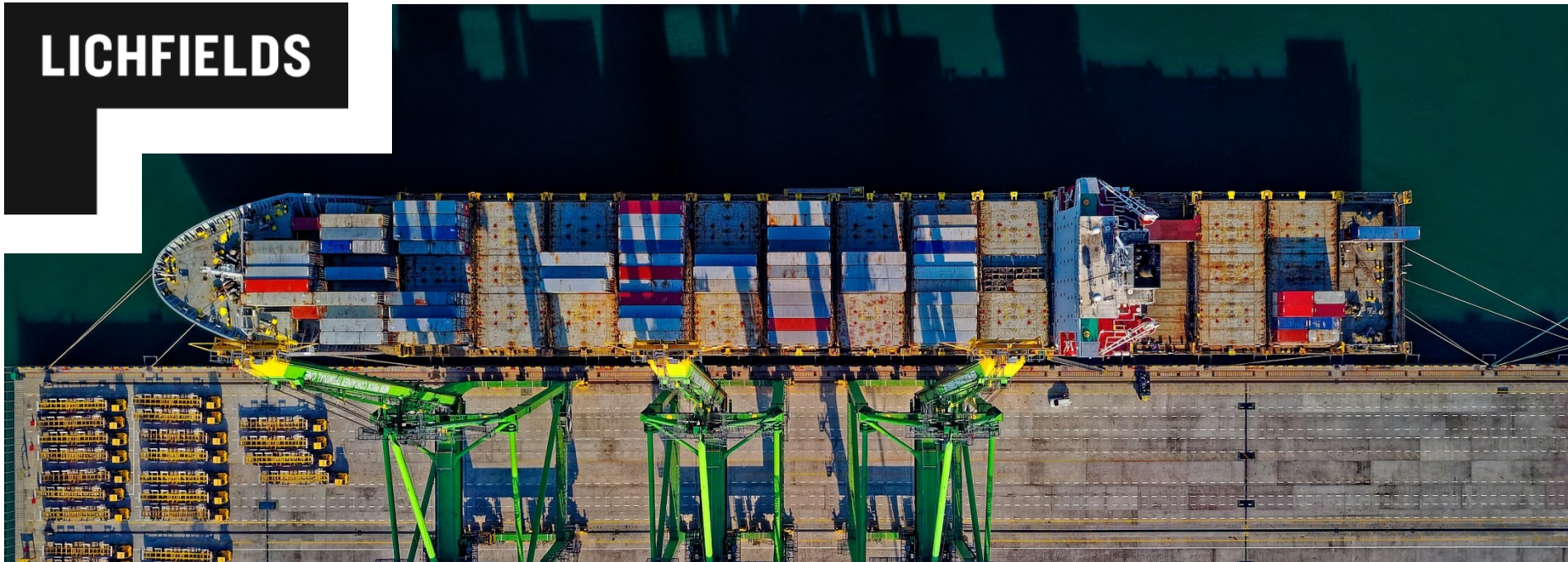


LICHFIELDS



Solent Local Skills Improvement Plan

Logistics Sector | Deep Dive Evidence Base Report

FINAL REPORT

June 2025

1.0 Introduction

The Solent LSIP brings together employers, colleges, training providers and other stakeholders to set out the key changes needed to make skills training in the region more responsive to employers' needs. This 'deep dive' considers the demand and supply of skills needed to support a thriving logistics sector in the Solent, now and in the future.

1.1 Introduction

This evidence report has been prepared by Lichfields on behalf of the Hampshire Chamber of Commerce ('CoC') to provide a focused 'deep dive' analysis of the logistics sector within the Solent region, paying particular attention to the current and future skills needed to support the sector's growth.

This report includes a detailed analysis of the demand and supply of skills needed to support a thriving logistics sector, in addition to a review of existing training provision within the Solent.

Ultimately, this report seeks to identify and highlight the skills gaps impacting the logistics sector and set out a series of recommendations designed to support the Hampshire CoC (designated as the region's employer representative body, or 'ERB' by the Department for Education, or the 'DfE'), local training providers and other stakeholders across the Solent in shaping the local skills agenda through the Solent Local Skills Improvement Plan ('LSIP') process.

1.2 Defining the logistics sector

Supporting an estimated 1.4 million jobs across 114,000 businesses nationally, the logistics is a key sectors in the UK economy, comprising a range of services and activities relating to land, sea and air transportation, in addition to the movement of people and goods. For the purposes of this report, the definition of the sector incorporates all activities relevant to the sector, highlighting the Solent's strengths in maritime and land-based activities, in addition to strengths in aviation logistics.

Solent LSIP Overview

The Solent LSIP brings together employers, colleges, training providers, and other stakeholders to set out the key changes needed to make technical skills training in the region more responsive to employers' needs. The LSIP seeks to tackle skills deficits by building on existing and new levels of collaboration, establishing stronger relationships with businesses, and providing practical solutions which aim to transform the Solent's technical skills landscape.

The Solent LSIP identifies 6 key priorities to take forward. Designed to be cross-cutting and applicable to the full range of employment sectors in the Solent (incl. logistics), these priorities seek to address a number of economy-wide challenges identified via engagement with stakeholders and local employers.

Priority 1:
Awareness and aspiration

Priority 2:
Navigating the skills ecosystem

Priority 3:
Proactive employer engagement

Priority 4:
A more agile ecosystem

Priority 5:
Pathways to skills

Priority 6:
Managing the skills transition

1.0 Introduction

The logistics sector incorporates the transport of goods and people by land, air, sea, and pipelines, as well as the warehousing and support activities needed to facilitate this.

While the contribution of each activity identified will vary (i.e. in terms of the economic value generated, the level of employment supported and skills profile required), this deep dive has sought to include both core and ancillary activities related to the logistics sector to ensure that the full range of skills requirements are considered.

By addressing the full spectrum of skills needs, logistics businesses in the Solent can therefore ensure they have a skilled workforce that meets changing demand and be better positioned to retain talent. The list of activities considered includes:

- Land transport and transport via pipeline;
- Water transport;
- Air transport;
- Warehousing and support activities for transportation;
- Postal and courier activities.

It is noted that the logistics sector includes activities from a range of other sectors (e.g. engineering and digital technology). Please note that these occupations are not included within the sector’s definition as it is not possible to quantify the proportion of roles from other related sectors in logistics. This does not diminish these occupations’ importance and relevance to logistics, and where possible are considered qualitatively.

Activity	Sub-sectors
Land transport and transport via pipelines	<ul style="list-style-type: none"> • Passenger rail transport • Freight rail transport • Taxi operation • Other passenger land transport • Freight transport by road • Removal services • Transport via pipeline
Water Transport	<ul style="list-style-type: none"> • Sea and coastal passenger water transport • Sea and coastal freight water transport • Inland passenger water transport • Inland freight water transport
Air Transport	<ul style="list-style-type: none"> • Scheduled passenger air transport • Non-scheduled passenger air transport • Freight air transport • Space transport
Warehousing and support activities for transportation	<ul style="list-style-type: none"> • Operation of warehousing and storage facilities for water transport activities • Operation of warehousing and storage facilities for air transport activities • Operation of warehousing and storage facilities for land transport activities • Operation of rail freight terminals • Operation of rail passenger facilities at railway stations • Operation of bus and coach passenger facilities at bus and coach stations • Other service activities incidental to land transportation, n.e.c. • Service activities incidental to water transportation • Service activities incidental to air transportation • Cargo handling for water transport activities • Cargo handling for air transport activities • Cargo handling for land transport activities • Other transportation support activities
Postal and courier activities	<ul style="list-style-type: none"> • Postal activities under universal service obligation • Licensed carriers • Unlicensed carriers



1.0 Introduction

1.3 Structure of the report

The remainder of this logistics deep dive is structured as follows:

- **Section 2.0** provides an overview of industry trends within the logistics sector.
- **Section 3.0** presents an overview of the existing labour market across the Solent.
- **Section 4.0** reviews the skills demand position within Solent for jobs within the logistics sector.
- **Section 5.0** assesses the skills supply position within the Solent taking account of provision within further education ('FE') and higher education ('HE') providers.
- **Section 6.0** considers the challenges and opportunities associated with skills development in the logistics sector, focusing in particular on the insight generated as part of the Solent-wide engagement with employers within the industry.

