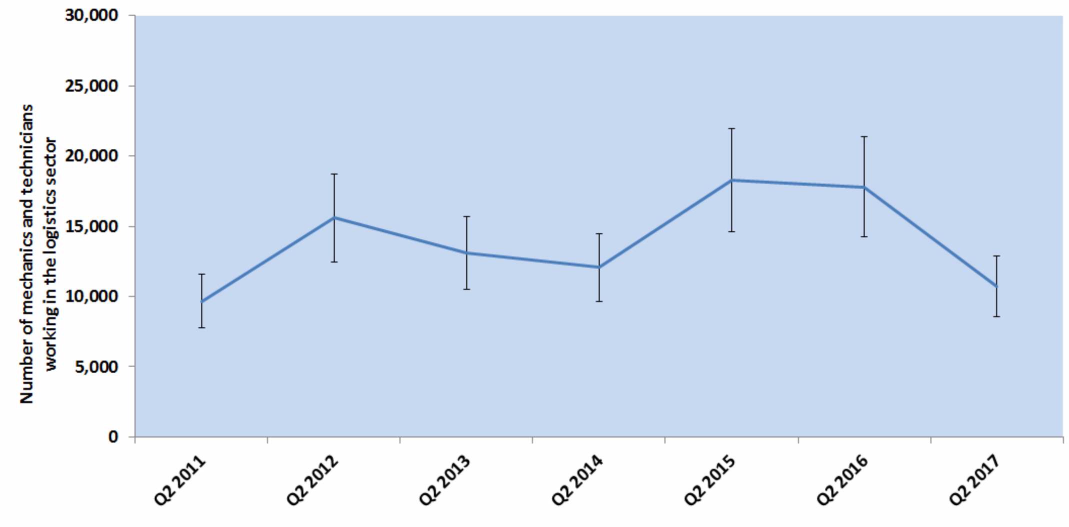
The number of transport managers and directors has not changed a great deal in the last six years, however managers and directors in storage has fallen over the last year at the same time as transport management job count has increased slightly (figure 6).

Figure 6 *Freight transport managers and directors*



The estimate for the number of mechanics and technicians working in the logistics sector has followed a similar trend to the LGV driver count; the number began to rise in 2014 as the economy recovered but has fallen back by 40% comparing Q2 2016 with Q2 2017.

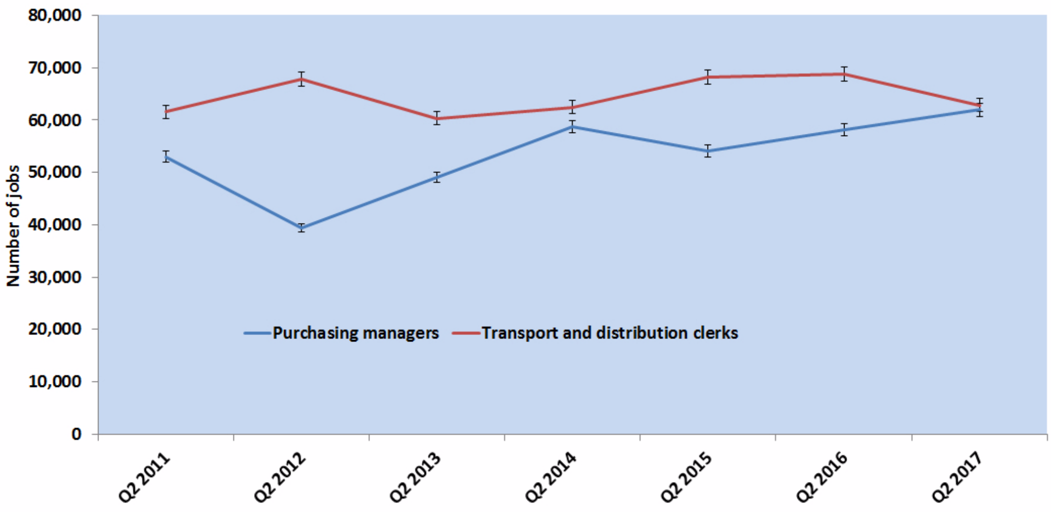
Figure 7 *Freight transport mechanics and technicians (with error margin)*



