



TRADE FACT FILE

HISTORIC VEHICLE CLUBS

THE NATIONAL HISTORIC
VEHICLE SURVEY

2020/21

WHAT ARE THE CHALLENGES FACED BY BUSINESSES
SERVICING THE HISTORIC VEHICLES SECTOR TODAY?



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This short Fact File contains results from 206 trade-based surveys which form part of the FBHVC 2020/21 National Historic Vehicle Survey. These surveys were completed by business owners and senior managers of commercial enterprises that provide products and services to the historic vehicle industry in the UK. The results are set against a backdrop of a 50% increase in registered historic vehicles and a 38% increase in vehicle owners.

On the surface the results from the National Historic Vehicle Survey suggests the sector is in good health with business turnovers averaging £900K, and business longevity at an all time high (30 years). With the growth in historic vehicle ownership hitting new highs it would appear these businesses will continue to make significant contributions to their local and national economies, but what are the challenges they face and what should we be alert to looking ahead? - read on...

Snapshot of Traders in the sector



c.4,000
the estimated number of businesses operating in the historic vehicle sector



£946M
the estimated total turnover of UK based historic vehicle businesses



£884K
average turnover of a UK based historic vehicle business



34K
the estimated total workforce working in jobs directly related to the sector

THE NEXT 5 YEARS

We know that in the next 5 years a third of businesses operating in the historic vehicle sector expect their turnover to shrink, compared to 29% that expect their business to grow. That would seem like a natural balance in a competitive market.

However, it is not until you compare that question to equivalent surveys 5 and 10 years ago that you sense that optimism has shrunk from a base where 1 in 2 (52%) were confident of growth, to one where fewer than 1 in 3 (29%) are positive about future trading. This is rather surprising against a backdrop of where there are considerably more historic vehicles and more owners than ever before.

WHY MIGHT THIS BE?

There are several key factors influencing opinion - here are a few:

Covid-19

We know that the impact of the global pandemic is significant and hard-hitting. More than 4 in 10 firms say they have been seriously impacted in some way as a result of Covid-19, and it is only slightly more encouraging to learn that 1 in 20 businesses are having to take drastic action in order to survive.

Difficulties recruiting staff

More than a quarter of firms are also struggling to recruit staff (28%). This appears an ongoing issue with 21% saying they have had difficulties in finding staff with the necessary manual skills, and 19% saying that they struggle to find staff with the knowledge required to complete skilled tasks. Clearly, availability of skills remains high on the agenda.

Q. I expect our financial turnover attributable to historic vehicles to:

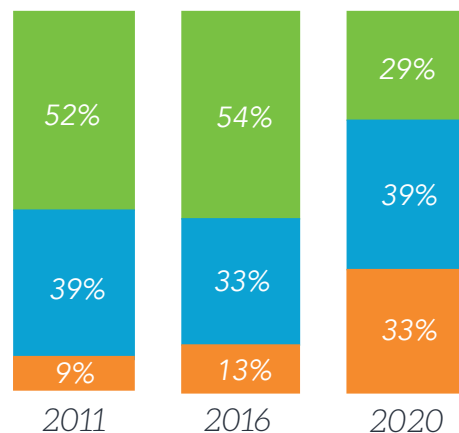
T/o over the next 5 years

Our T/o will...

GROW

STAY THE SAME

SHRINK



33%
the proportion of businesses that expect their t/o to shrink



6%
the proportion of businesses that are taking drastic action to survive the Covid-19 pandemic



19%
the proportion of businesses that are struggling to find staff with the required knowledge

LOOKING TO THE FUTURE



APPRENTICESHIPS ARE GETTING TRACTION

As with firms across different sectors many in the historic vehicle sector will be experiencing challenges at present and this will naturally lead to a more cautious outlook. At the same time, our wider research reveals quite dramatic growth in historic vehicle owner numbers, and the expenditure associated with maintaining vehicles which will filter down to businesses in the short term post Covid-19. We believe the outlook remains very bright.

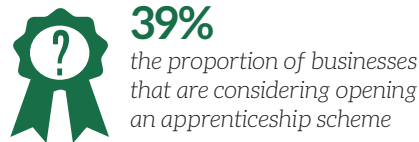
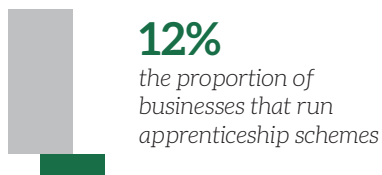
An example of this can be seen elsewhere in our Trade survey where there are signs of progress that focus more on skills development and guarding against their loss.

