



Apprenticeships: A manifesto

The Chartered Insurance Institute

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A CENTURY OF
PROFESSIONALISM



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Apprenticeships: A manifesto

The Chartered Insurance Institute is the world's leading professional body for insurance and financial services with over 112,000 members in 150 countries. Our Royal Charter remit is to secure and justify the confidence of the public. Part of this work includes attracting and developing the next generation of talent. We provide support and guidance for our members and employers on Apprenticeships and internships, as well as promoting careers in insurance and financial services to students in schools, colleges and universities. In doing so we work closely with employers and so have a clear understanding of what they are looking for from new recruits.

There is clear momentum behind Apprenticeships and rightly so. The insurance and financial services sector is seeing a considerable increase in interest and take-up, despite not being at the forefront of technical Apprenticeships in the past. Given the Government's current work on reforming the system, the CII, as a leading advocate and co-ordinator of employer sentiment, suggests six key themes that we believe are important in maintaining the excellent progress that is being made and to support future Apprenticeships.

Professional bodies – an untapped resource

Professional bodies have unrivalled experience of developing standards, expertise in creating relevant and respected qualifications, and enjoy long-standing employer relationships. We have a proven record of providing employers with the standards and exams they want and trust.

Greater continuity needed

The system appears to be in a constant state of change with a tendency towards tinkering, however well-intentioned. This in turn confuses and disengages employers.

Simplification

Employers in our sector believe there is too much complexity and bureaucracy associated with Apprenticeships. This is particularly so for SMEs, which do not have the time or resource to overcome this perceived hurdle.

Career foundation

The best Apprenticeships are those that provide a foundation for a professional career. They should not be seen as a replacement for it.

Vocational advice and guidance

The information and guidance relating to Apprenticeships has to be improved. In addition, schools need to have the courage of conviction to promote Apprenticeships as well as university study.

Funding

Funding should focus upon need. At present, most funding ends up with those organisations with the resources and expertise to access it. This is not necessarily in the interest of the whole sector.

Foreword

Technical Apprenticeships in insurance and financial services matter and it is no surprise that 2012 was a record year for starts on schemes containing CII qualifications. As a major employer involved with the programme, Bluefin has offered Apprenticeships since 2009. Having made the commitment four years ago, we have put an average of 30 employees through our Apprenticeship programme annually.

The scheme we use combines technical training with study for CII qualifications and Level 2 or 3 competence qualifications in Providing Financial Services as part of a formal career development plan.

Apprenticeships and the results they have achieved have changed our mentality. We have learnt that, in a mature profession where experience and an established network of contacts counts for a lot, we can still take on a less experienced workforce and with the right training and support they can make their contribution to the company much earlier on.

Apprenticeships, as they stand, work well for Bluefin. We see a number of benefits including: improved staff knowledge and skills; increased ability to recruit new positions and fill vacancies; and new ideas, fresh approaches gathered from a Generation Y gene pool of talent. The programme provides us with the scope to develop a scheme that meets our needs within the national framework.

During our journey, we have been ably supported by the CII which, in our eyes, plays a pivotal role in promoting the value that Apprenticeships can bring to employers of all sizes across insurance and financial services. Their position at the heart of our profession ensures they develop technical qualifications that employers want and have a view on the needs of the professionals of the future.

The growth of Apprenticeships within our profession is still, relatively speaking, in its infancy. However, the relationship between employers, like Bluefin, and their professional body, the CII, will play a significant role in any future successes. This is something always worth remembering.



Stuart Reid

CEO Bluefin and Chair CII Insurance Broking Faculty.

Introduction

For over a hundred years, the Chartered Insurance Institute has been working with practitioners and employers to shape examinations, standards and behaviours within the insurance profession. And during that time we have developed strong relationships across our sector and can legitimately claim to be industry-led in all we do.

Our Royal Charter remit is to “secure and justify the confidence of the public” and an important part of this work is ensuring we, as a profession, are able to attract and develop the next generation of talent. An increasingly integral part of this is being played by Apprenticeships as employers realise the benefits that developing an apprentice can bring.

