



The All-Party Parliamentary
University Group

12 December 2017

Agenda

The subject of the meeting of the All-Party Parliamentary University Group is degree apprenticeships

- 8:30am** **Baroness Garden of Frognal**, Co-Chair of the All-Party Parliamentary University Group, welcome and introductions.
- c8:35am** **Professor Quintin McKellar**, Vice-Chancellor, University of Hertfordshire
- c8:45am** **Nicola Turner MBE**, Head of Skills Policy, Higher Education Funding Council for England (HEFCE)
- c8:55am** **Amy Grange**, degree apprentice, Aston University and Capgemini
- c9:00am** Questions, comments, and discussion with university leaders, MPs and peers
- 10:00am** Speaker meeting concludes.

Speaker biographies

Professor Quintin McKellar CBE

Professor Quintin McKellar is the current Vice-Chancellor and Chief Executive of the University of Hertfordshire.

He graduated in Veterinary Medicine in 1981, and gained a PhD in Veterinary Parasitology in 1984 from the University of Glasgow. Quintin held several positions at the University of Glasgow, before being appointed Principal of the Royal Veterinary College, University of London in 2004. He has been the Vice-Chancellor of the University of Hertfordshire since 2011.



Quintin was awarded a Doctor of Veterinary Medicine in 2002, and has been awarded Fellowships of the Institute of Biology, the Royal Agricultural Society, The Royal Society for the Encouragement of Arts, Manufacturers and Commerce, The Royal College of Veterinary Surgeons and The Royal Society of Edinburgh.

He is chairman of the Growth Policy Network of Universities UK and the Universities Vocational Awards Council, and is also a Board member of the Hertfordshire Local Enterprise Partnership (LEP). Quintin was made Commander of the Order of the British Empire (CBE) in 2011.

Nicola Turner MBE

Nicola Turner is currently the national policy lead for skills at HEFCE with strategic responsibility for degree apprenticeships, industrial strategy and graduate outcomes. She has produced two independent reviews into STEM graduate employability (Wakeham and Shadbolt), established the Degree Apprenticeship Development Fund, the Engineering Conversion Course pilot and the Institute of Coding.



Previously the Director of Employability Strategy at Aston University, Birmingham, her experience spans employability, employer engagement, regional growth and social mobility. In 2015, Nicola was honoured with an MBE for services to graduate employability and Higher Education.

Amy Grange

Amy went to both school and sixth form in Manchester, and towards the end of her time at sixth form started to consider alternative routes for her career despite having already applied to, and been accepted by, universities to study psychology. She cites increases in university tuition fees as the driving force behind her decision to take up a degree apprenticeship with Capgemini.



This move helped Amy to realise her true ambition was a career in the IT industry, a subject she had always had an interest in. Since this decision she has had many media opportunities (such as appearances on Sky News Sunrise and BBC Radio4 Women's Hour), successfully completed her degree, graduating with first-class honours, and gained higher levels of responsibility through leading a small team.

Briefing: Degree apprenticeships

Prepared for members of the All-Party Parliamentary University Group

This is not an official publication of the House of Commons or the House of Lords. It has not been approved by either house or its committees. All-Party Parliamentary Groups are informal groups of members of both houses with a common interest in particular issues.

This briefing document has been produced by Universities UK which provides the secretariat for the University APPG.

Introduction- What are degree apprenticeships?

Degree apprenticeships combine university study and workplace learning to enable apprentices to gain a full bachelor's degree. Degree apprenticeships are higher level apprenticeships at level 6, but higher level apprenticeships can also be at level 4, 5 and 7 (equivalent to a postgraduate masters) Degree apprenticeships, like all apprenticeships are delivered around an agreed standard and assessment plan that has been agreed by an employer-led trailblazer group. Currently apprenticeships are moving from a framework-based approach to a standards based approach but as all degree apprenticeships are new, they use a standards-based approach. A number of degree apprenticeship standards have been developed in collaboration with professional bodies, adding to the status and attractiveness of apprenticeships. Many universities provide advice and guidance to trailblazer groups as they develop standards and the higher education sector is supporting the development of apprenticeship standards for its own workforce.

Degree apprenticeships were first announced in November 2014, and therefore numbers are still relatively low (1,620 level 6 starts in 2016/17 out of 491,300), but are set to increase in the coming years as an increasing number of young people, schools and parents become aware of them and as new standards get approved. Initial growth has been in engineering, digital technology and leadership and management, all areas of skills needs/shortages. We expect further growth to occur in the public sector such as nursing, policing, social work and education.

Apprenticeship standards show what an apprentice will be doing and the skills required of them, by job role. Trailblazer groups of employers develop standards, which are gradually approved as published. Trailblazer groups must cover a wide range of at least 10 employers, and all proposals for new standards for degree apprenticeships must have the active support of at least 2 named Higher Education institutions. As of March 2017, 75% of the institutions surveyed by Universities UK were involved in one or more trailblazer groups. Degree apprenticeships are an additional way to ensure higher education provision meets employers' needs alongside more traditional approaches such as membership of industrial boards, co-designed provision and sponsored degrees.

Degree apprentices are classed as employees rather than students, so are not eligible for student loans or maintenance loans. However, rather than paying tuition fees to their sponsoring university, degree apprentices will earn as they complete their course. At present the national minimum wage for apprentices aged under 19, or those in their first year, is £3.50 per hour however many employers pay far in excess of this amount.

As well as avoiding the levels of debt associated with an traditional university study upon graduation, there are other key benefits to undertaking a degree apprenticeship for young people. Degree apprentices spend the majority of their time working for their employer, and therefore apply the areas they are studying to real-life situations as they learn. Through interacting with colleagues across their employer organisation, degree apprentices develop employability skills such as team work, communication and enterprise, as well having access to a range of professionals in their chosen field for advice and guidance.

