THE AKENHAM PARTNERSHIP

essex PORTS LOGISTICS SHIPPING

Skills Needs Analysis

A Skills Needs Analysis of North Essex-based Ports, Logistics and Shipping Companies

(revised draft) ***Submitted to Richard Morton, 22nd May 2002***

Report Outline

1. Background

This project was initiated by Learning + Skills Council Essex. It was thought that a positive future for those businesses involved in moving, or organising the movement of, freight or passengers through north Essex depended on a ready supply of well-trained employees and senior managers of quality and vision.

LSC Essex sought bids for a similar survey in the north-Essex area* (* Boroughs of Colchester and Tendring) and was seen by them as part of a 'Haven Gateway Partnership' overview of the area and industry sectors. This followed a parallel Skills Needs Analysis already underway in Suffolk.

2. Project Management and Control

The contract was awarded to The Akenham Partnership, and the Project team consisted of David Warren as Project Manager and Bob Sambrook, Project Consultant, and they reported to Richard Morton, Head of Workforce development, LSC Essex.

This reports presents our findings, draws conclusions and makes recommendations for future action.

3. Objectives

3.1 To establish an up to date database of Companies involved in the movement of freight and passengers through the defined geographical area of Essex, and its ports

3.2 To carry out a Skills Needs Analysis to establish whether north-Essex-based businesses were experiencing difficulties in employing, retaining and recruiting staff with relevant skills and potential.

3.3 To make recommendations covering the solutions of any problems established during the Skills Needs Analysis.

4. Methodology

4.1 Target sampling

The following sample of companies was proposed to give a representative range of answers:

Table A Target Sample

SECTOR	SIZE etc	No. of Co's
Logistics**	>50 staff	6
	51-150 staff	6
	>150 staff	6
Ports	Harwich	1
	Mistley	1
	Brightlingsea	1
Shipping	>50 staff	6
	51-150 staff	6
	>150 staff	6

** Logistics as used here includes Rail freight and Passenger handling.

Data was to be gathered via a combination of:

a. personal Interview
b. postal questionnaire
c. Additional sampling to clarify any specific gaps
d. Gathering additional data from reference sources

4.2 Practical considerations

In practice it has not been possible to fully achieve this plan for a number of reasons:

4.2.1 Actual Companies involved in the sectors
A database of companies operating in the area, and involved in the business sectors to be surveyed (SOC codes are shown is section 8) was created via desktop research, contacts with local bodies and trade associations, and telephone checking.

This work yielded fewer companies involved than had been thought: also there was a lower than expected number of large employers. (see 4.3 below). However these numbers were found to be acceptable after checking with various individuals and organisations.

4.2.2 Personal interviews only
Based on experience from the Suffolk project where a similar mail shot had failed to create an adequate response, it was decided not send out questionnaires, but to limit the data gathering to personal interviews.

4.2.3 Audit Overkill
A number of companies contacted refused to be interviewed, mainly because other organisations (commercial vendors, industry related institutes, LSCs or education organisations) had recently asked for similar information. It also proved quite difficult to get some people to commit to the one-hour interview required.

In some cases they did not have the statistical data available – and were not prepared to provide it for the report. These companies have been excluded from particular questions.

Nevertheless it would not have been able to compile this report without the support of those companies interviewed and their patience was appreciated.

Those interviewed were assured that where possible their individual responses would be published only after consolidation with others. Interviewed companies will also be sent a copy of this report by LSC.

4.3 North Essex database established
4.3.1 The North-Essex database

Table B Complete database - summarised:

Range	*Companies in range*		*Employees*	
Database Totals	**Total Companies =**	**130**	**Total Employees =**	**2348**
LOGISTICS	**Total Co's Logistics =**	**81**	**Total Employees =**	**1463**
PORTS	**Total Co's PORTS =**	**6**	**Total Employees =**	**486**
SHIPPING	**Total Co's SHIPPING =**	**41**	**Total Employees =**	**207**
PASSENGER	**Total Co's Logistics =**	**2**	**Total Employees =**	**192**

Fuller data is shown as Table B in Section 10.

NB. These numbers only include those businesses that are directly involved in freight and passenger movement in north Essex. The many service companies (such as Banks, Lawyers, Accountants, Catering, IT, Maintenance, Communication etc.), on which the target businesses rely for specialist support, have not been included.

