

NewStatesman

UPDATING SKILL SETS

2015 and beyond



in association with



The Chartered
Institute of Logistics
and Transport





Building skills for future success

By **Steve Radley**, Director of Policy at the Construction Industry Training Board (CITB)

Whether we look at the party conference season, the run-up to the Spending Review or the election of a new London mayor, a number of themes keep recurring. How can we boost productivity, build more homes, renew our infrastructure and, at the same time, create more opportunities for our young people? And, although almost everyone agrees that these are among our top priorities, the critical questions are: how can we afford them and do we have the capacity to deliver them?

Today it feels like our construction industry is either in the eye of the storm or in the economic sweet spot. If we get it right it, we could build significantly more homes each year and deliver the new rail, roads and power plants that our economy needs – and do this better, cheaper and faster. But we can only achieve this by developing new skills, more skills and higher-level skills.

This gives us an opportunity. The government aims to create three million new apprenticeships by 2020. So can we marry up our need for many more skilled people with the opportunity to create a better start in life for our young people?

Looking just at current skill shortages and past failures to deliver major projects on time and cost, it is easy to be pessimistic. But we shouldn't forget how well

we delivered the Olympics and used it to create a host of opportunities for young people. The key is to find new solutions to these challenges and work together to deliver them.

I believe that we have a better chance than we have had for a long time to get this right. Starting with the planned Apprenticeships Levy, this will give the government a mechanism to ensure that larger employers contribute to the cost of training apprenticeships. And employers

One option might be an apprenticeship that starts more general

will have a stronger incentive to influence training providers to meet their skills needs. With a growing infrastructure pipeline, we also have a better chance of forecasting these needs.

The industry needs to get better at communicating with young people, and others who work in construction, about what these skill needs mean for jobs, apprenticeships and career progression. Here, we also have every reason for optimism. Last month, CITB launched a new initiative, called Go Construct, which has been developed and backed by the whole

of the industry to deliver a unified image campaign, a common set of messages to parents, teachers and young people and a new single portal showing the opportunities that are available in construction.

But the biggest prize is to deliver more and better apprenticeships. To do this, we need educators to be better informed, to help to enthuse young people. The new Trailblazer Standards and Apprenticeships Levy could be part of the solution. However, we also need to develop better pathways into apprenticeships, increase collaboration and, crucially, create new apprenticeships that are more attractive to young people and more useful to employers.

One option might be an apprenticeship that starts more general before specialising, giving young people a broader base of skills and employers a more flexible workforce with a greater understanding of the different trades.

We face a choice: stick to the old ways and see our economy continue to be hobbled by low productivity, housing shortages and delays in improving our infrastructure; or work together to develop new solutions.

The time has come to be bold. ●

For more information on the Construction Industry Training Board visit: www.citb.co.uk

New Statesman
2nd Floor
71-73 Carter Lane
London EC4V 5EQ
Tel 020 7936 6400
Subscription inquiries:
Stephen Brasher
sbrasher@
newstatesman.co.uk
0800 731 8496

Supplement Editor
Guy Clapperton
Design and Production
Leon Parks
Sub-Editor
Stephen Manning

Commercial Director
Peter Coombs
+44 (0)20 3096 2268
Account Manager
Penny Gonshaw
+44 (0)20 3096 2269

First published as
a supplement to
the *New Statesman*
of 2-8 October 2015.
© New Statesman
Ltd. All rights
reserved. Registered
as a newspaper in the
UK and US.

The paper in this
magazine originates
from timber that is
sourced from sustainable
forests, responsibly
managed to strict
environmental, social
and economic standards.
The manufacturing mills
have both FSC and PEFC
certification and also
ISO9001 and ISO14001
accreditation.

COVER: SHUTTERSTOCK/DESIGN BY LEON PARKS



4 Education and internships



10 An ageing workforce



12 Skills Minister's view

Skilling the nation

Everywhere you turn in the media there is talk of a skills shortage, skills gaps and general hints that young people are leaving college ill-equipped to cope with employment. They can't maintain eye contact, they communicate through screens – you hear this on the *Today* programme and elsewhere all the time. Nobody, it appears, is making an effort to teach them anything worthwhile, and the Stem subjects – science, technology, engineering and maths – are suffering in particular.

Then you ask those who know a little more about it – such as the Chartered Institute of Personnel and Development (*see page ten*) – and they tell you a slightly different story. Yes, there can be issues with certain skillsets; but the CIPD's last employment survey suggested that for every new job advertised there were more than enough

applicants and, more importantly, roughly 40 per cent of them were capable of doing the job in question. This is not an incapable workforce, but it's getting a bad press. So what is going on, and is there really a problem?

There can indeed be issues surrounding an evolving skills requirement, but before moving on to those it's worth considering how much effort is going into bringing an incoming workforce up to speed. The government has been pushing for new apprenticeship schemes for a long time and these are bearing fruit. Details of some of these appear in these pages. Mentoring is also a growth area and, again, some of the participants in this supplement have chosen to highlight their efforts in that area. In terms of Stem, there is actually an awful lot going on, as a number of articles here testify.

Stem is interesting because it highlights how the requirement can evolve in certain areas. A dozen or so years ago, the IT industry wanted Stem students. Now it's looking for Steam – Stem with added arts – because games and apps have to look and feel appealing. Attitudes are changing, too: young people are coming into the workplace expecting a more technologically linked environment. This can leave older people frequently baffled by the need to have emails that aren't private.

Keeping up to date with this evolving area is difficult, but it is essential for employers and employees. The government has its part to play, but it can't dictate the pace. Employers and employees need to find ways to match a changing need. This supplement hopefully offers some starting points. ●

This supplement and other policy reports can be downloaded from the NS website at newstatesman.com/page/supplements

4 *Dupsy Abiola* Education, education, internship

Early work experience is critical to giving young people a better chance when they leave university, says the entrepreneur

10 *Rachel Suff* Avoiding the demographic crunch

We are living and working longer, but how can the UK best cope with an ageing workforce? The CIPD examines the changing landscape

12 *Nick Boles* The government view

The Skills Minister outlines various initiatives that the government is introducing to bring the workforce up to date

20 *Guy Clapperton* Mind the gap

Skills gap, skills shortage, skills crisis – we hear about this often, but is it real? We talk to a number of independent experts

Education, education, internship

By Dupsy Abiola

Early targeting of graduate talent is the only way to overcome the skills shortage in key sectors

The career prospects for graduates leaving university are at the highest since their pre-down-turn peak, with a quarter of employers planning to increase their graduate intake in 2015. At the same time, the graduate unemployment rate continues to fall, standing at 7.8 per cent in 2015 compared with 9.1 per cent in 2014. Reading this, you would be forgiven for thinking that all is good for employers and graduates alike. However, scratch beneath the surface and an altogether picture emerges.

Indeed, almost one in five (19 per cent) of graduates who left university in the past 12 months are currently working in non-graduate jobs – a figure that has increased 10 per cent since 2004. Take a closer look at certain sectors and the story becomes even more worrying.

There are more than 20,000 unfilled graduate vacancies in the software industry, yet the Higher Education Statistics Agency suggests there are currently 30,500 students studying computer science. Similarly, the Royal Academy of Engineering says the UK needs more than one million new engineers and technicians by 2020 – double the current levels. Again, this is despite a 16.4 per cent

increase in engineering graduates over the past ten years.

So why, despite an increase in the number of people going to university to study and acquire the knowledge that the economy needs, are employers continuing to struggle to fill their roles? The answer may be what happens when students are at university.

In 1997 Tony Blair led the Labour Party to election victory under the rallying call “education, education, education”,

19% of graduates over the past 12 months work in non-graduate jobs

with the classroom placed at the top of the political agenda. With the government spending £1.2bn on education every week during Blair’s decade-long tenure, the focus was firmly fixed on improving Britain’s standards in education – and to a great extent it worked.

Indeed, earlier this year Ucas reported record number of students applying to university, with as many as one in five students from disadvantaged backgrounds applying to higher education courses.

Breaking down the barriers to education and encouraging more young people to go to university is to be welcomed, indeed applauded; however, it is what they do – or, rather, don’t do – when they are there that is of most concern.

A study published by High Fliers Research earlier this year found that almost half of all employers repeated their warning that “graduates who have had no previous work experience at all are unlikely to be successful during the selection process and have little or no chance of receiving a job offer for their organisations’ graduate programmes”.

Work experience may be a drum that has been banged since time immemorial, but it is a message that still struggles to be heard – or rather, actioned upon. Universities have long been criticised for failing to provide adequate careers support for graduates that is real-world practical. And, to an extent, this criticism is warranted.

That said, much of the onus must surely be on employers, too. After all, they are the ones who are embroiled in the ever-increasing “war for talent”, so it is they who should take the lead in helping to nurture and develop the next generation of workers before they graduate, rather ▶



SHUTTERSTOCK

Graduation day: a cause for celebration . . . but is it always worth the investment of time and money?

► than waiting until after they complete their studies.

