



# SKILLS FIRST.

Connecting employers, further education  
and training providers.

August 2016

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# FOREWORD

## ANN FRANCKE



**Ann Francke MBA CMgr CCMi FIC**  
Chief Executive, CMI



*Apprenticeships will continue to top the agenda because employers know they are an effective way to upskill both young adults and those already in work.*

The past two years have been a period of momentous change for education and vocational training in England.

We've seen the launch of employer-designed Trailblazer Apprenticeships, the announcement of an Apprenticeship Levy on employers, and, published in July 2016, a new *Post-16 Skills Plan* that proposes significant reforms and the creation of fifteen technical routes into work.

This level of change is not a coincidence. It is a response to some of the deep-rooted challenges the nation faces: poor productivity relative to our competitors; a pronounced skills shortage, particularly in certain key professions; an ageing workforce; and a generation of young people who feel they have few prospects. Policy makers have realised – quite rightly – that education and training are key to addressing these pressing issues.

And then there is the uncertainty caused by the Brexit vote. It highlights that, more than ever, we have to invest in our people. While employers often cut back on training in the face of economic turbulence, Apprenticeships will continue to top the agenda because employers know they are an effective way to upskill both young adults and those already in work. Plus, with the new Levy due from 2017, there will be a stronger financial driver than ever before for many employers to focus on skills.

The impact on management and leadership development is set to be profound. The new suite of Trailblazer Apprenticeships that CMI has supported provide exciting new progression routes, from Team Leader through to Operations Manager and up to the Chartered Manager Degree Apprenticeship. We're now working with employers to go even further by developing an apprenticeship for senior leaders.

These routes matter enormously because we know that boosting the quality of management and leadership in the UK is the single factor most likely to improve national productivity. There are still too many accidental managers, promoted into management roles and left to sink or swim without the support they should be able to expect from their employers.

Change can be invigorating. There are huge opportunities for further education and training providers that can deliver the programmes employers want to grow their people and boost performance through the uncertain times we face.

A handwritten signature in black ink, appearing to read 'Ann Francke', written in a cursive, flowing style.

**Ann Francke MBA CMgr CCMi FIC**  
Chief Executive, CMI  
August 2016

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# ACKNOWLEDGEMENTS



This paper has been prepared with Sally Percy of Love Letters Publishing and edited by Patrick Woodman and Shadi Ghezelayagh at CMI. It is based on the insights, ideas and perspectives on directions in further education and training shared by the speakers at CMI's Learning Provider Conference in London on 5 July 2016.

It also draws on comments from a reception at the House of Commons which followed the conference, where we celebrated the launch of new Trailblazer apprenticeship standards for Team Leaders and Operations Managers.

We're grateful to all the speakers and guests at both events, whose ideas and enthusiasm made it an engaging and thought-provoking day. In particular, we'd like to thank the inspiring young group of Apprentices who shared their experiences and showed themselves to be great leaders for the future.

# 1. THE BIG PICTURE IN EDUCATION AND TRAINING

- The UK's productivity is 19% below the average for the other six members of the G7
- The UK needs 1.9m new managers by 2024. Only one in five managers is currently qualified in management and leadership
- 71% of UK organisations admit that they fail to effectively train first-time managers
- 43% of managers rate their own managers as ineffective. Time wasted through bad management is estimated to cost £19.3bn annually across the UK
- However, developing managers has a proven value, with the average benefit of a Chartered Manager valued as £391,443
- 87% of employers report difficulties in recruiting certain key skills.
- Nearly 25% of all job openings in 2015 were left vacant because employers could not find people with the right skills or knowledge

Sources: Office for National Statistics, UKCES/Council for Excellence in Management and Leadership, CMI, CMI/XpertHR, Social Market Foundation

**Political events and macroeconomic trends continue to emphasise the overriding importance of education to the continued prosperity of the UK. Hence there is an urgent need to equip our workforce – particularly our young people – with the essential skills to take our country forward. Learning providers play a pivotal role in supporting them, a point that was emphasised by speakers at CMI's Learning Provider Conference in July 2016.**

At the event, Nida Broughton, Chief Economist at public policy think-tank the Social Market Foundation, highlighted that productivity has been a problem for the country for a number of years, which puts us at a disadvantage compared with our competitors. In February 2016, the ONS reported that the UK's output per worker was 19 percentage points below the average for the other six members of the G7.

This productivity challenge is, in part, a result of the UK's on-going skills shortages. The 2015 Employer Skills Survey from the UK Commission for Employment and Skills (UKCES) found that nearly a quarter of all job openings in 2015 were proving hard to fill because employers could not find people with the right skills or knowledge to fill them. As a result, for many of these employers, orders were lost to competitors and the development of new products or services was delayed.

