5,000 Jobs Vacant In UK Automotive Due To Skills Shortage

Tuesday 9 February, 2016

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Up to 5,000 job vacancies in the UK automotive industry could be vacant due to a skills shortage affecting the sector, according to a new report published today by the Automotive Council.

The report1, which was developed by automotive industry consultants SMMT Industry Forum on behalf of the Automotive Industrial Partnership, surveys a range of British-based automotive firms, from vehicle manufacturers to component suppliers, to identify the areas of employment most difficult to recruit, and provide an important means for industry and government to tackle the skills issue. Around 19% of the unfilled vacancies cited in the report are identified as 'critical' and having a significant impact on company operations.

Of the top 10 job types for which recruitment is most difficult, the majority are in engineering – with the top two in-demand roles being design and production engineers. The knock-on effect, according to the report, is that companies are hiring temporary contractors and increasingly recruiting from abroad.

The renaissance of the UK automotive industry since the recession has brought significant success to the sector and helped to sustain just under 800,000 jobs across Britain. 2015 was the best year in a decade for car production with 1.59 million vehicles built2, and volumes are forecast to reach an all-time record two million by 2020.3 The UK also achieved notable success in productivity levels, which have increased 40% since 2010 to make UK labour productivity the highest in Europe.4 But this success could be undermined by the lack of skilled engineers to fill new jobs, despite efforts made by companies to increase training and apprenticeships.5

Jo Lopes, Chair of the Automotive Industrial Partnership and Head of Technical Excellence, Jaguar Land Rover, said,"These are very significant findings which present a valuable basis for government and industry to jointly tackle this issue head-on and ensure that the growth potential of the industry in the coming years is fulfilled. The Automotive Industrial Partnership has already made some important steps since its inception – including the introduction of a range of training programmes – and it will have a crucial role to play in addressing the skills challenge."

Skills Minister Nick Boles said, "Our automotive workforce is the most productive in Europe and this goes a long way to explaining why production hit record levels last year.

"But this report shows we cannot be complacent. The sector needs to maintain its high productivity and international competitiveness and address the required demand of skilled workforce, engineers and designers. That's why our apprenticeship reforms are putting employers in the driving seat, to deliver the high-tech, long-term skills our economy needs.

"The Automotive Industrial Partnership is a good example of government and industry working together, and I welcome this report."

Mike Hawes, SMMT Chief Executive, said, "The automotive industry has already invested heavily in apprenticeships and training for existing staff to grow and develop a new generation of skilled workers. However, even more support is needed. The struggle to fill vacancies is holding back growth and opportunities for business, and it is essential that both government and industry work together quickly to identify ways to plug this gap. Future schemes must focus on quality not just quantity – and more support is needed to promote STEM subjects in schools."

The Automotive Industrial Partnership was initiated in early 2015 by the Automotive Council to bring together major automotive businesses in order to help ensure future skills needs are met for UK vehicle manufacturers and supply chain companies. Since its inception, the Partnership has developed a 'jobs framework' – an industry standard hierarchy of roles – to make it easier for companies to structure positions and for employees to follow clear career development paths. It has also implemented a number of new training programmes, and is developing the Automotive Apprenticeship Matching Service to retain more high calibre apprentices in the industry.6

In addition to the new personnel needed, there are also many new training requirements due to the adoption of new automotive technologies in the industry. According to the report, 71 different types of learning are required for more than 20,000 people working in the industry – 15% of whom have an

immediate need for new training. The most critical training requirements are in lean manufacturing (minimising waste), advanced problem solving and tool making.

The report sets out a range of recommendations to tackle the skills shortage. These include the implementation of a co-ordinated approach to STEM (science, technology, engineering and mathematics) subjects in schools, as well businesses ensuring that apprenticeship opportunities on offer from government are maximised.

Notes for editors

1**About the report: *Employers' views of the jobs and skills required for the UK automotive industry***

Devised by the Automotive Industrial Partnership, the report features a survey of 61 UK automotive companies, including eight vehicle manufacturers and 23 suppliers, collectively employing around 83,200 people in the UK. It identifies where the main gaps lie in skills availability, as well as how critical these gaps are.

2,500 vacancies from the companies surveyed were found to be 'difficult to fill' or 'challenging', which when extrapolated to the whole industry (around 160,000 people employed), puts the potential number of these jobs at almost 5,000.

The full report can be downloaded at www.automotivecouncil.co.uk,www.automotiveip.co.uk and www.smmt.co.uk(after 00:01 on Tuesday 9 February).

2SMMT Production International Exchange (PIE) data

3SMMT/AutoAnalysis 2015 report: *The future of UK automotive manufacturing in 2025 and beyond (http://bit.ly/1PaNEQG)*

4Automotive Council 2015 report: *The international competitiveness of the UK automotive industry (http://bit.ly/2089pHc)*

5SMMT: *2015 Automotive Sustainability Report (http://bit.ly/1P09Cla).*Training provided by automotive firms rose from 2.5 days per employee to 3.3 days in 2014.

6For more information, visit http://www.automotiveapprenticeships.co.uk

About the Automotive Council

The United Kingdom Automotive Council was established in December 2009. It is a joint UK government-industry organisation tasked with establishing the UK automotive sector as a world leader.

The Automotive Council aims to:

- Create a transformed business environment for the automotive industry in the UK to provide a more compelling investment proposition for related industries;
- Develop further the technology roadmaps for low carbon vehicles and fuels, and exploit opportunities to promote the UK as a strong candidate to develop these and other technologies;
- Develop a stronger and more competitive automotive supply chain;
- Provide a stronger public voice for the industry to support the value of the industry to the UK and to global partners;
- Ensure a strategic, continuous conversation between government and the automotive industry in the UK.

www.automotivecouncil.co.uk

Media contacts

Ben Foulds (SMMT)	020 7344 9222	bfoulds@smmt.co.uk
Jason Raj (BIS)	020 7215 5946	jason.raj@bis.gsi.gov.uk

Company Contact:

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