10 YEAR GROWTH IN APPRENTICESHIPS

Over the last 10 years apprenticeships have experienced a 3-fold take up by firms in the sector. Today, more than 1 in 10 businesses are running an apprenticeship scheme compared to 1 in 20 in 2011 (12% vs. 4%). This is pretty big news that shows that skills safeguarding is high on the agenda for the sector as a whole.

However, this may just be in time as the average age of a worker in the historic vehicle industry appears to have increased over that same period (now 45, compared to 42 in 2016). Whilst overall age has increased, the growth in younger workers (those aged under 25) has grown by 70% in just 5 years (17% of the workforce vs 10% in 2016). This is even bigger news and evidence of the value being delivered through apprenticeship and training schemes.

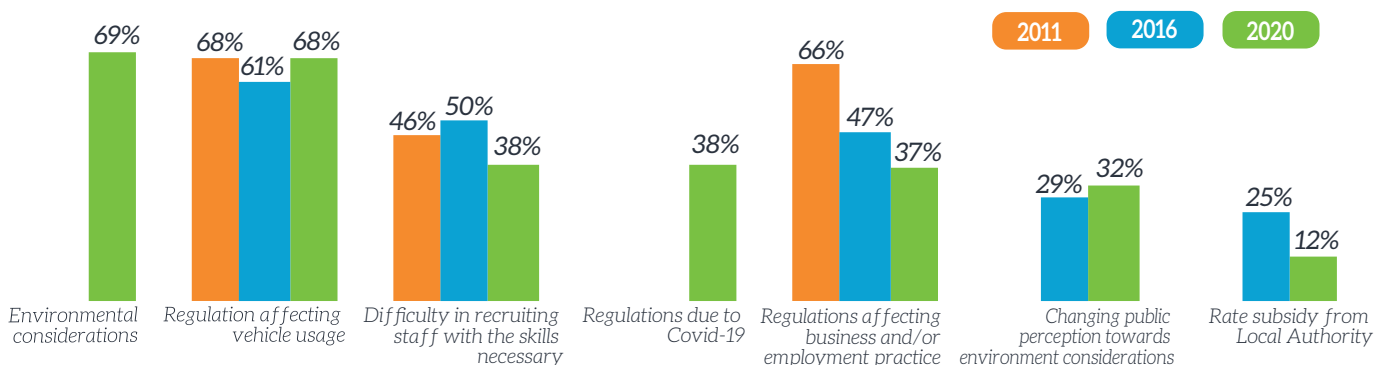
Snapshot of apprenticeships



SO WHERE SHOULD THE FUTURE FOCUS LIE?

The industry must recognise the challenges that the global pandemic has created for firms operating in the sector, but equally it needs to consider the nature and scale of issues and the priorities that are coming down the line. The greatest of these is likely to be the role environmental issues play and the regulations that might be placed on historic vehicles. Beyond these issues, there is likely to be an acute skills shortage, with nearly 4 in 10 firms saying they expect future difficulties in recruiting staff with the necessary skills.

The potential problems that businesses expect to face



In conclusion, this Federation Fact File provides a unique look at the position faced by businesses operating in the historic vehicle sector. It is clearly not plain sailing and the ability of many firms to look beyond the current pandemic will be a major challenge. That said, future demand for their services looks set to grow and safeguarding the skills and knowledge that will be needed to service that demand should be seen as an ongoing priority.

For more information on the survey, or other opportunities to get involved email research@fbhvc.co.uk



Key findings from the 2020/21 Trade Survey



1,538,927

NUMBER OF REGISTERED
HISTORIC VEHICLES IN THE UK

(Up from 1,039,950 in 2015/16)



682,967

NUMBER OF
HISTORIC
VEHICLES
OWNERS

(Up from 493,000 in 2015/16)



34,113

THE ESTIMATED SIZE
OF WORKFORCE IN
THE HISTORIC VEHICLE
SECTOR

THE AVERAGE AGE OF A
WORKER IN THE HISTORIC
VEHICLE SECTOR IS:



(Up from 42 yrs in 2015/16)



1 in 10

12% OF FIRMS OPERATE
AN APPRENTICESHIP
SCHEME

(39% are considering
launching a scheme)



69%

SEE PROBLEMS
ARISING FROM
ENVIRONMENT
CONSIDERATIONS

4 in 10

SEE FUTURE DIFFICULTY IN
RECRUITING STAFF WITH THE
NECESSARY SKILLS



1 in 20

ARE TAKING DRASTIC ACTION TO
SURVIVE THE COVID-19 PANDEMIC

