

Apprentice Summit



















KNOWLEDGE

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Attendees

Dean Lander (DL) – Thatcham

Simon Smith (SS) – Solus

Marc Holding (MH) – Vella Group

Chris Weeks (CW) - NBRA

Steve Hoe (SH) – Steer Group

Michael Golding (MG) – LV

Steve Thompson (ST) – AutoRaise

Bradley Eyles (BE) – Apollo Motor Group

Paul Sell (PS) – Trend Tracker







Introduction by Steve Thompson, AutoRaise, Vice Chairman

Times are tough in about every walk of life at the moment and our industry is no different, but we have survived the pandemic, and many would argue, that the industry is possibly better for it.

It is however a signal that times are changing, and adaption is critical if you are going to survive, something that is equally important for AutoRaise to ensure we remain resolute on and committed to our goals, no matter what gets in our way.

Our aim is to create a sustainable pipeline of talent for the long-term security of the sector; our vision to have the vehicle repair sector recognised as a career destination, brimming with youthful talent, securing skills that create a long-term sustainable workforce capable of safely repairing the cars for the next generation of drivers.

Covid came close to ceasing the charity existence, but we got through it. We set high standards and I am proud of that, but we still have a long way to go, our progress has been positive, and we have a strong platform, processes, board, strong financial controls, and operational rigour. It is now time however that the charity and the industry that it serves unite and achieve as a minimum the recruitment of 2000 apprentices per year. Whilst raising money is clearly a critical part of the charity, it is not our purpose! It is paramount that we engage with young people, we talk positively about the vehicle repair industry, and we employ young people from all genders and background into the sector into vehicle repair apprenticeships. The alternative is grim, the time is now, in 5 years' time it will be too late. The skills shortage exists today, not next year or in 5 years' time. Ask almost every insurer in the country right now and they will say that the capacity for repairing their customers (policyholders) vehicles is very minimal if not nonexistent in some areas of the country. The largest constraining factor without any doubt is people and the industry simply does not have enough and furthermore the increasing age demographic in our repair shops (currently an average of 49) is not supporting the urgent requirement for more technologically aware and adept people.





I said recently at the AutoRaise Gala Dinner, "never ever doubt that a small group of dedicated people can change the world, <u>because it is the only thing that ever does!</u>", a quote stolen from Sir Tom Farmer (Founder of Kwik Fit, started in Edinburgh with 1 lean to garage and sold it to Ford c20 years later for c£1.8bn and completely created a new fast fit industry). AutoRaise, key industry people and repairer groups are aiming to achieve a sea change in our industry. A small group of people attended an 'Apprenticeship Summit' and put aside politics and competition, instead their sole goal was to discuss what can we collectively do to push on with the challenges that we are all facing.

Many of those represented do not work with AutoRaise or directly support the charity, but this is completely academic, as our goal is to recruit 2000 apprentices a year via any relevant means or business. The figures from Thatcham in this report demonstrate the challenge we must tackle as an industry to avoid critical skills shortages and disruption to the vehicle repair ecosystem. Something the repairer groups present are already making great headway with.

Steer – "Apprentices are 9.0% of the workforce against the full operational team, 15.5% against the productive team. With regards to the site engagement, yes it was 50% at the start, and now stands at 85% with that set to grow to over 90% with our sites having apprentices in place before the end of the year."

Apollo – Apprentices represent 7.5% (because of new site acquisitions who are not on the programme as yet). Apollo have recently been involved with a campaign to attract more females in automotive industry too.

Gemini stated at the event running at 20% of workforce being apprentices with a 1-1 ratio at one site who are really embracing this.

Solus aims to achieve a population of 10% apprentices in the business and to have at least one apprentice per site; ambition already starting to be achieved having recently won the ABP Award for their apprentice programme.



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ABP have agreed to report on AutoRaise results in each of their quarterly magazines, so we will all be able to see how the charity and the industry are doing verses the target and all other key performance areas.

This needs to be critiqued and measured across the whole industry, AutoRaise can only improve and increase the number of apprentices with complete unity and support from bodyshops/repairers.

Thank you for your continued support on this incredibly important industry matter,

Steve Thompson MD Autoraise







Perception of industry

Simon kicked the day off by capturing the current state and the challenge that lies ahead.

"Soul destroying going to colleges / schools; our industry carries a perception of male dominated banter & harassment, with a lack of facilities for females. No surprise young people aren't queuing up to come into this industry?"

"Additionally, we are generally not reflecting the population of the areas bodyshops are in with predominantly white/male workforce."

Marc added "The Industry is still not diverse enough, but we don't recruit this way by choice, it is merely reflective of what comes into the pipeline- that is the issue we need to tackle."

