

State of the Nation Policy Briefing March 2023

Policy and Operational Updates

Apprenticeships

Degree Apprenticeships – After all the talk of 'middle class land grabs' in 2021 it was reassuring in early 2022 when the former skills minister Michelle Donelan promoted degree apprenticeships as a key way to deliver on levelling up and sent a clear signal about how important degree apprenticeships are to the government's agenda. You will recall that she asked the OfS to rewrite Access and Participation Plans to 'strongly encourage provider to set themselves ambitious measurable targets to significantly increase the proportion of students on higher and degree apprenticeships. In response to the chair of the education select committee Robert Halfon that DfE should introduce a target of 50% of students on degree apprenticeships the then minister also indicated that she was exploring financial incentives for universities to offer more degree apprenticeship opportunities leading to the SoS announcing a Strategic Priorities Grant fund of £8m. Not since the Degree apprenticeship development fund in 2011-2013 has there been such a clear indication that universities need to get on board in expanding opportunities through degree apprenticeships.

The IfATE also welcomed these positives, but we can recall it was not so long ago that the Institutes attitude to growing the number of degree apprenticeships was not so warm and it was challenging for employers to get degree apprenticeships approved. Happily, we have had a change of mood and UVAC welcomes the changes to degree apprenticeship policy 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 and was well timed to encourage universities to further engage and collaborate with employers to develop the HDAs they need and shift the proportional growth the then Minister was seeking.

However, in recent months we have had a resurgence of the view that the middle classes are 'hogging' prized apprenticeships (<u>The Times 8 December 2022</u>).

Indeed, The Sutton Trust, the social mobility charity, published a research report in December last year that was featured in <u>The Times</u> again that headlined how a greater share of apprentices than every are from middle-class areas with a call to reform the apprenticeship levy.

Sutton Trust Research – our response

UVAC acknowledges the report published by The Sutton Trust – <u>The Recent</u> <u>Evolution of Apprenticeships – Apprenticeship pathways and participation since</u> <u>2015</u>. Higher and Degree Apprenticeships, as UVAC has long argued and demonstrated, have a critical role to play in supporting social mobility and more needs to be done to ensure that individuals from ALL backgrounds have the opportunity to benefit from such provision. The report has some important messages regarding young people from more deprived backgrounds and the need for more to be done to support them to access Degree Apprenticeships.

We do, however, believe that the analysis and conclusions outlined in the report could, if acted upon without a wider consideration of the evidence available, significantly undermine the contribution of Higher and Degree Apprenticeship to social mobility. We are also concerned that the report does not sufficiently consider social mobility in the context of other key Apprenticeship policy objectives, enhancing workforce diversity and inclusion, increasing productivity, supporting the delivery of high quality public sector services and delivering the net zero/green jobs agenda.

We make the following observations:

The Report is overly focused on Young People and Fails to Recognise the Role of Apprenticeship in Social Mobility, Diversity and Inclusion for those aged 25 and Over - From a policy perspective, Government is clear that Apprenticeship is an ALL age programme. The impact of Apprenticeship on social mobility should, accordingly, be measured on how social mobility is supported for individuals of all ages. The report, particularly the foreword, with its exclusive focus on young people and suggestion on targeting 17, 18 and 19 year olds leaving school, could be read as suggesting that the Sutton Trust either does not understand or disagrees with the concept that Apprenticeship is an all age, all stage, all level programme.

More fundamentally we would argue that Apprenticeship can make the biggest positive impact on social mobility when it is supported and used as a programme for all ages. Apprenticeship and vocational programmes are very different from academic programmes. With traditional academic programmes, progression is mostly linear. Individuals complete GCSEs, progress to A levels (typically) and then progress to fulltime HE at the age of 18 or 19. Vocational and Apprenticeship progression is very different. Individuals may leave school or college with an Applied General, work for a number of years and start a family. In their mid 20s, they may have the opportunity to study and train for a profession through for example, a Degree Apprenticeship.

