

# House of Commons Transport Select Committee

## Skills for Transport Manufacturing

### Submission by the Chartered Institute of Logistics and Transport in the UK (CILT(UK))

September 2025

#### Introduction to CILT(UK)

The Chartered Institute of Logistics and Transport in the UK (CILT(UK)) is the chartered membership body for professionals involved in the movement of goods and people and their associated supply chains.

We bring together five communities:

- Logistics & Freight Movement
- People Mobility
- Planning in Transport
- Operations and Supply Chain Management
- Sustainability & the Global Community

CILT(UK) provide specialist activities and multi-sector engagement through their associated forums and policy groups.

First established in 1919, The Chartered Institute of Logistics and Transport in the UK is a registered charity and part of the CILT international family with over 33,000 members in countries across the world.<sup>1</sup>

CILT(UK) is a regulated awarding organisation and a leading provider of Transport Manager Certificate of Professional Competence (both for Road Haulage and Passenger Transport) qualifications. It offers professional qualifications supporting pathways to CILT(UK) professional membership.<sup>2</sup>

CILT(UK) is a training provider offering regulated qualifications and non-regulated training in the logistics and transport sector.<sup>3</sup>

CILT(UK) is a founding partner of Generation Logistics, a pioneering industry-led and government-backed campaign, to bring all corners of the industry together to change perceptions and raise awareness of our sector with young people (aged 13-24). Now in Year

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<sup>1</sup> <https://ciltuk.org.uk/About-Us>

<sup>2</sup> <https://ciltuk.org.uk/Find-a-Qualification>

<sup>3</sup> <https://ciltuk.org.uk/PD/Learning-Centre>, <https://www.ptrc-training.co.uk/>

4, the campaign has over 8 million social media engagements with a 37% increase in sector awareness and 212% increase in positive sentiment.<sup>4</sup>

CILT(UK) also co-ordinates NOVUS, a not-for-profit collaborative venture between leading blue-chip companies and prominent Universities. The scheme is designed to attract, inspire and develop the next generation of supply chain professionals. At present, only limited numbers of students choose to study logistics at degree level, with demand for graduates outstripping supply. NOVUS works exclusively with courses that offer an industrial placement, which is facilitated by the sponsoring companies.<sup>5</sup>

The Chartered Institute of Logistics and Transport in the UK (CILT(UK)) is submitting this response as the chartered professional membership body for logistics and transport professionals, for which transport manufacturing is a key associated sector.

a. **What are the main skills needs facing transport manufacturers?**

See response to b.

b. **How far is there overlap between the skills needs of manufacturers in different transport sectors?**

Independent analysis (by IBISWorld) suggests automotive, rail, aviation manufacturing and shipbuilding have similar skills needs in terms of Research and Development (R&D). For example, the demand for fuel-efficient vehicles and those using alternative power sources (e.g. hybrid, electric, hydrogen technology), driven by higher conventional fuel costs, low carbon environmental targets and regulatory pressures while meeting consumer and corporate buyer expectations. Recruitment and retention of skilled engineers and tradespeople are essential to design and build vehicles and associated parts to a high standard and automate production, to enable UK companies to compete both with UK and overseas competitors and in home and overseas markets.

c. **How effective are the pipelines for new workers into transport manufacturing, including from schools and colleges, from universities and apprenticeships, and recruiting older workers returning to or changing jobs?**

See response to e.

d. **How have technology and net zero changed the skills mix that is needed, and how prepared are transport manufacturing industries for future changes?**

No comment.

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<sup>4</sup> <https://generationlogistics.org/year4/>

<sup>5</sup> <https://ciltuk.org.uk/careers/novus> <https://www.novus.uk.com/discover-novus/who-we-are/>

e. **What are the main challenges in upskilling existing workforces?**

**Decline in employer investment in training**

British employers reduced investment in staff training by £6 billion in 2024 compared to 2022 and training spend per employee dropped £260 to £1,700, representing a 29.5% decline since 2011 when adjusted for inflation. 6% of businesses report at least one skills shortage vacancy. 34% of manufacturing vacancies were classified as skill-shortage positions.<sup>6</sup> Participation in apprenticeships has fallen by almost a fifth between 2016/17 and 2023/24.<sup>7</sup>

