

Higher Education Commission
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By email

HIGHER EDUCATION COMMISSION: DEGREE APPRENTICESHIP INQUIRY

CMI RESPONSE TO CALL FOR EVIDENCE

1. CMI

- 1.1 CMI is the chartered professional body for management and leadership. We are dedicated to improving managers' skills and growing the number of qualified managers across the UK.
- 1.2 With a member community of around 100,000, CMI provides individual students, managers and employers with access to the latest management thinking and with practical support to help them embrace change, build high-performing teams and improve individual and organisational performance. We are a UK awarding body for management and leadership qualifications and the only body that awards Chartered Manager - the hallmark of any professional manager.

2. MANAGEMENT APPRENTICESHIPS

- 2.1 In line with our mission, CMI wants to see more qualified managers and leaders. This is why we are a strong supporter of management apprenticeships and of the wider apprenticeship programme. We see this as potentially transformative in terms of increasing the quantity and quality management development.
- 2.2 We have actively engaged with the new apprenticeship programme from the very beginning and have helped develop a suite of management apprenticeships with the Management Apprenticeships Trailblazer Group. This comprises a Level 3 Team Leader Apprenticeship, Level 5 Operations Manager Apprenticeship, Level 6 Chartered Manager Degree Apprenticeship and Level 7 Senior Leader Master's Degree Apprenticeship for executive and C-suite development.

3. CHARTERED MANAGER DEGREE APPRENTICESHIP

3.1 We think the Chartered Manager Degree Apprenticeship (CMDA) is a real success. Given the length of the programme the number of completions is still low, but all the evidence to date is that the CMDA is delivering on a number of fronts:

- **it is meeting the needs of both employers and apprentices**, providing skilled managers and delivering a good learner experience. Research from Universities UK shows that the CMDA is already the most popular degree apprenticeship;
- **it is widening participation**. The CMDA has strong uptake with young people, women and those from lower socio-economic backgrounds. According to a breakdown as at 6 April 2018:
 - 47% of those on the CMDA are from the most socio-economically deprived regions of the UK;
 - 47% are aged 30 or under;
 - 54% are women;
- **it is upskilling and reskilling older workers**, as well as skilling young managers taking on their first management role. Over 50% of those on the CMDA (as at 6 April 2018) are over 30;
- **it is increasing student choice and promoting social mobility**, by offering a full degree through the employer-funded apprenticeship pathway; and
- **it has to potential to boost productivity**. The Bank of England, HM Treasury and the OECD all agree that management is one of the most important drivers of productivity. The Bank of England cite a lack of management quality as an explanation for the UK's long tail of unproductive businesses and the ONS, when scoring UK companies on management effectiveness, found that merely improving that score by 0.1 per cent was linked to a near 10 per cent increase in productivity. Management apprenticeships have the potential to play a critical role in boosting productivity by skilling and upskilling managers and leaders and driving the adoption of good management practices. CMI has long argued that closing this gap means recognising the pivotal role of management in improving productivity and a national focus on replacing our 2.4m "accidental managers" with competent, confident, conscious leaders.

3.2 Degree apprenticeships such as the CMDA also have the potential to transform the apprenticeship "brand" and deliver that long sought for parity of esteem. A recent CMI [survey](#) has shown that awareness of degree apprenticeship is on the rise among parents, increasing from 13% in 2016 to 32% this year. The same survey also showed that many parents would favour their child taking a degree apprenticeship at a blue chip corporate over a traditional university degree.

4. KEY THREATS

Review of funding bands

- 4.1 Just as employers are waking up to the full potential of the new apprenticeship system, the Institute for Apprenticeships (IFA) have told the Trailblazer Group that they plan to cut the funding band for the Chartered Manager Degree Apprenticeship by around 20% - from £27k to £22k. We have real concerns that cuts of this nature will seriously damage the market for management apprenticeships, stall investment in management development and undermine efforts to boost UK productivity. High quality providers have told us that they will not be able to deliver the CMDA for £22K and will exit the management apprenticeship market. The uncertainty is already unsettling employer demand, with businesses telling us that cuts will result in a reduction of entry level apprentices.
- 4.2 Some providers may continue to offer the CMDA at a lower rate but this will irrevocably damage the quality, reputation and number of management apprenticeships. It is possible that big corporates – who are able to guarantee large cohorts – will continue to find quality provision which means that the cuts will hit hardest those offering programmes to SMEs. Indeed, some employers are already negotiating deals where there are large cohorts, so these proposed cuts will only achieve savings by driving out programmes that meet the needs of SMEs.

5. RECOMMENDATIONS

5.1 CMI is calling for the following:

- **a halt to the reduction in the funding band for the CMDA.** Cuts of the nature proposed will irrevocably damage the quality, reputation and number of Chartered Manager Degree Apprenticeships. There needs to be a full economic and social impact assessment to independently measure the impact of the cuts. Any decision on funding bands should be delayed until the overall levels of skills funding has been properly considered in the next Spending Review;
- **a commitment to grow the number of degree apprenticeships.** In line with the recent report of the Education Select Committee, the IFA and the Government should make the growth of degree apprenticeships a strategic priority;
- **a renewed commitment to the apprenticeship reforms and to the apprenticeship levy.** The levy is a huge opportunity to support employer investment in skills and address the UK's long-standing productivity problem. We welcome the recent [announcement](#) to enhance flexibility of the levy. This is consistent with our joint 10-point [plan](#) with the British Chamber of Commerce which asks to make the levy more flexible and less bureaucratic; and

- **a new national campaign** to better raise awareness of the professional pathways offered by apprenticeships. This should focus on reaching parents, young people and those employers who have outdated perceptions of apprenticeships. Too many still see apprenticeships as a low-level entry route into work, as opposed to a route for investing in high-value skills, upskilling their existing workforce and attracting the best new talent.

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