SECTOR: TRANSPORT AND LOGISTICS

D2N2 SECTOR DEVELOPMENT ACTION PLAN

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D2N2
Derby
Derbyshire
Nottingham
Nottinghamshire

THE UK'S MOST INSPIRATIONAL POSTCODE

Contents

Prepared by: INSTITUTE of COURIERS

Transport and Logistics Sector strategy and action plan.

This strategy and action plan, produced by the Institute of Couriers for the D2N2 LEP. Transport & Logistics is one of 8 of the LEP's priority sectors within the Derby, Derbyshire, Nottingham and Nottinghamshire region.

D2N2 is one of the 39 Local Enterprise Partnerships (LEPs) in England. It serves Derby, Derbyshire, Nottingham and Nottinghamshire. LEPs are local partnerships between private sector, local government and Universities. They decide local economic priorities and direct EU and national funding to improve local infrastructure, support and create jobs and improve skills. Transport & Logistics is one of eight key sectors. D2N2 want to understand what the sector needs and what actions should be taken to improve things.

The purpose of this strategy and action plan is to help D2N2 use the funding it has available to support local business and grow the economic impact of the D2N2 transport and logistics industry. The strategy encourages businesses, business support organisations, local universities and colleges and others to come forward with deliverable programmes to meet that ambition.

This Strategy and Action Plan is structured around the themes of the D2N2 Strategic Economic Plan and therefore deals with:

- Business Support and Access to Finance
- Supporting the Transport & Logistics Industry
- Innovation, Knowledge Transfer
- Productivity and the Low Carbon Agenda

Foreword

Carl Lomas MBE - D2N2 Transport and Logistics sector chair

Carl Lomas is Chairman of the Institute of Couriers, a fellow of the University of Derby for logistics and a visiting professor in Logistics for London Metropolitan University and chair of the first Group Training Association in logistics.

Lorry and van drivers in Derbyshire and Nottinghamshire are some of the most multi skilled drivers in the UK, they can be found at home in the twisting limestone walls of the Peak District collecting early morning milk or be on the M1 with a lime tanker heading for the Crossrail project in London, D2N2 area drivers cover everything from heavy bulk loaders to the complex supply chains of Toyota, Rolls Royce or Bombardier.

We need skilled people to ensure we can transport ever increasing volumes of freight and people by air, rail and road. If we are to unleash the full potential of our neighbouring East Midlands airport and logistics hubs, the work to develop these skilled people needs to start now. Employers in the D2N2 geographic sector for logistics and transport footprint need to up-skill the workforce to remain compliant, competitive and seize future opportunities. The D2N2 area needs to retain and renew the ageing workforce of drivers supporting the region as a hot spot of logistics.

We need skilled professionals that operate warehouse space and drive supply chains to allow goods to be transported to where they are needed and the workforce to ensure this happens on time.

Training providers and employers have the ability to deliver the skills that these talented young people and adults need in order to be employable and take their place in tomorrow's economy; but in the case of the training provider market this needs to happen with more urgency and responsiveness to the needs expressed by employers and it needs to have funding routes.

Collectively we can work together, as public and private partners, to ensure local people have every opportunity to develop themselves and take advantage of the sustainable jobs that transport offers on the logistics hot spot of D2N2. Level one warehouse through apprentice drivers, foundation degree warehouse managers and undergraduate logisticians progressing to Masters with the likes of Derby University supply chain excellence.

The private sector needs to better communicate their plans for recruitment and future skills needs, whilst partners including colleges and training providers, local authorities, Jobcentre Plus and Work Programme providers need to ensure their employment and skills offer keeps pace with our merging projects such as the trailblazer apprenticeships where licence acquisition funding is becoming likely.

This document will help support sustainable economic development through jobs and skills, improving the efficiency and productivity of our businesses, and developing the sector for those working in transport and logistics in the D2N2 area.

This document is a statement of private sector needs and a call to action for all partners to respond to the growth potential of the inspirational postcode of D2N2.

D2N2 has been promoting the growth, skills and employment potential of the Transport & Logistics sector The central England geography of D2N2 has long made the region a hot house of concentrated logistics, the M1 north south corridor avenue of north south connection at its heart.

Businesses in the area have told us their priorities:

- **Local road congestion**
- **Getting and keeping a skilled workforce**
- **Fuel cost is a major concern for road transport profitability**
- **Reliability & serviceability of vehicles**

This strategy and action plan identifies the sector needs and helps businesses to deliver growth in D2N2.

CARL LOMAS

1. D2N2 Transport and Logistics Sector Group

The D2N2 Transport and Logistics Sector Group launch on December 12th set a positive tone of communication. 'We need to be listened to' was the strong message from the 100 employers in attendance and they articulated the needs of the sector. These included:

- an alignment of skills funding for the sector
- funding for heavy vehicle licence
- funding for compliance training as part of the Driver Certificate of Professional Competence
- these could lead to improved fuel use on the hilly roads of the region.
- Roadside driver facilities in the region were a particular need.

There are many opportunities for D2N2 employers and training providers (both individually and collectively) to align the way they deliver excellence for the sector.

2. A Guide to the Transport and Logistics Sector in the D2N2 area

The transport and logistics sector is a significant in D2N2 with over 28,000 employees. The sector makes an essential contribution to the success of many other sectors, providing the means through which supplies are obtained and goods are transported to markets locally, nationally and internationally, and is closely associated with the D2N2 transport equipment manufacturing sector bringing components in and transporting finished products to customers.

Located at the heart of the UK, D2N2 benefits from a number of major road and rail links (for both passengers and freight). Key current and future assets which benefit the D2N2 economy include the East Midlands Airport and the proposed strategic rail freight hub to the north, and the HS2 line will run through D2N2 with a proposed station at Toton. Within the D2N2 area, major employers include East Midlands Trains (based in Derby), and new employers, such as Kuehne & Nagel Drinkflow Logistics, have been attracted to the area because of its strategic location.

A range of critical economic activities are encompassed by the term “Transport & Logistics”. These encompass the world-wide export and import of manufactured goods, the storage, handling and distribution of every product that is sold or purchased through to the growing e-commerce collection and delivery of mail and parcels to the home. Without efficient logistics, a local economy will not succeed.

In the D2N2 area logistics has unique challenges; from the haulage of quarry powder from the quarries in the Peak District heading to the Crossrail project in London through the home delivery of Bakewell Puddings to the highly complex automotive supply chains of Rolls Royce, Bombardier and Toyota.