**Transition from Apprenticeship Levy to the Growth and Skills Levy**

Currently, the Apprenticeship Levy is rate is 0.5% of an employer's annual pay bill where it is over £3 million annually. However, employers may only use it for Apprenticeship training.<sup>8</sup>

Significant flexibility in the Growth and Skills Levy to spend on non-apprenticeship qualifications and training (regulated and non-regulated), has been supported by employers, awarding organisations, colleges and other further education stakeholders since it was proposed in 2022 (see sector reaction section of this article).<sup>9</sup>

In its election manifesto, the current Government committed to creating "*a flexible Growth and Skills Levy, with Skills England consulting on eligible courses to ensure qualifications offer value for money.*"<sup>10</sup> With indications of non-Apprenticeship flexibility of up to 50% of levy contributions.<sup>11</sup>

However, following the 2024 Budget, the 2025 Spending Review and the Industrial Strategy, Department of Education (DfE) has yet to confirm details of Growth and Skills Levy flexibility nor a timescale for implementation. As a professional membership body for the Logistics and Transport sector, CILT(UK) believes this flexibility is urgently required to support the high quality non-Apprenticeship provision available across the sector. Skills shortages, aging sector demographic profiles, technological change (e.g. increased automation and use of A.I.) and the Government's focus on infrastructure and defence spending, make the need for recruitment, retention and upskilling and reskilling essential to support transport manufacturing and associated sectors such as logistics and transport. Beyond revised shorter and Foundation Apprenticeship provision and unspecified "short courses", no firm

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<sup>6</sup> <https://www.fenews.co.uk/skills/employers-cut-training-investment-by-6bn-as-skills-shortages-ease-but-long-term-concerns-remain/>

<sup>7</sup> [The UK's Modern Industrial Strategy](#) (p. 64)

<sup>8</sup> <https://www.gov.uk/guidance/pay-apprenticeship-levy>

<sup>9</sup> <https://www.fenews.co.uk/skills/labour-announces-landmark-shift-in-skills-to-drive-growth-and-equip-our-country-for-the-future/>

<sup>10</sup> <https://labour.org.uk/change/break-down-barriers-to-opportunity/>

<sup>11</sup> <https://ifs.org.uk/articles/labours-growth-and-skills-levy-would-give-more-flexibility-firms-employers-would-still>

commitment has yet been made by DfE regarding levy funding of existing non-Apprenticeship provision.

### **Further Education (FE) – decline in public funding of qualifications (non-Apprenticeship provision)**

Further Education (FE) is vital to training a wide range of transport manufacturing and logistics and transport professions at all qualification levels yet “*since its peak in 2003–04, total public spending on adult skills has fallen by 31%*” and “*The number of publicly funded qualifications started by adults has declined by 70% since the early 2000s, dropping from nearly 5.5 million qualifications to 1.5 million by 2020.*”<sup>12</sup> With post-Brexit skills shortages affecting industry, visa restrictions and the need to recruit more UK workers, the post-Covid increase in economic inactivity and the number of young people Not in Education, Employment of Training (NEETs), the Government is targeting an 80% employment rate.

CILT(UK) believes a fully flexible Growth and Skills Levy would support this goal in tackling skills shortages in sectors such as transport manufacturing, logistics and transport. The Advanced Manufacturing Sector Plan states: “*However, serious skills shortages hold the manufacturing sector back – with around 49,000 total vacancies.*”<sup>13</sup>

### **Higher Education (HE) – financial pressures facing undergraduates and graduates**

Transport manufacturing and associated professions requires high level skills such as engineering and computing. While Higher Education maintenance loans were increased slightly in 2025 for the first time since 2018, they have not kept up with inflation and cost of living pressures, particularly affecting less well-off students.<sup>14</sup>

As a result, 68% of students now undertake paid work during term time – up from 54% in 2024. Hours spent on independent study have decreased, from 13.6 hours per week in 2024 to 11.6 hours in 2025, meaning less well-off students are less likely to do well in their studies and more likely to fall behind or dropout all together.