2.0 Industry Trends

The logistics sector has proven to be resilient to the macroeconomic turbulence caused by the Covid-19 pandemic but faces significant skills shortages, particularly amongst heavy goods vehicle and forklift drivers. The challenge of skills shortages has been exacerbated by the UK's exit from the EU and the loss of European labour.

2.1 The UK Logistics Industry

Compared to other sectors, logistics has proven to be relatively resilient in the face of challenging macroeconomic conditions triggered by the Covid-19 pandemic, Brexit, high-inflation and international conflicts. Revenue from the UK logistics sector grew by 25.8% between 2021 and 2022, fuelled in part by the continued growth of e-commerce and customer expectations for faster and more flexible delivery arrangements. Data from the Office for National Statistics ('ONS') indicates that currently 26.8p from every £1 spent on retail is done so online. Whilst below the peak experienced during the pandemic (of 36.5p in January 2021), the volume of retail expenditure is 7.7% higher than pre-pandemic estimates (of 19.1p in February 2020).

Despite the increased demand, the logistics sector is experiencing a number of challenges. Amongst these is the high and fluctuating cost of fuel which requires careful planning by UK logistics firms to navigate.

Additionally, the UK's exit from the EU has also exacerbated skills shortages, particularly amongst heavy goods vehicle ('HGV') drivers. Evidence from Logistics UK suggests that between 2019 and 2021 there were 72,000 fewer HGV drivers, or a fall of 23.5%. Brexit and the pandemic have exacerbated long-term trends in the sector, resulting in between 63-76% of employers nationally facing recruitment difficulties due to candidates not having the right skills.

The maritime freight sector has grown strongly following Covid-19, and is forecast to continue growing during 2025. Given the importance of the Port of Southampton to the Solent's economy, this growth is likely to create new opportunities in logistics across the Solent (i.e. captured as part of the Solent Freeport).

In addition, 2024 saw a number of new rail freight services being introduced by DP World, running from Southampton to locations across England and Wales. This has helped to increase the amount of rail freight running out of Southampton and will also likely lead to new employment opportunities within rail freight locally.

The logistics sector continues to embrace innovation, and the continued rise in artificial intelligence ('AI'), automation and advanced analytics will become a key growth area for the sector going forward.

Other long-term trends which are likely to drive innovation in logistics include the drive towards decarbonisation. Transport is the largest emitting sector in the UK, albeit domestic transport is the greatest driver of this. That being said, decarbonisation of the logistics sector will play an important role in reducing the UK's overall carbon footprint. Greater focus on environmental, social and governance ('ESG') goals will help to drive decarbonisation, as well as wider ethical considerations across the industry.

3.0 Labour Market Information (I)

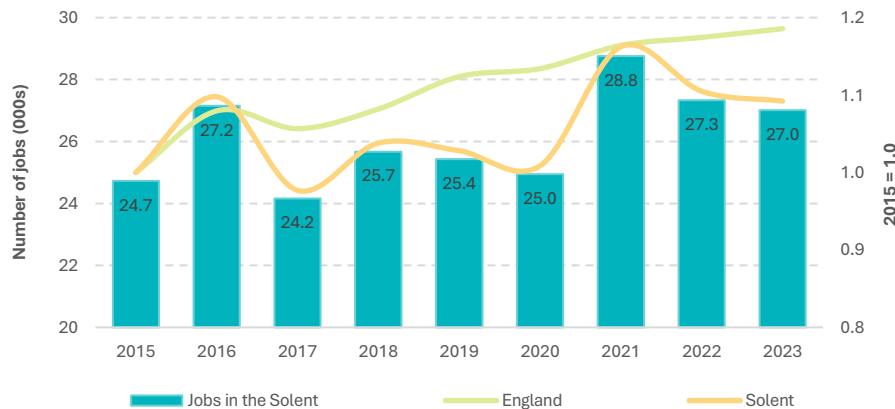
Within the Solent, the logistics sector supported an estimated 25,800 jobs across 2,100 businesses in 2023, with a particularly large concentration in Southampton, as well as smaller clusters in Portsmouth and Eastleigh.

3.1 Local trends in logistics

Within the Solent, the logistics sector supports an estimated 27,000 jobs, accounting for 4.9% all jobs across the region. This is in line with the level of employment seen nationally (i.e. of 5% of all jobs).

Employment in the sector peaked in 2021 at around 28,800 jobs. However, the number of jobs in logistics has fluctuated greatly between 2015 and 2023. This is in contrast with the national trend which has largely seen consistent growth over the same period. Following a pandemic-induced peak in 2021, the number logistics jobs across the Solent fell slightly to around 27,000 jobs where it has remained for the past couple of years.

Figure 3.1: Jobs in logistics across the Solent and employment change, 2015-2023



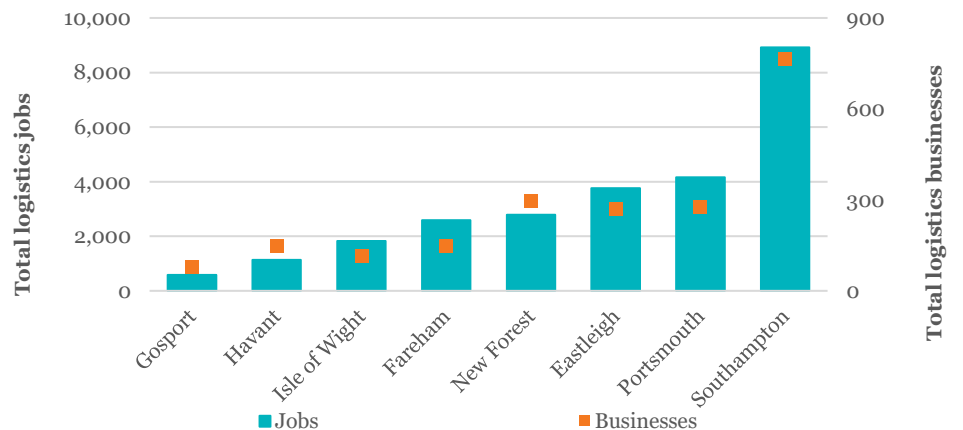
Source: ONS (2023), Business Register and Employment Survey

Within the Solent, there are an estimated 2,100 businesses in logistics. Of these, 91.2% employ fewer than ten people which is broadly in line with the national trend (of 92.3%). Although the precise number of large logistics businesses in the Solent (employing 250 or more people) is affected by the small sample size, it is estimated that they account for 0.4% of logistics businesses in the area.

With 8,900 jobs, Southampton has by far the largest share of employment across the Solent, accounting for one third (34.6%) of total jobs in logistics. This is followed by Portsmouth with 4,200 jobs (16.1%) and Eastleigh with 3,800 jobs (14.6%).

