

Enabling Growth in the New Anglia Ports & Logistics Sector through Skills Development 2018-‘25

A Skills Plan for New Anglia
March 2018

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Background Context

The Ports and Logistics Sector Skills Plan has been developed by the sector in Norfolk and Suffolk, working alongside the New Anglia Local Enterprise Partnership, the New Anglia Skills Board and supported by SkillsReach.

SkillsReach was contracted to facilitate and prepare eight sector skills plans for the New Anglia LEP priority sectors. The project was commissioned by the Education and Skills Funding Agency, in partnership with New Anglia LEP, and funded through the European Social Fund. Each Sector Skills plan and supporting Data Pack has been developed in collaboration with local employers and other stakeholders.

The New Anglia Skills Board places employers at the centre of decision making on skills in Norfolk and Suffolk to ensure the skills system becomes more responsive to the needs of employers, and the future economy.

Whilst there is currently not a formal industry led sector group for Ports and Logistics which covers the whole of New Anglia, there are a range of bodies such as the New Anglia Local Transport Board, Suffolk Chamber of Commerce Transport and Infrastructure Board and bodies which cross the regional boundary such as the Haven Gateway Partnership, which collectively focus on and represent the industry.

SkillsReach is an established East of England-based strategic skills consultancy with an associate project team with extensive experience of developing skills plans.

Acknowledgements

The New Anglia LEP wish to thank the employers, training providers and stakeholders who contributed to the plan by attending events, being interviewed or by making referrals to employers and organisations in the sector. The sector skills plan was developed in 2017/18 by SkillsReach.

Introduction

The ports and logistics sector is a large and diverse sector which includes companies from owner operators to multinationals. It covers storage as well as distribution and is changing rapidly due to new technology and new business models (e.g. online purchasing and delivery services). In New Anglia passenger transport is important, but this only provides 14% of the jobs in the sector locally which is dominated by the transport of freight.

This concentration on freight is a function of the region's historic and strategic position on the East Coast and the proximity of the Continent. The Ports of Norfolk and Suffolk have for Centuries served as a gateway to Europe and the World, with the Wool Towns and merchant houses across the region standing testament to the wealth this brought.

This critical role in UK trade continues to grow, with New Anglia home to the UK's largest container port at Felixstowe and other bulk cargo and general ports at Kings Lynn, Great Yarmouth, Lowestoft and Ipswich. The ports, with Norwich Airport, have for over 40 years been instrumental in supporting the growth of the energy sector in the North Sea, with the growth of offshore renewables guaranteeing this role for at least another generation.

But the sector is also expected to see substantial changes in the next decade. Brexit is likely to change our trading relationships and place even more emphasis on the importance of trade with Europe and the rest of the World. We must ensure that Felixstowe and other ports continue to grow so that the region benefits from this, but to do this a focus on the leadership, management and efficiency skills needed to compete globally is essential.

The other major changes expected are the rapid growth in technology and a focus on clean transport systems. Whether it is automation, electric vehicles, supply chain digitalisation or clean air zones in cities, the sector will need to embrace new skills in engineering and ICT.

Industry members are clear that whilst they expect many current roles to be displaced by these changes, we will create many new roles needing different and, in many cases, higher level skills. There is therefore a real challenge in ensuring that we have the skills needed.

The plan therefore proposes a focus on three linked skills areas: meeting short term staff shortages; management and leadership skills; and, technology skills. However, the region has relatively few training facilities for the logistics sector and therefore needs additional investment in physical training facilities to support enhanced course provision.

To deliver this change the industry is clear it has to help lead the process. Further work is needed to define how this leadership is provided given the current lack of a New Anglia sector group for Ports and Logistics. Employers were clear that their commercial success and that of the region depends fundamentally on links to other logistics hubs in the UK. For this reason, employers suggest that New Anglia should explore the potential to work with other LEP areas e.g. SELEP, SEMLEP, GLLEP and Solent, with large logistics sectors to develop a national focus on sector growth and how skills development underpins this.

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Overview and Sector Definition of the Ports and Logistics Sector

Ports and Logistics is both a sector in its own right and provides the support to move workers, goods and services around for all other sectors.

Change in the industry is being enabled by digital technologies to plan logistics (e.g. backloading, most efficient routes and rerouting, geofencing, load optimisation etc), energy efficiency (storage and transport) and, it is expected, that further major changes will occur in the next decade for example through the potential widespread adoption of autonomous and/or electric vehicles.

Global trade volumes continue to grow and with the UK's largest container port at Felixstowe, the New Anglia area is well placed to benefit from this development. This port is significant as the only UK port able to take the World's largest ships which connect the UK to markets in some of the fastest growing parts of the World.

This focus on international connectivity also has implications for decision making as many of the larger companies are part of international groups, with decisions taken internationally for future investment. Making the region attractive to investment, including through a skilled workforce, is thus critical in attracting investment.

Whilst global trade by volume is predominantly conducted by sea, there is a continuing growth in air freight and a planned new 'silk route' rail line from the UK to China, as part of China's 'Belt and Road' initiative. Whilst the overland route is projected to be more expensive (per container) than sea, it will nearly halve the journey time.

More locally, distribution is changing quickly as consumers embrace online purchasing leading to a move from physical bricks and mortar retailing to home delivery and the development of fulfilment centres from which orders are dispatched via van. Drone delivery is also now being trialled and this or other disruptive technologies can be expected to develop in the next few years.

Ports and Logistics in New Anglia

The EADT list of top 100 regional businesses included 10 in the ports and logistics sector: Hutchisons; Maritime Group; Mediterranean Shipping Company (UK); OOCL Europe; Gardline Shipping; Truckeast; Damco; Goldstar Transport; LV Shipping; George J. Goff.

Road:

The New Anglia road system includes major freight and distribution routes including:

- A14 corridor servicing Suffolk, links to the Midlands and North, to the UK's largest container port at Felixstowe
- A11 corridor which links Norfolk and North Suffolk to Cambridge, London and the Midlands
- A47 corridor which links Great Yarmouth, Norwich and Norfolk to Peterborough and the A1 and beyond this to Leicester and the Midlands

- A12 which runs south from Great Yarmouth linking the East Coast ports to Essex, London and the Channel
- A10 which links King's Lynn and West Norfolk to Cambridge and London

Work by the A47 Alliance, of which New Anglia is a member, on the A47 Business Case¹ proposes significant further investment beyond the initial £300m of improvements scheduled for 2015-2020. The aim is to unlock further growth, housing and business, along this strategic route through schemes costing just over £200m in Norfolk between Tilney and East Winch and on the Acle Straight.

Ports:

The LEP area is well served with ports around its long coastline including (North to South):

- Kings Lynn (0.5million tonnes per annum), part of ABP;
- Wells (mainly wind farm servicing and leisure);
- Great Yarmouth, has both the original harbour area which services the energy sector and handles bulk cargo (handles a wide range of cargoes including aggregates, cement, dry and liquid bulks, fertilisers, forest products, grain and minerals), as well as the new Outer Harbour, part of Peel Ports;
- Lowestoft (offshore wind servicing and 100,000tonnes per annum), part of ABP;
- Ipswich (2million tonnes per annum and RoRo facilities), part of ABP;
- Felixstowe handles circa 38% of the UK container traffic and is the 7th largest container port in Europe. Reports suggest (Haven Gateway) that the port and logistics sector sustained circa 20,000 jobs in Babergh, Ipswich, Mid Suffolk and Suffolk Coastal in 2007, with a 2017 report by SQW² putting the figure now at 22,500 in these 4 districts in 'Ports and Logistics'.

The region contains some major logistics cluster such as that found in and around the Port of Felixstowe with work by Haven Gateway³ reporting that there are 870 transport companies (VAT or PAYE registered) in the Babergh, Ipswich, Mid Suffolk and Suffolk Coastal districts. It further estimated that expansion of the Port of Felixstowe will directly create 600 jobs and a further 860 in the local economy. A further study by Suffolk Coastal District Council is currently underway into the Port of Felixstowe's development.

More recent work (2017) for Haven Gateway by SQW (2017) has estimated that four districts (Babergh, Ipswich, Mid Suffolk and Suffolk Coastal) have 22,500 staff employed in jobs related to Ports and Logistics, in 2,015 companies. The concentration is particularly high in Suffolk Coastal which has an employment LQ (location quotient: ratio comparing the area to national average) for the sector of 2.0, signifying it is twice as important locally as nationally.

Continued expansion is expected at the ports, with the EADT reporting in May 2017⁴ that: 'The Port of Ipswich has hailed a record 2016, with Associated British Ports (ABP) reporting

¹ A47 Alliance (September 2017), A47 Business Case: Gateway to Growth

² SQW (2017), Growth Sectors and Innovation in Haven Gateway

³ Haven Gateway, Driving the Haven Gateway Forward: the Economic Impact of the Ports and Logistics Sector

⁴ Lorna Laycock (15/05/17), EADT, Ports think big

the tonnage of ships calling at the port increasing by 13% year-on-year. ABP, which in Suffolk also operates the Port of Lowestoft, has invested more than £5.4m over the past year in new facilities at Ipswich; the UK's leading export port for agricultural products. This includes a new 40,000sqft bulk store, opened April 2017⁵.

In June 2017⁵ Hutchison Ports announced that the World's largest container ship, the 21,413 TEU OOCL Hong Kong, has made its maiden call at Hutchison Ports Port of Felixstowe, which represented a double celebration as it also marked the return of OOCL to the UK's largest container port after a 17 year absence. The 210,890 gross tonne ship measures 400 metres in length with a width of 58.8 metres and serves the Asia-Europe trade lane as part of OOCL's LL1 service.

Port of Felixstowe (PFL) was the UK's first purpose-built container-handling facility and is the largest and busiest container port in the country. With three rail terminals, it also has the busiest and largest intermodal rail freight facility in the UK. The latest development, Berths 8&9, provides additional deep-water capacity for the world's largest container ships. PFL is a member of Hutchison Ports which has a network of port operations in 48 ports spanning 25 countries throughout Asia, the Middle East, Africa, Europe, the Americas and Australasia.

The smaller ports have been boosted by the development of the offshore energy sector, with for example Norfolk based Gardline (sold to Dutch firm, Royal Boskalis Westminster in 2017), operating 40 vessels primarily focused on transferring staff to offshore energy infrastructure or conducting marine surveys. However, the other main ports at Kings Lynn, Great Yarmouth, Ipswich and Felixstowe remain primarily cargo ports.

Further expansion is though being driven by expansion of the energy sector, with Peel Ports Great Yarmouth for example announcing investment in an additional 100,000sqm of land and 350m of new quayside to support Vattenfal in the construction of the Norfolk Vanguard and Boreas offshore wind farms. This aligns with the Great Yarmouth Economic Growth Strategy 2017-21⁶ which identified the Ports and Logistics sector as one of three key economic growth priorities for the district.

The development of London Gateway is a potential constraint on growth in the New Anglia ports, although to date the impact is believed to have been modest. The growth in UK trade which has been seen in recent years has more than covered the increased capacity provided by London Gateway. Whilst there is some uncertainty created by Brexit, the expectation is that trade volumes will continue to grow in the medium and long term.

Airports:

New Anglia has only relatively limited airport capacity, with Norwich the only commercial airport of any scale. It current has 520,000 passengers per year and aims to grow this modestly over the next few years, but will remain a relatively small local airport focused on

⁵ 22 June 2017, Hutchison Ports Press Release, World's Largest Container Ship calls at the Port of Felixstowe

⁶ Great Yarmouth Borough Council, Economic Growth Strategy 2017-2021

domestic, short haul and service routes for the offshore energy sector. The airport is linked to Schiphol in Amsterdam to provide connectivity globally.

Via the A11/A14/M11 and A12/A120 routes the LEP area also has good links to Stansted (less than 20 miles outside the LEP boundary) which has grown its cargo business substantially in recent decades (now the UK's 4th largest cargo airport) and via the M25 to the UK's largest freight airport at Heathrow.

Stansted announced major expansion plans in February 2018⁷ which would see its passenger numbers grow to its current cap of 35million by 2023, with permission now being sought to expand this to 43million, creating an extra 5,000 jobs. Expansion of Stansted is a 5 year £600m programme.

Rail:

New Anglia' railways are, in common with national statistics, dominated by passenger traffic with the Great Eastern and West Anglia mainlines from Norwich (and limited branch services north of the city) via Ipswich to London and the Kings Lynn via Cambridge to London routes.

Both of these routes carry some freight, but the priority is for passenger traffic which has grown substantially and system capacity constraints means that future investment is likely to continue to prioritise passengers, at least in the short term.

East West rail routes, particularly Felixstowe to the Midlands and the north, in contrast whilst having many fewer passengers, are significant freight routes.

In December 2017 the Secretary of State for Transport and the Port of Felixstowe gave the greenlight for a £60mm investment in a second track between Trimley Station and Grimston Lane to allow up to 47 freight trains per day (each equivalent to 60 lorries). This will double capacity on this route.

The LEP has spearheaded work on studies and campaigns for increased rail capacity including a Rail Prospectus for East Anglia⁸ and a Business Case for the Great Eastern Mainline⁹. The LEP has also part funded the Ely North feasibility work to improve this key bottleneck in the network which affects both passenger and freight routes and is working with partners to facilitate work on the Haughley junction.

Clearly if the major developments in the network proposed in these studies and plans are taken forward it would have an impact on the demand for skills.

Storage and Warehousing:

The LEP area already has substantial storage capacity in business parks, logistics centres and the ports across the region and is adding more through new major projects. With major

⁷ BBC Business (22nd February 2018), Stansted Airport Plan for 43 million passengers

⁸ New Anglia, Our Counties Connected: A Rail Prospectus for East Anglia

⁹ Great Eastern Rail Campaign (November 2014), Great Eastern Main Line Taskforce: the Business Case, Releases the Potential

future growth planned in existing Enterprise Zones and other business parks this may increase the demand for warehouse skills even if new technology is adopted.

The area is also developing the three Food Enterprise Zones, two of which have a major focus on storage and distribution.

The Port of Felixstowe Logistics Park which received planning permission in December 2015¹⁰ will create a further 1.4 million square feet of logistics space.

Defining the Scope

The definition of the sector covers all aspects of freight and passenger transport (road, rail, air), port and cargo handling/storage activity, and postal communication and distribution activities. The sector definition aligns well with broad industrial group H, Transport and storage (including postal), which enables good data comparison. In addition to those service activities the definition also captures elements of repair and maintenance of all transport vehicles, which whilst creating an overlap with the NALEP Advanced Manufacturing & Engineering (AME) sector definition, does inflate the scale of the sector considerably.

The sector is diverse and as well as general cargo and passenger transport also includes more specialist areas such as products which are subject to special taxation e.g. bonded warehouses (both at Ports such as PD Ports facility at Felixstowe or directly in alcohol businesses such as Adnams¹¹) or regulatory controls due to health and safety e.g. the transportation of fuels, chemicals and nuclear material.

As shown in more detail in the section below on the skills and workforce for logistics¹², nearly one third of those who work in logistics nationally are not employed in logistics companies, but in the logistics departments of companies in other sectors.