Government understands progression through Apprenticeship and vocational programmes and the importance of flexible learning throughout life, as demonstrated by the forthcoming introduction of the Lifelong Loan Entitlement (LLE). If we are to maximise the contribution of Degree Apprenticeships to social mobility, we must consider and support their use by individuals of all ages. UVAC is certainly of the view that more needs to be done to support 18 and 19 year-olds to use Degree Apprenticeship. We must, however, also support and champion Degree Apprenticeships that support social mobility for older individuals. The report

regrettably gives the impression that if individual aged 19 from a deprived background starts and completes a Degree Apprenticeship this is a success. If, however, their brother or sister aged 25 starts and completes a Degree Apprenticeship this is an example of adults hogging apprenticeship opportunities.

The Use of Questionable Measures to Assess the Social Mobility Impact of Higher and Degree Apprenticeship – The report uses, without questioning its appropriateness, the Index of Multiple Deprivation (IMD) to measure participation in Apprenticeship by background. This is both surprising and disappointing. We would at least have expected consideration of other measures and recent concerns regarding the use of IMD in this context to be acknowledged. The recent Move on Up? study by Middlesex University on Degree Apprenticeship, questions the appropriateness of existing equality of opportunity measures.

In the Sutton Trust report the authors note:

Strikingly, Higher and Degree Apprenticeships are not more common among disadvantaged individuals than a university degree. From this perspective, it is hard to see Higher and Degree Apprenticeships as a route to widen opportunities for individuals from poorer backgrounds. p. 35

We would also raise issues with the following observation:

Overall, while it is still early days for Degree Apprenticeships (and here we are focusing on those started by younger learners), they are emerging as an alternative pathway to a degree for those who followed an academic (or mixed) path at Level 3 rather than something apprentices at lower level can progress into. p. 28

More certainly needs to be done to support progression from level 3 Apprenticeship to Higher and Degree Apprenticeships and UVAC has done much to support such progression. Higher and Degree Apprenticeships should, however, be an appropriate option for learners with A levels, Applied Generals, Level 3 Apprenticeships and individuals with the skills and commitments that will enable them to complete the programme in work.

A Focus on Historic Data and Not Enough Emphasis on Emerging Trends – We regret that the report does not focus on examples of where and how Apprenticeships, particularly Degree Apprenticeships are being and could be used, to open up new progression routes for disadvantaged individuals and to support workforce diversity. The police constable degree apprenticeship is a particularly good example.

Health and adult social care represents another sector where Apprenticeships are being used to develop new opportunities for existing employees, as demonstrated by the growth of Nursing Associate Higher Apprenticeships and the potential of the Registered Nurse Degree Apprenticeships. **UVAC would welcome the opportunity to discuss with the Sutton Trust how new Apprenticeship progression routes are supporting social mobility in the NHS.**

A Failure to Fully Understand what Degree Apprenticeship is and How it Can Support Social Mobility for Individuals of All Ages - The Sutton Trust's statement in

the foreword to the report that "If we are to harness Degree Apprenticeships as a driver of social mobility, and as a high quality alternative to university, we need many more of these opportunities open to, and targeted at 17, 18 and 19 year olds leaving school" (p. 3) is misguided. Firstly, Degree Apprenticeship is not an alternative to university, it is a university programme typically delivered by a university and involving the award of a degree. Even amongst the ages highlighted, to focus exclusively on school leavers will disadvantage young people of the same ages studying at college or on work-based learning programmes. We need an inclusive approach. School must never be used as shorthand for schools, colleges and independent training providers.

More fundamentally, if we are serious about Apprenticeship and social mobility, we should recognise that work-based progression routes where an individual starts a Degree Apprenticeship at 21, 25 or older, are arguably the key way to support social mobility and widen access to the professions. An over focus on 17, 18 and 19 year olds, at the expense of older learners, could undermine the social mobility agenda the Sutton Trust seeks to champion.

