



## State of the Nation Policy Briefing

### Programmes and Policies

#### 1. Higher and Degree Apprenticeships

Government rhetoric is that skills are synonymous with further education, but actual policy and programmes are more nuanced. The IfATE, which through the Skills Bill, is seeing its remit expanded and powers extended refers to its role as creating a comprehensive skills system and is clear that this encompasses FE and HE. The *refresh of Degree Apprenticeships*, a programme that is, by definition, HE, has attracted the positive attention of Number 10, the Treasury and following the Government reshuffle in late 2021, both Ministers with responsibility for skills. The [Office for Students published their guidance letter](#) from the Secretary of State (SoS) detailing how they should allocate the Strategic Priorities Grant (SPG). This letter sits alongside the letter to the HE regulator setting out [guidance on government's strategic priorities for HE in FY22-23](#) and for the first time, the SoS has allocated **£8m of funding from the Grant to support the growth of degree apprenticeships**. UVAC, along with UUK and HE mission groups, has given feedback at the ESFA HE Provider Reference Group on the barriers facing HEIs entering the market to deliver apprenticeships. ESFA would like to draw on HE expertise to ensure funding for the growth of degree apprenticeships is maximised to achieve government's policy objectives. UVAC is supporting ESFA with this with insights to challenges and opportunities that will assist the funding agency with determining the parameters of a (near) future fund specification and procurement. This month, the Times Higher Education published an article by Professor Baldwin on the opportunities and pitfalls of expanding degree apprenticeship provision: <https://www.timeshighereducation.com/opinion/degree-apprenticeship-expansion-welcome-lets-beware-pitfalls#comment-65791>

**Access and Participation** – Michelle Donelan, in her evidence to the education select committee in November was clear that the Government wants to introduce some form of incentives to encourage universities to offer more degree apprenticeships. This was followed in late November by her direction for universities to set ambitious targets to boost the proportion of students studying degree apprenticeships,

demanding them to rewrite their plans around access and participation to reduce drop-out rates with 'tough' goals in the take up of higher technical qualifications and part-time courses. Education Select Committee chair Robert Halfon has challenged the Minister to set a target of having 50 percent of students doing degree apprenticeships. The DfE in its response said the 'reboot' of universities access and participation plans will play a 'key role' in the government's levelling up agenda. This is the first task for John Blake, the new director for fair access and participation at OfS. UVAC made a critical response to one of John's first published articles in Wonkhe, setting out his ambition for the regulator's widening participation work. In our article in Wonkhe, <https://wonkhe.com/blogs/a-vocational-view-on-access-and-participation/>, we welcome his appointment and his particular emphasis on evidence and evaluation as cornerstones of access and participation but stress there is a very big but. And that is: without a 'reboot' of the OfS' mandated Access and Participation Plans this year to reflect the changes in HE provision and programmes including current level 3 qualifications, higher technical education, higher and degree apprenticeships and lifelong learning, those Plans will fail to maximise the recruitment and retention of underrepresented cohorts to and through HE and into graduate jobs and the professions. UVAC has partnered with FACE (Forum for Access and Continuing Education) to run several webinar-based seminars and discussion forums to debate the latest in policy.

UVAC published a response in FE Week: <https://feweeek.co.uk/five-ways-michelle-donelan-can-grow-degree-apprenticeships-without-a-cheque-book/> detailing five actions the minister could easily take, without getting the cheque book out that would increase the number of Degree Apprenticeship places and the number of universities engaged in delivering provision. One of the actions was IfATE, working with Trailblazers and the HE sector through UVAC, should develop a Degree Apprenticeship Growth Plan. Such a Growth Plan, focused on skills needs and the Net Zero and Levelling Up agendas, would identify where there was the most need and potential to deliver Degree Apprenticeship. The IfATE could then work with employers and universities to bust barriers that were restricting the growth of Degree Apprenticeships. In our view, any incentives/development funding to grow provision would £ for £ have a greater impact on growing Degree Apprenticeship numbers.

A draft Plan written by UVAC is a contribution to thinking and discussion in this area. Degree Apprenticeships, particularly integrated Degree Apprenticeships, require upfront investment in developing programmes and end point assessment systems, recruiting, and training new staff and promoting programmes to employers and learners. Ministers could find that an investment in developing university capacity, based on skills needs and employer and individual demand for Degree Apprenticeships, pays dividends. We would also recommend that a study on the potential impact of financial incentives for Degree Apprenticeships, particularly in areas where there are skills gaps and shortages, should be undertaken. This should also be conducted in the context of the Net Zero and Levelling Up agendas and be part of the Degree Apprenticeship Growth Plan. Also, much outreach work described in Access and Participation Plans is still focussed on a model of raising aspirations and awareness regarding HE opportunities whereas outcomes are more likely to be

delivered if clear progression pathways to professional status are promoted and provided. UVAC can advise and work with HE on what should be considered for inclusion in Access and Participation Plans in respect of skills, technical education, Apprenticeships and adult learning provision.