With 2/3 of freight carried by road, drive time to customers is a key determinant of the location of logistics facilities. Derbyshire and Nottinghamshire, particularly on the arterial routes of the M1 and the A50 avenue; form a hot house of supply chain activity for central England with Rolls Royce, Bombardier, Toyota and JCB.

Specialist logistics companies support key local industries; Alfreton hosts chocolate manufacturing with Thorntons who use DHL for their logistics. Ferodo-branded brake products manufactured by Federal-Mogul Friction Products in Chinley, Derbyshire are despatched right around the world, with 80% of the plant’s output being exported overseas. A concentration of warehouse space, well served in the D2N2 location runs north to Junction 29 of the M1, there are easy links north to Leeds and then across the country with the trans-Pennine M62.

Logistics supports quarrying in D2N2. Lafarge Tarmac operating some of Europe’s largest limestone quarries. Cemex hauls lime product via the M1 to projects such as Crossrail in London and many civil engineering sites in the UK, while Lomas Distribution in the town of Buxton operates more than 500 trucks providing bulk powder logistics.

Another D2N2 focus is mineral water, Nestle provide the famous Buxton water via a dedicated plant in the town, and the logistics is handled by Norbert Dentressangle from a dedicated distribution site just north of the town.

Market Trends, Technological change and the D2N2 Transport and Logistics sector

This section of the report explains a range of factors within and outside the sector which are changing the nature of the premises required, the vehicles and businesses processes used in the sector, the systems and processes used in storage and distribution and the relationships between the manufacturer, distributor and retailer.

The on-line sales boom in the UK meant that that the sector was less affected by the 2008 economic downturn than might have been expected given the loss of business from manufacturers and retailers. The strength of the same day order and delivery sector is reflected in data showing that liquidations and administrations have declined since 2008 and that recovery underway as new firms entered the market from 2010 onwards.

One impact of the retail step change from high street purchase to online home delivery has been the **rise in commercial vehicle sales** of ten per cent during 2014.

ICT systems for planning, implementing and tracking the collection and delivery of goods are developing rapidly, with most goods and the vehicles carrying them tracked in 'real time'. This enables very precise delivery times to be offered and high levels of customer information to be offered such as 'track and trace' and telephone alerts about the arrival time of goods. 'Next day' delivery volumes expanded by more than a third in the five years to 2013, largely driven by domestic internet shopping. The offer of Sunday collection and delivery is becoming commonplace.

Radio Frequency Identification (RFID) has been identified as a crucial technology for the modern 21st century knowledge-based economy. Some businesses have realised benefits of RFID adoption through improvements in operational efficiency, additional cost savings, and opportunities for higher revenues in their logistics operations such as warehousing and distribution. In particular, for the nature of the businesses in the D2N2 region in automotive, aerospace and rail industries, RFID brings great potential in resolving their issues, in the warehousing context, such as quality issues e.g. damage in transit, reducing human errors in dispatching and storage, poor inventory visibility leading to stock out, and poor space and asset utilisation. With this unique way of wirelessly tracking each product, vast benefits can be realised and amplified, bespoke to each business.

An emerging trend, which has significance for towns and cities in the D2N2 area is the growth in dedicated network drop-off locations in transport hubs and shopping areas and the encouragement of '**click and collect' and 'drop and collect'** at retail stores.

Logistics businesses in the D2N2 area are piloting a variety of specialised transport technologies which aim to **improve road safety or reduce the environmental impact of vehicles**. These include pedal cycle detection for accident avoidance on many of the Buxton based Lomas Distribution trucks, while Belper-based Nelson Distribution have been showcasing automated aero systems to match tractor units to trailer collections and achieve industry best practice in trailer aero efficiency.

Data from DECC shows that LGV and van emissions account for some 10% of UK CO2 emissions, with warehouses contributing a further 3%. At local level there is scope to improve this performance.

Road focused green savings lie with the employers to save fuel, through driver awareness and training one mpg per truck can equate to savings of five thousand pounds per year. Here lies a clear coalition between driver training and carbon footprint.

3. Overview of the UK Transport and Logistics Sector

A range of critical economic activities are encompassed by the term Transport & Logistics. The world-wide export and import of manufactured goods, the storage, handling and distribution of every product that is sold or purchased through to the collection and delivery of mail and parcels to the home. Without efficient logistics, a local economy will not succeed.

In the UK, Transport & Logistics activities employ 2.2 million people, representing 8 per cent of the UK's workforce. The sector has some 200,000 companies operating, with an approximate Gross Value Added (GVA) in the UK economy of just under £100bn. This means that the sector represents 10 per cent of the total UK economy (ONS, 2013).

In common with other UK sectors, this activity is shared by large, often overseas owned, national and international businesses working alongside (and sometimes in partnership with) very many regionally and locally owned small and medium-sized enterprises (SMEs). Thus 80 per cent of enterprises employ fewer than 10 employees and only one per cent employs more than 100.

The sector has a range of interactions; with the manufacturing and retail sectors and directly with consumers. It is therefore sometimes regarded as a sector with little control of its own economic fortunes, at the mercy of fluctuations in manufacturing activity or consumer demand. However the Department of Business, Innovation and Skills' Industrial Strategy in 2012 stated that it 'was clear that **investment by the state in transport infrastructure and by individual businesses in transport and logistics equipment and processes can stimulate economic activity'** (BIS, 2012). This ability to support growth in other sectors extends to export activity, where the creation and implementation of logistics systems to deliver goods around the world in a timely manner and in good condition is crucial.

The impact the sector has in creating and providing employment in the UK can be underestimated. UK Commission for Employment and Skills recently reported (UKCES 2014) that in 2012, nearly 1.5 million individuals were directly employed by companies whose SIC code is within the logistics sector in 2012 (Winters *et al.* 2014). They then observed that **many individuals working in manufacturing, retail or construction business are undertaking transport and logistics roles such as driving, storage or supply chain planning**. With this wider perspective, the number of individuals working in transport & logistics is 2.2 million individuals, some 8 per cent of the UK workforce. This also demonstrates that the demand for Transport & Logistics labour and the skills they possess extends across the economy.

The Transport & Logistics sector has a number of distinct business models. The simplest common form is generally referred to 'hire and reward' or sometimes '**second party logistics or '2PL'**. This involves a Transport & Logistics business providing a one-off transport and/or storage service to a manufacturer or retailer, collecting and delivering specified goods and moving them to a specified location for an agreed price. Single purchases of Courier services are included in this definition.

