

### 1. Opening Context: A System at a Crossroads

We are at a defining moment for higher and degree apprenticeships.

A decade on from reform, the system stands between consolidation and contraction. The question is not whether change is coming — it is whether that change will strengthen or fragment the higher-level skills ecosystem universities have worked so carefully to build.

- Apprenticeship reform enabled universities to deliver professional work-based programmes at scale.
- The current policy narrative increasingly frames higher-level provision as a budgetary pressure rather than a productivity lever.

This tension now shapes every strategic decision for UVAC members.

### 2. The Post-16 White Paper: Structural Signals for HE

The Government's **Post-16 Education and Skills White Paper** signals a more integrated system across DfE and DWP, with Skills England positioned as a coordinating force.

The direction of travel is clear:

- A workforce-driven skills system
- Stronger regulatory oversight (OfS as primary regulator for Level 4+)
- Expansion of Level 4–5 participation
- Modular learning through the Lifelong Learning Entitlement
- Alignment with industrial priorities

For universities, this sharpens expectations around:

- Employer co-design
- Labour market alignment
- Measurable economic outcomes
- Regional contribution

This is not a marginal adjustment. It is a reframing of higher technical and professional education as explicit economic infrastructure.

The policy ambition for two-thirds of young people to study to Level 4+ by age 25 presents opportunity — but only if apprenticeships are explicitly included within that target.

### 3. The Growth and Skills Levy: Reform Without Retreat?

The transition from Apprenticeship Levy to Growth and Skills Levy could be transformative — if properly designed.

Current realities:

- Levy receipts projected to rise toward £5bn by 2029–30
- Budget pressures prompting “streamlining” rhetoric
- Youth participation foregrounded
- Short course “apprenticeship units” limited in scope

The strategic question is not whether to reform — but how.

UVAC’s position remains consistent:

- Expand employer contribution beyond the current 2% base
- Maintain higher-level pathways (Levels 6 and 7)
- Rebuild youth progression without hollowing out advanced provision
- Embed modular flexibility across the life course
- Ensure industrial strategy alignment

Reform must expand investment — not redistribute scarcity.

### 4. Level 7 and Leadership Provision: Strategic Infrastructure, Not Excess

The debate around Level 7 and management apprenticeships is increasingly framed as a fiscal correction.

Yet evidence submitted to parliamentary scrutiny made clear that removing funding for Level 7 (aged 22+) is contested across sectors..

Key points for members:

- Level 7 underpins public service leadership (health, policing, education).
- Employer demand remains strong — evidenced by accelerated starts amid funding uncertainty.
- Restricting Level 7 does not automatically rebuild Level 2/3 youth pipelines.
- Productivity gaps in the UK are widely acknowledged as management capability gaps.

Leadership development is not peripheral CPD. It is occupational infrastructure.

If removed without replacement co-investment mechanisms, risks include:

- Employer withdrawal from advanced training
- Reduced social mobility via debt-free postgraduate routes
- Weakening of regional professional pipelines

- Reversion to traditional, fee-funded postgraduate pathways
- Policy hyper-correction

### **5. Budget and Stability: The Missing Ingredient**

The November 2025 Budget consolidated a youth tilt, with full funding for SME under-25 apprenticeships.

Supporting young people is vital.

However:

- Over 80% of the 2030 workforce is already in work.
- Adult upskilling remains under-articulated.
- Policy signals lack medium-term funding clarity.
- Modular flexibility remains embryonic.

Without stability:

- Employers hesitate.
- Universities stall investment.
- Regional strategies fragment.

The apprenticeship system requires predictability — not annual recalibration.

### **6. Wider Skills Policy: Avoiding Hierarchical Drift**

Policy proposals such as V-levels risk reintroducing stratification across upper secondary routes.

Universities must continue advocating for:

- Coherent progression from Level 3 into Level 4–7
- Strong FE–HE and HE–HE collaboration
- Regional coordination through LSIPs
- Industrial strategy alignment (IS-8+2 sectors)

Skills provision must not become age-segmented or hierarchically ranked.

It must be coherent across the life course.

### **7. What This Means Strategically for UVAC Members**

The institutions best positioned for resilience and growth will demonstrate:

- a) **Clear labour market alignment**  
Explicit mapping of Level 4–7 provision to sector demand.

- b) **Employer-embedded design**  
Structured co-creation beyond advisory boards.
- c) **Modular readiness**  
Genuine credit portability and flexible entry/exit points.
- d) **Regional impact evidence**  
Contribution to local productivity and sector development.
- e) **Outcome articulation**  
Graduate progression, wage returns, and productivity gains.

This is not compliance. It is strategic positioning.

### 8. UVAC's Core Policy Position

UVAC continues to stand for:

- A genuinely balanced all-age, all-level apprenticeship system
- Degree apprenticeships as bridges into the professions
- Higher technical education aligned to industrial growth sectors
- Progression routes in and through work
- Levy reform that expands employer investment
- Lifelong learning embedded in levy design
- Leadership and management capability as productivity infrastructure

We will:

- Engage proactively with Skills England, Joint Strategy Unit of DfE and DWP
- Shape Growth and Skills Levy design
- Champion Level 6 and 7 provision and routes into higher level learning
- Promote HE's civic, regional and national economic and partnership role
- Advocate for coherent integration with the Lifelong Learning Entitlement

### 9. Concluding Reflection

The narrative risks becoming youth versus adults and higher level.

This is a false binary.

The real issue is system design.

If we are serious about productivity, growth and opportunity, the skills system must:

- Rebuild entry routes
- Sustain advanced professional pathways
- Enable lifelong progression
- Expand employer contribution
- Maintain parity of esteem

Universities and higher education providers are not observers in this reform; they are central to its success. The task now is not retreat — but strategic engagement.