*Nearly a quarter of all job openings in 2015 were left vacant because employers could not find people with the right skills or knowledge to fill them.*



Structural skills shortages are particularly significant in a number of sectors including energy, construction & transport<sup>1</sup>. On the other hand, some skills are going to waste since the survey also found that 16% of the total UK workforce was over-skilled and over-qualified for the jobs they were doing.

What's more, the first skills survey by the Organisation for Economic Co-operation and Development, conducted in 2013, found that England was the only country in the developed world where young adults were less literate than people approaching retirement<sup>2</sup>.

Broughton explained that equipping people with better skills is not only crucial to driving productivity, it also has a role in "sharing prosperity generated by growth, driving social mobility and ensuring that people can take advantage of opportunities that new technology is bringing". So while advances in technology, including artificial intelligence and robotic automation processes, are set to remove the need for many secretarial and administrative roles, this will be countered by the creation of more professional jobs.



*Equipping people with better skills is not only crucial to driving productivity, it also has a role in sharing prosperity generated by growth, driving social mobility and ensuring that people can take advantage of opportunities that new technology is bringing.*



<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/525444/UKCESS\\_2015\\_Report\\_for\\_web\\_\\_May\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/525444/UKCESS_2015_Report_for_web__May_.pdf)

<sup>2</sup> <https://www.theguardian.com/education/2013/oct/08/england-young-people-league-table-basic-skills-oece>



## *The UK needs 1.9m new managers by 2024.*

UKCES data shows that the UK needs some 1.9m new managers by 2024<sup>3</sup> as a result of the retirement of the older generation and the anticipated growth of the economy. The skills system needs to take changing demographics into account. Today, just under a quarter (24.2%) of the UK's population is aged over 60<sup>4</sup>. By 2050, a third of us will fall into that demographic bracket<sup>5</sup>. So many sectors will have to get used to operating with an ageing workforce and acknowledge that training and development must happen continuously throughout people's lives – not just when they are young. They will also need to ensure that younger workers are skilled up to replace workers who retire.

In addition, the nature of the labour market is changing as more people choose – or are forced – to work for themselves. Currently around one in seven people in employment are self-employed in their main job, according to government statistics<sup>6</sup>. Many of these people need better skills, particularly management skills, Broughton said, but it is not clear how they can acquire them given that they operate outside the traditional employer/employee relationship.

While all developed nations must adjust to technological advances and changes in the labour market, the UK has two other significant challenges to contend with, said Broughton. These are Brexit and the National Living Wage. Due to the shortage of skills in a number of occupations and sectors, UK employers have been relying on overseas workers to fill skills gaps. In February 2016, Office for National Statistics figures revealed that one in 10 UK workers are not UK nationals.

<sup>3</sup> *Working Futures 2004-2014*, UK Commission for Employment and Skills, 2016

<sup>4</sup> *Later Life in the United Kingdom*, Age UK, June 2016

<sup>5</sup> *World Population Ageing*, United Nations, 2015

<sup>6</sup> <https://www.parliament.uk/business/publications/research/key-issues-parliament-2015/work/self-employment/>

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At present, there is a lot of uncertainty around immigration due to Brexit, Broughton noted, but it is likely that the rules will tighten. “So there are some very, very big challenges,” she explained, “which increase the pressure on businesses, on government, on policy makers and on training providers to get the skills system right.”

Brexit has also put leadership and management skills firmly on the government’s radar, a point made clear at a House of Commons reception that followed the Learning Provider Conference. Speaking at the event, David Rutley, Conservative MP for Macclesfield and Vice Chair of the All-Party Parliamentary Group on Management, said that the uncertainty surrounding Brexit underlined “the importance of having strong leaders”.

Businesses and communities need to boost leadership and management skills if we are to approach the opportunities and challenges associated with Brexit in an effective way and “tackle the long-standing issue of productivity”, he said. “When we think of the immigration pressures which many voters in our country spoke up about, it’s key that we look to develop our skills base and how we can help more citizens realise their potential.”

The introduction of the National Living Wage for workers aged 25 and over will likely result in similar challenges. Set at £7.20 initially, the wage is set to rise to £9 an hour by 2020. Businesses will find that their profits are squeezed unless they can find ways to make their employees more productive – which puts the onus on employers to provide more training to their workers.



*The uncertainty surrounding Brexit underlines the importance of having strong leaders. Businesses and communities need to boost leadership and management skills if we are to approach the opportunities and challenges associated with Brexit in an effective way and tackle the long-standing issue of productivity.*

## 2. PROVIDERS PUTTING EMPLOYERS AT THE HEART OF THE SYSTEM

**The government's Post-16 Skills Plan, published in July 2016, vowed to put employers "at the heart" of a revamped technical education system by giving them a leading role in setting standards. New pathfinder routes will be created – building on the previously launched Trailblazer apprenticeship programmes – giving employers the opportunity to help direct the skills training that young people get and thereby shape the workforce of the future.**

**While employers know which skills they would like to see in both new entrants and more experienced members of their workforce, they don't necessarily know how they can go about equipping them with these skills. That's where learning providers come in.**

### Technical education reform

In July 2016, the government published its *Post-16 Skills Plan*, based on the recommendations made by the Independent Panel on Technical Education chaired by Lord Sainsbury. The panel, which had been set the task of finding ways to transform technical education in England, proposed giving 16-year-olds a choice between two equally high-quality options for furthering their education: academic and technical.

