

# Provision and delivery of skills and training to meet new employment opportunities in the ports, logistics and transport sector (DRAFT)

SRA and Bisham Consulting Research for Thurrock Council

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**November 2013**



### **Acknowledgements**

Bisham Consulting and Social Research Associates would like to thank all those companies and individuals in Thurrock who took part in the compilation of this report: answering the survey and being interviewed. Their help has been invaluable. Without it we would not have been able to answer the questions adequately.

We would also like to thank those in the Thurrock Council and members of the Academy of Logistics Operational Group who gave freely of their time and resources.

Bisham Consulting and SRA  
November 2013

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# Executive Summary

## Executive Summary

### Objectives

The objectives of this research were to provide:

- An assessment of the skills requirements of the ports, logistics and transport sector in Thurrock and surrounding areas;
- An understanding and assessment of the current or planned offer from training providers in institutions of further and higher education;
- A review of the 'in house' provision of learning and development, and the facilities available, across the sector;
- Suggestions as to other added-value activities that would help to sustain growth in the sector.

The study was intended not only to define the future of training and skills provision, but also to consider the potential for research and development (R & D) facilities which would help to sustain growth in the sector. In so doing, the study would help to determine the viability of any proposal for a skills academy in Thurrock, whether national or local in scope.

### Methodology

Through questionnaire surveys or structured interviews of SMEs and larger enterprises, academic institutions and government agencies, a view of the skills requirements and provision for the logistics sector was built. In parallel, a survey of school children, academic students and unemployed people was undertaken to check their knowledge of the logistics sector and their desire to work in that sector.

### Research Results

- Joining the logistics sector is not a high priority for most school children and unemployed people;
- 60% of people had no knowledge of the logistics sector;
- Enterprises in Thurrock value local provision of training;
- Leadership and higher skills were mentioned by more people as needed, but the number of people in those roles in Thurrock is relatively few;

- There is confusion over the type and location of training courses available in Thurrock and the surrounding areas;
- The enthusiasm for the provision of a dedicated centre for logistics training was lukewarm: 68% said 'No' or did not answer.
- Frequent changes in training advice and the direction of support provided by the Government, through training initiatives and the routing of funds, creates confusion among companies and providers alike. This inhibits longer term planning;
- The recent Trailblazers initiative is designed to encourage companies and professional bodies to work together to modify and improve the Apprenticeship schemes, so that they become more rigorous and relevant to companies. Regrettably it would appear that the logistics industry is not represented in the first wave of the initiative.

## **Recommendations**

The over-riding impression is of an industry surrounded with an ever-changing landscape of initiatives for providing the skills required, but being unaware of where and by whom could the required training be provided?

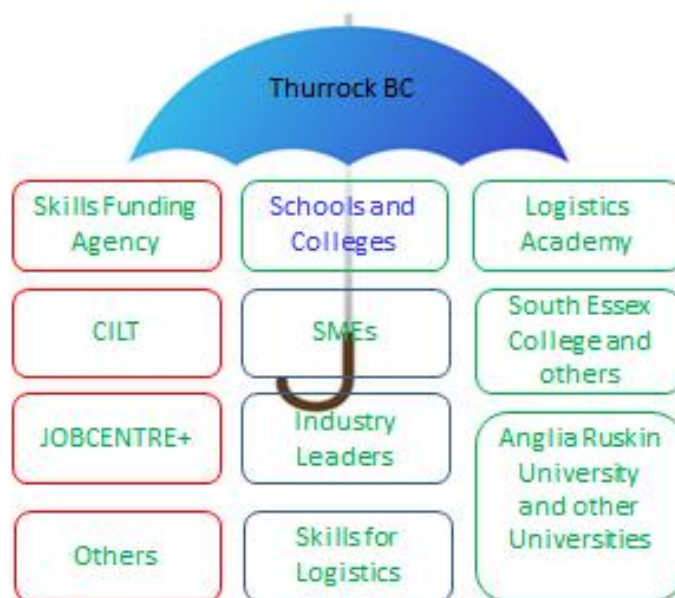
With the investment in colleges and training academies that has already started, it is unnecessary for Thurrock to build a dedicated centre for a National Academy. However the sector is of great importance to the South Essex/Thurrock economy and supporting and training the population in the skills required will reduce the level of unemployment in the area.

A centre for logistics did resonate with many people in the sector but we recommend that a Logistics Resource Centre (or some better name) could be set up dedicated to the orchestration and facilitation of a number of important strands of development, information flow, collaboration, etc. These areas include a one-stop shop for:

- Information on skills providers: colleges, professional bodies, equipment manufacturers, etc;
- Information on funding: for example, through Local Enterprise Partnerships, Skills for Logistics, the Higher Education Funding Council for England, etc;
- Information on Skills for Logistics forums for SMEs and larger enterprises;
- Careers advice for young adults at school, colleges and academies, in collaboration with Industry, the Chartered Institute of Logistics & Transport, etc;

- Information on the ports, logistics and transport industries for the unemployed;
- Information on Apprenticeships and Traineeships;
- Facilitate the mirroring of some facets of the Trailblazer Apprenticeship initiatives: for example, Apprenticeships for truck maintenance engineers, crane maintenance engineers, fork-lift truck drivers, warehouse pickers and freight transport planners;
- Collective marketing: brand image, web-page, social media access, etc.

## Partnership of the Willing



The proposed centre is about the facilitation of the ‘Partnership of the Willing’.

It is further recommended that a business plan be drawn up for the resourcing of the ‘Thurrock Logistics Partnership’ that will drive a vision of a highly skilled logistics workforce, drawn mainly from the Thurrock population, and helping to support the regeneration plans. We also believe this provides a ‘one-stop shop’ template for other areas of the UK faced with similar problems.

We believe that the Thurrock Logistics Partnership could be up and running by June 2014, with a view to going live by September, in time for the new academic year.

We would like to thank all those in the Thurrock Borough Council, the Contact Group, the many managers and the population of Thurrock for their help and time.

# 1 Introduction and objectives

## 1.1 Introduction

1.1.1 In May 2013 Bisham Consulting and Social Research Associates (SRA) submitted proposals for a research study into the provision and delivery of skills and training relevant to employment opportunities in the ports, logistics and transport sector. These proposals were accepted by the client, Thurrock Borough Council, and work began in August 2013.

1.1.2 The study took place against the background of the London Gateway development by DP World and expansion of the Port of Tilbury which, combined with other associated projects, were expected to generate upwards of 12,000 new jobs. Thurrock Council was concerned to identify how it could most effectively assist employers in the provision of training, and to develop the skills of its young people so that they could make the most of the new employment opportunities.

1.1.3 London Gateway is one of the largest logistics infrastructure projects in the south-east, and its impact will extend way beyond the local area of Thurrock. Consequently the Bisham/SRA study was deliberately broad in scope, covering the Thames estuary and large parts of Essex, Kent and east London; our analysis and recommendations need to be viewed in this light.

1.1.4 The present study was intended to be the first part of a three stage process:

**Stages 1:** An assessment of the skills market requirement, the current offerings of education and business providers, and the appetite for a 'Logistics and Transport Academy' in Thurrock (the project reported on here).

**Stages 2:** Assuming that a Logistics and Transport Academy proves a commercial and practical option, development of a business plan should follow.

**Stages 3:** An investigation of the design, detailed costs and timescales for the Academy.

## 1.2 Objectives

1.2.1 The objectives for the study to fulfil Stage 1 were:



- An assessment of the skills requirements of the ports, logistics and transport sector;
- Understanding and assessing the current or planned offer from training providers in institutions of further and higher education;
- A review of the 'in house' provision of learning and development, and facilities, across the sector;
- Providing suggestions as to other added-value activities that would help to sustain growth in the sector.

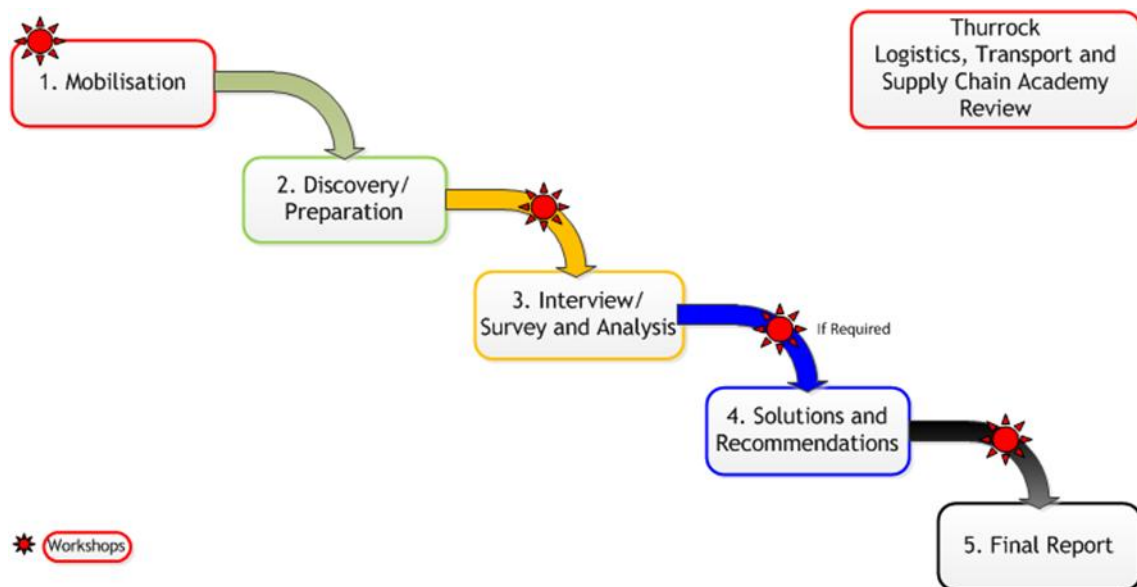
1.2.2 The study was intended not only to define the future of training and skills provision, but also to consider the potential for research and development (R & D) facilities which would help to sustain growth in the sector. In so doing, the study would help to determine the viability of any proposal for a skills academy in Thurrock, whether national or local in scope.

### 1.3 Methodology

1.3.1 The study relied on a combination of research methods designed to gather factual information and opinions, but also to provide insights into broader long-term issues in logistics. These are important for understanding the strategic direction of change, and the future shape of training and skills provision that may be required.

1.3.2 An outline of the overall project methodology is shown in Exhibit 1

Exhibit 1: Outline of project methodology



1.3.3 There were five elements to the study:

- A survey of logistics and transport businesses which gathered data on in-house and external training activities, apprenticeships and skills needs;

- A survey of public and professional organisations and voluntary bodies with stakeholder interests in the major logistics and transport developments in Thurrock;
- A survey of further and higher educational institutions mostly in and around South Essex and currently providing or planning to deliver courses in logistics and transport;
- A survey of potential employees (mostly young people) in logistics and transport;
- A Delphi exercise, in which a panel of experts were consulted (using electronic communications) about future scenarios for logistics development and the pattern of skills demand associated with these. In this way the study was able to access national and international expertise to feed into not just the immediate but a longer timescale.

1.3.4 The key findings from these elements are reported in Chapter 2 with an analysis and commentary. A more detailed review of developments in Thurrock is in Chapter 3, while the options for meeting skills gaps are discussed in Chapter 4. Chapter 5 contains the overall conclusions and recommendations from the study.

## **1.4 What we already know**

1.4.1 Logistics is the fifth largest sector of the UK economy, but it is fragmented and very disparate. Of the estimated 194,000 logistics employers, there is a relatively small number of large, sophisticated companies able to apply leading edge techniques, and competing in the global market place. The rest are the small and medium-sized firms, delivering component logistics elements in myriad supply chains, from manufacturing through to final consumption. Any assessment of skills needs, and the appropriate provision to meet them, must be sensitive to the structure and character of the industry.

1.4.2 About 1.5M – 1.7M people work in the logistics sector or about 6% of the total UK workforce. Industry and business has estimated logistics costs of £75bn. This is about 10.6% of GDP, compared with the global average of 14% of GDP. This gives UK industry a cost advantage of 3.4% of GDP, or about £2.41bn through the efficiency of UK operators. This means that each improvement of 1% in UK logistics efficiency is worth £0.71bn in reduced costs, increased profits and potential re-investment.

1.4.3 The age profile of the industry is weighted towards the over-50 age groups, and it is estimated that an additional 500,000 people will need to enter the industry over the next few years. In order to maintain our economic advantage, these entrants will inevitably require appropriate training.

### **Previous studies**

1.4.4 In 2004-6, SRA was commissioned by the sector skills council, Skills for Logistics (SfL) to produce reports on:

- Current and future skills needs in logistics;
- Current provision for meeting skills needs; and
- Gaps and weaknesses in work-force development activity.

1.4.5 The reports identified specific skill gaps in: warehousing operations; driving of large goods and other vehicles; customer handling; the application and use of IT and industrial equipment; communications and health & safety. Literacy and numeracy problems, albeit well hidden in many cases, were holding back business development and further training. A central recommendation was the need for a wider and more intensive range of management training, particularly directed at smaller and medium-sized firms. While larger companies appreciated the importance of developing the managers of the future, their approaches lacked a consistent pattern.

1.4.6 The structural factors underlying these skill deficits were also analysed: the logistics industry's contribution to the economy was under-valued or disparaged, and firms were slow to articulate their needs for training and development. Collaborative approaches to improvement, which have cost and flexibility advantages, tended to be discounted because of perceived risks to commercial confidentiality and possible loss of competitive advantage. The logistics industry also projected a poor image, attributed to the low pay, long and generally inflexible working hours, stress factors, uncongenial working environment and doubtful career prospects. There was also a lack of awareness by students and existing employees of the opportunities for career progression.

- 1.4.7 In 2009, on behalf of the East of England Development Agency, SRA examined the business case for tackling the logistics skills shortage. This was predicated on a future national academy, each region having its own hub to co-ordinate delivery of a UK National Curriculum for Logistics. Training would be provided by a dispersed set of 'spokes', with quality and consistency overseen by the hub.
- 1.4.8 Apart from confirming the earlier research findings, in this 2009 research many firms were found to be heavily focused on training for compliance with regulatory requirements: low emphasis was given to the wider range of skills that could improve productivity and competitiveness. Demand estimates were made for Level 2 NVQ training, related to current and predicted skills gaps, and over 20,000 people working in the sector were estimated to have no such qualification. A significant demand for apprenticeships was also identified.

### **External training provision**

- 1.4.9 In response to this situation, private training firms had become adept at identifying and responding to the short-term demands of employers. Training services were heavily concentrated on licence acquisition for drivers of LGVs and other operators of equipment such as fork-lift trucks. Other employers relied on 'buying in' qualified people, by using agency staff or 'poaching' them from other firms. The sizeable cost of relying on such solutions, both for individual firms and collectively across the industry, seemed poorly understood. At higher levels, universities, colleges and professional bodies had difficulty filling their courses in logistics and were increasingly recruiting students from overseas.

### **In-house provision**

- 1.4.10 Case studies of larger firms showed that training may quite often be well-resourced, with provision for management development and an emphasis on career progression. However, the curriculum is usually and deliberately very specific to the firms' own needs and culture. While that may support the competitive position of individual firms, it may also militate against the integration of professional standards, the interchange of talent and the career development of individuals.

### **Recent developments**

- 1.4.11 In many ways, the Bisham/SRA study found that the picture of training and skill development in logistics had changed little since the earlier studies. The present study revealed that, while some consolidation of the industry has taken place during the economic recession after 2008, old habits – at least in the training arena – die hard. Meanwhile, the national agencies responsible for promotion of skills have been slimmed down and curtailed their ambitions. The idea of a national skills academy in logistics no longer appears to be favoured by government; Skills for Logistics (SfL) is now in competition for resources with similar bodies and there is a heavy concentration on Apprenticeships and Traineeships in official policy in order to counter youth unemployment.
- 1.4.12 Current skills initiatives appear to have short-term horizons, making it difficult for commercial companies to plan training strategically. That would be equally true for the producers of training as well, since short-term courses are given support rather than longer-term training.
- 1.4.13 In 2008, Thurrock Borough Council and Thurrock Thames Gateway Development Corporation jointly commissioned a feasibility study from Making Change Work, which concluded that a funding bid should be made to the Learning and Skills Council for a regional hub (see 1.4.7 above) to be created in Thurrock; this would cater for Level 1 and 2 training and stimulate demand for higher level skills. The report also found “a significant groundswell of business-led support” for a facility to provide training and other services linked to innovation, research and development. However, the recommendations of the report were not progressed, owing to lack of consensus among stakeholders.
- 1.4.14 The local environment has also changed since these discussions began (see the analysis in Chapter 3). DP World/Thames Gateway is now a real presence in the area, and in early November, the first scheduled commercial ship arrived there. Marks and Spencer has firm plans for 1M ft<sup>2</sup> distribution centre at Thames Gateway (likely however to be operated by a third-party logistics company). At the Port of Tilbury, the first Panamax ship (50,000 dwt) arrived to load its cargo of grain in October 2013.
- 1.4.15 Various predictions have been made about employment creation, yet truly reliable figures are hard to come by because employers are coy about their intentions for growth. That may be because port operations around the east coast of England are undoubtedly becoming much more competitive; consequently there is a reluctance to share information and to commit to collaboration on training and skills provision. Against this background, the study faced a difficult task to identify realistic options for key stakeholders to consider.

## 2 The future of logistics: implications for training and skills

### 2.1 Introduction

2.1.1 This chapter begins with an over-view of some key trends and developments in logistics, based on knowledge and desk research by the study team. Within this broad context, the findings from the survey work and the Delphi exercise are reported.

### 2.2 Over-view of developments in logistics

2.2.1 Logistics, including planning, transport, storage and distribution, is a vital part of the cost structure of manufacturing and many service businesses. In order to remain competitive, firms have sought to shorten the supply chain and to integrate it more closely with other functions such as final assembly and marketing. An example is the import, in separate consignments, of mobile phones and the packaging in which they are ultimately displayed and sold: the latter comes in 'flat-pack' form and is assembled and filled with the product close to the point of entry to the UK. In this way, significant space savings are made in the containers used for shipment. Hence one of the most crucial recent developments is the potential for ports like Thames Gateway and Tilbury to cater not just for large volumes but also to draw in associated supply chain activities and services. (These are referred to as 'port-centric services'.)

2.2.2 Efficiency studies have also demonstrated the advantages of collaboration between wholesalers, retailers and service companies in satisfying consumer demands. Official policies have imposed stricter controls over waste management and recycling, meaning that 'reverse logistics' and high-intensity use of assets have increased. Goods with any form of electronic or modern technological content have tended to experience shorter product cycles, with greater 'product churn' – meaning that replacements and upgrades are continually in demand. The response from suppliers has been to drive down the time interval between order and supply, with consequent benefits to cash flow and speed in reaching the market.