9.1 Other Freight Transport Occupations

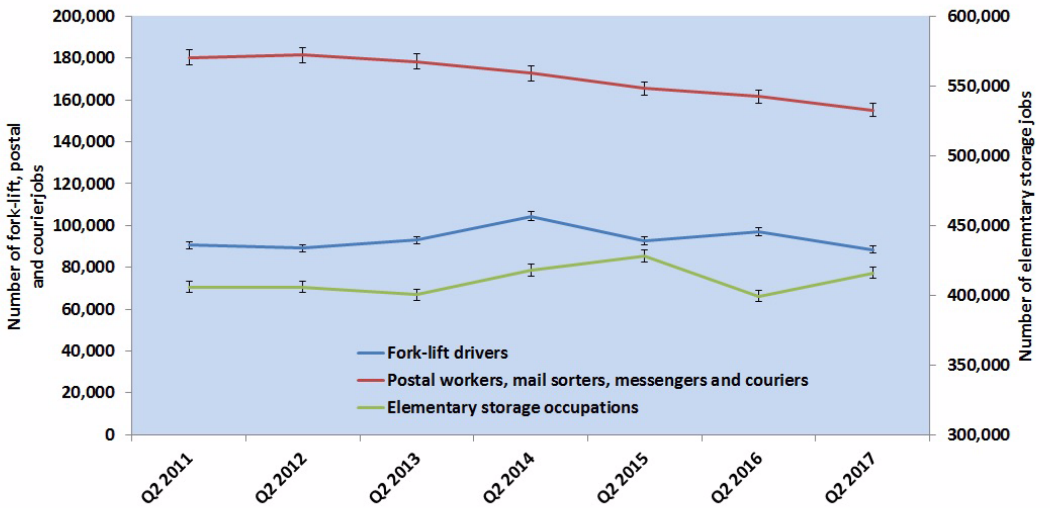
The following graphs show recent trends in job numbers for other key vocations in freight transport.

Figure 8 *Other managerial and clerical occupations*



The estimated number of purchasing managers has not changed a great deal since 2011, however there have been modest increases in the last two years. The count of transport and distribution clerks has remained broadly unchanged over the same period.

Figure 9 *Other driving, courier and storage occupations*



Elementary storage occupation positions have recovered the loss in job numbers observed in 2016 and remain slightly up from six years ago. Fork-lift driver numbers were slightly down year-on year and were at largely the same level as 2011. Postal, mail and courier positions have witnessed a continuous steady decline throughout the last six years.

10 Logistics Ethnicity and Gender

10.1 Ethnicity

Data were analysed to ascertain the ethnic make up of the logistics industry.[10] For this exercise ‘other occupations within the logistics sector’ were excluded and the main logistics professions were examined.