37% of students perceive their course as good value for money (down from 39% in 2024), while 29% perceive poor value. 11% of students would now choose an option outside higher education–(6% in 2024): “*the student experience is completely different to the norm when today’s policymakers were in higher education.*”<sup>15</sup>

The average graduate student debt has risen over £48,000<sup>16</sup> and research indicates the least well off students carry the highest burden of debt as they are more reliant on maintenance

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<sup>12</sup> <https://ifs.org.uk/news/adult-skills-spending-down-third-early-2000s-its-about-much-more-funding-levels>

<sup>13</sup> <https://www.gov.uk/government/publications/advanced-manufacturing-sector-plan> (p. 24)

<sup>14</sup> <https://educationhub.blog.gov.uk/2024/11/student-fees-and-maintenance-loan-increase-what-you-need-to-know/>

<sup>15</sup> <https://www.hepi.ac.uk/2025/06/12/more-than-two-thirds-of-full-time-students-now-undertake-paid-work-during-term-time-major-survey-reveals/>

<sup>16</sup> [Student loans: Almost 1.8 million owe more than £50,000 - BBC News](https://www.bbc.co.uk/news/uk-59341111)

loans.<sup>17</sup> The risk is this deters many young people from pursuing higher education or limiting their options to institutions closer to home which may not be as suitable for their chosen degree course or career path. There is also evidence that graduates burdened by debt are less likely to pursue the career they intended after graduation.<sup>18</sup>

In the logistics industry, only limited numbers of students choose to study logistics at degree level, with demand for graduates outstripping supply. Since 2012, CILT(UK) has been coordinating the Novus programme working with universities and employers to offer funded work-based undergraduate and graduate opportunities in the logistics industry. CILT(UK) believes similar initiatives for the Higher Education talent pipeline in priority sectors related to Logistics and Transport such as Advanced Manufacturing and Defence are essential.

### **Importance of Careers Information, Advice and Guidance**

In addition to funding for skills in priority sectors, a long-term commitment to the key role of careers information, advice and guidance is required, not just to assist with accessing work in general but attracting the talent to upskill and reskill in priority sectors. The Department for Work and Pensions (DWP) will be merging the jobs and careers service<sup>19</sup>, will the Department for Transport (DfT) and Department for Business and Trade (DBT) be working with DWP in this area in terms of transport and transport manufacturing to raise awareness of the sector and the range of roles and career paths available? The proposed combined National Careers and Job Centre Service will also become key for learners but DWP has yet to set out how the allocated £55 million in funding will be spent.<sup>20</sup> With the increased devolution of skills funding, effective information, advice and guidance will be vital for learners and employees of all ages to navigate local skills and training priorities.

The “UK’s Modern Industrial Strategy - Advanced Manufacturing Sector Plan” refers to the importance of changing “*outdated perceptions of manufacturing, including upskilling careers advisers on this cutting-edge and exciting sector.*”<sup>21</sup> As a founding partner of Generation Logistics, a successful government-backed and industry funded campaign to attract new talent to the sector (see Introduction), CILT(UK) believes these activities are critical to changing perceptions of priority industries to attract the new generation of talent.

Each logistics supply chain requires so many different skills, and creates so many opportunities, not just driving and transportation (road, rail, sea and air) and infrastructure-related but also warehousing, customs and international trade, operations excellence and solutions design, engineering, environment and sustainability, consultancy, etc. Like any

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<sup>17</sup> <https://www.suttontrust.com/news-opinion/all-news-opinion/time-to-end-travesty-of-poorest-students-racking-up-highestdebts/>

<sup>18</sup> <https://www.theguardian.com/money/article/2024/aug/04/id-be-better-off-if-i-hadnt-been-to-uni-uk-graduates-tell-of-lives-burdened-by-student-loans>

<sup>19</sup> <https://feweek.co.uk/dwp-to-merge-jobcentre-plus-and-national-careers-service/>

<sup>20</sup> <https://feweek.co.uk/pac-unclear-how-dwp-will-spend-55m-for-merged-jobs-and-careers-service/>

<sup>21</sup> [The UK’s Modern Industrial Strategy - Advanced Manufacturing Sector Plan](#) (p. 26)

other sector it also needs expertise for support services: customer care, finance, HR, maintenance, sales and marketing, etc.<sup>22</sup>

The Spending Review outlined defence spending rising by £11bn by 2027/28, infrastructure commitments included £30bn for nuclear energy and £15bn for transport outside London.<sup>23</sup> Transport manufacturing, logistics and transport expertise will be vital for public and private sector investors to deliver these commitments.