- 2.2.3 At the institutional level, retail organisations have undergone a continuing process of consolidation over the past fifty years, hastened by improvements in personal transport (enabling people to drive to out-of-town shopping centres, rather than patronise high street outlets) and now by the growth of on-line shopping. Strategic business planning, accompanied by improvements to the core highway network, has also led to consolidation in the wholesale sector. A large majority of retail outlets, at least in England, is now accessible within a day's journey by road transport from strategically-sited depots. More widely, the regionalisation of certain services, with staff centred in one country but serving customers in several other countries, continues to grow.
- 2.2.4 Developments in communications have had a particular impact on the logistics industry, making it possible to track vehicles and consignments more or less continuously from origin to destination. Systems generally have become more reliable, responsive and transparent - facilitating flexibility in the use of manpower and resources and helping to combat pilfering and fraud. And in a world where labour and fuel costs are a constant concern, cost control techniques are now highly sophisticated. No doubt similar modern installations can be expected at the Thames Gateway logistics park.
- 2.2.5 In recent years, the management of warehousing has seen a step-change as a result of advances in information technology. The Port of Tilbury already contains modern warehouse facilities where fully automated storage and product access using robotics is installed. The skills for this type of warehouse include crane and roller conveyor technologies. The role of the fork-lift truck, with its skilled driver, in these warehouses will remain but fewer are needed. In conventional warehouses, the skills of the narrow aisle fork-lift truck drivers, or the operatives using lifting pallet pickers, will continue to require considerable learning and development input.
- 2.2.6 Outsourcing of logistics continues to be a strategic choice for many companies, generally using large third-party logistics operators as partners. This method of managing the warehousing and distribution elements of the supply chain concentrates logistics skills within the specialised logistics sector, reducing the need for retail, manufacturing or wholesaling enterprises to acquire and maintain these skills in-house.
- 2.2.7 Outsourcing of manufacturing, which has been a prominent trend in recent years, may now have reached a peak. There are many signs that wage increases in south-east Asian wages are accelerating, with a consequent impact on competitiveness.

2.2.8 A summary of national statistics about the logistics work-force and its skills needs is at Appendix 1.

### 2.3 Findings from the business survey

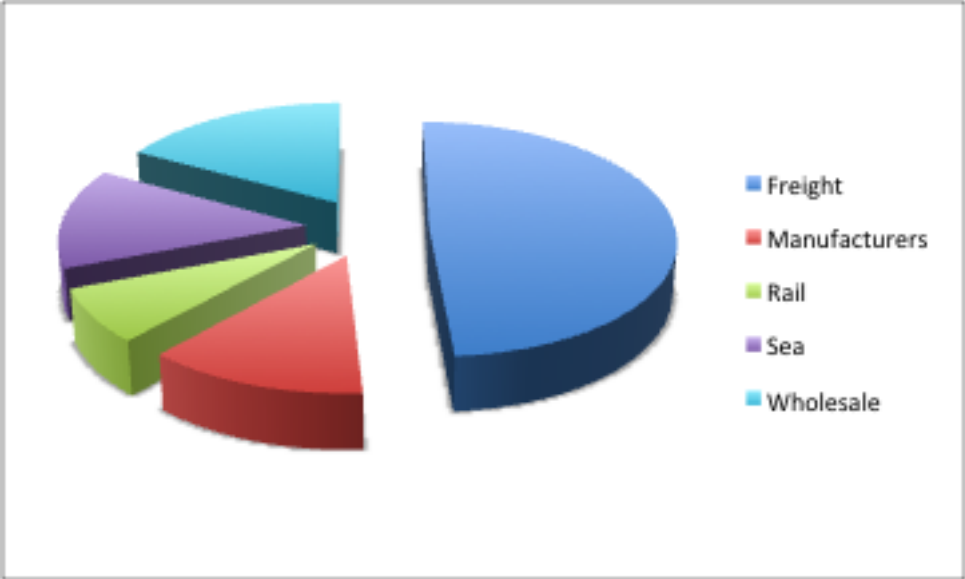
#### Background

2.3.1 During September and October 2013, a total of 97 business enterprises were approached to participate in the survey, either by direct completion of an on-line questionnaire, by completion of the survey by telephone (with the opportunity for certain topics to be explored in greater depth), or by face-to-face interviews. The questionnaire is at Appendix 2.

#### Composition of the survey sample by business sub-sector

2.3.2 Enterprises across the industry spectrum were approached, with a strong bias towards firms in the Thurrock area and, as might be expected, freight logistics made up almost half of the total sample (see Exhibit 2).

Exhibit 2: Breakdown of industries participating in the survey



#### Composition of enterprises by business size

2.3.3 The EU uses a standard definition for identifying small and medium-sized enterprises (SMEs), and this is reproduced at Exhibit 3. Of the 97 enterprises in the survey, 20 (21%) were counted as SMEs, while the balance consisted of larger enterprises.



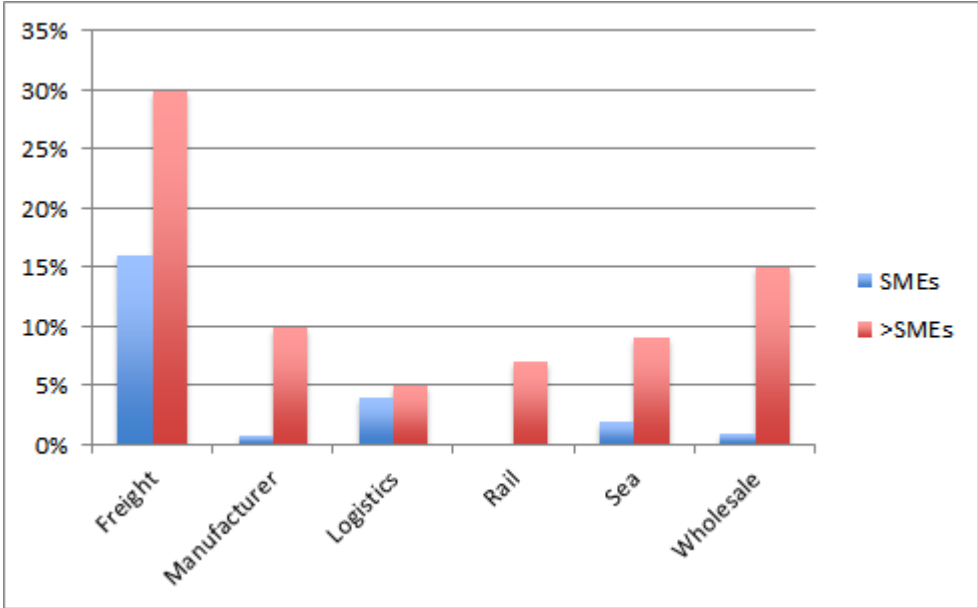
Exhibit 3: EU standard definitions of SMEs

EC SME Definitions			
Criterion	Micro	Small	Medium
Max. number of employees	9	49	249
Max. annual turnover	-	7 million euros	40 million euros
Max. annual balance sheet total	-	5 million euros	27 million euros
Max. % owned by one, or jointly by several, enterprise(s) not satisfying the same criteria	-	25%	25%

Footnote: To qualify as an SME, both the employee and the independence criteria must be satisfied and either the turnover or the balance sheet total criteria

2.3.4 Exhibit 4 summarises the enterprises surveyed by sub-sector. Larger firms tended to dominate the sample in all sub-sectors which is not typical of the logistics sector as a whole. In numerical terms some 29 questionnaires were completed, or a response rate of slightly under 30%. This is considered to be within the range of what is acceptable for a survey of this kind, where the incentives to participate are low.

Exhibit 4: Enterprises surveyed, by sector

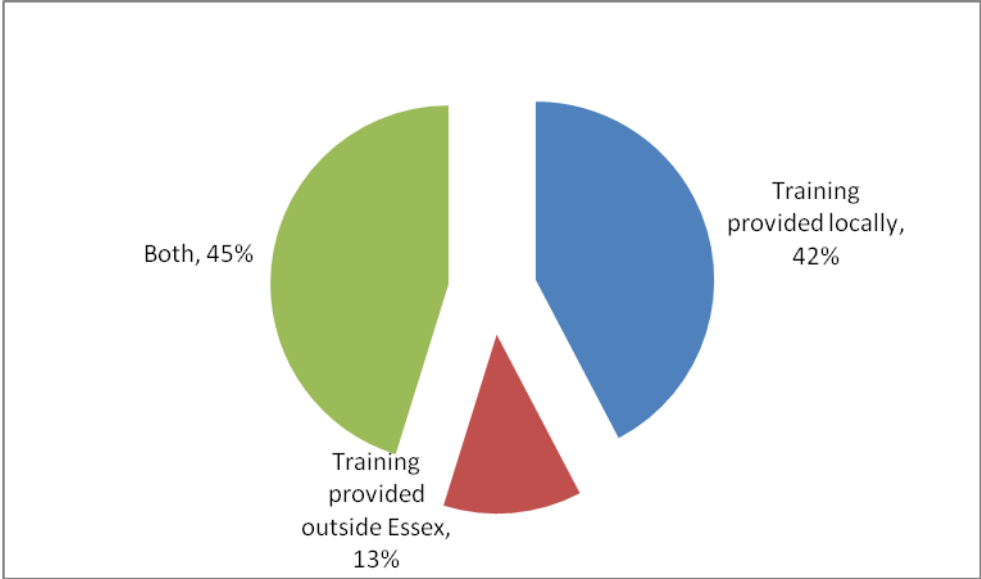


2.3.5 The relatively smaller proportions of SMEs in the sample reflect the difficulty in contacting people in such firms who were both sufficiently authoritative and willing to take part. To compensate for what would otherwise be a rather skewed pattern of responses, Bisham/SRA persuaded a number of firms, particularly SMEs, to take part in a telephone or face-to-face interview. In this way, the overall response rate was raised to around 50%, with the additional benefit of an increase in qualitative data.

**Survey results**

2.3.6 Exhibit 5 summarises what respondents told us about the **location of training provision**. The key point here is that the large majority relied either on training provided locally, or partially provided there. In the case of large operators (Stobart was an example) training was often provided at a national centre, not necessarily anywhere close to Thurrock. On balance, the impression created by answers to this question was that more could be provided locally – probably with resultant savings in time and cost.

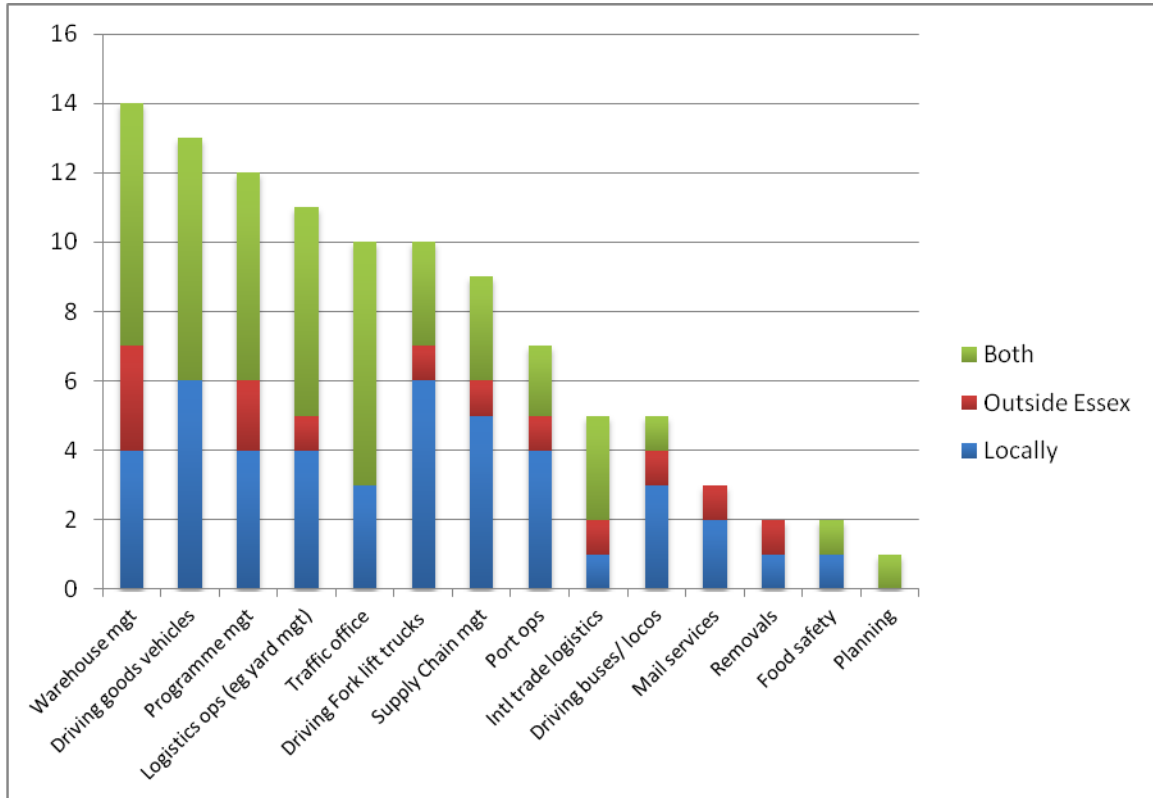
**Exhibit 5 : Location of training provision**



2.3.7 Respondents identified a number of **key skills and capabilities**, and where training for them was provided. Exhibit 6 summarises responses. The spread of skills and capabilities is very much in line with what is known from informal contacts in the industry, and from knowledge of the range of industry activities around Thurrock although one additional point to emerge was the need for technician skills associated with commercial vehicle maintenance and repair.

2.3.8 Enterprises were next asked to identify key **skills shortages by type** – general management, technical and personal capabilities. Exhibits 7, 8 and 9 show the percentages of respondents mentioning specific shortages in each of the skill types.

**Exhibit 6: Key skills and capabilities, with location of provision**



**Exhibit 7: Skill shortages – general management**

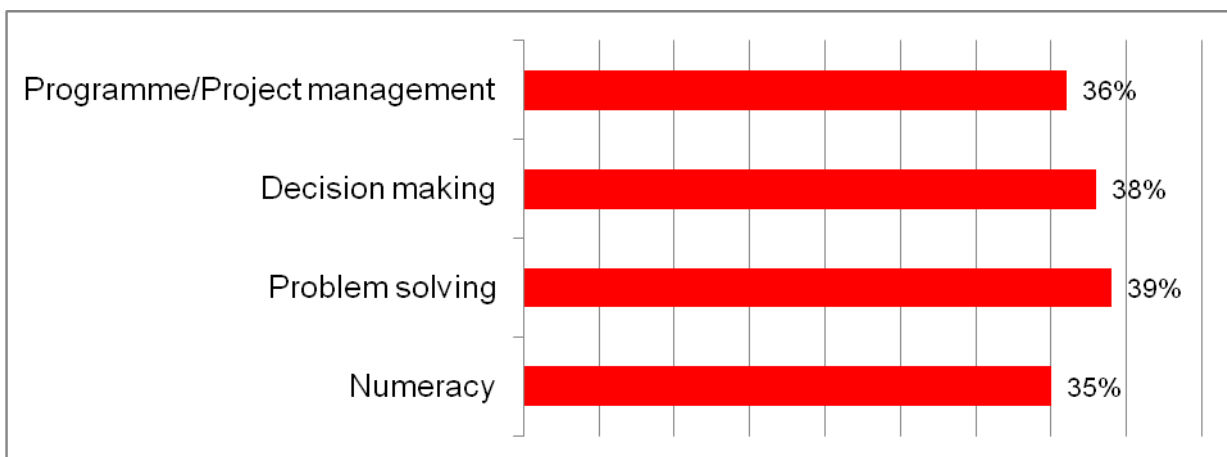


Exhibit 8: Skill shortages – technical skills

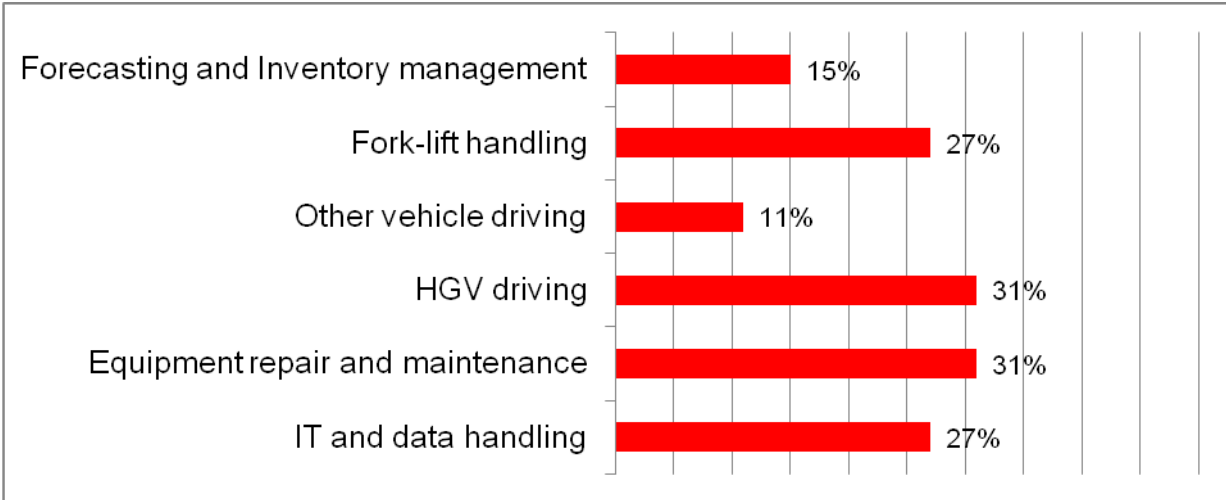
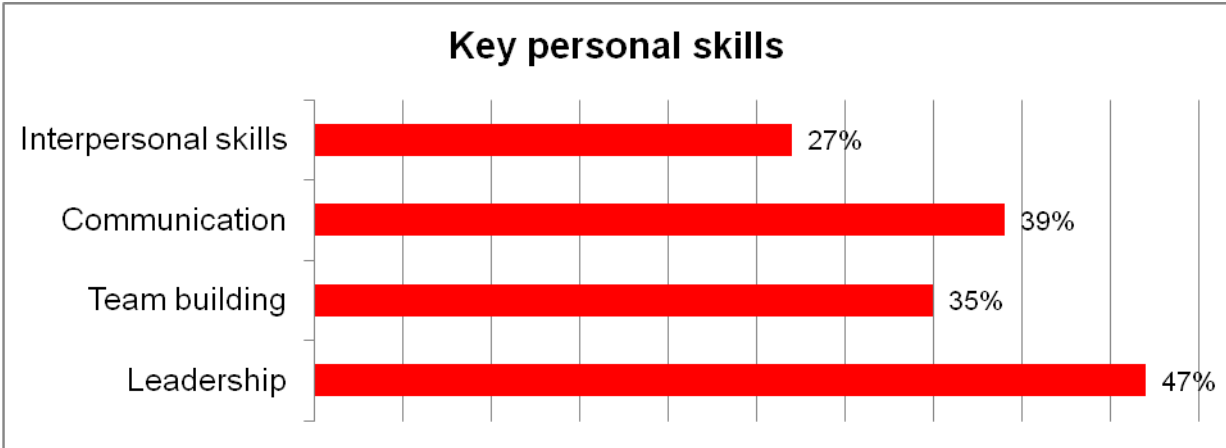


Exhibit 9: Skill shortages: key personal skills

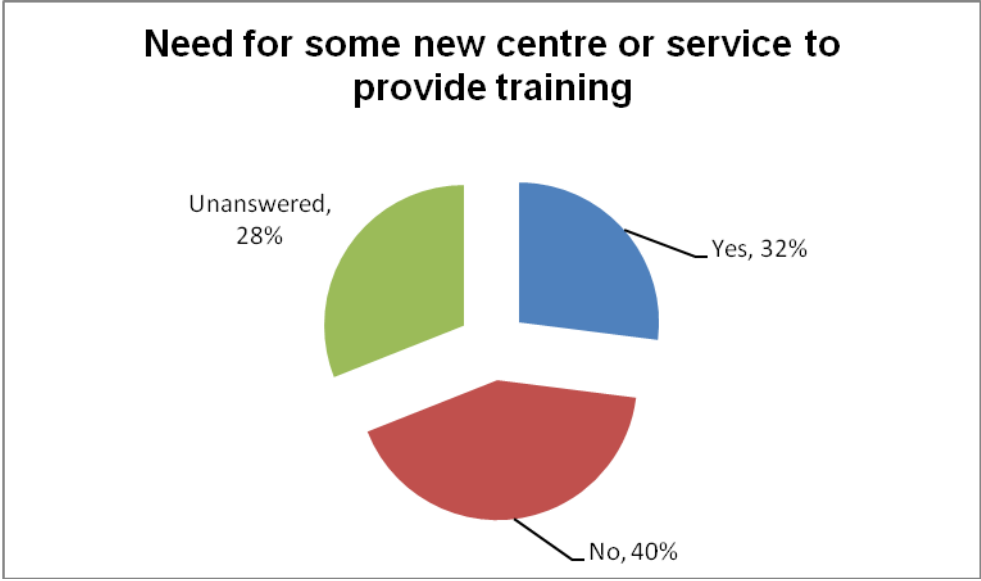


2.3.9 Several of these results give cause for concern. The shortage of skills in the management category parallels the findings of research commissioned by Skills for Logistics almost ten years ago. It is disappointing to see such little apparent progress, which augurs poorly for the growth and success of some firms. Similarly, the shortage of HGV driving skills – particularly at a time when regulatory standards are being tightened – is a cause for concern. Correspondingly, the shortage of technicians and mechanics constitutes a notable deficit. Perhaps most striking is the extent of skill shortages in key areas of personal competence, especially leadership, communication and team building.

