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MOTOR INDUSTRY

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18TH FEBRUARY - 03RD MARCH



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REPAIR COSTS OVERLOOKED FOR NEW CAR TECHNOLOGIES

Representatives from Thatcham Research, the Independent Garage Association and Halfords Autocentres insist that not enough attention is being given to vehicle reparability as new car technology proliferates.

The lack of consideration is resulting in increased costs and downtime for fleets, and in some cases, vehicles being written-off when they should be repairable.

In preparation, Halfords Autocentres has trained 357 of its 1,500 technicians to IMI Level 2 in electric/hybrid vehicle maintenance, enabling it to service vehicles across its network of 316 autocentres. In the next financial year (April 2019 – April 2020), Halfords plans to add IMI Level 3 award in electric/hybrid vehicle system repair and replacement to its training plans, to give its technicians the additional skills to repair electric vehicle systems.



VRA SAYS UPSKILLING STAFF CRUCIAL TO MEET NEW TECH NEEDS

The Vehicle Remarketing Association says that rapidly changing technology means that the remarketing sector is going to have to undergo an unprecedented period of upskilling over the next decade.

The organisation says that the rise of electric vehicles, increased connectivity and increasing levels of autonomy will have an impact.

Sam Watkins, chair at the VRA, said: “It’s widely recognised in the motor industry and in remarketing that a period of change is coming but there is perhaps not enough attention being paid to exactly what that will mean.

“Essentially, those working in many different areas of remarketing will need training in areas as diverse as awareness, maintenance and repair, hazard management and more”.



‘THE FUTURE IS GOING TO BE DATA-LED’, SAYS THE AA

Stuart Thomas, director of fleet and SME Services at The AA explains how the motoring association is now focusing on data-led products, such as connected car services.

“Twenty-five years ago we were very much about mechanics going out to cars,” says Stuart Thomas. “Today people pay for expertise as well as technology, and the future is going to be very data-led.

“You still need the people and access to the expertise, but the direction of travel is going to be more about data and technology, and that is where our investment is going.

On electrification, Thomas says that with training currently taking place at Levels 1 and 2, by 2022 all AA patrols will be trained to the IMI Level 3 Award in electric/hybrid Vehicle System Repair and Replacement.



UK CAR PRODUCTION FALLS BY 18%

British car production fell by 18.2% in January 2019, indicating the eighth successive month of decline.

According to figures released by the Society of Motor Manufacturers and Traders (SMMT), Britain produced 120,649 cars in January, 26,858 fewer than the same month in 2018.

The decline in production has been attributed to a fall in demand from Europe and China. Cars sold to China fell by 72.3% whilst sales to the EU nations dropped by 20%.

SMMT chief executive, Mike Hawes, said “The clear and present danger remains the threat of a ‘no deal’ Brexit, which is monopolising time and resources, undermining competitiveness.”



COLLEGES WON'T BE ABLE TO AFFORD T-LEVELS

The Association of Colleges (AOC) has revisited its funding rate plea for 16 to 18-year-olds and upped it from £4,760 to £5,000 at a cost of over £1.2 billion per year, which it says is needed to avoid a T-levels crisis.

In its latest call for an increase to the £4,000 unweighted base rate, the AoC states that the government's flagship skills policy is at “risk” as the providers tasked with delivering it are “not adequately funded”.

The association said colleges “will not be able to afford to offer the range of specialisms required, because they cannot afford to attract and retain staff”.



VOLKSWAGEN CEO: TRANSITION TO CONNECTED CARS IS THE NEXT BIG CHALLENGE

The transition for Volkswagen cars becoming fully connected will be more challenging than the advent of electric powertrains, according to Volkswagen Group CEO Herbert Diess.

“We have the transition of drivetrains becoming electric,” he said. “We want to be emissions-free and CO₂-neutral by 2050. We have a plan and EVs are coming and they're connected. That's all nice.”

