

AUTOMOTIVE SKILLS PLAN



4.2million
#WMSTRONG



West Midlands
Combined Authority

PURPOSE OF REPORT

The region's Local Industrial Strategy highlights that, performing at its full potential, our economy would be £15.1bn larger.

The West Midlands Combined Authority's (WMCA) Productivity and Skills Commission, which was led by Dr Andy Palmer, Chief Executive and President of Aston Martin Lagonda, was set the task of understanding the region's productivity gap, identifying the component causes and making recommendations to address the issues identified. Recognising the importance of the automotive sector to the West Midlands' economy, the commission identified the need for a clear automotive skills plan that describes the current and future skills needs of the West Midlands automotive sector; the strengths and weaknesses of the region's further and higher education system in addressing these needs; and a clear road-map for developing new co-designed skills solutions. The requirement was for the report to be clear about the sector's skills needs and the exact nature of current barriers preventing our training and skills institutions from addressing them. The WMCA has also committed to setting out clear and practical actions to ensure we make the most of available resources (such as the devolution of the Adult Education Budget; the establishment of Institutes of Technology; and the maximisation of the Apprenticeship levy) and existing best practice, as well as implementing new solutions where needed.

This report builds on the recommendations and actions in the Local Industrial Strategy, which recognises the unprecedented change in transport technology expected over the next decade, and uses an evidence-based approach to highlight the key issues and opportunities faced by the automotive sector. This evidence base includes the results of a survey of automotive sector employers undertaken by Semta - focussing on current and future skills requirements - commissioned specifically to support the development of this report. In addition, WMCA in partnership with Semta, has spoken with trade bodies, colleges and universities and training providers, and undertaken a detailed review of existing reports and evidence to develop this report (see www.wmca.org.uk/auto-skills-evidence).

“The automotive industry is incredibly important to the West Midlands, and the businesses working here employ 28% of the UK's overall automotive sector workforce.

**Andy Street, Mayor of the
West Midlands**

WHY DO WE NEED AN AUTOMOTIVE SKILLS STRATEGY?



The importance of the automotive industry in the West Midlands is well documented. In the second West Midlands devolution deal, published 2017, there was a recognition that: “The government wants the West Midlands to be a national and international hub for developing new automotive technologies, enhancing the UK’s global share of these key growth sectors and contributing to climate change and air quality objectives.”

The West Midlands has a crucial role to play in the UK automotive sector’s future. The West Midlands’ automotive workforce is more than double the size of any other region and we need to ensure that the region’s automotive employers are able to access the volume and range of skills they need to grow and prosper.

The region will be home to the UK Battery Industrialisation Centre (UKBIC), which is due for completion in March 2020. The UKBIC will deliver a facility for use by SME-sized companies to develop collaborative R&D projects that can scale up innovative battery technologies. This will be the catalyst to bring major battery manufacturing capability to the UK, creating a new gigafactory and associated supply chain, and will drive the requirement for a new range of skills.



For these reasons the automotive sector has been highlighted in the Local Industrial Strategy as key in exploiting the market opportunity of ‘Smart Mobility’, where the ambition is for the West Midlands to be the centre of transport innovation in the UK.

IDENTIFIED ISSUES AND ASSOCIATED ACTIONS

In this section of the report we set out the actions we will take to address the key issues highlighted by employers and in the evidence review in the creation of this report.

Creating a coherent and seamless automotive skills capacity and capability that meets the needs of employers

Issues

Current provision, serving the regional automotive sector, is characterised by a complicated patchwork of colleges, universities, private providers and employers' own training, which employers can find difficult to navigate. It is recognised that this, coupled with fast-changing skills requirements, headcount reductions and uncertainties over Brexit, will pose particular challenges in ensuring a coherent and seamless skills offer that meets the changing requirements of employers. It is recognised that the provision of a coordinated skills plan, which meets the future needs of the sector, will not be addressed by any one single intervention. Success will lie in productive partnerships between industry, academia and skills providers.

Actions

Building on the good practice and learning from work in the construction sector, the WMCA will create an Automotive Skills Taskforce. This taskforce will bring together employers, training providers, technical and research institutions and other local and national key stakeholders to develop high-quality and agile skills solutions to deliver the future workforce that the region's automotive sector needs.