A Failure to Consider the Social Mobility Impact of Apprenticeship in the Context of the Overall Objectives of the Apprenticeship Programme – In many commentaries, although not in the Sutton Trust report, much has been made of the alleged misuse of Apprenticeship to train senior leaders. Look at the evidence and the nonsense of such a claim is apparent. Apprenticeship is a skills programme and poor management skills are regarded by most economists as the key skills factor explaining the UK's low productivity. As the Institute for Apprenticeships and Technical Education (IfATE) has explained, use of management apprenticeships is entirely appropriate. By their nature, management apprenticeships will frequently be taken by older and existing employees. Those questioning whether this is appropriate need to consider the following example.

The sector making the greatest use of management apprenticeships is the NHS, which is also by far the largest employer contributor to the apprenticeship levy. Those advocating for the focus of Apprenticeship to be on 'school leavers' must decide whether social good is best delivered by enabling the NHS to use its levy payments to improve management skills and thereby deliver enhanced patient care. Or if the NHS levy payments should be used to fund Apprenticeships for young people in other sectors.

An Aspirational Programme - The report rightly acknowledges that the Apprenticeship Reforms and Apprenticeship Levy have led to quality substituting quantity (p. 35). Degree Apprenticeship is an aspirational programme that should be celebrated. For generations Apprenticeship and vocational education was regarded as second best. We must never return to the position where Apprenticeship is seen as 'a good choice for other people's children'. It is critical that Apprenticeship is NOT just seen as a social mobility programme. Instead, as Government intends, Apprenticeship should be positioned as a high quality aspirational programme for individuals from all backgrounds. If we are serious about social mobility, we should support people from ALL backgrounds and of ALL ages to consider and utilise the Apprenticeships that the economy and society need.

We have had a great deal of uncertainty of policy directions due to the change in government over the last 12 months. It is important that we state and restate with ministers the success of Degree Apprenticeships and act as a reminder to government that they are a brilliant UK Invention. It does help that we have Gillian Keegan as Secretary of State and Robert Halfon as Minister.

So, while the Sutton Trust rightly highlights the need to create more opportunities for young people. Such an objective must, however, not be delivered in isolation and at the expense of supporting Apprenticeships to deliver their other policy objectives. In particular, enhancing productivity, supporting inclusion and diversity in the workforce, improving public sector service delivery, supporting the net zero agenda and of course enhancing social mobility for individuals of ALL ages. UVAC hopes that Ministers, officials and others will read, review and act on the Sutton Trust's Report in the above context.

- Apprenticeship Levy – We have been anticipating a potential review of the apprenticeship levy for some time. We 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 and a follow-up opinion piece in FE Week commenting on the Learning and Work Institute (LWI) recent report called 'Raising the Bar', on the lack of employer investment in skills: https://feweek.co.uk/lets-prioritise-skills-spending-on-level-4-to-level-7/.

UVAC's position is clear. There is no need for radical changes to the Apprenticeship Levy system. While the system is not perfect, apprenticeships are a success story and should not be considered, as the CBI has described previously, a 'failed experiment'.

Yet, criticism of the apprenticeship levy grows. The Times again published two articles on <u>calls for a reform the levy funding system</u> and highlighted claims that <u>'apprenticeship funding was 'wasted'</u> and sent back to the Government.

Of course, some changes have been necessary. The Apprenticeship Levy has not worked that effectively in some sectors. New flexibilities make eminent sense. Other flexibilities such as front-loaded training, where more training takes place at the start of the apprenticeship, and accelerated apprenticeship programmes are also welcome developments.

Some of the 'flexibilities' proposed by a number of organisations, however, make less sense. Tom Richmond's EDSK think tank published a report in autumn 2022 called 'Changing Courses' proposed to split the current apprenticeship levy into two separate funds: one for apprenticeships and another for skills training with more businesses including SMEs paying into it. The only agreement we would make to EDSKs report is that the Levy goals from the outset were vague. We don't agree with EDSK's reiteration (first made in 2020 and which we strongly rebutted in our response) that more than 50% of apprenticeships are fake with employer effectively rebadging existing training in order to fund it via the Levy.