4.3.2 Comments on Data gathered
130 companies were found operating in north-Essex: this was lower than was anticipated. However during compilation of the database it became clear that many companies had either closed totally or relocated out of the area to either Suffolk or South Essex.

4.3.3 Interviewed Company profile
Table C Companies Interviewed (summarised)

Range	*Companies in range*		*Employees*	
Sample Totals	**Sample Companies =**	**25**	**Sample Employees =**	**1101**
LOGISTICS	**Sample LOGISTICS =**	**8**	**Sample Logistics Emps =**	**353**
PORTS	**Sample PORTS =**	**6**	**Sample Ports Emps =**	**486**
SHIPPING	**Sample SHIPPING =**	**9**	**Sample Shipping Emps =**	**70**
PASSENGERS	**Sample PASSENGERS =**	**2**	**Sample PASS Emps =**	**192**

The 25 companies interviewed employed some 1101 employees, which represented 47% of the total workforce.

The detailed make-up is shown as Table C in Section 10

5. Conclusions

5.1 The four sectors surveyed employ over 2300 Essex people.
They also employ the services of many other local, sub-contracting, companies such as Maintenance, Legal, Financial, catering specialists, and retail outlets.

5.2 Skill shortages do exist in North Essex in the sectors surveyed.
These shortages are quite significant and appear likely to worsen unless successful action is taken, especially as the UK economy is likely to grow over the next few years.

5.3 The development of Bathside Bay will increase these shortages.
The proposed Bathside Bay development will possibly increase employment in the sectors surveyed by 1500-2000 people, and possibly more in the sub-contracted support services.

5.4 Other ports will lose staff.
Many Harwich residents currently commute to work in the ports, logistics and shipping operations in Ipswich and Felixstowe: some will prefer to work in Harwich if the jobs exist.

5.5 National considerations play their part in these shortages.
In some cases the shortage of skilled people is the result of national issues or policies, educational standards, or a change in the aspirations of those looking for work. As such these influences are beyond the scope of what can be changed locally.

5.6 Local Companies can make local improvements.
This report concludes that effective local managements should be able to create local initiatives that will contribute to the solutions. However the large numbers of small companies working in the sectors makes the situation more difficult, as does the philosophy of many employers of "I only want to recruit the finished article".

5.7 Changes in the nature of the future workforce.
In some companies these skills shortages are mitigated by the long service and loyalty/inertia of the older employees. As these retire they will be replaced by a younger generation for whom anticipated job mobility will be greater. Employers will need to direct more effort toward retention issues, if they are to retain staff and are to avoid continual recruitment campaigns.

5.8 The two biggest single shortages are:
HGV & PSV Drivers
Clerks involved in Freight Forwarding/Import-Export/Customs Clearance activities.

5.8.1 HGV Drivers
A simplified picture for those employing **HGV drivers** would be:

Have Current RECRUITMENT difficulties	87%
Have Current RETENTION difficulties	75%
Are Forecasting RECRUITMENT difficulties	66%
Have arranged Training over last 12 months	13%
Are proposing to arrange Training over next 12 months	38%

The situation is complex, haulage rates are low, and training is expensive, but without drivers there is no business. Unless the employers, with or without UK or EC governmental support, take steps to retain their existing drivers and carry out training for new entrants, they will go out of business, and the UK economy will suffer.

Clearly both HGV and PSV drivers must hold the correct licence. However most employers did not see the need to pay for this driver training. or for such specialised areas such as hazardous cargo. Most did not reward Drivers who had paid for this further training themselves. This would seem to be a method by which Drivers could have obtained some sense of 'career progression', in a sector that is seen to have very little

5.8.2 Shipping Clerks
For **Freight Forwarding, Import-Exporting and Customs Clearance Clerks** the situation collectively is similar:

Have Current RECRUITMENT difficulties	31%
Have Current RETENTION difficulties	54%
Are Forecasting RECRUITMENT difficulties	46%
Have arranged Training over last 12 months	0%
Are proposing to arrange Training over next 12 months	15%

5.9 Formal qualifications are not valued.
Most employers of Clerks in Shipping seem to give little weight to formal qualifications. The skills most required of their employees seem to be those that will be experienced-based. Generally these are seen as best acquired through practical experience – preferably in that specific company.