Rurality

As a large predominantly rural region, New Anglia faces particularly challenges with transport and distribution for both people and goods. Research by DfT¹³ shows that those who live in rural villages, hamlets and isolated dwellings travelled an average of 10,159 miles in 2014/15, compared to only 5,219 miles or those who live in urban conurbations.

Further analysis of this data shows that rural dwellers: walked less (107 miles as opposed to 202 miles); used buses less (177 miles as opposed to 350 miles); and, rail less (534 miles as opposed to 775 miles) than residents of urban conurbations.

However, rural residents travelled over 2.5times as far by car or van as urban residents each year: 5,862 miles as driver and 3,064 miles as a passenger; compared to only 2,210 miles as a driver and 1,372 miles as a passenger, for residents of urban conurbations.

¹⁰ Felixstowe Forward (2017), Coastal Community Team: Economic Plan

¹¹ Bonded Warehouse Association members

¹² FTA (2017), FTA Skills Shortage Report

¹³ DfT, National Travel Survey 2015/16

Road infrastructure and public transport provision are therefore key political and stakeholder in concerns in rural areas such as much of Norfolk and Suffolk.

Sector Representation

The diversity of the sector means that there are a wide range of bodies which represent parts of the sector both nationally, regionally and locally. New Anglia has a named sector contact, Paul Davey of Hutchison Ports, but no formal sector group for Ports and Logistics. Suffolk Chamber has an active Transport and Infrastructure group with 150 stakeholder which has developed a Transport and Infrastructure Manifesto¹⁴. There are also local groups such as Felixstowe Port Users Association (FPUA) focused on specific areas. The LEP convenes a Local Transport Board but this focused primarily on major capital investments rather than skills and workforce issues.

Nationally the sector is represented by a wide range of business groups and trade bodies including in freight alone: Freight Transport Association (FTA); Road Haulage Association (RHA); Transport Association (TA); Chartered Institute of Logistics and Transport (CILT); Institute of Grocery and Distribution (IGD); UK Warehouse Association (UKWA); Transfrigoroute; European Freight Forwarders Association (EFFA); British International Freight Association (BIFA).

A challenge for the sector in developing an effective skills programme is this diversity of representational bodies and a lack of a single body who can liaise with government at local and national level, training providers and stakeholders such as the LEP.

Sector Skills Issues

Analysis of LEP level results for 'Transport, Storage and Communications' from the UKCES Employer Skills Survey (2015) found that: The 'Transport, Storage and Comms' sector was much more likely to report skills shortage vacancies (41%) as a proportion of all vacancies than both the averages for all sectors in New Anglia (19%) and nationally (23%).

This wide definition means that there are sizeable overlaps between the Ports and Logistics sector and other New Anglia key sectors which utilise transport services for people and freight. This includes particular demands for Ports and Logistics services in the following key sectors in New Anglia:

- **Agri-food Tech** which is a major use of freight services (circa 30% of UK road freight by weight is food chain related);
- **Energy** which uses freight services to move its products (e.g. oil) or inputs around (e.g. wind turbine components) as well as passenger services for staff to service facilities (e.g. Norwich airport has major contracts to move staff to and from North sea energy facilities and this also uses boat services);
- **Advanced Manufacturing and Engineering** which sources materials from and supplies finished products to end users in both the UK and globally;

¹⁴ Suffolk Chamber of Commerce (2015), Transport and Infrastructure Manifesto
<https://www.suffolkchamber.co.uk/media/42805/transportplusinfrastructure-manifesto-april-2015.pdf>

- **Construction** which uses transport services to move construction materials around;
- **Tourism and culture** which relies on transport services to provide access to local facilities and events.

Feedback from consultees also suggested that the Ports and Logistics sector itself will need to increase its dependence on skills in both the Advanced Manufacturing and Engineering and Digital Tech sectors, as it adopts more automation and computerised control systems.

Skills & Workforce Supply

National Employment in Logistics

The FTA (2017)¹⁵ reports that the logistics sector employs 2.53million staff in the UK of which 1.72million are employed directly in logistics companies and 0.81million in logistics departments in companies in other sectors. In Q4 2016 the estimated workforce was:

	Employment ('000)				% EU
	Logistic sector	Other sector	Total	%	
Purchasing managers & directors	7	49	56	2.2	1.8
Managers directors transport & distribution	36	51	87	3.4	3.4
Managers & directors storage & warehousing	35	69	104	4.1	8.7
Importers & exporters	9	2	11	0.4	27.3
Transport & distribution clerks & assistants	22	30	52	2.1	3.8
Large goods vehicle drivers	207	126	333	13.2	12.9
Van drivers	107	152	259	10.2	8.5
Forklift truck drivers	35	52	87	3.4	18.4
Postal work, sorters, messengers, couriers	126	28	154	6.1	4.5
Elementary storage occupations	186	253	439	17.4	25.7
Other occupations within the logistics sector	948	-	948	37.5	9.7
Total	1,718	812	2,530	100.0	12.3

This shows that nearly 10% of the workforce are in management roles, with truck, van and forklift truck drivers representing nearly 27% of the workforce and storage a further 17%.

The FTA work shows that the most acute job shortages are for staff skilled in (ranked):

- Importing and exporting;
- Managers and directors in transport and distribution;
- Van drivers;
- Managers and directors in storage and warehousing;
- Transport and distribution clerks;
- Forklift truck drivers
- Large goods vehicle drivers

In contrast there was relatively little shortage of postal workers.

¹⁵ FTA (2017), FTA Skills Shortage Report

The reliance on EU migrants varies from 26-27% of those in elementary storage and import and export roles to less than 2% of purchasing managers and directors.

Transport & Logistics in New Anglia¹⁶

In terms of Gross Value Added (GVA) in 2015 the sector was worth approximately £2.33bn, which equates to 6.5 % of the total New Anglia economy. This is an increase of £553m on 2010, or +31% which is much higher than growth seen across the whole economy over the same period (+17%).

In total, the sector currently employs 48,700 people, which is just over 6% of the total New Anglia workforce. Employment numbers in 2015 are around 5,500 more than they were in 2010 (an increase of +13%, compared to +7% across the New Anglia economy as a whole) but this does mask some large fluctuations in employment during this period which suggests that this is not a particularly long term growth trend.

Passenger transport makes up about 6,700 jobs within the transport and logistics sector (about 14%), with the rest focused on freight services.

'Freight transport by road' is the largest employer with 9,500 workers, a fifth of the sectors workforce. This is closely followed by the sub sector 'Maintenance and repair of motor vehicles' with 8,000 workers. The third largest sub sector is that of 'Operation of warehousing and storage facilities for land transport activities' with 4,800 workers, approximately a tenth of the sector workforce.

The top two sub sectors, freight transport by road, maintenance and repair of motor vehicles, both experienced growth in employment between 2010 and 2015 of +7% and +75% respectively. During the same period, employment within operation of warehousing and storage facilities for land transport activities fell by -8%. This suggests that against overall sector growth, storage is becoming more efficient in its use of labour.

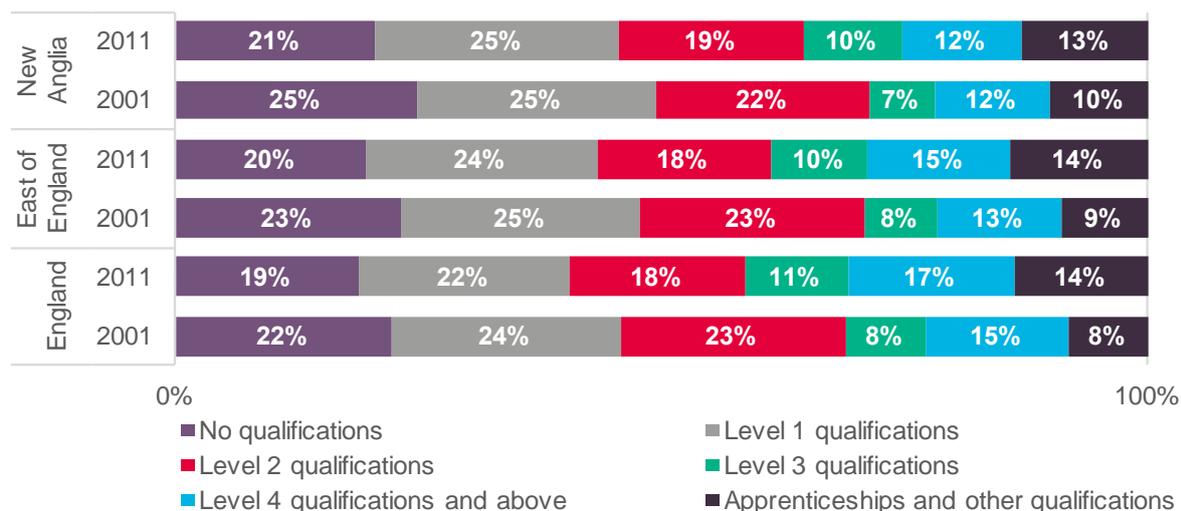
With regards to the structure of employment, the Transport & Logistics sector is much more geared towards full-time employment, with 76% of employment in the sector full-time compared to 57% across the whole economy.

In terms of enterprise numbers, in 2016 there were 4,085 Transport & Logistics enterprises operating in the New Anglia area, or nearly 7% of all enterprises. Since 2010 the number of Transport & Logistics enterprises has increased by 595, or +17%, again much higher than the total New Anglia rate of growth (+9%). However, this growth rate is still below regional and national growth rates for the sector (+33% and +36% respectively).

Transport & Logistics Skills Supply and Demand

Unlike other sectors which have experienced a considerable shift towards higher skilled workers, analysis of 2001 and 2011 Census data shows that whilst movement towards higher skills within the Transport & Logistics sector has been positive it is also small.

¹⁶ The data in this section is explored in more detail in the datapack which accompanies the sector skills plan. The datapack provides referencing for all these key facts and figures



Based on data sourced from the Department for Education's Further Education data library, the Sector Lead Bodies identified as being the most relevant to the Transport & Logistics Sector are: Automotive Industries; Freight, Logistics & Wholesale; Maritime; and Passenger Transport.

In total, 3,060 learning aims related to the Transport & Logistics sector were delivered to New Anglia residents in 2012/13. This formed 3.8% of all known learning aims delivered in New Anglia, compared to 5.0% nationally. If we consider all learning aims delivered (i.e. including those classed as 'unknown' then these figures fall to 1.5% and 1.8% respectively).

Compared to 2010/11, when the number of learning aims delivered to New Anglia residents was 3,680, numbers are down across three of the four sector lead body elements of the Transport & Logistics sector. Only 'Automotive Industries' experienced an increase in learning aims, from 1,900 in 2010/11 to 2,020 in 2012/13. Overall, there has been a 17% decrease in the number of Transport & Logistics learning aims delivered to New Anglia residents over the period in question. Nationally, and over the same period, learning aims for the sector decreased by 13%.

The majority of these learning aims (1,990 or 65%) achieved by New Anglia residents were delivered by New Anglia based providers. This is slightly less than the average for New Anglia (75%).

Provision of Transport & Logistics learning aims by New Anglia providers to New Anglia residents has also decreased over the time period in question, from 2,140. This decrease in numbers was driven by sizable falls in numbers 'Maritime' and 'Passenger Transport' learning aims. Both 'Automotive Industries' and 'Freight Logistics & Wholesale' experienced small increases in learning aim numbers.

In terms of apprenticeships, information from the Data Cube for 2014/15 shows that there were 690 starts in the 'Transport and Logistics' sector related apprenticeships in New Anglia. The data goes on to show that growth since 2011/12 in these apprenticeships has essentially been flat.

Data on apprenticeship participation by sector shows that the 'Transportation and storage' sector accounted for 2.5% (540) of all apprenticeships in 2014/15 (compared to 2.9% nationally), which is much lower than the level of employment it provides.

Analysis of LEP level results for the Transport, Storage & Comms sector from the UKCES Employer Skills Survey 201 found that:

- 'Transport, Storage & Comms' establishments with at least one vacancy are more likely to describe it as being hard to fill, with over two fifths of all vacancies in the sector being described as being Skills Shortage Vacancies (SSVs) compared to the average of a fifth across all sectors.
- 'Transport, Storage & Comms' employers are also more likely to report having any staff that are not fully proficient with 18% stating this compared to a New Anglia, regional, and national average of around 14%. The data suggests that this is a training issue, with the sectors performance against training measures (such as the provision of training in the last year, and on-the-job training) being lower than local, regional and national averages for all indicators. Similarly, training days per trainee, and trainee days per staff, are both much lower than all other comparators.
- Conversely, 'Transport, Storage & Comms' employers are also more likely to report underutilised staff than local and regional averages (29% compared to 25%), though broadly in line with the national average (30%).

Data and findings available via the online toolkit <http://wheretheworkis.org/> give findings based on combining data from the UKCES 'Working Futures' programme and job vacancy data from the Labour Market Insight tool developed by Burning Glass. There is little in the way of data that refers explicitly to the 'Transport & Logistics' sector with the following analysis referring to the occupations of 'Other Skilled Trades' and 'Vehicle Trades'.

- Job vacancy postings during 2015 for the Transport & Logistics sector in New Anglia overwhelmingly required FE skills (71% of opportunities) with some opportunities for school leavers (28%) and very little in the way of postings requiring Higher Education level skills (one % of opportunities).
- Advertised salaries for the sector in New Anglia were also generally lower than those advertised regionally and nationally.
- 'Vehicle trades' were seen as providing the best opportunities for employment for those with FE level skills based on a ratio of local employer demand and supply of these skills locally. In terms of HE level skills, then there was not enough data at the New Anglia level to provide accurate analysis.

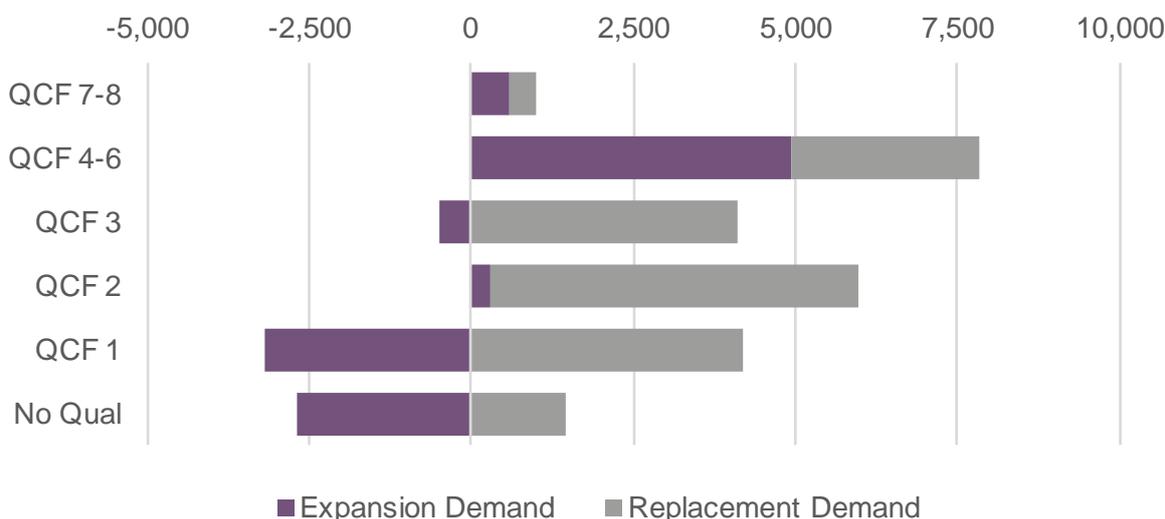
However, some caution is needed with this data, as many especially higher skilled roles and those in smaller companies are not advertised via the routes which this analysis draws on and so care is needed in reaching detailed conclusions from this analysis.