Where a longer term contract for such services is placed with a transport & logistics company, this is generally called **third party logistics or '3PL'.** This is essentially the outsourcing of the transport and logistics function. Typically this involves the transport & logistics company being integrated into the client business, assisting in the planning and scheduling of goods movements, sometimes basing their staff within the client business and having dedicated vehicles liveried in the client company colours. The majority of retail transport & logistics services are provided by 3PL companies operating warehouses and vehicles on behalf of retailers, typically within contracts of 3- 5 years duration. This provides powerful incentives to the 3PL to reduce costs and improve service during the contract. The nature of contacts varies but many involve a high level of information and risk sharing, enabling rapid response to evolving or new customer requirements or to external factors

such as the cost of fuel. When contracts change from one 3PL provider to another, the staff often transfer to the new provider under TUPE rules.

The specialist planning and supply chain management expertise needed to provide these services has led to the development of **fourth party logistics providers or '4PLs'**. These businesses have no transport assets or warehouse capacity. They have an overview about the whole logistics market to choose, procure and manage the ideal **3PL** (see above) partner for their client's logistic activities. The ability to offer these services and the quality of their services has risen with the development of IT systems which enable ever closer tracking of the performance of logistics operations.

The majority of freight in the UK is transported by road. Department for Transport statistics (Transport Statistics Great Britain 2011) report; 72% by road, 7% by rail, 16% by inland water and inshore shipping and 4% by pipeline. The motorway network and trunk roads carry 72% of the nation's road freight with 80% of all the miles covered by articulated vehicles in the UK being on the motorway and trunk road network.

Transport & Logistics activities take place throughout the UK, transport businesses and storage facilities being located in every town and city and in rural areas, serving business and domestic customers. Since the 1960's the concentration of road transport on the motorway network and the faster journey times the motorways permitted resulted in certain locations emerging as 'distribution hubs'. Journey times are critical to the location of such facilities – to maximise the market that can be served by a driver operating within the government-regulated driving hours.

Changes to the network, such as the opening or upgrading of motorways to reduce congestion or more radical changes such as raising the motorway speed limit for LGVs, which was raised by Clare Perry at the D2N2 Employer Engagement in December 2014, can alter the viability of locations.

Typically, 'distribution hubs' are locations on motorway intersections between major conurbations where extensive facilities can be built so that products can be stored or sorted for delivery to manufacturing, retail or domestic customers. Other favoured locations relate to airports where high value goods are moved in and out of the country, here the D2N2 are benefits from the proximity of East Midlands Airport, sea ports, where bulk goods such as minerals or goods such as cars are imported and rail terminals where large consignments are long distances in the UK or Europe. The D2N2 area benefits from the Humber ports, which bring goods in and out of Europe without being transported through congested southern England. Such 'strategic sites' have become increasingly important in the spatial plans of national and local government and access to such these transport and logistics services is a key part of the decision making process for manufacturers seeking to expand or create new facilities.

The UK is the most 'online' retail environment

The UK Transport & Logistics sector is being transformed by the rapid adoption of online shopping by consumers and the need to provide delivery and collection services to support online purchasing. The Freight Transport Association (FTA) report that "Britain has the highest rate of online shopping in Europe." In 2013, 72 per cent of British adults shopped online, up from 53 per cent in 2008. The annual 'Total Retail Survey' conducted business consultants PwC predicted in 2014 that online sales will be 25 per cent of non-food and 10 per cent of food by 2018.

This shift in customer behaviour is reflected in footfall on the high street, which has fallen 8.1 per cent since 2010 although the number of store closures is slowing. For the sector, regardless of the means they are purchased by the consumer, these goods still need to be delivered – either to the shop or the home.

The "Total Retail Survey" offers some interesting insights into UK trends in online deliveries. The dominance of postal/doorstep delivery as a preference is clear, although the popularity of in-store collection and appointment deliveries in the mix underlines that retailers need to offer a range of options if they are to appeal to all consumers. **Parcels returns are growing faster than deliveries at around 10 per cent a year.** The debate over the sustainability and cost of free returns continues as online purchasing gains ground; 80 per cent of UK consumers in the "Total Retail Survey" said free postage for returns was important to them compared to 53 per cent for global respondents. This expectation of 'free delivery and return' in the UK is a major concern to the sector in economic terms and to transport planners in terms of environmental impact as it increases the volume of traffic and carbon footprint of the sector.

Many of these goods reach customers by means of parcels home delivery. The UK B2C (Business to Consumer) parcel market, including all deliveries and returns, is due to grow by 4.8 per cent a year, mainly as a result of increasing use of online shopping by consumers. **PwC predicts that home delivery volumes will increase by 3.7 per cent per year to 2018; over 1 billion parcels are expected to be home delivered in 2018."**

Occupations and Skill Levels in the sector

Most analysis of the sector workforce using ONS statistics indicates that this is a sector with half the workforce (49 per cent) being employed in the 'lower skilled occupations' of *Process, plant and machine operatives* and *Elementary occupations* and this is compared unfavourably with the whole UK economy figure for lower skilled occupations (which is at 17 per cent) (ONS, 2013).

This presents a rather misleading picture of the skills of the workforce and reduces the relative attractiveness of the sector to job seekers. The definition of *Process, plant and machine operatives* includes all vocational drivers – of powered fork lift trucks, vans and lorries and those operating lifting and positioning equipment in warehousing and storage areas. These occupations all require significant training and external examination relating to theory accompanied by practical testing before a licence or certificate of training is issued. LGV Drivers now have to undertake a form of compulsory professional development through their Driver Certificate of Professional Competence (Driver CPC). This requires all drivers to undertake 35 hours of approved training in each period of five years. For the majority of companies and drivers, this involves one day a year of classroom-based training to refresh knowledge of legislation such as working time/drivers hours or improve skills such as first aid or customer service. The cost of initial driver training is at least £2,000, with annual Driver CPC course costs being in the range of £100-500 per driver.

The definition also includes warehouse operatives. They now use increasingly sophisticated ICT to locate goods and record and monitor the progress of their work, this requires a higher level of basic literacy and numeracy than were accepted in past years. This means that recruitment processes need to check literacy and numeracy levels and some warehouse operators have provided training for existing workers to ensure they are able to use the new equipment.

With this context in mind, the analysis of the occupations in the UK Transport & Logistics sector show that the driver workforce (vans and lorries) accounts for 21 per cent of all employment, with a further 8% of employment in the fast growing courier sector. A further 20% are engaged in the Warehousing and Storage duties described above.

A smaller, but key occupation group and one at the centre of technological change in the sector are Traffic Office staff, responsible for the vehicle fleet and the routeing and scheduling of goods movements.