**Filling the training gap**

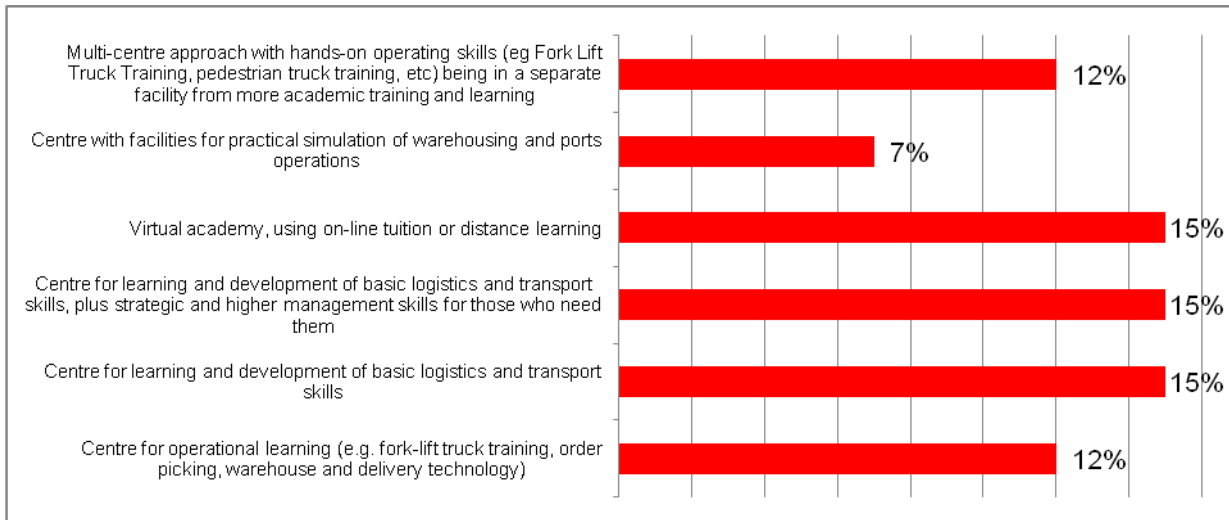
2.3.10 Given the extent of reliance on logistics training outside the region (as shown in Exhibit 5), enterprises were then asked whether the gaps in training would, in their view, best be met by a new training facility in the South Essex area. Responses are summarised at Exhibit 10.

**Exhibit 10:** Need for some new centre or service to provide logistics training



2.3.11 Although only a minority of enterprises saw a need for some new facility, those that did were asked to identify which method of training they would prefer. The responses are indicated by Exhibit 11. No strong preferences for a particular method of training emerged, probably reflecting the rather varied needs of those who favoured a new facility.

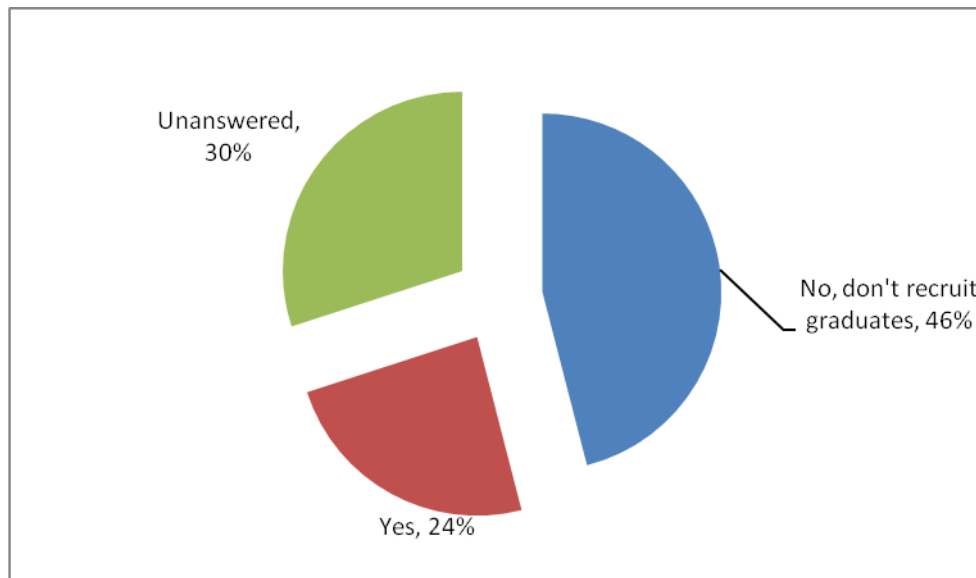
**Exhibit 11:** Format of a new centre or provision of service



## Educational level of employees

2.3.12 We have referred to previous research which indicated that logistics is not considered an attractive career choice by many young people. Career development opportunities are perceived to be limited, and popular perceptions of the industry are often rather poor. Against this background, enterprises were quizzed as to whether or not they actively sought to recruit graduates. The findings are summarised in Exhibit 12.

**Exhibit 12: Recruitment of graduates with relevant logistics or supply chain degree**



- 2.3.13 The number employing graduates seems a little high but since we were targeting Logistics Companies the result will have shown some bias. The implication seems to be that general management skill shortages, along with various other shortages identified in the business survey, seem likely to continue for the foreseeable future - unless there is a step change in attitudes to graduate recruitment.

### **Enterprise interviews**

- 2.3.14 As explained above (para. 2.3.5) some respondents were offered the opportunity for an interview, either face-to-face or by telephone. Eighteen firms took this up, representing a significant boost to the quality of the response. The following main points emerged:
- Almost all firms relied on training in-house or 'on the job' to some degree, supplementing this with the use of external training firms - particularly for updating to help them comply with current rules and regulations. These firms tended also to favour the idea of a new logistics academy, implying perhaps that they were not impressed by the service, or the value, they were receiving from external providers. 'We use external training but it is costly and inconvenient' was a typical comment;
  - Those who favoured a new academy stressed that it should have industry backing. As one respondent put it: 'a Thurrock [Council] initiative would have less credibility'. Another said 'We think an academy is good idea, but would not be likely to use it'.
  - Several firms reported that they had a stable work-force, with little turnover of staff and therefore no great need for skills training except when some new equipment was brought in;
  - A majority of the firms interviewed had recruited Apprentices, but in several cases it had not been a happy experience, with Apprentices dropping out; nevertheless, one SME declared 'Apprenticeships are critical to the long-term future of the company as it is essential to keep talent in the pipeline'.
  - Some firms mentioned particular difficulties in recruiting experienced drivers or skilled mechanics.

### **Conclusions**

- 2.3.15 From the survey findings, a picture emerges of substantial skill gaps in some key aspects of logistics operations: HGV driving skills, mechanics for maintenance and repair, fork-lift operators and IT staff. The reported shortage of management skills is striking and is matched, or exceeded, by the apparent deficits in personal competences. It has not been possible for firms to put numerical values on the extent of their shortages. That might be misleading anyway, because firms tend to feel the lack of key personnel in particular roles more keenly than sheer numbers of vacancies, partly because agency labour can substitute for some vacancies on a short-term basis.
- 2.3.16 While SMEs in particular showed some interest in the idea of a new academy, there was also an implication that this might be driven by their dissatisfaction with existing external training, rather than a strong commitment to the academy concept *per se*. The larger companies appeared less supportive of an academy (though not hostile to it), probably because they felt confident about their in-house training as well as having direct control over it.



## 2.4 Findings from the survey of public and professional organisations

- 2.4.1 In parallel with the business survey, SRA conducted a more limited survey of public and professional organisations along with some voluntary bodies and trades unions, which were thought to have an interest in logistics developments. The scope of the survey ranged across a wide area of Essex, Kent and east London, reflecting the potential impact which developments in Thurrock will undoubtedly have.
- 2.4.2 The survey used a check-list of topics for discussion (reproduced at Appendix 3), which sought to elucidate knowledge and opinions about the demand for logistics skills and qualifications. The survey also invited comments on the need for a new institution of some kind, such as a logistics academy located in Thurrock. In all, some 26 organisations were interviewed, either by telephone or in person, made up as shown in Exhibit 13.

Exhibit 13: Summary of survey responses

<b>Organisation type</b>	<b>No. of interviews</b>
Local authorities and central government	10
Professional bodies	7
Voluntary and non-profit bodies (inc. TUs)	7
Other public bodies	2
<b>Total</b>	<b>26</b>

Source: Bisham/SRA research.

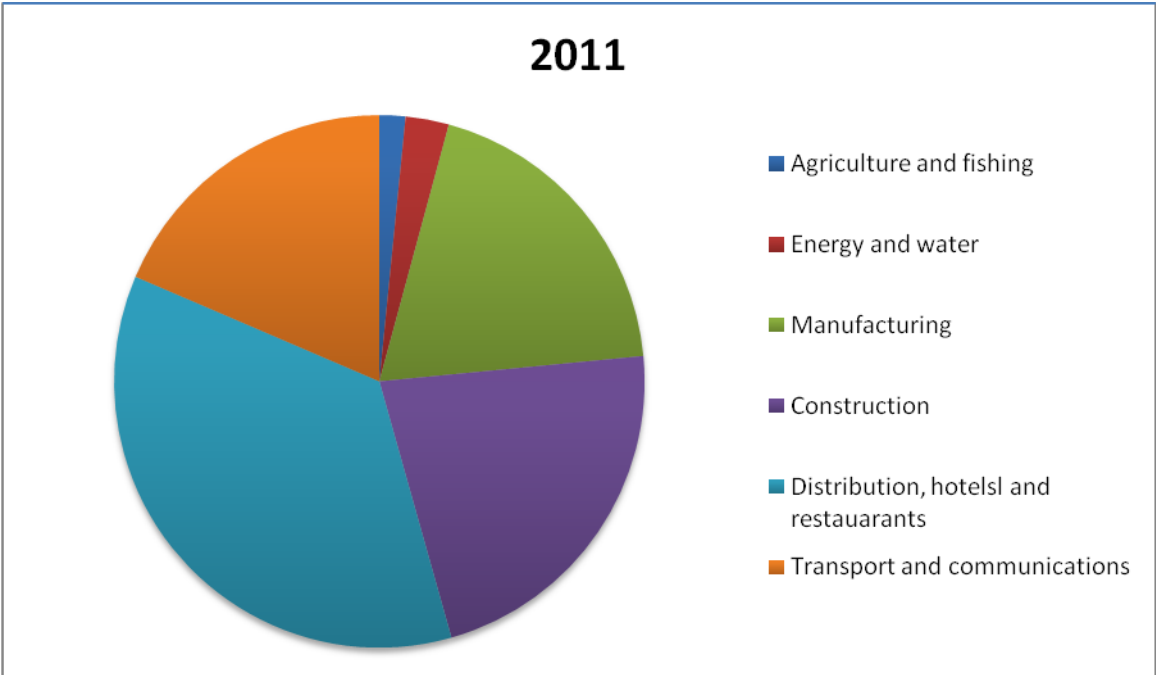
### Impact of logistics developments in Thurrock

- 2.4.3 As might be expected, there was a near-unanimous view that the current port and related developments would have a massive and generally positive impact in Thurrock. The scale and timing of the demand for labour was thought to be uncertain however, partly as a reflection of the economic outlook nationally and internationally, and partly because industry is reluctant to make forecasts which may turn out to be wide of the mark.

2.4.4

Up to the present, the logistics sector has been of a similar size in Kent and Medway. An impression of the relative size of the sector by comparison with other major industrial sectors in greater Essex (i.e. the county of Essex, plus the unitary authorities of Southend-on-Sea and Thurrock) is given by Exhibit 14. Survey respondents thought that developments north of the river pointed to a decisive change in the balance, with an increase in the prominence of logistics there, and especially in Thurrock. Allied with this was a concern from the south side of the Thames that local people seeking jobs should have ready access to the new opportunities on the north bank. The communities on the south side were said to be vulnerable to the possible contraction of Thamesport, and paradoxically from the dramatic improvement in rail services to London, which have led skilled people to travel out of the area in search of better paid work (wages in Medway are well below the average for the south-east region).

Exhibit 14: Numbers of people in employment in Essex, by sector



Source: Essex County Council (2013), Essex Economic Growth Strategy.

- 2.4.5 The impression of impending growth was related to a general belief that there was likely to be a major demand for infrastructure, particularly improved road and rail networks, in and around Thurrock. At county level, the 'Guiding Principles' in the Essex Economic Growth Strategy<sup>1</sup> include a commitment to the promotion of 'transport, communications and utility infrastructure improvements that are essential to Essex businesses'. Yet the Port of Tilbury already sees around 7,000 lorry movements daily, such that the highway authority has identified the approaches as 'having significant reliability issues'. At London Gateway, the number of movements is likely to be substantially higher than this within a few years. Although a pre-existing branch-line serving the Gateway site has recently been resuscitated, neither Network Rail nor the Highways Agency appears to have released any firm plans for other major schemes related to the ports.
- 2.4.6 Passenger rail services serving Thurrock are relatively good, but Tilbury Riverside (serving the cross-river ferry and the liner terminal) lost its rail service some years ago. In the short term, it seems likely that public transport improvements will have to be largely bus-based and indeed the passengers alighting from cruise ships now travel by coach when previously they went by rail.
- 2.4.7 It may be worth noting that the Thames itself could readily be used for fast passenger services up-river, connecting not only the centres of employment but also projected housing developments at Purfleet. Longer term, there will be a need for labour to build, operate and maintain the additional infrastructure links that will almost certainly be required.
- 2.4.8 Several respondents to the survey argued that the Thames estuary can be viewed as a distinct economic area, which already encompassed an estimated 4,000 businesses, employing over 100,000 people in ports, shipping, boat repairs, pilotage, lighterage and water-based leisure. If major construction projects on - or even under - the river, like the 'super sewer' planned by Thames Water and the wind farms, were taken into account, Thurrock clearly has even greater opportunities for regeneration and employment. Formulating a policy towards the growth of the 'Thames economic area' (if the concept has validity) clearly calls for co-ordination between public, private and professional bodies across a much larger area than Thurrock alone.

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<sup>1</sup> Essex County Council (2013), Essex Economic Growth Strategy.

- 2.4.9 An obvious but significant point made in the survey responses was that growth of the ports in Thurrock will stimulate a whole range of secondary and service industries, including catering, cleaning, vehicle repairs, highway maintenance, recreation, health and safety etc. In total these constitute a major new source of employment, most with attendant demands for skills.

### **Measures needed to gain benefits for local people**

- 2.4.10 Thurrock Council has built a regeneration strategy around five 'growth hubs': Purfleet (where the Backstage Centre has been established as part of the High House Production Park, with backing from the Royal Opera House); Lakeside shopping centre and its extension; Grays town centre remodelling, linked with the new South Essex College development; Port of Tilbury London (PoTL) expansion; and the DP World/London Gateway development. The implications of these two last-named developments are therefore already being taken account of in local planning. Here, therefore, we concentrate on other key points that emerged from the research.
- 2.4.11 As in the case of the business survey, respondents agreed that, in the short term, the developments in Thurrock open major opportunities to gain employment benefits. Apprenticeships and the new Traineeships are already being taken up by ports, logistics and transport operators, and the educational institutions in the area are keen to collaborate with employers in securing more of the same (see also under section 2.5 below). The point was made however that firms, for example at Southend airport have moved much faster than the logistics employers in setting up Apprenticeships.
- 2.4.12 There was a clear message from the public and professional bodies that the demand for labour would increasingly focus on people with specific skills, as sophisticated handling and storage techniques are introduced, and 'knowledge-based' services expand. New investment typically prefers state-of-the-art equipment. One implication was seen as the 'hollowing out' of the labour market, with more higher skilled and some lower skilled jobs being created while the proportion of medium skilled jobs declined.<sup>2</sup> If the labour force available in Thurrock is to compete effectively for jobs, it is crucial that local people are adequately trained for them.

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<sup>2</sup> This situation is not unique to logistics; see for example University Alliance (2012), *The Way We'll Work: Labour market trends and preparing for the hourglass*.