Few of those interviewed saw the need to offer any tangible reward to employees who had gained qualifications such as NVQs. Clearly there are larger companies who do, but they do not employ the bulk of those employed in the Shipping industry.

5.10 There has to be good story to tell.
Some employers have made significant efforts to promote the Shipping industry to school leavers etc. But this may have limited effects if the more ambitious people employed in the many small Shipping companies are not able to tell their friends about the positive career developments that are available to them.

5.11 Need for Action now.
A previous survey (SATIS) was carried out in Suffolk over four years ago. This was mixture of interviews with members of the SATIS group, and analysis of Suffolk TEC-supplied data.

The SPLaSh report just published for Suffolk (earlier, but parallel to this Essex report) agreed with several of the SATIS findings, but found, for whatever reasons, that very little has changed in the overall picture over the period in Suffolk.

This EPLaSh report should be tabled alongside the SPLaSh report, and corrective programmes implemented now.

5.12 Some Ports are owned by large companies.
One the four Ports is owned by a large corporation, and one other port, although small, is part of a wider UK group: both benefit from wider support and procedures. They are fully aware of their skills shortages, but need external help in obtaining the quality recruits and in training both new and long-term staff. The other two ports are smaller and have to rely on their own local resources.

5.13 Shipping and Logistics sectors have few large companies.
The larger companies know they have a problem, know what options exist, but sometimes lack the time or resources to solve it. Among some medium and large employers the survey concludes that 'Line Management' do not seem to be as aware of potential solutions, or as committed to develop them, as their HR departments.

5.14 Need to get many SMEs involved.
The smaller employers in these sectors know they have a problem, but most do not have the time, money or resources to solve it. Perhaps the limited amount of formal training and qualifications of the managers in these small companies influences their perception as to the value of formal qualifications, and which training routes should be taken to fill these skills gaps.

These smaller companies need physical and 'emotional' support: they need someone who has the time and ability to help them clarify their thinking, and to help them generate solutions which can fit into their work schedules.

5.15 Companies don't want to train staff for others to employ.
Those companies who do provide training have a well-founded fear that they will lose staff to other companies. (The old 'Grant-Levy' system went some way to overcoming this, but had its own problems, and surely creative brains could find ways of funding or otherwise supporting such 'trainer' companies). It is felt desirable that some form of support should be given to those who do train staff, especially if they were subsequently to lose their staff to non-training companies.

5.16 Financial support of training, or support of training infrastructure is required.
Clearly it is the responsibility - and self interest - of employers to train their staff: They should see training as another business cost. However various UK and EC governmental bodies do have funds available for various training initiatives. Most of the companies interviewed did not know what financial or other assistance might be available to them. It would beneficial if this knowledge gap could be addressed.

5.17 Use of IT must be widened.
The use of IT in most of the companies (typically less than 20 employees) is very limited. In some cases no computers are used at all.

Better use of "off-the-shelf" computer programmes would allow better storage of customer detail and transaction analysis, and faster and/or more attractive transfer of information to Clients, via fax or email.

6. Discussion

6.1 North Essex survey data and summary

The data presented here is in consolidated form: individual companies may provide differing views.

6.2 Observations on Tables and data gathered.

6.2.1 Company demographics

Logistics (inc Rail freight)

a. A few companies employ a high percentage of the total sector staff

5%	of companies employ	39% of total employees
95%	of companies employ	61% of total employees

b. Smaller companies dominate:

80%	of companies employ	less than 20 employees

Ports

a. North Essex has two medium-sized Ports (Harwich International and Harwich Dock) and two smaller Ports, Mistley Quay and Brightlingsea.

Shipping

a. Smaller companies dominate:

100% of companies employ less than 30 employees
87% of companies employ less than 20 employees

6.2.2 Gender profile and Changes in employed numbers

a. Gender

Logistics	87% male
Ports	90% male
Shipping	50% male
Passenger	41% male

b. Number of Companies changing employed numbers

	Increases	No Change	Decreases	Net
Past 12 months	+8	10	-5	+5
Next 12 months	+5	16	-2	+3

6.2.3 Age profile

	Average age
Logistics	44 years
Ports	46 years
Shipping	38 years
Passenger	38 years

The Ports and Logistics employ a higher % of staff in the 46-55 age-range. Only 4% of Shipping employees are in the 55-65 range.

