



## State of the Nation Policy Briefing

The next 6 months could signal significant changes for Higher Education, particularly in the context of the Prime Minister's Adult Skills Speech (29 September 2020), the Post 16 (FE) White Paper (21 January 2021), the Government's (interim) response to Augar and post Covid 19 recovery activities focused on individuals and businesses.

**Apprenticeship** – The substantial decline in Apprenticeship numbers resulting from the Covid 19 pandemic means that in the short to medium term the forecast overspend of the Apprenticeship Levy pot is no longer an issue. The 2020 Spending Review confirmed that the annual £2.5bn budget for Apprenticeships and officials have confirmed that there is sufficient funding to meet anticipated employer demand for Apprenticeships in the short-term. This means Government does not, for the coming year from a fiscal perspective, need to consider restricting spend on Apprenticeships, by level, age of apprentice, salary level or for existing employees.

### Key current issues are:

**1. The 'Refresh' of Degree Apprenticeship Policy** - IfATE's 'refresh' of Degree Apprenticeship, engaging UVAC, UUK and a cross-section of HEIs continues to look very positive. Meetings have been open and held regularly. Additionally, IfATE's Chief Executive has emphasised their desire to be as open as possible.

### IfATE Degree Apprenticeship "Refresh" – Initial Recommendations

- a. Learning outcomes of a mandated Degree should amount to no more and no less than KSBs in the Apprenticeship standard
- b. Full integration of Apprenticeship EPA and Degree assessment
- c. Independent assessor with appropriate occupational and industry experience
- d. Minimum standards of delivery that integrate the qualification with on and off the job training
- e. Amend mandatory rule to recognise the currency of Degrees including where there is no specific subject discipline requirement in the labour market
- f. Only mandate Degrees in graduate occupations (level 6 and 7).

**2. An Appropriate Quality System: Ofsted Inspection and ESFA Audit** - Ofsted's Chief Inspector has confirmed that in inspection, Ofsted is agnostic as to Apprenticeship level and age of an apprentice. Ofsted has, however, made no public commitment that it is agnostic as to level and age in terms of policy and continues to argue for a balance of provision (whatever this means). In the past Ofsted has argued for the prioritisation of Apprenticeships at lower levels for young people leaving school without 5 good GCSEs and has been critical of the growth of higher-level Apprenticeships, which it believes are at the expense of provision at lower levels for young people. Government policy is that Apprenticeship is an all age and all level programme. There is little (if any) evidence that the growth of Apprenticeships at higher levels has displaced employer demand for Apprenticeships for young people.

Positively, Ofsted has asked UVAC to work with them in the development and delivery of training programmes for inspectors who will inspect providers delivering level 6 and 7 Apprenticeship provision. UVAC's Chief Executive has been invited to contribute to Ofsted training sessions. There are, however, issues with Ofsted's planned approach to the inspection of Degree Apprenticeship. In recent ESFA/Ofsted webinars for the HE sector conducted in advance of Ofsted assuming responsibility for the inspection of Degree Apprenticeship, Ofsted described their responsibility as inspecting the 'training full stop'.

Thereafter Ofsted stated that they were not concerned with the degree or academic standards. Such a position runs counter to the IfATE position on and preference for integrated Degree Apprenticeships, where the 'learning outcomes of the degree should be no more and no less than the KSBs specified in the Apprenticeship standard.' Ofsted's position also does not reflect that a key determinant of the quality of the Degree Apprenticeship will be the integration of academic and vocational learning, the degree and the training undertaken and the award of the degree and EPA. If the training and degree are one and the same thing, as they are in a Degree Apprenticeship, Ofsted's approach also shows a lack of understanding, or acceptance, of the integrated model. There is also a major issue with Ofsted not considering the degree within a Degree Apprenticeship and QAA not including Degree Apprenticeships within any review. *If this is the case, which organisation is responsible for overseeing the quality of the degree within a Degree Apprenticeships?*

Associated with Ofsted inspection, it is anticipated that there will be a knock-on effect on ESFA Audit approaches to HEIs from 1 April 2021.

**3. Apprenticeship Funding** - UVAC has been supporting UUK and member HEIs in working with IfATE to develop an appropriate methodology for determining funding band recommendations for Degree Apprenticeship (as part of the broader consultation on recommending funding bands for all Apprenticeships).