Yes, the job market is improving and there are evidently more new opportunities for graduates. As we have already seen, demand for graduates is on the up. The difficulty that employers have is the lack of experience and practical know-how for the job in hand. That's where interns come into their own.

Employers are clambering over each other to attract the best graduate talent to their organisations, and the savvy employers are those who identify the best talent long before it comes onto the market. By offering students paid internships, employers gain a useful insight into how well a candidate could perform if offered the role as a graduate trainee.

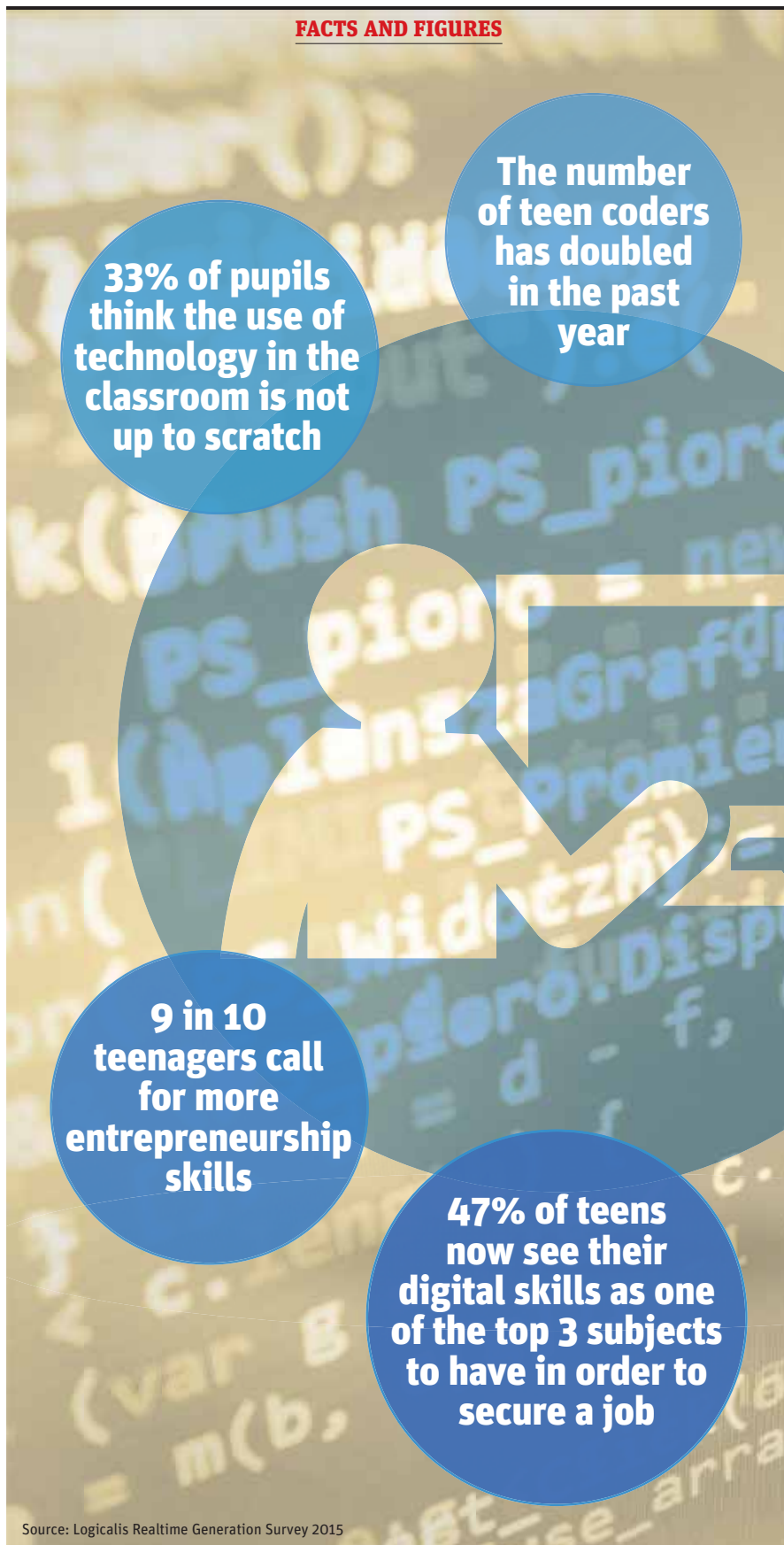
This approach can be invaluable. Ever since the start of the economic downturn, employers have worked hard to keep their cost per hire to a minimum without compromising their ability to find, attract and secure the best talent. By finding talented people before they graduate, employers can secure their services and keep their recruitment costs down while ensuring they don't lose ground to their competitors who may pip them to the post if that graduate became free on the open market, as it were.

Irrespective of whether or not a graduate has attended a red-brick, Russell Group university, their chances of securing a role in a career they really want are minimal if they lack suitable work experience. Gone are the days when employers looked to hire fresh-faced graduates based on their potential to do a good job; they now want to see proof that a candidate really does have what it takes.

Undergraduates need to take ownership of their careers long before they leave university, but both the university careers services and industry need to take a steer in supporting the development of these undergraduates to ensure they are equipped with the skills that are sorely needed.

Early work experience is a critical predictor of future career outcomes – get it right and young people, employers and the wider economy will benefit greatly. ● *Dupsy Abiola is the founder of the award-winning Intern Avenue, the online recruitment tool that allows employers to access the most talented graduate interns in key areas of business interest*

FACTS AND FIGURES





The Chartered
Institute of Logistics
and Transport

CILT and the driver shortage

As the ongoing shortage of hauliers increasingly affects our sector, the institute is working with members to share best practice and to construct a series of recommendations and solutions, drawing on their unique range of experience and expertise. By **Melanie Stark**

To provide a basis for debate, CILT surveyed its membership on their views and experience of this issue. Respondents included senior professionals from Norbert Dentressangle, Marks & Spencer, Duddle, Mark Thompson Transport Ltd and Premier Foods.

The results included:

- 74 per cent of those surveyed said their organisation was currently experiencing a driver shortage;
- Varying factors were highlighted as contributing to the shortage, including the driver certificate of professional competence (CPC), long hours, poor facilities, industry image, lack of careers advice and financial barriers to licence acquisition;
- 89 per cent thought that the government was not doing enough to highlight and deal with the driver shortage, although 80 per cent of respondents said it was the responsibility of business to find solutions.

The results of the survey formed the basis for the first Driver Shortage Summit round-table discussion, at which senior professionals shared their issues and experiences in an open dialogue with Daniel Parker-Klein, head of policy at CILT. Several speakers talked about how they have used innovative ways to challenge the issue. Speakers included Jack Stratten of the Drive with Pride campaign at Blue Arrow; Neil Caldwell of Think Logistics; David Parry of CILT; Steve Travis

of Pets at Home; and Graeme Jones of the Global Service Group.

Jack Stratten spoke about Blue Arrow's Drive with Pride. His research indicated that there was what he called a "general perspective of ignorance" concerning lorry drivers and logistics. The research also showed that lorry drivers frequently used social media, especially Facebook and Twitter, and that the issue of facilities was often discussed on these channels. It was clear that facilities were a fundamental issue for lorry drivers, so Stratten had worked with Blue Arrow to launch Truckers' Toilets UK, a petition aimed at the Department for Transport, calling for better facilities and to establish more conversations with the people who can make changes.

As he asked delegates: "How can we expect to attract young people to the driver profession when we can't even offer them a clean toilet?"

Neil Caldwell explained the aims of Think Logistics, a programme working closely with schools and colleges to highlight the wide-ranging career opportunities available in the sector. He spoke about negative misconceptions that young people have because of a lack of exposure to the sector. Think Logistics aims to highlight the opportunities it offers – specifically to deliver logistics awareness workshops to 1,000 young people by 2016.

In a wide-ranging discussion delegates pointed out that many senior professionals start as drivers and go on to six-figure salaries as transport managers or depot managers, and that more should be done to promote the progressive career opportunities in logistics. David Parry, transport training manager at CILT, discussed the benefits of Driver CPC, describing it as an opportunity rather than a problem; but he emphasised that it must be delivered well and in a relevant manner. The classroom environment could be quite alien for many drivers, so it was important to have a good trainer who understood their needs. Parry said there had been too much bad press around Driver CPC, and that more companies should commit to promoting professionalism.

Delegates agreed that varying factors are contributing to the driver shortage and there are short-term and long-term issues. Delegates agreed the driver shortage is a multilayered problem and that there is no quick or easy fix. This initial round table was the ideal opportunity for senior industry figures to share best practice and to discuss the underlying issues of the shortage. It will be the basis for an ongoing discussion within the institute. ●

To view the results of the Driver Shortage Crisis survey, visit: http://ciltuk.org.uk/Portals/0/Documents/cilt_drivershortage_per cent20crop.pdf



Apprenticeships in catch-up mode

Investing in talent makes sound business sense, as it creates the expertise of the future. It also maintains economic competitiveness and ensures that there is much-needed development of skills that are critical for UK plc. By **Gina Collman**

Over the past 20 years, the amount that British businesses have invested in training has fallen consistently, and the UK now lags behind other major Organisation for Economic Co-operation and Development (OECD) countries. The UK government has recognised this and, as part of its pledge to support three million apprenticeships by 2020, it has recently announced a series of measures putting emphasis on businesses increasing investment in quality apprenticeship schemes and improving skills.

