
Response to Economy Infrastructure and Skills Committee consultation on Degree Apprenticeships

About HEFCW

The Higher Education Funding Council for Wales – HEFCW – is the public body operating between Welsh Government and higher education providers. We regulate fee levels at higher education providers, ensure a framework is in place for assessing the quality of higher education and scrutinise the performance of universities and other designated providers. We also provide funding for higher education teaching and research, and apply our influence and expertise to help deliver Welsh Government priorities for higher education that also have wider societal and economic benefits.

Value of Degree Apprenticeships

Degree Apprenticeships Level 6, are designed to meet current and future needs for economic upskilling identified by employers in Wales, and drive productivity. Flexible programmes of delivery provide an opportunity for apprentices to work alongside experienced employees to gain practical skills and experience and a higher education degree qualification that meets employer needs through the development of a Framework, and achieve professional accreditation where appropriate. Degree Apprenticeships can support widening access and strengthen efforts to promote equality and diversity. Collaboration between employers and HE and FE providers underpins the development of progressive learning pathways, and is a mechanism to enhance parity of esteem between vocational and academic study. This approach

aligns with the aims of the [Commission for Tertiary Education and Research \(CTER\)](#). HEFCW is uniquely placed to manage Degree Apprenticeships as the organisation who has oversight over Higher Education (HE) quality.

1. Have any issues become apparent during the rollout of degree apprentices and what lessons can be learnt from their introduction?

The two-year lead in to degree apprenticeships and the delayed start had a negative impact on the programme's reputation initially. HEFCW's interest in progressing the Apprenticeship agenda in Wales and delivering against its [Remit Letter](#) (28 March 2018) was constrained by the timing of the Welsh Government policy steer and the funding, that was not confirmed until February 2019, in HEFCW's [Remit Letter](#). Further, HEFCW did not receive clarification from Welsh Government until 2 March 2019 on whether the pilot budget of £20m was to cover continuation funding of apprentices who had started in the pilot phase into the academic year 2021/22 and beyond, as this would impact on the number of apprenticeships available in the pilot phase.

This delay was magnified by the relevant Sector Skills Council not adequately responding to the Welsh Government commissioning of frameworks, resulting in an external consultant being commissioned to restart the process. As a consequence, the [Engineering and Advanced Manufacturing \(Wales\) Framework](#) was not issued until 1 August 2019, year 2 of the pilot project, 2019/20. This had an impact on the Higher Education sector's capacity to respond in a timely manner, and greater reliance on existing relationships with large employers upskilling existing employees in 2018/19.

It is hoped that newly proposed structures and processes to develop, review and issue Frameworks will minimise the potential for delays going forward.

Responses to the Welsh Government consultation on [The Role of the Issuing Authority for Apprenticeship Frameworks](#) are currently under review. The updated terms of reference for The Wales Apprenticeship Advisory Board (WAAB) should enable it to provide the strategic input and robust challenge needed to shape future policy and strategy with regard to apprenticeships.

It is too early to draw conclusions on the impact of the Degree Apprenticeship project, as it is still in its pilot stage (2018/19 to 2020/21) and initial data does not yet provide a trend. The Welsh Government evaluation of Degree Apprenticeships is designed to conduct a formative evaluation of the initial phase of the Degree Apprenticeship programme to assess its effectiveness, efficiency and impact. The [live tender](#) for bids for the Degree Apprenticeship Pilot Evaluation closed on 8 January 2020. As this Inquiry overlaps with the evaluation, we assume that the evaluation will be informed by the Inquiry.

The complexity of the Degree Apprenticeship programme and the current funding mechanism requires significant staff resource to manage programme activity. This is a manual process at the moment, and HEFCW is currently managing this work within existing staffing levels. A sustainable approach for the long-term provision of Degree Apprenticeships will require confirmation of recurrent annual funding to facilitate the integration of Degree Apprenticeship funding effectively within existing arrangements for funding and monitoring data for HE provision. In this way, HEFCW can monitor and influence further widening access and progression through our funding methodology.