Table 9 *Ethnicity in logistics*

Logistics occupations	White[a]	Black[b]	Indian	Pakistani	Chinese	Bangladeshi	Mixed ethnic / other
Purchasing managers and directors (1133)	56,008 [90.4%]	1,299 [2.1%]	1,490 [2.4%]	0 [0.0%]	774 [1.2%]	0 [0.0%]	2,370 [3.9%]
Managers and directors in transport and distribution (1161)	85,247 [94.1%	2,356 [2.6%]	747 [0.8%]	697 [0.8%]	0 [0.0%]	0 [0.0%]	1,590 [1.8%]
Managers and directors in storage and warehousing (1162)	85,667 [91.6%]	1,082 [1.2%]	2,059 [2.2%]	793 [0.8%]	0 [0.0%]	0 [0.0%]	3,944 [4.2%]
Importers and exporters (3536)	5,397 [72.7%]	0	0	0	0	0	2,022 [27.3%]
Transport and distribution clerks and assistants (4134)	56,229 [89.5%]	3,190 [5.1%]	940 [1.5%]	1,440 [2.3%]	0 [0.0%]	0 [0.0%]	1,034 [1.6%]
Large goods vehicle drivers (8211)	291,753 [96.7%]	2,078 [0.7%]	3,159 [1.0%]	0	0	0	4,606 [1.5%]
Van drivers (8212)	215,142 [86.1%]	11,770 [4.7%]	4,003 [1.6%]	6,384 [2.6%]	603 [0.2%]	1,876 [0.8%]	9,991 [4.00%]
Fork-lift truck drivers (8222)	79,157 [89.5%]	2,495 [2.8%]	2,938 [3.3%]	681 [0.8%]	0 [0.0%]	0 [0.0%]	3,152 [3.6%]
Postal workers, mail sorters, messengers and couriers (9211)	127,640 [82.3%]	8,680 [5.6%]	5,951 [3.8%]	2,742 [1.8%]	3,017 [1.9%	2,026 [1.3%]	5,062 [4.2%]
Elementary storage occupations (9260)	383,251 [92.1%]	8,849 [2.1%]	8,717 [2.1%]	5,050 [1.2%]	0 [0.0%]	1,198 [0.3%]	8,936 [2.2%]
Total	**1,385,491 [90.7%]**	**41,799 [2.7%]**	**30,004 [2.0%]**	**17,787 [1.2%]**	**4,394 [0.3%]**	**5,100 [0.3%]**	**42,707 [2.8%]**

a. White includes respondents in England, Wales and Scotland identifying themselves as 'White-Gypsy or Irish Traveller' and respondents in Scotland identifying themselves as 'White -Polish'
b. Black/African/Caribbean/Black British

Overall the logistics sector is dominated by people who describe themselves as ethnically white (91%). The second largest single ethnic group are black, followed by Indian.

10. Labour Force Survey, Q2 2017

10.2 Gender

The following table summarises ONS estimates of the gender of individuals working in key logistics vocations.[11]

***Table 10** Gender in logistics industry*

Logistics occupations	Male[a]	Female
Purchasing managers and directors (1133)	38,763 [62.6%]	23,178 [37.4%]
Managers and directors in transport and distribution (1161)	75,625 [83.4%]	15,012 [16.6%]
Managers and directors in storage and warehousing (1162)	70,197 [75.0%]	23,348 [25.0%]
Importers and exporters (3536)	ts	ts
Transport and distribution clerks and assistants (4134)	41,506 [66.1%]	21,327 [33.9%]
Large goods vehicle drivers (8211)	29,8575 [99.0%]	ts
Van drivers (8212)	23,3979 [93.7%]	15,790 [6.3%]
Fork-lift truck drivers (8222)	86,173 [97.5%]	ts
Postal workers, mail sorters, messengers and couriers (9211)	128,978 [83.2%]	26,140 [16.8%]
Elementary storage occupations (9260)	342,692 [82.4%]	73,309 [17.6%]
Total	**1,316,488 [86.9%]**	**198,104 [13.1%]**

a. ts - sample size too small for estimation

The logistics industry is dominated by male workers (86.9%) although there has been a small increase in the proportion of women in logistics professions (from 12.7% in Q2 2016 to 13.1%). The ONS does not provide estimates for the number of female LGV drivers or fork-lift drivers or either gender for importers and exporters as there were too few respondents in these cases for statistical significance.

11. ONS table EMP04 for Q2 2017

11 Appendix A: The Labour Force Survey Use and Limitations

The Labour Force Survey is a survey of households living at private addresses in the UK. Its purpose is to provide information on the UK labour market which can then be used to develop, manage, evaluate and report on labour market policies. The survey is managed by the Office for National Statistics in Great Britain and by the Central Survey Unit of the Department of Finance and Personnel in Northern Ireland on behalf of the Department of Enterprise, Trade and Investment (DETINI).

The Labour Force Survey is intended to be representative of the whole population of the UK, and the sample design currently consists of around 38,000 responding households in every quarter. The quarterly survey has a panel design whereby households stay in the sample for five consecutive quarters (or waves), with a fifth of the sample replaced each quarter. Thus there is an 80% overlap in the samples for each successive survey. The LGV driver population of around 300,000 is estimated from a sample of approximately 440 survey responses each quarter.