Apprenticeships have long been a part of AWE's strategy for developing key skills, particularly as the work that it undertakes for the UK government is truly unique. Apprenticeships allow AWE to grow its own talent pool by developing a motivated, skilled and qualified workforce. The apprentice school opened its doors more than 60 years ago and, since then, more than 4,000 men and women have completed their apprenticeships. In fact, 10 per cent of AWE's current workforce is made up of apprentices who qualified through its nationally recognised scheme, with many of them holding management positions in the company.

Today, AWE has an intake of more than 40 apprentices each year into its Skills Academy. Every apprentice completes an advanced programme lasting three years. Apprentices graduate with a Level 3 National Vocational Qualification and a national diploma in engineering.

The structure of the programme includes training within the Skills Academy, followed by one or two years of on-site placements. Apprentices also attend college on either block or day release. On successful completion of the programme, apprentices are guaranteed a job in one of AWE's key engineering areas.

Developing not only a skilled but also a diverse workforce for the future is another key part of AWE's talent strategy. The latest statistics on participation of women in science, technology, engineering and mathematics (Stem) show that women are entering the workforce at a faster rate than men, but the numbers are nowhere near enough to meet industry demand. Female participation in UK Stem careers is currently estimated at 13 per cent¹, which is the lowest rate of all EU countries.

The Society of Biology stated that "increasing women's participation in the UK labour market could be worth between £15bn and £23bn [1.3 to 2.0 per cent of GDP], with Stem accounting for at least £2bn of this" – a not insubstantial consideration for UK businesses.

Attracting females into Stem-related careers is something that AWE has been addressing through a number of focused initiatives: AWE has always had strong relationships with its local schools, and its AWESomeEducation programme includes mentoring, giving talks and demonstrations, and providing educational resources designed around curriculum subjects.

AWE also works in partnership with initiatives such as the WISE Campaign² to promote Stem careers to young females. This is paying dividends to AWE; it has led to a year-on-year increase in the female population of the Skills Academy. Women now make up more than 10 per cent of AWE's annual intake of apprentices, bucking UK trends, which show that numbers remain static or are even falling.

Government reports indicate that an additional 820,000 Stem professionals will be required in the UK by 2020. The measures introduced by the Prime Minister to increase the number of apprentices and improve people's skills will surely address this. It is now up to businesses to do what they can to encourage young people to take up Stem-related careers to develop future talent for a sustainable UK plc. ●

1. "Women in Stem: Statistics and Facts" (2012-2015) – Institution of Engineering and Technology

2. WISE is a campaign to promote women in science, technology and engineering **Working to the programme required by the Ministry of Defence, AWE provides and maintains warheads for Trident, the UK's nuclear deterrent. AWE also supports the UK government in detecting and protecting against potential threats by developing and delivering a range of innovative and integrated support services, including national nuclear security and counterterrorism solutions. AWE employs more than 5,000 people. www.awe.co.uk**



Biomedical science: vocational learning?

Training for the workplace is an essential component of UK plc's offering.

By Sarah Holman

The government, employers and the UK Commission for Employment and Skills (UKCES)¹ view vocational training and qualifications as essential for the development of a highly skilled workforce, able to adapt to new and complex technologies.

With their membership providing sector-wide breadth of expertise and continual feedback on current practices, professional bodies have a central role to play in the development and delivery of a rigorous and responsive system of vocational qualifications that anticipate changing technologies and workforce needs.

As the professional body for a sector situated on the frontier of scientific and technological developments, the Institute of Biomedical Science (IBMS) has amassed expertise in devising skills-based qualifications for a rapidly evolving sector, tailored to both employer and learner needs.

Since its formation in 1912, the IBMS has endeavoured to ensure that the achievements and abilities of laboratory staff have been recognised through a complementary system of strong vocational and academic qualifications.

Today the IBMS is proud to offer a career-spanning suite of vocational qualifications that provide a widely recognised benchmark of quality and attainment for both learners and employers.

From technician-level qualifications that develop transferable skills and offer access to Science Council registers, to

advanced qualifications that develop expertise in learners' chosen career path, IBMS vocational qualifications deliver structured training that enables learners to develop within their role or move elsewhere in the sector.

In addition to developing the skills and knowledge of learners, good vocational qualifications should provide a reliable benchmark of learner ability and achievement and value for employers.²

To ensure that IBMS vocational qualifications are recognised as rigorous, our vocational qualifications are developed by experts, aligned to academic levels and feature strict eligibility criteria.

The IBMS is also able to ensure that learners receive high-quality training in an appropriate environment through a regime of laboratory approval for those delivering IBMS vocational qualifications.

There is agreement among policymakers and advisers that, in order to achieve a strong and responsive system of vocational qualifications, employers and education providers need to work in partnership.³

Professional bodies co-ordinate networks of employers and are able to draw on this rich source of expertise. Employer partnership is embedded in the development and delivery of IBMS qualifications, with IBMS governing committees and specialist advisory panels – including those tasked with developing and overseeing the institute's qualifications provision – comprised of employers, academics,

discipline-specific experts, staff trainers and laboratory managers.

By placing employers, as well as learners, at the heart of developing our qualifications, the IBMS has been able to respond to the growing demand for workforce flexibility and accommodate advances in equipment and technology, while providing opportunities for professional development that can be tailored to both learner and service needs.

Embedding employer involvement has enabled the IBMS to recognise when the needs of the biomedical science workforce are shifting, anticipating an expanding role for a trained, proficient technician workforce in biomedical science and responding by developing new qualifications.

Professional bodies are key to identifying the required standards and introducing training and development structures to support a skilled workforce. They are essential to delivering the rigorous vocational qualifications system that will improve the UK workforce for the future. ●

1. *The Future of Work: Jobs and Skills in 2030* (2014) – UK Commission for Employment and Skills

2. *Rigour and Responsiveness in Skills* (April 2013) – Department for Business, Innovation and Skills, Department for Education

3. *Winning the Global Race? Jobs, Skills and the Importance of Vocational Education* (June 2014) – IPPR

Find out more at: www.ibms.org

Avoiding the demographic crunch



How can the UK dodge a cliff-edge loss of talent and skills? By **Rachel Suff**, Policy Adviser (Europe) at the CIPD, the professional body for HR and people development

Demographic shifts are such that there is an increasing number of older people in society and in work across Europe. The European Statistical Office projects that by 2060 there will be only two people of working age (15-64) in the EU for every person aged over 65, compared to a ratio of four to one at present¹. In the UK, one in five people in employment in 1992 was aged over 50; today it is more like one in four.

That ever-greater numbers of UK employees are classified as “older workers” creates certain challenges in the area of employment policy, because there will not be a burgeoning supply of younger workers to replace people when they retire. The stark truth is that, unless higher

proportions of older people remain in the labour force, or there is a significant increase in the productivity of those in work, total employment growth in the UK will slow, with adverse implications for economic output (GDP). While the UK may have made significant progress in terms of improving labour force participation of older workers over the past decade, there remains a sharp drop in the economic activity of those in their mid-fifties and mid-sixties.

Just as the ageing demographic will have an uneven impact across Europe, so different industrial groups and occupations in the UK will be affected in different ways. To better understand the scale of the challenge, the CIPD recently undertook detailed analysis of the Labour Force

Survey (LFS), carried out by the Office for National Statistics, to explore the age profiles of various industries as well as the extent to which industries are currently experiencing a drop-off in employment after certain ages. The aim was to understand better which industries are facing the biggest pressure points and what they can do now to manage better the demographic winds of change.

Our report, *Avoiding the Demographic Crunch: Labour Supply and the Ageing Workforce*, produced in conjunction with the International Longevity Centre (ILC-UK), reveals important differences across industries and looks at how they can meet the challenge of an ageing demographic over the next 20 years². For some, there is an urgent need to understand how they

will replace a vast section of their workforce in the short to medium term, due to retirement; for others, there is a need to understand how jobs historically taken by younger workers can be filled by middle-aged and older people in the future.

It stands to reason that the extent of the challenge facing various industries will be a combination of their specific reliance on older workers, the sheer number that they may need to replace and their ability to sustain older people in employment. To capture all of these elements, we created a dashboard to identify which industries are facing the biggest collective challenges.

In this context, those industries at the top of our dashboard – education, health and social work, and public administration and defence – face the biggest challenge because they have a relatively high number and proportion of their workforce aged 50-plus, but they are also experiencing a relatively high drop-off in the numbers of people employed at older ages. They are therefore reliant on older workers, but not necessarily effective at retaining them.