A Future View of the Ports and Logistics Sector Economy

Looking ahead, and using information from both the East of England Forecasting Model, and the UKCES Working Futures model (and bearing in mind earlier comments with regards to fluctuating numbers in employment), sector employment is projected to decrease slightly between 2014 and 2024 by around 1% (approximately 600 jobs).

Despite this overall projected decline in job numbers there will still be growth areas within the sector with nearly 6,000 new jobs at Level 4 to 6 (HE to First degree level) and above. At the same time, there will be a significant number of existing jobs to replace as people leave the sector workforce

Over the period 2014 – 2024, replacement demand is expected to be somewhere in the region of 19,000 jobs. This places a net requirement for jobs requiring to be filled in the sector at around 25,000. Much of this replacement demand is centred on Level 3 (A level and equivalent) roles and below though Level 4 to 6 (HE to First degree level) roles also feature quite strongly.



Opportunities and Challenges

Consultees and a range of reports have identified key drivers for the industry in the next 5-10 years which provide the backdrop to skills demand in the medium to long term.

Brexit and Trade

The impact of Brexit on the industry is very uncertain given that the sector's fortunes are very closely aligned with the health of the economy and trade. There is widespread research and data evidence that recessions lead to falls in transport volumes (passenger and freight), whereas growth leads to increased activity. As a region with major ports and export intensive companies across many sectors, growth in international trade also has a major impact on the Ports and Logistics sector more generally.

With continuing debate about how Brexit will affect both the health of the UK economy and its impact on trade with both Europe and the rest of the World, companies were in general cautiously optimistic that the sector will, except in the more extreme negative Brexit scenarios, continue to grow. Long term there has been steady growth in trade volumes, e.g. the value of global merchandise trade rose by +32% to \$16trillion in the decade to 2016¹⁷ even as the economy recovered from the 2007-'10 downturn. Whilst this was a big fall from the +124% growth seen from 1996-2006, it shows that the value of World trade has continued to grow even during slow growth periods.

In the Ports sector in particular the proximity to major economic centres in Europe has been a key feature of the region for hundreds of years if not longer. The Hanseatic League in which Kings Lynn was the UK leading centre, the 'wool towns' of Suffolk and strong Flemish influences in Norwich all stand testament to these long standing ties. Our continued future trade relationship with Europe will therefore have a major impact on the Ports sector. The region is, however, at Felixstowe, home to the UK's largest container port which handles 40% of UK container traffic, which with its deep water harbour is the only port in the UK able to handle the World's largest ships. Given the stated intention to use Brexit to increase trade with the rest of the World this should help the Port to grow even if trade with Europe falls.

Domestic Travel and Freight

Data from DfT (2017)¹⁸ shows that annual motor vehicle traffic increased to a record high in the year to September 2017 with:

- Car traffic up by 0.9% to 253.7billion miles;
- Lorry traffic fell by 1.5% to 16.5billion miles but van traffic rose by 3% to 50.1billion miles.

This short term trend in 2016-'17 is a continuation of what has been seen in the last decade, during which:

- Car traffic increased by +2.2%;
- Lorry traffic fell by 8.7% but van miles rose by +21.2%.

¹⁷ WTO (2018), World Trade Statistics

¹⁸ DfT (2017), Statistical Release (30th November 2017): Provisional Road Traffic Estimates Great Britain – October 2016 – September 2017

This shows a clear trend for lorry volumes to be static or fall slightly, whilst more freight transfers to van delivery, which is mainly attributed to the rise in online purchasing and direct delivery to the home or workplace. Consultees expected these trends to continue as the way products are distributed continues to change, with LGVs likely to be excluded from many city centres, but a greater use of hubs from which vans or pods do the 'last mile'.

Another interesting trend is that whilst in the medium to long term traffic volumes on the motorway network (+35.4% in 20 years) and rural roads (+21% for A roads and +24.5% for minor roads in 20 years) have grown strongly, those in urban areas have seen much smaller growth (-0.9% on urban A roads and +7.8% on other urban roads). This is due to investment in urban public transport, encouragement to cycle and walk and in some cities (such as London) increases in road pricing.

The use of trains (DfT 2017) has been growing more strongly than other modes of surface transport but only accounts for 1:50 total trips by all means (car, bus, train, walk, cycle). From 2002-2016 the number of passengers using trains rose by +56%, travelling +23% more miles, suggesting that average journey length has been falling. The rail system is focused on London, with 64% of all rail journeys starting or ending in the capital¹⁹.

Rail freight is 9% of domestic freight at circa 15 billion net tonne kilometres and has fallen in the last 5 years by about a quarter, although all this fall is attributed to the fall in the volume of coal moved by rail freight to power stations in other regions of the UK (DfT 2017).

Automation and Technology

The ports and logistics sector is changing rapidly, with new technology likely to transform the industry in the next 10 years. Some local reports have anticipated that 45% of current jobs could be displaced by automation, but net overall jobs loss would be much smaller or the sector may, if its growth continues, be able to create jobs. However the new jobs will be in engineering and ICT for autonomous vehicles, automated and digitally enabled operations etc. There is a real worry amongst some sector groups that many in the industry and skills providers have not realised the scale of the change coming.

The Port of Felixstowe is already very automated, certainly one of the best in the World, but when the freight leaves the port the rest of the logistics system is much less efficient and very traditional. Felixstowe itself also expects to make substantial investments in automation to address both workforce supply and health and safety drivers. It is currently, in early 2018, installing new automated cranes for unloading ships and this will be followed with automated gantry cranes to move containers around the port and load lorries in the next few years. These new cranes can in theory be operated from anywhere, but will require new skills.

Trials of lorry platoons using wireless technology to accelerate, brake and steer in sync were announced by government in August 2017²⁰ with a £8.1m grant. The aim is to reduce congestion by allowing closer spacing between the vehicles and to reduce fuel usage.

¹⁹ DfT (2017), Rail Factsheet November 2017

²⁰ Gov.UK (25th August 2017), Lorry technology trials could slash fuel costs and congestion

Work for Haven Gateway by SQW (2017)²¹ suggests that there are five key innovation drivers and needs for future logistics:

- Autonomous logistics e.g. self-driving vehicles;
- Data driven logistics e.g. complete digital tracking of the supply chain;
- Machine-human collaboration so that humans and automation can work side by side;
- Changes in distribution chains e.g. direct delivery services;
- Security concerns which demand enhanced cyber security.

The Government's Made Smarter Review (2017)²², identifies the distribution sector as one which is ripe for change and disruption as new, digitally enabled technology, rolls out across industry allowing more efficient systems to be deployed. The challenge is that all sectors are seeing the same trend with a challenge therefore in meeting the skills needs this leads to. In the Review government cited a report by the World Bank (2015)²³ which stated that the UK needed 745,000 additional workers with digital skills to meet rising demand from employers between 2013 and 2017, and that almost 90% of new jobs will require digital skills.

A report by UKCES (2014)²⁴ highlighted that the UK logistics sector ranked only 22nd globally for the extent of training provided which it considered to be a major strategic weakness as the sector seeks to embrace technology. It recommended that there was a need to broaden the sector's attractiveness through improved careers advice which demonstrates the diversity and high tech nature of many current and future roles in the industry.

Automation is also seen as a key way in which the industry can improve its record on health and safety by separating workers from the movement of heavy loads. Whether on the railways, ports and shipping or road freight many accidents are the result of workers being crushed or run into by vehicles.

Key risks²⁵ in the transportation and storage sector include 52,000 workers suffering from a work-related illness each year (LFS) of which 53% relate to musculo-skeletal disorders. 39% of the Fatal injuries reportable under RIDDOR, over the period 2012/13-2016/17 related to being struck by a moving vehicle and a further 18% due to being struck by a moving object.

Separation of workers from the physical operation of moving material around, though automation, can help to reduce these risks.

Clean Transport

Feedback from local consultees included a view that for the foreseeable future most long distance road freight will probably be diesel powered, but that large trucks are unlikely to go into city centres in the medium term. This will require new distribution models, with edge of

²¹ SQW (2017), Growth Sectors and Innovation in Haven Gateway

²² HMG (2017), Made Smarter Review

²³ The Effects of Technology on Employment and Implications for Public Employment Services. The World Bank Group. Report prepared for the G20 Employment Working Group Meeting Istanbul, Turkey, 6-8 May 2015.

²⁴ UKCES (2014), Understanding Skills and Performance Challenges in the Logistics Sector

²⁵ Health and Safety Executive (2018), Health and safety statistics for the transportation and storage sector in Great Britain

town/city hubs into which bulk deliveries are made, from which light, probably EV and autonomous vehicles will travel into the urban area. Clean transport is as a result receiving much more attention with regional events, e.g. UEA and Hethel Innovation Futuristic Transport event on 21st March 2018 at UEA, and national events, e.g. Investing in Clean Transport event 14th March 2018 in London, promoting this agenda actively with industry.

Employer feedback on how quickly the transition to new transport models will occur, including the use of EVs and autonomous vehicles, varied, but all consultees felt that this change is inevitable in the medium to long term.

There is growing pressure from government and consumers for the transport sector to demonstrate lower environmental impact. The UK Clean Growth Strategy (2017)²⁶ focused many of its recommendations on the transport industry which is responsible for 24% of UK carbon emissions (2015). Whilst it recognised that engine technology has helped reduce emissions per kilometre by up to 16% since 1990, the strategy calls for further substantive cuts in transport emissions. It states that: '*accelerating the rollout of low emission vehicles contains a triple win for the UK in terms of industrial opportunity, cleaner air and lower greenhouse gas emissions*'. The measures proposed for transport are:

Accelerating the shift to low carbon transport – 24% of UK emissions:

- End the sale of new conventional petrol and diesel cars and vans by 2040
- Spend £1 billion supporting the take-up of ultra low emission vehicles (ULEV), including helping consumers to overcome the upfront cost of an electric car
- Develop one of the best electric vehicle charging networks in the world by:
 - investing an additional £80 million, alongside £15 million from Highways England, to support charging infrastructure deployment
 - taking new powers under the Automated and Electric Vehicles Bill, allowing the government to set requirements for the provision of charging points
- Accelerate the uptake of low emission taxis and buses by:
 - providing £50 million for the Plug-in Taxi programme, which gives taxi drivers up to £7,500 off the purchase price of a new ULEV taxi, alongside £14 million to support 10 local areas to deliver dedicated charge points for taxis
 - providing £100 million for a national programme of support for retrofitting and new low emission buses in England and Wales
- Work with industry as they develop an Automotive Sector Deal to accelerate the transition to zero emission vehicles
- Announce plans for the public sector to lead the way in transitioning to zero emissions vehicles
- Invest £1.2 billion to make cycling and walking the natural choice for shorter journeys
- Work to enable cost-effective options for shifting more freight from road to rail, including using low emission rail freight for deliveries into urban areas, with zero emission last mile deliveries

²⁶ BEIS (2017), Clean Growth Strategy

- Position the UK at the forefront of research, development and demonstration of Connected and Autonomous Vehicle technologies, including through the establishment of the Centre for Connected and Autonomous Vehicles and investment of over £250 million, matched by industry
- Innovation: Invest around £841 million of public funds in innovation in low carbon transport technology and fuels including:
 - ensuring the UK builds on its strengths and leads the world in the design, development and manufacture of electric batteries through investment of up to £246 million in the Faraday Challenge
 - delivering trials of Heavy Goods Vehicle (HGV) platoons, which could deliver significant fuel and emissions savings

Consultee Feedback

Consultees in New Anglia identified a range of key workforce and skills challenges which need to be addressed to facilitate future growth of the Ports and Logistics sector, many of which concur with the changes identified in the reports reviewed above. The two task and finish groups (detailed in the appendices) also reinforced many of the issues raised in one to one consultations. The consultations identified key issues and views including:

Sector potential and change:

- The sector is growing and major developments such as offshore energy will continue to support demand for logistics skills. But competition is also increasing and this will increase the focus on efficiency and productivity of labour use.
- Significant investments in regional road and rail capacity are now included in spending commitments nationally and regionally and this will increase logistics capacity. Major strategic issues both inside and just outside (e.g. Ely North rail) the region are, however, constraining capacity increases. The budget in autumn 2017 committed to an NIC inquiry into freight infrastructure which will include East-West rail and the A14.
- Technology will change the industry and this process is accelerating with UK trials of autonomous vehicles, platooning of multiple vehicles, blockchain and other technologies to improve supply chain data. However, adoption will be constrained by the ability of the whole supply chain to adopt the technology and so it is likely that the 'last mile' in urban areas will adopt technology such as drones or autonomous vehicles first.
- More broadly IT skills capacity is a limiting factor in the takeup of new technologies in the ports and logistics sector. Without the skills to adopt technology the ability of companies to gain the benefits will be constrained. The challenge is to ensure a supply of staff who have both logistics and ICT skills so that they can develop and apply the potential of ICT to the industry.
- Warehousing and automated loading/unloading is also likely to see early adoption because warehouses are relatively easy to automate, are controlled/private sites and involves moving large weights where health and safety concerns are paramount. Felixstowe is introducing new remote controlled quayside cranes by Easter 2018 and will

have remote controlled gantry cranes on trial later in 2018. Driverless trucks for use on the port will arrive in 5-10 years. This will increase the demand for engineering and ICT skills. Unless the East of England invests in this new technology competition is likely to mean that the area will lose market share.

- Home delivery will continue to grow strongly and bring fundamental changes to how supply chains are organised.

Workforce supply:

- The driver shortage affects the coach, bus and freight sectors, with most businesses struggling to secure the number of drivers needed. There is a Christmas driver shortage every year which is getting worse. Some consultees felt that 'driverless vehicle propaganda' is not helping them recruit as people are less likely to enter an industry if they think they will be out of a job within 5 years.
- EU nationals who have met workforce supply gaps are increasingly going home and exacerbating the challenges in a UK sector which is already short of 55,000 drivers.
- Key decisions for major international logistics companies are taken overseas and this includes decisions on skills programmes. The sector is also very competitive which makes it hard to collaborate on skills or other issues.
- There are already recruitment and retention problems and the move to new technology will exacerbate this. Low unemployment and a reliance on migration to meet labour needs in recent years compound this problem.
- In lower paid roles, such as customer service and security, it can be hard to retain staff as they are in short supply and can easily change jobs.
- Engineers at most levels are hard to find.
- Specialist roles such as air traffic control have no local providers, but there is potential for the International Aviation Academy Norwich (IAAN) to develop this provision.
- Investment in CPD has been constrained by low profit margins and this now creates a major challenge as the sector seeks to move forward quickly with new technology, as there is a mismatch between current and future skills needs. Many of those in jobs which are likely to be displaced, e.g. many driving roles, lack the basic skills in maths and literacy to progress into the jobs which will be created.