Transport & Logistics Occupations in the UK economy in 2012

Occupation	Number in Transport & Logistics Sector	Number in all other Sectors	Total Number	% of Transport & Logistics sector employment
Purchasing Managers and Supply Chain Directors	4,000	40,000	44,000	2%
Managers and Directors in Transport roles	35,000	35,000	70,000	3%
Managers and Directors in Storage and Warehousing roles	27,000	60,000	87,000	4%
Import/Export staff	4,000	2,000	6,000	Less than 1%
Traffic Office staff	21,000	38,000	60,000	3%
LGV Drivers	171,000	102,000	273,000	12%
Van Drivers	84,000	110,000	194,000	9%
Fork-Lift Truck Drivers	35,000	59,000	94,000	4%
Postal Workers, Mail Sorters, Messengers and Couriers	142,000	38,000	180,000	8%
Elementary Storage Occupations	172,000	224,000	395,000	18%
Other Occupations	802,000			36%
Total	**1,495,000**	**709,000**	**2,200,000**	**100%**

Source: UKCES analysis of data from the ONS Annual Population Survey (Jan – Dec) 2012

4. Key Trends and Challenges in the Transport and Logistics Sector

Summary

The accelerating shift from high street to on-line shopping has already dramatically changed the way the sector works. These changes will have a continuing impact on the nature and structure of transport and logistics businesses, the location of warehousing and goods handling facilities, the modes of transport used and the skills of people working in the sector. In this section we explain these changes and the impacts they have.

The sector is emerging from recession. DfT data for 2013 showed a rise in demand for the movement of goods. 58% of Freight Transport Association members surveyed in Q4 of 2013 expected increased activity in 2014 (FTA Logistics Report 2014).

The sector will need new workers and is set to grow. Working Futures IV 2012 forecast that employment across the UK logistics sector will needed a net 820,000 new workers between 2010 and 2020 – a 10% increase.

This is a dynamic sector. Traditional models of warehousing and distribution have been transformed in response to changes driven by online retailing, while vehicle design and operation is changing in response to environmental concerns and the use of technology to provide real time monitoring of vehicles and loads.

Industry Trends

The Freight Transport Association publishes an annual review of sector performance and surveys member companies across the UK. The *FTA's Logistics Report 2014* therefore provides an up to date review of the changes in the sector and this section highlights key sections from that report.

The increase in online shopping and consequent home deliveries goes some way to explaining the rise in van use in recent years. Around 1 in 10 vehicles on the UK's roads is now a van, with van traffic predicted to rise at twice the rate of cars and almost double by 2040. **The number of light commercial vehicles (goods vehicles up to 3.5 tonnes gross vehicle weight) registered in the UK has increased by 29 per cent over the past 10 years to 3.28 million.**

Over the same 10-year period, the number of hgvs has decreased by 9 per cent to 386,000. Possible explanations of the increase in van activity include; increased popularity of just-in-time deliveries, more deliveries of critical importance that cannot be stored, greater difficulty of hiring hgv drivers and operating hgvs, various restrictions on hgvs in urban areas (such as weight, emissions, height, width) more home deliveries – resulting from increased popularity of internet shopping and an increased number of households requiring more homewares and shopping deliveries."

The *RAC/AECOM report Van Travel Trends in Great Britain*, records that 47 per cent of vans are commercially owned; that is, registered in the name of a business. For these vehicles, most travelling time (35 per cent) is spent collecting or delivering goods. **There is indirect evidence that light commercial vehicles (vans) have been used to substitute for hgvs (lorries) due to the rise in home deliveries to which vans are better suited.** Home shopping is growing at twice the rate of retailing as a whole, and figures show that internet shopping increased by 11.8 per cent in December 2013 compared with December 2012 and by 1.8 per cent compared with November 2013. In terms of total retail sales (excluding automotive fuel) 11.8 per cent of all sales were made online. There is an implied relationship between the state of online food sales and home deliveries and it would be reasonable to assume that a large percentage of these would be delivered by light commercial

vehicles through the supermarkets' home delivery network. Non-food retailers are also undertaking e-commerce. Thus, a greater number of vans are required to cope with the increased demand."

Workforce Trends and Challenges

As a sector where demand for volumes of goods to be carried can rise and fall quickly in response to economic conditions, an on-going challenge for Transport & Logistics companies is to maintain its workforce at an appropriate level to deal with the volume of goods to be processed. This has created a market where short term peaks and troughs of demand – such as the increased demands prior to Christmas - are met by recruitment of drivers and warehouse staff from recruitment agencies. This is generally successful and a proportion of 'agency workers' commonly move into fulltime employment, providing a recruitment route for the sector. A longer term addition to the workforce in the past decade has come from EU migration, which was generally considered to have averted a critical UK driver shortage in the early 2000's.

The current improvement in the UK economy is causing concern that a new driver shortage is about to emerge. The predicted shortage of available drivers arises from a number of factors. Firstly the number of young people taking their (Category B; car) driving test is falling as acquisition costs and the cost of running a car rise, thus reducing the number of driver able to drive vans or progress to the (Category C; lorry) licence. Secondly, the Driver CPC, with an ongoing requirement for regular (generally annual) compulsory training in order to maintain their entitlement to drive vocationally leads some drivers, mostly older drivers or part time drivers to leave the industry because they are unwilling to pay for or take part in classroom-based training each year.

Allied to this, companies are concerned at the extent to which the existing workforce will need updating training in order to get the best economy and environmental performance from new vehicles and to gain the consumer-facing skills needed for home deliveries.

A more positive trend is that **changes to the design and equipment of vans and lorries including power steering, automatic transmission and more ergonomic cab and seating designs have reduced the physical demand on vocational drivers.** Allied to a growing recruitment of women into the van-based home delivery sector, this may increase and diversify the driver workforce. Automatic gearboxes, combined with the latest engine technology have also produced environmental benefits, being cleaner, quieter and more fuel efficient than older vehicles.

Key Industry Challenges

Urban deliveries

The cumulative volume of goods being moved as the result of delivery and collection decisions made by individual consumers, retailers and other business is huge. Transport for London calculates that in the capital 15,000 tonnes of goods are picked up or dropped off each hour by lorries alone. This means that road and kerbside networks have to accommodate these trucks and many more vans. The industry is concerned that measures to reduce congestion and improve environmental quality often increase delivery costs, this increasing the price of goods and ultimately raise the cost of living.

More vans, more congestion?

While vans may have less direct environmental impact than HGVs, the increased number of vehicles on the road and engaged in deliveries is not without consequences, as the FTA report discusses.