By contrast, the industries at the bottom of the dashboard – such as administration and support services and the arts, entertainment and recreation – are relatively less reliant on older workers. This is not to say that all industries do not need to plan for a diverse workforce, but that, broadly speaking, population ageing is likely to pose a larger challenge for those at the top of the dashboard than those at the bottom.

The urgent question for employers and policymakers is: where will the replacement workers come from when those industries that rely heavily on a more mature workforce face projected labour and skills shortfalls in the future? Many of the jobs occupied by the nine-million-plus people employed in their fifties and sixties today will be done by those in their thirties and forties tomorrow. But our calculations suggest that if only 40 per cent of this younger age group remain employed in their fifties and sixties, this could lead to a labour supply gap of more than one million people that will need to be filled. While some of this could be achieved by taking on younger workers –

there are expected to be around 16.5 million school-leavers over the next 20 years – they may not have the sufficient level of acquired skills to take the place of more experienced people.

Potential strategies available to employers to fill the labour supply gap could include taking on migrant workers and raising workforce productivity. But given the current direction of migration policy, the extent to which non-UK-born workers are likely to fill the supply gap could be limited. It is also well known that the UK is in the middle of a productivity crisis, although raising productivity is an imperative for the country. One way in which employers can make a significant difference is by examining their resourcing strategy to ensure that they both retain and, if need be, retrain their older workers, as well as broadening their recruitment methods to appeal to a more age-diverse talent pool.

There is no reason why some jobs, if they are not too physically or psychologically demanding, cannot be carried out

People often leave work before retirement age due to a lack of options

by people who are well into their fifties and sixties. Previous CIPD research shows that at least two-thirds of workers appreciate the benefits of working longer, including the social interaction, stimulation and financial incentives associated with work. Often, people leave the workforce before state retirement age due to a lack of viable options, rather than an informed choice. If employers are going to be able to benefit from the skills and experience offered by older workers, the onus is on them to put in place policies that will make the workplace a more appealing option for people in the latter stages of their career.

Employers can take action on many fronts to encourage fuller, longer working lives – for instance, they might provide flexibility for workers who are more likely to have ill-health, caring responsibilities and other demands on their time. Offering phased or partial retire-

ment arrangements can allow older workers to downshift and benefit from more gradual transitions into retirement, if that is what they want. Although employees have a right to request flexible working at present, employers do not have to grant it; but in our view they must be duty-bound to accept the request unless they can show that it could cause irrefutable damage to the business.

Older workers are less likely to take short-term absence than their younger colleagues, but they could be more prone to develop chronic health conditions: poor health is one of the biggest reasons for economic inactivity among those in their fifties or older. Good line management is important in ensuring that any health problems are flagged up early on, but employers should also offer access to other forms of support, including, where appropriate, occupational health advisers and counselling services.

Providing older employees with opportunities to retrain and to develop their skills is also a vital way of ensuring that they continue to feel motivated and challenged in their roles. Older workers should not be overlooked for training, and employers should ensure that they receive development opportunities to progress their careers.

Our annual CIPD survey, *Resourcing and Talent Planning (2015)*, produced in partnership with Hays, shows that skills shortages are starting to bite and that employers are slowly waking up to the short- and long-term challenge of older workers leaving the workforce with valuable skills and experience³. The proportion of organisations that are actively trying to attract talent of all ages has increased from 45 per cent in 2011 to 65 per cent this year, while a quarter have put in place measures to recruit workers aged 50-plus. Just over half of the employers taking part in our survey are consciously trying to transfer the knowledge of employees over 50 into other parts of the workforce.

These positive moves are good news; but those organisations that have not got to grips with the ageing workforce challenge are sleep-walking towards a significant skills problem that, if not addressed, risks derailing their business strategy in the not-too-distant future. ●

1. [www.http://ec.europa.eu/eurostat](http://ec.europa.eu/eurostat) 2. "Avoiding the Demographic Crunch: Labour Supply and the Ageing Workforce" (2015) is available to download at <http://www.cipd.co.uk/publicpolicy/policy-reports/demographic-crunch-labour-supply-ageing.aspx> 3. "Resourcing and Talent Planning" (2015) is available to download at <http://www.cipd.co.uk/hr-resources/survey-reports/resourcing-talent-planning-2015.aspx>

Apprenticeships: a broad approach

By Nick Boles

In the last parliament we understood the big skills challenges facing the UK – which is why we brought about an overhaul of our training system and the creation of more than 2.3 million apprenticeships, writes the Skills Minister

I've met apprentices across the country, earning a regular wage while studying in some of our most exciting industries – from working on the new *Star Wars* film to building major infrastructure projects such as Crossrail. Apprenticeships are delivering the skills needed by employers and providing a route into a great career. To ensure that these opportunities are available to many more people, we are committed to creating three million new apprenticeship starts in the next five years.

Our education and training system needs to prepare young people for the world of work, and employers know best what the demands of their workplaces are. Under the Trailblazer programme, more than 1,200 employers have helped to design apprenticeship training standards. There are 187 standards already in place, covering industries from dentistry to aerospace. This is ensuring that tomorrow's engineers, technicians, care workers and accountants are all able to succeed in their chosen roles.

But while businesses may be the experts on where skills gaps lie, some of them have done too little to address the problem. We are at present consulting on a new Apprenticeships Levy on large employers, a training model that has worked in more than 50 countries and will be led by employers to provide the high-level skills they need.

There are many routes into a good career, and although our universities deliver world-class education and research to support our economy and businesses, I want apprenticeships to be accorded the



Apprenticeship is one desirable form of training

same respect. New legislation to prevent misuse of the term “apprenticeship” will recognise the fantastic achievement of apprentices and provide a guarantee to future employers that a learner has received extensive, high-quality training.

Building a skilled workforce drives the wider economy

This investment isn't just benefiting learners and employers. Building a skilled workforce boosts productivity and drives the wider economy. Research shows that for every one pound we invest in apprenticeships, there is a wider economic return of £26 to £28. An apprenticeship qualification also provides a major earnings boost – £48,000 to £150,000 over the lifetime

of a learner, providing apprentices with a secure future.

Growing our economy and boosting exports means matching businesses with local workers who have the right skills. For example, it's great that in the UK a new car rolls off the production line every 20 seconds. Many of these automotive companies are based in the West Midlands. To maintain this level of success, we need to invest today in the skills that automotive companies in the West Midlands will need tomorrow.

New area reviews of further education will do that. I've visited some brilliant FE colleges, such as Barking and Dagenham College, which set up an industry forum to work with local construction employers making sure its courses matched their needs. We want all FE providers to inspire learners with high-quality teaching and work at the heart of local economies and communities. Where the training offered by local colleges and providers is not meeting the needs of local businesses and learners, then the reviews will recommend the changes needed to achieve this.

Last month the latest class of apprentices at Britvic, like many others across the UK, graduated from their course. They were offered the opportunity of a permanent job at the company, with a specialist engineering role at one of the world's leading drinks producers. They are the solution to our skills challenge, and we will ensure there are millions more like them. ●

Nick Boles is Minister of State for Skills and the MP for Grantham and Stamford (Conservative)

Improving skills at the regional level

Employers need a strategic approach and more flexibility from government if they are to address local skills requirements, says the Director of the IED, **Nigel Wilcock**

The government's productivity plan, launched in July, outlines the role of devolution in providing skills that meet the needs of the local economy based on the Greater Manchester, London and Sheffield experience. Devolution will enable local decision makers, including employers, to identify priorities for skills delivery and will be a key driver in improving skills at the local level.

While there is a need for employers to influence the skills agenda and contribute towards the cost of provision, we also need a strategic approach and flexibility in delivery, developing skills in areas where there is an emerging market or need. Naturally, most employers will respond to their day-to-day business needs and not readily take risks on investing in future skills.

There is a significant issue of funding for skills provision. The working-age population is steadily getting older and fewer young people entering the job market, so employers are faced with skill shortages and the need to up-skill their existing workforce. The skills budgets are being cut significantly; adult loans are proving attractive mainly to those wishing to enter higher education and secure higher-paid employment; and with the employers levy for apprenticeships being determined at a national level, there are fewer resources available for adult skills provision.

Devolution to the local enterprise partnership (LEP) level will provide a range of opportunities to improve skills by determining local priorities at an economically functioning level as well as joining up the skills provision to ensure a "cradle-to-grave" approach. However, in order for it to be effective, three key elements need to be in place:

1) Authority to deliver the local skills strategy

This is more than influencing delivery – it is about being able to determine provision with providers and employers through a

Devolution to the LEP level will provide a range of opportunities

coherent skills strategy at an LEP spatial level. This will require that all of the skills functions and resources in the national organisations – including the DWP, the Skills Funding Agency and BIS – are devolved.

2) Sufficient resources

Each area will have its own demands and skill requirements resulting in a range of costs and delivery challenges. Complete flexibility over determining the use of

resources will be key to truly addressing and meeting local skills needs.

3) Collaboration for mutual benefit

To address the "cradle to grave" challenge, organisations need to work together to provide support for both ends of the spectrum – schools and businesses. Colleges and higher-education institutions have an important role to fulfil providing the connections between school pupils and employers. There are examples of good practice in England where FE colleges, employers bodies and universities are working together to provide single-offer to employers and deliver apprenticeships collaboratively.