Careers Advice:

- The industry has a perception problem especially as the industry changes and for example lorry driver jobs are replaced with a need for ICT and logistics planners.
- Economic development officers reported that they work with a wide range of young people and that it is evident that both the young people and their School/College Career Co-ordinators have a lack of knowledge on the types of jobs involved and the progression routes available in the Ports and Logistics sector.
- Most young people do not understand what Logistics is and it may be better to talk about as the delivery part of 'business' which gets goods or people where they are needed.

- The NW of England and Midlands are much better at promoting logistics as a career than the East of England. The Think Logistics programme²⁷ (Career Ready) is working successfully in some regions and has strategic partners including DHL, DAF, FTA, RHA etc. It includes 22 Career Ready Logistics centres nationally, but has virtually no activity in the New Anglia area. It focuses on apprenticeships, paid work experience and internships to prepare young people for a career in logistics.
- Work experience opportunities at a Port or Logistics Company would be useful, especially in showcasing the wide range of skills needed and careers on offer (e.g. DHL has in house doctors). It is also important to show how it is important to other industries such as manufacturing and food. This is really important as drivers can be as young as 18 now and so it is important to attract younger workers.
- The mature workforce and those looking to upskill/reskill need to understand how new technology will impact the sector. Salaries and wages may need to rise to attract more staff, although for many roles rewards are already very competitive.
- The challenges in logistics recruitment need to be seen in the context of the wider challenges with low skills attainment and aspirations in Norfolk and Suffolk.

Responsiveness of skills provision:

- Providers and employers need to work together much more closely to meet future needs. There is a need for Colleges and Universities to be able to change courses much more rapidly to meet the pace of change in the industry.
- Colleges have a big role to play, but the sector has been poor at articulating its skills needs and the Colleges have not focused on the ports and logistics sector as a result. Nationally the best provision for ports and logistics is in the West (Liverpool, Cardiff) and on the Humber (new Modal Centre etc.).
- The skills providers could also fulfil a very useful role in skills and sector development by providing the thought leadership, technology exemplars and courses to help the industry modernise, but current local provision (Colleges and Universities) are not really doing this and substantial change is needed for them to be able to deliver this leadership.
- There is too much admin with apprentices and many companies see it as more hassle than its worth (one local employer took on 50 office apprentices with only 12 successfully completing as the training provider went under). The levy is difficult to access.
- There is currently no L6 apprenticeship standard for the sector. This is a challenge as courses, such as degree apprenticeships, which combined practical experience with study would suit this sector well. They would help to meet future demands for operational and strategic managers to grow the industry who can combine logistics experience with management, technical and digital skills. Apprenticeship standards which allow a combination of engineering and ICT and logistics skills are needed - current standards are far too restrictive to meet future employer needs.

²⁷ www.think-logistics.co.uk

- Nationally NOVUS (linked to CILT) working with Aston University and the University of Huddersfield have developed a very practical course and students have always had jobs at the end of the course since it started in 2012.
- There are issues with drivers being able to get tests even if they do their training (theoretically you could start and finish within 10 days and be fully qualified as an LGV driver), however, the earliest available tests at the moment are nearly 3 months away.
- Many young people are put off applying for offshore logistics jobs as the initial training costs to secure the safety training needed is prohibitively expensive.
- Some consultees reported using national courses such as those offered by BIFA (British International Freight Association), but are concerned at the costs of accessing these national courses which require travel and accommodation costs on top of course fees.

College and University facilities and staffing:

- The Ports and Logistics sector has received little attention from most FE and HE providers which have seen it as an unattractive sector to work in. Local Universities are weak in engineering and with the exception of the University of Essex have limited ICT capability linked to logistics.
- The International Aviation Academy Norwich (IAAN) has potential to expand substantially but needs to do more to develop the national market to do this. Its provision of a degree and qualified air engineer status is the first in the UK. The initial Air Traffic Control course costs £20,000 and there is scope to develop local provision.

Specific areas with skills gaps identified by local employers included:

- Management skills to adopt new technology were seen as a major constraint to industry modernisation. There will be a growing need to focus on performance management, enabled by digital data and dependent on a wide range of ICT skills.
- The lack of an apprenticeship programme for drivers means that they have to pursue the CPC route which is very costly (at least £3,000 and £5,000 if including in company time) and has a 44% failure rate. This is a serious disincentive to young people to train.
- Consultees also reported that in their view generic office administration apprenticeships did not prepare young people for roles in the logistics sector.
- The ports and logistics sector is changing very rapidly, with new technology likely to transform the industry in the next 10 years. It is anticipated that 45% of current jobs could be displaced by automation, but net overall jobs loss would be much smaller or the sector may, if its growth continues, be able to create jobs. However the new jobs will be in engineering and ICT (including electrical engineering) for autonomous vehicles, automated and digitally enabled operations etc. There is a real worry that many in the industry and skills providers have not realised the scale of the change coming.
- There is a real lack of ICT staff and engineers who understand ports and logistics. Staff who have this mix of skills are in very short supply and 'earn more than bankers' with salaries of £100k per annum or £1,000 per day for contract staff not unusual.

- Felixstowe is very automated, one of the best ports in the World, but when the freight leaves the port the rest of the logistics system is much less efficient. The same concerns were reported for the coach sector where modern technology has not been adopted.
- Air traffic engineering is suffering a shortfall of staff nationally and most employers are thus trying to take on former RAF staff and retrain them for civilian roles.
- Challenges in finding construction staff to build new infrastructure e.g. roads, rail links, will also potentially constrain the ability to transform the industry.
- Marine pilots are a major gap as without them boat owners are very reluctant to use your ports as the Ports Act requires safe operation. The old progression routes from being at sea as a Master Mariner to becoming a pilot has broken down. Some local companies are trying to run in house courses to fill the gap, but it is a growing problem as there is no nationally recognised pilot training provision. There is a need to develop a national legislative framework to support apprentice marine pilots and the potential to link this with other major ports which are facing similar challenges, such as Rotterdam.

Regional connectivity with neighbouring areas and national provision:

- Responding to macro economic issues including Brexit, trade policies and other changes make it hard for ports and logistics companies to focus on future workforce needs.
- Infrastructure problems mean that developments which should happen, e.g. more freight by rail from Felixstowe to the Midlands, are constrained by poor infrastructure (e.g. Ely North junction and the focus in the rail industry on passenger traffic growth).
- Links to Midlands distribution centres and networks are the key to the sector given that most imports go there and exports come from there. On skills it would be useful to link with other LEP areas which have large logistics sectors such as SEMLEP, SELEP and GLLEP to develop national leadership on logistics skills development.

Additional National and Regional Reports and Examples of Ports and Logistics Skills Needs and Provision

The feedback from New Anglia employers and stakeholders is broadly consistent with national and regional reports on the challenges and opportunities in the Ports and Logistics sector. Key reports include:

- The Government Office for Science ran a **Foresight Future of Mobility Project** in 2017²⁸ which include a freight roundtable. This concluded that: automation of freight handling will be transformation, particularly for road freight, though it would strongly affect a large, low-skilled workforce. The exercise also identified that advanced manufacturing may change patterns of freight and competition for land in built up areas may increase competition between roads and land for other uses.

Work for New Anglia²⁹ by Mouchel on future Transport scenarios has identified major drivers which affect transport including: digital connectivity; AI; automation and robotics; new forms

²⁸ Government Office of Science (2017), Foresight Future of Mobility Project

²⁹ New Anglia (2018), Mouchel Technical report re. future technological changes in the transport sector

of propulsion; light-weight materials for vehicles; 3D printing and collaborative consumption, all of which have the potential to change transport needs.

Further recent national and international media reports and examples of training innovation which deal with the Ports and Logistics sector include:

- An article in UK Haulier in December 2017³⁰ noted that: introduced in 2009, the Driver Certificate of Professional Competence (CPC) has pushed older drivers to retire rather than pay £3,000 for the certificate. There has been a 45% fall in drivers obtaining the licence in five years, according to the non-profit, Skills for Logistics. It concludes that ‘a lot of businesses in the sector now are looking at reducing their reliance on drivers – and seeking out more efficient and cost-effective way of operating’. It goes on to state that technology has a key role to play in reducing the reliance on drivers with systems such as vehicle-tracking Telematics, which can save up to 20% in costs by ensuring the nearest driver is directed to a job, cutting driving time and optimising drop routes.
- Peel Ports HR Director (2016)³¹ Howard Sloane in a Port Strategy article stated that the industry was ‘a watershed moment in recruitment for our industry because we can no longer rely on the traditional sources for senior and executive-level managers. To be able to respond to a shifting environment, driven by changing customer needs, the ports industry needs to broaden its talent pool. Indeed, we are looking for individuals with the ability to drive transformation that will deliver success for our business. That means attracting a far wider range of leaders and innovators with different skill sets’. The article goes on to say that changes in the market, continued growth and increased demand for new business and technical skills will drive change.
- Port Strategy (2015)³², reported that: ‘for ports and terminals, a wide range of courses and initiatives allows operators and employees to train, re-train or work on Continuous Professional Development (CPD). Julia Bradley, group marketing director of Peel Ports, explained that the range of courses undertaken by the Peel group: “We place all managers and supervisors on a MTP (Managing Terminal Performance) course for five days. We also place our people on a number of industry related courses/seminars, for example ISPS, CTPAT, IMDG, IOSH-MSIP and NUG.” Meanwhile, Peel Ports’ managers and future leaders are placed on a range of courses: for example, MBAs, Masters, degrees in science or engineering, and more specific HNDs and HNCs. In addition, Peel Ports also offers the active support of an apprentice scheme.’ The article is also clear that the international nature of the sector and the fact that many of the companies in the sector operate in multiple countries, often means that companies want to ensure consistency across their geography either through in house programmes or by using a single training provider.

³⁰ UK Haulier (2017), <https://www.ukhaulier.co.uk/news/road-transport/technology/driving-change-why-technology-is-the-answer-to-hgv-driver-shortages/>

³¹ Port Strategy (2016), <http://www.portstrategy.com/news101/insight-and-opinion/port-talk/a-watershed-moment-for-recruitment>

³² Port Strategy (2015), <http://www.portstrategy.com/news101/administration/Personnel/a-matter-of-course>

- During 2014 the Humber LEP conducted a series of meetings culminating in a report on the skills needs of the Ports and Logistics sector³³, which concluded that there was potential to increase sector productivity, but that this would require new training provision as the sector had been overlooked for several decades and was therefore poorly served by mainstream provision.
- Port Strategy (2017)³⁴ carried an article from PD Ports urging the sector to embrace apprenticeships with a focus on engineering to address the need to attract new young people to the industry. It was responding to the fall in apprentices during 2017, by stressing that apprenticeships are essential to the future of the sector. Another article in Ports Strategy 2015³⁵ also suggested that it expected the use of online simulated games to provide training to increase, for example the uptake of Standard Operating Procedures (SOPs) and health and safety training.
- More sophisticated simulators are also now being used in the Ports and Logistics, with for example Modal Training at Immingham³⁶ on the South Bank of the Humber hosting a £7.5m investment in crane, driving and ships bridge simulators (NB East Coast College has links to Modal). Mersey Maritime CEO Chris Shirling-Rooke stated in 2017³⁷ that: 'we need to focus on core areas: advanced manufacturing; professional knowledge; and skills and the logistics industry as a whole is facing a skills shortage, so skills will remain a big issue'. In response it has worked with Liverpool John Moores University (LJMU) to open a Maritime Knowledge Hub (in 2016) which includes ships bridge simulators.
- Logistics Manager in an article in December 2017³⁸ explored the potential for automation to help address the workforce supply challenge in logistics with companies saying that 'skill shortages lead to higher wages and this is increasingly tipping the balance in favour of automation in ROI calculations'. With current technology it reports that automated warehousing systems can usually only address 95% of the picking needs, with the rest still dependent on humans, with companies such as Amazon still seeing a role for humans working alongside automated systems to complete the more complex tasks. Longer term the report suggests that Artificial Intelligence (AI) systems will allow more sophisticated automation with companies such as Ocado working on this technology with research partners using EU H2020 project funding.

Conclusions

What unites all the national and international reports is a belief, borne out by local employers, that the Ports and Logistics sector will see major change, which in its speed and nature will be as significant as any of the earlier changes seen in the industry.

³³ Humber LEP/HCUK Training (2014), Skills Support for the Workforce Local Response Fund: Skills Gap Report – Ports and Logistics

³⁴ Port Strategy (2017), <http://www.portstrategy.com/news101/world/europe/pd-ports-say-tackle-skills-gap-with-apprentices>

³⁵ Port Strategy (2015), <http://www.portstrategy.com/news101/administration/Personnel/training-games>

³⁶ Modal (2018), <http://modaltraining.co.uk/our-facilities-simulators>

³⁷ The Loadstar (2017), <https://theloadstar.co.uk/training-gears-port-liverpool-eyes-return-glory-days/>

³⁸ Logistics Manager, <https://www.logisticsmanager.com/skills-saviour/>

However, this has to be set against uncertainty over travel volumes, both domestically and internationally, which are dependent on the health of the economy, post Brexit trading relationships in both Europe and globally and investment in transport and distribution infrastructure.

Most consultees expect medium to long term growth in trade and transport volumes even if the short term sees some downturn in growth rates until Brexit and future trade uncertainties are resolved.

The challenges on workforce and skills are mainly focused on three areas:

- A short to medium term (or possibly longer term depending on how quickly automation arrives) challenge in securing the workforce needed to sustain day to day operations e.g. drivers and warehouse staff. This need is driven partly by concerns that the supply of migrants who have filled these gaps in the workforce in recent years may become restricted;
- An expectation that the moves now being seen to invest in automation and clean transport systems will accelerate rapidly in the next 5-10 years leading to a big increase in the demand for staff skilled in engineering, ICT and digital;
- A current and longer term challenge in securing the management skills to drive change and promote trade, innovation and growth in the industry.

In developing the sector skills plan, it would be easy to focus on the first of these challenges to address short term workforce supply issues, but most consultees were clear that whilst this is a pressing issue for the industry, we must also be looking to embrace the medium to long terms changes which the Ports and Logistics sector will see, so that our local industry can be at the forefront of these changes and thus safeguard its competitive position.

The Ports and Logistics Sector Skills Plan

The Ports and Logistics sector skills plan includes measures to help the sector act collectively, short term locally responsive actions to meet immediate workforce supply challenges and longer term, strategic and often larger scale development of new centres and programmes to meet the long term workforce and skills needs of the sector.

Priorities for Action

The Ports and Logistics sector faces a series of current and future challenges in sourcing the workforce and skills needed to support both current operations and to deliver growth.

Ports and Logistics has been relatively poorly served by mainstream post 16 education, with relatively few courses in the FE or HE sector, with the exception of FE vehicle maintenance provision. Many employers use private sector providers for 'certified courses' e.g. driver training, access national specialist provision and several have developed their own training centres e.g. the Goldstar Transport Training Centre and Seven Lincs Driver Academy.

Employers are aware that this lack of local FE and HE provision is in part due to the lack of engagement that they have had with Colleges. Given the changes anticipated in future skills needs of the industry there is a view, from both employers, Colleges and Universities that they need to work more closely together. There is support for the Ports and Logistics sector to address this lack of provision in the FE and HE sector through targeted investments, supported by and developed with industry, to meet the changing skills needs of the sector.