"Technology can be used to consolidate transport flows into, out of and within urban areas, so companies engaged in e-commerce will continue to seek to rationalise their logistics and increased efficiencies should be anticipated – the regulatory framework needs to enable this. **However, 1 articulated lorry can carry as much as up to 10 vans, so there are potential implications for kerbside delivery space and congestion arising from any shift towards smaller vehicles.** They too will need to be accommodated – possibly in ever greater numbers. "

One emerging strategy to reduce the number of van deliveries is the development of 'click and collect' and 'drop and collect' locations. This means the consumer orders goods online but collects them from the retailer's high street store or at another convenient point near their home. Such local collection points can be dedicated 'Parcel shops' or more commonly neighbourhood convenience retail stores or filling station forecourt stores. These locations are also be used to return unwanted goods back to the on-line retailer and increasingly the pricing of on-line goods incentivises the use of these locations at the expense of home delivery and collection.

Examples of this model are emerging in both urban and rural areas and while these collection points currently account for only a small part of the domestic consumer parcel market (around 1 to 2 per cent) it is growing rapidly. For this reason, it is even more difficult than one might initially suppose, to pinpoint the exact relationship between e-commerce and van usage. Agile and reliable logistics is central to the delivery of these products. Unreliable transport networks mean late deliveries and mitigating inefficiencies in the road network involves costly additional use of vehicle and human resources to ensure that goods reach their destination on time."

Image courtesy of Graham Richardson

The industry is concerned that the public – which includes potential employees does not understand the importance of the sector to their daily lives and particularly does not understand the progress in the sector regarding road safety and environmental concerns. The FTA Logistics Industry Survey 2013/2014 asked members to rank company board priorities for the coming year. Site and road safety are top of the list, followed closely by staff security.

There is still a perception that logistics is misunderstood by politicians and voters; this gap in understanding matters because it can lead to the adoption of policies that harm logistics' efficiency and cause unintended economic consequences.

Environment and Air Quality

The Department for Energy and Climate Change report that 21 per cent of UK greenhouse gas emissions are from transport (DECC, 2013), and of all transport emissions, large goods vehicles (LGVs) account for 21 per cent. Allied to the increased cost of fuel , these concerns about the impact of transport on the environment mean that systems based on large regional 'hubs' are being questioned, with a **new focus on smaller urban aggregation facilities from which deliveries made to multiple customers in city centres**.

Logistics companies, in collaboration with manufacturers are testing vehicle technologies which reduce levels of noise and air pollution. This adoption of diesel-electric hybrid vehicles and electric vehicles has created new skills demand in planning the use of the vehicles and in the skills and knowledge needed to service and repair them. **The efficiency of diesel and petrol engines has improved significantly**, Department for Transport statistics (Transport Statistics Great Britain 2011) note significant reductions in emissions from transport since 1990. Emission of carbon monoxide have fallen by 82%, Nitrogen oxide emissions have fallen by 61% and amounts of Benzene and 1,3 butadiene (involved in the formation of ground level ozone) have fallen by 82% and 89% respectively.

The development of the Infinity Park Innovation Centre in Derby provides an opportunity to focus the interests and expertise of local logistics companies and local technology specialists to evaluate the performance of new vehicles and drivetrains in the operating environment of the D2N2 area.

There are growing concerns that the UK's continued failure to meet European Air Quality standards will result in policies and controls that will increase costs to the Transport & Logistics sector. The European Commission in February 2014 issued infringement proceedings against the UK for breaches of nitrogen dioxide levels. Air pollution limits were regularly exceeded, declared the Commission, in 16 zones across the UK – Greater London, the West Midlands, Greater Manchester, West Yorkshire, Teesside, the Potteries, Hull, Southampton, Glasgow, the East, the South East, the East Midlands, Merseyside, Yorkshire and Humberside and the North East.

In July 2014, the UK government produced revised figures for nitrogen oxide and dioxide levels anticipating compliance with NO2 levels 'after 2030' for Greater London, the West Midlands and West Yorkshire, 2025 for many other areas such as Greater Manchester, Tyneside, Liverpool, Sheffield, Nottingham, Bristol, Leicester, Teesside, the Potteries, Kingston Upon Hull, and 2030 for Southampton.

The transport and logistics sector is therefore concerned that in order to meet these targets, measures might include a tightening of controls on vehicles in cities, with many investigating equivalents to London's Low Emission Zone; further controls on emissions from vehicle engines, particularly diesel engines. Such measures could increase the cost and complexity of deliveries.

However HGVs account for only a small part of emissions from road transport and, in turn, road transport is only one source of air quality emissions. Nationally, Heavy Duty Vehicles (hgvs and buses combined) account for just 13 per cent of NOx emissions and 27 per cent of Particulate emissions. Electricity generation and other stationary combustion are responsible for almost 55 per cent of NOx and 70 per cent of Particulates.

In 2013, Sheffield, one of the UK cities noted above as being in breach of the air quality directive, undertook a Low Emission Zone Feasibility Study. The study showed that buses rather than hGVs were the main source of transport related pollutants in the city centre, while cars were responsible for much of the pollution on its arterial roads. The study concluded that rather than instituting a low emissions zone action should focus on continued promotion of a fuel-efficient driving programme.

Regulation

The priority given by D2N2 to the Better Business Regulation initiative has been welcomed by the sector, with the Transport and Logistics sector Chair contributing a sector perspective to the BBR meetings organised by D2N2 in 2014.

Transport and Logistics businesses operate in a highly regulated environment. The operation of a goods vehicle fleet is the subject of an operator licensing scheme overseen by the Traffic Commissioners who have extensive legal powers which at the extreme, can bar a company from operation. Vocational Drivers are subject to initial statutory testing and all driving hours are recorded and monitored to ensure compliance with strictly enforced limits. Since 2009 lorry drivers have to undertake statutory refresher training in order to retain their entitlement to drive. Where goods carried are classified as 'Dangerous' – including all fuels and gases – additional training and certification of the driver is required and the vehicle must meet specific regulations relating to design and operation. Vehicles driven on the public road are subject to all the traffic regulations related to weight and size restrictions, speed limits and parking controls all of which have the potential for financial penalties (fixed penalty fines, parking tickets) or even a driving ban through accumulated licence points.

Storage and warehousing facilities need to have appropriate planning consent related to the use of the premises and comply with workplace health and safety requirements, while a range of statutory agencies have powers of inspection and enforcement related to the goods being stored. This is particularly significant in the storage and handling of foodstuffs and goods classified as 'Dangerous'.

There are a new set of emerging regulatory and compliance issues relating to home delivery. With a huge shift in retail from high street purchase to goods arriving at home, logistics faces the new challenge of dealing with doorstep signature.