6.2.4 Workforce Breakdown

Section 11 Graphs – 'Workforce breakdown' shows a simplified analysis of Jobs by sector and indicates that some companies operate across the sectors discussed earlier.

6.2.5 Preferred Recruitment methods

a. Local newspapers are the preferred method for seeking applicants.
b. Recruitment agencies are often used as a means of employing Temps for an 'extended interview'.
c. Word-of-Mouth is popular for Logistics and Shipping companies, and the Ports.
d. Job Centres are used by several companies (this is a greater rate than that in Suffolk).

6.2.6 Current Recruitment difficulties (% of companies: only >20% itemised here*)*

Logistics	86% have CURRENT recruitment difficulties of some sort
	Mainly HGV drivers (86%)
	Warehouse Operators/Handlers (43%)
Ports	50% have CURRENT recruitment difficulties of some sort
	Drivers (33%)
	Mechanical maintenance staff (33%)

Shipping	38% have CURRENT recruitment difficulties of some sort Import, Export, Customs Clearance Clerks (38%)
Passenger	Both companies have CURRENT recruitment difficulties of some sort *Coach Company* PSV drivers are in short supply for the one company interviewed *Passenger-Travel Company* Call Centre staff are in short supply for the one company interviewed

6.2.7 Forecast Recruitment Difficulties (only >20% itemised here*)*

This table shows that most sectors have considerable difficulty in recruiting adequate staff.

Logistics	75% of companies anticipate FUTURE recruitment difficulties of some sort HGV drivers (63%)
Ports	67% of companies anticipate FUTURE recruitment difficulties of some sort Maintenance fitters (50%) Warehouse operators (33%)
Shipping	75% of companies anticipate FUTURE recruitment difficulties of some sort Import, Export, Customs and FF Clerks (63%)
Passenger	Both companies anticipate FUTURE recruitment difficulties of some sort *Coach company* PSV drivers Maintenance fitters *Passenger-Travel Company* Call Centre staff

6.2.8 Current Retention Difficulties (only >20% itemised here*)*

Logistics	90% of companies suffer CURRENT staff retention difficulties of some sort HGV drivers (75%)
Ports	One port suffers CURRENT staff retention difficulties in some jobs This was for Passenger handling (shore-based) staff (17%)
Shipping	No companies suffer CURRENT staff retention difficulties
Passenger	Both companies experience CURRENT retention difficulties of some sort *Coach company* Management/Supervision *Passenger-Travel Company* Call Centre staff

6.2.9 Training provided over PAST 12 months

Logistics	38%	FLT training
	38%	IT training, (often low level MS Office)
	25%	Safe working training
	25%	Admin, Sales, and Customer Service training
Ports	The Ports carried out a wide range of training,	
	67%	Safe working training
	50%	IT training (often low level MS Office)
	33%	Finance training
	38%	Craft Skilled training
Shipping	38%	Finance training
	25%	IT training, (often low level MS Office)
	25%	Admin, Sales, and Customer Service training
Passenger	*Coach company*	
		PSV driver training carried out
	Passenger-Travel company	
		Management and IT training
		Customer service training

6.2.10 HR Practices adopted

Logistics	71%	Paid Sickness benefit of some sort ('Blue collar' received sick pay in approx half that number)
	43%	Contributed to a pension scheme
	43%	Used either Appraisals or training plans
	0%	Had obtained IIP
Ports	100%	Paid Sickness benefit of some sort
	67%	Contributed to a pension scheme
	33%	Used either Appraisals or training plans
	0%	Had obtained IIP
Shipping	88%	Paid Sickness benefit of some sort
	63%	Had pensions schemes for all employees
	50%	Used either Appraisals or training plans
	0%	Had obtained IIP No company had IIP
Passenger	50%	Paid Sickness benefit of some sort
	50%	Contributed to a pension scheme
	50%	Used either Appraisals or training plans
	0%	Had obtained IIP No company had IIP

6.2.11 Training Planned over NEXT 12 months (>20% of companies*)*

Logistics	38%	HGV training being planned
	25%	IT training (low level) planned
	25%	Management/ or supervisory training planned
Ports	17%	FLT driver training planned
	17%	Finance and Management training planned
Shipping	25%	IT training (low level) planned
	25%	Finance training planned
Passenger	Coach company	
		PSV driver training planned
		Language training planned
		Management and IT training
	Passenger-Travel company	
		Customer service training