During the consultation process it was also clear that employers and providers shared a view that the demand for Ports and Logistics skills was likely to change in response to long term trends in the industry and the context within which it works, including:

- **Nature of supply chains is changing** - the continued changes being seen in the way supply chains function as developments including online sales and home delivery, changes to retail formats and ultimately the development of, potentially much more local and distributed, manufacturing systems employing new technologies such as 3D printing, will all change the skills needed. The expectation was that these changes will accelerate and demand changes in the way the Ports and Logistics sector supports other industries.
- **Automation of vehicles and warehousing** is already beginning to be seen in the sector. Whilst there are different views about how quickly the transition to automation will occur, there is a broad consensus that in some areas automation will have a large impact by 2023, whilst other areas may take longer. The cost and efficiency savings which automation can bring will ultimately drive adoption rates, but will be contingent on the availability of skills to design, develop, install and operate these new systems.
- **Clean transport** - pressure to reduce pollution from transport, especially in cities, will drive major changes in the vehicles used in the short to medium term. The adoption of Electric Vehicles (EVs) is expected to accelerate, particularly cars, light vans and urban buses. This is also likely to mean that Large Goods Vehicles (LGVs) do not go into city centres, but service city edge distribution centres, from where EV vans (possibly autonomous) service the city centre to both take goods in and bring waste back out.

Industry members believe that the Ports and Logistics sector has real potential for growth as global trade continues to grow and the nature of distribution channels change. Specifically in New Anglia there is a view that the expected strong growth in the East of England economy, a post Brexit focus on growing international trade and changes in the way supply chains function, are all very positive for the future growth prospects of the sector locally.

However, there is some caution about short term sector growth due to the potential disruptive impact of Brexit on trade and concerns about growth of the UK economy, both of which have major impacts on the demand for logistics services.

The priority actions set out in the Ports and Logistics sector skills plan are designed to address these strategic challenges identified by employers.

The main areas of action proposed are:

- The need for a ***united sector voice*** to represent the Ports and Logistics sector;
- An immediate challenge to ***secure the workforce needed to drive growth*** in trade in the short to medium term, with a focus on the supply of drivers;
- The ***management and leadership skills*** to proactively:
 - Grow the sector post Brexit to ***position New Anglia as a UK gateway to the World***;
 - ***Respond creatively to changes in the supply chain*** as digitalisation changes the way goods are manufactured and distributed;
- The ***technology skills*** needed to proactively:
 - Embrace ***automation and industry 4.0*** for Ports and Logistics;
 - Develop and deploy ***clean transport solutions*** and supply chains.

Ports and Logistics Sector Skills Plan Delivery

Industry Leadership

The delivery of the sector skills plan should be led and supported by industry. New Anglia does not currently have a sector group for Ports and Logistics, but there are a number of sub-regional, East of England and national bodies which represent the sector including:

- Local /sub-regional groups such as the Local Transport Board, Suffolk Chamber of Commerce Transport and Logistics Board, Norfolk Chamber, Felixstowe Port Users Association, Haven Gateway;
- A new regional forum, Transport East, which has been established (spring 2018) to develop a collective vision for transport and wider infrastructure in the East of England;
- National trade bodies such as RHA and FTA, many of which have regional or county level groups.

Given the strong connections to and interdependence with other regions, e.g. the East-West freight routes from the East Coast ports to the Midlands and links to major markets in the South East and London, there is support for linking Ports and Logistics sector representation to LEPs in these areas e.g. SEMLEP, GLEP and SELEP all of which have major logistics clusters and similar challenges to New Anglia.

Furthermore, given the lack of a single cohesive voice for the sector for New Anglia, feedback from industry strongly supported the need for any sectoral body for New Anglia to cover not only skills, but also sectoral growth and development, potentially with other LEPs.

For example, the South East Midlands LEP area is connected directly to New Anglia via East-West rail links and the A14 strategic freight routes. Collaborative working with this area on Ports and Logistics sector development and skills could therefore be mutually beneficial.

In developing the focus on skills for Ports and Logistics, there is a need to ensure that employers and providers work together by:

- Employers identifying common challenges on skills they need help to address;
- Employers working with Colleges, Universities and private sector training providers to design course provision which meets changing business needs;
- Employers supporting the case for investment in logistics skills provision by Universities and Colleges (e.g. University Technical Colleges (UTC), Institutes of Technology (IoT))

The collaboration and joint working proposed between employers and the education and training system will focus on both short term actions at local level, as well as longer term more strategic programmes which may well include actions to be taken across multiple LEP areas or through strategic links to ports in Europe such as Rotterdam.

Employers want the sector has to be more proactive in promoting the Ports and Logistics sector as a career of choice for young people and for those who wish to transfer from other industries. Given the growing need for skills such as ICT, engineering and business and marketing, the sector can provide excellent career progression for those from other sectors.

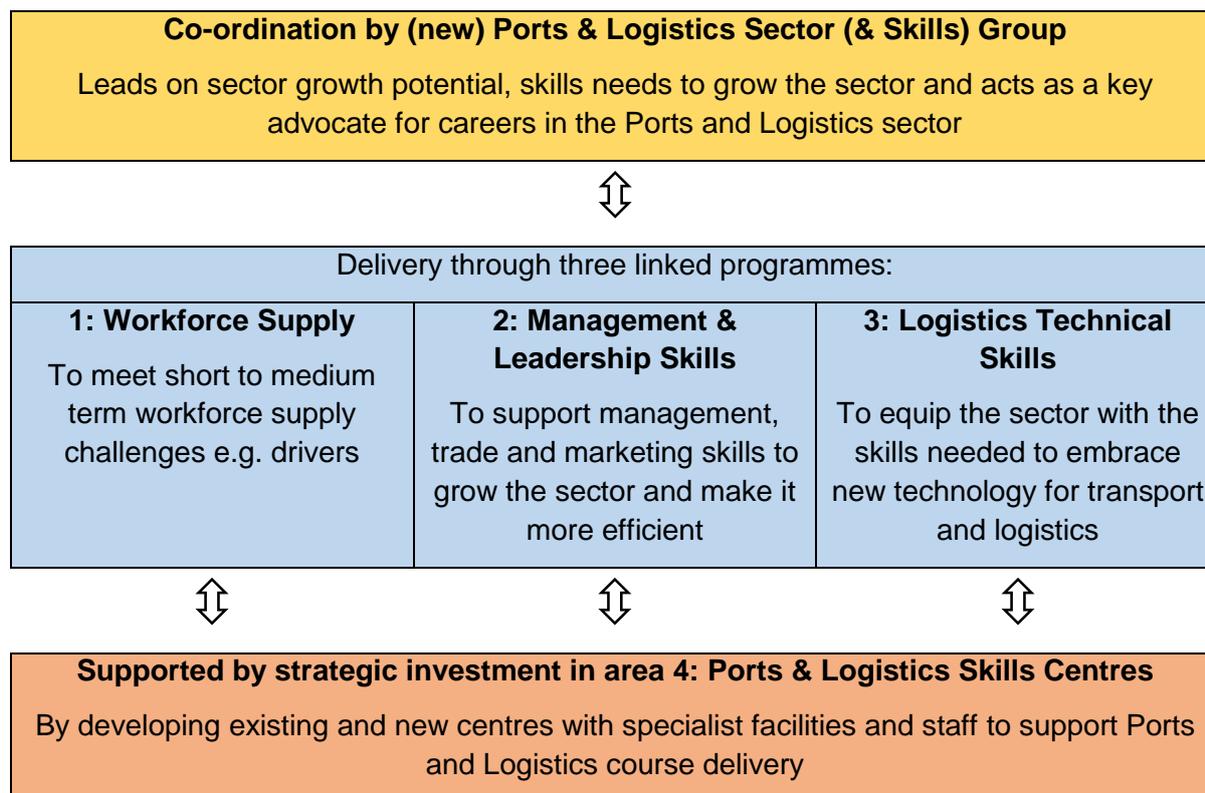
The sector should seek to develop its careers work in conjunction with national initiatives such as Think Logistics (run by Carer Ready) and link to promotion of the industry through bodies such as the Chartered Institute of Logistics and Transport (CILT). This work should also link with initiatives in partner regions, such as the Midlands, with which there are strong supply chain linkages.

Priority Skills Interventions

Whilst it is expected that the Sector Group will review and continually update a list of priority skills projects by liaising with employers and training providers, four priority skills themes are proposed to address the strategic objectives for Ports and Logistics in New Anglia, including:

- Intervention area 1 - Meeting Ports and Logistics short term **Workforce Supply** needs
- Intervention area 2 - Developing Ports and Logistics **Management & Leadership Skills** to facilitate long term growth of the Ports and Logistics sector in New Anglia;
- Intervention area 3 - Developing the **Logistics Technology Skills** needed to facilitate a cleaner sector and more productive Ports and Logistics workforce;
- Intervention area 4 - Developing new and existing **Training and Skills Centres for Ports and Logistics** to provide the physical and human resources needed to equip the sector to meet its future skills needs.

The relationship between the interventions is:



Proposed Skills Interventions

<p>Intervention 1 – Meeting Ports and Logistics short term Workforce Supply needs</p>
<p>Rationale: the industry is struggling to recruit the drivers and operatives needed to fill gaps in the current workforce. Some employers, such as Goldstar Transport and Seven Lincs have set up their own provision, but there is still a shortfall.</p> <p>For younger people and older people displaced from or returning to the jobs market, the £3,000 or more training cost to become qualified as a driver coupled to the relatively low pass rates (mid 50%), presents significant barriers for action by individuals.</p> <p>The lack of an approved apprenticeship programme for LGV drivers also means transport companies are not able to use the Apprenticeship Levy to meet this shortfall in workforce. Furthermore, it means that new drivers do not obtain the broader skills needed for a long term career in an industry which expects to see significant change in the next 5-10 years.</p>
<p>Action to be Taken: the action proposed has both a short term and a medium term dimension.</p> <p>In the short term the industry needs to find ways, supported where possible by funding such as that provided by the LIFT programme, to bring in new staff either as young school leavers or career changers later in life, to provide them with the qualifications needed to fill the shortfall in driver supply. Private sector training providers should be supported to recruit ytrainees to fill gaps in workforce supply in the industry.</p> <p>In parallel, the industry will work with industry bodies and LEPs to explore the potential to develop an apprenticeship which prepares new entrants to the industry for a long term career, by combining a driving qualification with transferable skills so that their career can grow as the logistics sector begins the expected to transition to more automation.</p> <p>The potential to develop local pilot training should also be explored (air and maritime).</p>
<p>Leadership: this action requires a combination of changes at local level, which needs local leadership from industry and funding bodies, as well as strategic engagement nationally with government supported by LEPs (it would be useful to co-ordinate this across 4-5 LEPs for whom the sector is a priority) and national sector bodies.</p>
<p>When: this is an immediate need which requires short term investment to help fill the gap in workforce supply expected to be particularly acute in the next five years. Action is also needed in the medium term to develop new apprenticeship standards for drivers.</p>
<p>Resources and support: the Lift programme in Norfolk and North Suffolk is well aligned with this need, but is not available across most of Suffolk where much of the logistics sector is located. There is a need to explore whether there is potential to extend this programme to cover all of Suffolk or to find similar support for those in these areas. The development of an apprenticeship route is a national need, which the industry should work with other LEP(s) and national sectoral bodies to address with government.</p>

Intervention 2 – Developing Ports and Logistics **Management & Leadership Skills** to facilitate long term growth of the Ports and Logistics sector in New Anglia

Rationale: the Ports and Logistics sector is becoming increasingly focused on efficiency and performance and has under-invested in the management skills needed to deliver this effectively. Growth in global trade is also demanding additional skills in international trade and supply chain development, to enable the sector in New Anglia to compete internationally.

The change to a more technically advanced industry (see intervention 3) will also demand different management skills as the sector transitions from a workforce intensive to a more capital intensive industry, with more productive, higher skilled staff. Additional skills in finance and project management will be necessitated by the need to make the business case for and deliver new automated logistics systems.

Action to be Taken: the industry, working with Universities and Colleges will seek to develop a range of additional Undergraduate (including higher apprenticeships), Post Graduate and management CPD provision to meet the needs of the industry. The industry and providers also need to support increased demand for these courses by promoting how they can lead to improved business performance (e.g. case studies).

This new and expanded provision will focus on meeting the demand for skills in:

- Strategic leadership skills to support transformation projects in the industry;
- Specific functional roles for Ports and Logistics including: HR; marketing; operational and project management; performance management; and, supply chain development;
- Team leader and 1st line management training;
- Trade and commerce skills to help the industry grow its strategic connections and markets both in the UK and internationally.

Most programmes will include a range of these skills and attention will also focus on ensuring that clear progression pathways for the industry are established.

Leadership: this will be provided by the industry working with the University of Suffolk, UEA and Colleges to develop the management skills courses and CPD needed to develop the management capacity of the industry.

When: the industry is already struggling to secure the management skills needed and this shortfall is expected to grow as the industry moves quickly to embrace the changes stimulated by technology adoption and changes in the business environment e.g. Brexit. It is thus imperative that additional skills provision in management and commercial skills is developed in the next 2-3 years.

Resources and support: the resource needs to develop new and extended provision in management skills is modest and will be supported by training providers with the industry, with courses then provided commercially.

Intervention 3 – Developing the **Logistics Technical Skills** needed to facilitate a cleaner sector and more productive Ports and Logistics workforce.

Rationale: the logistics sector is very competitive within the UK and internationally and it is important as the sector adopts new technology that New Anglia is at the forefront of change. The three main areas which are expected to grow rapidly are: cleaner transport systems such as EVs; the increased use of data and online systems to order, track and manage logistics; and, the adoption of more automation to improve labour efficiency. All three areas will demand new skills across the industry and collaborative working to access skills in the digital tech and advanced manufacturing and engineering (AME) sectors.

Action to be Taken: the Ports and Logistics sector will seek to work with Digital Tech and AME sectors to develop the technical skills needed to ensure that the Ports and Logistics sector can embrace the opportunities provided by industry 4.0 and the move to clean transport systems. This will be delivered by working with initiatives including the:

- The ERDF Futuristic transport programme run by Hethel Innovation with UEA and other partners;
- The Institute of Productivity development at UEA;
- The IoT bid (subject to approval) in New Anglia focused on the Industry 4.0 challenge and engineering (led by West Suffolk College);
- The IoT bid (subject to approval) in Essex focused on Logistics and Supply Chain (led by South Essex College).

The Ports and Logistics sector will seek to ensure that each of these initiatives includes a focus on how skills in technology can enable the development of cleaner and more competitive transport solutions.

Leadership: this action will link to LEP wide initiatives on Industry 4.0, for which the leadership structures are currently being developed. The NAAME sector group is leading this area of activity.

When: this change is a short to medium term challenge for the industry, with the first wave of new transport systems now being deployed, but an expectation that demand for these skills will increase rapidly in the next 3-5 years and continue to grow beyond this.

Resources and support: the main resource requirements, which are to support the provision of additional skilled staff in new technologies, need to be aligned with broader regional work to develop Institutes of Technology, Industry 4.0, Institute of Productivity and clean transport systems. This is a cross sectoral challenge which needs strategic investment from industry, education and skills funding bodies with the LEP assisting with co-ordination.