Providing a cohesive approach to careers knowledge, moving beyond information, advice and guidance, and developing an understanding of the employment offer and potential careers linked to specific subjects will help those involved with schools and helping to raise aspirations among school pupils.

The LEP geography has been determined by government as a functioning economic area; in larger conurbations such as Greater Manchester, this is more straightforward than in smaller geographies where a duty to co-operate may be useful. ●

For more information on the IED, visit: www.ied.com

We must harness the power of parents

Tackling the gender gap in engineering will require early influence, says **Naomi Climer**, IET President

How many of the UK's engineers are female? You might be surprised to find out that it's just 6 per cent – and in recent years the figure has shown no signs of increasing.

In a world where gender parity in the workplace is starting to become a reality across many traditionally male-dominated industries, it can often feel as though engineering and technology have been left behind.

Of course, there are female pioneers in the field, innovating, representing and contributing a great deal to the advancement of the industry – we have showcased many such inspiring women through the IET Awards programme. But still, more needs to be done.

That's why, at the start of this year, the IET launched its Engineer a Better World campaign to tackle the issue head on and find out what was holding children – particularly girls – back from studying or taking up careers in engineering. Through previous insight, we knew that targeting parents – key decision influencers in children's lives – could help us unlock the reasons behind the industry gender skills gap.

Before we launched the campaign, we commissioned a research report, which studied the attitudes of parents and children aged nine to 12. What we found, alarmingly, was that only seven per cent of parents thought that engineering would appeal to their daughters. Thought tends

to translate into action when unchallenged, and the research showed that parents were holding their daughters back from pursuing engineering because of outdated stereotypes about the industry.

However, we also discovered that nearly half of all parents of girls (44 per cent) said they didn't know enough about engineering to help support them. How can parents teach their kids about the wealth of creative, diverse opportunities that modern engineering has to offer if they're completely unaware of them?

Only 7 per cent of parents thought engineering would appeal to their daughter

Crucially, our report found that more than two-thirds (72 per cent) of parents would encourage their child to pursue engineering as a career after learning more about it. This proves that we can make an impact on the gender gap by helping adults to understand more about the profession and to challenge and change their misconceptions.

We used that insight to develop our most recent campaign activity, the inaugural IET Engineering Open House Day, which was supported by ten inspiring, diverse and exciting venues – including the Royal Opera House in London and Leicester's

National Space Centre – and offered children and their parents a chance to find out how engineering works in practice in these venues and organisations. The result was transformative, with parents and children leaving these venues with a brighter, more positive view of engineering.

The campaign has already been running for six months and has so far hit headlines nationally and regionally. Its impact on social media has been equally weighty, reaching more than four million people through Facebook and Twitter. A short film created to encourage parents to identify and nurture their children's natural fascination with the "engineering" involved in everyday life has also proved very popular.

The campaign has planted seeds of change in older and younger minds, but we still have a long way to go. The industry and its most influential figures must get on board with our thinking and harness the power of parents. Collectively, through education, support and by directly showcasing all the wonderful things about careers in engineering, we can ensure we're reaching children – especially girls – from an early age.

Let's bust the myths and change outdated attitudes. Only then can we provide the real antidote to the issue and normalise female roles in engineering for ever. ●

For more information, visit:
www.engineer-a-better-world.org



Feeding the energy people pipeline

Skills shortages and knowledge retention were among the top concerns raised in a poll conducted by the Energy Institute, the sector's professional body. **Sarah Beacock**, a fellow of the institute and its Skills and Capability Director, highlights what is being done to address them

The *Energy Barometer* report that we published in June was the outcome of an extensive survey among a college of EI professional members to capture their views on the challenges facing our industry. Forward planning and the need to build capacity for the future – both in terms of physical infrastructure and people's skills – were high on the list.

There is an urgent need to maintain the supply of skilled workers, not only into established sectors such as oil and gas, but also in the developing ones such as renewables. A large proportion of the energy industry workforce will retire soon, and there's a shortage of new entrants with the right qualifications, so we must inspire a new generation and ensure the transfer of knowledge between those about to leave the sector and these new recruits.

Stem skills – science, technology, engineering and maths – are the most in demand, along with project management and leadership.

Diversity – a key driver

So what can the industry do to attract that talent? First of all, we need to ensure that we have the widest pool of individuals available to draw from. In addition to actively promoting Stem skills among young people via Stem Ambassadors, we are working hard to promote women, and more diversity generally, in the industry.

Women make up an average of 10-15 per cent of those working across all parts of the energy industry. A better balance makes good business sense as women bring a different perspective to the decision-making process. For that reason, the EI acts as delivery partner for the POWERful Women (PFW) initiative, co-founded last year by Baroness Verma, parliamentary under-secretary of state for the Department of Energy and Climate Change.

We also support talented female engineers, who are demonstrating that technical ingenuity knows no gender barriers. One is Jaz Rabadia, a 30-year-old chartered energy manager working as senior manager of energy for Starbucks. Recipient of the EI's 2014 Young Energy Professional Award, she has just been elected to the EI's Council. Jaz is a perfect role model to inspire the new generation and help feed the energy people pipeline.

Bridging the generation and knowledge gap

Harnessing the expertise of older energy professionals to mentor the newer ones and pass on their knowledge is crucial to ensure long-term industry growth. It's also a fundamental part of what belonging to a professional body entails.

We were heartened to find that 83 per cent of members surveyed felt that mentoring programmes were an important and effective measure to retain expertise

and increase the overall skill level in the industry. In addition to the PFW project, we have been offering mentoring for some years to support people to gain professional qualifications.

Energy management – the next frontier

It's not all about energy supply, of course. Another key area of skills needs is energy management. In the 1970s the sector was most concerned with scarcity of resources. Now it's all about reducing demand, cost and environmental impact.

COP21, the UN's climate change conference, takes place in November and December, and we are seeing the biggest global effort in reducing emissions to date. The EU has issued an Energy Efficiency Directive, which the UK has addressed through its Energy Savings Opportunity Scheme (ESOS) obliging large UK organisations to conduct energy efficiency assessments or risk a hefty fine. It's the biggest non-domestic driver for energy management in the past 30 years.

This means we need to develop an understanding of energy and how it is managed. The energy sector doesn't just need engineers to design solutions, but an army of technicians to optimise existing technology so that we use energy as effectively and efficiently as possible. ●

For more information on the EI, go to: www.energyinst.org

Cogent skills
for science industries

All change for apprenticeships

Our new employer-led approach ensures a drive to the top, says **Jayne Edwards**, Director of Operations at Cogent Skills

There's now really no argument: apprenticeships are important for successful job generation, higher productivity and growth in wages.

Indeed, the current government's policy now includes an ambitious pledge to deliver three million new apprenticeships over the next five years, and to "ensure they deliver the skills employers need".

At first sight, this dual ambition has everything going for it; but dig deeper and it becomes clear that there will be challenges ahead. The backdrop is a time of massive change in the world of apprenticeships. This is in all areas including the make-up of the scheme itself, which is transitioning to an employer-led, standards-based approach, but also how it will be funded and how such funding will flow, moving towards a levy-based system.

The great news is that all of this change is being seized wholeheartedly by employers in the science-using industries – these companies that range from world-leading pharmaceutical and chemical employers through to SMEs supplying the sector with specialist skills. They have come together to form a partnership for skills called the Science Industry Partnership (SIP), which is being supported through its expert partner, Cogent Skills.

The employers recognise the imbalance in the age groups of UK science-sector employees, and a shortage of essential skills is likely to become more challenging unless companies start investing in new talent.

With all this in mind, members of the SIP are trying a new approach to apprenticeships, using a model in which they come together to take responsibility for the scheme, ensuring it delivers the skills they need for the jobs they need now and in the future.

By the end of the project the SIP will deliver some 1,360 apprentices. Of the companies taking apprentices, 20 per cent are doing so for the first time and 25 per cent of employers are increasing their numbers. Many employers in the science-using sector do not have a history of using apprenticeships; through the SIP, companies are being introduced to the enormous potential of this route. All of this flies in the face of the previous approach – a centralised system which saw learner targets for apprenticeship "starts" and associated funding. Unfortunately, the system incentivised many training providers in a "drive to the bottom", where large numbers of sometimes short-term or low-level apprenticeships were given priority over the development of high-quality ones.

The SIP is re-establishing a high-quality apprenticeship system – or what we might call a drive to the top! It is creating routes to a successful career for many talented young people who would prefer not to go to university, but who can still gain a high-status career and education, including a degree. It is also quality-assuring training providers, to ensure what's on offer is fit for purpose.

Not so long ago, many of the top positions in British industry were held by ex-apprentices – the SIP approach is stimulating a renaissance in such high-quality vocational routes. SIP employers have also been driving more simplification – at a time when the landscape is becoming quite challenging for employers, providers and learners to navigate, they are working with Cogent Skills on a proposal to build on the existing, easy to use service.