Martin Doel, Chief Executive of the Association of Colleges, described the recommendations as potentially "epoch changing".

The main principles of the technical option are:

- It will feature a framework of 15 clear 'pathfinder' routes to skilled employment.
- Routes will begin with high-quality, two-year, college-based programmes that are aligned to apprenticeships. Each route will have a common core including English, maths and digital skills.

- Employers will take the lead in setting the standards for the routes.
- The employer-led Institute for Apprenticeships and Technical Education, which will be fully operational in its apprenticeship function by April 2017 and in relation to technical education by April 2018, will regulate the quality of technical education.
- The first pathfinder routes will be taught from September 2019 with all 15 routes being rolled out for teaching by September 2022. Four of the routes will be primarily delivered through apprenticeships.

CMI believes it is crucial that the new routes recognise skills-based subjects such as team leadership, and not focus only on knowledge-based approaches to subjects, such as business and administration. Student voices need to be listened to in developing these.



## The landscape of learning

Although the government's review of post-16 education and training institutions is creating some uncertainty, further education colleges are in a good position to rise to the challenge of delivering more skilled workers to employers according to Doel.

Colleges secured a "better than expected" funding settlement in Autumn 2015 to deliver 16-18-year-old education, adult education and apprenticeships, he said. Colleges are also the bedrock of a skills system that will deliver the anticipated three million apprenticeship starts by 2020, higher standards in English and maths and higher technical and professional standards. They will deliver this while reaching out to parts of society that have not benefited from the economic recovery to date.

Doel added that independent training providers are an important part of the equation since colleges rely on them as partners to help deliver a significant number of courses.

Mark Dawe, Chief Executive of the Association of Employment and Learning Providers, predicted that there would eventually be three possible career routes for post-16 learners: an academic route, a classroom-based vocational route and a work-based

vocational route. In light of this, he said it was important that learners had the option to move to other routes if the one they first picked wasn't working for them.

Turning to funding, Dawe suggested that the government's focus on standards of English and maths meant that education in this area would probably attract public funding. "The rest will be paid for by the learner or the employer," he said, but he expected apprenticeships to continue to be free and added that all 16-18-year-olds deserved to get funding for their education, regardless of the route they took.

Dawe said that the Apprenticeship Levy created a number of interesting potential scenarios. "Some employers will be non-Levy payers," he observed. "Some will be Levy payers and not use up all their Levy. Some will be big Levy payers and want to deliver more. The system needs to support all those employers."

Smaller employers which don't have to pay the Levy are a particular area of concern, Dawe noted. This is because there is no guarantee that non-Levy payers will get funding in the long term. "The government is relying on leftover Levy money to fund the non-Levy payers and I think that's wrong," he said. "So we're pushing very hard to get

a guarantee around what funding is allocated as a minimum to non-Levy payers."

Looking ahead, Dawe expected to see more employers providing education and more employers having to face Ofsted inspections as a result. He said there was an opportunity for colleges to deliver classroom training on behalf of employers and an opportunity for independent training providers to work with employers by delivering training on the employer's own premises.

## Apprenticeship Levy

All UK employers will be subject to a charge of 0.5% of their pay bill from April 2017. They will be able to offset this charge with a £15,000 allowance, which means only companies with an annual pay bill of more than £3 million will actually have to pay the Levy. Once they have paid, employers will be able to use a new Digital Apprenticeship Service account to access funding for apprenticeships. They will even be able to get out more than they pay in, through a 10% top-up applied to their digital account.

### 3. PUTTING YOUNG PEOPLE ON COURSE FOR SUCCESS

**Statistics suggest that the current skills system is not supporting young people to achieve their full potential. The UK has a population of around seven million 16-24-year olds, of which some 1.5 million are aged 16 or 17. Yet in the February to April 2016 period, 621,000 young people aged 16-24 were unemployed – 13.6% of the economically active generation for that age group<sup>7</sup>. In contrast, the overall unemployment rate for people in the UK aged 16-64 was 5%<sup>8</sup>.**



*Apprenticeships are a real opportunity to bring to life vocational training and skills for so many young people in our country.*

As an issue, youth unemployment has featured highly on the government's agenda since the financial crisis struck. The result has been a series of policy initiatives including the apprenticeship reforms, the introduction of work coaches by the Department for Work and Pensions and the Youth Obligation, which puts an expectation on unemployed 18-21-year-olds who receive universal credit to apply for an apprenticeship or traineeship.