The current approach advocated by IfATE for Degree Apprenticeship includes **a credit-based model** to determine size and inform the cost of the mandatory qualification. Significant progress was being made in ensuring the process will result in recommending funding bands that reflect costs and allow for **financially viable delivery**. The IfATE consultation on funding bands led to an ESFA consultation on Apprenticeship funding: the eligible and ineligible costs of training. The consultation was, however, restricted to the 'top' 30

providers (no HEI was included) and representative organisations, of which UVAC was the only HE representative organisation invited to contribute. A copy of UVAC's response can be found at <https://uvac.ac.uk/wp-content/uploads/2021/01/Funding-Consultation-Final-07Jan2021.pdf>. At present costs such as initial assessment, diagnostic training and enrolment are not eligible costs in an Apprenticeship – funding revolves around the delivery of the off-the-job training during the practical period of training which ends at Gateway.

The agreed delivery model for integrated Degree Apprenticeship (such as the police constable, social worker and in due course, registered nurse) is in breach of ESFA Funding Rules, as the final modules of the degree programme are used to deliver the EPA post Gateway. This, in spite of the fact that such Standards and EPA Plans have been approved by the IfATE. The ESFA Funding Rules do not allow for the training programme (or practical learning period) to continue post Gateway. As yet there has been no change to the ESFA Funding Rules.

**4. Review of Post-16 Level 3 Qualifications** – The DfE consultation on the Review of post 16 qualifications at level 3 in England: second stage closed on end of January. A copy of UVAC's response can be found at <https://uvac.ac.uk/dfereview-of-post-16-qualifications-at-level-3-in-england-second-stage-uvac-draft-response/>. Key proposals focus on the creation of three mainstream options for 16 – 18-year-olds, the academic option, A levels, the technical option, T levels and the work-based option, Apprenticeships. This leaves a gap in the offer for individuals not wanting to undertake A levels who are unsure of their desired future occupation. Historically, the answer has been Applied Generals, the most well-known example being the BTEC National. Approximately 200,000 students took Applied Generals in 2018 (300,000 took A levels), with some taking a combination of both. Around 20% of 18 year olds applying to university held at least one Applied General qualification. Opportunities to follow Applied Generals, if proposals outlined in the consultation are implemented, will be reduced significantly. UVAC has also noted the opportunities for 16 – 18-year-olds to follow T levels and Apprenticeships could, in the years following the pandemic be limited. T levels require employers to provide a 45-day industry placement and Apprenticeships require a job. UVAC's timeline for T level roll can be found at <https://uvac.ac.uk/wp-content/uploads/2021/02/Reform-of-Level-3-Qualifications---Key-Proposed-Milestones.pdf>.

***Changes in the offer for 16 – 18-year-olds will, in the medium to long-term, mean substantial changes to the qualifications/programmes followed by individuals applying to HE. This will have major implications for many HEIs, in terms of not just recruitment, but programme design and access and participation.*** T levels, have for example, been described as leading to Higher Technical Qualifications. Many HEIs have invested heavily in supporting progression routes from Applied Generals to HE and have recorded success in widening access and participation to underrepresented learners through such approaches.

**5. Higher Technical Education / Qualifications** - Level 4 and 5 provision is often seen as the silver bullet to UK skills gaps and shortages. While there are sectors and occupations where level 4 and 5 skills are needed, skills gaps and shortages are apparent at all levels (particularly higher levels), in the UK economy. There is, however, a strong desire by Government to increase level 4 and 5 provision, potentially at the expense of level 6

provision. Undoubtedly, in some sectors, digital, engineering, construction there will be some demand for more level 4 and 5 provision. Such provision may well be of particular attraction to many adults in the workforce working in level 3 occupations. The demand from young people seems, at least in the short and medium term, far less certain. Initial IfATE work in this area focused in the final quarter of 2020 on **quality marking qualifications** (awarded by Ofqual regulated Awarding Organisations and HEIs) for occupations aligned to the digital routes i.e. employer developed standards. Future approvals will include construction and health and science routes in 2021.

**Although not yet announced**, qualifications awarded the quality mark are widely expected to be financially incentivised. Many issues are apparent. Qualifications are quality marked against employer developed standards and the knowledge, skills and behaviours specified in the standard. The process can be bureaucratic. HEIs may be at a disadvantage compared to Ofqual regulated Awarding Organisations, whose qualifications may be delivered through a large number of providers across England and benefit from economies of scale. Qualifications of different sizes (in terms of credit) may also secure the quality mark. This could cause issues for HEIs where Ofqual regulated and HEI qualifications of different credit sizes are awarded the same quality mark.