- 2.4.13 A related concern was that public bodies should have co-ordinated policies in place to ensure that local people can readily access the jobs available. Apart from transport connexions, there will be a need for housing, recreation, and other services to cater for the influx of labour; some workers will commute, but others will need to be close to their place of employment, especially if they have significant family responsibilities.
- 2.4.14 Following from this, it was strongly argued by some respondents, using analogies from elsewhere in East Anglia, that institutional mechanisms such as partnerships between local authorities and industry are beneficial in gaining benefit from inward investments. An example quoted was the energy sector, where a partnership between Essex, Suffolk and Norfolk county councils has targeted general occupational skills – notably in engineering and construction – that are relevant to the oil, offshore wind, shale gas and related industries. Local colleges were said to be catering for perhaps 80% of these occupational skills, but where they were unable to offer training demanded by employers (for example in enterprise and innovation), public agencies were able to fund the ‘missing 20%’.
- 2.4.15 Support was expressed by voluntary bodies for the policies now adopted by Thurrock Council which aim to transform the way it relates to the local community. The Council’s intention is that local people should be actively involved in designing their future, and the research by Bisham/SRA suggests this is key factor in capturing benefits from the current port and logistics developments.
- 2.4.16 Despite the uncertainty about the scale of demand for labour, the survey confirmed the need for some more detailed business plan to capitalise on the ports and logistics developments. That points to a closer and more sustained dialogue with, and between, employers about such matters; otherwise, agencies like JobCentre Plus cannot give effective support and potential benefits to the community may be dissipated or lost.

## Likely demands for skills and qualifications

2.4.17 To provide some context for the survey findings, we refer to the Essex Economic Growth Strategy (EGS)<sup>3</sup>, which sets a target of accelerating the delivery of 42,000 new jobs, across a raft of projects in greater Essex. The EGS envisages a 25% increase in Apprenticeship starts (16 – 18 year olds) between 2010/11 and 2013/14 and a 33% increase in Apprenticeship starts (19 – 24 year olds) over the same period. A 50% increase in Advanced Apprenticeships and 100% increase in higher level Apprenticeships are also proposed. Particular emphasis is given to enterprise and innovation, with the aim of creating over 5,100 jobs of this type. The EGS anticipates that a significant, though unquantified, proportion of these apprenticeships and jobs will be in the South Essex area.

2.4.18 Against this background, responses to the Bisham/SRA survey revealed seven main groups of skills and qualifications likely to be required over the coming decade:

- Construction skills, mainly associated with the physical expansion of the Port of Tilbury and the completion of DP World Thames Gateway;
- Maritime skills, including in-shore navigation, mooring of ships, dock operations, loading and unloading of goods and containers, sea survival;
- Port operations, including health & safety, fire-fighting, customs procedures, crane operations, shunting;
- Warehousing and storage, including fork-lift and reach truck driving, IT and warehouse operations;
- Logistics and distribution, including planning, scheduling, IT, vehicle/locomotive driving and operations management;
- Management training, running across all the preceding groups and probably with a degree of specialisation in each, to suit employers' requirements;
- Skills related to ancillary and support functions in and around the port, for example, catering, cleaning, vehicle and equipment maintenance.

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<sup>3</sup> Essex County Council (2013), Essex Economic Growth Strategy.

- 2.4.19 In the short-term, there is likely to be strong demand in the construction and maritime categories, on the assumption that the Port of Tilbury London continues to expand and that DP World London Gateway achieves something like its planned growth. The port operations and logistics categories (including vehicle driving) are expected to show steady and continuing demand; warehousing will increasingly be affected by advances in mechanised sorting and handling, rendering reliance on traditional fork-lift trucks and similar equipment much less important than in the past.
- 2.4.20 Like other enterprises setting up in a new location, DP World was reported to be buying in management and higher level skills, in order to get its operations organised. Recruitment of a new work-force required skills in interviewing, selection and induction, on which professional bodies were contributing help. In time, it was anticipated that DP World would aspire to 'grow their own', in the interests of matching skills and culture more reliably to the company's requirements, and to cater for skills that were hard to find in the market.
- 2.4.21 Among logistics enterprises already well-established in Thurrock, the need for managerial skills was likely to increase and diversify, thus confirming what emerges from the business survey. Technical and IT skills would continue to be a major source of demand for many years to come, with the associated need for updating and re-skilling as technology changes.
- 2.4.22 Finally, as the work-force increased in and around the ports, there would be a steady and continuing rise in demand for ancillary and support functions in the final category above. In the short-term, this would probably draw in relatively unskilled labour, but as the scale and professionalism of support functions increased, there would be a need for up skilling and better qualified workers.

## **The state of existing provision**

- 2.4.23 Respondents to the survey made rather few comments on this, except to note the perennial miss-match between what employers say they want and what the education system produces. As evidence for this, it was reported that London Gateway had organised a careers fair in 2012 and interviewed 2,000 applicants for jobs; only 50 people were considered suitable for recruitment as against 200 proposed vacancies. A comment was also made that the terms and conditions of employment were thought to be relatively unattractive (no pension offered, two-year fixed-term contracts and a ban on trade union membership); consequently it was difficult to know whether the skills were really not available in the market or whether other issues clouded the picture.
- 2.4.24 There was also some feeling that the priority for existing providers should be on 'pre-employment' training and basic skills; by contrast other respondents thought the standards of achievement among Thurrock school leavers had been improving, over recent years, and that progress towards making youngsters more employable was being made.
- 2.4.25 The National Maritime Development Group (NMDG) had been formed by various stakeholders and business interests in the Thames estuary to re-define the needs for maritime training. The NMDG drew attention to the huge opportunities in logistics, boat repairs, pilotage and river transport and pointed to a 300-job shortfall for lightermen, as a result of new regulations being introduced. Yet employers remained unwilling to spend on training.

### **Need for a new institution such as an academy**

- 2.4.26 There was some support for the notion that a new academy in Thurrock could act as the focus for meeting any shortfall in what was available from further or higher education. An academy for logistics was also seen as fulfilling an earlier vision to match the success of the Backstage Centre in Purfleet, and to provide a home for the national skills academy in logistics which had been a vital plank in the vocational training policies of the previous (Labour) government. On the other hand several respondents felt that the case for a new academy had largely evaporated or that, given the progress already made in developing London Gateway, it would be too late to support the recruitment effort being made there.



- 2.4.27 Previous discussions about a logistics academy also referred to the possibility of incorporating a centre for research and innovation. Respondents were sceptical about this unless it followed the model of a ‘science park’; for example a research facility that dealt with applied subjects like vehicle maintenance or river craft improvements, or ‘green’ issues in logistics. The facility would need to be associated with commercial enterprises that could identify issues and problems for research and provide a test-bed for solutions. It was said that Ford already operated something like this at Basildon. Would such a facility bring direct benefit to the people of Thurrock? The answer was ‘probably not’.
- 2.4.28 A major stumbling block to the academy idea was the lack of substantial and continuing funding. Duplication with existing provision, both in-company and in the FE/HE sector was another strong argument. There was certainly no need, given the present state of educational technology, for ‘building more classrooms’. Specialised facilities – for training people to deal with high voltage equipment, for example, or simulators for port handling operations – could be useful however. But for an academy to survive and prosper, it would have to meet clear needs that were not catered for elsewhere and not likely to be: in other words, it would have to deliver added value.
- 2.4.29 One approach which might meet this objective would be to form a ‘virtual academy’, bringing together employers with FE and HE institutions to promote training and skills development through distance learning and computer-based instruction. This would not require extensive premises or many permanent staff, but it could help to improve skills and knowledge without requiring employees to leave the work-place for extended periods.

## **Other comments and wider issues**

- 2.4.30 Thurrock is currently dependent on fossil fuels for over 95% of its energy, either directly or indirectly, and will need to give consideration to security of supply in the future. National policy requires 15% of all energy requirements (including transport) to be provided from renewable sources by 2020<sup>4</sup>, and the Borough may be well placed to carve out a role in the low carbon economy: it has good access to the world's largest off-shore wind farm, off the Kent and Essex coasts, and established wind farms such as Gunfleet Sands, off Clacton-on-Sea. A good proportion of energy used at the Port of Tilbury is also generated by wind power. The many engineering and manufacturing firms which have supported the aviation and automotive industries in the past are well equipped with the relevant transferable skills.
- 2.4.31 Thurrock's position on the Thames estuary was regarded by several respondents as an under-rated asset. The development of 3,000 new homes close to the river at Purfleet, and the port developments further east, made the Thurrock foreshore a potentially attractive focus for investment by both public and private sectors. The 'riverscapes project', already identified by Thurrock Council, was seen as a useful initiative which the promotion of logistics as a key focus of local employment should respect and enhance.
- 2.4.32 An extension of this line of thinking – which departed somewhat from the focus of the survey – was that Thurrock was well placed to collaborate with authorities and institutions on the south bank, and with other agencies that share a common interest in the economy of the Thames estuary. An 'Academy of the River', catering for inshore maritime activities, water-based leisure, lighterage and boat handling etc. was a vision – with something more than a romantic appeal - that seemed to have an attraction for some respondents.

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<sup>4</sup> East of England Development Agency (2009), [Essex Local Economic Assessment refs]

## 2.5 Findings from the survey of educational institutions

### Introduction to the survey

- 2.5.1 The survey of educational institutions was carried out through semi-structured or open-ended interviews with institutions that have a declared interest in ports, logistics and transport. Again, the survey used a checklist of topics for discussion (reproduced at Appendix 4) which was designed to establish their present level of activity and future commitment to education and training in ports, logistics and transport. The survey included universities and further education colleges on both sides of the Thames including the Universities of Greenwich and London Metropolitan where both undergraduate and postgraduate courses in logistics are provided, the Hull University Institute of Logistics and the S & B Automotive Academy in Bristol which has a strong reputation in computer-based and distance learning techniques.
- 2.5.2 Bisham/SRA also had access through its professional contacts with the Chartered Institute of Logistics & Transport (CILT) to a database of university courses nationwide in logistics and transport (see Appendix 5). This provided a comparative framework with which to compare what is available in the Thurrock area.

### Key findings

- 2.5.3 The institutions surveyed had all taken steps in one way or another to 'gear up' for the anticipated surge in demand for training that was expected in Thurrock. In many cases this has been encouraged by the availability of Apprenticeships and Traineeships, and these government-funded schemes were being actively promoted by all the institutions contacted during the research. However, a comparison among industries in greater Essex shows that, for example, rail infrastructure, engineering and transport have engaged rather more Apprentices than ports and logistics, while airlines and airports have engaged a great many more. Despite the efforts of the colleges, the response of logistics employers seems to be lagging.

- 2.5.4 South Essex College, which has plans to create a Department of Logistics, has set up Apprenticeships in warehousing and storage (with accreditation of the academic content by Edexcel) and in commercial moving. But although it can offer support for Apprenticeships in logistics (NVQ Level 2) and logistics operations (NVQ Level 3), there have so far been no takers. Again, the college is accredited to run courses leading to the CILT professional qualification, but suffers a lack of applicants. It has nonetheless tried to promote the qualification jointly with employers and is in discussions with the Institute about ways to address this problem.
- 2.5.5 At lower levels of skill, several colleges, including Havering College and Prospects College in Basildon, reported that they had little difficulty filling short courses in basic, logistics-related, activities like fork-lift truck (FLT) training. Sometimes these drew financial support from external sources aimed at getting young people into work, although some trainees paid for themselves. There was a strong commitment among the colleges to helping trainees progress beyond such basic qualifications, and there were some imaginative suggestions for doing this. Havering College for example, saw FLT training as a potential route for young people to become HGV drivers eventually, with the Driving Goods Vehicles NVQ Level 2 qualification as a step towards this.
- 2.5.6 A significant problem identified by several respondents in educational institutions was how to retain the motivation and interest of school-leavers who lacked 'employability skills' and were not yet ready for the world of work. South Essex College had plans to launch a BTEC qualification in September 2014 which was intended to 'fill the gap' between leaving school, becoming eligible for an Apprenticeship and then gaining a permanent job in logistics – with the possibility of progressing further up the academic ladder.
- 2.5.7 Key to this approach, which found a resonance among most respondents, was the importance of giving young people an insight into what logistics involves, and the opportunities available in the industry. The careers fair, entitled 'Opportunity Thurrock' and held in October 2013, was a major collaborative venture where local employers, colleges and universities could showcase their offerings for the coming year and beyond. Particular efforts had been made this year to promote logistics, with some success.

- 2.5.8 Several respondents, like their counterparts in the public and professional bodies, urged the importance of supervisory and management level training in providing for the long-term needs of the logistics industry. As confirmed by previous research, this can be a difficult area in which to attract employee interest. For their part, the employers – especially SMEs – may have difficulty in releasing promising staff from their day-to-day commitments to undertake management development. The solution was seen to lie largely in flexible provision.
- 2.5.9 In recognition of this problem, Anglia Ruskin University (ARU) had founded a ‘Degrees at Work Department’ and hoped to attract major financial support from the Higher Education Funding Council for England (HEFCE). ARU has already brought together a specialist team to develop a suite of qualifications that meet leadership and management needs, by working in partnership with employers. The University offers on-line MSc courses in Leadership and Management and Leadership in Practice; these qualifications can be achieved in stages, beginning at diploma level, working up to a degree and finally the postgraduate award. The first student at Port of Tilbury has now started on this programme.
- 2.5.10 ARU reported that on-line learning is proving increasingly popular: staff have produced distance learning materials in modular form, which can cater for management in specific occupations such as health services, retail sales and social housing. The materials are supported by blogs, on-line forums and a ‘virtual café’. On-line courses are shorter and cheaper than standard university ones – a diploma can be achieved in seven to nine months – and credits earned are ‘bankable’ for use in other courses or institutions.
- 2.5.11 One or two universities in the survey expressed an interest in research on logistics, although it did not seem that any of them had so far recognised the potential for work related to current developments in Thurrock.
- 2.5.12 All in all, the impression from the survey was that colleges and universities are keen to play their part in providing education and training in Thurrock and they are seeking ways to make this attractive both to potential students and employers. South Essex College, Havering College, ARU and Prospects College, among others, have all responded to the potential demand for logistics courses. The difficulty is that much of this demand is for courses of short duration, in specific skills, where competition from the private sector may be keen. The FE and HE institutions would like to cultivate the market for management training, for which they are well suited, but need commitment from employers.

- 2.5.13 From the employers' side there was some feeling that further and higher education still does not give sufficient priority to what they think industry needs. An example of this was the decision of London Metropolitan University to close both their MSc in Purchasing and Supply Chain Management, in spite of having 26 potential applicants at one point. Other courses were better supported, such as at the University of Greenwich where there are 25 and 35 students respectively on their Managing for Supply programmes; however at least three-quarters of these are from overseas and planning to return once qualified. There is currently very sparse liaison between these courses and ports in Thurrock. The response to this situation surely lies in improved, sustained dialogue and greater mutual understanding between employers, colleges and universities.
- 2.5.14 One opportunity for better liaison related to projects or theses which are a feature of many full-time logistics courses. Some at Masters level allocate a year for this purpose, while for undergraduates a month is typical. For all projects, the ideal is for students to have the opportunity to carry out a real project exercise in a company. Yet universities and their students struggle to find suitable placements.

## 2.6 Findings from the survey of potential employees

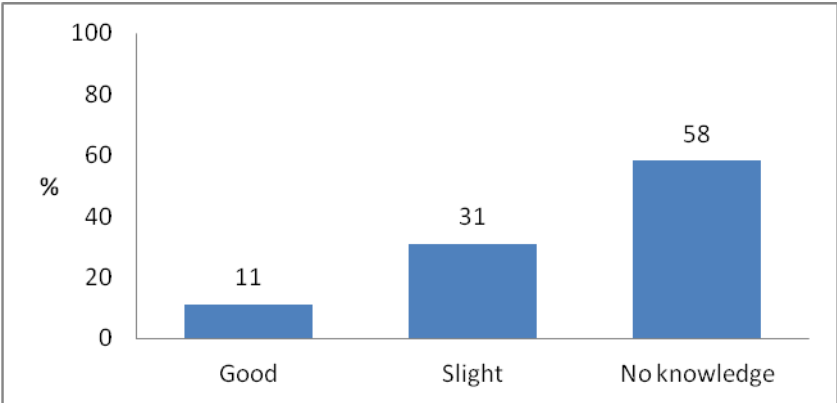
### Introduction to the survey

- 2.6.1 A key issue which was constantly raised during the research was the shortage of people choosing to work in logistics. Clearly this is an important matter since however much employers need staff and educational institutions provide courses, if people do not consider working in logistics there will be problems. This is especially a risk if young people currently making choices about future careers are not attracted to the industry.
- 2.6.2 Unfortunately, there is much research nationally which shows this to be a long standing problem with one of the main explanations being that young people don't know what 'logistics' is. However, it was thought that the situation in Thurrock might be more positive due to the hypothesis that the long standing presence of ports and docks in the area would have nurtured a culture of local knowledge about logistics. In addition relatively high rates of local unemployment might be expected to encourage interest.
- 2.6.3 To test these suppositions and to explore career choices further, a survey totalling 200 interviews and discussions was undertaken with young people in the area – comprising attendees at the careers event Opportunity Thurrock, school and college students elsewhere, unemployed people at the Job Centre and unemployed people in the area generally. The questionnaire is reproduced at Appendix 6. Two-thirds of respondents were under 25 years old. In addition, a smaller sample of logistics students (20 in total) comprising Apprentices, undergraduates and Masters students was interviewed at local colleges, universities and training venues about how and why they had chosen a career in logistics.

### The main survey: students and unemployed

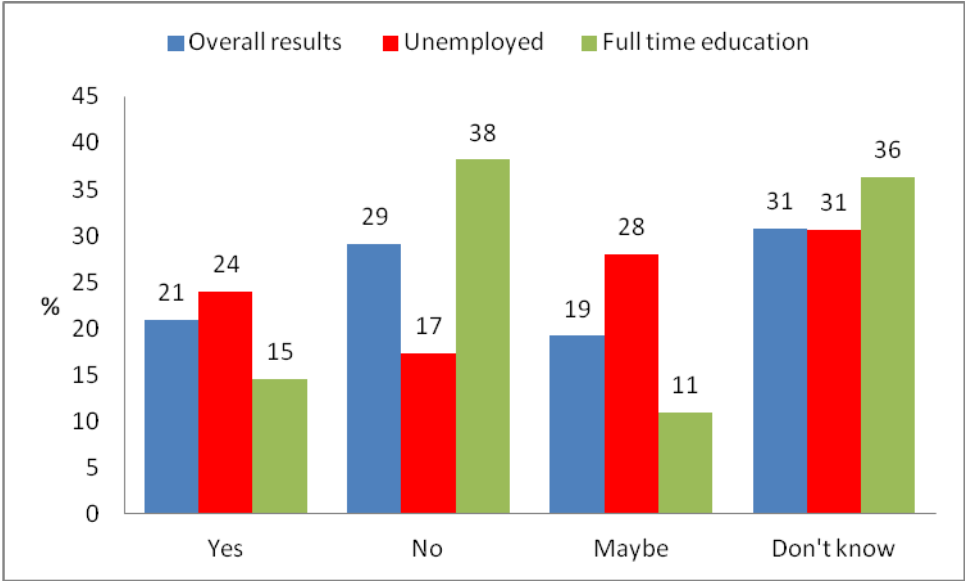
- 2.6.4 The results (Exhibit 15) show that in Thurrock, as elsewhere, there is a lack of knowledge about what logistics is, with over half having no knowledge and only 11% claiming to have a good idea of what the subject involved.