Laura-Jane Rawlings, Founder and Chief Executive of campaigning membership organisation Youth Employment UK, said that while several different government departments had been trying to address the issue of careers for young people, the “lack of joined-up thinking” between the departments had impeded progress to date. As a result, there is still “so much work” to be done.

Rawlings highlighted that the country has a problem moving young people from education to employment, a problem that could potentially be exacerbated by Brexit. Young people mostly voted to remain in the EU so they feel disenfranchised by the outcome of the referendum and think that their voices are not being heard. There is also a risk that Brexit could impact on their employment prospects.

“We must challenge our government to create a forward-thinking policy that looks at what Britain needs for the next 20 years and make sure that the skills agenda features heavily in that,” said Rawlings. “That is a long-term policy as opposed to constant knee jerk reactions. Young people need to understand there is a voice and a place for them and the government needs to have a consistent long-term approach to youth unemployment because we don't understand the economic consequences of Brexit.”

While there are challenges, there is also much to be positive about, Rawlings continued. She highlighted apprenticeships as a “real opportunity to bring to life vocational training and skills for so many young people in our country”.

<sup>7</sup> <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN05871>

<sup>8</sup> <http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/latest>

# THE LANDSCAPE IS CHANGING

The age of apprenticeships is here.

- Apprenticeships have transformed and great opportunities lie ahead for employers.
- The time has come to professionalise your man...



## What do young people know about the world of work?

The continuing problem with youth unemployment has put careers advice in schools firmly on the public policy radar. In July 2016, the Parliamentary Sub-Committee for Education, Skills and the Economy found that “too many young people are leaving education without having had the chance to fully consider their future options or how their skills and experiences fit with opportunities in the jobs market”. It called on the government to incentivise schools to improve their careers guidance or risk being downgraded by Ofsted if their careers provision was found to be sub-standard.

Rawlings emphasised that a lack of awareness around different career options was a barrier to young people succeeding. “We have to challenge schools to understand the different pathways,” she said. Employers also have a role to play in “showcasing the opportunities within their organisations and reaching out to teachers to show them what the real opportunities are for young people”.

Unfortunately, it is hard for young people themselves to effect change because they are, as Rawlings observed, “often left out of the conversation between employers and the government”.

To address this issue, CMI has undertaken its own major study in association with the EY Foundation. The study of over 1,500 16-21-year-olds explores their leadership aspirations, experiences of work and perceptions of apprenticeships and is due to be published in September 2016.

Previewing the research at the conference, Patrick Woodman, Head of Research and Communications at CMI, said that the question of whether young people feel sufficiently qualified to make good decisions about the world of work is crucial – particularly since they are the managers of tomorrow.

A major finding of the research was that many schools are failing to equip young people with the skills that they need to choose a career. This may be because they don’t offer work experience – schools have not been obliged to provide placements since 2012 – or the guidance that they offer is very limited. Guidance on apprenticeships, in particular, was found to be poor, with schools tending to promote university above vocational training.

“Often those who would be in the market for apprenticeships knew least about them, which is a big area of concern,” said Woodman. “Going to university is still the focus of a lot of careers guidance and thinking in

schools, which is shutting off some potentially brilliant opportunities for young people.”

The research also revealed that the greatest influences on the career choices of young people are their parents and their teachers. Employers take a back seat as sources of advice, said Woodman. “Young people don’t see employers as having a visible presence in terms of helping them to understand the workplace and provide careers guidance. But we did find that most young people would like to become managers and lead projects and teams. The challenge, and opportunity, in front of employers is to help young people fulfil that ambition.”

*Many schools are failing to equip young people with the skills that they need to choose a career.*

## 4. THE AGE OF APPRENTICESHIPS – CREATING NEW PROGRESSION ROUTES

### The benefits of Apprenticeships\*

- 84% of apprentices said their career prospects have improved
- Apprentices completing a higher apprenticeship could earn £150,000 more than they would otherwise do over their lifetime
- 70% of employers said apprenticeships improved quality and service
- £26-£28 is the typical return for every £1 of government investment in apprenticeships at Levels 2 and 3
- 67% of managers support the proposed Apprenticeship Levy

*\*Source: Department for Business, Innovation & Skills, 2016. CMI, Feb 2016*

**To say that apprenticeships are a hot topic in the world of education would be a massive understatement. Since 2010, the government has heavily promoted apprenticeships, seeing them as a way to reduce youth unemployment, improve skills and therefore productivity, and offer learners from all social backgrounds the opportunity to develop themselves without paying out for expensive university education. In the last Parliament, between 2010 and 2015, 2.3 million apprenticeships were created and a further three million are planned for the current Parliament.**

While apprenticeships have been revived in a big way, they are also being reformed. Groups of employers known as 'Trailblazers' have designed new apprenticeship standards and assessment approaches to make them more relevant to today's needs and raising their quality to world-class.