Last week saw the start of National Apprenticeship Week 2023. The week which is supposed to focus on celebrating Apprenticeship achievements saw a range of organisations, the Co-operative Group, the British Retail Consortium, UKHospitality, techUK and the Recruitment and Employment Confederation wading in to capture headlines by criticising the Apprenticeship Levy. The following claims are made:

Apprenticeship Levy Funds are Wasted – The Co-op was reported as claiming that £600m of Levy Funds was returned to the Treasury in 2022. The claim that Apprenticeship funds are "wasted" is, however, false. Government has been clear from the introduction of the Apprenticeship Levy in April 2017, that its purpose is to fund Apprenticeships used by levy paying employers AND by smaller employers that do not pay the levy. In effect the system relies on larger organisations not using all of their levy payments, so that such funds can be used to fund Apprenticeship provision for smaller businesses. Of course, levy-paying employers will want to maximise the use of their levy payments. But surely, a second best option is for such funds to be used for Apprenticeships in smaller businesses? Such funds are hardly "wasted"! There is, however, a need for greater transparency in how funds raised through the Apprenticeship Levy are spent.

Apprenticeships are 'Unsuitable', 'Irrelevant' and of the 'Wrong Length' – This claim is also a little hard to digest when the process for developing Apprenticeships is considered. On the 8th of February 2023, the Institute for Apprenticeships and Technical Education (IfATE) listed over 800 Apprenticeship standards for 800 occupations from the equivalent of GCSE level to post-graduate level. Each of these Apprenticeships has been designed by employers for employers and focuses on developing the knowledge, skills and behaviours required to be occupationally competent. Perhaps critics could explain why groups of employers under the supervision of Employer Route Panels are coming together and investing significant amounts of their own time under the auspices of the IfATE to design "unsuitable" and "irrelevant" Apprenticeships?

– There is little evidence to support this claim. Of course, there are always examples of poor quality. In general, however, the introduction of the Apprenticeship Levy and associated apprenticeship reforms have increased quality. Since the introduction of the Apprenticeship Levy, Apprenticeships for registered nurses, nursing associates, social workers, police officers and higher-level programmes for engineers and digital specialists have been developed/grown significantly. The evidence available demonstrates that, since the introduction of the Apprenticeship Levy, employers have focused on higher quality and more expensive Apprenticeships. In effect, quality has increased while the number of Apprenticeship starts have fallen. Those claiming that the Apprenticeship Levy has resulted in the emergence of low quality schemes must also explain why employers would come together under the auspices of the Apprenticeship Trailblazer process

The Apprenticeship Levy has Resulted in the 'Emergence of Low Quality Schemes'

More support is needed for Small Businesses – Superficially this argument makes sense. Few would disagree with measures to simplify processes (that did not detrimentally impact on quality) that enabled smaller businesses make more use of Apprenticeships. UVAC would agree with the Association of Employment and

to design "low quality schemes"? And why any employer would choose to spend

their Apprenticeship Levy on a "low quality scheme"?

Learning Providers (AELP) contention that there is a need to simplify the process through which large employers can transfer levy funds to smaller employers. It is, however, important to note that smaller non-levy paying employers receive a Government co-investment of 95% towards the cost of Apprenticeship training and end point assessment. By any measure a 95% contribution or subsidy for an Apprenticeship designed to develop and accredit occupational competence is a good deal for a small business. Yes, employers have to let an Apprentice use 20% of their normal working hours for 'off-the-job' training and yes, Apprentices need significant support for on the job learning. But shouldn't a good employer invest in the training and development of their employees?

The Apprenticeship Levy should be Replaced by a Broader Skills Levy — This argument, may, in part, have some legitimacy. Apprenticeships focus on training an individual for a new occupation, although they can be used for existing employees, for occupations at all levels and for individuals of all ages. There are, however, many other types of training that employers need to invest in; CPD, short programmes focused on new legislation, technology, working practice, health and safety and equality. There are, however, a number of problems with this argument. The first is that the Apprenticeship Levy which raises approximately £2.7bn per annum, covers the cost of the Apprenticeship budget of approximately £2.7bn per annum. If the scope of the levy was extended significantly, more funding would be needed to encompass and fund other relevant training programmes. Funds could be raised by increasing an Apprenticeship/skills levy from 0.5% of payroll to 1.0% of payroll and/or by including smaller employers in the scope of the levy. While this proposal is worthy of exploration, I don't think it is quite the proposal the British Retail Consortium and UKHospitality had in mind?

