

# 'Mission Impossible' warning on reform of logistics industry

## Massive shift in culture is needed to raise basic skill levels

By Roland Gribben

TRANSPORT distribution and other companies in the supply chain or logistics businesses need the equivalent of a staggering £1.2bn to meet Government targets to raise reading and numbers standards among a 2.3m strong workforce, according to industry calculations.

An estimated 1.1m drivers, warehouse, office and other staff as well as managers fail to meet the basic skill standard equivalent to five GCSEs at grades A to C, one of the highest proportions among key business sectors. The Government wants to see almost 80pc of the UK workforce reach this standard, described in official jargon as Level 2 qualifications, by 2011 as part of its drive to raise skills standards in an economy where the level of skills is one of the lowest in the industrialised world.

The Government has set aside £720m to fund a "Train for Gain" programme limited to businesses in England but the size of the task in logistics alone would more than swallow the total. Skills for Logistics, the body responsible for driving training in the sector, accepts it is faced with "mission impossible" to bring all the workforce up to the Level 2 standard and

feels a more realistic figure is 230,000, but even at this level the sector would need to call on £280m of Government funding over the next three years.

Industry leaders are dismayed at the lack of interest among companies to sign up for the programme and are warning about the consequences. Mike Jackson, Skills for Logistics operations director, says the sector is facing a stark choice - either continuing as a "low-skilled unattractive industry that is often a job of last resort" or "we ensure that people have the qualifications they need and build it into a profession".

At present the £75bn a year logistics sector with 8pc of the total UK workforce has been taking up less than 2pc of Government funding while construction with a similar number of employees, has qualified for 13pc. "If we do not take up our share in logistics the money will go to sectors such as construction, engineering and hairdressing where the worth of qualifications is recognised and appreciated," says Theo de Pencier, chief executive of the Freight Transport Association, one of the organisations involved in the "call to action".

Logistics is close to the bottom of the standards league table. An estimated 330,000 employees lack basic

reading skills and 450,000 struggle with numbers. Mr Jackson says: "For the fifth largest sector in the fifth largest economy in the world in the 21st century this is not something to be proud of."

The fragmented nature of a sector where the mix of small and big businesses, from owner drivers to large scale operators such as DHL and Wincanton, and historical attitudes are said to be working against increasing training and skill levels. "In the past training has been seen as an opportunity for an employee to seek a rise in pay or move," said an industry insider.

Mr Jackson concedes that improvements in technology such as satellite navigation for drivers are making working life easier but sees the basic training programme as the first step in an ambitious strategy to change the culture in logistics to raise its standing, performance and career attractions. The sector is struggling to change the age profile in a business where only 9pc of the workforce is under the age of 25 and the majority of drivers are over 45.

- More than 850 companies have signed up for the "Skills Pledge" to support the Level 2 target