**Exhibit 15 Knowledge of logistics**



2.6.5 Similarly, and not surprising in view of the lack of knowledge, there was an image problem with only one-quarter of unemployed people and even fewer (15%) of school leavers willing to consider a career in logistics (Exhibit 16).

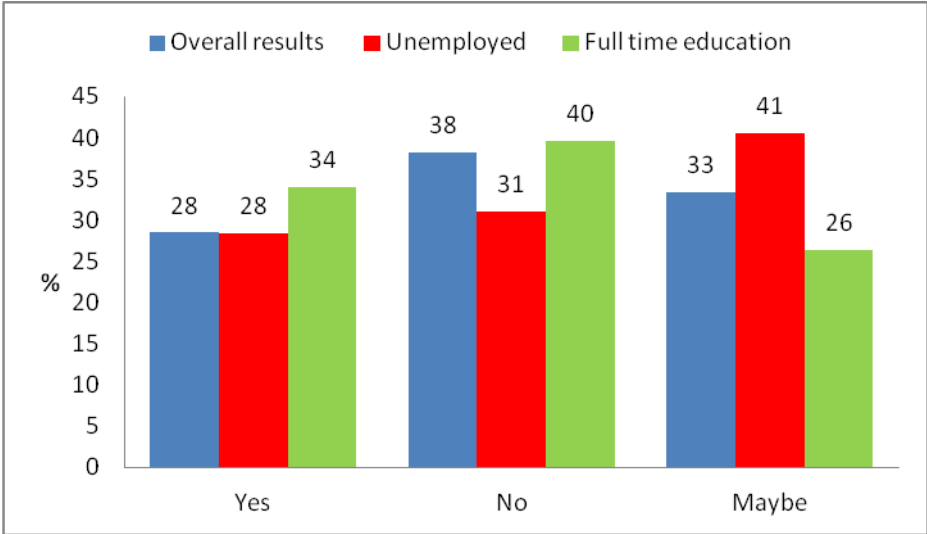
**Exhibit 16: Would you consider a career in logistics (prior to explanation)**



2.6.6 Following an explanation of what logistics involved, positive responses increased (Exhibit 17), but so did the numbers of those giving negative responses. The latter could have been due to the relative short explanation given to respondents about what logistics was and certainly longer and more elaborate presentations have resulted in higher levels of positive response.



Exhibit 17: Would you consider a career in logistics? (Following explanation)



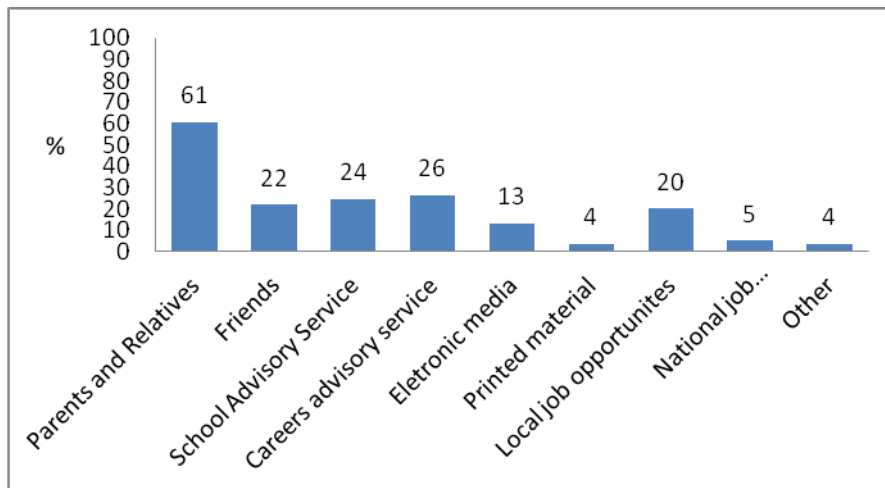
2.6.7 The unemployed were the most open to the idea of a job in logistics, with the least definite 'no' responses, and the most 'maybe' responses. Students in full-time education showed a significant increase in 'yes' responses following the explanation of logistics.

**Factors influencing career choices**

***Family and friends***

2.6.8 The survey also asked about factors affecting career choices. The results (exhibit 18) show a clear influence of family and friends and within this direct experience of employment in logistics by family members. We were repeatedly told of fathers, uncles and even mothers who had worked in the docks or ports in the area and had passed on their knowledge and industrial culture. This is clearly a local asset.

Exhibit 18: Most important factors affecting careers choices (multiple choices)



### **Gender roles**

- 2.6.9 Another strong influence on willingness to consider careers in logistics was the perception that it was a job for men rather than women; this in turn was associated with a view that the work would involve tough physical tasks such as driving, lifting, heights, being outside in all weathers, and so on. This was especially true of young unemployed mothers.

*“I intend to go back to work when they're older, but logistics is a job for a man.”*

*“I think it's easier as a woman to be a teacher than to get a job in logistics.”*

Thus although 46% of the sample were female, only one-quarter of the 28% who would consider a career in logistics were female.

### **Armed Forces**

- 2.6.10 A noticeable influence on positive interest and knowledge in logistics was contact with the armed forces and the survey picked up a surprisingly high number of people who had served in the armed forces and were now unemployed. Indeed there was some resentment that they had not been able to obtain employment since leaving the services in spite of the alleged demand for logistics skills.

### **Knowledge of where to go for training and education in logistics**

2.6.11 By far the most common response to this question was the internet, followed by the Job Centre, and finally teachers. It was significant that no-one mentioned the careers service – perhaps not surprising in the light of the closing down of the central structure of this service and the new focus on provision at the school level. With one exception, none of the schools we contacted had any specific information about logistics available and indeed neither did some of the teachers with career advice responsibilities. Similarly, other advisory services did not specifically link job opportunities in logistics with demand – preferring to take the ideas of young people as the starting point.

### **Survey of logistics students**

2.6.12 Although small in number some interesting findings emerged. One clear trend from the university interviews was for many to have ended up studying or working in logistics via relatively varied routes but few coming straight from school. The typical trajectory was to have started at a relatively lowly level, such as booking clerk or routine administration in the logistics industry, and worked up – frequently without any formal training - to undertake more specifically logistics focused work such as freight forwarding, purchasing or fleet management. The next stage was the realisation that to progress further a formal qualification was needed, and they had thus ended up at university or college. Most were self-funded for this purpose and had received little support from employers.

2.6.13 In a similar manner, the few Apprentices interviewed (5) had also taken up offers by default rather than design, having been sent by the Job Centre for pre-Apprenticeship training, followed on by successful job applications in areas such as fork-lift truck driving or port security. It was noticeable how much enthusiasm had since developed, with two of the young men already promoted and on new training schemes after having been unemployed only a year ago.

### **Conclusion**

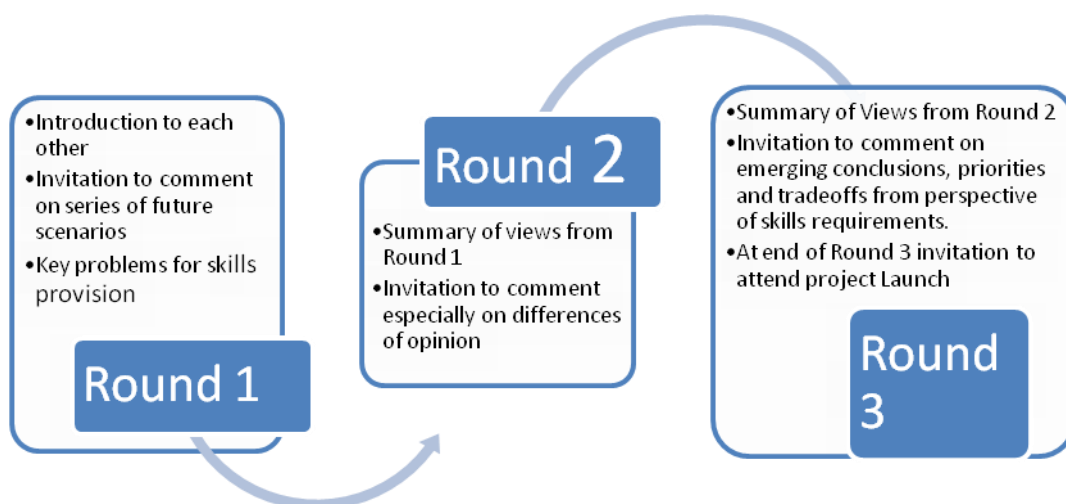
- 2.6.14 In Thurrock and the wider area, the majority of students have very limited understanding of opportunities or careers in logistics especially beyond the image of driving. In particular there is an almost total lack of understanding of the managerial, professional or research opportunities.
- 2.6.15 There is a very clear need for a stronger careers advisory service covering logistics and related employment.
- 2.6.16 There is also a widely held perception that work in logistics is unsuitable for women.
- 2.6.17 On the plus side there is a tradition of employment in docks and ports going back through generations and an associated bank of knowledge and interest in the sector amongst some families.
- 2.6.18 Similarly, there is evidence that once young people are exposed to work in logistics, they become very interested and enthusiastic. This group includes ex service personnel who often struggle to find employment after leaving the armed services and yet have a good understanding and motivation to work in logistics.

## 2.7 The Delphi study

### Introduction

- 2.7.1 The Delphi technique involves setting up a panel of national and international stakeholders who are consulted in order to access expert opinion on a subject. Given that it can be difficult to collect experts together in one location, the technique is ideal for asking questions by e-mail and circulating the responses to all members of the panel, who then respond to each other's ideas as shown in Exhibit 19.

[Exhibit 19: Delphi process](#)



2.7.2 In the present case, the purpose of the Delphi Study was to sample expert views about the implications of future developments in logistics, and from these to discuss the implications for education and training. Experts were drawn from communities of business leaders, academics, public servants, private sector trainers and professional associations. In all 25 experts participated from among the 29 originally invited. To initiate comments and discussion, a series of scenarios about the future of logistics was circulated. The scenarios were:

### **Scenario 1: Continuation of traditional global supply chain**

2.7.3 **Outline:** Goods are moved by conventional means from factory to warehouse, then used to stuff containers for transport, cleared through customs at origin and despatched to the port or to a domestic distribution centre. If exported, they go through customs clearance at the destination port and are then unloaded or moved in container to the receiving warehouse; from here, they are loaded for final delivery to the customer.

- 2.7.4 **Likely trends over the next ten years:** On the whole the traditional supply chain model was expected to remain dominant particularly for heavy or bulk goods. Where variations would occur over time, these would include: more on-line tracking of consignments, the possibility of 'reverse' transactions, as products are repatriated back to the UK for transport cost reasons and a two-way flow of goods and services develops. Physical interruption and bureaucratic regulation ought to diminish, while bodies like Customs and Excise might be persuaded to remodel themselves as partners and facilitators. It was also conjectured that storage and container filling would be pursued closer to the point of origin of products. Global change would make the supply chain more multi-polar and multi-directional, with contributions zig-zagging along the supply chain. Generally, it was thought that the combined forces of computerisation, automation and the relentless search for cost-effectiveness would drive logistics developments in future.
- 2.7.5 **Implications for skills and education:** Traditional skills will remain important - even paramount – including: understanding global supply chains; the ability to generate and handle data; management and implementation know-how; problem solving; and personnel management. In future, obvious requirements would seem to be language skills, financial capability, understanding of international trade and multicultural sensibilities. Supply chain jobs should be tied to higher education and should be a career choice rather than a stand-by. Outside stakeholders – civil servants, Customs and Excise staff, regulators, pressure groups etc. – should be trained to see themselves as essential to the logistical process. At a point in the near future, advanced statistical and IT skills will be imperative along with the more behavioural strengths in personnel management, fraud detection and just-in-time management. Perversely, although the majority of respondents opted for this scenario, several people also mentioned the need for skills in futurology and the ability to balance alternative scenarios.

## Scenario 2: Cutting out warehousing

- 2.7.6 **Outline:** Developments in technology make it possible for consumers to order an even greater variety of products on-line and conventional shopping is greatly reduced. The effect on distribution patterns is that more goods are despatched individually from their point of origin direct to the customer – thus cutting out the warehousing and container stuffing stages.

- 2.7.7 **Likely trends over the next ten years:** This scenario was not supported, since it was envisaged by practically all contributors that warehousing would remain a central feature. Possibly, regional collection points would be an innovation, as would direct supply to consumers. Local sourcing too would diminish the need for warehousing of the intermediate variety, but paradoxically might pave the way for super-warehousing - on the Amazon model - and this is already a feature of supply in the brewing and grocery businesses. Apart from this, there is the likelihood that high value/high density/limited shelf-life goods will increasingly by-pass the warehousing option. However, there was broad scepticism that major change would usher in widespread direct delivery to customers. None of this would rebound on out-of-town shopping centres; other forces such as the on-line revolution might be more influential. Otherwise, the desire for instant gratification and the popularity of instant returns will tend to prolong the life of warehouses, and containers for shipment.
- 2.7.8 **Implications for skills and education:** Network design, operational decision-making and the ability to come to terms with the complexities of supply and delivery were highlighted by the group. Marketing skills in particular and a conversance with retail trade complexities and challenges were also mentioned. In a putative post-mass production world, the supply chain thinkers will need to combine fairly universal behavioural skills with the more elusive excellence in computer programming, lateral thinking about supply chain possibilities and a modelling skill set. Finally, the job will increasingly require a multi-national sensitivity and the ability to complement the skills of others within and outside the workplace.

### Scenario 3: Local production

- 2.7.9 **Outline:** 3D-printing becomes a viable option for a growing number of items. As a result, demand for transport is changed from that required to move finished goods to the movement of raw materials.

- 2.7.10 **Likely trends over the next ten years:** The prospects for 3D printing were thought to be underwhelming by the Delphi contributors. It was conceded that some products would lend themselves to local manufacture – small manufactured items, packaging, spare parts – but beyond that, and despite recent advances in the USA and a few other countries, (as reported in the press), not much was expected. It was felt that even if 3D did take off, it could be alongside the traditional supply chain and even introduce valuable and novel elements to it, including ‘up-stream’ items like empties and residual material. Obviously 3D products would appear eventually – even cars, watches, electrical goods, white goods, print-on-demand books etc. – but the time span involved (it was argued) would be a lengthy one. One way forward would be for 3D goods to be produced at the community rather than the individual level. ‘White van man’ would be the main beneficiary at the delivery end.
- 2.7.11 **Implications for skills and education:** Perhaps the most important attribute will be that of scanning the future. Much of the future is already being born and the need to understand the importance of catch-up is vital. Product engineers and designers will call the shots increasingly. The logistics industry will have to adapt its patterns of delivery and provide appropriate sources of raw materials for local 3D entrepreneurs. The broad conclusion of respondents that 3D production would play only a subsidiary role could be realistic in the immediate future; but it was agreed that it would be dangerous to accept this as a certainty in the longer term. For this reason the wider policy community including government, universities and especially small innovative SMEs would take the lead in carrying out research and investment at the early stages. Several respondents mentioned the difficulty of recruiting UK-based staff with such cutting edge skills.

## Conclusions

- 2.7.12 The overall impression from the Delphi study seems to be that, despite some awareness of technological developments like 3D printing, the logistics industry is likely to evolve quite gradually in the foreseeable future. The traditional supply chain was expected to continue as a valid model for many firms and with it the requirements for a fairly traditional range of logistics skills, enhanced perhaps by an increased emphasis on IT. Innovations were thought likely to focus on making existing processes faster, more reliable and efficient, rather than fundamental re-thinking. While the on-line revolution might affect distribution patterns and the size and weight of goods to be transported, the basic methods (road freight for example) would endure for some time to come.



2.7.13 This is not the place for extensive comment on these findings but it is worth flagging up that some might find this conclusion complacent in the light of the rapid growth of port-centric activities including in Thurrock. At all accounts it does suggest the need for more discussion, research and awareness within the industry.

## **2.8 Conclusions on skills requirements in the logistics sector**

2.8.1 On the basis of the surveys, and related enquiries by Bisham/SRA, the major categories of skills required in the logistics sector can be summarised here. The nature of particular industries means that some of them will have more specialised needs, while the particular local situation in Thurrock is examined in Chapter 3.

2.8.2 The key categories include:

- Training of supervisors and managers is not nearly as consistent and widespread as it deserves to be, given the scale and importance of the industry. While many larger companies understand this, smaller and medium-sized enterprises are inclined to give it a lower priority;
- At a technical level, demand for staff who are well versed in sophisticated planning and control systems will be buoyant;
- Driving of both light vehicles and HGVs will remain as a large-scale and long-term need, particularly in view of the age profile of the logistics industry;
- There are considerable requirements for engineering skills within the logistics and port sectors, for Master Vehicle Technicians (as commercial vehicles become ever more complex) and for crane and plant engineers. Large crane skills are applicable within the intermodal freight terminals, as they are used to add and remove containers from rail vehicles.
- Competitive pressures place a premium on the fully integrated supply chain. Firms increasingly see the service they offer as a process of exchange or dialogue with customers and suppliers. That implies skills in customer handling, securing and processing feedback and flexibility in delivering a response;
- IT skills will remain important across an increasingly broad range of operations;
- Allied with IT, is the continuing need to exploit modern communications in order to support greater reliability and more efficient use of manpower and resources, especially vehicles;
- Apart from management training, there is a very significant demand for staff with personal skills including leadership, communication, and team building.

2.8.3 Some more general points are:

- Demographic factors are a particular concern for the logistics industry which tends to be heavily skewed towards the upper age-groups (not only in driving jobs);
- For reasons that are unclear logistics remains poorly understood or unpopular with young people. Career guidance and training in various ways can help to mitigate that.
- The recent Trailblazers initiative is designed to encourage companies and professional bodies to work together to modify and improve the Apprenticeship schemes, so that they become more rigorous and relevant to companies. Regrettably it would appear that the logistics industry is not represented in the first wave of this initiative. Therefore Thurrock should facilitate the mirroring of some facets of the Trailblazer Apprenticeship initiative: Apprenticeships for truck maintenance engineers, crane maintenance engineers, fork-lift truck drivers, warehouse pickers, freight transport planners etc.