We produced a position paper with CMI that was published in November 2022. UVAC has always argued that when combined the Apprenticeship Levy, Apprenticeship Reforms and introduction of Degree Apprenticeship has arguably made more impact on achieving academic and vocational parity of esteem than any other education policy in the last 50 years. A Degree Apprenticeship represents the best of both worlds, the combination of academic and vocational learning, a degree and apprenticeship. Some Apprenticeships have become such aspirational programmes that some have raised concerns over a perceived middle class grab of Apprenticeship places at level 6 and 7. BUT Any '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. A key question remains - what should the state, individual and employer fund?

While we consider what the likely government response might be, we might also need to look ahead to a possible labour government and their announcement of a Growth and Skills Levy enabling firms to spend up to 50% of their levy contributions including underspend on non-apprenticeship training.

Degree Apprenticeship Growth Plan - Earlier last year, UVAC called for a Degree
Apprenticeship growth plan that could incorporate Higher Apprenticeships and
Higher Technical Education. This would include reiterating the multiple objectives of

Higher and Degree Apprenticeship and Higher Technical Qualifications (productivity, social mobility, levelling-up, provision of public sector services and supporting the net zero agenda) and action needed to remove the remaining barriers to Higher and Degree Apprenticeship growth and could consider targets in the context of economic and societal need and the levelling up agenda. This could complement OfS action to encourage providers to significantly increase the share of students recruited onto Higher and Degree Apprenticeship programmes and institutional approaches to setting ambitious targets for Higher and Degree Apprenticeships, Higher Technical Qualifications, and part time courses.

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.

UVAC has written a Plan as 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. It may, however, be the case that any incentives/development funding to grow provision would £ for £ have a greater impact on growing Degree Apprenticeship numbers.

UUK also launched <u>a ten point plan</u> at its degree apprenticeship conference on 1 February which aligns with ours and we have agreed some joint lobbying activities with UUK going forward.

- Quality Assurance On Wednesday 23rd November QAA published the plans for the next phase of EQA pending the handover back to the OfS in March 2023. This announcement can be read in full here. The OfS has asked the DQB to prioritise monitoring checks, rather than readiness checks for providers which has been the initial focus of their time. Between December and 31st March, the DQB is focussed on their monitoring specifically on three apprenticeship standards (although they may undertake assessments of others):
 - Police Constable
 - Digital and Technology Solutions Professional
 - Advanced Clinical Practitioner

The OfS announced that from 1 April 2023, it will undertake assessments as part of the External Quality Assurance of End-Point Assessment Organisations. Providers who are not assessed by the DQB will need to await guidance from the OfS regarding the method that it intends to take with regard to further assessments.

The Technical Pathway

- Government is very much about creating a higher quality technical pathway with (seemingly) T level progression into Technical HE/HTQs and whether they are an alternative to HE there is a big debate on that. We always emphasise the need for choice. So, there lots of issues still going on here. For HE what is important to emphasise is that there is activity going on to raise awareness as government want T levels to be a success but there are real issues. There has been DfE guidance and a public commitment by about 70 Universities stating they will accept admission from at least one T level and these commitments are now being tested. We have the first-year results true it is a small cohort of students (1,300) but 71% of those who applied gained their HE place. There are a number of issues the main issue being the detail of those T levels accepted by universities on their websites for admission and how universities respond to young people's queries on eligibility. DfE policy leads are working with UCAS, UVAC, UUK and university mission groups to address these matters and at a recent meeting the following was agree:
- UCAS to push comms out to HE providers about updating their entry requirements
- UCAS to consider a guide for how students get information about entry requirements and speak to admissions offices
- DfE to check in with UUK about any other opportunities to push messaging about transparency on entry requirements
- DfE to check with mission group CEOs on sending a VC letter out on transparency on entry requirements.