Of the 2,100 logistics businesses within the Solent, around 770 are based in Southampton, followed by 300 in the New Forest, 280 in Portsmouth and 270 in Eastleigh⁶.

Figure 3.2: Logistics jobs and businesses across the Solent by local authority (2023)



Source: ONS (2023), Business Register and Employment Survey & ONS (2023) UK Business Counts

3.0 Labour Market Information (II)

Employment in the sector across the Solent largely follows the national picture and is dominated by land transport and warehousing. However, the Solent has a strong specialism in water transport drawing on its coastal location and the presence of the Port of Southampton.

Within the Solent, jobs in warehousing and support activities account for 40.5% (or 10,400 jobs) of all logistics jobs. Jobs in land transport and transport via pipeline (including HGV drivers and train drivers) account for a further 27.3% (or 7,000 jobs) of jobs across the region.

Water transport jobs, including passenger ferries and freight shipping occupations account for 15.4% (or 4,000 jobs) of Solent logistics jobs. This is significantly higher than the equivalent average nationally (of 0.8% of all jobs in logistics), albeit expected given the region's coastal location and the presence of the Port of Southampton.

Conversely, the Solent has a far lower proportion of air transport jobs, including occupations relating to air travel (around 100 jobs, or 0.4% of all Solent logistics jobs) when compared to the national average. This is notwithstanding the presence of National Air Traffic Services ('NATS') located in Swanwick (Fareham Borough).

Postal and courier occupations make up 16.4% (or 4,200 jobs) of jobs in the sector which is in line with the national average of 16.3%.

When considering business make-up, it is estimated that almost half (i.e. 48.3%) of all businesses in the sector relate to land transport and transport via pipeline, followed by postal and courier businesses (31%) and warehousing and support services for transportation (15%). Despite the region's location along the coast, and its proximity to one of the busiest shipping waterways in Europe, the proportion of water transport businesses accounted for only 3.8% of all businesses in logistics within the Solent (although it should be noted that this proportion is considerably higher than the national average of 1.1%).

This evidence shows that the local logistics sector is largely dominated by land transport and warehousing activity, in line with the national picture, although it also has a strong specialism in water transport due to its location and proximity to the Port of Southampton.

4.0 The Demand for Skills (I)

During 2023, the demand for roles in logistics reached an estimated 9,100 job postings, representing an 87.2% increase in demand across the region since 2018. The logistics sector was not disproportionately impacted by the Covid-19 pandemic, but there is evidence that the impact of Brexit has led to a growing demand for roles.

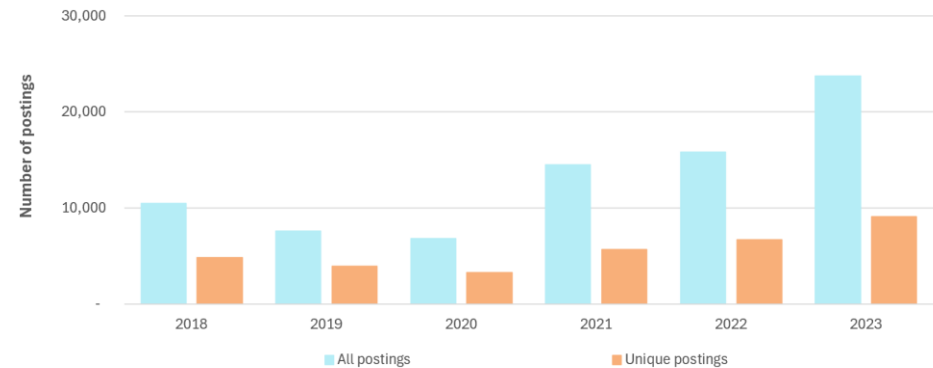
4.1 Changing demand for skills in logistics

The demand for skills can be measured by considering job postings for roles employers in different sectors are seeking to recruit for. Using a 'best fit' approach for occupations in logistics (as defined in the introduction section, it is estimated that throughout 2023 there were around 23,700 total postings for roles in logistics within the Solent, which is equivalent to around 9,100 unique job postings. For the purposes of this deep dive, only the measure of unique jobs postings is considered, as this excludes any duplication, and reflects more closely the sector's demand at the local level.

Analysis of job postings data shows that relative to a 2018 starting point, the number of unique job postings in logistics within the Solent have shown strong growth (i.e. of 87.2%), especially relative to all job postings within the region. Somewhat unexpectedly, the demand for roles in logistics fell slightly (i.e. by around 610 job postings, or -15.6%) between 2019 and 2020. However, the number of postings recovered to more than pre-pandemic figures by 2021, although may reflect the need to replace European workers following the end of the transition period (in December 2020).

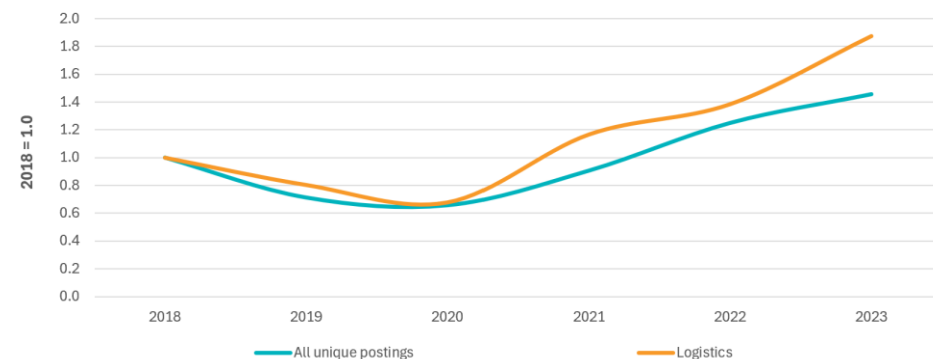
The recovery in postings for roles in logistics following 2020 has outpaced the demand for job postings overall (i.e. +248% growth for roles in logistics, compared with +176% overall). However, the growth in demand contrasts greatly with the change in the number of jobs in logistics over the same period.

Figure 4.1: Number of postings for logistics jobs in the Solent



Source: Lightcast (2023)

Figure 4.2: The trend in logistics postings compared to all unique postings



Source: Lightcast (2023)

4.0 The Demand for Skills (II)

Sought after roles in logistics include truck drivers, warehouse operatives and drivers of large and heavy goods vehicles. Changes in demand since 2018 reflect labour market shifts arising from both Covid-19 and Brexit, as total employment in the sector has remained relatively stable over the past few years.

4.2 Sought-after roles and occupations

The logistics sector incorporates a wide range of activities across different sub-sectors. Drawing on demand data, the top five roles (i.e. based on the definition outlined above) most sought after during 2023 include:

- Tractor-trailer truck drivers (1,540 job postings);
- Large goods vehicle drivers (1,500 job postings);
- Warehouse operatives (1,460 job postings);
- Sales delivery drivers (1,380 job postings); and
- Transport and distribution clerks and assistants (1,140 job postings).