The CII has worked hard over recent years to promote Apprenticeships to our membership and to companies across our sector. Our Discover Risk www.discoverrisk.co.uk and Discover Fortunes initiatives are proving to be effective tools in highlighting the varied careers that insurance and financial services can offer and attracting young joiners to our profession.

We work with employers to make sure that both they, and their apprentices, benefit from taking part in the programme. We recently updated our step-by-step guide to getting started for employers, and continue to offer information, support and a signposting service to interested businesses.

Our qualifications help form the bedrock of the technical Apprenticeships within insurance and financial services, providing employers with an understanding of, and confidence in, what to expect. These qualifications, which are developed with considerable industry input, provide individuals with the knowledge and skills that employers want. They are also regularly updated so that they remain relevant to the market.

As a professional body, we can track sector attitudes towards Apprenticeships. Each year our skills survey provides a valuable insight into the skills needs of our sector and, in the case of Apprenticeships, is able to provide a sense of the level of take-up amongst employers.

We have experience of Apprenticeships, from how they are developed to how they are received within our sectors. In a world where professions, industries and disciplines all have their very own specific needs, we believe that it is important to outline the position across our sector.

Change is afoot with the latest in a long line of Apprenticeship system reviews. Doug Richard’s investigation and the Government’s subsequent response show an appetite for significant reform. We agree with their belief in the importance of Apprenticeships – for specific sectors like our own and for the economy as a whole. We also agree with the need for some change. However, we do not believe there is the need for the seismic shifts being considered. When making any alterations it is vital that policy makers remember that one size does not necessarily fit all. When considering change, there is always value in examining what already exists and what assets may not be fully utilised.

This manifesto sets out our thinking around how the welcome progress we are witnessing in insurance and financial services Apprenticeships can be enhanced. Some recommendations are generic whilst others are specific to our sector. All, however, link into the need to ensure the system is simple and stable in order to maximise employer engagement.

Chartered Insurance Institute

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1. Professional bodies – an untapped resource

Governments continue to ignore the value that professional bodies bring. We have vast experience and expertise in developing standards, along with expertise in creating qualifications and long-standing employer relationships. We have been providing employers with the standards and exams they want and trust for over 100 years. Crucially this is at no cost to the public purse. Government should better utilise existing bodies that have a proven record in delivering high quality qualifications, with strong employer links that are not publicly funded.

Professional bodies, like the CII, play an important role in developing and promoting Apprenticeships to employers and potential apprentices alike. When change is considered to programmes like Apprenticeships, there is always a temptation from policy makers to suggest the creation of new bodies or new mechanisms. This, however, is not always necessary.

Take, for example, the Government's proposals to give employers a greater say in developing Apprenticeships and their standards. Professional bodies already work very closely with – and, in many cases, on behalf of – employers to develop qualifications and standards. Therefore, we would question whether there is the need to develop yet another mechanism.

We have a long history of collaborating with companies of all sizes in developing standards, exams and materials that meet the needs of the market. If we were not providing what the sector wanted, and had not demonstrated, over time, our ability to remain relevant in the face of an ever changing world, then people would not take our exams and we would cease to exist. The fact that we are the world's leading insurance and financial services professional body with over 112,000 members across the globe is a reflection of the trust and respect that employers and practitioners place in us.

Professional bodies are so much more than simply the provider of the technical element within an Apprenticeship. We bring a lot of experience and expertise to the table which, unfortunately, has not always been tapped into by policy makers. Our extensive membership and employer links, and our track record of being a genuinely industry-led organisation, is something that those developing future programmes and policy should factor into their thinking.

“ 87% of our members support the publication of the CII's 'Apprenticeships: A guide to getting started'¹ ”

¹ CII Skills Survey 2012 – survey of 4000 members

2. Greater continuity needed

The system appears to be in a constant state of change – be it the bodies responsible or the policy framework. We are not advocating the status quo, but there is, at present, a worrying tendency towards tinkering, which in turn confuses and disengages the very people we want to get involved: employers. For the first time we are witnessing momentum behind technical Apprenticeships within financial services – however, this risks stalling because of a lack of continuity in the system. This is particularly acute within the SME sector which does not have the resource to engage in anything other than a straightforward programme.