### **Post-16 Education and Skills White Paper**

The Post-16 Education and Skills White Paper mentioned in the Industrial Strategy, due later this year, will be key in setting out the detail of implementation of FE and HE skills commitments outlined in the Spending Review and the Industrial Strategy.<sup>24</sup>

f. **Are there particular skill shortages, or examples of success in developing skills, at different points in the supply chain?**

No comment.

g. **How effectively are different government departments working together, and working with local and combined authorities, to ensure transport manufacturers have the right incentives and support for maintaining a skilled workforce?**

### **Impact of devolved skills funding**

Around 60% of the government's adult education budget in England has been devolved to mayoral combined authorities since 2019, set to increase to 70-80% by 2027. In some cases, separate funding streams are combined, including adult skills, housing, transport and local growth, permitting more flexibility to allocate funds. The Department for Education (DfE) recent announcing a pilot for devolving adult skills budget with 11 local authorities.<sup>25</sup> However, DfE has cut adult skills budgets by 6% in 25/26.<sup>26</sup>

While addressing local skills needs is desirable in principle, in practice there is a risk of a potential 'postcode lottery' in terms of which provision is funded and to what extent, and divergence in learner and qualification, application processes, etc., leading to bureaucracy and complexity for awarding organisations, training providers and learners seeking to navigate the system, with less funding reaching training providers and learners. Relevant talent not located in high demand areas of the country may find it challenging to access relevant opportunities and courses.<sup>27</sup>

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<sup>22</sup> <https://generationlogistics.org/what-is-logistics/>

<sup>23</sup> <https://www.gov.uk/government/speeches/spending-review-2025-speech>

<sup>24</sup> [The UK's Modern Industrial Strategy](#) (p. 67)

<sup>25</sup> <https://feweek.co.uk/back-door-devolution-as-11-councils-get-extra-procurement-powers/>

<sup>26</sup> <https://feweek.co.uk/dfe-announce-6-cut-to-national-adult-skills-budgets/>

<sup>27</sup> <https://feweek.co.uk/devolving-16-19-funding-would-be-a-nightmare-minister-warned/>

With the Education Skills Funding Agency recently abolished, the role of Skills England as a co-ordination body and information service for accessing local skills initiatives and funding for employers, training providers and awarding organisations will be critical, but it is not currently clear how this will be managed in practice.

**h. How effectively will the Government's Modern Industrial Strategy and sector plans support skills in transport manufacturing? What is missing?**

### **Advanced Manufacturing**

Given the focus on R&D in the transport manufacturing sector, the commitment in the Industrial Strategy to £4.3 billion in funding for the Advanced Manufacturing sector, including up to £2.8 billion in R&D funding is welcome.

Launching a new Upskilling and Reskilling Programme specific to Advanced Manufacturing businesses, which will address the need for short courses from April 2026 for the G&S Levy but further details yet to be provided (e.g. Are these shorter apprenticeships or new non-Apprenticeship qualifications or will existing regulated and/or professional qualifications be accepted, if so what are the qualification eligibility criteria, etc.).<sup>28</sup>

### **Post-16 Education and Skills White Paper**

The Post-16 Education and Skills White Paper mentioned in the Industrial Strategy due later this year will be key in setting out the detail of implementation of skills commitments outlined in the Spending Review, Industrial Strategy (*"Enhance skills and accelerate access to talent"*)<sup>29</sup> and Advanced Manufacturing Sector Plan (*"Develop a digitally literate, skilled, and inclusive workforce"*).<sup>30</sup>

### **What is missing?**

#### **Key role of freight and logistics**

Outside of the eight priority sectors, the importance of Freight and Logistics is highlighted on page 89 of the Industrial Strategy: *"The freight and logistics sector makes a vital contribution to the UK economy and the competitiveness of the IS-8, ensuring that the right goods are in the right place at the right time . . . Oxford Economics have estimated that in 2019 every pound of output from the freight and logistics sector generated £2 of spending elsewhere in the economy, through supply chains and employee spending."*<sup>31</sup>

But despite its importance to delivering the Industrial Strategy, the document is silent on skills commitments for this sector.