Conventional policy for delivery businesses is signature at point of handover, to a warehouse controller, office receptionist or the concierge at a hotel. The delivery of a package direct to a named recipient was a premium service - documents delivered to the board room for consignment addressee only, delivery of government or military documents. These were charged, logged and costed as appropriate.

The highly competitive new market created for home delivery does not allow such premiums to be charged. The point of delivery is remains signature at point of handover, but a question then arises when a consignment such as alcohol, drugs or eighteen rated DVD is handed to a sixteen year old for signature. The need to verify the age of that individual, their authority to answer the door or be alone in that building is new to scope of logistics home delivery. Given the high cost of re-delivery, there is a pressure on the carrier to hand over the goods by the carrier. Re-delivery cost and the risk of breaking laws related to safeguarding of young people is one of the most negative influences to the carrier market in this emerging market.

While transport compliance lies around road and driver legislation and 'goods carried' regulations, the retail shift boom from high street to home is in urgent need of best practice guides on point of delivery issues, safeguarding goods and recipients.

Deliveries and PCNs

A specific element of regulation which affects the sector in the D2N2 area is parking control. Local authorities are responsible for enforcement of parking controls and have the authority to issue penalty charge notices (PCNs) - 'parking fines'. These are frequently issued to freight vehicles making deliveries to retailers in urban areas where there is no space to park and unload a freight vehicle other than by infringing parking controls. This arises because the current law does not differentiate between 'parking' and 'delivering'. In October 2013 the House of Commons Transport Select Committee urged greater clarity on the rules for loading and unloading and urged local authorities to work with the industry to devise pragmatic local solutions. With the commitment of D2N2 to the government's Better Business Regulation initiative, there should be discussion between affected companies and local authorities to devise solutions for the D2N2 area.

5. Employment forecast for the Transport and Logistics Sector in the D2N2 area

Future Employment in Transport and Logistics in the D2N2 area

Number of workers needed 2012 to 2022

Nationally

In any sector, the demand for new entrants arises from a combination of the need to replace existing workers as they retire or move to other sectors and the need to fill wholly new jobs resulting from business growth.

The UKCES, Working Futures report for the Transport and Logistics sector calculated that replacement demand (created by workers leaving jobs and needing to be replaced) will generate an additional 1 million job openings in the sector, meaning that with growth there is a total requirement nationally of nearly 1.2 million individuals in the period of 2012 to 2022. Over a fifth of that replacement is expected in the driving roles, which as noted elsewhere are already experiencing recruitment difficulties. Therefore it is likely that there will be further increases in skills shortages, wages and migration if the supply of labour is not able to meet this future demand.

Forecasting future employment demand at sector level is a complex and ultimately rarely accurate science. Working Futures suggests that the sector will need around 150,000 new managers, 150,000 drivers and some 140,000 workers in administrative positions. This demand is a combination of the need to replace existing job holders who retire or otherwise leave the sector and wholly new job opportunities created by economic growth, service innovation or technological change.

Whatever the eventual numbers of jobs which need to be filled; to secure competent individuals in these jobs, the transport and logistics sector will need to attract, train and retain people in competition with the other industrial and commercial sectors in the D2N2 economy.

To achieve this recruitment and training, the local sector needs access to local job seekers, through public and private recruitment services and the ability to source a wide range of training and education, from basic operative health and safety, the operation of warehouse machinery, through van and lorry driving to strategic logistics planning and management.

Regionally (East Midlands)

Forecasts at regional levels (the smallest geographical area) showed a likely demand in the East Midlands of 39,000 net new workers in the sector. **This suggests that D2N2 area will need around 10,000 new workers in the sector. However, there is no reliable quantitative data which breaks this down into D2N2 level forecasts. In reality at local level, the key to understanding and responding to potential changes is to engage with individual companies.**

6. Transport and Logistics Sector Action Plan

Implementing the Sector Action Plan for Transport and Logistics Sector in the D2N2 area

The central plank of this Action Plan has been the discussion with employers to understand the issues that face their businesses. The dialogue needs to include maintaining current information about issues including:

- Infrastructure and land supply – is the sector being hindered by lack of sites or by the transport infrastructure in the D2N2 area?
- How are infrastructure works such as the Nottingham tram extension impacting on businesses dedicated to road logistics?
- Is there scope for local action to reduce the environmental impact of Transport and Logistics?

The views of Transport and Logistics Employers in D2N2

The Sector event held in Ripley in December 2014 gave Transport & Logistics sector employers the opportunity to reflect on national trends in the sector and set out their priorities for action.

Profile of businesses at Policy & Sector Event

Attendees were typically managers and director level of haulage companies. Businesses were mainly from the D2N2 area.

Almost half the D2N2 hauliers operated vehicles across the whole UK, 13% ran internationally and less than a third operated solely within the East Midlands. Two thirds of the vehicles operated in the day time and a third of fleet numbers ran at night.

Fleets are predominantly diesel engined, no LPG vehicles and only 6% used petrol engines. Articulated trailer lorries account for 42% of the hauliers sampled, tankers in the minority of this group at 5%. Light Vans at 25% was close behind rigid trucks at one third of the vehicles. Vehicles in D2N2 area are older than national average (3.9 years as a typical vehicle age). This may be explained by the use of specialist plant and low mileage farm vehicles in the rural areas which tend to escalate age above average.

Vehicle fleets in D2N2 are well supported with technology, 92% of their vehicle fleets were fitted with satellite navigation and of those sampled the majority were at one hundred per cent of drivers aided by satellite navigation.

Private Sector Priorities for action

21% of D2N2 LEP hauliers saw **road congestion** as a key priority to address. The Nottingham tram extensions on the M1 Beeston city approaches area was particularly highlighted.

The greatest concern for hauliers to run their business properly was their ability to recruit and retain their **workforce**. This was their number one priority for action by D2N2 to address and achieve efficient delivery in the LEP area. A significant component of this was the impact of the Driver Certificate of Professional Competence in reducing the number of LGV driver and the broader driver shortage was top of every list - from those operating light vans to heavy tankers, day only or 24 hour, the workforce remained the priority.

Fuel cost was a key strategic issue and 32% per cent of D2N2 hauliers saw it as a priority to the efficiency of their business.

Reliability of vehicles was the key priority for almost half the hauliers in the D2N2 LEP area. Serviceability and cost effectiveness a close second. Vehicle depreciation, load and weight carrying performance were not seen to be significant against reliability. Those hauliers operating older vehicles considered serviceability as a bigger priority than reliability.