Intervention 4 – Developing new and existing **Training and Skills Centres for Ports and Logistics** to provide the physical and human resources needed to equip the sector to meet its future skills needs

Rationale: the Ports and Logistics sector has a recognised weakness in terms of local training and educational facilities to meet its skills needs, with a big outflow of trainees to other areas for training. If the sector is to compete and grow it is important to address this weakness by ensuring that the region has the facilities needed.

Action to be Taken: the industry and training providers in New Anglia should work together to develop a programme of strategic investments in linked projects to meet the need for increased training capacity for the Ports and Logistics sector, including potentially:

- One or more UTCs which focus on the industry to help to meet the demand for an increased number of young people with the skills to support development of the ports and logistics sector;
- A Logistics Academy, proposed by West Suffolk College, which offers both CPD and short course for industry as well as full qualifications such as apprenticeships;
- Building on existing private sector provision of specialist training such as CPCs by companies including Goldstar Transport and Seven Lincs;
- Expansion of University post graduate and CPD training for management and strategic roles in the industry.

Each centre will need to develop a clear business case and seek funding and support from both industry and the public sector, but should be seen as part of an overall programme of investment in addressing the shortfall in current training provision for this sector. It is also important to co-ordinate local investment with other centres in the wider region and nationally.

Leadership: each development of a centre will need to be managed by a lead partner (industry or provider), but there is also a need for strategic co-ordination to ensure there is an integrated package of centres to support career development in the sector. This overall leadership needs to come from the proposed sector group of the LEP.

When: this intervention will inevitably take longer as it will take time to develop the business plans and secure the resources needed. However, given the need to meet increased and new industry skills demands which are expected to occur in the next 3-5 years, it is important to start planning these investments during 2018/'19, with the intention of some of them being operational by 2020/'21 or before.

Resources and support: the development of new centres will require capital investment which will require bids to be made to national and regional public funding as well as investment from industry.

Appendix A – Sector Skills Plan Development Process

The development process for the Ports and Logistics Sector Skills Plan was overseen by two task and finish events. The final plan was also presented to the Suffolk Chamber of Commerce Transport and Infrastructure Board on 17th April 2018 and further consultation was undertaken at the New Anglia Transport Board on 28th November 2017.

In addition to this sector skills plan document, a supporting datapack has been produced outlining the workforce in the sector, trends in its skills levels and how Ports and Logistics in New Anglia compares with other areas. This datapack also reports on the underlying socio-economic context for the sector and reports on projected changes in future skills needs and current student numbers. The datapack is presented as a separate document and provides the data to underpin many of the comments made in the sector plan and should be used as a reference source which is read in conjunction with the plan.

At the events and through one to one consultations with employers and stakeholders the key questions posed were:

Question 1 – Current and Future Skills Supply and Demand

What are the key skills and workforce supply issues facing the Ports and Logistics Sector in New Anglia?

This could include for example:

- Workforce supply or demographics
- New technology
- Recruitment and retention
- Nature of training and education provided (courses and providers)

Question 2 – Proposed Skills Actions

What are the key actions which need to be taken to address anticipated skills & workforce challenges in the Ports and Logistics Sector in the next 5 years?

This could include for example:

- New provision by Schools, Colleges or Universities
- New centres for training or education
- New models of delivery e.g. Higher Apprenticeships
- Groups of employers working together to procure training and skills development
- Careers advice and guidance
- New funding models
- Workforce development programmes

We are interested in both short term quick wins, as well as longer term more strategic interventions.

In every case industry will need to help take the lead, steer and deliver the interventions, so what are employers prepared to invest in alongside the public sector?

Supplementary Questions

Question 3 – Consultees

- Who should we be consulting in the sector in relation to future skills challenges?
- Could you supply contact details for key people who are interested in this topic & who are not here today?

Question 4 – Reports on the Port & Logistics industry and the sector's skills needs

- Are you aware of reports we should be consulting?
- We are interested in both:
 - local & regional reports on the Ports & Logistics industry & its future development
 - reports specifically focused on the skills challenges in the sector

Consultees

A series of key informant interviews were conducted with a mix of employers, sector skills providers and sector representative bodies. Over 45 consultees were interviewed and/or attended the task and finish meetings held or provided other direct input which informed the plan (presentations at events, referrals, links to reports). These consultees included:

1. Andy Harston, ABP
2. Anita Thornberry, Haven Gateway Partnership
3. Anthony Marett, Marett's Chariots
4. Bethany Fovargue, Operations Manager NOVUS, The Chartered Institute of Logistics and Transport
5. Carla Couto, Felixstowe Academy
6. Charles Downie, Bacton Transport Services Ltd
7. Charlotte Johnston, Engage with Business Ltd
8. Cheryl Willis, Suffolk Coastal and Waveney District Councils Economic Development (on behalf of a range of local logistics businesses)
9. Cllr Jane Storey, Suffolk County Council Deputy Leader and Cabinet Member for Highways, Transport and Rural Matters
10. Darren Gooding, Goldstar Transport Training
11. Darryl James, Felixstowe Academy
12. Dayle Bayliss, Chartered Surveyor and Chair 'T' Level development panel
13. Derek Cawston, Goldstar Transport
14. Dr Paul Thomas, University of Suffolk
15. Dr Will Thomas, University of Suffolk
16. George Kieffer, Chairman of the Haven Gateway Partnership
17. Helen Read, Lift Programme (Norfolk County Council)
18. Ian Nicol, Think Logistics, Career Ready
19. James Eastwood, Mediterranean Shipping Company (UK) Limited
20. Jason Flower, KWL Logistics and Felixstowe Port Users Association (FPUA) Chairman
21. John Cockburn-Evans, Aspire 2 B Lean
22. John Fagan, Axon Vibe

23. John Kornjaca, Consultant (formerly of Hutchison Ports and Peel Ports)
24. Justin Ott, Spark EV Technology
25. Kate Wilde, Engage with Business Ltd
26. Lee Hambro, Tidal Transit
27. Lee Mathews, UoS (on logistics at Royal Mail)
28. Mark Bentley, South Essex College
29. Murray Gibson, Murray Gibson Associates Limited
30. Nick Burfield, Suffolk Chamber of Commerce
31. Nick Luck, Port of Felixstowe
32. Nova Fairbank, Norfolk Chamber of Commerce
33. Paul Burroughs, Zygo Freight Ltd.
34. Paul Davey, Hutchison Ports UK
35. Peter Brown, Jack Richards and Son
36. Peter Frost, Environmental Strategy, Suffolk County Council
37. Peter Wright, Gt. Yarmouth Council
38. Phil Stittle, West Suffolk College
39. Richard Amphlett, Westfield Sports Cars
40. Richard Goffin, Peel Ports
41. Richard Pace, Norwich Airport
42. Robert Alston, Silfield Ltd
43. Robert Edge, Chartered Institute of Logistics and Transport (CILT) East of England
44. Simon Beechinor, Transport Systems Catapult
45. Simon Dwyer, Modal Training Centre
46. Thomas Stead, Network Rail
47. Tina Berriman, Felixstowe Dock and Railway Company (FDRC)
48. Vijay Sundram, S&V Consultants Ltd
49. Yvonne Mason, Safe STS, Future Marine Services Group

Task and Finish groups and other events attended were held on:

- 28th November 2017 New Anglia Local Transport Board
- 6th March (rescheduled from February due to snow) 2018 at Goldstar Transport, Suffolk
- 21st March 2018 Futuristic Transport Event, UEA (including Task and Finish Group)
- 17th April 2018 Suffolk Chamber of Commerce Transport & Infrastructure Board meeting

The consultation process also reviewed the feedback collected from other key sectors of the New Anglia economy whose sector skills plans identified logistics challenges, including the plans for: AgriFood Tech; Life Sciences and the Bio-economy; Energy.

Additional input, advice and guidance was received from a further 10 officers of the LEP and County Councils:

- New Anglia LEP: Chris Starkie, Lisa Roberts, Natasha Waller, Alex Frost, Ellen Goodwin
- Norfolk County Council: Vince Muspratt, Eve Cronin
- Suffolk County Council: Judith Mobbs, Michael Gray, Jasmine Joolia

Appendix B – Summary of DataPack & Other Sector Intelligence

The SIC codes adopted for the datapack for Ports and Logistics are:

33150 : Repair and maintenance of ships and boats
 33160 : Repair and maintenance of aircraft and spacecraft
 33170 : Repair and maintenance of other transport equipment
 45200 : Maintenance and repair of motor vehicles
 49100 : Passenger rail transport, interurban
 49200 : Freight rail transport
 49311 : Urban, suburban or metropolitan area passenger railway transportation by underground, metro and similar systems
 49319 : Urban, suburban or metropolitan area passenger land transport other than railway transportation by underground, metro and similar systems
 49320 : Taxi operation
 49390 : Other passenger land transport nec
 49410 : Freight transport by road
 49420 : Removal services
 49500 : Transport via pipeline
 50100 : Sea and coastal passenger water transport
 50200 : Sea and coastal freight water transport
 50300 : Inland passenger water transport
 50400 : Inland freight water transport
 51101 : Scheduled passenger air transport
 51102 : Non-scheduled passenger air transport
 51210 : Freight air transport
 51220 : Space transport
 52101 : Operation of warehousing and storage facilities for water transport activities of division 50
 52102 : Operation of warehousing and storage facilities for air transport activities of division 51
 52103 : Operation of warehousing and storage facilities for land transport activities of division 49
 52211 : Operation of rail freight terminals
 52212 : Operation of rail passenger facilities at railway stations
 52213 : Operation of bus and coach passenger facilities at bus and coach stations
 52219 : Other service activities incidental to land transportation, nec (not including operation of rail freight terminals, passenger facilities at railway stations or passenger facilities at bus and coach stations)
 52220 : Service activities incidental to water transportation
 52230 : Service activities incidental to air transportation
 52241 : Cargo handling for water transport activities of division 50
 52242 : Cargo handling for air transport activities of division 51
 52243 : Cargo handling for land transport activities of division 49
 52290 : Other transportation support activities
 53100 : Postal activities under universal service obligation
 53201 : Licensed Carriers
 53202 : Unlicensed Carriers
 64204 : Activities of distribution holding companies
 77110 : Renting and leasing of cars and light motor vehicles
 77120 : Renting and leasing of trucks
 77341 : Renting and leasing of passenger water transport equipment
 77342 : Renting and leasing of freight water transport equipment
 77351 : Renting and leasing of passenger air transport equipment
 77352 : Renting and leasing of freight air transport equipment
 82920 : Packaging activities

New Anglia Economic Strategy text on Ports and Logistics³⁹:

A diverse economy, with important specialisations (page 9):

The Port of Felixstowe handles over 40% of UK container traffic, alongside ports at Great Yarmouth, Lowestoft and Ipswich. This makes Logistics and port related businesses an important sector, contributing £2.3bn of GVA and employing 47,364 people.

Connectivity and Commuting (page 10):

Connectivity within Norfolk and Suffolk is extremely important. Whilst external commuting is increasing, 91% of the area's residents work here and 94% of Norfolk and Suffolk workers live in the area. 55,000 residents commute outside Norfolk and Suffolk to work every day, with the main destinations being Cambridge (including Cambridgeshire), Central London and Colchester. Rail use in the region has increased significantly since 2010, particularly on the direct commuting lines to Cambridge. Almost 35,000 workers commute to Norfolk and Suffolk every day, primarily from East Cambridgeshire and Colchester.

Norfolk and Suffolk's transport connections are strong. Ipswich is 60 minutes from London and 45 minutes from Norwich. Improvements to digital and physical infrastructures have been a central part of the LEP's strategy, with a new Greater Anglia rail franchise bringing the biggest new fleet of trains in the UK and associated capacity, reliability and frequency improvements as well as investment in the franchise to the west of our region. Significant improvements in road connectivity, such as the completion of the dualling of the A11, have cut road journey times. Further investment in the road and rail networks will continue to build on this, promoting key arteries to the north, south and west and fulfilling aspirations for improved services between centres including Ipswich and Cambridge, Norwich and Cambridge and King's Lynn and London.

International connectivity is also advantageous. Norwich Airport provides fast connections to and outside Europe as well as to other UK cities. It is also the main base for aviation access to nearby North Sea gas, oil and renewables installations. The region also benefits from its proximity to Stansted, the UK's 4th largest airport by passenger traffic, with more than 170 destinations worldwide. Felixstowe, Lowestoft and the area's other ports at Great Yarmouth, Ipswich and King's Lynn also provide strong international shipping links.

Digital connectivity is strong and improving. Our ambition to increase coverage of Superfast broadband to 95% is becoming a reality, a multimillion pound investment by partners in Norfolk and Suffolk on target to achieve this by 2019. We are also working on improving mobile connectivity, particularly in rural areas. This is a particular problem for encouraging growth in our rural areas, with tourists and high value incomers dissuaded by poor mobile signal.

Transport, Freight and Logistics (page 14):

The UK's largest container port at Felixstowe on the premier EU/ Asia route and the UK's largest exporter of grain at the port of Ipswich. The Port of Felixstowe is the UK's largest

³⁹ New Anglia (2017), The East: Norfolk and Suffolk Economic Strategy - A Strategy for Growth and Opportunity

container port, handling over 40% of national container traffic. It is undergoing significant investment and expansion, with capacity expected to grow by an additional million containers by 2025. The diverse nature of the ports in Norfolk and Suffolk means that they serve different markets and are influenced by different factors, with Felixstowe's main competitors the international gateways of Southampton and London Gateway. Great Yarmouth and Lowestoft ports have a more regional focus relating to the offshore energy sector. The sector is characterised by a strong logistics sector with international firms such as Mediterranean Shipping Company in Ipswich, Goldstar Transport in Felixstowe, and a number of smaller offices in Felixstowe and Ipswich. Clustered around Norwich, there is also a sizable aviation sector, specialising in maintenance and repair, as well as servicing the offshore industry. The recently opened Aviation Academy, in collaboration KLM Engineering, is a specialist centre of aircraft, overhaul and maintenance.

Priority Places section (pages 26-29):

CAMBRIDGE – NORWICH CORRIDOR

The Cambridge Norwich Corridor spans over 100km of the A11 and rail links between the two cities. It comprises the UK's most established tech cluster in Cambridge and clusters of business and research excellence across advanced manufacturing, agri-tech, life sciences and digital creative including global firms such as Multimatic, through to Norwich. "The area has high jobs and population growth which it is estimated to add over £500m GVA to the regional economy by 2031."

It contains over 12,000 knowledge intensive businesses and is well placed to develop synergies with businesses in both Cambridge and Norwich.

Significant housing and commercial development is underway with further large scale commercial development opportunities all along the corridor including the redevelopment of RAF Mildenhall and Thetford urban extension.

Future priorities such as East-West rail will further drive long term connectivity with Milton Keynes and Oxford.

EAST – WEST CORRIDORS

A14 CORRIDOR BETWEEN FELIXSTOWE AND CAMBRIDGE

Bury St Edmunds has seen strong recent growth in jobs, housing and economic output, including business location and investment. The area is an attractive place to live and work, well connected to Cambridge by road and rail, as well as providing a high quality town centre, cultural offer and natural environment.