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<sup>28</sup> [The UK's Modern Industrial Strategy](#) (p. 117-19)

<sup>29</sup> [The UK's Modern Industrial Strategy](#) (p. 64-72)

<sup>30</sup> <https://www.gov.uk/government/publications/advanced-manufacturing-sector-plan> (p. 8,24-26)

<sup>31</sup> [The UK's Modern Industrial Strategy](#) (p. 88-89)

CILT(UK) suggests there needs to be long-term commitment to investment in upskilling and reskilling and careers information, advice and guidance, in the freight and logistics industry specifically (including but not limited to Generation Logistics), as outlined in the response to question e.

In addition to infrastructure commitments, the Spending Review outlined increasing NHS spending by £29 billion per year, defence spending rising by £11bn by 2027/28 and £39bn for an Affordable Homes Programme. Additional freight and logistics capacity and expertise will be needed in all these areas to deliver these commitments.<sup>32</sup>

### **Skills England “Assessment of Priority Skills to 2030” (12/08/25)<sup>33</sup>**

Note: this document was released in html format only, so does not have page numbers. Document headings are used instead.

The Executive Summary states:

*“This initial assessment provides valuable information to help prioritise where training can most effectively support employment in jobs delivering on government and industry priorities. This is a first step towards bringing together sector-specific estimates in a consistent and comparable way to support policymaking on skills training.”<sup>34</sup>*

However, our analysis indicates that outcomes set out in the document are based on data that does not provide a full picture of the relevant training and skills available.

#### ***Sector estimates: Advanced Manufacturing***

The document states that *“Overall employment growth in the sector out to 2030 is projected to be flat based on historical employment trends since 2010, with economic growth coming from productivity improvements driven by investment and technological advances.”* In other words, the Advanced Manufacturing workforce size of 760,000 in 2025 is not expected to increase by 2030.<sup>35</sup>

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<sup>32</sup> <https://www.gov.uk/government/news/chancellor-announces-record-investment-to-rebuild-national-health-service>

<sup>33</sup> <https://www.gov.uk/government/publications/assessment-of-priority-skills-to-2030>

<sup>34</sup> <https://www.gov.uk/government/publications/assessment-of-priority-skills-to-2030/assessment-of-priority-skills-to-2030> (Executive Summary)

<sup>35</sup> <https://www.gov.uk/government/publications/assessment-of-priority-skills-to-2030/assessment-of-priority-skills-to-2030> (Sector Estimates, Advanced Manufacturing)

## **Advanced Manufacturing – logistics and transport occupations**

Within the report and within the accompanying data tables, the Advanced Manufacturing sector, Transportation Operations and Maintenance is highlighted as well as specific logistics and transport occupations, notably:

- (Unit code) 1241 Managers in transport and distribution
- 1242 Managers in storage and warehousing
- 1243 Managers in logistics<sup>36</sup>

These have been identified in the report as relevant occupations within a priority sector (advanced manufacturing) but are not listed as priority occupations. The cross-sector importance of Freight and Logistics is highlighted in the Industrial Strategy and given the critical role it plays in supporting advanced manufacturing as previously outlined, CILT(UK) would suggest logistics and transport occupations, training, funding and careers guidance should be prioritised in advanced manufacturing.

### **Quality of data available for the report**

The value of the conclusions of this report appears to be limited by the number of caveats regarding the data analysis:

- *“This analysis focusses on education supply into priority occupations from government funded training. The estimates do not cover other methods of learning or upskilling, such as employer-funded training, or supply of workers from other routes like migration”*<sup>37</sup>  
This is a significant omission. Given the focus on funded Apprenticeship and HE provision and the fall in funding for other provision in recent years (e.g. regulated vocational qualifications), the role of vocational qualifications and learner and employer-funded learning is underplayed in the report
- *“It does not include an estimation of the workers needed to replace those leaving the workforce, often referred to as replacement demand.”*<sup>38</sup> Again a key omission, the aging workforce is a significant issue within the manufacturing, logistics and transport industries.<sup>39</sup>
- *“It also does not capture retraining of the existing workforce to account for technological change, for instance from artificial intelligence (AI).”* – Again, a potentially significant development within the manufacturing, logistics and transport industries.

