The Sector Skills Council for Science, Engineering and Manufacturing Technologies

SEMTA - Sector Skills Agreement - UK

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skills FOR BUSINESS

1. The Sector Skills Agreement

This covers Aerospace, Automotive and Electronics within SEMTA's footprint. These sectors operate in a highly competitive global market place where rapid technological change and the emergence of new international players either as Original Equipment Manufacturers, suppliers or entrepreneurial small businesses are common. This spurs constant innovation and productivity improvement. The following tables describe these Sectors in the United Kingdom (UK):

Aerospace	Automotive	Electronics
• Over 850 workplaces and approx 120,000 employees[1]. • England has over 80% of UK employment and most of the large aerospace companies in the UK are located there. • Scotland has world famous manufacturers such as BAE Systems, Rolls-Royce and MB Aerospace. Avionics specialists in the supply chain include Raytheon and Thales. • Wales is home to six of the world's top ten aerospace companies: Airbus, Raytheon, Thales Optics, BAE Systems, General Dynamics and General Electric. There is also a major concentration of aircraft maintenance, repair and overhaul companies including British Airways, DARA and Nordam[2]. • Northern Ireland's largest employer by far is Bombardier Aerospace, others include Langford Lodge Engineering, Thales Air Defence Systems.	• About 3,000 workplaces and approx 200,000 employees[4]. • In England, the majority of the workforce is in the automotive supply chain rather than the vehicle manufacturing sector. However, many foreign owned Vehicle Manufacturers (VMs) have a presence – BMW, VW, Ford, Honda, Nissan, PSA, Toyota and GM. • Scotland has over 200 companies[5] in the supply chain including 30 companies that are active or have ambitions in the Automotive semiconductor industry. Another area of growth is the micro and opto-electronics for the automotive sector. • Wales has £2.5bn p.a. in sales. Two volume vehicle manufacturers produce car engines in Wales: Ford in Bridgend and Toyota in Deeside. Other major companies include Robert Bosch and TRW Steering systems. • Northern Ireland has approximately 30 companies in the automotive supply chain, the majority of which are clustered in the Belfast/County Antrim area. The country has no volume vehicle manufacturers, although there is a number of 1st tier component suppliers including Ryobi UK, Montupet UK and the Wright Group[6] £650m turnover p.a.	• About 11,000 workplaces and approx 265,000 employees[3]. • England contains 80% of the UK electronics employment; mostly concentrated in South East and Eastern regions. Major inward investment in R&D and manufacturing bases include Cisco, Marconi, NEC and Newbridge Networks. • Scotland boasts world leading micro/opto-electronics OEMs – BAE Systems, Raytheon and Thales. Other multinationals include Hewlett Packard, IBM and Motorola. • Wales' electronics industry has a £2.5 billion p.a. turnover. Major companies include Agilent, Ascom, Cogent and Tyco. • Northern Ireland's main companies including AVX, Nortel, Seagate, Schrader, Daewoo and Huco.

[1] SEMTA/IER estimates 2004
[2] http://www.aerospacewalesforum.com

[3] SEMTA/IER estimates 2004 for England, Scotland and Wales and Invest Northern Ireland (client companies)

[4] SEMTA/IER estimates 2004 for England, Scotland and Wales and Invest Northern Ireland
[5] www.autoindustry.co.uk
[6] www.autoindustry.co.uk

2. Vision for the Sector

The aim is to optimise company and public investment in skills by ensuring that companies train the 'right person, in the right skill areas, at the right time'.

2.1 Policy Issues

- Companies sharing and contributing resources.
- Providers meeting a demand-led requirement.
- The right person receiving the right training at the right time.
- Bite-size delivery within a framework of progression and transferability.

2.2 Themes for Action

- Building capacity and capability in the provider network.
- Providing appropriate information, advice and guidance for business needs.
- Developing an effective delivery of tailored products.

2.3 Employer Skills Priorities

Management and Leadership

- Development of frontline Managers.

Productivity and Competitiveness

- Supply Chain Development.
- Continuous Process Improvement.
- Reduction in New Product and Process Implementation (NPPDI) Time.

Technical Workforce Development

- Upskilling from Level 2 to Level 3.
- Improve craft supply at Level 3 through recruitment and upskilling of current workforce.
- Improve supply of technicians at Level 4 (Technician Engineers).
- Tackling graduate skills deficits and increase the graduate population within the workforce to meet high value added requirements.

Manpower Planning and Recruitment

- Lack of adequate supply to meet industry requirements due to demography and attractiveness of the sector.

2.4 Implications for Provision

- There will be closer working relationships between provision and demand.
- There will be better use of effective Business to Skills models.
- Organisational, operational and people development will go hand in hand.
- Training will embrace the requirements of the Job Competence Model.

2.5 Delivery Partners

- Companies
- Trades Unions
- Trade Associations/Employer Organisations
- Education and Training Providers
- Regulatory Authorities
- Awarding Body
- Government Departments
- Devolved Administrations
- Development Agencies
- Funding Councils/Enterprise Councils
- Higher Education Funding Councils
- Further Education Funding Councils
- learndirect
- Professional Institutions
- JobCentre Plus
- Careers Organisations

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