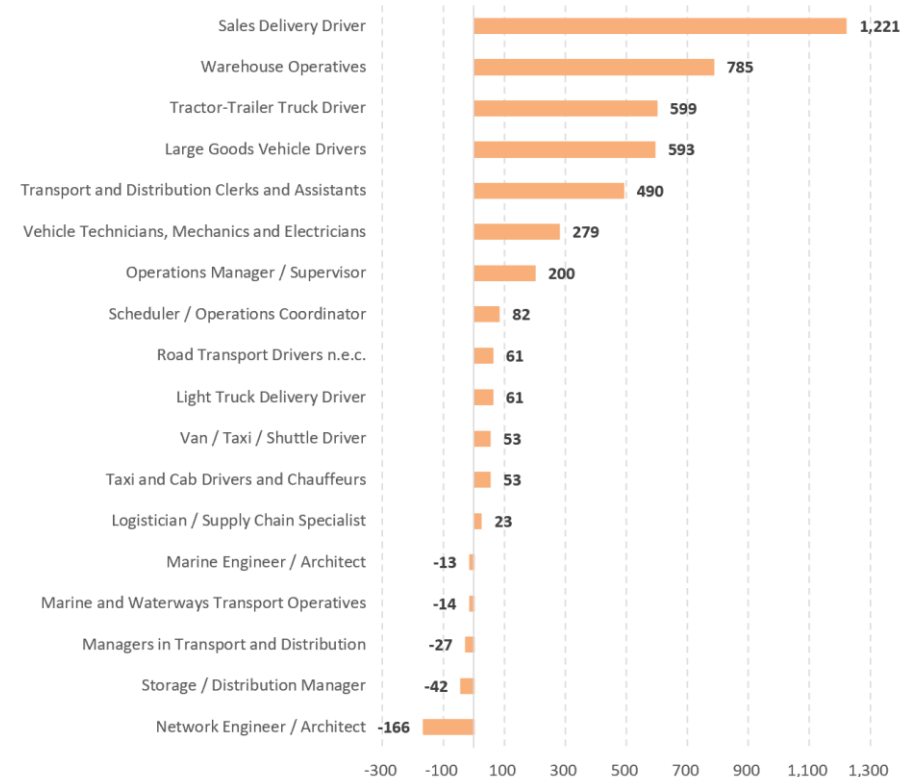
The most frequently sought occupations include a mix of more specialised roles relating to large vehicle driving (i.e. including HGV drivers). However, technical professions which typically require a lower level of training and may be undertaken on a more seasonal basis (such as delivery drivers, and transport and distribution assistants) also feature prominently.

A review of change in the demand for roles in logistics in the five years to 2023 suggests that a number of technical and professional occupations, such as network engineers, storage / distribution managers, marine transport operatives and engineers, all experienced a decline in the number of annual job postings.

It should be noted that specific occupations relating to order processing, postal workers, and bus drivers amongst others, recorded no job postings in either 2018 or 2023.

In general, the change in demand for roles in logistics appears to reflect Covid-19 and Brexit-induced changes to the labour market, rather than increased demand resulting from growth in the sector.

Figure 4.3: Change in job postings for logistics jobs, 2018 to 2023



Source: Lightcast (2023)

4.0 The Demand for Skills (III)

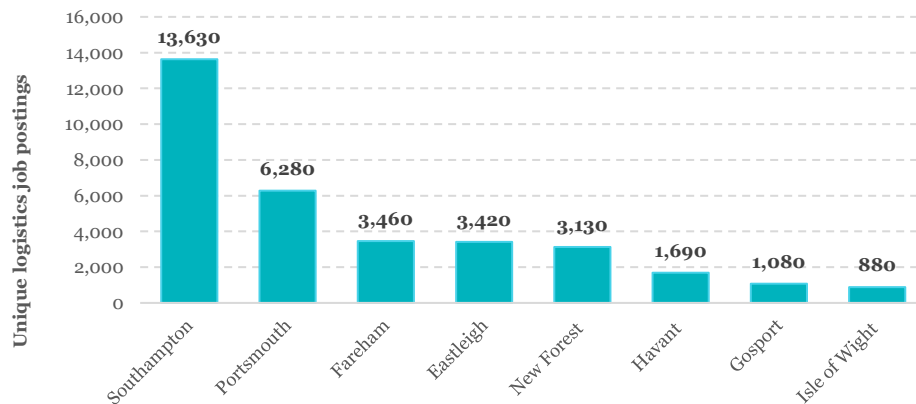
The demand for roles in logistics is dominated by Southampton with over 13,000 job postings between 2018 and 2023, equivalent to 40% of the region’s overall need, driven in part by its population size and the opportunities associated with the Port of Southampton.

4.3 Locational drivers of demand

With over 13,600 unique job postings, Southampton accounts for the highest (aggregate) demand for roles in logistics between 2018 and 2023. This means that on its own, Southampton represents around two-fifths of the demand in roles in logistics. This is due in part, to the demand for delivery services generated by its population, in addition to the presence of the Port of Southampton, and associated logistics operations.

With 6,280 unique postings, Portsmouth has the second highest share (i.e. equivalent to 18.7% of total logistics postings in the region), followed by Fareham and Eastleigh with 3,460 and 3,420 unique postings respectively (equivalent to 10.3% in Fareham and 10.2% in Eastleigh).

Figure 4.4: Unique logistics job posting and share of the Solent total by local authority, 2018 to 2023

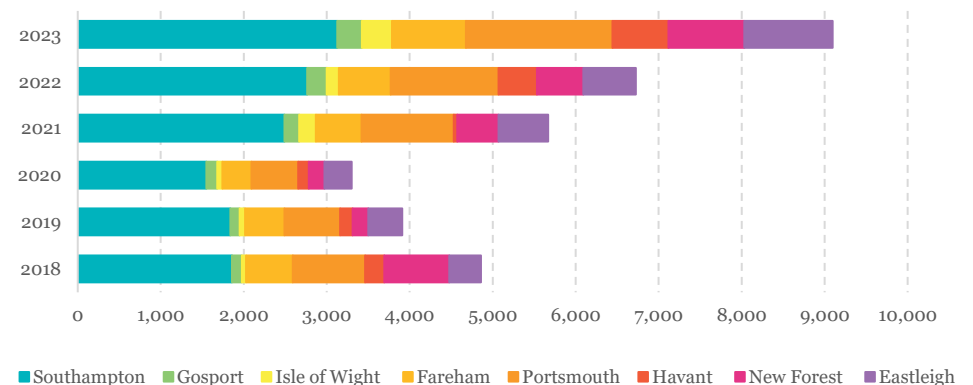


Source: Lightcast (2023)

All eight Solent local authorities have experienced an increase in the annual demand for roles in logistics between 2018 and 2023. Despite not having the largest share of job postings, the demand for roles grew 7-fold (i.e. +640) in the Isle of Wight, driven primarily by the need for technical roles (e.g. delivery drivers and storage and distribution assistants).

Havant, Gosport and Eastleigh all experienced strong growth where demand for roles has more than doubled. However, the scale (i.e. quantum) of demand within these areas remained below that experienced in locations where the logistics sector (driven in part by port activity) is more established.

Figure 4.5: Logistics job postings by year and local authority within the Solent



Source: Lightcast (2023)

4.0 The Demand for Skills – Employer perspectives

Stakeholder engagement reveals that employers often face challenges when recruiting candidates with technical, specialist and personal skills, along with challenges related to cost competitiveness and general competition for labour. Future demand is likely to be driven by the need for digital and data skills, as well as STEM expertise, in addition to long-term challenges such as recruiting heavy and large goods vehicle drivers.

4.4 Employer engagement

In addition to reviewing data on job postings, the analysis presented within this deep dive draws on a review of engagement with employers and other key stakeholders (e.g. training providers and public sector organisations) with an interest in logistics. The aim of this exercise was to gather additional insight into some of the challenges employers face when recruiting and building a skilled workforce.

It should be noted that the following analysis is based on several forms of engagement (e.g. surveys, one-to-one discussions, workshops and online surveys) completed at different points-in-time and run by different organisations with interests in the skills agenda across the Solent. This includes evidence gathered when preparing the Solent LSIP (i.e. in 2023), in addition to round-table engagement with sector-specific stakeholders towards the end of 2024.