## 3 Developments in Thurrock

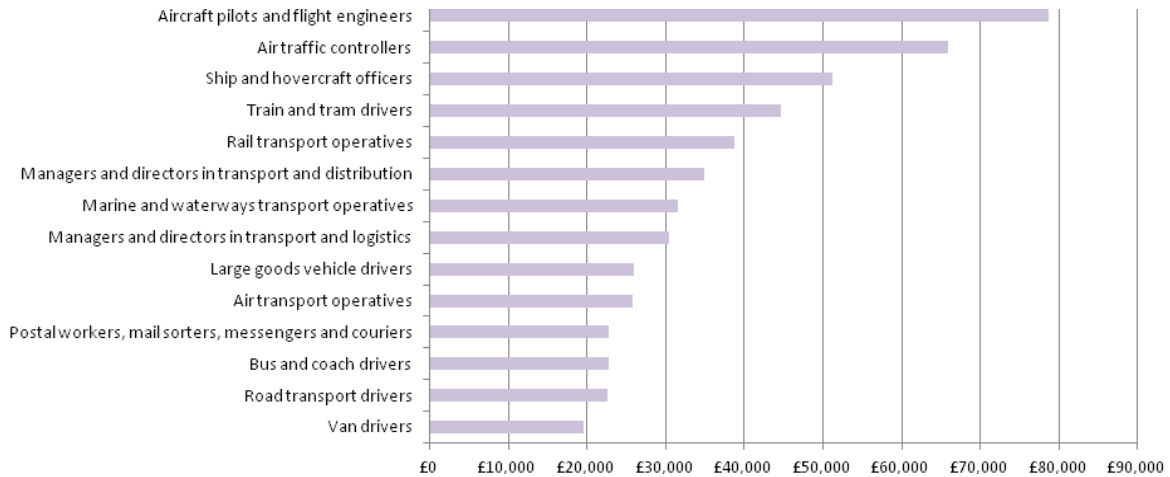
### 3.1 Local needs and provision

- 3.1.1 It is estimated that the logistics sector in greater Essex currently has an annual turnover of nearly £3bn, which is similar to Kent, and accounts for 2.3% of total jobs<sup>5</sup>. From NOMIS employment data, we know also that Thurrock has the highest concentration of businesses in the Land Transport and Transport via Pipelines (LTTP) category (285 in 2011), meaning that that industry is the largest in greater Essex out of all sector-related industries. These LTTP businesses employed the highest number of people – 2,725 in 2011. The majority of them were small and medium-sized enterprises (SMEs) with an average of nine employees per business.
- 3.1.2 The second largest industry in greater Essex is described by the Office for National Statistics as ‘Warehousing and Support Activities for Transportation’; this is the closest proxy for what is popularly termed logistics and is the predominant industry in Thurrock. One hundred and forty such businesses are located there, employing over 4,200 people in 2011, or an average of 30 employees per business. Employees in these businesses are relatively poorly paid compared to those in other transport-related firms (air, maritime and rail), see Exhibit 20.

[Exhibit 20: National average salaries in transport and logistics businesses](#)

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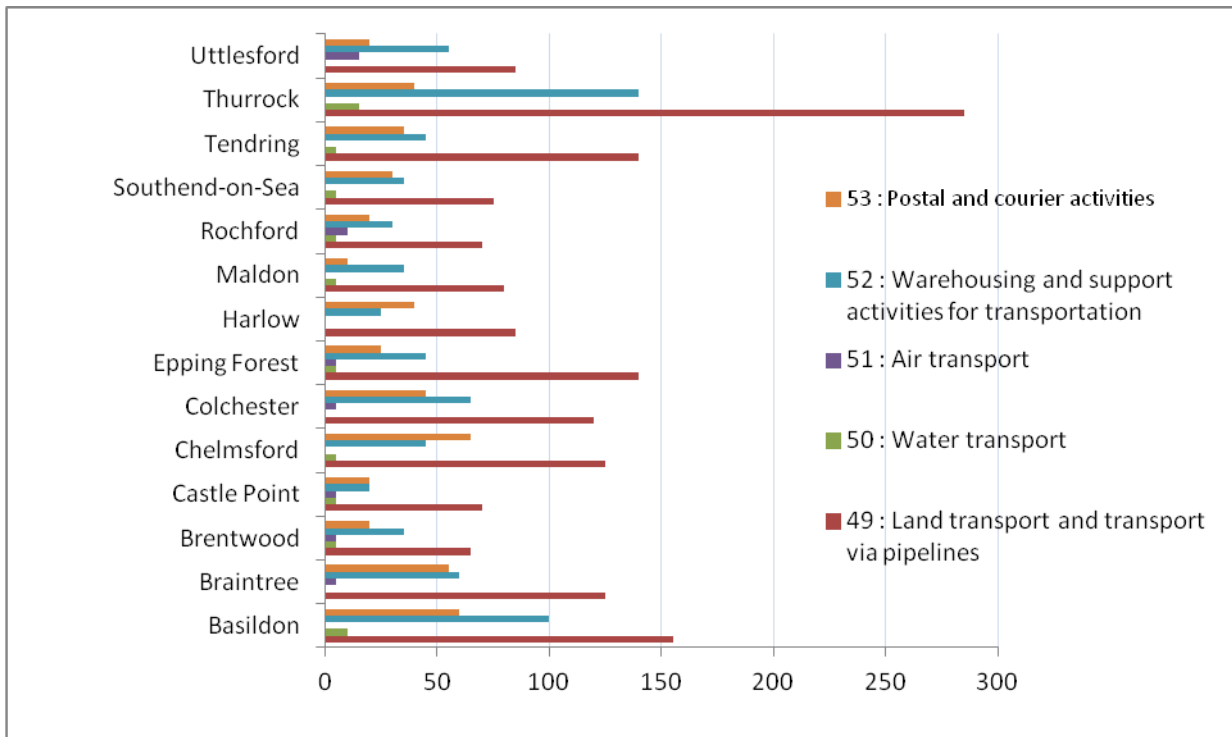
<sup>5</sup> Essex County Council (2012), Essex Local Economic Assessment.



Source: Office for National Statistics, 2011.

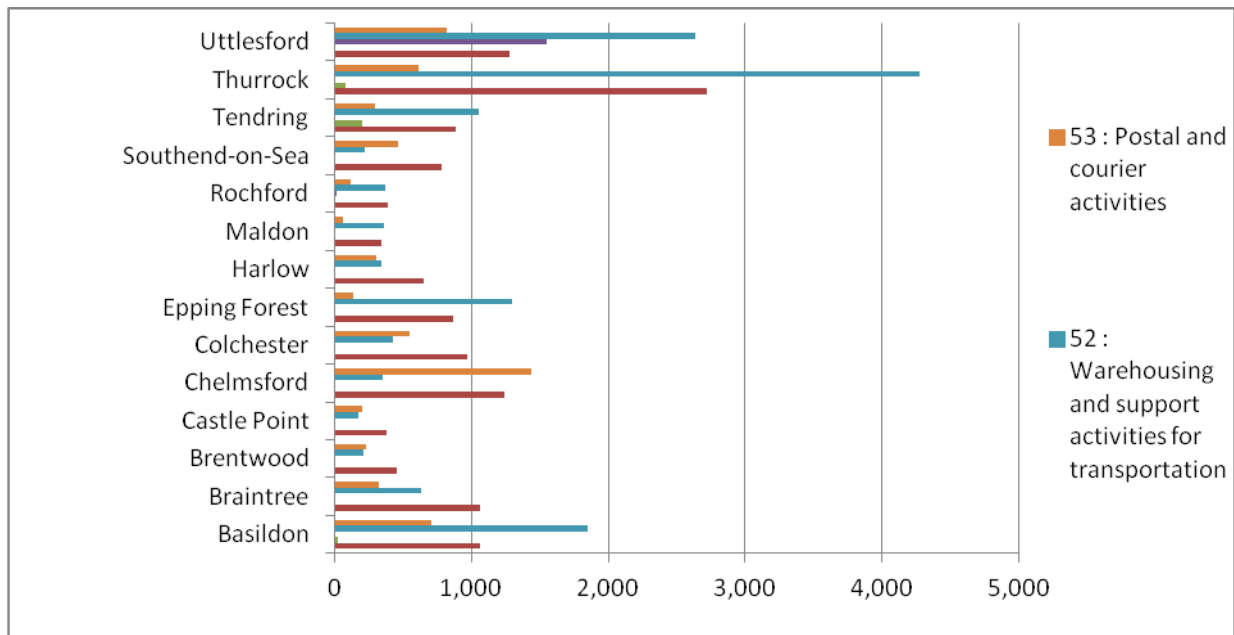
3.1.3 The dominance of Thurrock in logistics-related activities, compared with other districts and unitary authorities in greater Essex is shown by Exhibit 21 and Exhibit 22.

Exhibit 21: Individual businesses in greater Essex (total 2,955)



Source: Office for National Statistics, 2011.

Exhibit 22: Employees in Essex, Thurrock and Southend-on-Sea



Source: NOMIS, 2011.

3.1.4 Exhibit 23). This may well be accounted for by the trend for such jobs to gravitate down-river, as they have done for many years already. Key points from the Transportation and Storage figures in Exhibit 23 are the projected decline in plant and machine operatives (as automation takes over) and the surge in demand for professionally qualified people.

Exhibit 23: Absolute change in occupation employment, by selected sectors in Greater London, ('000s, 2011 – 2036)

<b>Selected industry sector</b>	<b>Management/ Admin.</b>	<b>Professional</b>	<b>Associate prof/tech.</b>	<b>Clerical/ Sectorial</b>	<b>Craft and related</b>	<b>Personal, protective, sales</b>	<b>Plant &amp; Machine/ Other</b>	<b>Total (net)</b>
Manufacturing	-14	-8	-20	-12	-19	-3	-19	-95
Construction	5	20	-9	-12	-1	-3	-7	-7
Retail	-1	41	-1	-14	-6	18	-18	19
<b>Transport/Storage</b>	<b>-10</b>	<b>7</b>	<b>-6</b>	<b>-12</b>	<b>-2</b>	<b>1</b>	<b>-44</b>	<b>-66</b>
Scientific/Tech	148	39	109	-56	181	2	-1	422
Admin/Support	25	14	-43	-28	38	-28	232	201
Education	0	40	51	-14	-2	-3	-20	52
Health	4	45	30	-28	0	17	-8	61

Source: Greater London Economics calculations.

## Port of Tilbury

- 3.1.5 Given the leading position of logistics in Thurrock, it may appear that local people are well placed to find jobs in or around the expanding Port of Tilbury and at London Gateway. There are currently over 4,500 people employed by companies operating at Tilbury, and plans are being laid for a new distribution centre to create over 1,000 new jobs. On the other hand, it is estimated that the ‘travel to work area’ of Essex has access to a potential pool of close on 760,000 workers with qualifications equivalent to degree level or higher, many of whom would be well suited to the needs of ports and logistics firms.
- 3.1.6 With its commitment to the surrounding locality, the Port of Tilbury London Ltd (PoTL) has built up a well-developed training function to cater for its own staff (65% of whom reside within the Borough of Thurrock). Increasingly, PoTL’s training services are being offered to customers within the port and beyond. £228,000 has been invested in converting premises to form a training centre, appointing staff and developing relationships with other employers to meet their training and development needs. Further investment in training facilities is planned.
- 3.1.7 Training for mandatory qualifications such as vehicle licence acquisition, driver’s CPC, operator’s CPC, ADR and MHE is offered by PoTL on a cost-covering basis. Pathway qualifications (full cost or externally funded) are offered in supply chain management, food safety, leadership and management. Apprenticeships have been successfully instituted and a major initiative on Traineeships has been launched, with 15 new ones due to start shortly.
- 3.1.8 In partnership with Thurrock Council, JobCentre Plus, and Ixion Holdings (part of Anglia Ruskin University) PoTL has delivered a series of programmes in pre-employment training to local jobseekers. The programme enjoyed 100% retention and achievement of the basic warehousing qualification by all participants. All of them were also guaranteed a job interview with a port employer at the end of the programme, and to date 56% of candidates have been offered work. The success of this and other initiatives has led the port to register what was primarily an in-house training function as a separate legal entity, entitled the Logistics Academy East of England (LAEE).
- 3.1.9 The newly-styled Academy, to be formally opened early in 2014, is now developing employment pathways into higher skill positions, with the co-operation of professional bodies such as CILT. For example, it has piloted a change management module for middle managers, jointly with South Essex College; and it is working with ARU and Ixion to develop Higher Apprenticeships in international logistics. Foundation degrees can also be catered for.

- 3.1.10 It is anticipated that as London Gateway expands and develops its supporting services, training for employees will grow from what is admittedly a very low base and appropriate facilities will be provided on-site. As noted previously, DP World is already drawing on the training provided by colleges on both sides of the Thames and is in discussion with South Essex College about a management training initiative.

## Conclusion

- 3.1.11 Perhaps the most important point to emerge from this review of the Thurrock situation is a confirmation that much of the training needed in specific skills is available locally and that capacity is being expanded both by employers and by the FE sector. Examples are fork and reach truck training, driver instruction and IT systems for recording movements, order filling etc. If there is a deficiency, it seems to be in the more specialised facilities such as high voltage training equipment and simulators.
- 3.1.12 The problem for Thurrock really lies elsewhere, in the lack of interest and understanding in what the logistics industry has to offer in terms of employment opportunities and long-term career prospects.

## 3.2 Skill gaps

- 3.2.1 In section 2.8 we summarised the key skill gaps in the logistics industry, based on the surveys conducted by Bisham/SRA. The situation in Thurrock seems very largely to reflect the broader situation in the industry and can be summarised as follows.
- 3.2.2 First, while educational standards in Thurrock have evidently much improved in recent years, there is a need to sustain and enhance improvements in literacy and numeracy among young entrants to the industry. Traineeships, which help young people to acquire 'employability skills', are addressing this need, but employers and educational institutions need to take maximum advantage of them. As respondents to the surveys observed, the problem may be aggravated by the abolition of the default retiring age - meaning that employers may prefer to take on an elderly person who has experience and had good basic schooling in 'the 3Rs' than a younger recruit.

- 3.2.3 Second, the measures that are already emerging to make management training more flexible and accessible need to be expanded and promoted vigorously. There is a continuing need for experienced and well-trained supervisors, middle and higher level managers in logistics: without adequate management input, many firms (especially smaller ones) will struggle to take advantage of their opportunities and, ultimately, may find their very existence threatened. At the other end of the scale, the advent of DP World has created a demand for experienced and qualified managers which the local market may have difficulty meeting. The initiatives at Anglia Ruskin University and at South Essex College point the way forward in this regard, but stronger promotion to local firms, large and small, is needed.
- 3.2.4 While most logistics firms are aware of the importance of compliance with legislative and regulatory changes, they are inclined to view this in terms of the 'do minimum' approach, or doing enough to 'get by'. There is a case however for aspiring to much higher standards of attainment, with a deeper understanding of rules and procedures among staff. In that way, firms can become exemplars of good practice thus reflecting on their standing in the market and their competitive position. Environmental compliance is a good example of this, but there are also health, safety, diversity and ethical obligations that can provide a similar platform for improvement.
- 3.2.5 The foregoing points apply particularly in road freight, where there is a clear need for an improved quality of recruits to HGV driving, for an upskilling of the existing work-force and for measures to improve diversity. The demographic profile also suggests a need to attract younger people into driving jobs.
- 3.2.6 Somewhat similar points apply to port operations, where the working environment is still considered by many observers to be potentially dangerous. The exchange of good practice among operators is almost as important as regulatory compliance and the national network which exists to promote port skills and safety (PSS) is a vital resource in this area.
- 3.2.7 The expansion of warehousing and distribution in Thurrock means that basic skills in warehousing will remain in demand for a time, but retraining will be needed as automation takes hold. Higher level skills in IT and control systems will be required to exploit the benefits of automation and sustain the competitive advantages from it.



- 3.2.8 Again, there is a growing demand for other basic skills associated with road and rail freight distribution in the short-term, including: traffic office management, driving light vehicles, order picking, supply chain operations and general business management. Support for road freight activities, notably through vehicle technician training, will be essential.
- 3.2.9 The trend in regionalisation (explained in 2.2.3 above) may create some demand for bilingual and multi-lingual staff.
- 3.2.10 Although not directly concerned with logistics as such, there is likely to be strong demand for civil engineering, design, construction and project management skills related to the physical expansion of the ports in Thurrock.

## 3.3 Conclusions

- 3.3.1 Thurrock clearly has a potentially leading position in the region, both as a base for logistics operations and as a focus for training and development. It already has a major employer which has invested in the facilities needed to support the latter, and it has an FE college with modern premises and enthusiastic staff who are keen to cater for employers' needs.
- 3.3.2 The key to capturing opportunities for local people seems to rest on a strategy which brings together:
- Heightened awareness of opportunities for employment, supplemented as necessary by pre-employment training;
  - Strengthened collaboration between training providers and employers;
  - Provision of training and qualifications that are directly relevant to the needs of employers; and
  - Easy access to jobs – which covers a variety of measures including transport by private or public means.
- 3.3.3 The question of how far a new, logistics academy in Thurrock would be the best way of delivering such a strategy is considered in Chapter 4 below.

## 4 Meeting the skill gaps: some options

### 4.1 Where could the resources come from?

#### Background

- 4.1.1 The previous Government chose to drive forward the skills agenda through a series of Sector Skills Councils (SSCs) that were publicly-funded and industry-led. More recently however, the need for economic retrenchment has led to a reorganisation of university funding, accompanied by a reduction in SSC budgets of around 25% between 2011 and 2015.
- 4.1.2 In the commercial sector, difficult trading conditions have caused many employers to turn to in-house programmes, tailored to their apparent needs and usually representing a lower cost option than external providers. The accreditation of these in-house courses is difficult; indeed, many firms do not want them to be measured against external criteria and the long-term value of their training is therefore unclear. An indication of how recent developments have impacted job-related learning across various industries in comparison to transport is given in Exhibit 24.

Exhibit 24 Employees of working age receiving job related training by sector (% of workforce, 2008-2012)

	2008	2009	2010	2011	*2012
Public administration, education and health	22.1	22.3	21.8	20.2	20.3
Other services	13.2	15.1	15.2	15.4	15.2
Banking, finance and insurance	13.6	13.1	13.3	12.7	13.0
Construction	12.7	11.8	10.6	10.1	10.3
Energy and water supply	14.1	12.4	11.5	10.7	10.2
Distribution, hotels and restaurants	11.1	9.7	10.1	9.5	9.3
Manufacturing	9.0	9.0	9.1	9.4	9.2
Transport	8.7	8.5	8.6	8.6	8.7
Agriculture, forestry and fishing	9.9	7.7	7.5	5.3	6.2

*e — Key Note estimates*

*Note: figures for 2008-2011 relate to those employees who had received training in the 4 weeks prior to the survey; figures for 2008 and 2009 survey carried out in November; 2010 survey carried out in March; 2011 survey carried out in December.*

*Source: Education and Training Statistics for the UK (2007-2011) © Crown copyright/Key Note*

4.1.3 Against this background, it is clear that any drive to increase training opportunities in the port, logistics and transport sector is going to be difficult.

**Funding opportunities**

4.1.4 SSCs aim to reduce skills gaps and shortages; improve productivity and performance in business and the public service; increase opportunities to boost the skills of everyone in each sector of the economy; and improve learning supply through National Occupational Standards (NOS), Apprenticeships, and further or higher education. SSCs undertake programmes and projects aimed at raising employers’ vision of, and investment in, skills – so helping respond to skill needs.

- 4.1.5 The problem has been that the ports, logistics, and transport Industries are fragmented and disparate, covering trucks, buses, trains, mechanical handling equipment, operations, warehouse management, etc. Consequently, reaching a consensus in the SSC (Skills for Logistics - SfL) has been problematic. Nevertheless, SfL has pursued commonality of qualifications with some success, through the CILT and other bodies. It has set up local industry forums to promote discussion between enterprises, particularly SMEs, and it is trying to raise employer demand and investment logistics training.
- 4.1.6 Over and above the SSCs are the Skills Funding Agency (SFA) and Education Funding Agency (EFA), which allocate resources from government. Like other SSCs, SfL now has to bid for financial support; the SFA budget is however dominated by support for the National Apprenticeship Service (NAS). Some further limited funding is available through the Local Enterprise Partnerships (LEPs) and local authorities.

