



THE INSTITUTE OF THE MOTOR INDUSTRY



## The Retail Automotive Sector Qualifications Strategy Executive Summary

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| <b>Date:</b>   | 06/05/2008    |
| <b>Document version:</b>                               | V1.0          |
| <b>[Replaces previous document(s)]:</b>                | V0.3          |

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## SECTION 1: Executive Summary

- 1.1 The retail automotive sector employs approximately 585,000 individuals.
- 1.2 Approximately 542,000 of those work in England, Wales and Northern Ireland. In terms of public sector qualifications – those accredited by the regulatory authorities in the respective countries – 207,162 qualifications have been achieved since records began to be kept. This figure includes qualifications that no longer exist and there are no figures for how many of those individuals who achieved those qualifications still work in the sector. At the time of writing, complete figures for Scotland were not available.
- 1.3 Therefore, if the sector relies on accredited qualifications alone, it has no real indication of how many working in the sector are currently competent.
- 1.4 The total turnover of the approximately 69,170 businesses in the footprint across the UK is £140bn per annum. Across the UK, approximately 87% of businesses employ fewer than 10 people.
- 1.5 The gender balance within the industry is currently approximately an 80:20 male:female ratio across the entire sector.
- 1.6 In some sectors, such as the body building sector, there is a high rate of ethnic minority workers. Whereas in other sectors there is not, such as in the light and heavy vehicle maintenance and repair sectors, where the ability to read and understand very technical data information is an obstacle for most who have English as a second or other language.
- 1.7 Work completed by Automotive Skills Ltd., through their Sector Skills Agreement (SSA), and research carried out by the Institute of the Motor Industry provided sufficient evidence to identify skills gaps and shortages and enabled us to present draft solutions to the sector.
- 1.8 In order to clarify the composition of the Institute of the Motor Industry and its various constituent parts and their roles and responsibilities, it is useful to briefly describe some key functions within the organisation.
- 1.9 The Institute has two distinct companies within it:
  - The professional association and combined SSC function.
  - The awarding body, IMI Awards Ltd.
- 1.10 The Institute became the licensed Sector Skills Council (SSC) for the retail automotive sector in September 2007. The predecessor organisation, Automotive Skills Ltd was subsumed in to the organisation as a division of the Institute. This division picked up the work remit of its predecessor and began work on this Strategy in October 2007.
- 1.11 For continuity and recognition, the work carried out on the Sector Qualification Strategy, framework and NOS development is branded as Automotive Skills, a division of the Institute of the Motor Industry. This provides a clear distinction between the work of the SSC and the work of the awarding body. Whilst the SSC licence is held by the Institute of the Motor Industry (IMI), throughout this document the division carrying out the work of the SSC is referred to as *Automotive Skills*.
- 1.12 One of the key functions of an SSC is to develop National Occupational Standards (NOS), on which all vocational qualifications for the sector are based.
- 1.13 In exactly the same way as it does with NOS (whereby Automotive Skills develop NOS and then hand them over to awarding bodies to develop and offer qualifications based on them), Automotive Skills also develops the standards for the Automotive Technician Accreditation (ATA)

scheme (which, in turn, are based on NOS). This function is carried out by the Skills Development Team.

- 1.14 Automotive Skills is responsible for the governance and monitoring of the ATA scheme.
- 1.15 The awarding body, IMI Awards Ltd., is a discrete limited company within the group, with its own Board and governance structure. The awarding body develop, administer and quality assure the delivery of qualifications they are approved to offer. In a similar way, they develop the assessments and quality assure the delivery of the ATA scheme. There is a strong government-approved 'conflict of interest' policy which separates the awarding body function from the rest of the organisation.
- 1.16 All awarding bodies involved in the ATA scheme are responsible for developing their ATA assessments and quality assure the delivery of those assessments by their providers.
- 1.17 Through a process of highly focused consultations Automotive Skills engaged with every sub-sector of the industry (including SMEs, national and international companies) as well as trade and professional associations, governments and government bodies from across the UK, awarding bodies, training providers and higher education. We also ran an online survey that targeted specific questions around current and future qualifications provision.
- 1.18 A successful sector-wide marketing strategy was implemented to raise the profile of the Sector Qualifications Strategy (SQS).
- 1.19 The solutions contained within this strategy are those supported by employers who participated in the consultation process.
- 1.21 Some of the assertions and solutions contained within this Strategy are strongly worded and may appear, to some, to be 'confrontational' and 'controversial. It is not our intention to be such, but this is an opportunity to reflect on the reality of the present situation.
- 1.22 Employers who engaged in the consultation process agreed with, and wanted, this approach – as did the Steering Group who approved this Strategy for submission. It was felt that the Strategy should not 'tip-toe' round the issues and challenges we face with qualifications and their development, structure, content, delivery, assessment and funding.
- 1.23 In order to address these issues, clarity and focus is required and this is reflected in the language used within this Strategy.

## **Sector Qualifications Framework**

- 1.24 A sector qualifications framework will be developed by Automotive Skills that will contain qualifications constructed of bite-sized chunks of learning with flexible, fit-for-purpose assessments. The sector may not retain all current qualification types – most notably, at this point, S/NVQs. The SSC will provide the common nomenclature, structure and content for awarding bodies to develop qualifications from.