Based on this engagement, the key challenges faced by employers when recruiting for roles in logistics include:

- Finding candidates with the right technical and specialist skills. This was also a problem in maritime-related industries, as well as onshore-related activities (e.g. container refrigeration) which require highly specialised skillsets;
- Being cost competitive in attracting good candidates;
- Finding candidates with strong personal skills; and

- Greater demand for flexibility and hybrid working (whenever possible).

In addition to the above, stakeholders also identified challenges related to competition for labour, where it is often found that they are not only competing against other businesses in logistics, but other sectors as well.

4.5 Future demand

Via this engagement, this deep dive has sought to examine how skills demand in the logistics sector are likely to evolve over the coming years. In line with the analysis of (wider) industry trends, employers and stakeholders identified a growing demand for digital skills and data analytics. However, other stakeholders also identified ongoing need for a number of roles that continue to experience skills shortages, such as drivers of heavy goods vehicles ('HGVs') and/or large goods vehicles ('LGVs'), customs officials, as well as maritime logistics.

More broadly, stakeholders also identified the need for improved numeracy and literacy skills, more skills focused on science, technology, engineering and mathematics ('STEM'), as well as softer skills (e.g. team working and communication skills).

5.0 The Supply of Skills – Skills providers in the Solent

The Solent region hosts a wide range of further education and higher education institutions, alongside independent training providers, and the South Coast Institute of Technology.

5.1 Skills providers within the Solent

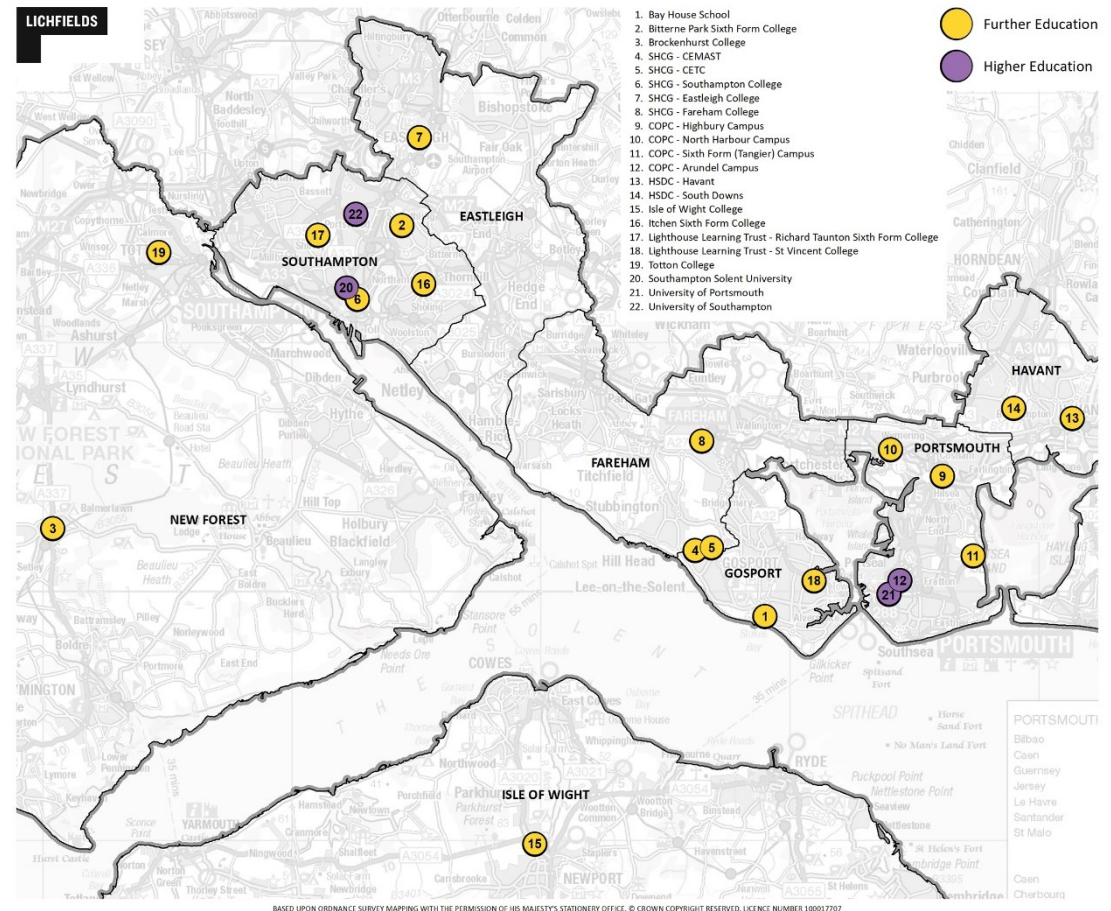
The Solent is home to several higher education ('HE') and further education ('FE') institutions, in addition to other independent training providers ('ITP'), offering qualifications, apprenticeships and other vocational training opportunities across a wide range of subject areas related to logistics.

FE providers offer a wide range of qualifications, including A-Levels, T-Levels, apprenticeships and other vocational/training opportunities aimed at preparing students for careers within logistics.

The Solent is also home to three HE institutions (i.e. University of Southampton, University of Portsmouth and Southampton Solent University) which together have over 60,000 students registered.

The Solent also benefits from the newly formed South Coast Institute of Technology ('IoT'). Backed by £13 million of funding from the Department for Education ('DfE'), the IoT is a collaboration of five FE colleges and two universities, working with well known employers to deliver industry-led courses aiming to meet skills gaps and support regional and national economic growth. The IoT welcomed its first cohort of students in September 2023, and largely focusses on maritime, engineering and digital sectors which are vital to the wider South Coast economy.

Figure 5.1: Higher and further education providers across the eight Solent local authorities



Source: Lichfields analysis

5.0 The Supply of Skills – Mapping provision in Logistics (I)

Further Education and Higher Education providers in the Solent offer a wide range of courses in transport and logistics, such as supply chain managers, in addition to transport operations managers.

5.2 Occupational maps for skills in logistics

The Institute for Apprenticeships and Technical Education (‘IfATE’) works with employers to shape, and influence skills training in England. An arm’s length body of the DfE, IfATE plays a key role in shaping the skills offer, whilst also ensuring that it reflects employers’ needs for current and future skills needs in the sector.

The IfATE mapping identifies two key pathways related to skills in logistics, which include:

- 1) Transport;
- 2) Logistics.

Each pathway incorporates a range of roles and occupations which can be classed as technical, higher-technical and/or professional occupations.

Drawing on the [occupational maps](#) for skills in transport and logistics Figure 5.2 below identifies a total of 19 technical, higher-technical and professional-level (i.e. ranging from Level 2 and Level 7) qualifications across four providers as outlined in the following pages.

Our research of qualifications in transport and logistics has identified relatively strong alignment with logistics pathways at all levels.

However, our review of FE and HE providers in the Solent has identified weaker alignment with technical and higher-technical pathways in transport (such as driver/crew member, captain, pilot and transport operations manager).

The mapping exercise identified that over half (i.e. 53%) of provision in the Solent focuses on professional-level occupations, with

a further 16% focusing on higher-technical qualifications, and 32% on technical qualifications.

A detailed list of courses delivered by the different HE and FE providers within the Solent is included at Appendix 2. This analysis is not exhaustive and has not included ITPs within the Solent.