- The Taskforce will be action focused and act as a conduit between employers and providers.

- o Employers will articulate their future skills needs, provide their feedback in relation to the suitability of existing provision, and work with providers to support future talent and upskill existing employees.
- o Providers will respond to future industry needs, ensuring that provision is fit for purpose, developing new courses, qualifications and potentially apprenticeship standards to meet future requirements.
- o The taskforce will continue to review and act on evidence to inform further decision making and plans.
- Channel up to **£3m** from regional skills funds into an **automotive skills fund**, to provide training for new entrants and re-training for skilled workers in the supply chain.
- Identify best practice in training provision delivered nationally, which could address local requirements and be deployed across West Midlands.
- Support the development of Continuous Professional Development to grow teaching capability, utilising established WMCA provider working groups.
- Engage with employers on the taskforce as well as supply chains, to lead the way in supporting work experience, apprenticeships and tackling barriers to employment.



Developing capacity and capability to meeting future skills requirements

Issues

An insight into changing regional skill requirements provided by employers gives an indication that in the immediate one to three years, the most in-demand skills are team working and leadership. The more recognisable engineering skills highlighted are lean manufacturing, manufacturing process knowledge and advanced problem solving, all indicated as critical requirements.

Society's mobility needs and expectations are becoming more sophisticated, and new technology is pushing the boundaries of what vehicles are capable of. At the same time, the way in which we design, develop and build vehicles is evolving, meaning that the skills mix the sector needs is changing. As such, it is crucial that the region's skills delivery capacity supports this move towards automated, connected and electrified technologies, together with further automation and digitisation of manufacturing, both for the existing workforce, and those coming into the sector.



Actions

- The Automotive Skills Taskforce will oversee the better promotion of existing training provision to address the current training needs of the industry.
- Through new automotive-focused skills funding or through co-funding, the Automotive Skills Taskforce will develop the regional approach to create new and additional Technician level (L4+) (T-Level) training provision, in order to better address the diversity of skills and roles required for the future of the industry and deliver at the volume required by employers.
- We will collaborate with InnovateUK, manufacturers and providers to create technician skills delivery capacity in support of manufacturing automation and the production of batteries and electric vehicles in the region.
- We will encourage the development of new facilities, including the Greater Birmingham and Solihull Institute for Technology and the proposed West Midlands Centre for Automotive Skills (CAS), developing competencies in Automotive Product Design and Development Engineering.
- The Automotive Skills Taskforce will encourage partners and the wider sector to harness the widespread investments already made in training facilities in the region, utilising spare capacity and offering a collaborative and flexible approach in training delivery methods.
- The Automotive Skills Taskforce will provide employer input to the West Midlands T-Level Route Way Networks to support local delivery of qualifications.



Growing Automotive Apprenticeships in the West Midlands

Issues

Whilst automotive vehicle manufacturers and larger businesses are highly engaged in the delivery of apprenticeships, more than half of smaller supply chain employers do not recruit apprentices. The reasons indicated are the challenges they perceive they will experience, such as lack of staff time, lack of knowledge of the apprenticeship system and new funding arrangements. They also have the perception they might struggle to find suitable candidates.

Actions

The WMCA is committed to the creation of more high quality apprenticeships to benefit employers and residents. This will include encouraging the take-up of apprenticeships in science, engineering, technology and maths, supporting automotive sector growth.

- The Automotive Skills Taskforce will promote and raise awareness of apprenticeships, coordinate access to information, work with employers to improve the apprenticeship offer and to align vacancies, apprenticeship types and candidates across the region.
- Automotive SMEs recruiting apprentices in the West Midlands can make use of the Apprenticeship Levy Transfer Scheme to fully fund apprenticeships at Level 3 and above.