**2. IfATE's Review of Degree Apprenticeship Policy** – Following on from the IfATE's publication of its [consultation response](#) in December and our response to the policy refresh of degree apprenticeships <https://uvac.ac.uk/wp-content/uploads/2021/09/IfATE---A-public-consultation-on-Degree-Apprenticeship--Rev-Draft-UVAC-Response-v2-1.pdf>, the Institute has published [new guidance](#) for Trailblazers in the development of new and revised standards. The new policy is being phased in via a transition period until September 2022 and went live on 16 March.

UVAC has worked closely with IfATE, UUK and several HEIs on the future Degree Apprenticeship model and welcome the changes that broadly reflect the position we have been advocating for several years. The changes should provide an excellent framework to grow and ensure the long-term success of the programme. However, there are some remaining gaps including how the Office for Students will deliver its External Quality Assurance role for Degree Apprenticeship End Point Assessment and what universities should expect. Best practice examples of KSB/degree alignment and on/off the job integration will be added to the guidance at a slightly later date.

The 5 key changes/principles are:

1. **Mandatory qualification policy** – recognition of the value of a degree in an Apprenticeship and support for Trailblazers to specify a mandatory degree in an Apprenticeship. Under a previous Apprenticeships and Skills minister and former IfATE chief executive the policy was to prevent Trailblazers from specifying a degree in an Apprenticeship unless it was a requirement to practice or not to include a degree would materially disadvantage an individual in the employment market. The new policy better enables degree apprenticeships for 'graduate occupations' (but a mandated degree is only allowed for an occupation that is a 'degree-level entry' occupation as evidenced by ONS data where we would have preferred the wording to include evidence provided by employer, professional body and/or sector research/evidence/data).
2. **Degrees within Degree Apprenticeship fully integrate** – with on-the-job training delivered through the Apprenticeship.
3. **Degree will reflect KSBs** – degree learning outcomes used to deliver the Degree Apprenticeship will be designed, delivered, and validated based on the KSBs specified in an Apprenticeship standard.
4. **All Degree Apprenticeships will be based on the integrated model** – that is the integration of the degree and work-based learning, on and off the job learning and the degree will be used to deliver the EPA.
5. **Integrated Degree Apprenticeship use modules of the degree to deliver the EPA** – under the reformed model EPA will include assessment by occupational and industry experts.

**3. Optimising the Apprenticeship Programme** – Here ESFA colleagues are focused on implementing flexibilities, flexi-job Apprenticeships (in for example the creative and digital sectors), levy transfers to non-levy payers, raising quality (accountability, provider self-assessment and provider workforce development and provider responsiveness). Interestingly, the occupational areas where ESFA is noting unmet employer demand for Apprenticeship provision are most pronounced at levels 6 and 7.

UVAC is supporting ESFA communicate such employer interest to the HE sector. Since the launch of the ESFA flexi-job apprenticeship offer in August 2021 and the release of the £7m development fund to support new agencies it is difficult to estimate the level of HE engagement or involvement.

Flexi-job apprenticeships (previously known as portable apprenticeships) enable apprentices to complete their apprenticeship across multiple short employment contracts). ESFA have recently invited providers to express interest in testing a new flexi-job apprenticeships pilot scheme. The pilot will look to recruit 2,000 apprentices across 40 training providers delivering creative, digital and construction standards from April 2022.

**4. IfATE Funding Band Recommendation Review** – UVAC understands discussion by the ESFA remains ongoing with the Treasury about eligible and ineligible costs of apprenticeships (indeed, progress was dependent on Spending Review discussions but there has been no consultation since). This review should have influenced the IfATE approach to recommending an Apprenticeship Funding Band which has been ongoing since early 2020. After a long period of review with no confirmed outcome, the Institute from January began to pilot a new funding model when making a funding band recommendation. The process relates to Trailblazer activity with TBs invited to choose between submitting funding information through either the current or new funding band allocation process. While the pandemic has reduced pressure on the Apprentice budget in the medium and longer-term the debate on prioritisation will undoubtedly return. As above, the concept of the Apprenticeship Levy as a hypothecated tax is being downplayed – the apprenticeship budget is increasingly presented as a government budget line that can be increased or reduced by the Treasury. We have always expected that Degree Apprenticeships will undoubtedly see some change. Given the new methodology will in all eventuality focus on transparency and actual costs the funding bands determined could influence the debate on other forms of Higher Education. If a funding band for a Degree Apprenticeship was determined to be lower than a full-time higher education degree programme in the same subject area this could raise issues. Degree Apprenticeships are different, but an explanation would be needed as to why student fees for a full-time degree were different to the calculated cost of a Degree Apprenticeship.