In February 2023 DfE <u>announced a package of significant additional funding</u> to support T Level providers.

FE/HE Credit System – On 5th July UVAC launched a new Knowledge Network based on Recognition of Prior Learning. We hosted a second on 10 January 2023. This has arisen out work commissioned by Health Education England (HEE) involving Middlesex University in partnership with the Open University (OU), the University Vocational Awards Council (UVAC) and Credit Works to establish standardised approaches for recognising prior learning within the healthcare sector. The project will capitalise on the changing skills policy landscape to promote career progression opportunities for the sector. The aims are to maximise widening participation, levelling-up, diversity, inclusion and social mobility. Once developed, it will be tested and informed by consultation with higher education providers, employers, and other key stakeholders. This will then inform the development of a standardised approach to APEL, reflecting practice in other public sector professions. The project will focus on the recognition of prior learning in two ways. The project will initially seek to ascribe a credit value for the level 3 Senior Healthcare Support Worker apprenticeship standard. This is to enable better entry to higher education programmes. It will involve working with key organisations and stakeholders to establish a commitment to promote this professional progression. The second is by establishing a national standard for accrediting prior experiential learning (APEL), including learning achieved through work. There is no doubt that this work will have wider applicability for other sectors and occupations.

Apprenticeship Workforce Development Programme

- As announced at the last Board, on Friday 8 July, <u>DfE confirmed the ETF led consortium with UVAC as one of 6 partners</u>, as the preferred bidders for the AWD Phase 2 contract and the procurement standstill period concluded without any legal challenges. It is worth £7.5m over 3 years with a potential for a further 2 years activity (so £12.5m potentially).
- There are 3 main objectives:
- A a baseline survey via questionnaire and focus groups (to be repeated annually)
- **B** a programme of CPD delivered by face to face, online and via downloadable resources
- C Research, CPD networking and communities of practice

There has been quite a bit of activity. The consortium carried out a Training Needs Analysis by online survey in November and December 2022. Overall, there were 1446 respondents with responses from individuals in HE institutions accounting for 24% (n=342) with the majority in self-declared manager roles.

Priority areas for development ranked include:

- Compliance
- Progress Reviews
- Quality and Programme Development
- Initial Assessment and Onboarding
- Teaching and Learning on and off-the-job
- Working with Employers
- Programme Design
- Governance and Leadership

Preferred delivery methods for the programme of CPD commencing in summer 2023 are ranked:

- Live online events or sessions
- Face-to-face
- Networks and communities of practice
- Resources
- Self-directed flexible online learning
- Action learning and development projects

UVAC hosted 6 focus groups, January to end of February, with a select number of self-nominating individuals from HEIs where we are gaining more details as to need and to assist with translating need into CPD activities.

Higher Education Skills and Work-based Learning (UVAC's official journal)

This is the current editorial team:

- Professor Tony Wall, Editor-in-Chief Liverpool John Moores Business School (creating a new research centre in business/HE education research, so will help promote HESWBL even more)
- Dr Mandy Crawford Lee, Associate Editor Director of Policy & Operations at UVAC (University Vocational Awards Council – the official sponsor of HESWBL)
- Professor Sam Elkington, Associate Editor Principal Lecturer in Learning and Teaching Excellence at Teesside University
- **Dr Steve Lambert**, Associate Editor Associate Professor in Educational Leadership at the University of Chester
- Dr Ali Rostron, Associate Editor Programme Director at the University of Liverpool Management School
- **Dr Jan Brown**, Associate Editor Senior Lecturer, Liverpool John Moores University Business School

The journal's high performance has been confirmed. It exceeded 50,000 downloads in 2022 (54,990) the best yet in its 11-year history. Its Cite Score has increased once again, to 2.3 (2021), from 2.2, and this reflects the increased standing of the journal over the last couple of years, and the increased submission rates.