



# Leadership and Management Training for SMEs

This call supports participants within SMEs to develop the Leadership and Management Skills to support growth in business productivity and facilitate progression into management positions and business continuity where there are skills shortages. Activity will focus on Leadership and Management training to SMEs, support with business leadership and inclusive recruitment processes, support with further access to learning and training opportunities for staff, both qualification driven, and non-qualification driven and activity to look at how Apprenticeships can support business growth.

As such this programme will support Key Action 6 of the revised D2N2 Strategic Economic Plan Vision 2030 (<http://www.d2n2lep.org/SEP>) Skills and Leadership for Productivity Growth - Support businesses in accessing the skilled people they need to improve their productivity through a stronger D2N2 Growth Hub, enhanced leadership and management skills and better engagement with the knowledge and assets in our higher and further education institutions, and increased take up of apprenticeships (particularly at higher and graduate levels).

## Local Economic Context

The revised D2N2 Strategic Economic Plan Vision 2030 (<http://www.d2n2lep.org/SEP>) sets out the vision that by 2030 D2N2 will have a transformed high value economy, one which is prosperous, healthy and inclusive and amongst the most productive in Europe.

Despite making one of the biggest contributions to England's economic output, overall D2N2 suffers from an inefficient economy – meaning that compared to our competitors we produce too little output for the number of hours we work – the so-called 'productivity deficit'. Despite having the fifth largest workforce outside London, we have only the ninth largest economy. Too many of our businesses aren't productive enough.

Our recent progress in creating new private sector jobs has been excellent but we must tackle our productivity gap, if we're to remain a competitive business location and deliver long term prosperity.

Tackling the productivity gap requires a shift in the focus of business support outcomes towards productivity gains rather than just job creation and improved business leadership and management are recognised as important drivers of productivity.

To close the productivity gap, this call will support firms to access management, leadership and coaching support to adopt new management practices and new

methods of work organisation as part of a coherent suite of business-friendly support options available across the drivers of productivity – leadership management and planning, leading to innovation, skills and exporting – with the mix of support required driven by the needs of the business.

A challenge for D2N2 employers is demographic change associated with the ageing population. It will have significant implications for the labour market as in D2N2, the working age population will rise by just 1% between 2014 and 2039, growing efficiency pressures over time. By the end of 2030 the population over 64 years of age in D2N2 will have increased by 25%.

In D2N2 our workforce is not as well qualified as the workforce in the UK overall, with just 32% qualified to NVQ4 level or above in D2N2 compared to 37.9% in the UK. This further conceals significant variations in workforce skills between areas within D2N2. Productive firms demand more highly skilled workers who can earn higher wages. Our current skills profile limits opportunities for workers and firms in our area.

Employers are beginning to experience real recruitment challenges across D2N2. According to the latest Quarterly Economic Survey undertaken by the East Midlands Chamber employers are experiencing difficulties in recruiting at all skills levels but particularly in skilled manual/technical positions and professional/managerial posts.

Given this context the leadership and management challenge for many employers will be developing succession strategies for existing employees to progress into management positions to ensure business continuity where they are experiencing recruitment difficulties and skills shortages. Activity for this call will therefore focus on Leadership and Management training to SMEs, support with business leadership and inclusive recruitment processes and support further access to learning and training opportunities for existing staff.

### **Local priorities**

This call wishes to concentrate on supporting businesses develop the Leadership and Management skills of their workforce as an essential component of driving up productivity, with a particular emphasis on future workforce planning and ensuring participation in the business from those from disadvantaged groups.

The D2N2 economy is dominated by SMEs with a relatively large number of people in leadership and management roles without the training to support them. Managers often don't recognise the different tasks required and the different skills for multiple management roles. There is a danger of simply "getting by" rather than developing leadership and planning skills to meet the challenges fully with a consequent impact on productivity and profitability.

Ensuring the workforce has the right skills to support current and future growth of SMEs across D2N2 is a key priority, particularly where it considerably improves the productivity of local businesses and generates more inclusive employment practices. The activity will support key staff and leaders to effectively plan the skills, recruitment and retention needs of their business, improve the productivity of their workforce and

ensure their future workforce needs can be met in times of low unemployment, including through adopting more inclusive recruitment practices.

The call will concentrate on leadership and management training, business productivity, skills needs and succession planning. Every business is different, and training needs to be flexible to respond to these differing circumstances. We wish to ensure support is also tailored and relevant to support women-owned and BAME owned businesses through this call and to female and BAME employees.

We are keen to look at innovative and sustainable models of delivery. Activity should link with the D2N2 Growth Hub and should where possible support scale-up businesses.

Activity may include:

- Leadership and Management training to SMEs with under 250 staff
- Support with business leadership and inclusive recruitment processes
- Support with further access to learning and training opportunities for staff, both qualifications and non-qualification driven
- Succession leadership and management and skills development in D2N2's priority sectors (aimed at tackling replacement demand, due to the ageing workforce).
- Progression of females into leadership and management roles, and leadership and management skills development and training for female leaders and managers, particularly in the D2N2 priority sectors.
- Innovative approaches to skills development and training and progressing employees to leadership and management roles.
- Increase the numbers of D2N2 residents who hold higher level Leadership and/or Management skills that can be transferred from one sector to another to drive individual progression and to contribute to increased business productivity and growth
- Delivering packages of learning which enable middle managers to develop leadership and management skills relating to the needs of their employer
- Activity to look at how Apprenticeships can support business growth

### **Contracting and funding allocation**

The programme will be procured through the ESF Managing Authority (DWP) open call process.

The ESF funding allocation to support the programme is £1,778,18. Applicants will need to have eligible match funding at 50% which must be from a source other than the European Union.

Proposals should: deliver activities eligible for ESF; cover the whole D2N2 area; and be in line with the D2N2 LEP Core Delivery Principles. The Managing Authority may award more than one contract should applications of sufficient quality and scale be received that in combination provide for LEP wide coverage without duplication of activities or geography. There is a requirement for all contracts to clearly evidence

how they will interact with each other to ensure they complement existing and future planned provision.

This document provides the strategic intent for this programme. Full details of the bidding, contracting and confirmed criteria will be provided within the published specifications.

The table below provides an indicative breakdown of the funding allocation and targets.

<b>Investment Priority</b>	<b>2.1</b>
	Leadership and Management Training for SME's
ESF	£1,778,18
Match Funding	£1,778,18
<b>Outputs</b>	<b>Volumes TBC</b>
<b>Priority Groups</b>	Participants
	50+
	Inactive
	Ethnic Minorities
	Disabilities
	Basic skills
	Single adult household with dependent children