Furthermore, in 2015 the government launched a new model of education called the degree apprenticeship, which combines a university education with the best of work-based vocational education. The Chartered Manager Degree Apprenticeship (CMDA), supported by CMI, is one such programme.

Carl Creswell, Deputy Director of the Routes into Apprenticeships and Work Unit at the Department for Education, has oversight of the Trailblazer process. Speaking at the conference, Creswell emphasised that the government's aim is not just to boost the number of apprenticeships that exist, but also to boost their quality.

The aim of Trailblazers is that employers are in the driving seat of creating apprenticeships that really meet their needs, Creswell explained. Employers will also be able to take advantage of additional tools such as the online recruitment tool 'Find an Apprenticeship', the Digital





Apprenticeship Service that can be used to manage apprenticeships, and the National Apprenticeship Service, which offers account management for large employers and an online and telephone helpline for small businesses. Small businesses can also take advantage of a £1,500 grant per apprentice for their first five apprentices.

Creswell's advice to employers looking to develop new apprenticeship standards was this: "Don't feel it's a complete blank sheet of paper. While we want you to stand back and think about the knowledge, skills and behaviour required for your occupation, remember that other people have been on this journey already. The skills, knowledge and behaviour might be slightly different for your standard, but you can look at how other people have crafted assessment methods and build on their successes."

### **Role of the Institute for Apprenticeships and Technical Education**

At the House of Commons reception, Rachel Sandby-Thomas CB, then Shadow Chief Executive of the Institute for Apprenticeships and Technical Education, outlined the role of the new Institute. Its main functions will be to ensure quality by approving the standards and advising ministers on the funding cap that should be set for each standard.

She added: "It will probably do reviews of the standards every three years and make recommendations if there are gaps or if standards aren't being used. It also has a role in quality assessments as a 'quality assessor of last resort'. Our aim is that in time apprenticeships will become an established, respected alternative to going to university. That's not going to happen unless the brand remains high and the quality of apprentices is there. So I see the Institute as a staple ingredient in making sure that we succeed in achieving parity of esteem for our apprentices."



*Our aim is that in time apprenticeships will become an established, respected alternative to going to university.*

## 5. CMI'S APPRENTICESHIP OFFER

**CMI now offers three Trailblazer Apprenticeships, at Level 3, 5 and 6. These provide nationally recognised qualifications, on-the-job learning and the opportunity to put theory into practice while putting learners on a pathway to becoming professional managers.**

Apprentices, employers and provider partners are supported by rich enabling resources and membership benefits including unrivalled online content, learning journeys and career development tools explained Petra Wilton, Director of Strategy & External Affairs at CMI.

CMI's Trailblazer programme is an all-age programme, she added. "It is both about encouraging young people into careers and also upskilling existing workers. It's not just about creating new apprenticeship roles – it can also be used as a mid-career development opportunity."

"The Team Leader, Operations Manager and Chartered Manager Degree Apprenticeship form a beautiful pathway for people looking at leadership and management," said Alison Cox, CMI's Head of Apprenticeships.

Cox also confirmed that CMI is continuing to work with the Trailblazer group of employers as "we are looking at developing a Level 7 Senior Leader Apprenticeship." Work is underway and will continue into 2017.

Cox said that it's vital that education providers, professional bodies and employers work together to keep raising awareness of apprenticeships and establish robust careers advice for young people so that they start to see apprenticeships as a good alternative to university.

The following sections reflect the views of learning providers, employers and apprentices that have partnered with CMI.



*It's vital that education providers, professional bodies and employers work together to keep raising awareness of apprenticeships and establish robust careers advice for young people so that they start to see apprenticeships as a good alternative to university.*

# VIEW FROM LEARNING PROVIDERS



**Gillian Merryweather**  
Programmes Director,  
Intec Business College



“Intec is an independent training provider that delivers workplace learning through apprenticeships in England and Scotland. Currently we have 2,000 apprenticeships and 570 of those are doing management apprenticeships with CMI.

We are passionate about delivering development and skills to young

people and to adult learners who do apprenticeships. We work with both large employers and SMEs and we are helping our large employers to understand what the Levy means to them. Employers that weren't interested in apprenticeships before are starting to think about them because of the reforms. A lot of the

interest is in higher apprenticeships because the funding is greater.

We like working with CMI. That's because we have found it more straightforward to work with them than other awarding bodies to develop the essential skills that enable our apprentices to become managers. We also appreciate all the resources they provide.”



**Lucus Elliott**  
Group Managing Director,  
Encompass Development Group



“Encompass is an independent training provider with a national reach. We have around 1,000 learners and 360 of those are on management apprenticeships. Most of our learners are adult apprenticeships and our learner profile consists of learners who range in age from 25 up to 50 or 60, on the higher apprenticeships.