6.3 Summary of Skills shortage data

There is clearly a shortage of skilled people in some areas of these sectors, and in most cases it is thought these shortages will get worse

Table D: Skills shortages Current v Forecast

Shortage/Sector	**CURRENT** Skills Shortage (% of companies experiencing)	**FORECAST** Skills Shortage (% of companies experiencing)
LOGISTICS	HGV Drivers (86%) Operators/Handlers (43%)	**HGV Drivers (63%)**
PORTS	Drivers -FLT/Crane (33%) Craft/Skilled Manual (33%)	**Craft/Skilled Manual (50%)** **Operators/Handlers (33%)**
SHIPPING	In/Ex-CC Clerks (38%)	**In/Ex-CC Clerks (63%)**
PASSENGER	Cust Services Staff (100%) =1 Passenger-Travel company PSV Drivers (100%) =1 Coach company	**Cust Services Staff (100%)** =1 Passenger-Travel company **PSV Drivers (100%)** =1 Coach company **Craft/Skilled Manual (100%)** =1 Coach company

The survey shows that both the Shipping and Logistics sectors are made up by many small companies: this makes the task of getting those employers involved in the training process more difficult.

A limited number of Companies employs a large percentage of the north Essex workforce in all four sectors. It could be assumed that this would make it easy to contact those responsible for training. But unless the many small companies are successfully involved in the training ethos, then the big companies (of which there are few) will be seen as the training centres for all others. This will be unpopular and will not increase the sector's commitment to solving their skills shortages,

6.4 Logistics
The range of functions carried out by these companies is wide. Each company may carry out a combination of Road Haulage, Warehousing, Logistics, and in some cases Freight Forwarding and Customs Entry.

a. Approx 80% of the people employed are involved in manual activity
(Drivers or Warehouse staff)
b. Approx. 80% of companies have current recruitment difficulties for these jobs
c. Over 60% believe they will have difficulty recruiting LGV drivers (C+E licence).

6.4.1 Driver shortage
It is well known that there is a shortage of LGV drivers (Large Goods Vehicle) throughout the UK An FTA report (Freight Transport Association report, October 2001) contains the somewhat frightening conclusion from the Government's Road Haulage Forum that "The group estimates that between 50,000 and 80,000 drivers will have to enter the industry over the next two years, in addition to those required to offset natural wastage".

86% of sampled companies believe there is a CURRENT LGV driver shortage
This situation is made worse because in some cases companies who do not claim they have a problem now, believe they will have a problem if their older, long serving drivers were to leave.

62% of North-Essex companies believe they will have a problem in the future
(The forthcoming Working Time Directive will compound this problem).

Despite these concerns the survey shows that very little seems to be done by the very companies that will be damaged by this future shortage. Although many businesses were extremely frustrated by this problem, few companies were able to get beyond the 'problem stating' stage.

Very few companies were prepared to pay for LGV training; instead like many companies in Shipping they "wanted the finished article". In fact only 13% of our sample had financed the training of a new Driver.

6.4.2 Costs of HGV training
The costs of obtaining an LGV1 (now called a C+E) licence are approximately:

a. Car to C Licence	= £1000	8 weeks
b. C licence to C+E	= £ 900	5 weeks

(These costs assume capable drivers, and the passing of the theory and practical tests first time)

Almost all the employers of C+E drivers said that they wanted to recruit from a ready made supply of experienced drivers, who were preferably over 25 (lower insurance excesses) and had at least two years LGV experience (lower risk of vehicle damage and better asset utilisation).

Those companies who do pay for driver training usually employ Class1 (rigid) vehicle drivers and then train them up, understandably demanding a written agreement for the employee to repay the cost should he leave before say 12 months

Comment a
Tax incentives: Would it be possible for any company training these essential drivers to obtain some tax (or other financial) credit should the employee leave the funding company?

Comment b
The Driver's Lot is not a happy one! Most long distance drivers face:
- Long (50-70) hrs and Anti-social work patterns (away 2-4 night per week)
- Sleeping in cab and poor hygiene facilities in truck stops
- Road Congestion
- Limited earning growth
- Few perks such as Sick pay, pensions
- They perceive themselves as being disliked by other motorists
- Minimum legal age for Class 1 = 21
- Minimum 'desirable' age for E+C1 = 25 years
- Often want experienced drivers (lower damage)

Assuming 65 hours per week a C+E driver, away 3 nights per week, might earn £22-27k pa. Gross: it is unlikely he will be paid sick pay or have a company funded pension scheme.