HEIs will need to consider how they adapt provision to changes (potential reductions) in Apprenticeship funding bands and new and innovative approaches to delivery.

**5. Levy Review** – Following the spring budget, it was reported that the Chancellor is proposing to review the apprenticeship levy. UVAC wrote an article published online with FE News on *A review of the apprenticeship levy and how the tax system incentivises employers to invest in training*: <https://www.fenews.co.uk/exclusive/a-review-of-the-apprenticeship-levy-and-how-the-tax-system-incentivises-employers-to-invest-in-training/#.Yk1Dsd8VV4M.linkedin>.

We have also been invited to co-author a think leadership piece with CMI which is now in an early stage of writing. UVAC makes the following observations:

**Scope** – As with the Levy Review article we think the review is broader than the Apprenticeship Levy. The Treasury will be looking at “*whether the current tax system including the operation of the apprenticeship levy is doing enough to incentivise businesses to invest in the right kinds of training*”. UVAC (and CMI) should be looking at the bigger picture (the picture the Treasury is looking at!) rather than just the Apprenticeship Levy. The Apprenticeship Levy and employer and individual behaviour regarding the Levy, will, though, provide a lot of evidence to inform opinion and wider proposals. A key question for the Chancellor is how we get employers to invest more in training that has an impact on organisational performance and productivity. While focusing on the bigger picture we do, of course, also need a detailed analysis of the operation of the Levy and to make recommendations.

**UVAC Position** – The ‘review’ of the Apprenticeship Levy needs to be considered in the context of other policies. Interestingly, the LLE is focusing on supporting more flexibility in level 4 - 6 and the ability to take shorter programmes, retrain and upskill. In contrast the Apprenticeship Levy is used to fund full programmes, although through accelerated Apprenticeships we have a little more flexibility. We also have programmes such as Help to Grow. A key question is what should the state, individual and employer fund?

The purpose of the Apprenticeship Levy has been confused from day one. Is it there to fund training for young people at lower levels who do not go to university? Alternatively, is it to fund and support employers to invest in the training and development of the new and existing employees needed to raise organisational performance and productivity? Do the Treasury and DfE have a different emphasis?

It would be interesting to have an analysis of who pays the levy by, for example, by sector and region. What data does DfE, the Treasury, ESFA and the IfATE have? The NHS, for example, pays £200m pa, around 6 – 7% of total levy payments. How much does the NHS recover? In contrast I suspect the hairdressing sector pays a negligible amount in levy payment but recruits and trains a substantial number of hairdressers. Which regions benefit most from the use of the Apprenticeship Levy? Which occupations is the Apprenticeship levy spent on and how does this relate to skills needs, (STEM, management, green jobs/net zero etc.)? Another key question is, are new Apprenticeship standards opening new progression routes to the professions for disadvantaged cohorts?

**6. The Technical Pathway – T Levels and Higher Technical Education (HTE)/Higher Technical Qualifications (HTQs)** – In its response to the second consultation *Review of post 16 qualifications at level 3 in England – Approvals process for academic and technical qualifications, July 2021* Government was clear that it wants the mainstream offer for 16 – 18-year-olds to be A Levels or T Levels. There will be some opportunity for smaller Applied Generals to be combined with A levels, but this will become an exception. Applied Generals, such as BTEC Nationals and Cambridge Technicals were likely to become rare. Our view was that over time this will have a substantial impact on the recruitment of students. According to Department for Education (DfE) figures, around 250,000 16 to 18-year-old students took Applied Generals or Tech Level qualifications in 2020, over 300,000 who took A levels, and with some students take a combination of both. Around a fifth of 18-year-old students applying to university held at least one such qualification.

UVAC has long championed the value of choice at 16 and the fact that Applied General Qualifications provide a distinctive offer and have helped many individuals, including many from underrepresented cohorts, access higher education. In press articles UVAC has welcomed the fact that there would continue to be some opportunities for young people to follow Applied Generals but regretted the reduction in choice. So, we are pleased to see that the Secretary of State for Education on 15 November announced during the second reading of the Skills and Post-16 Education Bill that he is deferring plans to withdraw funding from Applied Generals until 2024 and the statements coming out of government more recently are far more optimistic about their status post reform. Indeed, the narrative is changing, from the threat of Applied Generals becoming rarer to ‘significantly less than half’ of level 3 BTEC qualifications etc now potentially at risk of being defunded.

HE providers need to be aware that the qualification and skills landscape is changing. Higher and Degree Apprenticeships are growing rapidly; there is a push to introduce T levels and the potential withdrawing of funding for Applied Generals; the Skills and Post-16 Education Act has put a huge emphasis on technical education at levels 4 and 5 and, Government is also pushing for HE to offer more ‘bite-sized’ provision, to make greater use of credit and focus on adult skills.