## **Apprenticeships**

- 4.1.7 Primarily aimed at young people aged 16 - 18, Apprenticeships provide jobs with training, offering the chance to 'earn while you learn' and to gain a recognised qualification. Designed with the help of employers Apprenticeships should benefit both the employer and the Apprentice. Most training is on-the-job, with at least 30 hours a week employment, while the rest of the training takes place at a local college. People aged 19 – 24 are also eligible, although employers receive only 50% of the funding they would receive for those in the younger age category.
- 4.1.8 Apprenticeships take between one and four years to complete and are currently available within the healthcare, retail, engineering, IT and other sectors, including logistics. There are currently over 100,000 employers offering Apprenticeships in more than 160,000 locations in England. The 250 types of Apprenticeships available encompass 1,400 job roles. Three levels exist:
- Intermediate — Apprentices work towards employment-based learning qualifications such as a Level 2 Competence Qualification;

- Advanced — leading to employment-based qualifications such as a Level 3 Competence Qualification;
- Higher — leading to Level 4 qualifications and, in some cases, knowledge-based qualifications such as a Foundation Degree.

4.1.9 Under current government plans, the system of funding for industrial training is set for major shake-up, likely to be announced in the Chancellor's Autumn Statement on 5 December 2013. There has been a move to encourage employers, who have been critical of programmes in the past and critical of learning provided by institutions, to have a bigger say in the development and provision of training. The SSCs were the main driver for this initiative.

4.1.10 The implications of this reform are unclear at the moment, partly because it has also been proposed that companies should recover the costs of Apprenticeships through their PAYE return. That may increase the administrative demands on SMEs to the point where it constitutes a disincentive to take on further Apprentices.

### **Government Compulsory Schemes for Jobseekers**

4.1.11 The Government has various 'work for your benefit' schemes for those claiming Jobseeker's Allowance (JSA). These schemes include:

- ***Employment, Skills and Enterprise Scheme*** - aims to help people aged 18 or over who are claiming JSA to find employed or self-employed work. Sector-based academies and a Work Programme are part of the scheme and may involve elements of training, and learning and development. Sector-based academies last for up to six weeks and usually consist of pre-employment training, a work experience placement and a guaranteed job interview. In some cases there may be a possibility of achieving units leading towards a qualification. Some claimants of Employment and Support Allowance (ESA) are also eligible for the scheme.

- **The Work Programme** - supports some of the hardest-to-help claimants including the long-term unemployed, disabled and ex-offenders. It is also aimed at those who have recently claimed incapacity benefit. Launched in June 2011, it aims to get people who are claiming certain benefits into sustained work by providing tailored support for claimants who need additional help and support to undertake effective job searches. The Work Programme, which is part-funded by the European Social Fund, is mandatory for some benefits claimants, while others may be eligible to volunteer to take part.
- **Mandatory Work Activity Scheme** - for people aged 18 and over who need extra support to look for jobs and gain work-related skills. It is intended to provide work or work-related activity for up to 30 hours a week over a 4-week period. Jobcentre Plus can decide whether or not a jobseeker must take part.

4.1.12 The Department for Work and Pensions (DWP) also pays private and voluntary sector organisations to help people find work. The more individuals they help, the more these organisations are paid.

### **Government Voluntary Schemes and Support**

4.1.13 The Government runs other schemes aimed at helping people into work, many of which include an element of training or learning and development. In England these include the Work Experience Programme which is primarily targeted at people aged 16 and 24. Its aim is to give people experience of a working environment while they are receiving JSA. The scheme is voluntary to join but becomes compulsory once a place is accepted.

### **Skills for Logistics**

4.1.14 Although it is still under development, SfL have provided Bisham/SRA with some information about their proposal to government to make loans available to SMEs wishing to purchase training. The details of interest rates, period of loan, the speed of repayment, and collateral to be sought have not been shared with us, but it is an innovative approach which could have some importance for the developing situation in Thurrock.

## 4.2 A new academy?

4.2.1 For several years the key stakeholders in the development of ports, logistics and transport industries in Thurrock have debated the concept of founding a new, purpose-designed academy. Various roles for this have been proposed:

- a centre for classroom instruction that would have the advantage of being more or less 'on site' in the port area;
- a facility with specialised equipment, and perhaps a simulator, to help train port and logistics operatives;
- a centre for applied research and development that would support local industry; or
- a science park that would foster collaborative ventures between firms and university-type research.

4.2.2 The findings from the Bisham/SRA enquiries suggest that the academy idea would, in some form, have an appeal for SMEs; larger firms might also support the principle but so far seem unwilling to commit to using it. There may however have been an assumption among the smaller firms that an academy would somehow be provided as a subsidised or even a free resource. Certainly it does not seem that they would be willing to pay any more for training at a new academy than they spend on internal or external training at the moment.

4.2.3 How could an academy be funded on a sustainable basis? Again, there may have been an assumption some years ago that the major investment by DP World could include sponsorship of an academy. Indeed, the company has made a contribution that could be used in that way, by setting aside a hectare of land on its site under a Section 106 agreement with Thurrock Council. That is a potentially valuable resource; but substantial further funding and organisation is needed to realise the academy vision.



## Conclusion

- 4.2.4 It was not part of the Bisham/SRA brief to examine resource issues in any depth. However, the informants in our surveys and interviews were quite clear that current public expenditure reductions made it unlikely that any official agency would come forward with the necessary investment. There might be smaller contributions from diverse public or professional bodies such as Skills for Logistics, but the case would have to be strong and the proposal would have to show clear promise of 'adding value' to existing arrangements.

### 4.3 Build on existing institutions?

- 4.3.1 Since the Making Change Work report in 2008, substantial investments in training for ports, logistics and transport employees have been made by both public and private sector providers. The Bisham/SRA team has been impressed by the enthusiasm and sense of mission to improve skills and employment in Thurrock. Outside the Borough, there are also colleges and universities providing training and education which supports the industries within the Borough. Examples are the distance learning degrees in Management run by Anglia Ruskin University, logistics skills training at Havering College and the maritime skills courses at North-West Kent College.
- 4.3.2 It would be very difficult now to make major changes in the location and nature of the investments being made and unwise to duplicate them. As noted in Chapter 3, South Essex College is nearing completion of its new campus in the centre of Grays. The Port of Tilbury has already created a substantial training facility which is accessible not only to its own staff but to many other companies in the port or outside, and this will be formally launched as the Logistics Academy East of England (LAEE) in 2014. DP World seems likely to develop its own training arrangements as the workforce builds up and the logistics park becomes occupied.

## Conclusion

- 4.3.3 In important practical ways therefore, substantial efforts are being made to address the logistics skills needs in Thurrock. But these efforts run the risk of being under-valued and under-exploited by a number of the firms contacted in the course of the present study, and by potential employees. What then is needed to help sustain growth and prosperity in the ports, logistics and transport sector?

## 4.4 Supporting skill development

- 4.4.1 The conclusion from the preceding sections is that the time is ripe for a strong co-ordinating and promotional initiative, in which the Borough of Thurrock could give a lead if it so decides. Ports, logistics and transport are the most important industries in Thurrock, but more could be done to capture the benefits for the local economy. There is scope for selective actions that, while not amounting to the founding a conventional academy, would represent an innovative expansion of the concept. These actions would run in parallel with, and complement, the education and skills training undertaken by both employers and local colleges. A brief outline is given below.

### **Initiative 1: Raising awareness of the opportunities for employment and skill development in Thurrock**

- 4.4.2 A key issue to emerge from the survey of potential employees (see section 2.6) is the lack of knowledge among young people about logistics as an industry and the scope for employment in it. Action is needed to build on the success which employers and educational institutions have already had, for example with the 'Opportunity Thurrock' careers fair. Since the responsibility for careers advice was transferred to local education authorities, an expansion of materials, demonstrations, visits and information could be undertaken to raise awareness of ports, logistics and transport in the minds of young people. The professional bodies (CILT in particular) should help with such an initiative.

4.4.3 To support this expansion, a resource centre could be created which would be jointly sponsored by employers, colleges and the Borough. The centre would not only raise awareness but also provide information on job opportunities and the various pathways to securing qualifications through further and higher education. It would feed into the efforts being made by colleges, employers and public bodies to promote Apprenticeships and Traineeships.

### **Initiative 2: A one-stop shop for education, training and skill development**

4.4.4 An extension of the resource centre idea would be a 'one-stop shop' to facilitate easy access by employers to education and training opportunities. This could act as a source of support and advice to employers on such matters as recruitment of Apprentices, hours to be worked, wage levels and skills training opportunities relevant to ports, logistics and transport.

### **Initiative 3: A ports, logistics and transport 'observatory'**

4.4.5 Many respondents to the surveys pointed to the speed of change in their industry and hoped that positive new developments could be harnessed for the benefit of the local economy. The resource centre described above could be linked with a collaborative monitoring and research enterprise ('observatory'). Sponsorship could be provided by a consortium of firms and a university with an established presence in logistics.

4.4.6 The agenda for the observatory would be business-led and could include:

- Tracking key trends in trade between Thames ports and the rest of the world;
- Investigation of opportunities for tapping new markets or flows of goods;
- Applied research on the economy of the Thames estuary and the developments in 'green' energy, waste management and air transport taking place there;
- Maintain a database of qualifications and training providers which might help local people and firms to exploit new opportunities.

#### **Initiative 4: A ‘voice’ for the Thames community**

- 4.4.7 As was impressed upon us in the surveys and interviews, the economy of the Thames estuary is potentially very strong, and there is scope for expansion of industry and employment going well outside existing patterns. Examples may be in water-borne leisure, in servicing of wind farms, oil and gas-related activities and new river transport services.
- 4.4.8 Thurrock Council may wish therefore to take the lead in convening a forum which would include public and private bodies on both banks of the Thames. A possible model is Mersey Maritime, which acts as an association of like-minded interests wishing to promote investment, training and employment in the Mersey estuary – and has done so very successfully.

#### **Initiative 5: An umbrella body for skills training and employment**

- 4.4.9 To focus and steer the kind of initiatives suggested above will need a broadly-based organisation linking key interests together and developing a consensus about what should be done. It also needs a champion to take forward such initiatives with resourcefulness and determination. Such a person should have strong communication skills, with the capability to raise the profile of Thurrock’s leading industries, in the region and beyond, so that the local community identifies with the Borough’s success and participates in it.
- 4.4.10 It is this co-ordinating role that Thurrock should resource.

# 5 Conclusions

## 5.1 The skills market requirement

- 5.1.1 An additional 500,000 people are needed nationally, and some 25-30,000 people in the Thames estuary area over the next few years – not just in traditional ports, logistics and transport occupations but to meet wider needs such as IT, marketing, tourism and energy demand.

## 5.2 The current requirement

- 5.2.1 We believe there is a relative lack of awareness by companies of the new and longer term trends in their skills requirements, in order to meet the changing needs of the logistics industry and their customers. Likewise the learning providers do not know what courses, qualifications or learning experiences to provide, since there is little definition of need. To facilitate the companies' expression of their needs (particularly SMEs), and encourage the learning providers to match these needs, a centre providing an information and ideas exchange is required in Thurrock. It could also act as a single information source for the training funding possibilities.
- 5.2.2 The range of skills gaps identified by respondents to the Bisham/SRA surveys, ranged through general management, technical and personal skills at all levels.
- 5.2.3 There is a heavy focus in firms on training for compliance with regulations. Given the availability of graduates it is surprising that half the companies surveyed do not recruit them. There is also a heavy reliance on in-house training and experience, whereas partnerships with professional bodies, educational institutions or remote facilities (such as the S & B Automotive Academy in Bristol) would give greater depth and diversity of experience.
- 5.2.4 There is a preference for training in the locality but some notable specialist gaps in local provision require travel outside e.g. for specialist areas such as high voltage equipment and use of simulators for dock-side handling.

## 5.3 Supply and funding

- 5.3.1 There is a lot of training provision locally and we have observed that there are plans for additional courses. However universities and colleges struggle to recruit students. Some of this is due to potential students not knowing that these courses are available, or if do know, they are unsure as to whether taking these courses will help their employability. For their part, employers seem reluctant to encourage enrolment on external courses and to sponsor promising students.
- 5.3.2 Universities take many students from overseas to fill their places but many of them return overseas when qualified and do not make a lasting contribution to the pool of skilled talent available in the UK.
- 5.3.3 There is provision of training by private training companies, though with a fair amount of employer dissatisfaction with their performance.
- 5.3.4 Apprenticeships and Traineeships raise considerable interest but there has been some experience of poor quality applicants.
- 5.3.5 There are some good opportunities for funding but they are increasingly structured towards employer-led applications rather than individuals. Our concern would be that the sources are not always easy to find and that there is a lack of awareness about the source and level of funding possible. Advice to employers seems likely to be needed in order for them to capitalise on what is available.
- 5.3.6 Funding is biased towards short-term courses rather than NVQs lasting 12 months or more, or other substantial qualifications.

## 5.4 Recommendations

- 5.4.1 There appears to be no major demand for a new physical facility to house a training academy, especially if there were to be a local contribution required to ensure initial funding. The demand from smaller firms is driven mainly by their dissatisfaction with external trainers and as larger companies prefer in-house training they are not interested either. Much of the training need identified by this research is already available within Thurrock or close to the area.

- 5.4.2 The real need in Thurrock is to tackle the lack of interest and understanding in what the logistics industry has to offer as a long-term career.
- 5.4.3 So our conclusion is that Thurrock should set up an umbrella organisation to:
- Identify and enable future business skills and training;
  - Link demand with infrastructure provision and regeneration on a wider basis;
  - Co-ordinate between public, private and professional organisations;
  - Encourage Apprenticeships through a parallel Trailblazer-type scheme, drawing together the necessary parties to provide training particularly for vehicle technicians, crane and equipment maintenance engineers, fork-lift truck drivers, warehouse pickers, freight transport planners etc, so as to provide that link for younger people into the ports, logistics and transport industries;
  - Encourage graduate placements, internships and in-company project work by students;
  - Provide information and advice on funding sources;
  - Encourage research in logistics and associated areas, such as low-carbon energy, changes to the supply chain, port-related technology and the shape of future developments in the sector;
  - Market logistics as a career and provide targeted advice and guidance to school-leavers (including women), to ex-servicemen and women, and NEETS;
  - Organise and encourage visits to port installations, both as an educational 'add-on' and perhaps also linked with tourism;
  - Take advantage of the local culture and tradition for ports and docks work.
  - Encourage accreditation of logistics-related courses and fit them into the national and professional qualifications. Professional bodies could also be encouraged to modularise their qualifications, so as to increase access and flexibility in learning.

# Appendix 1: Over-view of the UK freight transport and storage industries (2012 statistics)

<b>Sub-sector</b>	<b>Enterprises (Number)</b>	<b>Turnover (£M)</b>	<b>Gross value added (£M)</b>	<b>Employees (Thousands)</b>	<b>Employment costs (£M)</b>
49 LTTP <sup>1</sup>	42,305	51,501	24,263	549	15,343
<i>within which:</i>					
49.2 Rail freight	28	937	N/A	5	295
49.4 Road freight <sup>2</sup>	30,908	23,703	9,698	253	5,649
50 Water transport	1,505	7,285	2,070	14	798
<i>within which:</i>					
50.1 Sea & coastal ft.	672	4,422	1,149	N/A	419
50.4 Inland water ft.	85	39	11	N/A	3
51 Air transport	855	23,014	7,164	75	3,609
<i>within which:</i>					
51.2 Air freight/space	271	948	306	N/A	92
52.1 Warehousing <sup>3</sup>	2,819	11,440	4,553	136	2,820
52.2 Support activities for transport	6,702	38,456	20,436	198	7,492
53 Postal and courier	12,547	22,336	11,463	243	8,475
All transport/storage <sup>4</sup>	66,733	154,031	69,949	1,215	38,537

Notes 1: Land transport and transport via pipelines (LTTP).

2: Includes removals.

3: Includes storage.

4: Includes all passenger transport (road, rail etc).

Source: ONS (2013), *Annual Business Survey*, Section H, selected sub-sectors.



# Appendix 2: Questionnaire to business organisations

## INTRODUCTION

Hello. My name is \_\_\_\_\_ at Social Research Associates/Bisham Consulting. My firm has been appointed jointly with Bisham Consulting/SRA to undertake a study for Thurrock Borough Council. We are helping the Council to gain a picture of training and development needs that could be relevant to the London Gateway port development, particularly in logistics, transport and management. Could you spare a few moments, please, to talk to me about training and skills in your work-force?

The information you supply will be treated in the strictest confidence and no information will be attributed to you and nothing about you or your business/organisation will be identifiable from any report produced.