Michael added "As an insurer, supporting apprentices has benefits two-fold; the right thing to do (as an insurer) to fund and support this as well as this helping the skills & capacity shortage in the industry (reduced output post -covid). There is a real concern that without cohesive action each bodyshop will do what they need to do to increase salaries (almost on an unlimited basis) to retain the talent they have which creates isolated cost issues and continued capacity challenges."

Chis agreed with this but added "What is the right labour rate to pay? The right amount of money to pay a technician? What lifestyle / alternative jobs do we compete with in other markets/careers? How can this be an attractive place to aspire to for young people?"

Bradley talked about the successes Apollo Group have had, specifically in attracting young women into the business – see the attached video; https://www.youtube.com/watch?v=9J4Z1la-e9g . "We need more presence at career fairs to promote how much you can earn in bodyshops. We have relationships with a local college to target the c15% that don't go onto University /Further education; Apollo have seen real success with this group."

Steve talked about the recent programme Steer Group have successfully grown but acknowledged "Attracting the young people into this industry is the hardest part, many do not even consider it." Interview from Steve below – <u>https://www.youtube.com/watch?v=RohQ722vEtc</u>. As well as some feedback from recent apprentices on their experience and what they like about the role https://www.youtube.com/watch?v= Z4LayMeb4s.

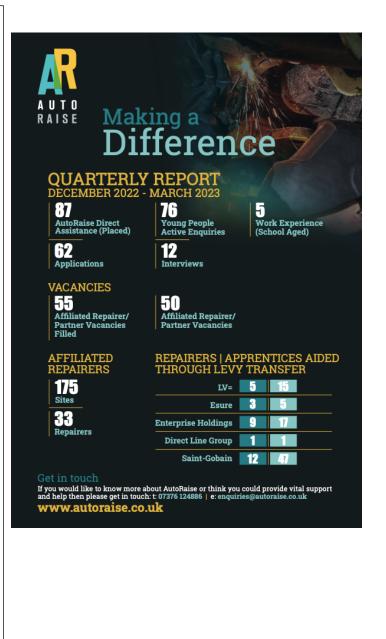




Steve, who leads AutoRaise efforts as Managing Director (voluntary), who have been very successful in placing many apprentices into the Industry (see below) added – "There is not enough interest from young people or ethnic minorities or females which we need to act on, but additionally not all repairers are willing to engage in taking on apprentices – we have had school leavers ready to place without any bodyshops in the areas willing to take the placement."

MH – "We fill apprentices well and quickly in conjunction with our local college – 40-hour week / 25 days holiday / sick pay / good wage / clean attractive environment.... market is professionalising and we are a part of that, but not quick enough. COVID created 'optimal capacity' opportunity so there is a lack of desire to take on more people as there isn't the attractiveness of having the extra work to help fund it."

BE – "I agree the environment is great now, but we also need to keep the mentors in place to invest in the apprentices to 'sell' the job – in smaller, older sites this is more difficult." MH BE and SS all added they had stopped Saturday working to be more appealing to younger people.
Dean Lander felt "We need to be better at capturing the case studies and promoting this to a wider audience."





CONNECTED SOLUTIONS)



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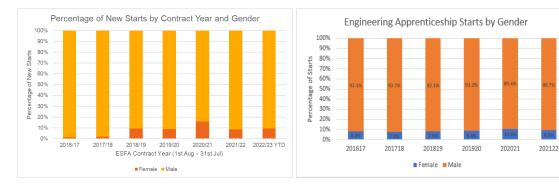
Promoting career choices

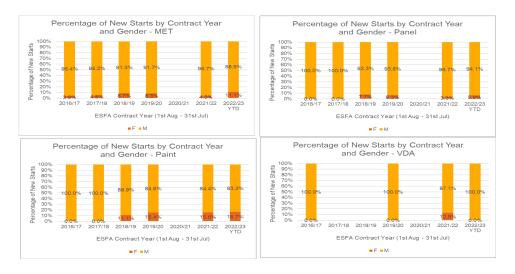
CW- "What is it like to work in a bodyshop then.... hard work, tiring, straining, on your feet 8 hours a day, physical work – it's not an easy sell!"

MH – "Agree, but we have found success by being honest about what a day's work is like and those who want to do that are attracted to it – c15-18% drop out of further education which we have recruited into a variety of roles estimating / mechanical / paint / customer service. We continue to also put a lot of effort into educating the workforce on banter / bullying / harassment to make the work environment enjoyable."

BE – "We have recently two female technicians MIT & Paint – we took them to an apprentice's event to attract new apprentices which worked well, they gave the talks and helped to attract new groups of people."

There was much discussion about gender imbalance and how the need to promote this industry for females to have careers is a greater challenge, supported by some recent statistics from Thatcham –









Michael talked about how LV have encouraged apprentices through their 'Green heart standard' which he stated, "includes recognising gender pay gap& cultural bias too" but "many still can't even get on board with this, we feel everyone needs to do this."