We are likely to see significant developments in this area in 2021. The Skills for Jobs White Paper included a focus on level 4 and 5 and expanding FE/HE collaborative approaches. Although OfS is the quality assurance body for level 4 and 5 provision (other than Apprenticeships) delivered by HEIs, UVAC would not be surprised if Ofsted assumed a greater role in this area. Government felt OfS could not deliver a quality assurance approach for level 6 and 7 Apprenticeships that met their needs, similar sentiments could develop for level 4 and 5 technical education provision.

**6. Skills, Adult Skills and Higher Education Access and Participation** – The Prime Minister’s September speech on Adult Skills heralded the coverage of the Post 16 White Paper. The following points remain very relevant.

Sound bites included:

“End this bogus distinction between FE and HE”

Ending the distinction between academic and practical learning

“Young people leave university and work in a non-graduate job”

“Too many graduates with degrees which don’t get them the jobs they want.”

Key proposals included:

- a. **Lifetime Skills Guarantee** – Adults over 23 without a full level 3 qualification offered a level 3 technical qualification for free. We await further information on what qualifications will be supported.
- b. To **make credit transfer between FE and HE more standardised** and mainstream

- c. **Segmented, spaced out and shorter studies** (this links into the bite-size, flexible, credit accumulation and transfer model UVAC and others have been pushing for many years).
- d. As easy to get a **loan for a higher technical course**, as for a University degree
- e. FE White Paper – Detailed plans to build a **high-quality FE system**
- f. **Rebalancing FE and HE** (in favour of FE) – The Government has made no secret of its desire to rebalance FE and HE provision linked to arguments outlined below:

Fewer Full-Time Residential Bachelor's Degree Programmes in the Long Term - There is a desire, in the long term, among many in Government to reduce the number of traditional residential bachelor's Degree Programmes, particularly in the modern part of the higher education sector. This is usually framed as part of the rebalancing agenda to expand technical education, Degree Apprenticeships and more broadly the development of a diversified offer, less dominated by full time degrees. UVAC exists to champion higher-level vocational learning and we have been invited to contribute to this debate and write on this issue. We have made the case for learning, liberal values and the personal and employability skills that are and can be delivered through full-time degree programmes.

In a post Covid 19 economy it is also unclear what alternative opportunities there will be for young people in an economy with higher unemployment and fewer vacancies for new entrants. There also seems to be a disconnect between A level subjects taken by 16 – 18-year-olds and a push to increase certain types of level 4 and 5 technical provision. Development and growth of new T levels will be dependent on the ability and willingness of employers to provide the required work placements, which in the advent of the pandemic will be more challenging than ever.

Less Focus on Arts and Humanities Degrees and Vocational Degrees that are seen to have a Low Economic Return – This is an area of interest to the Treasury. Officials will focus on return-on-investment measures (e.g., productivity and repayment of loans) and the impact of qualifications on salaries. Some vocational provision has been criticised for being out of balance with the skills needs of the economy e.g., too much focus on some vocational areas and too little on other areas. DfE Ministers have emphasised the need to train people for today's employment opportunities, rather than yesterday's jobs.

More Degree Apprenticeships – Ministers (the Secretary of State and Apprenticeships and Higher Education Ministers) have made clear their desire to expand the number of Degree Apprenticeships. With appropriate funding bands and an appropriate quality assurance system, Degree Apprenticeship should continue to grow rapidly. The Chair of the Education Select Committee has proposed that 50% of HE provision should be Degree Apprenticeship. While such a proposal is a welcome indication of the value of such provision, the practicalities of delivery mean that its viability in the short and medium terms are at best highly questionable. Some other issues remain to be tackled even if Degree Apprenticeships grow as predicted, particularly how to fund more Apprenticeship provision at all levels (e.g., through additional employer and individual financial contributions in addition to levy funds). There continues to be substantial opposition to the growth of Degree Apprenticeship, particularly from the further education sector, further education press and some think tanks.

The 'Have Nots', Left Behind Regions, Covid 19 and the 50% Not Going to University - The debate is frequently framed as a need to invest more in further education. No one would deny that further education has a critical role in providing the programmes needed to support these agendas. The contribution of higher education tends, however, to be underplayed. Universities, of course have a massive role in the levelling-up agenda and developing new forms of provision. Government is likely to place more emphasis on new types of provision and provision delivered in new ways at all levels.

More Short Programmes for Adults in the Workforce – Ministers want universities to have a greater focus on the up-skilling, re-skilling and CPD agendas. Sometimes such emphasis is seen to contradict the argument that Apprenticeship provision (defined by Government as an all-age programme) should focus on young people.

**END**

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