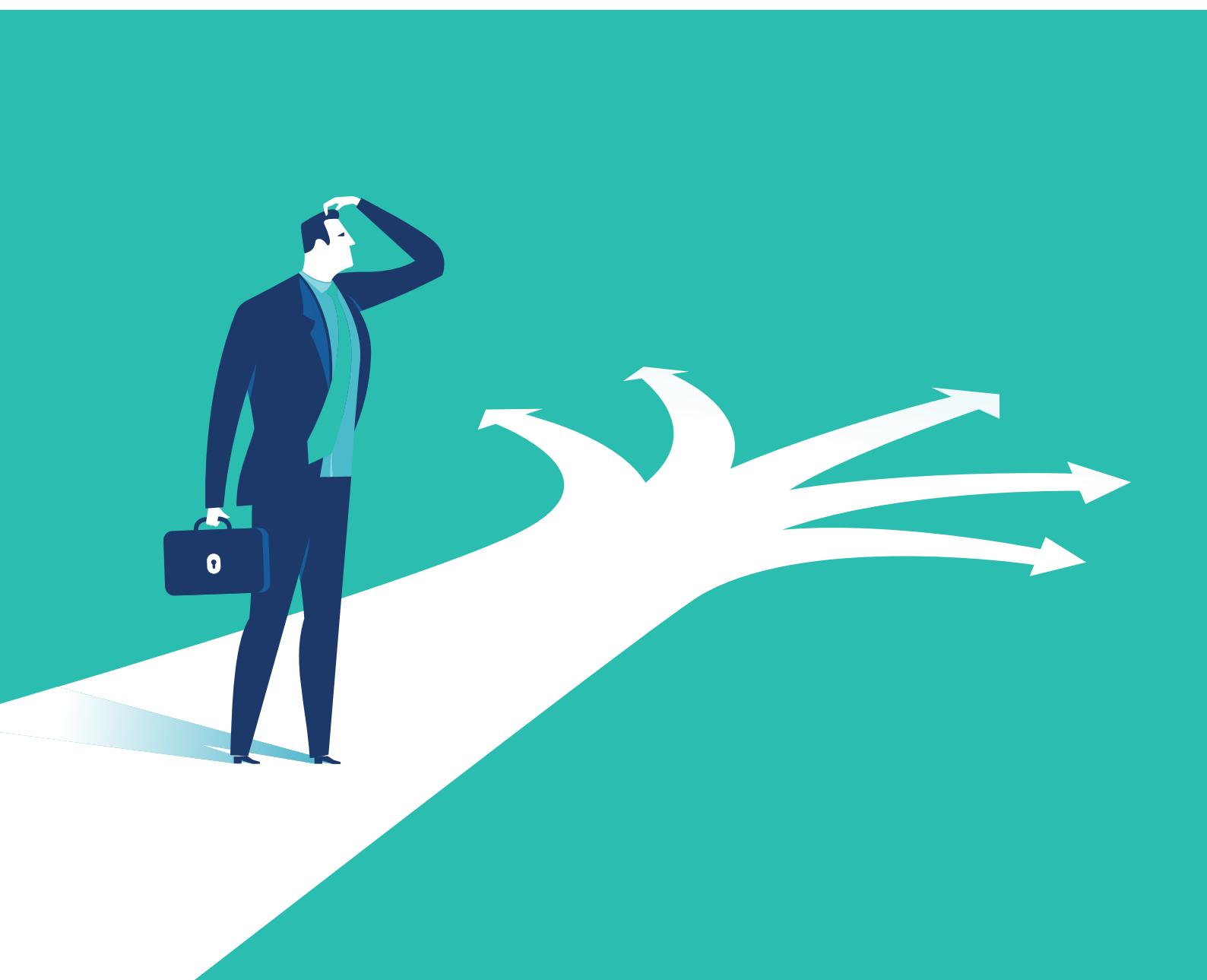


What does the government's industrial strategy green paper mean for the project management profession?