Employers play a key role in curriculum development, and whilst Higher Education Institutions (HEIs) have traction in continuous professional development through commercial and workplace learning activity, an updated model of engagement and delivery is developing to meet the needs for economic upskilling. The importance of occupational roles and employability has come into

focus, as HEIs integrate Degree Apprenticeships within the broader apprenticeship programme in Wales. HEIs may need to strengthen institutional resource to meet any potential programme expansion.

Differing policy approaches to the delivery of Degree Apprenticeships across the four nations presents challenges for employers and individuals working across borders, and Welsh HEIs that work in a UK setting and can deliver Degree Apprenticeships from England. This is set in the context of funding arrangements, access to provision, potential inward investment and retention of high value jobs.

Annex A of HEFCW's [Remit Letter 2019](#) states that HEFCW must have regard to regional coherence. Consequently, HEFCW takes account of geographical location and HEI mission and expertise within its policy development. The Welsh Government policy steer for apprenticeships requires that the provision should be demand-led by the needs of the employer. This has resulted in HEFCW having potentially conflicting policy directions. Prioritising the employer demands over regional coherence of the provision limits the capacity to develop regional HE and FE collaborations to develop progression routes and capacity to influence the geographical spread of provision in relation to Degree Apprenticeships. A change in policy steer on core-funded activity will need to be considered, and its impact on franchise and consortia arrangements.

2. Was the process and criteria used for approving proposals from providers to deliver degree apprenticeships satisfactory?

The Cabinet Secretary for Education confirmed in a [letter](#) to HEFCW her expectations for Degree Apprenticeships in Wales over a 3-year period from 2018/19 to 2020/21. The delay in confirmation of the funding commitment has led to complications with timescales in the process for approval of HEI proposals for funding.

HEFCW sets out a robust process and criteria for approving proposals from providers in its call for funding of Degree Apprenticeships Proposals published each year. This is very labour intensive, and relatively inflexible for use if there is a significant increase in Degree Apprenticeships provided. HEFCW's [Circular W19/04HE](#) published on 21 March 2019, illustrates the requirements for approval of funding from HEFCW-funded institutions to deliver degree apprenticeships.

As part of the process, HE providers are required to include in their proposals a list of employers accessing the programme, the number of apprentices per employer and the geographical spread of provider delivery.

HEFCW's criteria for approving proposals also require evidence from HEIs demonstrating that they are meeting the requirements for equality and diversity and Welsh language.

HEIs must meet quality thresholds set out in HEFCW's Circular for proposals for funding. Proposals are considered by a panel, which is chaired by a HEFCW Council member. Its membership includes the Welsh Government and HEFCW officers. Proposals can be deferred subject to clarification or further information as appropriate. HEFCW then allocates budgets based on the numbers of apprenticeships in the approved proposals.

HEIs are requested to submit Monitoring Reports detailing actual recruitment and personal characteristics data ([Annex A](#) of Circular [W19/38HE](#) Degree Apprenticeships 2019/20 Monitoring Report, published 13 November 2019). This is required to calculate funding to be paid to the HEI and to evaluate how they reflect groups under-represented in higher education and wider Welsh Government equality ambitions, including gender balance. Employer engagement and the profile of employers accessing the degree apprenticeship programme is also evaluated through this process.

HEFCW has established a Degree Apprenticeships working group comprising of HEI Degree Apprenticeship leads and HE Regional Skills Partnership (RSP) members to provide a pan-Wales view, and share good practice. This should help to link Degree Apprenticeships with the work of the RSPs.

HEFCW is a member of the Quality Assurance Agency for Higher Education (QAA) Advisory Group and was involved in the publication of the guidance document [Quality Assuring Higher Education in Apprenticeships: Current Approaches, \(July 2018\)](#) and a [Characteristics Statement: Apprenticeships in Higher Education](#) (July 2019), designed to complement and contextualise information within the Frameworks.

HEFCW intends to commission a developmental quality review of Degree Apprenticeships to provide a set of recommendations for future delivery. This will be carried out by the QAA and Estyn and will look at how the provision in Wales addresses the [QAA Characteristics statement for Higher Education in Apprenticeships](#). It will report in March 2021.

3. What are your views on the demand for degree apprenticeships and how that demand should be managed, both in terms of the range of frameworks and demand from employers and learners?