Malcolm Skingle, director of GSK and chair of the SIP Board has articulated this on behalf of the SIP membership – he says that what employers value is minimum bureaucracy with the administrative functions channelled through one trusted and expert skills partner.

The power of a sector-led approach has certainly been proven. Employers get the talent they need, UK plc gets a productivity boost and the government secures a return on its investment as well as enhanced tax returns. Providers also secure greater sustainability – as this employer-led system encourages high-value training, which is of a substantial duration and builds strong, long-lasting relationships with some fantastic employers. The employer-led approach creates wins all the way along – and most importantly of all, in the science-using sector, creates a drive to the top, and successful, competitive and sustainable businesses. ●

For more information, visit:
www.cogentskills.com

Engineering education needs a radical rethink

By **Stephen Tetlow MBE**, Chief Executive of the Institution of Mechanical Engineers

At the Institution of Mechanical Engineers, we have been warning about the impending engineering skills gap for years. But with the economy recovering, this gap is really starting to bite. Demand for engineering skills is growing as projects such as HS2 and new nuclear come closer to becoming a reality, but how can we develop the key infrastructure UK needs if we don't have the engineers to do the work? How can our economy thrive if key industries such as aerospace, automotive or energy don't have the people to allow them to grow?

Professional institutions such as mine have been involved in countless initiatives over the years to encourage young people into engineering. Projects such as Primary Engineer, the Bloodhound SuperSonic Car and the Big Bang Fair connect more than 100,000 schoolchildren with employers every year. But these efforts aren't enough. We need twice the number of graduate engineers we are currently producing just to meet current industry demand; estimates suggest the skills shortage could cost the UK up to £27bn a year. If we want the UK economy to continue growing, voluntary industry initiatives aren't enough. We need a fundamental re-think of our education system.

In June, together with the Royal Academy of Engineering, we ran an international seminar with leading educationalists working in the schools, academia and industry to explore more radical approaches. We asked the following questions:

- Do we need to scrap the focus in schools on knowledge-acquisition alone in favour of reconnecting students to the process of making and creating things?
- Why do we spend so much time teaching about the natural world yet devote so little to the manufactured world, such as how a touchscreen or a parking sensor works?
- Could we end early specialisation? Would a broader, Baccalaureate-like education ensure young people are not ruled out of professions such as engineering because of decisions made when they knew little about them or were too immature to make the right choice?
- Do we need to do more to emphasise the creative aspects of science, technology, engineering and maths subjects?
- Does engineering need to be introduced as a distinct subject in schools and colleges? Or are there other options?

The full findings from this Big Ideas in Engineering Education seminar will

form part of an institution report to be published this autumn. I'm neither naïve nor optimistic enough to expect this report to find a silver-bullet solution. This is not about rushing in with new policies; these changes need to be based on evidence, analysis and consultation with teachers and the wider education community. But if we want the education system to provide students with the tools to help them – and the country – succeed, we need to be willing to question the status quo. If we don't change the way we deal with engineering in schools, we will continue to rely for our supply of engineers on one-off, informal learning experiences or chance encounters through family, friends or the occasional stall at a summer fair. This is no way to build a modern technological economy.

As the new government beds in, now is the moment to take stock and evaluate exactly what we need from the UK's education sector. Government needs to stop using education policy for political point-scoring and think strategically about how education can best support the UK's future and the skills the country so urgently needs. ●

For more information, visit:
www.imeche.com



Developing leaders for business success

People are dissatisfied with their jobs partly because they don't rate their leaders, so that needs to change, says **Daniel Lucy**, Head of Research at the Roffey Park Institute

In an influential review¹ published in 2012 by the Department for Business, Innovation and Skills, leadership capability was identified as the key to sustainable economic prosperity and growth. The report highlighted the contribution of leadership to key business performance indicators as well as the gap between the UK and other leading, developed nations in leadership capability. Three years on, the need to close that gap becomes ever more urgent.

To revisit some of the key statistics from that report and highlight the challenge faced:

- Ineffective management costs UK businesses more than £19bn a year in lost working hours
- A single-point improvement in management practices (rated on a five-point scale) is associated with the same increase in output as a 25-per-cent increase in the labour force or 65-per-cent increase in invested capital
- Nearly three-quarters of organisations in England report a deficit of management and leadership skills
- Forty-three per cent of UK managers rate their own line managers as ineffective. Roffey Park's own research² highlights some of the capability gaps in leadership in the UK. In our yearly barometer

of the views of 1,400 managers, *The Management Agenda*, we found that:

- Two-fifths did not regard their manager as effective at articulating a clear vision or strategy, with half of these considering their manager ineffective
- One-fifth considered their manager to be ineffective at empowering employees.

While there are clearly examples of engaging and empowering leadership in the UK, there is room for improvement in the current crop of leaders. Add to this

More organisations
will need to invest in
leadership development

the 544,000 new managers the UK is anticipated to need in the next decade, and the scale of the problem becomes evident.

If we are to meet this challenge, more organisations will need to realise the value of investing in leadership development. The review by BIS highlighted that "organisations with a more qualified management workforce and a dedicated programme of management development have been shown to perform better and have more sophisticated and higher quality product and market strategies".

Developing effective leaders is hard, both for individuals themselves and their organisations. It begins with getting to know yourself better and acknowledging the impact you have on others both inside and outside your organisation. It involves asking yourself difficult questions: What do I care about? What is my purpose? What do I value? For organisations, not only is there the financial investment involved, but also there are risks in encouraging and supporting this journey of self-discovery and improvement – not least of which is that people you invest in may choose to leave for pastures new. Many do. The alternative, however, seems even less attractive – productivity losses and failure to adapt to changing consumer demands, working practices and competition. At its extreme, failure to invest all too often means business failure. ●

1. *Leadership and Management in the UK: the Key to Sustainable Growth: a Summary of the Evidence for the Value of Investing in Leadership and Management Development (2012)* – Department for Business, Innovation and Skills

2. Dan Lucy, Meysam Poorkavoos, Julia Wellbelove, "The Management Agenda 2015" (2015) – Roffey Park Institute

For more information, visit:
www.roffeypark.com



So much done, so much more to do

By **Dan Simmons**, head of partnerships, **Creative Skillset**,
the industry skills body for the creative world

More than a year ago, the *CreateUK strategy, developed by the industry members of the Creative Industries Council (CIC), set an ambitious plan for the creative industries to maintain high productivity, growth and global competitiveness. Standing still was not an option when they generate £8.8m per hour of the UK's GVA and 1.71 million jobs.

Education and skills, one of *CreateUK's priority areas, focused recommendations for both industry and government around four themes: supporting schools and careers; enriching ladders of opportunity; growing creative businesses; and attracting and retaining diverse talent.

In response, Creative Skillset encouraged industries to work together to tackle these themes. These are industries characterised by SMEs and freelancers moving around projects and places. Therefore, it can be challenging and costly to engage directly with schools and colleges, take on apprentices, run new-entrant recruitment schemes or train people to gain business-critical skills and knowledge of new technologies. However, looking at the issues collectively and co-investing in solutions has not only made the above possible, it has also proved that there are shared benefits and economies of scale.

Working in partnership with industry and informed by research, Creative Skillset directs the Creative Skillset Skills Investment Fund, a collective investment

in the future, to training in priority skills and for in-demand roles.

An example of how industries choose to contribute is the voluntary levies and collective arrangements in sectors with tax breaks (animation, film, high-end TV and children's TV, games and VFX). Another is the industry co-investment matching public via the Employer Ownership Pilot: managed by Creative Skillset, this project has brought together a large-scale partnership of employers and organisations to support a wide range of skills solutions, and it is aligned with *CreateUK.

A snapshot of our activities so far

We engaged with companies such as the advertising agency Mother and the video marketing shop Unruly to host Open Doors events for young talent to connect with employers and get industry insights.

Hiive, an online platform for creative people to connect, collaborate and share, was launched to help individuals manage their careers and creative businesses to grow. It has 40,000 registered users plus 2,000 companies which advertise jobs, post live briefs and source talent, and 12,000 searchable courses, including those with the Creative Skillset Tick industry quality mark.

Hiive also hosts Trainee Finder, a unique matching service for top trainees and companies across the tax-break sectors. It helps with the trainee costs and has supported

more than 1,200 paid placements in 300 companies and productions, including *Wolf Hall*, *Broadchurch*, the animated *Mr Bean* series and the London Film Festival's opening film, *Suffragette*.

Although we celebrate industry successes, we recognise that closed networks are an issue – 56 per cent of the workforce said they found their current employment through informal recruitment. Schemes such as the Trainee Finder and the excellent work of supported partners such as SharpFutures (facilitating Apprentices for SMEs) and Creative Access (providing paid internships in media companies for BAME talent) not only open employment opportunities but also change recruitment attitudes in the industry.