There are many long-established and growing businesses around Bury St Edmunds, including Greene King, British Sugar, and Servest. The wider A14 corridor between Felixstowe through Ipswich, Stowmarket, Newmarket and Haverhill to Cambridge is seeing considerable growth and substantial further new housing development is planned.

We will work to secure further road improvements to the A14, A11 and A1307 in West Suffolk. The towns of Haverhill, Newmarket and Stowmarket are all areas of significant

housing growth, providing a high quality natural environment alongside comparatively affordable housing.

The area has high commuting levels by both road and rail, driven by proximity to Cambridge and is also the main route for freight traffic from Felixstowe to the rest of the UK. The work of East-West rail will support the aspiration for twice per hour rail services from Ipswich to Cambridge to accommodate increased growth and high commuting levels along the corridor.

A47 CORRIDOR BETWEEN LOWESTOFT, GREAT YARMOUTH AND KING'S LYNN

Government has recognised the strategic importance of the A47 with commitment to improve parts of the route. We are committed to securing the full dualling of this major artery between East Anglia to the Midlands, which would unlock growth along its route, including significant commercial and housing developments as well as improve job opportunities in locations such as Swaffham and Dereham as well as supporting links between Lowestoft, Great Yarmouth and Norwich.

KING'S LYNN

The King's Lynn-Cambridge road and rail corridor offers considerable potential for growth. Unlike other growth corridors to Cambridge, this area offers a direct services to London (100mins) via Cambridge (50mins).

The area has seen significant recent investment and is home to leading firms including Bepak, Cooper Bearings and Palm Paper, centres of excellence, in design and manufacture of commercial refrigeration (Foster Refrigerator and Williams Refrigeration – top two companies in the UK and in top 10 in Europe) and in aerospace engineering at RAF Marham.

Downham Market is also home to a growing number of ICT and digital firms. The area offers low house prices and is also close to Wisbech, a settlement earmarked as a 'garden city' in Cambridge's growth plans.

We are committed to securing the infrastructure improvements in both road and rail needed to unlock the areas growth ambitions, including to achieve half hourly service to London's King's Cross and better road connections to Cambridge and along the A10. This will include working with partners in Cambridgeshire including the Mayoral Combined Authority and its plans for infrastructure improvements.

"We are committed to securing the infrastructure improvements in both road and rail needed to unlock the areas growth ambition."

Skills section (pages 20-21):

DRIVING INCLUSION AND SKILLS Our people, whether in traditional careers, micro businesses, arts and culture or supporting others in the community are central to all our ambitions and goals. We want to raise and support aspiration across all ages. Good progress has been made in raising skill levels, but we want to go further and faster,

particularly for those already in work. We will help our young people set their ambitions high and understand the exciting local careers available to them.

Our area is one of significant economic opportunity, with high levels of employment. We will give people the information they need to know to make informed decisions on the skills, capabilities and opportunities they need to succeed. We will encourage businesses to invest in and providers to respond quickly to, the long term needs of people and businesses.

We will design our actions and investment so that they enable growth that directly supports wider community benefits, including wellbeing, health and care.

TOGETHER WE WILL:

- Through the development of sector skills plans produce clear statements about the skills businesses need now and in the future, to influence providers, business investment and personal choices by new students and those already in the workforce.
- Develop an integrated skills offer for businesses across Norfolk and Suffolk, to make it easier for them to navigate and access the initiatives and provision that are available. We will focus particularly on the long term development of technical skills in our existing workforce.
- Prioritise capital investment on provision that will deliver the future skills our sectors and workforce need. Taking a commissioning approach and being clear about what must be provided. We will use Skill Deals programme to drive innovation aligned to local economic need.
- Prioritise leadership support for our entrepreneurs and those in new high growth businesses, through further accelerator support, business mentorship. Providing the ecosystem that new entrepreneurs need to succeed.
- Deliver the Youth Pledge for all our young people, providing an integrated offer that shows and inspires young people about the opportunities that exist and provides support to enable them to access them, including support into employment.
- Step up our efforts to promote and support the delivery of high quality apprenticeships providing clear entry routes into our focus sectors, directly produce the skills and capabilities our economy needs – including higher level technical skills through degree and higher level apprenticeships.
- Work with Government to establish an Institute of Technology that builds on our strengths and meets the increasing need for higher level technical skills in key areas such as energy, engineering and manufacturing.
- Grow the number of Enterprise Advisers and the number of schools that are engaged. Further strengthening the link between the business and education community in order to drive young peoples' aspirations and work readiness in line with the requirements of the local economy.

Youth Pledge

Every young person (16-24) in Norfolk and Suffolk will get the personal support they need to get an apprenticeship, training, work experience or a job within 3 months of leaving education or employment.

- Expand the education pipeline within our Primary and Secondary Schools, by engaging children in Science, Technology and Engineering skill development within their curriculum to prepare them as the region's future workforce.
- Develop new approaches and remove barriers to getting people back into work, especially for those furthest from the jobs market and provide support for all into sustained employment. This will include our pilot work and health programmes, the delivery of high quality basic skills training in English, Mathematics and ICT and the development of pathways for young people and adults with special educational needs and disabilities (SEND) to move into supported employment. And developing opportunities to capitalise on the skills, knowledge and experience that the over 65's population offer. Our ambition is to extend the principles behind our integrated approach for young people and the Youth Pledge to adults.

"Driving skills and high quality employment is fundamental to our goals to create a more inclusive economy, with improving wage levels, living standards and attainment."

INTRNATIONAL AVIATION ACADEMY – NORWICH

We have the world's first Aviation Academy in Norwich.

This will work in partnership with providers and industry to provide pathways for young people through to careers in all aspects of the aviation industry, which is facing a global skills shortage. This offer will be extended to ages 8-18 to embed skills into the academic learning process with a linked FE and HE route for students

New Anglia website text on Ports and Logistics Sector⁴⁰:

Ports & Logistics – Current New Anglia website text:

We are home to the UK's largest container port at Felixstowe, on the premier EU / Asia route, and the Port of Ipswich is the UK's largest exporter of grain.

The Port of Felixstowe is the UK's largest container port, handling 40% of national container traffic. It is undergoing significant investment and expansion, with capacity expected to grow by an additional million containers by 2025. The diverse nature of the ports in Norfolk and Suffolk means that they serve different markets and are influenced by different factors and disruptors, with Felixstowe's main competitors the international gateways of Southampton and London Gateway. Great Yarmouth and Lowestoft have a more regional focus relating to the offshore energy sector.

⁴⁰ New Anglia (2018), <https://newanglia.co.uk/project/ports-and-logistics/>

The sector is characterised by a strong logistics sector with international firms such as Mediterranean Shipping Company in Ipswich, Goldstar Transport in Felixstowe, and a number of smaller offices in Felixstowe and Ipswich.

Lowestoft offers a wide range of servicing facilities for North Sea oil and gas and offshore wind farms and extensive marine leisure facilities. Ipswich Port, the largest UK agricultural exporter, offers roll-on/roll-off capabilities, potential renewable/ offshore facilities, rail connections and marine leisure facilities. EastPort UK, Great Yarmouth is a modern multipurpose facility consisting of a deep water outer harbour and a river port servicing offshore wind and oil and gas. King's Lynn is a regional hub for agricultural products offering extensive handling and storage facilities.

A series of smaller ports includes Wells, servicing wind farm workers, and coastal harbours serving smaller vessels and supporting fishing, leisure and tourism. Harwich, just outside the New Anglia LEP area, is the third busiest UK port for cruise traffic (and growing) and has also been utilised for offshore wind.

Our sector group

The New Anglia ports and logistics sector contact is Paul Davey who can be contacted by emailing daveyps@hpuk.co.uk.

Links to Other Sector Skills Plans

The Ports and Logistics sector has major overlaps with other key sectors of the New Anglia economy to which Ports and Logistics are a supplier of transport for people and goods, as well as increasingly needing to draw on expertise in the Advanced Manufacturing and Engineering (AME) and Digital Tech sectors as Ports and Logistics adopts Industry 4.0 technologies.

Ports and Logistics as a sector is also instrumental in linking the New Anglia economy to other parts of the UK and World and thus supports the provision of inputs and the sale of products and services from businesses across the whole New Anglia economy.

Future skills investment for the Ports and Logistics sector will in particular need to link closely with the skills demands of other New Anglia key sectors which are developing sector skills plans, including:

- **Agrifood Tech** which is a major use of freight services (circa 30% of UK road freight by weight is food chain related). Food chain efficiency for both UK and international imports and exports is a key factor in food chain success. Globally and in the UK food trade continues to grow and post Brexit the export of premium food and drink products to wealthier markets in the World is a key strategic objective for the industry and government. With growing consumer interest in provenance, supply chain traceability and 'greener supply chains', new logistics technologies which reduce carbon emissions, food waste and which enable new (direct sales) routes to consumers will have a

fundamental impact on how food is delivered. There is also an expectation that the way food is distributed will change with new distribution hubs, including the 3 FEZs in New Anglia, as the industry uses technology to streamline distribution systems.

- **Energy** which uses freight services to move its products (e.g. oil) or inputs around (e.g. wind turbine components) as well as passenger services for staff to service facilities (e.g. Norwich airport has major contracts to move staff to and from North Sea assets and this also uses boat services). Whilst the transport of some energy sources, e.g. the big fall in rail freight seen as coal is progressively removed from the UK energy mix, is falling, demands in other areas such as the logistics and ports services used to build and operate offshore wind farms has grown rapidly, rejuvenating some New Anglia ports in the process.
- **Advanced Manufacturing and Engineering (AME)** which sources materials from and supplies finished products to end users in both the UK and globally using logistics services to reach its markets. AME is also the source of the engineering capabilities which are already used extensively in the Ports and Logistics sector. As automated transport systems become the norm, the expectation from the Ports and Logistics sector is that they will need access to additional skilled staff with AME skills to design, build, install and maintain transport systems.
- **Digital Tech** whilst not a major user of Ports and Logistics services and in some circumstances actively leading to a reduction in the need for travel e.g. by facilitating home working, is providing the technology alongside the AME sector, to enable the Ports and Logistics sector to adopt new automated systems to book, deliver and manage transport solutions for all sectors of the economy. Given the focus on efficiency and traceability in the Ports and Logistics sector, consultees expected a big increase in the demand for ICT skills to design and manage transport systems.
- **Construction** is a major user of transport services to move construction materials around, with circa 8% of UK road freight by tonne kilometres⁴¹ directly related to minerals, cement and other heavy building materials.
- **Tourism and culture** relies on transport services to provide access to local facilities and events for both local residents and visitors to the area.

⁴¹ DFT (2017), Road Freight Statistics 2016

Appendix C - Current Skills and Training Provision for Ports and Logistics

The range of education and training provision for the Ports and Logistics sector is very broad and includes some limited provision in further and higher education, although most training is provided in house programmes or by specialist private sector training companies.

Evidence from consultees also showed that many companies access national (and in some cases international – mainly where they are part of larger international groups) provision in this sector. The listing below is not exhaustive, but is intended to give an overview of the range of provision available in Norfolk and Suffolk or accessed by companies there.

Schools

The general feedback was that provision of skills or careers awareness in schools is very weak with the sector itself acutely aware that it has not been effective at engaging with this age group. As a result groups such as the Chartered Institute of Logistics and Transport (CILT) have worked with Career Ready, Novus and the FTA to launch Think Logistics⁴², but recognises that there is still a long way to go in promoting the industry with young people.

Further and Higher Education

The **UEA** offers an MSc in Operations and Logistics Management which is a one year full time post graduate programme. The course at Norwich Business School is accredited by both the Chartered Institute of Logistics and Transport (CILT) and the Chartered Institute of Procurement and Supply (CIPS).

The **University of Suffolk** with Maastricht Business School Executive MBA has a specialism in Logistics. Their focus is on developing:

- Leadership and 1st line managers with a strong focus on CPD;
- Higher Apprentices with the first cohort recruiting 50% of those enrolled from Felixstowe.

The University is also a partner with **Associated British Ports and Suffolk Chamber of Commerce**⁴³ in a leadership development programme for those working in International Transport. The course offers those moving into positions of leadership and management a chance to develop their skills in a series of workshops and seminars which focus upon the acquisition of key management skills and their application in logistics, ports management, freight handling and associated industries. The training is split over six days with sessions held once every four to six weeks. It has been designed to meet the needs of a fast-moving and growing sector of the regional economy and began at the end of November 2017 with four intakes every year. The course has been designed to build confidence and offer participants the chance to discuss their concerns as they move into supervisory roles. Each day spotlights a different element of management and draws on both transferable skills and specialist insight from the industry.

⁴² Think Logistics, <http://www.think-logistics.co.uk/>

⁴³ University of Suffolk Press Office

The New Anglia Colleges Group (NACG) members have relatively little provision for the Ports and Logistics sector, but a number of providers, notably West Suffolk College which has plans for a Logistics Academy, are seeking to develop links in this sector. South Essex College has a specialism in logistics, has recently submitted an Institute of Technology bid for Logistics and Supply Chain and already works with a number of major transport businesses in Suffolk.

The one area in which NACG members are more active is in the provision of courses in aircraft and motor vehicle maintenance including:

City College Norwich:

- L2 Aviation Engineering IAA;
- BSc (Hons) Professional Aviation Engineering Practice;
- L2 Motor Vehicle Service and Maintenance Technician Apprenticeship;

College of West Anglia:

- Motor Vehicle - Service and Repair - Level 1
- Motor Vehicle - Service and Repair - Level 2
- Motor Vehicle - Service and Repair - Level 3
- Motor Vehicle Maintenance and Repair - Apprenticeship (Advanced) - Level 3
- Motor Vehicle Maintenance and Repair - Apprenticeship (Intermediate) - Level 2
- Motorsport - Level 2
- Motorsport - Level 3
- Vehicle Body and Paint Operations - Level 2 (Diploma)
- Vehicle Body and Paint Operations - Level 3 (Diploma)

East Coast College:

- Motor Vehicle Maintenance Level 1
- Motor Vehicle Maintenance Level 2
- Motor Vehicle Maintenance L3

Easton and Otley College:

- Apprenticeship land based service engineer; apprenticeship land based service engineer technician; heavy vehicle service and maintenance technician; light vehicle service and maintenance technician;
- L1 diploma in vehicle maintenance;
- L2 diploma in light motor vehicle maintenance and repair principles;
- L3 diploma in light vehicle maintenance and repair principles

Suffolk New College:

- IMI entry level Diploma for the introduction to vehicle technology;
- IMIA L1 Diploma in Vehicle Maintenance;
- IMIA L2 Diploma in Vehicle Accident Repair Principles and Paint Operations;
- IMIA L2 Diploma in Vehicle Maintenance Repair Light Vehicle;
- IMIA L3 Diploma in Vehicle Accident Repair Principles and Paint Operations;
- IMIA L3 Diploma in Vehicle Maintenance Repair Light Vehicle;

West Suffolk College:

- Progression to automotive engineering
- Motor Vehicle Service and Maintenance Technician Level 3

Industry Led Provision

As noted by consultees, many employers in the Ports and Logistics sector use national training expertise, from Colleges, Universities, private sector providers and trade bodies. For example:

- **The National Logistics Academy⁴⁴** is a national network of over 40 training providers (private sector and Colleges) which provide training for the industry. There are no registered providers in this network in New Anglia, with the nearest provider being Wallace School of Transport, Essex, South Essex College and Apex Training in Peterborough.
- **The Supply Chain Academy⁴⁵** has been developed in Upminster, Essex to offer degree apprenticeships for the logistics industry having been developed by the industry to fill a perceived gap in training for the logistics sector. The academic partner in Leeds Trinity University.