Some owners felt that this was not a bad wage for people who are 'Gypsies', moving from company to company for a few £s extra. Some also felt that the drivers would find no better paid job given the few qualifications they had.

Others argued that this was not enough money to encourage the younger people to become drivers, especially as there is a perception that the young are "not prepared to put up with any inconvenience".

Whatever the perception – or indeed its accuracy - it is clear that greater thought needs to be applied to acquiring a rare resource (i.e. Drivers) without which these businesses will not run

6.4.3 Working Time Directive
This EC regulation is expected to come into effect in 2005 for most companies, and 2007 for Owner-drivers. It will restrict the working hours to an average of 48 hours over a 17-week period, and fills most companies with Horror.

"I don't want to think about it".

Comment a
One Company felt that it might make it easier to raise haulage rates if everyone was forced to adhere to the WTD: clients would be forced to accept higher rates as no one would be able to offer lower rates. Current wage rates could then be maintained for fewer hours, thereby making the job more acceptable. This interpretation was an exception.

Another view was that as so many Logistic companies would go out of business, those requiring their goods to be moved would have difficulty in finding a company to do so. Thy would therefore be keen to enter into contracts with Logistic companies if they were to protect their businesses.

Comment b
(A TGWU-funded survey "Future skills and Training in the Transport sector", winter 2001, which majored on the concept of "Lifelong learning" had as its aims:
1. To examine the training needs of employees in the transport sector
2. To identify any barriers preventing employees from undertaking further training.

It argued that training was wider than just vocational needs, and would increase the attractiveness of the driving profession and help employers retain staff. Having spent little time with the drivers themselves it is not possible to sensibly comment on these assumptions, but no employer has offered this idea as a solution to the shortage of drivers and their retention of those they currently employ. The Owners argue that their drivers are primarily interested in the "pounds in their pockets").

Comment c
Foreign Drivers; A number of our interviewees mentioned that mainland European drivers (often from the poorer ex-communist countries) were either driving vehicles into the UK or were seeking work permits to be employed – at lower wages – in the UK. It has not been possible to quantify the level of this threat to UK employment.

Comment d
The Freight Transport Association in their October 2001 report, "Solving the skills Shortage", contains much analysis and information

The FTA Report contains nearly 20 detailed recommendations for national action, covering some 13 areas. It clearly makes sense to support recommendations that have presumably followed careful thought by many people heavily involved in the Logistics industry.

However the striking impression gathered from nearly all HGV employers is one of a degree of frustration and fatalism that inhibits the ability to think through real solutions.

It is clear that most of the smaller companies work, as is usual with most SMEs, only on day-to-day problems, and don't feel able to look forward to the problems facing them. If these local companies anticipate a massive shortage of suitable drivers then the structures must be put in place to encourage solutions.

6.5 Rail Freight
One rail operating company carries rail freight into this area: this consists of bulk freight such aggregates, and petroleum products, but with little containerised traffic. Any growth in volumes carried will be limited by the capacity of the existing line from Manningtree to London.

Only Train drivers and 'ground staff' are located in north-Essex (no admin). Operational and Safety standards, on which training needs are established, are handled nationally.

6.6 Ports
The four north-Essex Ports employ 435 people, with Harwich International employing 250: there are approx. 3.5 employees outside for every one employed in the ports. (This excludes the many people who work for companies offering sub-contracted services). The success of these ports support many workers, directly or indirectly.

Clearly there is an under utilisation of Harwich capacity, with many people commuting to work outside the area. All people interviewed were keen for Bathside Bay to go ahead and generate additional employment, and economic improvement of the area.

Mistley and Brightlingsea handle small ships and bulk cargos. This includes metals, rock, wood, fertilisers, grain etc. It is not thought likely that they will significantly increase their employed numbers.

6.7 Shipping
This sector has many specialised areas within it, and it seems that staff are expected to stay in one functional area. Harwich ports are less associated with containerised traffic: they also tend to deal with accompanied vehicles on journeys to other EC countries. As such the involvement of Customs is lower, and this affects the mix of Essex-based staff.