Circular [W18/29HE Degree Apprenticeships 2019/20: Consultation on the Funding Methodology and Request for Expressions of Interest](#) invited HEFCW-funded institutions to express their views on the allocation of funding, in the event that demand exceeded available funding. Responses pointed to the need for a demand-led approach to the allocation of Degree Apprenticeship funding in the

three priority areas of digital, engineering and advanced manufacturing, for the academic year of 2019/20). However, this does not take account of the potential demand in other areas and demand for postgraduate provision at Level 7. There is also potential tension between the requirements of employers who pay the apprenticeship levy who operate across the UK in a range of contexts and the limited sector priority areas currently funded for Degree Apprenticeships in Wales. For example, the public sector in Wales is the largest employer, and bodies such as health and social care providers who pay the levy are not able to access funded Degree Apprenticeship programmes.

Demand for Degree Apprenticeships is currently based on Ministerial priorities and evidence submitted in the 2019 RSP Action Plans. The findings of the Economy, Infrastructure and Skills Committee inquiry into [Regional Skills Partnerships](#) (RSP) should inform HE engagement with local labour market planning, and the identification of sector priorities.

Economically-focused programmes based on evidence of employer demand are best developed in collaboration with HEIs to make best use of capacity, mission and expertise. This also has to take account of employer recruitment and training plans that typically forecast twelve months in advance. This can create pressure on the timeline for curriculum development, to meet apprenticeship Framework requirements and the changing industrial landscape. Collaboration between delivery providers also needs to be supported to ensure the development of progression pathways in sector priority areas, and geographical spread of provision.

Demand is driven by employer need, and apprenticeship Framework consultations are typically developed at a strategic level with large employers operating in Ministerial sector priority areas of digital and engineering and advanced manufacturing. This reflects the structure and processes in place and budgetary constraints during the pilot stage. In the first instance, it was

anticipated that a large proportion of employers engaging with the programme would be large employers upskilling existing staff. Over time, it is anticipated that the number of Small and Medium sized Enterprises (SMEs) accessing the Degree Apprenticeship programme will increase to reflect Welsh Government ambitions for a flexible and accessible programme that accommodates the needs of SMEs.

The Degree Apprenticeship programme is all age, and available to new and existing staff. The size of the three year pilot and the budget has resulted in limited promotion of the programme to limit the risk that expectations are raised beyond existing funding levels available. It has also restricted engagement with Careers Wales and promotional activity in schools. When the future direction is clear, Degree Apprenticeships should be promoted as a viable option that combines a career and Higher Education. Helpfully, the Wales Apprenticeship Advisory Board (WAAB) has considered this issue and broader opportunities to increase interest in apprenticeships for young people.

Establishing Degree Apprenticeships as a viable alternative to traditional HE is necessary to achieve parity of esteem between academic and vocational education. It is anticipated that the development of a new approach to higher learning in the workplace may improve the low skills equilibrium that can exist where there is limited demand for high skilled labour.

4. To what extent should activity aimed at widening access feature in degree apprenticeship recruitment, and how can this be used to ensure that cohorts are representative?

HEFCW's [Circular W18/29HE](#) published 20 March 2019 supports Welsh Government priorities for widening access - [Aligning The Apprenticeship Model to the Needs of the Economy](#).

On 14 January 2019, HEFCW held a workshop for Degree Apprenticeship Providers. The workshop included perspectives on equality and diversity, delivered by the Equality and Human Rights Commission in Wales and Strategy Lead for Equality and Diversity at the National Training Federation Wales (NTfW). This highlighted areas of challenge in this space and the potential impacts of focussed HE and employer negotiated action.

HEFCW's view is that it would not be helpful to set targets in relation to apprentice characteristics, as the majority of apprentices recruited to date are existing staff, and the Equality and Human Rights Commission (EHRC) suggest that typically, employees are reluctant to declare a disability to their employer. HEIs have limited influence over existing staff and will need to work with employers in the future where apprentices are new recruits to ensure that they are able to exert some influence over the recruitment procedure. We will continue to monitor apprentice characteristics through our monitoring and reporting arrangements, and consider HEI widening access performance in our funding decisions.