The International Aviation Academy Norwich (IAAN) at Norwich Airport is a joint venture between local partners and the Aviation Skills Partnership, with IAAN promotion stating that:

- 'IAAN is the first of Aviation Skills Partnership's (ASP's) skills academies. It is a unique collaboration of employers, trainers, educators, funding bodies, government, industry and, of course, students and delegates. As more are opened across the country, access to expertise and resources will grow even further. We will provide students with a comprehensive, cutting edge, and hands-on training, unrivalled anywhere.
- The International Aviation Academy – Norwich (IAAN) is a brand-new, purpose-built training academy that will create the next generation of aviation professionals. We offer training across all six of the Aviation Skills Partnership's areas of aviation:



- **Professional Pilot**
- **Operations**
- **Air Traffic Control**
- **Cabin Crew**
- **Airport Operations**
- **Aviation Engineering and more...**

- We have created a unique and original real world learning environment that will truly allow our students to experience the aviation industry. Our facilities include a full size

⁴⁴ <http://www.thelogisticsacademy.co.uk/network/>

⁴⁵ <http://supplychainacademy.org.uk/>

operational aeroplane for unrivalled accuracy in our aviation simulations, we also have a helicopter arriving in due course. We will welcome a broad range of local, national and international students and delegates, and will raise the standards of learning within the aviation industry.

- One of the mainstream programmes within the Academy will see up to 80 new aviation engineers being trained per year. They will start training at the age of 16. Across this and other courses, we expect a typical year to see 450 people being trained for local, national and international aviation jobs.
- The Aviation Engineering courses at the Academy are from Level 2 through to BSc Professional Aviation Engineering Practice in conjunction with Norwich City College and KLM UK Engineering.
- We will also connect with the local schools, colleges and universities, creating opportunities for children as young as 8 to link with the academy.'

National company **Goldstar Transport** which is based in the region has developed an in house skills programme to meet the shortfall in staff recruitment. The Training Academy was built in 2013 at the Woolpit, Suffolk site. The Academy is:

- Part of the national logistics training consortium;
- Has JAAPT (Joint Approvals Unit for Periodic Training) (CPC);
- Employs four qualified DVSA / RTITB / NRI LGV registered instructors ;
- Offers ADR training which is certified by Department for Transport and the Scottish Qualifications Authority;
- Is intending to launch specialist Radioactive ADR training to meet the needs of the nuclear industry;
- Teaches CPC modules 1a,1b, 2, 3, 4;
- Has so far trained 180 drivers, the majority of whom are female;
- Provides ongoing mentoring to drivers once they have passed their test to turn them from people with licenses to drivers.

Goldstar won training provider of the year last year and have the instructor of the year award as well. The motivation for the company is that they could utilize another 100 trucks if they had the drivers.

The **Seven Lincs Driver Academy** offers occupational driver training to anyone with a minimum of a Category B Licence. Initially the Academy welcomed anyone with a minimum of a Class 2 HGV / LGV Category C Licence, but by popular demand has now expanded its search to anyone with a valid driving licence, a willingness to learn, and the desire to build a career in the haulage industry.

The **TALE project** (led by Haven Gateway) and supported by NALEP and SELEP is targeting 200 SMEs involved in logistics to provide skills and knowledge exchange on how data can be used to improve business operations. The programme is linked to HEIs who will offer one to one sessions for the companies as well as group workshops and links to the Catapult Centres for Transport Systems and Digital.

A number of private providers supply Certificate of Professional Competence in Road Haulage (CPC) e.g. ONE training in Kings Lynn, driver training and similar courses for road freight operators across the region.

Other relevant local and national provision includes:

- Hutchison ports learning academy;
- University and Colleges;
- National Centres such as the new Modal Training Centre on the Humber with simulators and training for ships, crane operation and dockyard operations;
- National sector specific training offered by CILT and UKWA and others;
- DfT is also developing a national sector skills plan for the transport sector.

New Anglia Skills Deal Programme

With one out of eight Skills Deal projects, but only £24,000 out of the total £1,635,000 allocated to these projects (1.5%) as at November 2017, the Ports and Logistics sector has not been a major beneficiary of this programme.

Project Title/Status	Description
<p>Developing the Ports, Shipping and Logistics of Leaders of the Future</p> <p>Applicant: Associated British Ports and the University of Suffolk</p> <p>Approved Funding: £24,000</p> <p>Match: £12,000</p>	<p>The project includes development and delivery of a bespoke course, by the University of Suffolk, for new entrants to the sector to develop leadership and management skills. Tuition by University lecturers will be supplemented by external guest contributors with sector expertise.</p> <p>The course underpins progression to an MBA for those that wish to do so and will explore the possibility of accreditation.</p> <p>It includes 4 cohorts of 12 delegates making a total of 48.</p> <p>10 regional firms to be engaged.</p> <p>Course design and development has been tested. Marketing to the Ports & Logistics sector has just commenced in conjunction with the Suffolk Chamber of Commerce and Associated British Ports. The first course will commence next quarter. We have not yet received the figures for the match funding contribution generated by the project to date.</p>

Task and Finish Groups

In addition to the feedback from individual consultees and attendance at other events, the process to develop the plan included two consultation events on 6th March and 21st March 2018, a summary of which is recorded below.

Meeting summary from Task and Finish Group at Goldstar Transport 6th March 2018

(NB this event had to be rescheduled from February due to bad weather)

Sector profile:

The perception is that the sector:

- Is not professional enough and needs to do more to persuade young people and the rest of society that it is a large and dynamic sector.
- There is a need to link with and share SEMLEP best practice on how to support the sector. We are currently 6 years behind the Midlands Board, which is dynamic and projects the industry very well so that it is seen as a local priority for investment.
- The industry has a big PR issue, it has to be much more positive about making the case for its scale and potential to make people interested. Whilst it operates on single figure margins the scale still means there is real potential in the sector as demonstrated by growth in recent years.
- Local representation of the sector is weak at LEP level. There is a big group in Suffolk (Transport and Infrastructure Board) linked to the Chamber and a much smaller Chamber group in Norfolk. Nationally and regionally there are also a wide range of other representative bodies and we don't need to reinvent the wheel, but do need to pull all the representation for the sector together locally and link to national bodies so that it is cohesive and more powerful. For example CILT has the potential to support the sector locally.
- A critical question is to determine whether any local group or representative should only focus on skills or more broadly on sector development, with on balance the wider remit to develop the sector seen as the right approach to adopt.

Recommendations:

- There is a need to improve sector representation, both a sector group and a named industry lead, but in doing so we should link with national and regional bodies and potentially with other LEPs. The East-West freight flows to the East Coast Ports are very significant and suggest that the best approach would be to link to the strong logistics cluster and focus adopted by SEMLEP.
- There is also potential to link south into London and the SE.

Sector changes and characteristics:

Key issues in the industry include:

- Everything comes up the A14 and so people want to deal with us, but we have not been as joined up and proactive as we could have been to exploit this.

- In the last 10 years the sector has quietly and without fuss on boarded e-commerce which now accounts for 18% of retail sales with substantial further growth still likely (this is twice the European average for online retail).
- The sector has very tight margins which leads to reduced levels of administrative and support staff e.g. in most companies no full time HR or marketing staff, which makes growth and workforce development challenging.
- Brexit is causing serious uncertainty for the sector and no one knows what it will look like. If the EU workforce disappears there will be real pressure to find new staff. It is likely that companies will need to look at pay structures and if they want to stay in business they will need to pay more, but without productivity improvements this is very difficult in a sector with small margins. The challenge is that until we see the issues in real life, we don't know what will happen and it is a bit like trying to guess lottery numbers. Brexit will drive the uptake of technology which improves efficiency.

Future Technology:

There were a wide range of views on the areas in which technology may change the way the industry works and thus its skills and workforce demands including:

- The last few percentage points of efficiency are key to the industry and this means that skills to improve management of the logistics process are essential. Being able to remove costs in the supply chain is the holy grail.
- Adoption rate is the challenge for technology as it is not enough just to buy the technology, you have to change the business model and make it work.
- Automation is developing rapidly in the industry with key trends being:
 - A range of views were expressed on how quickly driverless trucks will arrive, with some expecting to see them in the next few years, whilst others thought they were still a long way away and expensive.
 - A move to electric trucks is believed to be likely before most become autonomous.
 - LGVs will probably not go into city centres, with London expected to lead the way driven by TfL. There is a 400 acre food service hub being developed on the Thames which will use electric barges and vehicles to take products into the city. TfL is building on the legacy of the Olympics to change the way freight works.
 - Van delivery by electric vehicles in cities will become the norm (there are also 6 times as many electric vans as lorries).
 - As well as moving goods into the city, waste will come out of the city using the same infrastructure.
- But digital will also:
 - Allow customers to go online like Uber and potentially order a truck which they can also track in real time. This will reduce the need for sales staff but increase demand for computer skills.
 - Facilitate a move to 3D printing so goods are produced close to consumption, but this will still require raw materials to be moved to the printers.
 - Provide enhanced real time feedback on performance.
 - Blockchain and peer to peer data exchange will enable end to end tracking in the supply chain.

Recommendations:

- The skills aspect of technology adoption will be central to whether we can successfully make the transition to new logistics systems. We have to train people for the new technology and attract new skills from outside the sector.
- This requires a big change in the training provision available to the sector.

Careers and recruitment:

Major issues were raised about how the sector projects its career potential:

- It was felt that the sector has undervalued careers, which many people who join the sector don't see as a long-term career, with many entering the sector often as a second or last choice.
- Once in the sector people stay. However it is easy to job hop with people moving from business to business within industry. Poaching of staff is always going to happen and it is the sign of a healthy industry, but does require employers to all pull their weight on training and to accept that if we lose some people we will get some back from the competition. Some companies are putting a loyalty scheme in to retain good staff.
- The industry needs to do much more to sell the industry as a sexy industry, with good prospects and the chance to work internationally. The career journey is very unclear to most of those outside the sector.
- Most young people and their families have no idea about the industry and it is critical to do more to engage them at 14-19. Work experience in the industry is essential to help most young people see the potential.
- In some communities there remains an issue with aspirations which has to be addressed.
- There is also a need to help older workers understand how their skills could be used in the sector.
- There are 2 distinct groups to recruit: drivers; admin/management. In the past many drivers progressed into admin/management roles but this is now less common. It is relatively easy to source admin workers, but sales roles can be more challenging.
- Employers can also sometimes be their own worst enemy in terms of recruitment. Some jobs will have to be paid more to attract staff and existing staff should be encouraged to promote the sector.

Recommendations:

- A focus on promoting long term, global, technology led careers is needed, with employers investing in engaging with students and older workers who may consider a career in the industry.
- The industry also needs to bring in skills from other sectors by helping those with qualifications in other sectors to see how their skills could be used in Ports and Logistics.

Skill Gaps and Issues:

Key skills gaps and issues identified were:

- No matter what business you have, you can only spend so much on training and government funding is now requiring the businesses to invest and match, which some companies struggle with. The Levy isn't being used, because most people don't understand what it is or why they are being charged.
- There is though optimism that we are at a step change with more employers willing to work with the education system.
- IT skills are a real challenge which will grow as the industry adopts technology. Coders can write their own cheque! Engineering, digital and data is coming very quickly and will require new skills.
- Interpersonal skills are key and will grow in importance as the sector changes.
- There is a need to blur the line between full time education and employment.
- There are no degrees in ports, logistics and shipping in East Anglia, but work on this is believed to be taking place and is to be welcomed.

Recommendations:

- The sector needs to support developments such as the Institute of Technology bid for Engineering in East Anglia (led by West Suffolk College); the UTC proposal in Felixstowe; the Institute of Technology bid for Logistics and Supply Chain (led by South Essex College).
- A focus on technical degrees, including higher apprenticeships which combine work experience with learning are needed.

Meeting summary from Task and Finish Group at UEA 21st March 2018

There was broad support for the model of interventions from the draft sector skills plan presented to the meeting. Key comments on employer needs and response that this needs from the industry perspective was:

Careers:

- There is a need for information on the opportunities available in Ports and Logistics and for this to be much better communicated in schools.
- There is a perceived lack of careers education, advice and guidance for the sector and, a view from an apprentice in the logistics sector, that schools were almost exclusively advocating university education and that those who choose an apprenticeship route had to do this themselves.
- The unpredictability of the pace of change and the development of technology was a concern. It was agreed that there will be a step change, but when and how to advise / support young people to exploit this is unclear.
- There is support for a focus on the opportunities provided by apprenticeships, but some concerns were raised by employers about the quality of apprenticeship provision.
- There is a challenge of meeting immediate skills shortages such as driving. The perception of the quality of jobs in areas such as van driving can be poor with clear concerns being expressed by many people about the 'gig economy' / zero hours' contracts etc. There is a need to focus from an employer perspective on job quality – especially to attract millennials who have high expectations.

- This is made difficult as the image of ports / logistics from the outside isn't already positive.
- Concerns were also expressed about the likelihood of low-skilled people being made redundant (e.g. drivers) as new technology comes in and the challenges they will find in gaining new jobs. This requires effective workforce development policies to ensure a positive future for those who skills are displaced by technology.

Management and Leadership Skills:

- There is a strong view that management and leadership skills were often not up to the challenge of leading the step-changes required in the industry. This is more than 'management' skills as set out in the draft plan. The industry will also need a clear focus on improved leadership skills given the magnitude of change it is facing.
- At present too many managers in Ports and Logistics have been appointed in house and can lack the breadth of experience, from within and outside the sector, to drive change. This meant that businesses are often not well equipped to make the investment decisions required by for example technological change and that there is therefore a major need for fresh graduate talent in the sector.

Technology Skills:

- There is a likelihood that change will be disruptive and that 'we are on the threshold of revolution'.
- This imminent step change will not only affect the physical aspects of logistics, such as vehicle movements, but will also be seen in the need to move on from the traditional models of 'managing sales / accounts / operations' through to business leadership enabled by data. Technology will also be used to drive collaboration between companies in the supply chain with more transparency. Thus rather than simply focusing on cost-minimisation and contract management, systems to manage efficiency so that the industry is competitive will be needed.
- New skills will be needed around data management, business modelling, algorithms, technology, so that data can be used to inform strategy and operations.

Summary

- Businesses are not currently equipped for the step-change in skills required in the Ports and Logistics sector and so a substantive process of skills development is needed.
- There are uncertainties about the timescales over which technology adoption will occur, not helped by recent high profile media challenges (e.g. Uber self-driving trials in Arizona) which are a problem, but ultimately technology will change the sector.
- The potential for well-paid secure careers in the sector is very underplayed and the industry must be more proactive in promoting careers.
- To attract new staff there is a need to think about job quality and not just promoting a 'job' which fills current shortages, as many potential recruits have a range of options and will be looking for a career and progression.
- There is a desperate need for new talent who can bring new skills into the industry. Given that technology and ICT will be in growing demand, attracting young people, either as graduates, apprentices or workers will be important going forward.