We work with five fire and rescue services across England and Wales. Fire and rescue is facing extraordinary challenges in terms of funding cuts and

a lot of services have been launching operational change programmes. We've worked with strategic leaders within the fire service to develop content that supports their change programmes.

For the classroom sessions, we've brought in senior directors, such as the finance director or operational change director. They also get involved in the work-based assessment side of the qualification.

The key challenge for us has been delivering at the adult apprenticeship level – 24 years plus – because the funding system is currently not great for learners over the age of 24. Under the new funding caps that will change and we see significant potential to grow, especially by delivering higher apprenticeships.

CMI has been excellent in terms of the support they give us as a provider. Some of the resources on ManagementDirect are extraordinary.”



**Mark Knowles**  
Skills Hub Coordinator,  
Dudley College



“I manage workplace provision at further education provider Dudley College. We have around 1,000 apprentices doing qualifications across a range of areas. Some 250 of those are doing leadership and management qualifications.

We have been working with CMI for over ten years and have built up really good working relationships with the CMI staff. ManagementDirect is just amazing; it makes my job so much easier. Now I don't have to create my own virtual learning environment.

We engage with a lot of employers – large organisations as well as some smaller ones. We have identified a massive skills gap with their accidental managers and we have helped to get people gradually moving up through their organisations. There are some really good success stories of people going from managing two or three people to managing the whole department for that organisation. It has been amazing to see the progress in some of our learners.

We will see a massive growth in higher apprenticeships if the Levy is introduced. Employers are coming to us and saying: 'If we pay all this money, what can we do with the funding we get in return?' We've brought in a new 'aspiring managers' programme that is going to be a pilot. Then we're going to roll out the new apprenticeship standards over the next three years because our three-year strategic plan is to really grow this in this area.”

# VIEW FROM EMPLOYERS



**Bob Vince**

Strategic Development Director,  
Interserve



**Support services and construction company Interserve employs 50,000 people in the UK. Historically it has used craft apprenticeships to upskill its workers in specialised skills. It has also run apprenticeships in customer service and business administration.**

Nevertheless, the introduction of the 0.5% Apprenticeship Levy would be a “game changer” for the company, explained Bob Vince, Strategic Development Director at Interserve. “Our Levy bill will come to several million pounds so the big challenge for the business is how to use that money strategically.”

Vince said that by working with CMI to develop its apprenticeship programmes, Interserve had a “massive opportunity to extract value out of our Apprenticeship Levy”. They are rolling out the Team Leader Level 3 apprenticeship to front-line managers who have been promoted as a result of being good at their job, but have never undertaken formal management training. “The Team Leader apprenticeship is a massive opportunity for upskilling those staff and increasing productivity,” said Vince.

At a higher level, Interserve plans to use the Chartered Manager Degree Apprenticeship (CMDA) to upskill individuals who have been recruited directly into the business on the basis

of their technical skills. It is also part of the business’s talent retention strategy. “When individuals have a technical skill and they’ve shown promise, we want to progress them,” explained Vince. “That’s when we’ll switch them onto management programmes. We will probably use a CMDA scheme to enhance our existing management development programmes.”

Interserve’s board fully appreciates the opportunities that apprenticeships can bring, especially in terms of leadership and management. “What’s great about CMI and the leadership and management standards is they really do get to the heart of how to improve productivity in businesses,” said Vince.



**Melanie Nicholson**

Director of Skills,  
Serco



**Outsourcing company Serco supports governments and organisations around the world to deliver essential public services. A registered training organisation in its own right, it has delivered over 2,000 qualifications. For more than 10 years it has been running apprenticeship programmes for employees and currently has around 750 employees who are doing an apprenticeship.**

“We deliver apprenticeships in aeronautical engineering, custodial care and marine services and pan sector qualifications in administration, customer service and facilities management”, explained Melanie

Nicholson, Serco’s Director of Skills. “But we are going to have a huge Levy payment each year so we’re looking at how we can spend that Levy pot internally. We will continue with our apprenticeships, but we are also looking to expand and embed management qualifications.”

Serco has two management programmes. Its ‘Grow’ programme is for team leader-level managers who aspire to be operational managers. It also has a ‘Lead’ programme for operational managers who aspire to be leaders within the business. Around 30 people go on the programmes each year but numbers will increase dramatically following the introduction

of the Levy, said Nicholson. This is because Serco is working with CMI to develop a CMDA programme for its managerial staff.

Apprenticeship programmes are not just for young people, Nicholson argued. “Whenever you talk about apprenticeship programmes within an organisation, everybody thinks of 16 to 18-year-olds straightaway. So over the last two years we’ve run a lot of campaigns internally to enhance individuals’ understanding of what an apprenticeship programme can be and the fact that this can be used to upskill individuals who are already in the business. Around half of our apprentices are aged over 25.”