## **Funding**

- 1.25 Funding policies are seen as inhibiting take-up of qualifications by employers. Funding is often at the wrong level and targets the wrong level of qualifications and the wrong age groups (age is not necessarily an issue in Scotland). Qualifications are often developed and delivered to suit the capability of providers to deliver, rather than the needs of the sector.
- 1.26 Funding policies will need to change so that (i) providers have adequate resources to deliver the resulting new qualifications and (ii) qualifications development and delivery is driven by employer need, not funding levels.

## **Delivery**

- 1.27 While there are pockets of good delivery, major concerns exist amongst employers over the quality of delivery available to the sector. Automotive Skills is committed to working with all stakeholders involved in the development and delivery of qualifications to raise the standard of delivery across the sector to an acceptable level.
- 1.28 When the quality of delivery is at an acceptable level for the industry, accreditation schemes, such as ATA, the Institute of Road Transport Engineers Certificate (IRTEC) and the Institute of Vehicle Recovery (IVR) scheme will work with governments to ensure that these schemes are made widely available and supported by governments across the UK.

## **Apprenticeships**

- 1.29 Apprenticeship frameworks will be reviewed to ensure that a rational offer is in place for all sectors for whom a framework would be of benefit. Automotive Skills will review and, where necessary, amend and modify the structure and content of the frameworks.
- 1.30 Specific issue for the sector are:

## **Management and Leadership**

- 1.31 Only 14% of managers in the sector hold a Level 4 qualification (S/NVQ Level 4). There is agreement that managers need to develop their skills in order to make their businesses more profitable. However, many managers do not see this need and therefore won't engage in training, often because the qualifications available do not support the individual's or organisation's needs.
- 1.32 As a means of assessing and developing these skills, the sector supports the development of an industry devised management accreditation scheme. This management accreditation scheme will underpin the development of qualifications, but the value-added of an accreditation scheme over qualifications is that it is likely to include an accompanying Code of Conduct based around behaviours and culture that begin to raise the standard of ethical behaviour within the sector. Achievement of accreditation would obligate holders to operate in accordance with this Code of Conduct.
- 1.33 Qualifications that are constructed of bite-sized chunks of learning and fit-for-purpose assessment models will contribute to the development of management and leadership skills leading to achievement of management accreditation.

## **Customer service skills**

- 1.34 The level of customer service skills is well below what is needed by the sector. Public perception of the industry is largely based on the level of customer service they receive (along with the level of technical competence and professionalism).
- 1.35 In order to change the culture within the sector, customer service skills will be embedded within all relevant units of qualifications as discrete learning outcomes. This will help promote the importance of customer service skills, while delivering them in a more appropriate and manageable way.
- 1.36 For certain sectors, however, discrete units will still be available and will vary in depth and breadth according to the job profiles using them.

## Careers and CPD

- 1.37 The sector is typically the last choice for new entrants. The sector needs clear and structured career pathways that enable individuals to see the opportunities and benefits of working in the sector. It would also benefit from an appropriate way to identify skills gaps and shortages and ways of addressing them.
- 1.38 The development of a Skills Passport for the sector will provide the sector with a 'one-stop-shop' for individuals and organisations to identify job roles and skills needs and how and where they can address them. Other features can be built in that provide value-added for employers, awarding bodies and providers.

## Basic and employability skills

- 1.39 The level of basic and employability skills across the sector is below the standard needed. This spans across technical and managerial disciplines and is endemic within the sector.
- 1.40 The sector qualifications framework will ensure that basic and employability skills are addressed and embedded.
- 1.41 Automotive Skills will work with stakeholders to bring England in line with Scotland, Wales and Northern Ireland in terms of Key/Core/Essential Skills delivery and assessment.

## Attraction and retention

- 1.42 In order to make the sector more attractive to school leavers, work needs to be carried out in conjunction with careers advisors to ensure appropriate advice and guidance is provided to those interested in the sector.
- 1.43 An appropriate qualifications offer needs to be developed and delivered to the 14-19 age group across the UK and this will vary depending on each country's education system.
- 1.44 More effort needs to be made to recruit female workers in to the industry, as this would help improve the perception amongst the general public and help dispel traditional stereotypes that have plagued the sector for decades.
- 1.45 If all the above measures are developed and implemented, they will support raising the profile and perception of the sector among learners, employees, employers and the general public.
- 1.46 Automotive Skills are confident that the level of engagement achieved throughout the development of this Strategy has enabled us to propose solutions that are not only fit-for-purpose in addressing the needs of the sector, but that also have the support of employers within the sector (see *Section 6, How Automotive Skills has worked with partners*).

## Next steps

- 1.47 Once this Strategy has been approved as meeting the quality standard required for SQS, will begin negotiations with stakeholders to agree Action Plans for each country of the UK.
- 1.48 These action plans will detail who we are going to work with, how we will work with them and what outcomes will be achieved (see *Section 6, How Automotive Skills will work with partners to prepare information and Action Plans*).