“ At Brett and Randall, we have found our insurance Apprenticeship programme extremely beneficial to our broking operations. However, a stable and structured framework is essential for it to work effectively. ”

Mel Clark, General Manager, Brett and Randall

We do not believe there is the need for the scale of change within Apprenticeships that has been recently suggested by Government. Last year we saw over 1000 starts in Apprenticeships containing CII qualifications – a record year and momentum to build upon. However, we have been in such a similarly positive position before, only to see confidence eroded by a change in policy.

“ We have been delighted with the Apprenticeship scheme, it is helping us to develop two young individuals. We feel that for the long-term future of the industry, both Financial Services and General Insurance, this scheme should continue as it is today. ”

Christine Walker, Mathews Comfort Financial Services

In 2009, under the previous government, the Learning and Skills Council, having promised funding for Apprenticeships for those aged 25 and over, withdrew support and we witnessed, across our sector, serious damage done to the credibility of the Apprenticeship brand as well as government funding in general.

Before deciding on a new course of action, policy makers need to carefully consider what is working. In doing so they will find that different sectors have different experiences and so care must be taken not to impose one-size-fits-all solutions. What works for construction or retail might not work for insurance and financial services.

“ Apprenticeship schemes are highly beneficial for any organisation as long as there is a structure and a stable framework to support it. It is very important to ensure consistency and this can only be done through well-planned programmes. ”

Kalpana Pindoria, Chaucer syndicates

3. Simplification

Employers in our sector still feel that there is too much complexity and bureaucracy associated with Apprenticeships – particularly for SMEs. There is a bewildering proliferation of bodies involved in the whole process and too much time is dedicated to dealing with administration and officialdom. This detracts from time that could be spent developing the apprentice. Simplifying the system would likely result in an increase in the take up of Apprenticeships.

“ Whilst I would employ an apprentice today (in fact several), I would not want to be bound up with the bureaucracy. ”

CII skills survey 2012 respondent

Back in our 2010 prospectus for skills, Investing in tomorrow's skills today², we called for the simplification of the skills landscape as a whole. While there has been some thinning out of bodies involved, we have not seen the simplification that the Coalition promised. Apprenticeships mirror this particular aspect of the skills system with complexity and a large number of interested parties, whose roles are often overlapping.

Despite the promised reduction in bureaucracy, we still hear regular complaints from employers, even companies with several years' experience of the programme.

In addition, whilst employers are working hard to cut frictional costs and make their budgets go further, the many layers that continue to accompany the Apprenticeship world do not fit with such an approach. Whereas costs have come out of a lot of businesses, many associated costs (a number of which can be seen as unnecessary) still remain for those engaging with Apprenticeships.

“ The funding is great but it can be tricky working out what's available and how to claim it. ”

Andy Parsons, HR Director, Bluefin

² CII Skills Prospectus: Investing in Tomorrow's Skills Today (2010) <http://bit.ly/12DFmDv>

4. Career foundation

The best Apprenticeships are those that provide a foundation for a professional career. They should not be seen as a replacement for a professional career. We see little demand for higher level Apprenticeships (L6/7) within a profession that has well established professional qualification pathways and, importantly, a culture of supporting its people to achieve those high level qualifications at its own expense.

More and more employers across insurance and financial services are now using Apprenticeships as part of their recruitment mix. Great value is placed on the technical qualification which sets the apprentice on the professional qualifications ladder. Employers are more than happy with the Level 2, 3 and 4 Apprenticeships which offer an alternative structured progression pathway to a graduate scheme, for example, in either insurance or financial services. From there they are able to develop the individual further. We have not seen any calls for the higher Apprenticeships (L6/7) within our sector given the clear qualification pathways already well established.

We believe that, if Apprenticeships are to flourish across all sectors, policy makers need to take account of the differences that exist and not impose a 'one-size-fits-all' approach.