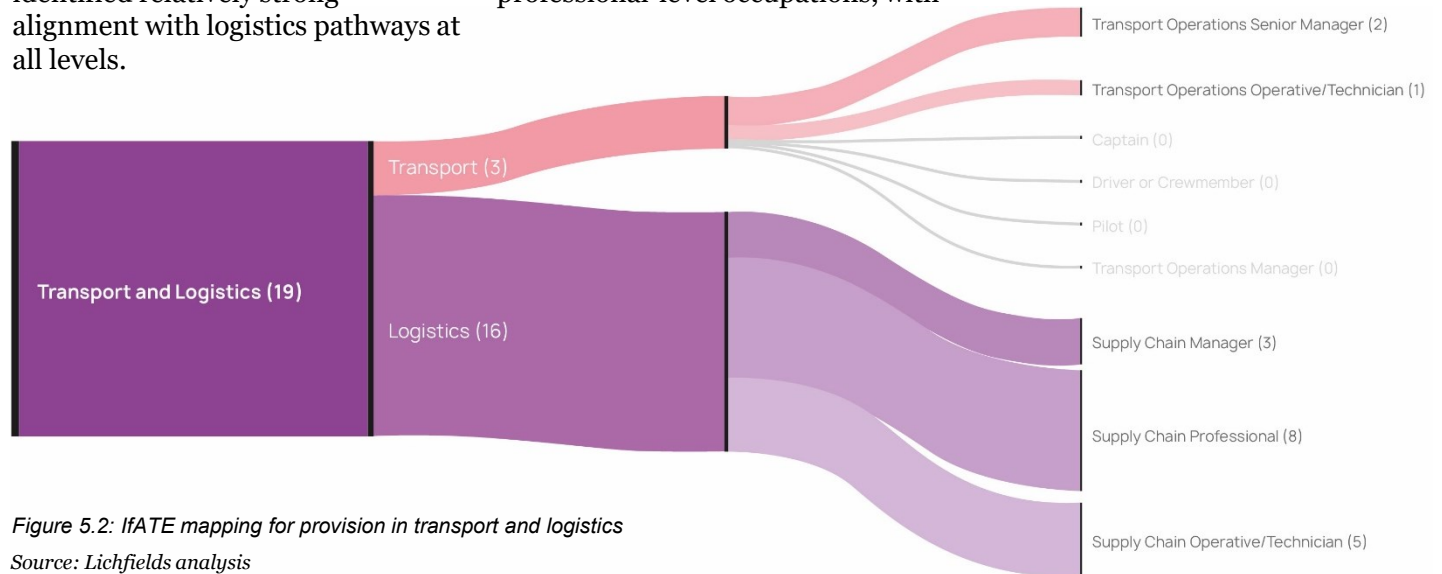


Figure 5.2: IfATE mapping for provision in transport and logistics
Source: Lichfields analysis

5.0 The Supply of Skills – Mapping provision in Logistics (II)

A review of the different skills pathways offered by Further Education and Higher Education providers from across the Solent has identified a total of 19 courses and/or qualifications in transport and logistics.

5.3 Further Education provision

Our mapping exercise identified a total of nine technical, and higher technical-level qualifications (i.e. ranging from Level 2 to Level 5) across the Solent. Delivered solely by the South Hampshire College Group (i.e. at Southampton College, Eastleigh College and Fareham College, in addition to the Centre of Excellence in Engineering, Manufacturing and Advanced Skills Training or ‘CEMAST’), these courses cover a range of areas of study through either apprenticeships and/or bootcamps as outlined below:

- Supply chain warehouse operative apprenticeship (Level 2);
- Maritime transport and logistics skills bootcamp (Level 3);
- Supply chain management in logistics (Level 3);
- Operations or departmental manager apprenticeship (Level 5).

Whilst the focus of this report is skills in logistics, our mapping of FE provision in the Solent shows significant overlap with skills in maritime. This is not surprising given that the maritime sector (which includes maritime logistics) is a key employment sector in the region.

5.4 Higher Education provision

Analysis of HE provision in the Solent shows that there are currently 10 courses (i.e. 53% of total FE & HE provision in the Solent related to logistics and comprise a variety of degree-level qualifications (i.e. both at Bachelor’s and Master’s level).

HE provision in the Solent covers both IfATE pathways, although there appears to be a bias in favour of qualifications in logistics and supply chain management. However, it should be noted that the mapping exercise has not considered general engineering degrees (i.e. which may also contribute to skills in logistics) due to their broad nature and applicability across a myriad of sectors.

A selection of HE qualifications currently on offer in the Solent includes:

- BSc Shipping and port management;
- BSc Maritime business;
- BSc Business and supply chain management;
- MSc Logistics and supply chain analytics;
- MSc Strategic operations and supply chain management;
- MSc Shipping operations;
- MSc International shipping and logistics;
- Operational research and logistics postgraduate research degree.

5.0 The Supply of Skills – Learners in the Solent

In 2023/24, the Solent had 700 learners aged 16-19 in addition to a further 320 learners aged 19+ enrolled in courses related to transport and logistics. Additionally, around 200 apprenticeships in transport and logistics were recorded.

5.5 Further Education learners (16-19 and 19+)

Analysis of Individual Learner Record (‘ILR’) data shows that in the 2023/24 academic year there were 69,500 learners aged 16-19, in addition to a further 17,200 learners aged 19 and over in the Solent.

Using a best-fit definition for the logistics sector (which in the case of the ILR incorporates both motor vehicle and transportation as well as retailing, wholesaling, warehousing and distribution), it is estimated that in total there are around 700 learners aged 16-19, in addition to a further 320 learners aged 19 and over. This means that during the 2023/24 academic year there were a total of 1,020 learners enrolled in FE courses related to logistics, which is equivalent to 1.2% of total learners in the Solent.

Analysis of enrollment data shows that nearly half of learners aged 16-19 (i.e. 47%) are pursuing Level 1 courses, highlighting a significant focus on foundational qualifications. Additionally, 42% of learners in this age group are enrolled in Level 2 courses, showing progression towards more advanced study. Finally, it is estimated that only around 11% of learners are enrolled in Level 3 courses. Information on course completions and retention rates outcomes are not available for subject areas, nor are these available for the Solent LSIP geography in aggregate. However, Hampshire-wide evidence suggests that the area has an overall achievement rate of 84%, with a pass rate of 85.1% pass rate, which is a decline from the previous year (i.e. of 96.8% in both instances).

When considering adult (i.e. 19+) learners, the ILR data does not highlight any logistics-specific outcomes, although it does identify a number of outcomes of wider applicability to the sector (such as BTEC diploma in advanced manufacturing engineering and diploma in accounting).

5.6 Apprenticeships

In total, ILR data shows that during 2023/24, there were over 16,300 people enrolled in apprenticeships across the Solent area. Of these, around 200 apprenticeships are in transport and logistics.

Drawing on qualification levels, ILR data shows that around half (i.e. 50%) are at intermediate level, with a further third (i.e. 32%) being at advanced level. The rest (i.e. 18%) are higher-level apprenticeships.

The areas in which apprentices in logistics are enrolled in are wide ranging, and include:

- Supply chain warehouse operative (with 30 apprentices);
- Supply chain leadership professional, degree (with 30 apprentices);
- Train driver (with 20 apprentices);
- Supply chain practitioner (with 10 apprentices);
- International freight forwarding specialist (with 10 apprentices);
- Workboat crew member (with 10 apprentices);
- Large goods vehicle (‘LGV’) driver (with 10 apprentices).

