

# Training trouble

As the government looks to improve apprenticeships by forcing funding to follow the employer, truck OEMs fear their technician courses may be threatened. Brian Tinham reports



Successful apprenticeship schemes that have served the commercial vehicle sector very well for many years appear now to be under threat of closure as a result of government policies designed to improve them. That's the perverse and doubtless unintended consequence of a move by the Department for Business Innovation and Skills (BIS) and Department for Education (DfE) to make government funding follow the employer, not the education service provider – the theory being that employers will get skills that match their requirements more closely.

Consultation on the proposal closed last summer and, as we go to press, although training providers will still be able to handle apprentice recruitment and registration, and provide employers with outsourced services (including developing training plans, tracking delivery and even recording payments via the new funding system), they will no longer be involved with funding itself. Instead, employers must initially pay for training their apprentices and then recoup government funding, probably via PAYE, or an apprenticeship credit account.

It is this latter change that is causing alarm bells to ring – certainly among most of the major truck OEMs. Why? Because, currently, it is the OEMs or their training providers who look after everything on behalf of the dealerships (employers), handling funding claims, buying services, providing training audits, etc. Going forward, the dealerships will have to shoulder this burden themselves, or apprentice reimbursement will cease. And, unsurprisingly, they don't want to. Yet the new scheme starts with the 2016 apprentice intake, and is trialling this year – although for now the contribution still goes via the Skills Funding Agency direct to colleges.

As John Davies, MAN's head of UK service and

support, puts it: "We don't have a problem with change, but claiming funds, sorting out tax implications, satisfying National Apprenticeship Service audits and worrying about potential Ofsted inspections aren't MAN's core business. We want our contracted college to handle all that, while we get on with designing, building, selling and supporting trucks."

And he adds that, since the funding rules also require that less than 50% of apprentices may be employed by franchise holders, many of the dealerships will have to bear the new administrative headache direct. "It's just adding huge complication, and our concern is that the MAN apprenticeship scheme, which has successfully trained some 1,000 apprentices over the last 19 years, and of which we're very proud, may not be able to continue."

## Easy for dealers

It's a similar story at DAF Trucks, with business services manager Tony Shepherd stating that all DAF dealerships who employ apprentices have now written to local MPs expressing their disapproval. "Their business is providing truck sales and service. The reason our existing apprenticeship scheme is so successful is that we make it easy for dealers to grow the skills they need – from lining up candidates to providing train tickets, etc, for them to attend the courses."

He agrees that the new rules might suit multi-nationals and even some smaller firms who want full control of their apprentice schemes, but says it's too much for dealers. "We put a lot of effort into selecting the right training partner who we trust to do the best job for us, from managing the funding to providing good education. The day we say dealers need to do it themselves is the day this all stops. The National Apprenticeship Service has done a



## Skills factories

For DAF business services manager Tony Shepherd, ensuring that courses continue to add value for apprentices and their dealer employers is about listening and looking for opportunities. “We have a governors’ meeting involving senior representatives from DAF, the dealers, Skillnet and the City of Bristol College three times a year,” he explains.

What’s the result? Recent outcomes have included: revitalisation of DAF’s mentoring programme; ensuring workshop supervisors know their apprentices’ current studies, so jobs match learning; and spreading education further into the dealerships. But they also stretch to technical content. Latest moves include: getting more Euro 6 vehicles into the college; providing the latest diagnostics equipment; but also extending master technician courses for qualifying apprentices and time-served technicians.

Adam Plastow, commercial academy and apprenticeship manager at Volvo Group and now also Renault Trucks, says his current task is harmonising the two companies’ schemes. All technical trainers, he states, will be up to speed this summer, ready for the next intake – no doubt benefiting from Volvo’s decision a couple of years ago to embed two top master technicians into Stephenson College, in Coalville. That said, Renault is about to follow Volvo’s lead, adding irtec Inspection Technician licensing for apprentices completing year four, while also offering an NVQ Level 4 higher apprenticeship year to take them to master technician (there is already an equivalent business management route). Following dealer and technician demand, much the same course, by another name, is also available for time-served technicians.

Meanwhile, looking outside OEMs’ schemes, transmission systems remanufacturer ZF Services, in Nottingham, proves the potential to deliver highly customised courses. The company has been running apprenticeships for four years, and production head John Bland says Semta, the engineering apprentice service, was instrumental in getting them right.

“We also worked with our field service engineers and technical specialists alongside Central College, in Nottingham, to define what we need, in terms of where our products are going,” he explains. It worked and Central now provides courses for time-served ZF engineers, too. The subject matter: electrical and electronic engineering, reflecting the fact that, while gearboxes are mechanical assemblies, the vast majority are now electronically controlled.

“Historically, most of our engineers and technicians come from mechanical backgrounds, so up-skilling them makes perfect sense,” says Bland. “We’ve run this course for two years with 10 people and several are now going on to diplomas in electronics.”

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great job making apprenticeships acceptable, but now they’re risking destroying it.”

How do the training providers see it? Jon Winter, chief executive of the Bristol-based S&B Automotive Academy, believes very few even realise such significant change is afoot. “We’ve seen so many [education bureaucracy] changes and we’ve always adapted the company to meet them. But the worry this time is that employers mostly don’t know what’s happening. When they find out they’re going to have to do everything, starting with registering the eligibility of an apprentice on an online portal, they’re going to say ‘I don’t want do all that work’. So, in the short term, apprenticeships will just cease to happen.”

For him, changing the detail of qualifications and reducing the current complexity of cross-referencing between providers, are good things – particularly where employers are involved through the Trailblazers programme. But attempting to drive education quality and standards in this way is going to backfire.

“As a training provider, we’re already graded by Ofsted and the plain fact is that if our quality wasn’t right, employers would just leave us. Good training providers keep their contracts because they’re doing a good job. The danger here is that dealers and others may disengage with apprentice programmes because it’s just not core to them. It’s a bridge too far.”

It’s slightly ironic really. Granted the November 2012 Richard Review of Apprenticeships, which first prompted government to reconsider its approach to the subject, suggested that funding should be routed via employers. However, it also suggested that apprenticeships should be achievable via many paths and approaches. In his own words, Doug Richard, of BBC Dragons’ Den fame, said: “Unnecessary prescription and regulation should be removed to encourage diversity and innovation.” <sup>11</sup>