In many cases it seems that personal self-confidence (the ability to handle difficult situations or people, and to negotiate the best rate) and a well-established knowledge of routes, Freight Forwarding procedures (often specific to the employer) are valued more than the ability to learn and bring new thoughts to the process. Acquired experience, and lower start up costs for shipping companies, leads to the existence of many small companies.

Formal qualifications are not generally valued, or specifically rewarded if subsequently gained. There seems a general reluctance to invest in people skills. (only 13% of companies were proposing to provide relevant training over the next 12 months).

However nearly 25% think they will have trouble recruiting in the future, and clearly more effort to retain staff will be required through better future development or employment package, if this problem is to be contained.

The wish to recruit " the finished article" appeared frequently in the survey, and while understandable, this seems too fatalistic given the clear shortage of suitable applicants. The impression was formed that in some companies the applicant was expected to be "the finished article" even to the extent that he/she already knew the detailed processes of the potential employer. This apparent reluctance to 'customise' the skill set of new employees will obviously cause recruitment difficulties for that company.

It was also noted that frequent concerns were expressed about young people 'not having the work ethic' required, or 'the accuracy', or their 'unwillingness to work the hours'. This clearly deters employers from taking time to develop new staff.

6.8 Passenger handling
Two "passenger' companies were interviewed. One was a Coach company, the other a Passenger Travel company.

Both companies had difficulties recruiting their key job functions, namely Public Service Vehicle (PSV) drivers for the Coach company, and Call Centre staff for the Travel company.

Although not formally verified, when compared with say a PSV test, the product training for the Call Centre staff was long and complex, and hence costly. Staff turnover was a cost to be avoided where possible.

6.9 Effect of Bathside Bay development
The proposed Bathside Bay development by Hutchinson could lead to the employment over the next 5 years of an additional 400-500 ports workers and maybe another 1000-1500 Shipping and Logistics staff. (and perhaps more staff involved in the wide range of support services).

This would clearly make worse the known skills shortage in North Essex, However the Suffolk ports would also be effected because many of those Essex people who commute to Felixstowe and Ipswich, would seek to work in Essex.

6.10 Use of IT
Approximately 25% of Shipping and 38% of Logistics companies have carried out some IT training: however much of this is low level use of MS Word and Excel, with very little use of Access or PowerPoint. MS Office is the default application for most companies: familiarity with it and wider use would be a mechanism for beginning the questioning of the way business is conducted, and properly used IT would improve company productivity and presentation to its customers.

Generally little wish to be pro-active in the use of IT was found, other than the use of certain proprietary applications for Passenger, Logistics and Port management.

It is believed that a programme to encourage the wider use of IT systems for these SMEs should be undertaken by a relevant agency.

6.11 Support for Small Businesses
It was obvious from many Interviews that most businesses, and certainly the SMEs that dominate the Shipping and Logistics sectors, had little idea as to what support agencies could offer them.

Very few companies recognised such agencies as the LSCs, Business Link or Essex Chamber of Commerce when mentioned. But many companies showed enthusiasm in seeking such support from them.

It is understood that it might very difficult for such agencies to get their message across to these companies, often managed by very busy people, who are under time and cost constraints. Criticism of the effort of such agencies is not implied, but nevertheless the success rate in our sample was not high enough.

6.12 Suffolk Ports, Logistics and Shipping (SPLaSh)

A similar SNA (SPLaSh) has been completed in Suffolk, funded by LSC Suffolk. This has looked at the same sectors as SPLaSH, but excluding Rail freight or Passenger activities, and the report "A Skills Needs Analysis of Suffolk-based Ports, Logistics and Shipping Companies" was published in April 2002.

It is hoped that both reports will be communicated to the Haven Gateway Partnership, via the respective LSC's and/or the Porthole Group.

7. Recommendations

7.1 General

7.1.1 Essex LSC should host a 'EPLaSh' Report launch and initiate other promotional activities

7.1.2 Essex LSC should support the creation of an 'EPLaSH' steering group (an enlarged Porthole?), chaired by an Industry leader, to bring together a cross section of Employers, Training Companies, Education centres and funding agencies.