The group discussed within the topic of career choices that recent salary inflation is causing a real problem with the traditional progression from floor to management being less attractive, as 'shop floor' salaries can be better than management! Whilst promoting early can help, once a technician really gets into their role, they often don't want to sacrifice the income they have.

Steve shared some videos of their recent successes, including interviews of recent apprentices to share their views & experiences, attached below - https://youtu.be/95Yhk2GDEhU .





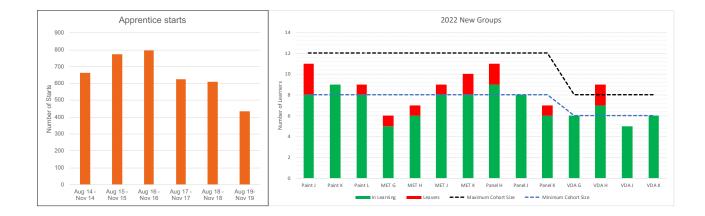


Speed to competency

SS & MH discussed how they have salaried roles, with minimal turnover of people, operating at a lower net profit but with a more sustainable business. MH added that they have built a culture and environment of having adult to adult conversations – not parent /child.

MH added that everyone should "be prepared to change your business model".

DL added "2019 stats report showing the negative impact of the levy on starts in our industry. A 2022 report has recently showed how we are recovering post pandemic but not at the pace required."



"Unfortunately, you can't compare the 2 reports as the change from frameworks, pre 2020 to standards only post 2021 resulted in the removal of all level 2 apprenticeships. This means now apprentices are fixed onto a longer apprentice, 3 years is too long, and we used to be able to say 18 months to get to level 2 and then the option to move to level 3."

MG discussed how pleased he was that many of the regional groups, such as the ones in this room and a few others have really pushed this apprentice agenda in the last few years. But wants the groups and remainder of the industry to consider "how we focus on the next level down, the next size shops & the independents - make this common place"

Bradley considered "How can we help others learn from our successes to help with the overall issue for the industry – supporting the smaller groups – maybe offering mentors from our business to nearby businesses?"





MG – "Insurers need to support the industry, to fully utilise the levy – we have a responsibility to promote levy / apprentices and do more than we do- to support the full ecosystem of Colleges / Training organisations / Mentors and Support structures"

BE – "Could Autoraise /Insurers work together to help fund an 'apprentice development structure' within regional groups to support others in the region?"

MG – "Everyone should have to have an apprentice" ...But called for "More support with resource and support systems, not just investment."

PS asked if "Insurers could perhaps widen their own talent programmes to include involvement in 'Industry' businesses such as AutoRaise to help support the growth of the individuals whilst supporting the wider industry challenges."

SS – "The ESG agenda is changing, the focus on supply chains and how this can impact the wider organisations ESG – getting close to the point of 'no ESG plan= no contract'"

SS – "There remains a mistrust between Insurers / Suppliers which needs to be overcome to move forward together."

PS added that "this also applies to procurement practices that can often be driven by short-term targets to drive to lowest cost (current inflationary challenges are driving cost issues with Insurers now) – this doesn't support the ability for suppliers to invest"







Understanding and influencing the levy

ST – "At board level we get financial support from a variety of people and organisations using their levy, we also look for specific funding for specific initiatives for levy use."

MH - "Can insurers marketing teams, using a larger infrastructure, help the education and promotion of this issue?"

SS - "We need to be very clear with our messaging, be fact based - What will happen by 2030 if we don't act?"

DL – "We need to educate insurers to lobby government to change levy restrictions, too restrictive and not attractive enough."

SS added "It has to be invested in apprentices without the restrictions / time issues."

MG – "I want to fund more and can – but I want to go to businesses who actually want to do this properly and deliver the benefits, sometimes it is difficult to deliver a real return on investment."

Example –

"Non-levy paying employer, takes on an apprentice and we will give levy help; this means they have to absorb a ± 15 k salary plus, $\pm 2/3$ k transport and accommodation for training at thatcham, where they will be productive within 12 weeks, but it takes 3 years to qualify – the ROI just isn't there."

SS - "Understand this, but an MET apprentice can become competent quickly, so how can we pay them more, quicker?"

DL "You can do that within the training structure to reward people as they advance."

Why is it a good news story for a bodyshop?

For some groups it is a great idea – but why not for everyone else?

SH – "Our experience tells us that after 3 to 6 months most apprentices can payback and actually, they can increase the efficiency of their mentors!"

SS – "There is a non-complex equation for those not wanting to invest – if you lose a person your productivity will drop / to replace will cost top money / so start investing in apprentices now."

MH – "Autoraise has a brand, platform – ability to impact – outside of financial resource can we help it do what it needs to do – what skills / trustees do we need to push it on?
 Can Insurers help by providing skills / experience?"