“But the next transition [to software] will be harder for us. It's really skills we don't own today. We have to create an entirely new set of skills and capabilities because the change into software is really radical for us. The car becomes an internet device that's probably more complicated than a smartphone. We are only at the beginning”.



ONLY 200 APPRENTICESHIP LEVY TRANSFERS MADE

Only 200 apprenticeship levy transfers have been made since greater flexibilities were introduced for employers in April 2018.

As of the beginning of February, there were 200 approvals for levy funds to be transferred to other companies, with a further 20 commitments pending approval. Of the 220 transferred commitments, just 130 led to apprenticeship starts.

In April 2018, it became possible for levy-paying organisations to transfer up to 10% of the annual value of funds entering their apprenticeship service account to other organisations in the apprenticeship service. This will increase to 25% from April 2019.



GERMAN CAR INDUSTRY TO INVEST €40BN IN ELECTRIC VEHICLES

The head of the *Verband der Automobilindustrie*, also known as the VDA or the German Association of the Automotive Industry, has confirmed that Germany's automotive industry will invest over €40bn (\$45 billion) in electric vehicles over the next three years to triple the number of models available to buyers.

"The ramp-up of electric mobility is coming in Europe," VDA President Bernhard Mattes said. "This also demands the appropriate regulatory conditions -- right across Europe."



JAGUAR LAND ROVER PLANNING FRESH UK INVESTMENT

Jaguar Land Rover (JLR) is reportedly planning to announce new major investments in advanced manufacturing in the UK.

Amongst the plans could be investment into a battery factory near Birmingham and an engine plant in Wolverhampton, that will make electric drive systems.

The news would appear to contradict claims that JLR's Indian parent company Tata Motors is planning to sell its stake in the firm.



BMW AND DAIMLER ANNOUNCE NEW PARTNERSHIP

BMW and Daimler have announced a new partnership to develop autonomous driving in a "long-term strategic cooperation", that aims to make autonomous technologies widely available by mid 2020's.

Daimler, which owns Mercedes-Benz, and BMW, which owns Mini and Rolls-Royce, said their partnership will speed up and streamline the development of future technology generations.

Initial joint development work will be carried out on vehicles with Level 3 and 4 autonomy, enabling automated driving on highways.



TIME IS RIGHT FOR F&I INCENTIVES



Gerry Kouris, Marketing Manager at Alpha Financial Services says that one of the ways in which to incentivise finance and insurance (F&I) salespeople is through the development of specialist skills and knowledge. In doing so, finance brokers can also stay compliant with Financial Conduct Authority (FCA) rules and regulations.

Kouris said: “We believe that the development of specialist skills and knowledge relating to the sale of car finance is essential to the success of dealers and brokers. The incentive scheme will therefore promote the notion of education, with bonus points available to businesses enrolling their staff in specialist finance qualifications from industry bodies.

“This includes the Institute of the Motor Industry’s (IMI) new finance and insurance accreditation scheme, as well as Specialist Automotive Finance qualifications from the Finance & Leasing Association (FLA). Both organisations are committed to helping members to offer the highest possible standards in the sales of car finance products – it’s appropriate that finance sellers are incentivised for achieving these standards.”

ONS LABOUR MARKET COMMENTARY

The Office for National Statistics has released its labour market commentary economic commentary for February 2019, revealing the following headline statistics and long-term trends:

- ◆ The level of employment in the UK is at a record high, unemployment rate remains very low (4%) and the inactivity rate has been falling in the economy.
- ◆ Total average weekly earnings increased by 3.4% on the year to December 2018 to reach £527 and regular average weekly earnings increased by 3.4% on the year to reach £495.
- ◆ In the three months to January 2019, unfilled vacancies increased by 16,000 to 870,000. Most of these vacancies were in the services sector (88.2%), where the **wholesale, retail trade and repair of motor vehicles sector had 140,000** unfilled vacancies and human health and social work activities had 131,000 vacancies.