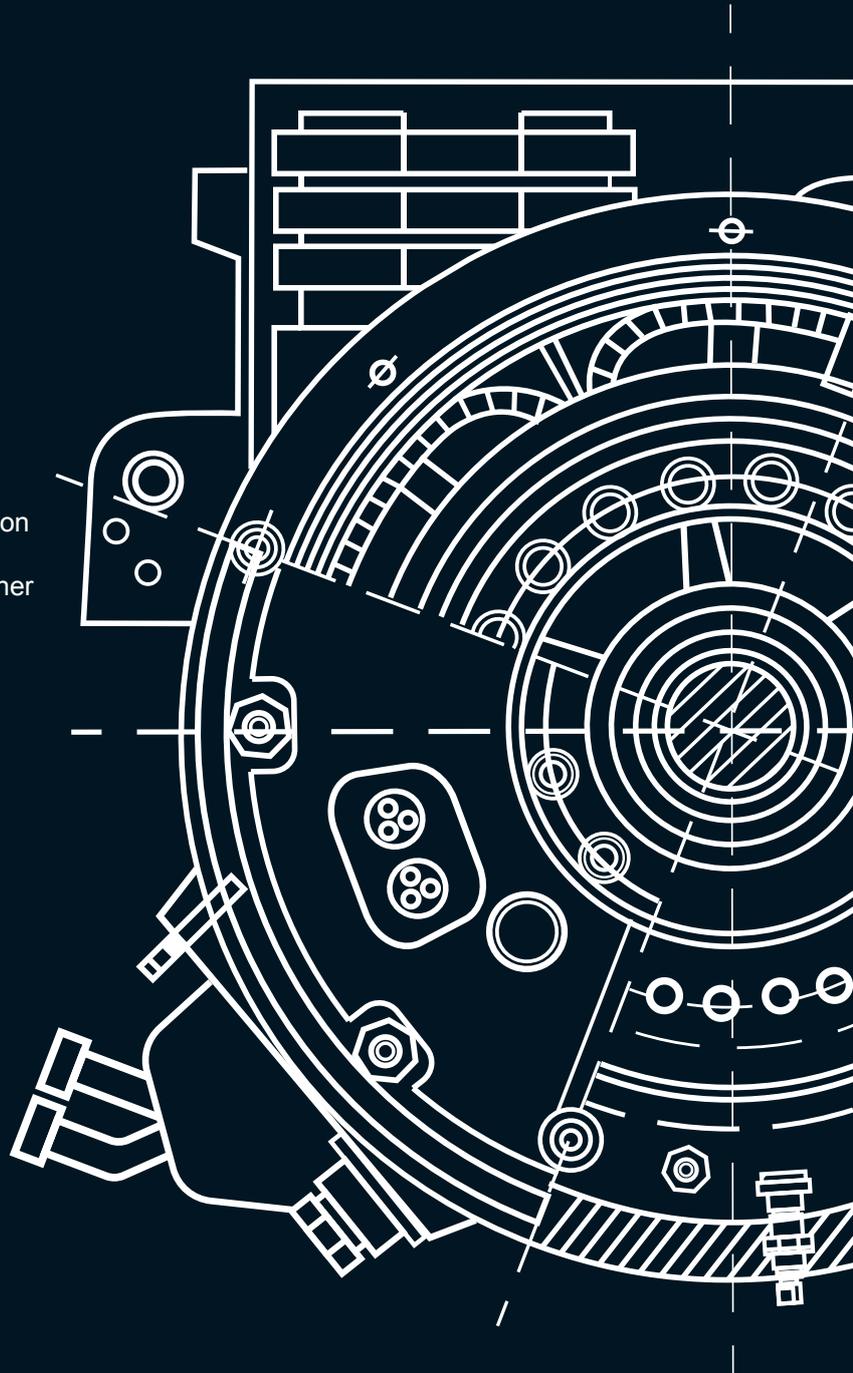


CONCLUSION

If the West Midlands is to continue the long history of being at the cutting edge of automotive manufacturing and realise the ambition to be a national and international hub for developing new automotive technologies, stakeholders in the industry will need to work together to tackle the challenges the sector faces and capitalise on new opportunities.

Collaboration will be critical to the success of the delivery of this strategy. This collaboration will be supported by industry, employer-led institutions, training providers, and other partners who will themselves and through their networks, progress the actions detailed in this report.

The taskforce will focus activity on addressing the higher level skills requirements that will allow the region to take advantage of the opportunities presented by Low Carbon Technology, 'Smart Mobility' and the further digitisation of manufacturing.



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You belong.



Find out more:

Email: productivityandskills@wmca.org.uk

Visit: www.wmca.org.uk/automotive-skills-plan



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