MG – "I will speak to public affairs /PR within LV to see how they can help."

CW – "A Raise could start to ask questions and produce marketing material with case studies/questions to inspire curiosity with colleges/schools – promote early in school life as career choice "

BE – "We have been pitching to year 9 and have recently offered an apprentiship linked to exam results."

As a final action from the day, Simon Smith and Paul Sell agreed to consider trends in the industry and map out the 2030 story as it will unfold – including costs, volumes, capacity, technology, and complexity of repair in order to ensure the challenge of not acting fast enough is fully understood.







Auto raise 2023 Rally

Our mission

To create a sustainable pipeline of talent for the long-term security of the sector.

Our vision

To have the vehicle repair sector recognised as a career destination, brimming with youthful talent, securing skills that create a long-term sustainable workforce capable of safely repairing the cars for the next generation of drivers.

Our goal

To ensure the rate of technician attrition is surpassed in growth in new talent within this decade. To do this we believe we need:

- 2000 new apprentice positions per year by 2025 Circa 25% growth
- Matched growth in training capacity industry wide by 2025
- Apprentice retention rates above 80% by 2027 Circa 20% growth
- An average age of competent technicians below 40 by 2030 Circa 20% reduction

Once a year AutoRaise organise a Rally for the industry to engage in, but importantly to raise money-

After the very successful 2022 U-Pol AutoRaise Rally, the 2023 Rally is being held from 7-9 September 2023 and it would appear to be one of the most stunning drives taking in the topography of East Anglia and the Lincolnshire Wolds (AONB).

A beautiful route awaits adventure loving participants keen to take on the AutoRaise 2023 AutoRaise Rally. The official starting grid will be at Lotus HQ in Hethel then heading off to take in the scenery over two days, including stays in Brigg and Lincoln.

Steve Thompson, Vice Chair said "After the most successful AutoRaise Rally to date last year, we have given ourselves a huge challenge to exceed this, in terms of fun, networking and fund raising! Our decision to stay in the UK and take in 3 counties on our 2 days 'Viking themed' rally was an easy one for us. We are hopeful that this will encourage more entrants from across the industry. Our starting grid this year will be at the Lotus Cars Headquarters in Hethel, Norfolk. We will start from their own racing circuit and head out along the north Norfolk coast, through Cambridgeshire and into Lincolnshire as we again straddle the coastline with plenty of sites along the way. Not only is the driving and sceneries a huge pull for the AutoRaise Rally, but our evenings have been equally fantastic with live music, DJ sets and a suitable end to events with a feast fit for modern day Vikings on their voyage to raise awareness and income for young apprentices!"





With participating team numbers steadily increasing over the years and based on some teams who have already pre-registered, the AutoRaise Rally organisers are expecting a big demand. "We hope to sell out this year's Rally and make it as much fun as 2022. I have put a huge effort into choosing the vast array of pit stops and activities en route. I just want people to enjoy themselves, and most importantly raise as much money as we possibly can!" Jen Evans, AutoRaise Business Manager commented.

Steven Hames from GT Motive with his team have been part of the Rally since its inception says, "The GT Motive team are very excited to be joining the AutoRaise rally again this year in what is proving to be one of the highlights of the industry calendar. It's a great excuse to get my long-suffering car out. The AutoRaise team always find great roads, scenery and places for our pit stops. All these things make for a brilliant setting to spend time with industry friends, we cannot wait! "

Because of the anticipated demand, places will be reserved strictly on a first-come, first-served basis and by making a £500 deposit per team. The deadline for places is Monday 27th March 2023, although preference will be given to previous competitors, AutoRaise Partners and Affiliated Repairers.

Anticipated cost per team (assuming two people are sharing a double occupancy room for the two nights) to include all meals, accommodation, lunches, refreshment breaks, drinks receptions and provided entertainment will be £1,500.

Day one will see all drivers setting off from the starting grid at Lotus HQ in Hethel, Norfolk before heading up the Norfolk coast, going inland and then back onto the Lincolnshire Coast before heading to Brigg.

Day two we will be leaving Brigg and taking in the stunning scenery of the Lincolnshire Wolds before ending the day in Lincoln where there will be a drinks reception along with dinner and entertainment provided by the Wilderminds who performed at our 2022 event. On Saturday morning, everyone will enjoy breakfast at their leisure before heading off to their respective homes and a well-deserved rest.

The 2023 AutoRaise Rally will be a fun few day and with so many confirmed competitors already, you are guaranteed a fantastic experieince driving amongst beautiful scenery and spending quality time with industry friends and acquaintances. Funds raised will go towards supporting AutoRaise

If you are interested in joining the Rally or would like information on sponsorship, then please do not hesitate to contact Steve – if you want to see what fun it is -<u>https://www.youtube.com/watch?v=5WAT1A18hbc</u>.