**Malcolm Armstrong**  
Regional Director – South,  
PureGym



**Gym operator PureGym has 157 open clubs across the UK and around 800 employees. Typically each club has a gym manager, one or two assistant gym managers and around 10 to 15 self-employed personal trainers.**

“The staffing model is fairly lean compared with mid-market or premium end gyms,” explained Malcolm Armstrong, Regional Director – South at PureGym. “So we don’t have an extensive apprenticeship programme, although we do have a few staff members who have completed, or are completing, CMI’s Level 5 Operations Manager qualification.”

PureGym was without a head of learning and development for an extended period in 2016, which had an impact on the amount of professional development that its middle and senior managers undertook. The business is looking to invest more in training now, though. “I see the apprenticeship route as a real opportunity for us to add additional development on top of what we do internally,” said Armstrong.

As PureGym has managers situated across the country, its preferred method of training delivery would be remote, making use of online training, remote webinars and satellite centres.



**Jake McClure**  
Head of Apprenticeships,  
Civil Service Learning



**The Civil Service plans to contribute to the government’s target of delivering three million apprenticeship starts by 2020 through having at least 30,000 apprentices in place in four years’ time. Already it has around 2,000 apprentices on the Level 3 Public Service Operational Delivery Standard, with the apprentices ranging in age from 17 to 58, as well as 2,000 apprentices on the Fast Track – a corporate entry scheme, with five programmes running in business, commercial, digital, finance and project delivery.**

Jake McClure, Head of Apprenticeships for Civil Service Learning and co-chair

of the employer group that designed the new leadership and management apprenticeship standards, said that the Civil Service sees these standards as a way to provide “a world-class offer” in the area of leadership and management. It is rolling out the CMDA as part of its offer but it is allowing every department to have flexibility in the way it applies the CMDA as well as the Level 3 Team Leader and Level 5 Operations Manager programmes.

“We want to look at the accidental manager situation with existing staff,” McClure explained. “And we know we have a lot of people who would like to convert onto apprenticeships. For operations or departmental managers,

this is a great opportunity for a mid-career change. Many people in the Civil Service have not always been able to access development opportunities. Some stay in the same role for 15 to 20 years, particularly outside London. Apprenticeships will give them a fresh start and a fresh opportunity to grow.”

McClure revealed that a significant proportion of the Civil Service’s anticipated 30,000 apprenticeships would probably go through the three apprenticeship standards in leadership and management. “One of the best ways to grow capability in the Civil Service is through management and leadership,” he said.



## LEARNING TO LEAD – APPRENTICES’ VIEWS



**Gemma Strain**  
Team Manager,  
Sitel



“I work for Sitel, which runs call centres, and I manage 26 advisers. I didn’t initially see management as a career path, but I was pushed into it when a role came up. Once I had had a taste of management, I loved it though. I was 21 years old, but a lot of the people I looked after were much older than me.

I got the opportunity to do a CMI apprenticeship which really helped me because I had become a manager at such a young age. It supported me to grow and make decent business decisions.

It was so good I’ve already asked when I can book in to do more management and leadership qualifications with CMI.”



**Jake Meldrum**  
Customer Service Executive,  
NACD



“I work for NACD, which installs door-entry and access control systems to new-build flats. I am a 100% accidental manager who got put on the spot when my manager went on maternity leave. With my employer, I decided it was probably a sensible idea for me to do the CMI Level 3 leadership and management apprenticeship.

ManagementDirect is fantastic because it gives you access to so many resources. But the programme

as a whole has opened my eyes to how individuals in a team learn and how I can motivate them. That has helped me bring the best out of the team and to increase performance exponentially.

The future for me is definitely further study and I would like to do the Chartered Manager Degree Apprenticeship.”



**Najoua Chekaya**  
Regional Manager,  
PureGym



“I work for PureGym as a regional manager. I have just completed CMI's Level 5 leadership and management apprenticeship. I was promoted from gym manager and then started the apprenticeship six months later.

The apprenticeship took 18 months to complete and I found it really, really useful. I've had regular meetings with my assessor from Intec Business College and ManagementDirect was very helpful.

I think the apprenticeship has enabled me to progress in my current role. When I started, I was the regional manager of 10 sites in the Midlands. Now I manage 19 sites across central London, north London and Essex. My hope for the future is that the apprenticeship sets me apart from other candidates when it comes to progression and promotion. I would really like to do the Chartered Manager Degree Apprenticeship at a later date.”



**Thomas Summerfield**  
Service Advisor,  
Pendragon



“I am doing a Chartered Manager Degree Apprenticeship with my employer, the motor dealer Pendragon. The actual degree part of the programme is with Nottingham University. I like it because I am building a portfolio of skills for myself. I'm not just doing management, I'm also doing accounting and finance and strategic business models.