It is essential to open new employment routes – for instance, by developing (with the British Fashion Council and employers) apprenticeship standards in crafts jobs such as bespoke tailoring or fashion studio assistant. We must also help companies to improve their pool of skills – for example, with seminars on “fusion” skills at the London Book Fair, bespoke training for companies, an executive MBA and new free online courses.

With one in 11 jobs now in the creative economy our challenge is to ensure our industries have skilled people fuelling growth and productivity. So much more to do. ● **For more information, visit: www.creativeskillset.org**



SHUTTERSTOCK

Skills shortage: reality or rumour?

By Guy Clapperton

The media and the online world are full of reports about a lack of ability in working-age people – but is it true and, if so, how can they be brought up to speed?

To read some of the reports online and elsewhere about the “skills shortage”, you might imagine that employers were suffering universally, or that people of working age just don’t have the necessary skills to keep UK plc afloat. You might be surprised at the reality. Recent research from the Chartered Institute of Personnel Development (CIPD), in which it questioned 1,000 employers, suggests not only that job vacancies are normally oversubscribed (as you might anticipate in a recovering economy), but also that about 40 per cent of applicants are capable of filling them.

This, according to the CIPD, goes some way to accounting for the absence of major salary inflation. So if this is the case, what does “skills shortage” actually mean without some sort of context? Mark Beatson, chief economist at the CIPD, says that many of the perceived shortages might have other explanations. “If an employer fails to recruit for a role, they might have to consider other factors,” he says. “Should they redesign the role? For example, regarding pay and conditions, are the terms sensible?” If they are, then the option to skill internal staff shouldn’t be overlooked, he suggests; but sometimes it’s not as easy as that.

Beatson cites the work done by a number of forecasting bodies. Government papers on working futures and similar projects are indispensable simply because some skills take time to acquire. If you need an engineer, it can take several years from someone’s decision to become one to gaining a qualification and experience. “If the market needs an engineer, it can be eight to ten years before one comes through,” he says.

So a central plan, or at least centralised data, is essential for the development of the right skill sets for the country, but the economy works in a lot of local, small niches. “A lot of the planning has to be disaggregated into local bodies,” says Beatson, and this will increase as devolution comes to the individual authorities across the UK. It will be interesting to see how that takes shape, he suggests, with higher education conceivably changing a great deal as its control becomes increasingly localised.

Niche areas inevitably have different skills requirements. Dan Simmons, head of partnerships at Creative Skillset, the

industry skills body for creative industries, says his sector has not being well served by national averages, so the body has created its own measurements.

“Our research has helped define what the biggest overall skills issues are for our industries,” he says. “It has also helped to define the concept of fusion skills, a factor of digital production methods where craft, technology, management and leadership skills meet. This has informed the teaching and learning on fusion skills from schools to apprenticeships and degrees focusing on detail, whether it is training on the next camera or software to the development of Massive Open Online Courses.”

MOOCs are a relatively recent development, made possible by the internet. The online world has seen a step change in people’s ability to upgrade their skill sets; however, longer-established means still carry weight. Louise Kingham, chief executive of the Energy Institute, is keen to sustain the human side through mentoring. A recent EI survey suggests that

It’s difficult to see a completely centralised approach working well

its members agree. “Respondents emphasised the urgent need to maintain the supply of skilled workers into established and developed sectors,” says Kingham. “They also expressed the need to preserve and transfer the knowledge of those preparing to leave the industry to a new generation. This is much talked about as an issue and there are some great examples of good practice in a number of companies in the sector, but in my view it is incumbent upon every experienced energy professional to share their knowledge keenly and offer guidance to those who will succeed them. This way we ensure experience isn’t lost and good practice is shared.”

Overall it’s difficult to see a completely centralised and planned approach working particularly well in the future. Beatson of the CIPD says that if the government, which would be the obvious source of some sort of centralised plan, were to start dictating who offered which apprenticeship and which degree, it would be changing its way of working quite

dramatically – and this isn’t how governments work best.

It’s also true that the people on the ground will be better at detecting changes in the market and its requirements than a well-meaning central body. Beatson cites the example of Stem, the science, technology, engineering and maths subjects that so many employers have in the past described as essential. In the aftermath of the IT revolution in the 1990s and 2000s, a great many employers continued the call for these skills, but more recently the need has evolved. “The app and gaming industries now talk about ‘Steam’ rather than ‘Stem’, because it includes arts,” he says – the money is now not only in science but also in applying that science to something attractive and functional. This wouldn’t have been easy for central government to predict a decade ago.

In fact, a decentralised approach to education and training has been successful internationally, often accompanied by partnership with business. As Portugal came out of recession and exited being monitored by the so-called Troika in Europe, its government was amenable to turning entire villages and towns over to alignment with business’s needs, to great effect in areas such as Fundão. Engineering firm Altran needed people, so the government helped with town planning and facilities management but also brought in the local universities. This week the University of Gibraltar opened its doors to students. In an interview on the *New Statesman’s* Gibraltar hub on the web, the country’s education minister confirms that ties with industry to ensure the workforce are trained for the skills that will be needed is an essential part of the institution’s remit.

It remains unclear whether there is a real skills shortage; and even if there is, Beatson raises the issue of whether it is likely to affect the economy overall. The answer to this is even more opaque, as this appears to be a “shortage” that doesn’t lead to salary inflation. If there is a genuine lack of skills, then it’s not working according to the normal rules of supply and demand.

As Simmons comments, individual sectors may not behave as if they were part of the whole anyway. The essential thing is to understand a sector and how it’s likely to evolve – and then hope it doesn’t take any unexpected turns once plans based on a forecast have been set. ●



Deliver knowledge – bridge the gap

There is a gulf between employers and apprentices that needs fixing.

By *West Nottinghamshire College subsidiary, Vision Apprentices*

West Nottinghamshire College is one of the largest and most successful colleges in the country with a well-earned reputation for excellence, particularly in the areas of apprenticeships. Each year the college provides education and training to some 30,000 full and part-time students across all major industry sectors and at pre-GCSE to university levels.

In addition to Vision Apprentices, and the college, the group consists of bksb, which supplies internationally renowned online assessment tools, as well as commercial interests that include a fine-dining restaurant, a hair and beauty salon and spa, a theatre and a day nursery. We also sponsor Vision Studio School, the first of its kind in Nottinghamshire; and the Inspire and Achieve Foundation is also connected to the college, having been founded by our principal, Dame Asha Khemka, to help vulnerable young people back into education.

It is clear that the apprenticeship programme remains a key area of growth for the employment and skills agenda in government policy. There are as many questions as there are answers on the impact it will have on the growth plans for all organisations en route to the much-quoted target of three million new apprenticeships during this parliament.

Vision Apprentices is the business development arm of the college. Apprenticeships have been central to our growth

since we launched more than five years ago and have been important to the college and its community for more than 20 years. Since our launch in 2010, we have recruited just under 3,000 apprentices in partnership with employers locally, regionally and nationally.

Employers want to be part of skills development and innovation. Training and development, and investing in the future of a business, is not only recommended; it is vital. The enthusiasm and drive of employers to support apprentices in their business either to embark on a new career or allow existing staff members to benefit from new learning in a role in which they are experienced is fantastic. But they also have businesses to run. We mustn't forget this and we must ensure that we are the experts from consultation to action.

We must "deliver knowledge" when working with our employer partners; be the expert, offer solutions and be creative and innovative to meet their needs; be the bridge between employers and the education and skills agenda.

There are some key reasons why Vision Apprentices is viewed as a market leader in its field.

Employers We have a team of experienced key account managers to support local, regional and national employers with their skills and training plans. They are experts in their field and offer a simple solution to employers needs utilising government funded training and grants.

Recruitment We have been supporting employers to recruit the best apprentices for their business for several years and have recruited just under 3,000 apprentices into jobs since we launched. Employers work with a dedicated recruiter from a knowledgeable and experienced team – many of which have been apprentices themselves, so they can give realistic advice and guidance to applicants.

Training Our training and delivery is excellent: we work really hard with our employers so they fully understand how beneficial apprenticeships can be for their businesses. We are about creating futures for new apprentices and providing training for an existing workforce.

ATA Vision Apprentices is unique as we were one of the first Apprenticeship Training Associations (ATA) in the country – we have employed more than 1,000 apprentices in our ATA over the past five years. The model can offer the flexibility of employing an apprentice on behalf of a host employer. We offer performance management, HR, payroll and line-management support for all apprentices. You can engage with the apprenticeship agenda without adding to your headcount or additional resources.

Whatever your ambition, we can help you to achieve it. All you need is Vision! ●
Vision Apprentices is a subsidiary of the West Nottinghamshire College group
For more information, visit:
www.visionapprentices.co.uk

Skills and the older workforce

By Rachel Suff, policy advisor, CIPD

There are structural flaws in the UK's labour market, which only a review of skills policy will address, says the Chartered Institute of Personnel and Development.

There are major structural flaws in the UK's labour market that need to be addressed if the nation is going to transition to a more productive, higher-skills, higher-value economy. One of the biggest problems is the high proportion of jobs in the UK that require low skills and a failure among too many employers to utilise the skills of their workforce effectively.

