



# The Road Haulage Association

## **Response of the Road Haulage Association to the Department for the Economy.**

### **“Apprenticeship Levy – Employer Engagement Consultation Paper”.**

**12/12/2016**

#### **Background about the RHA**

1. The RHA is the leading trade association representing road haulage and distribution companies, which operate HGVs as profit centres. Our 7,000 members, operating near to 100,000 HGVs, range from single-truck firms to those with thousands of vehicles. These companies provide essential services on which the people and businesses of the UK depend.
2. We proactively encourage a spirit of entrepreneurship, compliance, profitability, safety and social responsibility. We do so through a range of advice, representation and services, including training.
3. We would like to thank the Department for the Economy for the consultation and the opportunity to comment on the issues raised.
4. In addition to answering the questions directly we have added further comments on related issues where we feel these are relevant.

#### **General Comments**

5. The RHA and its members are active supporters of continuous professional development. We are in discussions with our devolved administrations & Westminster regarding the Apprenticeship Levy and how we can work together to achieve the best for the Road Haulage Industry.
6. The RHA believe that one of the key issues facing our industry is a growing shortage of drivers, conservatively estimated at 45,000 UK wide & 2,000 in Northern Ireland. With an ageing workforce this is estimated to continue to rise.
7. We have grave concerns over the existing ApprenticeshipNI model and its suitability for our industry, and therefore the ability for our members to benefit fully from paying into the levy. England & Welsh Governments have successfully begun to implement the Trailblazer model, which we believe to be far more suitable. It must be recognised that companies who are able to use this model, have a competitive advantage over companies in Northern Ireland and indeed Scotland who do not have access to a similar model.

## Responses to the Questions

### **Question A. What do you think are the main issues for Northern Ireland employers from the introduction of the Levy?**

8. The biggest threat to the Road Haulage industry is the current skills shortage. The vast majority of our members will be Levy payers and therefore it is essential they are able to draw down on the funding against a suitable Apprenticeship framework, which we do not believe the Level 3 in Driving Goods Vehicles provides.
9. In addition, the current funding model does not lend itself to the Road Haulage Industry. You cannot legally learn to drive a truck until you are 18 years old and in many cases individuals are much older. The current funding model reduces the necessary funds to an individual when they turn 25, often well below the amount required to gain a Vocational Licence.

### **Question B. As a result of the Levy, what factors should the Department take into account to ensure appropriate training support is available in Northern Ireland?**

10. The RHA believe that there is currently not an Apprenticeship model to meet our industry's needs. As such, we believe that the Department should consider reform of the current Driving Goods Vehicle framework to a model that would encourage Road Hauliers to take on apprentice drivers in an effort to address the current skills shortage and receive benefit from paying into a Levy – such as the Trailblazer apprenticeships in Logistics and Supply chain at level 2.

### **Question C. Will the Levy have an impact on your recruitment of apprenticeships? In what way?**

11. The Road Haulage industry in Northern Ireland does not currently make use of the Apprenticeship framework and currently funds all training requirements itself. When companies start to pay into the Levy, there must be an appropriate model available for road hauliers to use.



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**Question D. As a result of the Levy would you be more likely to use the programmes in Annex B? In what way?**

12. The RHA strongly believes that the introduction of the Levy will greatly encourage the uptake of Apprenticeships in the Road Haulage industry, as long as a “fit for purpose” Driving Goods Vehicle alternative model is developed and made available.

**Question E. Do you have any further comments on the introduction of the UK wide Apprenticeship Levy?**

13. The Road Haulage Association is already in conversation with the UK Government and other devolved administrations to ensure that the introduction of the Levy works to the benefit of the Road Haulage industry & our members. We are pleased with how discussions are progressing. We would welcome a similar opportunity with the NI Assembly following the submission of this consultation response.

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Chris Little

Regional Policy Advisor – Scotland & Northern Ireland

Road Haulage Association

[c.little@rha.uk.net](mailto:c.little@rha.uk.net)