

FUTURE SKILLS ISSUES AFFECTING INDUSTRY SECTORS IN WALES



Automotive sector

Executive Summary

Introduction

This document is one of a series commissioned by the Future Skills Wales Research Forum. The overall project aims to extend and complement the work begun by the original Future Skills Wales project, which forecast future generic skills needs across Wales using forecasting and survey data. The current project adds studies of future vocational skills needs within key sectors in Wales. Each sector study is based on desk research and qualitative interviews with practitioners and employers, and aims to provide an overview of the sector, the skills issues, and current and potential actions to further strengthen the sector.

Businesses and employees in each of the sectors studied have achieved great successes; that is why these sectors have become important for Wales. Our focus on current skills issues should not obscure these achievements or the determination of all concerned to meet current and future challenges.

Sector Profile

This report covers only the manufacturing aspects of automotive related activity; retailing and aftercare are not covered.

The Automotive Manufacturing sector in Wales has important existing strengths. Due in part to sustained inward investment, there are over 80 significant manufacturers in the sector, the majority in the South-East and the Swansea/Llanelli area, with a smaller group in the North, mainly around Wrexham and Deeside. There are a few, locally significant, employers in Mid Wales. The sector employs at least 16,000, and (depending partly on definition) estimates range up to 26,000. Employment in the sector in Wales forms a greater proportion of employment in the UK sector as a whole than is the average for Welsh sectors.

There are prospects for further investment at some sites, and a recent forecast for the sector shows employment growth over the next ten years. This is in contrast to forecast employment decline in the UK sector as a whole, and should benefit particularly West Wales and the North.

However the sector also faces a number of shorter-term and mid-term challenges:

- the probability of declining demand from Rover/Phoenix;
- global consolidation of volume manufacturers and their supply chains;
- regulatory and consumer moves, such as the fuel price protests;
- demands for lower costs and higher added value products.

WDA information shows 34 former Rover suppliers employing around 12,000.

One response to future challenges is interest in techniques like Lean Manufacturing; but new product development, and the formation of new alliances and chains, will also be necessary for growth in the developing global market.

Skills Implications

The changes taking place in the sector have forced a number of developments which will impact on the need for skills in the future:

- multi-skilled teams for flexible, high added value manufacturing;
- a greater development of Level 3 skills for supervision, team leadership;
- more emphasis on higher level entry skills (Level 2) and subsequent development;
- generic skills are at a premium at all levels;
- more need for Level 4 and 5 skills, including in technical areas for R&D and product/market development.

Management and IT Skills

The implications for non-vocational skills include:

- increased importance for management skills for the development of global strategy and alliances;
- more focus on IT skills needs including e-commerce development.

Action on Skills

There is a well developed sector group, the Welsh Automotive Forum, which has been working to address many of the above issues. Key themes for action are:

- supporting the changeover to lean manufacturing approaches, at management and professional levels;
- developing high level marketing and strategy skills;
- supporting skills development for lean manufacturing;
- developing team leaders;
- developing skills in the supply chain, especially in SMEs;
- addressing basic skills issues in the workforce and among new entrants;
- improving the work-readiness of workforce entrants at all levels;
- providing progression within the workforce;
- attracting new recruits into the sector;
- improving the supply and development of IT user and practitioner skills in the sector;
- addressing some specific areas of vocational skills shortage.

Some more detailed recommendations for action and further research are provided in the main report, and summarised in the table below.

Themes and Recommendations

Theme No:	Rec. No:	Action	Timescale	Key Partners
1	1a	Facilitate cross-sector working group on lean techniques linking to existing initiatives	From 2000	Various fora
2	2a	Disseminate best practice in HE/FE in-service provision	2001	HE/FE/ Emps/CETW
	2b	Develop focused auto market intelligence network for Wales (Net-based)	2001	Emps/WDA
3	3a	Review vocational qualifications to check applicability to lean manufacturing	2001/02	NTO/CETW/ Emps
	3b	Review/update assessor training and awareness of lean paradigm	2001/02	NTO/CETW/ Emps
4	4a	Develop scope and availability of existing team leader programme	2001/02	Emps/CETW
	4b	Support proposals for free adult training to Level 2 and make workplace opportunities available	From 2000	Emps/WAF/ Assembly
5	5a	Compile and disseminate directory of existing support programmes for SME training	2001	WDA/ Bus. Connect
	5b	Build supply chain development into sector training cluster programmes	2001/02	WAF/CETW/NTO
	5c	Work to increase focus and profile of Business Connect services	2001/02	WDA/ Bus. Connect
6	6a	Work with Basic Skills Agency to implement common definitions and tests in recruitment and training needs analyses	2001	WAF/CETW/ NTO/ES
	6b	Promote LearnDirect and learning centre opportunities to workforces & jobseekers	From 2000	Ufi/Emps/ WAF/ES
7	7a	Actively seek partnerships with local schools, EBPs, FE and HE	Ongoing	Emps/WAF/EBPs CETW
	7b	Proactively offer teacher/pupil/student placements	2001	Emps/WAF/ HE/FE
	7c	Promote sector plans and prospects to schools, young people and communities	2001	Emps/WAF/ CS/EBPs
8	8a	Consider adoption of new simplified liP standard	Ongoing	Emps/WAF
	8b	Review progression structures and opportunities	Ongoing	Emps/WAF
9	9a	Use existing careers and skills events to promote sector to new recruits	2001	NTO/CS
	9b	Review feasibility of a Wales version of the UK Skills Show (NEC 5-9 July 2000)	Now for 2001	NTOs/Assembly/ UK Skills/fora
10	10a	FE/HE and employers to co-operate to link e-commerce techniques with sector applications	Autumn 2000	WAF/HE/ FE/CETW
	10b	Establish Welsh auto sector portal site for sourcing, information exchange, promotion and training delivery	From autumn 2000	WAF/WDA/ CETW/NTO
11	11a	Review adequacy of provision of Mechatronics training	2001	CETW/WAF