“ *Once the Apprenticeship is complete we encourage them to continue their studies with the CII, so that ultimately they will be Dip CII or ACII qualified.*

We have been running this programme since 2005 and our first Apprentice is still working with us. In fact of the ten Apprentices we have taken on over the past eight years, five still work for us and all are still in the industry. Something we are very proud of. **”**

Tim Larke, Ryan Insurance Group

5. Vocational advice and guidance

The information, advice and guidance relating to Apprenticeships has to be improved to develop a better understanding amongst employers, schools, parents and potential apprentices. Schools need to have the courage of conviction to promote Apprenticeships over university study, even to high-performing students if it is an appropriate option for them. Only then will we begin to see Apprenticeships shed the image of being second best to university study.

Good quality information is vital if we are to get more employers involved and more people choosing the Apprenticeship pathway. A lack of information is part of the reason why young people are making questionable choices post-school or college. There needs to be standard, good quality data that illustrates starts, completions, information on particular roles and pathways, and employment rates.

In addition, work needs to be done to ensure that teachers and parents understand the value of the Apprenticeship programme – and that it can be the start of a journey that results in a degree, at a much lower cost.

The Apprenticeship's strength is that it can be, when delivered correctly, the perfect marrying of vocational experience and academic rigour. And where they build on existing professions, Apprenticeships can draw upon the trust and respect afforded to the related profession, as well as the well established and existing progression pathways.

Advocacy is an effective way to achieve a greater understanding of their value and the CII has this year appointed four Apprenticeship Ambassadors to support its events, write case studies and promote the profession. Linked to this, employers are reaching out more to their future workforce through mentoring, work experience and insight events.

We would also make the point that before engaging with employers in relation to developing Apprenticeships, there is still work to be done to promote their advantages. There are still many employers who would benefit but do not yet realise this.

The CII has been working hard doing just that but more needs to be done to appeal to 'non-traditional' Apprenticeship sectors.

“ *The Apprenticeship programme has been of great benefit and has enabled me to grasp a good understanding of insurance practices. It's enabled me to work with confidence in my role and encouraged me to push myself harder to move through the different modules and to learn about different roles and aspects of my job.* ”

Matthew Weeks, Commercial Broker, Bluefin

6. Funding

Funding for Apprenticeships should focus upon need – the needs of a sector and the needs of all employers. At present we have a system where funding is accessed only by those who have the resources (time and/or money) and expertise to do so.

The current system requires self-funding bodies within the Apprenticeships landscape to chase government money. This in turn creates the perverse situation whereby there is a focus on what already exists – recreating something that works in order to gain funding. However, this should not be the case. More should be done to scope out where the real need within sectors lies and the funding system should reflect this.

There is also, at present, financial support for employer-specific schemes that are misleadingly badged ‘Apprenticeships’. We see little value in such niche schemes. They are not useful to the individual outside that particular organisation and so do not support career mobility. In turn they do not support the sectors that they are meant to, or the economy as a whole.

Recommendations in the Richard review of Apprenticeships, subsequently endorsed by the Government, suggest providing employers with more freedom to create their own Apprenticeships. Though this might benefit the large companies who are able to access funding, it will not help medium and smaller firms. Apprenticeships should be transferable, support an individual’s career mobility and be of use to the whole sector in which they are rooted.

In this manifesto we have called for simplification, continuity and clarity of information – it is these things that will enable SMEs to access the funding which would benefit the skills of the sector as a whole.

Who to contact

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The CII: Promoting Skills Development

Discover Risk

Discover Risk is an award-winning campaign that reveals the breadth of opportunity in the insurance profession to those still in education. Integral to this are interactive sessions in schools and colleges that introduce young people to the concepts of risk and how they are applied in practice around the world. These sessions are supported by local employers.

Discover Fortunes

Discover Fortunes is a school, college and university activity that provides students with an understanding of the role of financial services in life. These sessions are supported by local employers.

For more information visit: www.discoverrisk.co.uk or email discover@cii.co.uk

Publications

The Chartered Insurance Institute is a committed supporter of skills development. We regularly publish research, guidance and position papers on the issue of skills, both in terms of our profession and UK plc.



For more information visit: www.cii.co.uk/insight

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