HEFCW has impact assessed the Degree Apprenticeship pilot programme and expects HEIs to impact assess their institutional programmes. This will be an area for focus in future arrangements.

The Degree Apprenticeship programmes currently available (i.e. Digital, Engineering and Advanced Manufacturing) are traditionally male-dominated. The profile of apprentices is therefore unsurprising. Preconceptions and stereotyping starting at primary school level are also problematic, especially those related to gender and engineering. Projects such as Welsh Governments [Have a Go](#) helps

to raise awareness of opportunities for young people in typically male-dominated sectors and increase progression into vocational pathways and apprenticeships. HEFCW is a member of [Inspire Skills Wales](#) that aims to make a positive contribution to business skills development and combines [Have a Go](#), [Skills Competitions Wales](#) and [WorldSkills UK Wales](#)

HEFCW is mindful that the programme is still in its pilot stage, and that support for widening access is required to ensure that the diversity of apprentices increases. As a collaborative programme, HEIs can draw on the expertise of their partner providers. HEFCW has been invited to join the Welsh Government Disability Working Group, and directs HEIs to the [Inclusive Apprenticeships, Disability Action Plan for Apprenticeships 2018 - 21](#) and EHRC for further guidance.

5. Do you have any comments on the cost of degree apprenticeships, how degree apprenticeships are funded and the level of funding committed to them?

On 17 October 2016, HEFCW received a revised remit letter relating to the financial year (FY) 2016-17. The revised remit letter announced that the Welsh Government was to provide an allocation of £20m to support strategic change in institutions in Wales. HEFCW's Circular [Supporting Strategic Change Fund](#) (2016) addressed a number of issues including the development of investment in higher-level apprenticeships. As Degree Apprenticeships were a new product (although HEIs deliver other work based learning provision), an initial investment in resource and capacity was required to start the programme to ensure critical mass. During their launch in England (2015), providers were supported by a [Degree Apprenticeship Development Fund](#) to boost HE capacity and internal infrastructure.

HEFCW received a [letter of](#) confirmation from the Cabinet Secretary that it would receive support from Welsh Government to fund Degree Apprenticeships in Wales. Funding for a three-year pilot programme of Degree Apprenticeships from 2018/19 to 2020/21 would be £20m. This funding allocation was to cover all full-time equivalent (FTE) apprenticeships during the current assembly term, and HEFCW has received assurance from the Welsh Government that it will fund and support apprentices who started their apprenticeship by 2020/21 in future years until they complete their apprenticeship.

Funding of Degree Apprenticeship standards in England operate on [apprenticeship funding band widths](#) that are currently between £6,000 and £27,000 per apprentice. In Wales, funding of Degree Apprenticeships for the pilot programme is £27,000 per apprentice, prorated over the duration of the apprenticeship. This aligns with the chargeable tuition fee levels for a full-time HE course. In the pilot programme, Degree Apprenticeships in Wales are focussed on high cost Science, Technology, Engineering and Mathematics (STEM) subjects.

One of the aims of the Welsh Government's evaluation of the Degree Apprenticeship pilot programme is to inform future programme developments. However, this will not report until April 2021. HEFCW is of the view that it would be helpful to agree an additional year of pilot funding for year 4 (academic year 2021/22), to enable decisions to be made and to mitigate the risk of a potential break in the recruitment of new degree apprentices. This would also help to ensure that employer expectations continue to be met.

HEFCW would welcome a decision on a sustainable funding mechanism for Degree Apprenticeships that takes into account affordability and the relationship

to other HE provision, in particular part time provision, and fee levels and funding support.

6. How has the degree apprenticeship pilot impacted on other level apprenticeships, if at all?

HEFCW considers that Degree Apprenticeships should strengthen parity of esteem between vocational and academic learning, and enhance the brand of apprenticeships. When there is clarity on the future scale of Degree Apprenticeships, further work will be required to embed the Degree Apprenticeship brand in schools and establish the qualification as a viable alternative to traditional HE.

Collaboration and co-creation of curriculum is an essential feature of Degree Apprenticeships, as HE qualifications must meet employer need, and reflect occupational job roles set out in Framework requirements. A number of consultation events have taken place to develop the Digital and Engineering and Advanced Manufacturing Frameworks, taking into account provider pathways from lower level apprenticeships, occupational entry routes, exit points and progression to postgraduate study. The aim is that this will raise aspirations for those apprentices who would not have initially considered studying at a higher level.