1. Summary

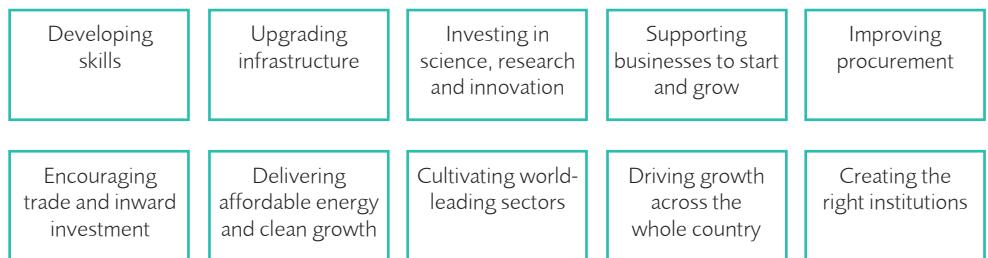
The government has adopted a new approach to supporting industry with the launch of a green paper about its plans to support industry and, consequently, improve UK productivity.

On 23 January 2017, the Department for Business, Energy & Industrial Strategy published *Building our Industrial Strategy*. This green paper sets out the government's plans for supporting the UK's industrial sectors, improving productivity, driving growth across the country and making British business more competitive.

"It is clear that a plan to better support industry to grow the UK's economy should consider the role that project management plays"

The new strategy can be seen as a natural extension of the *Fixing the Foundations* report (HM Treasury, 2015), which spelt out plans to make the country more prosperous. Fixing the Foundations launched a more interventionist approach from government to tackle the UK's low level of productivity compared with other Organisation for Economic Co-operation and Development countries.

The strategy is made up of 10 pillars that draw together a range of new and existing policies, summarised below. This briefing focuses on two of the pillars that are most relevant to APM and the wider project management profession: **developing skills** and **upgrading infrastructure**.



2. What this means for project management

It is clear that a plan to better support industry to grow the UK's economy should consider the role that project management plays in increasing productivity and helping industry to deliver projects to time and to budget.

APM is keen to engage with members on the strategy and how we should represent your views to the government. At the end of this briefing are a number of questions; APM is currently considering its response. If you would like to feed in your views, please read the questions in section 5.

Please feed your comments back by completing the survey by **17 April 2017**.

3. Developing skills

The government has put skills at the heart of its industrial strategy. APM welcomes this. In addition, the government has set out several new commitments under this pillar.

Key new commitments:

- Create a proper system of technical education to benefit the half of young people who do not go to university, and provide new, better options for those already in the workforce.
- Commit £170m of capital funding to the creation of new institutes of technology to deliver higher technical education in STEM subjects and meet the skills needs of employers in local areas.
- Work towards a joined-up, authoritative view of the sector-specific skills gaps that the UK faces now and in the future.
- Publish a comprehensive careers strategy later this year.
- Take further actions to address differences in skill levels between different areas to help drive economic growth and opportunity throughout the country.

Local skills gaps

According to the Local Government Association, councils' ability to address unemployment and skills demands from businesses is constrained by the fact that current mainstream and re-engagement employment and skills funding, worth £10.5bn (2016/2017), commissioned nationally by Whitehall or its agencies, is scattered across 20 different national schemes.

Often, because of the national approach to commissioning, this fails to meet the needs of the local economy and residents, prevents effective service integration, and results in a mismatch between skills supply and demand. Devolving this national employment and skills funding to local government would allow councils in cities and non-metropolitan areas to build on their track record of targeting support, helping more people into work and plugging growing skills gaps.

"All parts of the economy can benefit from using project management, and so it is vital to have a pipeline of talent into the profession. Apprenticeships are essential to assist the growth of the project management profession in the private, public and voluntary sectors"

Sara Drake
Chief executive, APM

Technical education

APM welcomes the development of technical education pathways. However, the new institutes of technology (IoTs) must also include career paths for young people who wish to pursue project management as a choice of career. Over the next 10 years, we anticipate there will be a large demand for project managers, in part as a result of the transformational change of Brexit.