## INTERVIEW DETAILS (FOR OFFICE USE ONLY)

ID REF NO.  
SIC CLASSIFICATION  
INTERVIEWER ID

INT DATE

### ABOUT YOU (PLEASE FILL IN AS MUCH INFORMATION AS POSSIBLE)

TITLE \_\_\_\_\_  
SURNAME \_\_\_\_\_  
FORENAMES \_\_\_\_\_  
JOB TITLE \_\_\_\_\_  
BUSINESS NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
TOWN \_\_\_\_\_  
POST CODE \_\_\_\_\_  
TELEPHONE \_\_\_\_\_  
MOBILE \_\_\_\_\_  
EMAIL \_\_\_\_\_  
WEB SITE \_\_\_\_\_

**Q.1. What is the approximate size of your total UK work-force (full-time employees)?**

1 -5	
6 - 10	
11 - 20	
21 – 50	
51 – 100	
Over 100	

**Q.2. Approximately what percentage of your staff would you classify as follows? (Enter numbers only and try to ensure options sum to 100)**

Transport and logistics	
Warehousing and storage	
Sales, administration or other functions	

**Q.3. Which functions do you provide in-house training for? (Mark all that apply and please indicate if training is provided locally in Essex)**

<b>Function</b>	<b>Type of training</b>	<b>Local?</b>
<b>Transport</b>	Driving goods vehicles	
	Food safety	
	Traffic office	
<b>Logistics</b>	Logistics operations	
	Supply chain management	
	Port operations	
<b>Warehousing</b>	Warehousing and storage	
	Mail services	
	Commercial moving	
<b>International trade</b>	International trade and logistics	

**Q.4. Do you make use of external training providers? (Please give names of institutions or companies, if available)**

Local colleges	
Universities	
Training companies	
Other (please state)	
<i>External providers not used (please mark)</i>	

**Q.5. Do you operate an apprenticeship scheme, and if so, how many apprentices do you currently have in the following categories?**

Transport	
Logistics and operations	
Warehousing and storage	
Sales, administration or other functions	

**Q.6. If you do not employ apprentices, what do you think is the reason for that? (Mark all that apply)**

Firm is too small to provide adequate support	
No suitable functions for apprentices to perform	
Lack of suitable applicants	
Unable to bear the costs involved	
Other reasons (please state)	

**Q.7. Do you recruit at graduate level at all? If so, please tell us:**

**Q.7a. How often? Annually**  **Occasionally**

**Q.7b. How many? (Enter number)**

**Q.7c. Do you look for those with relevant logistics or supply chain degrees?** **Yes**  **No**

**Q.8 Do you have problems recruiting any particular types of staff? (Mark all that apply)**

Transport	
Logistics and operations	
Warehousing and storage	
Sales, administration or other functions	

**Q.9. Thinking about the way logistics is developing these days, what do you think are the key skills likely to be required in your work-force over the next 5 – 10 years? (Mark all that apply)**

<b>Personal skills</b>	Leadership	
	Team building	
	Communication	
	Interpersonal skills	
<b>General management</b>	Numeracy	
	Problem solving	
	Decision making	

	Project management	
<b>Technical skills</b>	IT and data handling	
	Equipment repair and maintenance	
	HGV driving	
	Other vehicle driving	
	Fork-lift handling	
<b>Other skills (please state)</b>		

**Q.10. What steps is your organization taking to meet those skill needs?**

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**Q.11. Do you think there is a need for some new centre or service to provide training in transport, logistics, warehousing etc. in the south Essex area?**

**No**  **Please say why:** \_\_\_\_\_

**Yes – how do you think it should operate? (Mark all that apply)**

Centre for operational learning (e.g. fork-lift truck training, order picking, warehouse and delivery technology)	
Centre for learning and development of basic logistics and transport skills	
Centre for learning and development of basic logistics and transport skills, plus strategic and higher management skills for those who need them	
Virtual academy, using on-line tuition or distance learning	
Centre with facilities for practical simulation of warehousing and ports operations	
Other options (please state)	

**Q.12. What do you think external agencies like professional bodies and government (local or national) should be doing to help industry prepare for future developments in logistics, particularly in south Essex?**

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**Q.13. Any other points you would like to make, particularly related to meeting skill needs in your organization?**

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**THANK YOU FOR COMPLETING THE SURVEY - PLEASE CLICK DONE**

# Appendix 3: Questionnaire to public, professional and voluntary organisations

**NB: Interviewers were allowed substantial discretion to depart from the prescribed schedule in order to explore points of particular interest or concern to individual respondents.**

## INTRODUCTION

Hello. My name is \_\_\_\_\_ at Social Research Associates/Bisham Consulting. My firm has been appointed jointly with Bisham Consulting/SRA to undertake a study for Thurrock Borough Council. We are helping the Council to gain a picture of training and development needs that could be relevant to the London Gateway port development, particularly in logistics, transport and management. Could you spare a few moments, please, to talk to me about the position of your organization in relation to such developments?

The information you supply will be treated in the strictest confidence and no information will be attributed to you personally.

## INTERVIEW DETAILS (FOR OFFICE USE ONLY)

ID REF NO.  
SIC CLASSIFICATION  
INTERVIEWER ID  
INT DATE

## ABOUT THE RESPONDENT (FILL IN AS MUCH INFORMATION AS POSSIBLE)

TITLE \_\_\_\_\_  
SURNAME \_\_\_\_\_  
FORENAMES \_\_\_\_\_  
JOB TITLE \_\_\_\_\_  
BUSINESS NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
TOWN \_\_\_\_\_  
POST CODE \_\_\_\_\_

TELEPHONE \_\_\_\_\_  
 MOBILE \_\_\_\_\_  
 EMAIL \_\_\_\_\_  
 WEB SITE \_\_\_\_\_

**1. What kind of impacts do you think the London Gateway development is likely to have on the Thurrock area:**

<i>Type of impact</i>	<i>Positive</i>	<i>Negative</i>	<i>Some of each</i>
Demand for unskilled labour			
Demand for skilled labour			
Demand for higher level management skills			
Wage and salary levels in transport and logistics			
Local economy in general			

**2. If the development requires a lot of skilled labour, do you think this will largely be met by:-**

People moving from other parts of the UK	People from other members of the European Community	Immigration from outside the UK	A mixture of sources
Further comments about your view			

**3. What measures do you think *your organisation* could take in order to gain the most benefit from the proposed development?**

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**4. What measures could be taken, by your own or other organisations, in order to gain benefits from the proposed development for the local economy?**

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**5. Thinking about the future demand for skills and qualifications in port handling and logistics, do you think:-**

There is a need for a new institution	
Existing institutions are adequate to meet future skill demands	
Don't know – further comments	

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**6. If a new institution – say, an academy or training centre for port handling and logistics should be provided, how should it be financed? (Mark any two options).**

<b>Source of financial support</b>	
Central government or its agencies	
Local authorities	
Trades unions	
DP World	
Ports and logistics operators working together	
EU sources (if available)	
Other sponsors or sources – please say which	

**7. Following on from this, how could contacts with local schools in Thurrock be used to raise awareness of careers in logistics?**

What specific actions could be taken?
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**8. If a new institution was set up, what kinds of training or other activities should it concentrate on?**

<b>8A Logistics Specialisms</b> (please mark all that apply)	
Logistics planning	
IT skills relevant to logistics and transport	
LGV driving (could include passenger as well as demand for bus/coach drivers might increase?)	
Other vehicle driving (could an example be included here?)	
Fork-lift and reach-truck handling	
Craft skills (plant & machine maintenance, vehicle repair, etc.)	
Supervisory skills and leadership	
Intermediate level management	
Higher level or strategic management	
Supply chain management – including: purchasing; inventory; material; warehouse operations; transport operations; customer service; finance	
Research and development activities related to ports and logistics	
Enterprise promotion and innovation	

**Other types of training or education**

<b>8B Broader Skills and Training</b> (please indicate which)	
Professional body qualifications – e.g. courses leading to qualification for CILT, CIPD, CIPS, Institute of Supply, Institute of Supervisory Management etc.	



NVQ's in logistics activities – e.g. warehousing, transport etc.	
Dangerous goods (by road, rail, sea) to include DGSA	
Health & Safety Management	
Security in logistics	
Freight Forwarding qualifications	
Customs & International Trade	
Facilities management	
Basic literacy & numeracy skills	
Other?	

**9. Taking all things into consideration, is your organisation broadly supportive of the expansion in ports, logistics and transport industries in Thurrock?**

Yes	
No – please say why not	

**10. Any thing else you would like to add about ports and logistics developments in Thurrock?**

--

**THANK YOU VERY MUCH FOR YOUR HELP: WE WILL SEND YOU A SUMMARY OF THE FINAL RESEARCH REPORT**

Name	
Organisation	
Contact details	



# Appendix 4: Questionnaire to institutions of further and higher education

**NB: Interviewers were allowed substantial discretion to depart from the prescribed schedule in order to explore points of particular interest or concern to individual respondents.**

## INTRODUCTION

Hello. My name is \_\_\_\_\_ at Social Research Associates/Bisham Consulting. My firm has been appointed jointly with Bisham Consulting/SRA to undertake a study for Thurrock Borough Council. We have been asked to explore the education and skills needs at the London Gateway port and logistics park as it expands over the next ten years. One idea is to set up a Logistics Academy but it may be that there is sufficient provision already available either locally or UK wide not to need this.

As an educational provider you help in answering these seven questions would be much appreciated.

The information you supply will be treated in the strictest confidence and no information will be attributed to you personally.

## INTERVIEW DETAILS (FOR OFFICE USE ONLY)

ID REF NO.  
SIC CLASSIFICATION  
INTERVIEWER ID  
INT DATE

## ABOUT THE RESPONDENT (FILL IN AS MUCH INFORMATION AS POSSIBLE)

TITLE \_\_\_\_\_  
SURNAME \_\_\_\_\_  
FORENAMES \_\_\_\_\_  
JOB TITLE \_\_\_\_\_  
BUSINESS NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
TOWN \_\_\_\_\_  
POST CODE \_\_\_\_\_

TELEPHONE \_\_\_\_\_  
 MOBILE \_\_\_\_\_  
 EMAIL \_\_\_\_\_

**1. Do you think there will be an increased demand for logistics education and skills over the next ten years?**

In the UK	Yes	No	DK	Comment
In the SE	Yes	No		
Globally	Yes	No		

**2. What kinds of subjects in particular will be required?**

Logistics Specialisms (please mark all that apply)	Required	Provided by your institution
• Logistics planning		
• IT skills relevant to logistics and transport		
• LGV driving (could include passenger as well as demand for bus/coach drivers might increase?)		
• Other vehicle driving (e.g. light Van Driving, Buses)		
• Fork-lift and reach-truck handling		
• Craft skills (plant & machine maintenance, vehicle repair, etc.)		
• Supervisory skills and leadership		
• Intermediate level management		
• Higher level or strategic management		
• Supply chain management – including: purchasing; inventory; material; warehouse operations; transport operations; customer service; finance; project/programme management		
• Research and development activities related to ports and logistics		
• Enterprise promotion and innovation		

Broader Skills and Training (please indicate which)	Required	Provided by your institution
• Professional body qualifications – e.g. courses leading to qualification for CILT, CIPD, CIPS, Institute of Operations Management, Institute of Supervisory Management		
• NVQ's in logistics activities – e.g. warehousing, transport etc.		
• Dangerous goods (by road, rail, sea) to include DGSA		
• Health & Safety Management		
• Security in logistics		
• Freight Forwarding qualifications		
• Customs & International Trade		
• Facilities management		
• Basic literacy & numeracy skills		
• Other? (specify: e.g. languages)		

**3. Thinking about the future demand for skills and qualifications in port handling and logistics, do you think:**

Existing institutions are adequate to meet future skill demands	
There is a need for a new institution	
If 'yes' there is a need, would SE Essex be a good place for it to be located?	
Other (specify)	
Don't know – further comments	

**4. What steps have your organisation taken or plan to meet future demand for skills and qualifications in logistics?**

Action	Applies	Details
New courses		
Revised courses		
Marketing initiatives		
Partnerships		
Visits to schools or colleges		
Researching market		
Other (specify)		

**5. Given the predicted development of logistics industry in the Thames Gateway area, do you think it would be beneficial to set up a new institution to provide education and skills? This could be a 'virtual' initiative involving existing institutions or a new academy with its own premises.**

A good idea to set up a new academy in new premises		Comments
The best idea would be a hub using a variety of other institutions and their courses		
Other solution (specify)		

**6. Many people think that the biggest problem is that there aren't enough people going into careers in logistics. What do you think could be done to encourage more interest?**

What specific actions could be taken?
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**7. Any thing else you would like to add about ports and logistics developments in SE Essex?**

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THANK YOU VERY MUCH FOR YOUR HELP: WE WILL SEND YOU A SUMMARY OF THE FINAL RESEARCH REPORT

## Appendix 5: Degree and other courses in logistics and supply chain management, 2012 - 13

Institution	Course	Qualification	Full or p/t	Length	Notes
Aston University	Logistics Management	BSc (Hons)	Full	3 years	
Aston University	Logistics Management	BSc (Hons)	Full	4 years	Inc. placement
Canterbury Christ Church University	Business Management (Logistics)	BSc (Hons)	Full	3 years	
Canterbury Ch. Ch. Univ.	Business Management (Logistics)	Dip HE	Full	2 years	HE level 2
Cardiff University	Business Management (Logistics & Operations)	BSc (Hons)	Full	3 years	
Central Lancs University	Business Studies (Logistics & Supply Chain Mgt.)	BA (Hons)	Full	3 years	
Central Lancs University	Business Studies (Logistics & Supply Chain Mgt.)	BA (Hons)	Full	4 years	Inc. placement
Greenwich University	Business Logistics and Transport Management	BA (Hons)	Full	3 years	
Greenwich University	Business Logistics and Transport Management	BA (Hons)	Full	4 years	Inc. placement
Greenwich University	Transport, Logistics Ops. & Administration	FdA	Full	2 years	HE level 2
Grimsby Institute	Logistics & Supply Chain Management	FdSc	Full	2 years	HE level 2

<b>Institution</b>	<b>Course</b>	<b>Qualification</b>	<b>Full or p/t</b>	<b>Length</b>	<b>Notes</b>
Huddersfield University	Global Business & Logistics Management	BA (Hons)	Full	1 year	Top-up only
Huddersfield University	Logistics & Supply Chain Management	BSc (Hons)	Full	3 years	1 yr top-up also
Huddersfield University	Logistics & Supply Chain Management	BSc (Hons)	Full	4 years	Inc. placement
Huddersfield University	Transport & Logistics Management	BSc (Hons)	Full	3 years	
Huddersfield University	Transport & Logistics Management	BSc (Hons)	Full	4 years	Inc. placement
Huddersfield University	Air Transport & Logistics Management	BSc (Hons)	Full	3 years	
Plymouth University	Maritime Business and Logistics	BSc (Hons)	Full	3 years	
Plymouth University	Shipping and Logistics	BSc (Hons)	Full	1 year	Top-up only
Portsmouth University	Logistics and Transportation	BSc (Hons)	Full	1 year	Top-up only
University of S. Wales	Logistics & Supply Chain Management	BA (Hons)	Full	3 years	
University of S. Wales	Logistics & Supply Chain Management	BA (Hons)	Full	4 years	Inc. placement
University of S. Wales	Logistics & Supply Chain Management	Cert. HE	Full	1 year	HE level 1
Swansea Metropolitan U.	Logistics & Supply Chain Management	BSc (Hons)	Full	3 years	
Swansea Metropolitan U.	Logistics & Supply Chain Management	HND	Full	2 years	
University of Ulster	Transportation	BSc (Hons)	Full	4 years	Inc. placement

\* Hull University offers degrees with the option of a one-year work experience placement in place of a year's study within the framework of a four-year course.



# Appendix 6a: Questionnaire to potential employees in ports, logistics and transport

## Thurrock Students and Unemployed FUTURE JOBS IN ESSEX RESEARCH

Hello and thanks for helping us with this survey. The research is confidential and funded by Thurrock Council to understand more about how to help local people find jobs in industries with a good future in the area.

### 1. What has been the main influence on your choice of career so far?

Main influences	Tick all that apply to you	First and second in importance (tick)
Parents and relatives		
Friends		
School advisory service		
Careers advisory service (not school based)		
Electronic Media		
Printed material		
Local job opportunities		
National job opportunities		
Other (give details if you can)		
I have not considered a careers choice as yet	(if this applies miss Q.2 and go to Question 3)	

### 2. Career choices

What choices have you made?	Details
Choice 1	
Choice 2	
Choice 3	
Other choices	

<b>3. Would you ever consider a career in logistics?</b>	Yes	No	Maybe	Don't know
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<b>4. How would you rate your knowledge of logistics?</b>	Good	Slight	No knowledge
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Logistics employees handle a company's distribution and support the smooth and efficient operation of supply chain processes. That includes working in a warehouse, packaging, shipping and receiving items. Logistics workers also load and unload merchandise from delivery vans, large trucks, airplanes and ships. It also involves analysing data to improve the process from manufacture to customer, getting new business and at higher levels, planning projects and running companies.

<b>5. Would you ever consider logistics as a career?</b>	Yes	Maybe	No

<b>6. If 'yes' or 'maybe', where would you go to obtain further advice?</b>	
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Finally a few confidential questions about yourself:

**Age Group**

14-16	
16-18	
18-24	
25-40	
41-60	
60+	

<b>Male</b>	
<b>Female</b>	

<b>Any educational qualification now (write in)</b>	
<b>Educational qualifications expected (write in)</b>	

**Your employment/study position?**

Unemployed – looking for work	
Employed part time	
Employed full time	
Unwaged – not looking for work	
Student – school/academy	
Student – FE college	
Student – HE sector	
Retired	

**The type of housing you live in?**

Privately rented	
Rented from the Council	
Owner occupied	
Other	

Your Postcode (first 4 letters)	
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**THANK YOU FOR YOUR HELP**  
**Kris Beuret, Social Research Associates**  
 If you would like further information about the research please contact:  
 office@sraltd.co.uk

# Appendix 6b: Questionnaire to potential employees in ports, logistics and transport

## LOGISTICS STUDENTS RESEARCH

Hello and thanks for helping us with this survey. The research is confidential and funded by Thurrock Council but of wider interest in understanding more about how to safeguard the expanding need for logistics skills in the UK.

### 1. What has been the main influence on your choice of career so far?

Main influences	Tick all that apply to you	First and second in importance (tick)
Parents and relatives		
Friends		
School advisory service		
Careers advisory service (not school based)		
Electronic Media		
Printed material		
Local job opportunities		
National job opportunities		
Other (give details)		
I have not considered a careers choice as yet	(if this applies miss Q.2 and go to Question 3)	

### 2. Career choices

What choices have you made?	Details
Choice 1	
Choice 2	
Choice 3	
Other choices	

### 3. Do you think there will be an increased demand for logistics education and skills over the next ten years?

In the UK	Yes	No	DK	Comment
In the SE	Yes	No		
Globally	Yes	No		

### 4. What kinds of subjects in particular will be required?

Logistics Specialisms (please mark all that apply)	Required	Provided by yo

		institution
• Logistics planning		
• IT skills relevant to logistics and transport		
• LGV driving (could include passenger as well as demand for bus/coach drivers might increase?)		
• Other vehicle driving (could an example be included here?)		
• Fork-lift and reach-truck handling		
• Craft skills (plant & machine maintenance, vehicle repair, etc.)		
• Supervisory skills and leadership		
• Intermediate level management		
• Higher level or strategic management		
• Supply chain management – including: purchasing; inventory; material; warehouse operations; transport operations; customer service; finance		
• Research and development activities related to ports and logistics		
• Enterprise promotion and innovation		

<b>5. Broader Skills and Training</b> (please indicate which or don't know if appropriate)	Required	Provided by institution
• Professional body qualifications – e.g. courses leading to qualification for CILT, CIPD, CIPS, Institute of Supply, Institute of Supervisory Management		
• NVQ's in logistics activities – e.g. warehousing, transport etc		
• Dangerous goods (by road, rail, sea) to include DGSA		
• Health & Safety Management		
• Security in logistics		
• Freight Forwarding qualifications		
• Customs & International Trade		
• Facilities management		
• Basic literacy & numeracy skills		
• Other? (specify)		

**6. Thinking about the future demand for skills and qualifications in port handling and logistics, do you think:-**

Existing institutions are adequate to meet future skill demands	
There is a need for a new institution	
If 'yes' there is a need, would SE Essex be a good place for it to be located?	
Other (specify)	
Don't know – further comments	

**Finally a few confidential questions about yourself:**

**Age Group**

14-16	
16-18	
18-24	
25-40	
41-60	
60+	

Male	
Female	

Any educational qualification now (write in)	<b>GCSEs</b>	<b>A Levels (which subjects)?</b>	<b>Other?</b>
Educational qualifications expected (write in)			

Student – FE college	
Student – HE sector	

**THANK YOU FOR YOUR HELP**  
[www.sraltd.co.uk](http://www.sraltd.co.uk)

**Social Research Associates**