The absence of driver facilities is a concern on both major routes and in rural areas. In the M1 corridor area, limited and poor stop facilities for daytime breaks & overnight drivers were reported.

The ratio of female drivers in D2N2 area is relatively high and this again appears to be by nature of farm and rural locations, it is more the norm for HGV licences to be held by female drivers from farming communities. They may well work part time on commercial fleets and suffer a growing problem in the lack of road side facilities for drivers on breaks.

Other issues explored included communications, internet speed, planning permission issues but these were not seen as barriers to business operations or growth.

Private Sector-led Action Plan

This report describes the current transport and logistics sector in Derbyshire and Nottinghamshire and identifies the opportunities for and barriers to business performance and growth.

Specifically it highlights opportunities and areas of strategic support that can be provided by D2N2 LEP.

Employers in the region have told us their priorities:

- **Local Road congestion**
- **Getting and keeping a skilled workforce**
- **Fuel cost is a major concern for road transport profitability**
- **Reliability & Serviceability of vehicles**

The potential for D2N2 action in sector related to Skills issues dealt with in are The Sector Strategy and Action Plan which follows is structured around the themes of the overall D2N2 growth strategy and therefore deals in turn with:

- Business Support and Access to Finance
- Supporting the Transport & Logistics Industry
- Innovation, Knowledge Transfer
- Productivity and the Low Carbon Agenda

A: Business Support and Access to Finance

Business Support

The industry has a heavy burden of 'compliance' with many agencies involved. Build on the work already being done in D2N2 to co-ordinate enforcement activity and delivery of training in areas of DCPC and Management CPC.

Action 1: Continue to link the Transport & Logistics Sector Group with the Better Business Regulation in D2N2. Specifically around issues of roads, Police, Highways Agency, DVSA etc. Bring together businesses affected by Parking Controls with the local authorities to devise solutions which avoid the industry having to incur PCNs during deliveries.

Current local planning policies and their enforcement are seen to support the sector and businesses have not reported these as a constraint on their business. However, changes to retailing patterns are changing the nature and location of property needed by the sector.

Action 2: Through the Transport & Logistics Sector Group and other employer bodies, ensure that local authorities understand these changes.

Action 3: Promote D2N2 Growth Hub to the Sector through advisers, trade and professional bodies to assist transport and logistics businesses to make better applications for national, regional and local funds and other development programmes.

Infrastructure

In common with other sectors, transport and logistics businesses are concerned about congestion on roads leading to M1. They shared concerns about road surface conditions in Derbyshire and the vulnerability of some roads to winter weather. Specific current concern is the congestion created by work on the A52 road link to the M1 and the Nottingham new tram way congestion.

Action 4: Ensure the transport and logistics sector is consulted in planning infrastructure works that will impact on business operations so that effects can be mitigated.

Action 5: Investigate local road pinch points and prioritise improvements that will have the most positive impact.

The D2N2 region has limited roadside facilities. A vision on development of distribution sites to align more facilities for drivers on deliveries to the hot spots.

Action 6: Review the provision of roadside facilities in the D2N2 region, particularly in relation to major distribution hubs. Work with developers and landlords to agree a basic minimum provision

B: Supporting the Transport and Logistics Industry

Road transport companies face a severe challenge through an ageing driver workforce. Many occupations (e.g. drivers, warehouse managers) will have to meet high levels of growth demand on top of high levels of replacement demand. Better promotion of the sector to young people will be the key to meeting this demographic challenge.

Action 7: Identify a group of transport and logistics businesses willing to build links with local schools and colleges. Provide them with advice and access to written materials and websites to assist their staff in presenting to groups of students and practical advice on running open days for local schools and the wider local community.

C: Innovation, Knowledge Transfer

Innovation

There is clearly an enthusiasm among higher education in the D2N2 region to engage with and support local businesses. Logistics Week at University of Derby offers a template for networking and stimulating knowledge transfer.

Radio Frequency Identification (RFID) is a crucial technology for the modern warehouse. RFID adoption leads to improvements in operational efficiency, additional cost savings, and opportunities for higher revenues. RFID brings great potential in resolving their issues, in the warehousing context, such as quality issues e.g. damage in transit, reducing human errors in dispatching and storage, poor inventory visibility leading to stock out, and poor space and asset utilisation. With this unique way of wirelessly tracking each product, vast benefits can be realised and amplified, bespoke to each business.

Action 8: The Transport and Logistics Sector Group should collaborate with representatives of the HEIs in the D2N2 region to agree a programme of events and visits to encourage local businesses to develop a dialogue with the HEIs on a quarterly basis to develop innovation solutions for the Sector.

Action 9: Local companies should have access to information and expertise in adopting RFID in their business, enabling them to maximise opportunity and efficiency in warehouses in the region.

D: Productivity and the Low Carbon Agenda

Low carbon measures

Employers report that fuel costs are a key concern in planning and operating their business. Despite this, the vast majority of vehicles are diesel fuelled and few companies have explored more radical alternatives such as electric, hybrid or LPG. 'We will not see such alternative fuel vehicles in Derby and Nottingham until those fuels are available in the cities.'

With concerns about the environmental impact of the sector increases, it is important that local companies have access to technology and advice about the use of technologies to improve the low carbon performance of the sector. Specifically vehicle fuels, Euro6 and beyond, electric, hybrid & LPG solutions for the future.

Action 10: Provide advice and financial support for the adoption of low emissions vehicles as part of the vehicle replacement cycle

Action 11: Support training of van and lorry drivers in fuel efficient driving and the adoption of procedures during deliveries that minimise environmental impact.

Action 12: Develop an alternative fuel trial project for the city centres of Derby and Nottingham. Evaluate the LPG opportunities and hybrid electrics such as the Goupil van or Govec electric scooter.

Route planning and vehicle optimisation.

While the large logistics companies have adopted route planning software and developed the staff skills to use them, the cost of the software and training or employing staff to use it is a barrier to the adoption of technology by smaller companies that could reduce vehicle miles and 'empty running'.

Action 13: The Transport and Logistics Sector Group to work with D2N2 Growth Hub to develop advice to transport and logistics companies which enables them to select the most appropriate software and understand the skills required to use them.

The growth of home deliveries and the number of players in the market means that many different logistics business deliver to a single business or domestic address during a day. This can be reduced by consolidation of loads, so that deliveries to a single address are made by one vehicle. This apparently simple measure creates a number of practical and business issues which need to be negotiated between potential consolidation partners.

Action 14: The Transport and Logistics Sector Group to work with D2N2 Growth Hub to explore the basis for collaborative approaches to deliveries and collections in the D2N2 region and develop specific proposals for consolidation centres and vehicle sharing.