HEFCW considers that a balanced approach is necessary to develop an apprenticeship programme at all levels to meet the economic upskilling needs in Wales. This recognises the benefits of an integrated approach, and the distinctiveness of HE as a provider of study at undergraduate level. The value of Degree Apprenticeships should be measured in terms of wider societal benefits, economic growth and inward investment.

7. Should any aspect of the approach to delivering degree apprenticeships change and if so, what should be the future direction?

Advice from the sector suggests that HE-led Degree Apprenticeships are quickly developing as a quality response to employer need for economic upskilling. HEIs have expertise at degree level, and as the awarding bodies for degree qualifications, are ideally placed to lead this activity. HEFCW considers that this direction of travel should continue with sustained growth in HE, Further Education (FE) and Private Training Provider (PTP) collaboration, and co-creation of employer focussed provision.

HEFCW's advice to the sector is that Degree Apprenticeships should align with the broader apprenticeship programme. HEFCW is working closely with Welsh Government to achieve this aim, but would welcome clarity on continuation funding and its methodology to ensure a planned response that makes best use of public funding.

The changing role of employers in Framework development is welcomed, and emerging cluster groups could be developed to create a focus of expertise in the sector. In particular, HEFCW would support the developing role of WAAB as an employer-led Board in apprenticeship policy development, Framework review, priorities and development. It would also be helpful to consider the role of the apprentices in this area.

There has been limited promotion of Degree Apprenticeships during the pilot stage. Welsh Government's [Business Wales Skills Gateway](#) provides information

and advice on apprenticeships, and an opportunity for employers to submit a [register of interest](#). A review of this process may be helpful, to assess conversion rates to HE Degree Apprenticeships and gauge its efficacy going forward. Opportunities to increase engagement might be improved when the Welsh Government's Apprenticeships Vacancy Service is online. This could be an opportunity to promote Degree Apprenticeships, and integrate with Careers Wales [Apprenticeship Matching Service](#).

Stakeholders suggest that clarity of the Degree Apprenticeship offer is vital. The Welsh Government has a well-established communications and marketing apparatus for publicising apprenticeships, and it is important that Degree Apprenticeships are part of this framework. Consistent with the aims of [Commission for Tertiary Education and Research \(CTER\)](#), we would like to see Welsh Government continue to use their expertise and experience to promote Degree Apprenticeships as a joined up approach to promoting apprenticeships. It might also be beneficial to better integrate Degree Apprenticeships within [Welsh Government Apprenticeship Awards](#). This could demonstrate an integrated approach to apprenticeship policy planning and highlight excellence in the sector. In 2019/20, Welsh HEIs have increased participation rates in [Worldskills](#). This should help to raise the profile and recognition of higher-level skills and support economic growth.

The role of Careers Wales in providing impartial all age information, advice and guidance (IAG) is significant. Expertise within this service provides an opportunity to reach young people in the school setting, focussing on progression from lower to higher apprenticeships and then Degree Apprenticeships. IAG relating to apprenticeships in schools might otherwise be limited, as demand on existing school resources and capacity is stretched. Guidance would need to take account of current budgetary constraints of the current programme, and manage expectations. HEFCW anticipates a growing relationship with Careers Wales, predicated on a sustainable growth plan in policy development.

The Welsh Government's consultation on a [Reformed Post Compulsory Education Training System](#) could offer a mechanism to achieve greater integration and progression for young people. HEFCW's Circular for [Degree Apprenticeships in Wales, Proposals for funding \(2019/20\)](#) asks HEFCW-funded institutions to provide opportunities to strengthen pathways from lower level apprenticeships to Degree Apprenticeships.

An [Essential Skills Wales](#) is not a requirement of the Degree Apprenticeship pilot, although HEFCW expects assurance that apprentices' learning is being supported. This means that apprentices will only be awarded a qualification from their Higher Education provider, and not an apprenticeship certificate. This does not align with apprenticeships at lower levels. Clarity on this point is required to inform future developments.