5.0 The Supply of Skills – Employer perspectives

Employers in logistics have identified challenges in access to training and funding, whilst also calling for increased flexibility and recruitment pathways for experienced workers and ex-servicemen. Stakeholders also emphasised the need to addressing long-term skills gaps (such as the need for heavy goods vehicle drivers), in addition to greater digital awareness, whilst also promoting work-life balance and diversity within the sector.

Our engagement with employers and stakeholders with interest in logistics provided an opportunity to investigate the skills challenges and trends influencing the supply of skills within the sector across the Solent.

5.7 Employer engagement

Employers' approaches to skills development in logistics vary but often include apprenticeships, paid-for commercial training, funded courses, free and/or low-cost training, in addition to peer-to-peer learning and job shadowing. Most of the employers engaged reported an annual spend of between to £500 to £1,000 per member of staff.

Employers cited challenges related to engaging with full-time and/or part-time training initiatives, the cost of training, time commitments and staffing constraints, and the location of training. The majority of businesses we engaged with as part of this deep dive also stated that they found navigating the skills system to be a challenge, and were unaware of how to best identify training options.

To address these barriers, employers in logistics have identified several potential approaches which could be adopted, some of which include increased access to funding, having greater flexibility on how funding is used, in addition to creating more opportunities for training / flexible working, in line with the experience required at T-Levels.

Finally, stakeholders also acknowledged the need for the sector to adapt its approach to training (and recruitment more widely) by opening pathways and options for experienced workers (i.e. albeit not in logistics) and ex-servicemen to join the sector.

5.8 Tackling skills gap and ensuring a talented future pipeline

Engagement with stakeholders has also identified a series of skills gaps and challenges in logistics. In addition to long-term challenges (such as recruiting LGV and HGV drivers), stakeholders also identified a growing need for people with applied engineering and/or technical experience, “green skills”, and greater digital awareness.

In general, stakeholders agreed that logistics could be better at promoting itself, and the opportunities it offers (e.g. opportunities for progressions, flexibility, etc.). However, stakeholders also acknowledged the need for the sector to become more receptive to demands of younger people, especially for a better work-life balance, and flexible working hours. In addition to increasing the potential labour pool, such initiatives also have potential to increase diversity in logistics and within specific roles (e.g. HGV drivers), which are often male-dominated roles.

Finally, employers have also identified a number of general skills gaps across the wider economy (such as communication, teamwork, project management, sales and business development) which also need to be addressed. Employers acknowledged that engagement through work experience (i.e. such as via T-Levels and apprenticeships) has a key role to play in both addressing these skills gaps, whilst also building a skilled future workforce.

6.0 Challenges and priorities for change

The logistics sector has demonstrated strong resilience in the face of recent challenges (i.e. Covid-19, Brexit and economic pressures), and is anticipated to experience significant growth across the region (driven by the Solent Freeport). However, the sector faces significant challenges, including skills shortages, an ageing workforce, competition for labour and a growing need for specialised skills.

6.1 Scale of opportunity in logistics

As highlighted above, the logistics sector has performed well in recent years despite wider macro-economic challenges such as the Covid-19 pandemic, Brexit, and the cost-of-living crisis which have slowed wider economic growth. Employment data suggests that the logistics sector in the sector grew by 2,300 jobs (equivalent to +3.9%) between 2015 and 2023 despite these challenges, with growth largely driven by increased demand for online retail.

With this trend set to continue, the logistics sector is set for further growth over the coming years, with forecasts (from Experian) suggesting that the logistics sector in the Solent is set to grow by a further 7,700 jobs (i.e. +12.6%) over the next 15-years.

Additionally, the creation of the Solent Freeport and investment that this may unlock is expected to generate over 15,000 new direct jobs within the Solent and a further 15,000 within the supply chain across the rest of the UK. Many of the direct jobs within the Solent are likely to be within the logistics sector due to planned investment into the Port of Southampton and Portsmouth International Port, as well as plans to create new storage and distribution sites at Solent Gateway and Dunsbury Park.

However, the nature of future jobs in logistics is starting to shift due to increasing levels of automation within the sector. This trend is likely to mean that future jobs in logistics are likely to be in more highly specialised occupations which will require high-skilled workers to take them up.

6.2 Skills gaps and challenges

Drawing on the analysis and employer engagement presented in this report, it is anticipated that employment in logistics across the Solent could face a number of challenges which may impact their ability to balance the demand for skills with growth ambitions, as outlined below:

- **Long-term challenges with recruitment** – our engagement with employers and stakeholders has identified a number of long-term and persistent challenges with particular positions in logistics, such as LGV and HGV drivers. This shortage will continue to pose challenges to local businesses, resulting in supply chain pressures with potential for delays, increased costs and operational inefficiencies.
- **An ageing workforce** – linked to the above, the sector is experiencing an ageing workforce, where retiring workers are replaced by fewer younger workers entering the profession.
- **Low levels of awareness** – employers have also indicated that the sector continues to be perceived as a low skilled occupation, resulting in low levels of interest from potential employees.
- **Competition for labour** – linked to the above, employers have also indicated that they often find themselves competing for labour not just with other employers in logistics, but other sectors (e.g. construction) resulting in upwards pressure on salary requirements.
- **Ongoing demand for technical and specialised skills** – as highlighted previously, logistics incorporates a wide range of activities. Employers have identified several gaps, including gaps related to maritime-logistics (e.g. captain, driver/crewmember), and engineering (e.g. container refrigeration).

6.0 Challenges and priorities for change - Recommendations

Drawing on the analysis undertaken, and engagement with employers in addition to other relevant stakeholders, this deep dive outlines several priorities for change the Solent LSIP and delivery partners can implement to better balance the demand and supply of skills needed to support a thriving logistics sector in the Solent, now and in the future.

- **Increased automation** – the deployment of new processes in logistics, including increased automation has potential to increase the sector’s output (and therefore productivity), however it will also drive demand for the upskilling amongst both the current and future workforce.

6.3 Recommendations for change

A series of actions and recommendations for partners from across the Solent are set out below. These recommendations seek to address the challenges identified, and build a future workforce with the skills needed to support a thriving logistics sector in the Solent, now and in the future.

Recommendation	Challenges this addresses
Work with learning providers, as well as employers in the Solent to increase investment in the supply of skills across emerging sectors within logistics, including more comprehensive inclusion of advanced technologies, and their application as part of qualification requirements (e.g. T-Levels, apprenticeships and HE qualifications).	<ul style="list-style-type: none"> • Support the development of the development of new technology in logistics, with potential to drive productivity and widen the sector’s appeal to a wider labour pool).
Encourage collaboration between logistics employers and other sectors to address concerns around competition for labour and share best practices.	<ul style="list-style-type: none"> • Reduce competition for labour. • Help drive productivity and tackle persistent skills shortages.
Expand and promote training programmes for LGV and HGV drivers, with a view to addressing ongoing shortages. Linked to this the sector can adopt a wider approach to diversity and inclusion (including greater flexible working) that promotes better work-life balance within the sector, making it more attractive to a broader range of candidates.	<ul style="list-style-type: none"> • Address persistent shortages. • Help challenge misperceptions about employment in logistics. • Support growth and maximise local employment benefits (especially in light of the opportunity provided via the Solent Freeport).
Increase engagement between employers and FE providers to help change perceptions through greater collaboration (e.g. via subsequent Local Skills Improvement Fund, or ‘LSIF’ delivery).	<ul style="list-style-type: none"> • Address misperceptions about employment in logistics, and the benefits this offers over both the short- and long-term. • Increase direct engagement between employers and (potential) future pipeline of workers (i.e. via work experience, T-Levels and Apprenticeships in hospitality and catering).