Appendices

Appendix A

Those involved in the sector strategy and action plan

Sec of State for Transport Patrick Mcloughlin MP

Transport Minister Claire Perry MP

Nigel Mills constituency MP

Master Carmen, Lt Colonel Paul Holder RLC

DWP head of sector UK Alex Farkas

DFT Elizabeth Heaton

DVSA VOSA John Raynor

D2N2 Lindsay Allen

University of Derby, Deputy vice chancellor Prof Rod Dubrow Marshall

University of Derby, Supply chain faculty, Prof Ming Linn

London Metropolitan University, Prof Tracey Worth

David Higginbottom, DFA Driver First Assist

CILT Tony Foster

FTA, Alison Salter, Jim Mower

Skills for Logistics Sue Green

AIM Warehouse, Allison Kemp

IOC chair, Carl Lomas MBE

Appendix B

Summary of the D2N2 Sector Launch event Dec 2014 at AIM Ripley with the transport Minister Claire Perry MP.

Roads Minister Claire Perry trucking on Derbyshire roads.

"You are absolutely vital to Britain's long term economic plan."

So said roads Minister Claire Perry to a full house of Derbyshire and Nottinghamshire truckers in the last days of December at the D2N2 event to focus priority to the transport and logistics sector in the two counties. There was bacon butties trucker style and ears wide open for news of the HGV speed limits rising as issues of driver shortage headed the local agenda.

Roads Minister in a truck on the roads of Derbyshire.

Minister responsible for roads and HGV, Claire Perry MP arrived by Midland Mainline in Derby for the last days of December where John Nelson chairman of Nelson Distribution in Belper collected her for a Derbyshire roads truck trip in a giant silver Mercedes Actros truck tractor unit. Pride Park, A52 and A6 trunk roads for the roads minister to see the Derbyshire and Nottinghamshire roads first hand from the HGV cab.

Claire Perry arrived in Ripley to launch the Local Enterprise Partnership D2N2's strategic plan for transport and logistics. Arriving in HGV truck style Claire Perry met with over 100 truckers from across Derbyshire and Nottinghamshire, Strongly welcomed in true transport style she began the visit with a bacon butty and a tour of the truck yard stacked full of variety from curtain siders to low loaders and even a courier motorbike. She was there to listen and learn about local issues that could help the transport industry.

More than 28,000 people are employed in transport and logistics across Derbyshire and Nottinghamshire and in order to assist this rapidly expanding industry the LEP is making logistics a priority.

Roads Minister Claire Perry, said she was delighted to attend and spoke about the importance of the sector, highlighting investment in the roads network and the new HS2 rail link and the need for input from the industry in the plan to maximise the benefits from the developments. The Minister also spoke of her pride in the change to the speed limit for HGVs coming into force in April.

"Raising the speed limit for HGVs is something I am incredibly proud to do. As a cyclist and mother of three I would never do anything to compromise safety on British roads and it is inescapable logic, bringing speed limits into the 21st century."

The roads minister met truckers from Buxton to Bakewell, Beeston to Burton in a cross county Industry leaders Logistics Employer Forum that focused on a strategic logistics plan launched to maximise opportunities in the sector by the LEP D2N2 for the two counties.

The interactive event was hosted at the Ripley AIM transport training warehouse, Allison Kemp said,'

We were really chuffed to hold the D2N2 logistics event here in the training warehouse where so many local hauliers have learnt the business of trucking.'

Derbyshire and Nottinghamshire have the most multi-skilled hauliers in the UK.

LEP transport Chairman for D2N2, Carl Lomas asked local hauliers to help with information on local roads, driving issues close to home, access and workforce, he commented, *'HGV drivers in Derbyshire and Nottinghamshire are some of the most multi skilled drivers in the UK, they can be*

found at home in the twisting limestone walls of the Peak District collecting early morning milk or be on the M1 with a lime tanker heading for the Crossrail project in London, D2N2 area drivers cover everything from heavy bulk loaders to the complex supply chains of Toyota, Rolls Royce or Bombardier, our drivers our better multi skilled than anywhere else in the UK. As they cross from B road to the arterial motorway of the M1.

Local Hauliers made it a full truck showcase for roads Minister visit to Derbyshire.

On display at the home of AIM Commercial Services Ltd, who hosted the event, were a range of vehicles including an artic to home delivery van and courier motorbike, highlighting the diversity of the sector.

National organisations including the Driver and Vehicle Standard Agency were represented at the event together with major transport and logistic firms from across the region.

The Minister who was joined by Amber Valley MP Nigel Mills and the Vice Chancellor of the University of Derby Rod Dubrow-Marshall, Rod outlined the University support from warehouse training at the Buxton Skill-base site all the way to a Masters degree in Supply chain at Derby.

Nigel Mills MP, 'One of the issues facing the sector is a driver shortage and the lack of understanding about what the industry offers in terms of opportunities and jobs.'

AIM Commercial Services Ltd who, with thanks to a grant from Derby Enterprise Growth Fund, is one of the organisations helping meet the growing demand in the sector and were host for the day to bring the Minister into a real employer environment.

The Master Carmen, Lt Col Paul Holder, Royal Logistics Corps had earlier opened the event to hauliers, following a welcome, trucker style bacon buttie breakfast.

The Department of Works and Pensions, national head for logistics Alex Farkas spoke about local jobs in Derbyshire and Nottinghamshire for the growing LEP sector of transport and logistics.

While Safety was the order of the day from David Higginbottom, from Driver First Assist, who outlined the potential to reduce RTC fatalities by up to 46%.

Appendix C

Definition of the Transport & Logistics sector by Standard Industrial Classification code

The SIC-based definition set out below has been used in preparing this report. The breadth of this economic activity and the various modes of transport employed are demonstrated by the activities which comprise the Transport & Logistics sector in the Office for National Statistics Standard Industrial Classification (SIC):

- SIC 46 Wholesale trade, except of motor vehicles and motorcycles
- SIC 49.20 Freight transport by rail
- SIC 49.41 Freight transport by road
- SIC 49.42 Removals services
- SIC 50.20 Sea and coastal freight water transport
- SIC 50.40 Freight transport by Inland waterway
- SIC 51.21 Freight transport by air
- SIC 52.10 Warehousing and storage
- SIC 52.22 Services incidental to water transport
- SIC 52.24 Cargo handling
- SIC 52.29 Other transportation support services
- SIC 53.10 Postal activities (Royal Mail)
- SIC 53.20 Other postal and courier activities