As a result, we need to be training and employing far more project managers. Furthermore, technological projects in construction or infrastructure cannot be used successfully without adequate project management. This needs to be recognised in the new IoTs through integrated training pathways that acknowledge the central role of project management in many technological careers.

Careers advice

The government has promised that it will create a new careers strategy. Careers advice in England is reliant on schools, which sometimes lack the knowledge and resources to deliver high-quality advice. A comprehensive careers strategy should therefore be published as soon as possible.

The careers service needs coherence, because it is meant to guide students so that they understand the learning pathways to current and future jobs. The new strategy needs to acknowledge the role of project management in increasing productivity in the UK.

Apprenticeships

The new Apprenticeship Levy begins in April 2017. The levy ensures businesses invest in apprenticeships, and puts them in control of who they decide to train. It will start at a rate of 0.5 per cent of an employer's wage bill, and employers can use the funds to hire new staff or train existing staff.

APM believes that the apprenticeships in project management – both Trailblazer and Higher apprenticeships – are an excellent way for businesses to recruit new project managers and achieve the aims of the industrial strategy by improving non-academic routes into employment.

4. Upgrading infrastructure

The industrial strategy identifies that long-term funding certainty is the best way to plan infrastructure investment. Currently, too much funding for local infrastructure remains reliant on short-term and competitive bidding processes in order to fund upgrades. The government has set out several new commitments under the 'upgrading infrastructure' pillar.

Key new commitments:

- Using infrastructure to support rebalancing the national economy, taking into account the balance of spending per head between different regions.
- Supporting other major infrastructure investments, including £1.1bn of funding for local roads and transport.
- Connected and autonomous vehicles, cementing the UK's position as a go-to destination for the development of this technology by establishing a new testing ecosystem.
- An additional £1.1bn of funding for local roads and transport.

"The industrial strategy identifies that long-term funding certainty is the best way to plan infrastructure investment"

It is often argued that UK infrastructure lacks a long-term vision. This leads to disjointed and inefficient delivery. The industrial strategy identifies that long-term funding certainty is the best way to plan infrastructure investment. It highlights the certainty that has been given to the Strategic Road Network and Network Rail.

APM supports this approach. We know that one of the main conditions for project success is a clear and long-term plan before work starts. Businesses require financial stability and low levels of political uncertainty in order to invest in large-scale projects, such as infrastructure.

APM is pleased to see the government recognise this through the good work of the National Infrastructure Commission and the Infrastructure and Projects Authority. However, there is a need to build on this momentum and reach political consensus on the strategy as a whole, as well as on many of the key projects.

If you would like any more information, please contact David Thomson, interim head of external affairs at APM: david.thomson@apm.org.uk

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5. Questions for APM members

"APM will be responding to the government's industrial strategy. We would welcome your comments"

APM will be responding to the government on the proposals set out in the industrial strategy.

We would welcome your comments on any of the questions below. If you would like to contribute to our response, please follow this [link to the survey](#). Please send comments by 17 April 2017.

Education, skills and training

1. How can we make the application process for further education colleges and apprenticeships clearer and simpler, drawing lessons from the higher education sector?
2. What skills shortages do we have, or expect to have, in particular sectors or local areas, and how can we link the skills needs of industry to skills provision by educational institutions in local areas?
3. How can we enable and encourage people to retrain and upskill throughout their working lives, particularly in places where industries are changing or declining? Are there particular sectors where this could be appropriate?

Upgrading infrastructure

1. Are there further actions we could take to support private investment in infrastructure?
2. How can local infrastructure needs be incorporated most effectively within the UK's national infrastructure policy?
3. What further actions can we take to improve the performance of infrastructure towards international benchmarks? How can government work with industry to ensure we have the skills and supply chain needed to deliver strategic infrastructure in the UK?
4. Do you have any other comments on any part of the industrial strategy?

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