Appendix 1 – Detailed SIC code definition of logistics (I)

Activity	Sub-sector	SIC code
Land transport and transport via pipelines	Passenger rail transport, interurban	49100
	Freight rail transport	49200
	Urban and suburban passenger railway transportation by underground, metro and similar systems	49311
	Other urban, suburban or metropolitan passenger land transport (not underground, metro or similar)	49319
	Taxi operation	49320
	Other passenger land transport	49390
	Freight transport by road	49410
	Removal services	49420
	Transport via pipeline	49500
Water transport	Sea and coastal freight water transport	50200
	Inland passenger water transport	50300
	Inland freight water transport	50400
Air transport	Scheduled passenger air transport	51101
	Non-scheduled passenger air transport	51102
	Freight air transport	51210
	Space transport	51220
Warehousing and support activities for transportation	Operation of warehousing and storage facilities for water transport activities	52101
	Operation of warehousing and storage facilities for air transport activities	52102
	Operation of warehousing and storage facilities for land transport activities	52103
	Operation of rail freight terminals	52211
	Operation of rail passenger facilities at railway stations	52212
	Operation of bus and coach passenger facilities at bus and coach stations	52213
	Other service activities incidental to land transportation, n.e.c.	52219

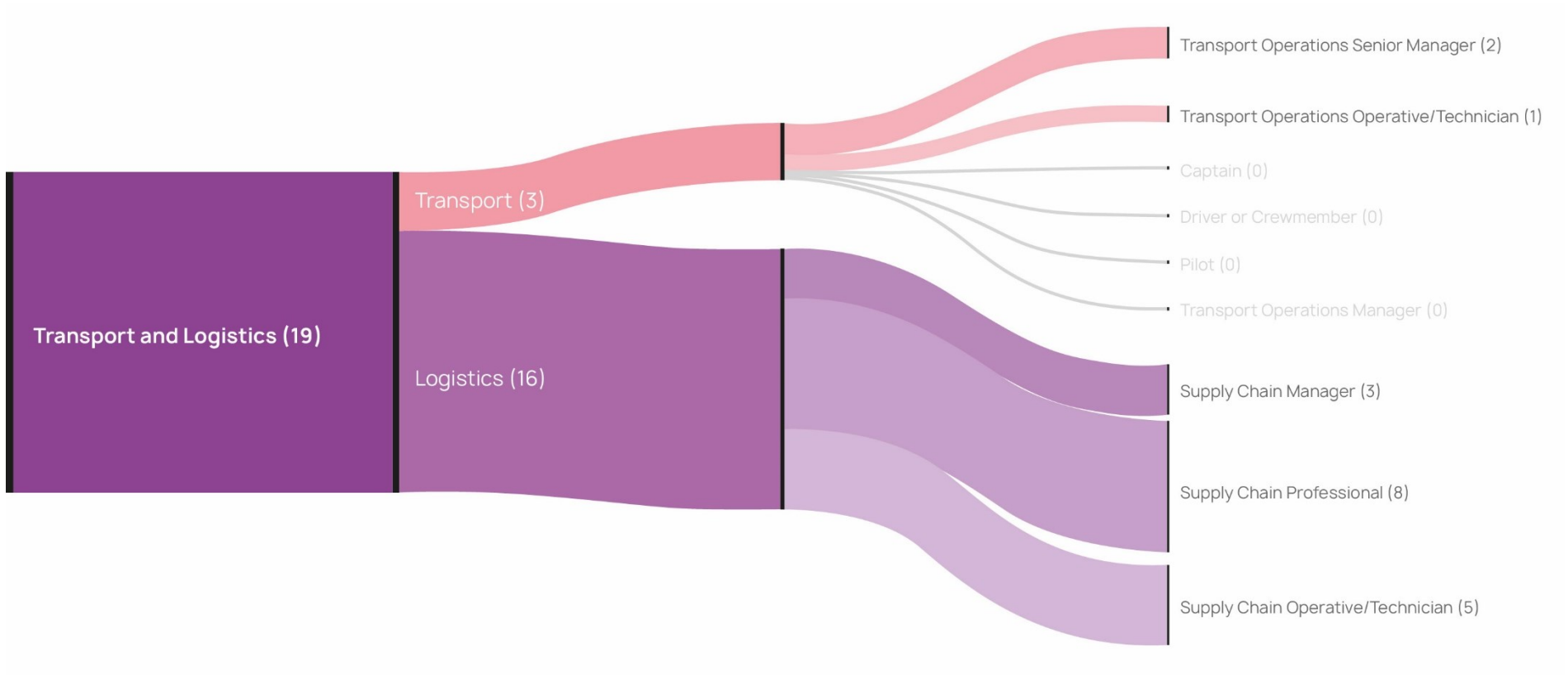
Appendix 1 – Detailed SIC code definition of logistics (II)

Activity	Sub-sector	SIC code
Warehousing and support activities for transportation	Service activities incidental to water transportation	52220
	Service activities incidental to air transportation	52230
	Cargo handling for water transport activities	52241
	Cargo handling for air transport activities	52242
	Cargo handling for land transport activities	52243
	Other transportation support activities	52290
Postal and courier activities	Postal activities under universal service obligation	53100
	Licensed carriers	53201
	Unlicensed carriers	53202

Appendix 2 – FE & HE provision mapped vs IfATE occupation maps (I)

Sector	Sub-sector	Level	Course	FE / HE provider
Transport	Transport operations operative or technician	Technical occupations	Level 3 Skills Bootcamps – Maritime Transport & Logistics	SHCG - Eastleigh College
	Transport operations senior manager	Professional occupations	Shipping and Port Management BSc	Southampton Solent University
	Transport operations senior manager	Professional occupations	Shipping Operations MSc	Southampton Solent University
Logistics	Supply chain operative or technician	Technical occupations	Level 2 Supply Chain Warehouse Operative Apprenticeship	SHCG - Eastleigh College
		Technical occupations	Level 2 Supply Chain Warehouse Operative Apprenticeship	SHCG - Fareham College
		Technical occupations	Level 2 Supply Chain Warehouse Operative Apprenticeship	SHCG - Southampton College
		Technical occupations	Level 3 Supply Chain Management (Logistics)	SHCG - Eastleigh College
		Technical occupations	Level 3 Maintenance & Operations Engineering Technician Apprenticeship	SHCG - CEMAST
	Supply chain manager	Higher technical occupations	Level 5 Operations or Departmental Manager Apprenticeship	SHCG - Eastleigh College
		Higher technical occupations	Level 5 Operations or Departmental Manager Apprenticeship	SHCG - Fareham College
		Higher technical occupations	Level 5 Operations or Departmental Manager Apprenticeship	SHCG - Southampton College
	Supply chain professional	Professional occupations	Operational research and logistics postgraduate research degree	University of Portsmouth
		Professional occupations	Business and Supply Chain Management BSc	University of Portsmouth
		Professional occupations	Logistics and Supply Chain Management MSc	University of Portsmouth
		Professional occupations	Logistics Management MSc	Southampton Solent University
		Professional occupations	International Shipping and Logistics MSc	Southampton Solent University
Professional occupations		Maritime Business BSc	Southampton Solent University	
Professional occupations		Logistics and Supply Chain Analytics (MSc)	University of Southampton	
Professional occupations	Strategic Operations and Supply Chain Management (MSc)	University of Southampton		

Appendix 2 – FE provision mapped vs IfATE occupation maps (II)



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