I get a lot of support from Pendragon's talent specialist as well as our mentors at CMI and the university. And I have a vision because I know I want to become a Chartered Manager so that's what I'm working towards. It's a fantastic opportunity.”



**Rebecca Wallis**  
Manager,  
Herriot Hospice Homecare Store



“My employer is a charity called Herriot Hospice Homecare, which is based in North Yorkshire and Richmondshire.

Doing the management and leadership apprenticeship really helped to boost my legal knowledge and give me the skills that I need to work with vulnerable adults. I've also found that it fits around my personal and

professional life. I'm a single parent to a three-year-old so I need to make time for her as well as my work. I see my CMI tutor once a month and ring her regularly. She helps a lot. She emails me tasks to do and I email them back.

The apprenticeship is helping me with both my work in the charity and my own personal development.”

## 6. CONCLUSION

**Our conference affirmed that the skills landscape is going through significant change – which offers substantial opportunities to deliver employer-led training that can boost skills and performance.**

The Trailblazer apprenticeship reforms, in particular, stand out for their potential. As a result of the reforms, employers and training providers are coming together to equip both entrant and experienced workers with the skills they will need to thrive in the workforce of the future. The Apprenticeship Levy is set to transform employer spending on skills.

The extent of these changes creates enormous opportunities for education and training providers. However, they will need to overcome a number of challenges that remain: among them, the present lack of clarity on certain key policy points including the crossover from frameworks to standards and on questions of how the endpoint assessments for apprenticeships will work.

There is also uncertainty over how apprenticeships will be funded, especially in small employers who are not subject to the Levy, and whether there will be funding for people who already have a degree in a technical subject to do a further apprenticeship in management and leadership. Further announcements are anticipated soon – and will be keenly awaited by providers and employers alike.

The context is of course also significantly shaped by the Brexit vote, just a few days before the CMI conference. The momentous decision that was taken on 23 June 2016 will have significant ramifications for employers for many years, reaching far beyond the areas of skills alone.

But as employers wrestle with these challenges, it's clear that better leadership and management has never been needed more. The CMI conference showed that education and training providers are determined to seize the opportunity of the new Trailblazer Apprenticeships and work closely with employers to help build better-managed organisations that can thrive in the uncertain times ahead.



*As a result of the reforms, employers and training providers are coming together to equip both entrant and experienced workers with the skills they will need to thrive in the workforce of the future.*

# FURTHER INFORMATION

## Apprenticeship Progression Pathways

**Our research work with businesses and education providers has led us to invest significant energy over the last 18 months in the development of new employer-led Apprenticeship Standards for managers and leaders at various career stages.**

**As a result our profession now has a new development pathway complemented with government funding and reinforced with employer engagement.**

By working in partnership with CMI, you can offer your learners and employer clients a recognised professional development pathway that leads to Chartered status. Our full suite of leadership and management apprenticeships are available to all, therefore a solution for both school leavers and existing employees looking to continue their professional development and progression.

CMI's products and services work in conjunction with our apprenticeship offer, meaning you can utilise the same support services to help your learners achieve. This includes tailored content via ManagementDirect aligned to the learning outcomes of the apprenticeship.

With the increase in opportunities that the Apprenticeship Levy has created, the time has come to professionalise managers and leaders. Take advantage of the possibilities that lie ahead and start your journey with CMI.

### Benefits include:

- Programmes tailored to the needs of the working day.
- Pathways suitable for all ages/levels of experience, existing employees and school leavers.
- CMI Membership for all studying apprentices.
  - Access to tailored content through ManagementDirect
  - Take advantage of the CMI mentoring service
  - Explore your potential through the CMI Career Development Centre
  - Continue your professional development with networking, events and publications keeping you in the loop with leading edge thinking



To find out how you can take your employer partnership to the next level:

Visit [www.managers.org.uk/apprenticeships-providers](http://www.managers.org.uk/apprenticeships-providers)

Contact us today to discuss our suite of management and leadership apprenticeships.

Call: **+44 (0)333 220 3119**

Email: [qualifications@managers.org.uk](mailto:qualifications@managers.org.uk)

## Chartered Management Institute (CMI)

The Chartered Management Institute (CMI) is the only chartered professional body for management and leadership, dedicated to improving managers' skills and growing the number of qualified managers.

Our professional management qualifications span GCSE to PhD equivalent levels, including the unique Chartered Manager award, which increases earning potential and improves workplace performance.

We provide employers and individual managers with access to the latest management thinking and with practical online support that helps them to embrace change, create high-performing teams and keep ahead of the curve.

With a member community of more than 120,000 managers and leaders, we promote high standards of ethical practice through our Professional Code of Conduct, and help managers to build their expertise through online networks, regional events and mentoring opportunities.

Visit [www.managers.org.uk/management-apprenticeships](http://www.managers.org.uk/management-apprenticeships) for more information, and follow us on Twitter @CMI\_managers #MgtApprenticeship

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