



6 March 2020

Emma Hardy MP
Shadow FE and HE Minister
House of Commons
London
SW1A 0AA

Dear Ms Hardy

The Value of Degree Apprenticeship

I thought I should write in response to our twitter exchange on 2 March. UVAC, as you may be aware, is the not for profit representative body for universities engaged in vocational learning. We have 93 HEI members and our mission is to champion high-level vocational learning.

Degree Apprenticeships are subject to frequent criticism. Look at the facts, however, and the value of Degree Apprenticeship is very apparent. The biggest Apprenticeship levy payers are in the public sector, the NHS, the police, local authorities etc. Such employers are investing their levy in training, through Degree Apprenticeship, the new police constables, nurses and healthcare staff, social workers and other key occupations vital to the delivery of our public services. Many of the individuals undertaking such Apprenticeships are over 25. No only are such Apprenticeships helping public sector employers deliver vital public services but they are also widening participation in key occupations.

In this context the proposal made by many organisations to restrict the ability of employers (including public sector employers) to spend on Degree Apprenticeships to fund a 95% subsidy to non-levy paying private sector employers to train business administration or customer service staff (of any age) through lower level Apprenticeships is rather strange. Should smaller employers not instead be expected to pay more than a 5% contribution towards the cost of an Apprenticeship?

The case to restrict employers' use of the Senior Leader Degree Apprenticeship also seems questionable. Again, look at the facts. The public sector is one of, if not, the biggest users of Senior Leader Degree Apprenticeships. Are levy funds paid by the Police and NHS best used to train their senior managers to enhance public sector performance, or alternatively to provide a 95% subsidy to small businesses to train new and existing staff through Apprenticeship?

Degree Apprenticeships are also in the private sector tacking skills gaps and shortages in the British economy, in the digital sector, engineering, construction etc.

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There is a need to manage the forecast overspend of the Apprenticeship levy pot and ensure Apprenticeships are available to SMEs and all individuals who can benefit from them. I would welcome your views on the following proposals:

- Ring fence the Apprenticeship levy payments of public sector employers so they can use such funds on the occupations (of whatever level for whatever occupation) needed to deliver public services
- Require non levy paying employers to see training and development as a normal form of business expenditure by increasing the required employer financial contribution to an Apprenticeship at any level from 5% to 25%
- Explore how a change in the threshold in the payment of the Apprenticeship levy (say from £3m to £2m payroll) could increase the Apprenticeship funding available for SMEs.

Of course exploring the individual financial contribution to an Apprenticeship should also be reviewed. This is, however, more challenging than it may initially seem. Some organisations have suggested Degree Apprenticeships should be funded by student loans. But should a police constable degree apprentice be expected to take out a loan while a hairdressing apprentice has their Apprenticeship fully funded by the state?

Degree Apprenticeships are transforming lives. They are making, but could make an even greater impact, on productivity, social mobility and the delivery of public sector services.

I would welcome the opportunity to meet, discuss our proposals and provide examples illustrating the value of Degree Apprenticeships in the public sector and private sector.

Yours sincerely

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