**7. Occupational Standards** – Occupational Standards define the knowledge, skills and behaviours needed to be occupationally competent in a particular occupation. They are developed by employer-led Trailblazers under the auspices of the IfATE. Originally their purpose was to act as the basis for the development of an Apprenticeship. Since their introduction their use has expanded, they act as the basis for T levels, to achieve the HTQ Quality Mark Awarding Organisations/HEIs must map a technical qualification against a standard and demonstrate it delivers the KSBs a classroom-based programme could be expected to deliver. 134 Occupational Standards have been developed at levels 6 and 7 covering a large proportion of key occupations. Unlike at levels 4 and 5, at levels 6 and 7 there has been less emphasis or incentive to use occupational standards as a basis for developing provision. In addition to the widening of their use a key trend has been greater IfATE intervention in the development and revision of occupation standards. This partly reflects the change in

policy from employers being in the 'driving seat' to employers being at the centre of provision development. IfATE has, for example, reviewed occupational standards from the perspective of the green jobs and net zero agenda.

UVAC has outlined the value of occupational standards as a flexible tool and one of several resources in supporting the development of level 6 and 7 occupational HE provision. UVAC has produced a guidance document on the use of occupational maps and standards. Even before the Pandemic the current Government was adopting an interventionist approach across many aspects of the economy. Post Pandemic, Government is likely to want to significantly influence provision. Occupational standards and the use of maps provide a way to distinguish and approve specific types of provision e.g., HTQs and to impose caps for other types of provision.

**8. Lifelong Loan/Learning Entitlement (LLE), National FE and HE Credit System and the Potential for Short Courses** – The Skills and Post 16 Education Bill, now given royal assent, supported the introduction of a Lifelong Loan Entitlement designed to transform the current student loans system so that adults can access a flexible loan entitlement to the equivalent of 4 years of student loans for higher-level study and training at college or university. This will allow funding to be used for short courses and underpin the introduction of a national FE and HE credit system. The DfE are now consulting on the initial design principles of the lifelong loan entitlement for use on modular or full-time study at higher technical and degree levels, in higher and further education providers.

Our [draft response to the consultation](#) states there lots of positives in the LLE including flexibility to support different learning options, support for flexible study and potentially better signposting of courses and modules individuals need. We worked with UUK to ensure responses on behalf of HE align. Where we do differ is around the status of Recognition of Prior Learning (RPL) as we argue the need for something transformational in this space and a national level of coordination to shift the policy narrative around credit. To date the reliance on provider autonomy and an institution's own policy of recognition falls short of every learner having their prior learning, including in work, recognised. Empowering the way in which credit is used will provide increased flexibilities and greater access to provision that supports lifelong learning.

HEIs will want to be aware of developments in this area – particularly concerning the Lifelong Loan Entitlement and approaches to planning skills provision. UVAC will ensure members continue to receive updates on policy and plans in these areas.

**9. Quality Assurance** – Since 1<sup>st</sup> April 2021 all Apprenticeships including Degree Apprenticeships are subject to Ofsted inspection. While Ofsted has published extensive information and guidance on its role in providing External Quality Assurance (EQA) for Apprenticeship EPA (other than Degree Apprenticeship) OfS and QAA have been largely silent as to their approach in providing External Quality Assurance (EQA) for Degree Apprenticeship. IfATE is reviewing quality assurance arrangements for Higher Technical Qualifications, which like Degree Apprenticeships deliver the KSBs

specified in Apprenticeship Standards. OfS conceded that were not able to provide an appropriate quality assurance system for Degree Apprenticeship. As with Apprenticeship quality assurance of HTQs is split between Ofqual/Ofsted (for Ofqual regulated qualifications) and OfS (for FHEQ qualifications). As above, there is the potential for Ofsted to be given an extended remit.

UVAC has promoted the value of Higher and Degree Apprenticeships since their introduction. Through our support programmes we have provided webinars, Degree Apprenticeship Knowledge Networks, templates and one to one support for HEIs engaged in Apprenticeship to ensure good Ofsted outcomes.

All managers and staff with any role in Apprenticeship need to fully understand the quality assurance requirements of Apprenticeship. This means fully understanding Ofsted inspection, ESFA approaches to monitoring, compliance, and audit and Ofqual and OfS/QAA approaches to the External Quality Assurance (EQA) of End Point Assessment. Governance arrangements will be of particular importance in Ofsted inspection as well as demonstrating compliance with ESFA Funding Rules in any audit and considering ongoing monitoring through the ILR. HEIs will need to develop their approaches to Degree Apprenticeship on the basis of the integrated model where the degree is developed and validated on the basis of the knowledge, skills and behaviours specified in the Apprenticeship standard and in accordance with ESFA/IfATE requirements the degree provides the end point assessment for the Apprenticeship.