Because the sampling methodology of the Labour Force Survey has been developed over many years to reflect as closely as possible the national population, it is considered to be a generally reliable source of many statistical estimates such as employment, nationality and country of birth. It is also a useful means of tracking longitudinal trends such as occupational job numbers, age demographics etc.

There are some inevitable shortcomings and limitations with the survey. Since the sampling methodology uses households, it does not tend to capture information regarding individuals without a long-term residential address (for example seasonal workers or those for whom accommodation is provided by their employer). The survey is also based on a smaller sample size than some other national surveys (such as the Annual Survey of Hours and Earnings).[12]

12. *Labour Migration in the Hospitality Sector: A KPMG report for the British Hospitality Association March 2017*

12 Appendix B: Driver Number Alternatives

12.1 Traffic Commissioners vehicle numbers

The Office for Traffic Commissioners (OTC) data are unreliable prior to 2017. In September 2017 the OTC updated its published data extract to reflect the corrections made to vehicles specified on operator licences (and also the number of operator licences in issue). Vehicle numbers had previously been underreported by around 7% (since the increase reported by the Traffic Commissioners was 9% and vehicle licensing statistics for the same period show an increase of around 2%). It is therefore not possible to use these data to estimate driver shortage. The number of vehicles currently specified on operator licences is 372,178. To use this number would yield a driver **shortage of 70,000**.

12.2 Transport Manager Survey - driver to vehicle ratio

The ratio of drivers to LGVs is 1.16 on average according to FTA's Transport Manager Surveys (2014-2017). If this ratio is applied to the 52,000 above then the driver **shortage number is 60,000**.

13 Appendix C: The Job Shortage Ranking Measure

Absolute job shortages are very difficult to measure due to a number of factors, including the reliability and consistency of measurable data across all occupations.[13] For this reason, RepGraph has recently developed a measure that provides a relative ranking of occupations, based on the following factors.[14]

- Rising demand for labour: reflected in an increase in job numbers
- Falling supply of labour: measured by a decrease in claimant count
- The need to attract and retain staff: manifested in rising pay

Occupations that experience the greatest labour shortages therefore typically see high growth in worker numbers, accompanied by large falls in claimant count and increases in pay.[13]

The relative job shortage measure is used in this report to compare potential job shortage issues in logistics occupations. The measure is comprised of the sum of the three labour market factors which are thought to correlate strongly with job shortages.[13]

1. Claimant count[15] (ranking 1 -353 where 353 = greatest percentage fall in claimant count)

2. Job totals[16] (ranking 1-353 where 353 = largest percentage rise in job numbers)

3. Average weekly earnings[17] (ranking 1-353 where 353 = largest percentage increase in average weekly pay)

The shortage ranking measurement used data from Labour Force Surveys for Q2 2014 and Q2 2017 along with ONS claimant count data for the same periods. The percentage difference was determined for each of the ONS occupational categories across the three job shortage measurement factors outlined above (i.e. claimant count, job totals and average weekly earnings).

Percentage differences were calculated for each occupation category and these were ranked relative to each other. The rankings for the three measurement factors were then combined to give an overall relative job shortage score per occupation category. The highest score for the job shortage ranking measure represents the greatest labour shortage (the maximum possible value is 1,059 and the lowest possible is 3).

13. http://www.workandeconomy.org/images/Measuring_Labor_Market_Shortages_07-17-09_FINAL_-_color.pdf

14. UK Industry Workforce Demographics: prepared for Business with Europe, 2017

15. Official Labour Market Statistics: Claimant Counts by Occupation. Claimant count values are calculated as the mean of monthly claimant count values for October, November and December (the three months of Q4)

16. Labour Force Surveys, Q2 2014 and Q2 2017

17. Earnings are the median weekly earnings values, calculated according to ONS guidelines, described in the Labour Force Survey Manuals