7.1.3 This 'EPLaSH' steering group should appoint, and Essex LSC should help fund, a project manager (and admin support) to build up a collective commitment, create detailed plans and drive actions forward (appointed for a minimum of 24 months)

7.1.4 Essex LSC should fund a 'EPLaSh' Conference, to be organised by 'EPLaSH' steering group and the Project manager, to bring together Employers, Training and Educational establishments and professional institutes, to discuss the issues raised in this report

7.1.5 The project manager should draw up an action and training plan and submit bids for funding of required training and development programmes.

7.1.6 The project manager and 'EPLaSH' steering group should be supported by LSC, Business Link etc. in creating contacts with the many SMEs in these sectors

7.2 Company Responsibilities

7.2.1 Employers wishing to prosper should take responsibility for training their staff, and make greater external efforts to benefit from the likely growth in the UK economy.

7.2.2 Employers should make greater efforts to retain the trained staff they have, via better employment packages, more career progression and greater staff involvement.

7.2.3 Employers should make sure that they engage with any Porthole/LSC/HGP initiatives and take advantages of any assistance offered

7.3 General Strategic issues

7.3.1 LSC Essex should work with LSC Suffolk to see whether joint funding of a Project Team (Project Manager, assistant, facilities etc.) to cover the HGP area were possible.

7.3.2 Porthole Group should be supported by publics funds in its efforts to promote the benefits of Shipping as a career

7.3.3 Essex LSC should develop programmes, whereby the awareness and utilisation of IT could be increased.

7.3.4 Action on this project should not be delayed by the Haven Gateway Partnership while they set their wider Business Plans, strategies and organisation.

8. SOC codes and Definitions

The Standard Occupational Codes (SOC) assumed for each of the four sectors, Ports, Logistics, Shipping and Passenger, are shown below:

Logistics	60.24	60.249	60.30	63.11	63.12
(Rail	60.10	60.109			
Ports	63.22				
Shipping	61.102	63.40			
Passenger	60.23	61.101			

It should be noted that some companies were involved in activities crossing the Shipping and Logistics boundaries. They have been allocated to the sector in which they employ the highest proportion of their staff.

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TeamHumber, Goole (Stuart Wilson and his team)
FISO

10. Tables

Table B: North-Essex database - demographics

Range	*Companies in range*		*Employees*	
Database Totals	**Total Companies =**	**130**	**Total Employees =**	**2348**
LOGISTICS	**Total Co's Logistics =**	**81**	**Total Employees =**	**1463**
(inc Rail)	0-50 employees	77	Sub total employees	**909**
	51-150 employees	3	Sub total employees	**254**
	>150 employees	1	Sub total employees	**300**
PORTS	**Total Co's PORTS =**	**6**	**Total Employees =**	**486**
	0-50 employees	3	Sub total employees	**36**
	51-150 employees	2	Sub total employees	**200**
	>150 employees	1	Sub total employees	**250**
SHIPPING	**Total Co's SHIPPING =**	**41**	**Total Employees =**	**207**
	0-50 employees	41	Sub total employees	**207**
PASSENGER	**Total Co's Logistics =**	**2**	**Total Employees =**	**192**
	51-150 employees	2	Sub total employees	**192**

Table C: Companies Interviewed - demographics

Range	*Companies in range*		*Employees*	
Sample Totals	**Sample Companies =**	**25**	**Sample Employees =**	**1101**
LOGISTICS	**Sample LOGISTICS =**	**8**	**Sample Logistics Emps =**	**353**
(inc Rail)	0-50 employees	6	Sub total employees	**179**
	51-150 employees	2	Sub total employees	**174**
PORTS	**Sample PORTS =**	**6**	**Sample Ports Emps =**	**486**
	0-50 employees	3	Sub total employees	**36**
	51-150 employees	1	Sub total employees	**250**
	>150 employees	2	Sub total employees	**200**
SHIPPING	**Sample SHIPPING =**	**9**	**Sample Shipping Emps =**	**70**
	0-50 employees	9	Sub total employees	**70**
PASSENGERS	**Sample PASSENGERS =**	**2**	**Sample PASS Emps =**	**192**
	51=150 employees	2	Sub total employees	**192**

11. Graphs

Workforce Breakdown

(graphs have been dropped from this document for speed of transmission: they are the same as appeared in the earlier version

hardcopy will be sent by post

Logistics

Shipping

Ports

Passengers