Recent CIPD research, *Industrial strategy and the future of skills policy* (2014), finds that in the UK 22 per cent of jobs require no more than compulsory-level schooling – the second highest level in the OECD, compared with 5 per cent or less in countries such as Germany, Japan and Sweden. We also have the second highest level of overqualification in the OECD, meaning that too many people are not able to put the skills they have to productive use. In addition, CIPD's new analysis on graduate overqualification finds that about 58 per cent of UK graduates are in non-graduate jobs – again, very high by international standards.

The study *Over-qualification and skills mismatch in the graduate labour market* (2015) finds that the supply of graduates in the UK has consistently outstripped the creation of high-skilled jobs since about 1996, and while this trend is prevalent across the OECD, it is particularly pronounced in this country. Recent OECD analysis of productivity (*Future of Productivity*, 2015) suggests that skills mis-

match is a significant drag on productivity. It concludes that the UK could increase average labour productivity by 5 per cent if the degree of skills mismatch in the UK – above average when compared with other OECD member states – is reduced to a best-practice level.

One reason for this mismatch is that skills policy, under this and previous governments, has focused almost exclusively on boosting the supply of skills, while neglecting the need to stimulate greater employer demand for investment in skills and to support effective skills utilisation.

The recent UKCES report *Growth Through People*¹ recognises the need to address this, calling for people to be equipped with the right skills and given the best opportunity to use them in order to create more better-paid jobs.

This analysis is very much in line with the CIPD's view on the skills challenges facing the UK. A key project the CIPD is leading with the UKCES is called Valuing Your Talent, a research and employer engagement programme focused on improving the use of HR metrics and analytics to help organisations identify the most effective ways of investing in their people to improve productivity and sustainable business performance.

The creation of industrial partnerships in a number of key sectors is also a step forward. These bring major businesses together with supply chain and smaller

companies in particular sectors to address future skills needs.

However, more still needs to be done to engage with and support SMEs, responsible for 60 per cent of private-sector employment in the UK, in building their people-management capability. To explore ways of doing this, the CIPD has launched three pilots this year providing HR support to small businesses in Hackney, east London, Stoke and Glasgow, thanks to funding from J P Morgan's New Skills at Work programme. These pilots are being delivered with partners including councils, local enterprise partnerships and chambers of commerce. Insights from the pilots will help inform what cost-effective and sustainable HR support delivered at a local level could look like.

Agreement over action needed to address these issues will not be easy, particularly with the move towards further devolution of skills policy and funding to cities and regions. The CIPD believes we need a fundamental review of skills policy. The landscape has changed massively since the last major overhaul of overall skills policy (Leitch 2006), and policy makers at national and local levels need to be on the same page if we are to see progress in addressing our productivity deficit. ●

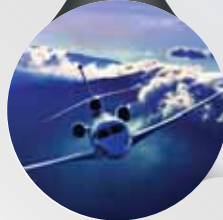
1. "Growth Through People: a Statement on Skills in the UK" (2014) – UK Commission for Employment and Skills

More information: www.cipd.co.uk



The Chartered
Institute of Logistics
and Transport

01536 740104
membership@ciltuk.org.uk
www.ciltuk.org.uk



**Join today and
benefit from being
part of your global
professional body**



Stronger Together

- Supply Chain
- Transport Planning
- Rail
- Active Travel & Travel Planning
- Bus & Coach
- Ports Maritime Waterways
- Freight Forwarding
- Aviation



How Own Grown raised youthful aspirations

The youth employability project has persuaded many businesses to help young people into work. By **Hannah Brookshaw**

Own Grown is a partnership youth employability project based across Hastings and Rother. It encourages businesses to pledge positions of support to help prepare young people for work. Cllr Poole, regeneration, communities and culture portfolio holder at Hastings Borough Council, says: “Its strength lies in its flexibility and brokering role, enabling businesses to pledge the type of support that best suits them and the needs of their business.”

In the two years since its launch, Own Grown has secured nearly 2,500 pledges. Once businesses pledge, they have such positive experiences of the project that they invariably pledge again!

Own Grown grew out of an area-wide conference – more than 120 representatives from the locality, including schools, colleges, businesses and employability organisations, recognised the need take action to help prepare young people for the world of work. Two priorities emerged: provide more work experience positions; and create better school-business links.

Recognising there is strength and influence in partnership approach, key organisations from education, business, employment support and local authorities joined forces to form the Own Grown Steering Group. A simple pledge system was introduced, supported by a marketing campaign via roadshows, one-to-one visits, social media, website (pledged pro bono by ASL Design) and weekly articles in the local press.

What else does Own Grown do?

Sector-based Creative Cafés (in partnership with Culture Shift CIC) connect young people with business professionals based locally to inspire the pupils’ future career choices through a series of practical challenges and small group work.

CV/Interview Skills speed dating

Business reps “speed date” one-to-one with secondary pupils, helping them to improve their CVs and conducting mock interviews.

Career Events

Information stands and involvement in employability workshops such as “a day in the life of...”.

Delivering JCP Work Experience contract

More than 230 work experience placements were sourced through Own Grown during a nine-month period, resulting in 130 actual starts. Of those, 40 per cent were in work, having signed off benefit, within 3 months.

Coordinating school-based Work Experience and Employability events

Led by Sussex Coast College Hastings, coordinating work experience across the school year so businesses are not inundated with requests from schools.

Working Ways Programme sheds light on retail sector for young people

Launched in June 2015, bringing together 12 local shopping retailers and as many schools, for a programme developed by Own Grown partners; Business in the Community (BITC), Education Futures Trust (EFT) and Let’s Do Business Group. Led by Martin Yeandle, BITC Business Connector, on secondment from Lloyds Bank plc, the event

saw 30 pupils go behind the scenes and on to the shopfloors of town-centre businesses including BHS, Clarks and WHSmith.

“We hope to address the stubbornly high numbers of ‘neet’ young people in Hastings by reaching pupils early in their school lives,” says Carole Dixon, chief executive officer at EFT, who originally had the idea for the programme. “I wanted children to learn first hand about what businesses needed from their employees.”

A programme of Working Ways events is now in place until mid-2016, with an expected reach of at least 120 schoolchildren across Hastings.

Speaking of the burgeoning programme, Yeandle says: “It’s about breaking down those barriers for the children to understand that there are so many transferable skills they actually do have, broadening their horizons, dispelling myths and raising aspiration.” ●

See more at: <http://www.bitc.org.uk/news-events/news/hastings-schoolchildren-walk-work#sthash.go7XwMwc.dpuf>

Other organisations in the group:

**Business in the Community
Hastings Area Chamber of Commerce
1066 Jobs
Education Futures Trust
Federation of Small Businesses
Hastings Direct
Hastings Observer
Hastings Works
Jobcentre Plus
Rother District Council
Sussex Coast College**



We need the right skills to remain competitive



Skilling Britain is vital for our economic future, says Semta's Chief Executive, **Ann Watson**

from experience that the best way to ensure that their workers have the skills and attributes needed is to ensure they have been trained properly.

That commitment to training explains why the advanced manufacturing and engineering sector is among the most productive

Vocational skills are too often viewed as of lesser value than academic ones

As the government steps up its efforts to move the UK from its current position as a low-skill, low-wage economy to a high-skill, high-wage one, skills are at the heart of the policy agenda and political debate.

Employer control over apprenticeship funding is being followed by a new levy on larger employers, which will be used to fund their apprenticeships with the aim of creating three million new places by 2020.

Semta is a not-for-profit organisation tasked with skilling engineering and advanced manufacturing.

Employers in our sector don't need encouragement by government – they know

in the UK, with 11 per cent of the economy's gross value added (£110bn) and 9 per cent of turnover (£321bn) a year produced by just 6 per cent of the workforce.

However, employers in advanced manufacturing and engineering can find it difficult to attract the right people. Despite the government's laudable rhetoric and policies such as legislation to prevent misuse of the term "apprenticeship", the reality is that vocational skills are too often viewed by young people, parents and teachers as being of lesser value than academic ones. A report published last year by the Edge Foundation found that just 27 per cent feel they are worthwhile.

That is despite a recent CBI/Pearson education and skills survey showing that a majority of employers either prefer recruits to hold a mix of academic and vocational qualifications (37 per cent) or value vocational and academic qualifications equally (37 per cent).

If employers in our sector don't have workforces with the right skills, they will struggle to keep up with competition – both from established engineering and manufacturing economies such as Germany, where there are 40 Level 3 apprentices per thousand employees (in the UK we have just six per 1,000), and from emerging economies such as India, which is producing 1.5 million engineering graduates a year.

In our globalised world, where people and capital can move more freely across borders than ever before, there is no guarantee that the next generation will enjoy the standard of living in future that we do. It's more important than ever that we equip them with the skills and attributes employers are looking for.

Semta will continue to work hand in hand with Britain's manufacturers – big and small – to forge new partnerships, share expertise and continue to develop a thriving manufacturing base. ●

To find out more, visit: www.semta.org.uk