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<sup>36</sup> <https://www.gov.uk/government/publications/assessment-of-priority-skills-to-2030> (“Accompanying Tables”, ‘occupation expected level’, ‘App relevant employment’, ‘FE relevant employment’ spreadsheet tabs)

<sup>37</sup> <https://www.gov.uk/government/publications/assessment-of-priority-skills-to-2030/assessment-of-priority-skills-to-2030> (“Key findings – current education supply”)

<sup>38</sup> <https://www.gov.uk/government/publications/assessment-of-priority-skills-to-2030/assessment-of-priority-skills-to-2030> (“Introduction-Approach”)

<sup>39</sup> <https://www.rha.uk.net/news/news/detail/road-transport-s-skills-crunch-why-we-need-bold-reform-not-half-measures>

Skills England admits it needs to “carry out further work to improve evidence in these areas, alongside ongoing work to refine this analysis further, establishing a robust process and methodology for assessing skills needs.”<sup>40</sup>

However, the report Executive Summary indicates that the data analysis is likely to inform decisions on education and skills priorities and funding eligibility (e.g. the Growth and Skills Levy), and given the limitations of the data, what is already publicly funded (Higher Education and Apprenticeships) is likely to receive higher priority, rather than what is currently unfunded provision. The employment rates for apprenticeships in (for example) in transportation operations (64%)<sup>41</sup> are listed as significantly higher than for publicly funded FE / vocational qualifications (38%)<sup>42</sup>, but in CILT(UK)’s view, this does not accurately reflect the quality, relevance and take up of regulated qualifications and other provision less likely to be funded.

We would suggest a more comprehensive analysis is required on which to base decisions for upskilling priority sectors and to fully map and understand the role of regulated qualifications and non-regulated training that does not attract public funding. This includes regulated and non-regulated training offered by Chartered professional membership bodies using their and their members’ sector knowledge and expertise to drive up standards and promote upskilling and Continuous Professional Development (CPD).

The value of the private training market and regulated qualifications markets in England are substantial:

#### **Value of the private training market in England (not including employer in-house training)**

- In 2021, the Learning And Work Institute valued the private training market at £2.95 billion, which does not include training delivered by employees internally to staff
- There are over 12,000 private training providers in the UK (operating above the VAT threshold)
- Only 1 per cent of training providers have over 250 employees.<sup>43</sup>

#### **Value of the regulated qualifications market in England**

- In 2025, the Office of Qualifications and Examinations Regulation (Ofqual) valued the regulated qualifications market at £900 million
- In 2023/24 there were 5.2 million certificates issued for vocational and other qualifications in the 2023 to 2024 academic year, up 2.6% from the 2022 to 2023 academic year

<sup>40</sup> <https://www.gov.uk/government/publications/assessment-of-priority-skills-to-2030/assessment-of-priority-skills-to-2030> (“Key findings – current education supply”)

<sup>41</sup> [Assessment of priority skills to 2030 - GOV.UK](#) (‘App relevant employment, spreadsheet tab)

<sup>42</sup> [Assessment of priority skills to 2030 - GOV.UK](#) (‘FE relevant employment’ spreadsheet tab)

<sup>43</sup> <https://learningandwork.org.uk/wp-content/uploads/2021/01/The-private-training-market-in-the-UK-Sector-Paper-2.pdf> (p.5, 20)

- There are over 150 awarding organisations offering a total of over 10,000 active vocational qualifications <sup>44</sup>
- *“The strong international reputation of Ofqual-regulated qualifications underpins an extensive export market, with more than 8.5 million certificates being awarded to students outside of the UK”* in 2023/24. <sup>45</sup>

[The-private-training-market-in-the-UK-Sector-Paper-2.pdf](#)

[Qualification price statistics report: 2025 - GOV.UK](#)

[Annual qualifications market report: academic year 2023 to 2024 - GOV.UK](#)

i. **How can the UK grow employment in transport manufacturing?**

No comment.

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September 15<sup>th</sup> 2025

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<sup>44</sup> <https://www.gov.uk/government/statistics/annual-qualifications-market-report-academic-year-2023-to-2024/annual-qualifications-market-report-academic-year-2023-to-2024>

<sup>45</sup> <https://www.gov.uk/government/publications/qualification-price-statistics-2025/qualification-price-statistics-report-2025>