Apprenticeship policy is devolved, and therefore this briefing predominantly covers degree apprenticeships in England. In Scotland graduate level apprenticeships were launched this year; they are funded by employers and Skills Development Scotland (SDS) and 9 Scottish institutions are currently signed up as delivery partners. Like the UK government, the Scottish government has the ambition of increasing the number of Modern Apprentices, including Graduate Level Apprentices, to 30,000 by 2020. Degree apprenticeships are currently being developed in Wales, with key aspects like the funding model being decided upon.

Funding degree apprenticeships

Since the introduction of the apprenticeship levy in April 2017, businesses with a wage bill of more than £3 million now pay 0.5% of their wage bill (minus a £15,000 levy allowance) as an apprenticeship levy which funds, with a 10% government top-up, degree apprenticeship course fees. On top of this, the government funds 90% of apprenticeship course fees for organisations with a wage bill below £3 million. The allocation of funding to non-levying paying employers is managed through a procurement process run by the Education and Skills Funding Agency.

In March 2016, then business secretary Sajid Javid launched a £10 million fund to increase the number of degree apprenticeships available. £8 million of this was allocated to support universities and colleges to design and deliver new degree apprenticeships, and the remaining £2 million was devoted to encouraging more young people to choose degree apprenticeships. The fund has supported 45 projects involving dozens of universities and further education colleges collaborating to develop potential for 10,000 degree apprenticeships with a strong focus on construction, engineering, business services and health, addressing key local skills shortages.

The political landscape

Apprenticeship policy is playing an increasingly central role in the government's skills agenda; apprenticeships have been framed as one of the key solutions to improving both the country's social mobility and productivity. Proving the importance placed on this area, the government took the decision to enshrine the term apprenticeship in law through the Enterprise Act 2015.

In the 2015 Conservative Party manifesto, then prime minister David Cameron pledged to ensure 3 million new apprenticeship starts by 2020, prompting action by the education sector, training providers and businesses to come up with new ways of both promoting and delivering apprenticeships in England.

Rather than seeing apprenticeships as an alternative to higher education and shying away from an area traditionally associated with further education, universities have, as of September 2015, started offering degree apprenticeships.

Seen as part of the solution to increase the UK's skills base, at the launch of degree apprenticeships, former prime minister David Cameron stressed they would "let us build the high-level technical skills needed for the jobs of the future". There had been wide criticism from all parties that skills gaps had been allowed to form in certain key

industries, both from the pre-2010 Labour governments, and the post-2010 Conservative led governments.

The first tranche of degree apprenticeships that were announced clearly showed that areas where the UK had a skills shortage had been prioritised; the list included sectors such as laboratory science, aerospace and defence systems engineering.

Low productivity has been a challenge for the UK for many years; Chancellor Philip Hammond noted this during his recent Budget statement. A key part of the government's 2015 productivity plan 'Fixing the foundations: creating a more prosperous nation' was the need to create a highly skilled workforce. This has become more urgent since the vote to leave the EU, given that several key industries, such as engineering and construction, are heavily rely on EU workers.

Although introduced by the Conservative-Liberal Democrat government, degree apprenticeships have been largely welcomed by Labour MPs. Labour shadow minister for higher education, further education and skills, Gordon Marsden, has welcomed the fact degree apprenticeships enable further education and higher education to dovetail, allowing young people to gain a degree without taking on the debt associated with tuition fees. Concerns have, however, been expressed about how well the new sector bodies of the Office for Students and Institute for Apprenticeships will collaborate on this new area.

Opportunities for universities

In extensive survey research undertaken by Universities UK, universities identified the top three benefits of degree apprenticeships as enhancing partnerships with employers, the potential for widening participation and enhancing social mobility and the delivery of provision that develops the skills employers require.

Universities have longstanding and varied links with a wide range of employers and they have used these links to develop degree apprenticeship provision that meets employer need. It has also provided an opportunity to build new relationships with employers which is important given the increased political and public focus on the value of degrees and employability not least because of the Teaching Excellence Framework.

A successful and competitive economy will need a highly skilled workforce, with a range of educational experiences. Educating degree apprentices alongside traditional undergraduates and postgraduates will allow universities to fully place themselves at the centre of their region's local growth strategies.

There is also a need to raise awareness among potential apprentices, their parents and those who support them (such as careers advisers). This includes setting out the key features of degree apprenticeships and how they compare to traditional classroom based degrees, other vocational training and employment. There is a clear role for universities to help get the message out to this audience. Nationally branded information and marketing about degree apprenticeships has been included in wider publicity about apprenticeships but there is a need to continually raise the profile of apprenticeships and degree apprenticeships.

Some institutions have engaged with degree apprenticeships more than others, and have varying levels of institutional infrastructure to develop their offering. An example of a university which has an established and successful approach to degree

apprenticeships is Sheffield Hallam University (SHU). To ensure the university can be responsive in meeting employer demand, Sheffield Hallam has a work-based learning framework that allows them to design and approve programmes rapidly. A prevalidated degree framework is available at undergraduate and postgraduate level, which comprises the common core of work-based learning activity for all such degrees. This is then combined with subject specific content. A standing panel that meets ten times a year then needs only to approve the additional subject specific elements. SHU are using the framework to approve their higher and degree apprenticeships.

Challenges

One of the biggest challenges has been to raise awareness amongst employers about apprenticeships, let alone degree apprenticeships. In their discussions with employers, universities have acted as advisers and ambassadors for degree apprenticeships, providing many employers with basic information about processes and systems. Some employers have been ill-prepared for the introduction of the apprenticeship levy, with several unaware they would be required to make levy payments at all.

Another challenge faced has been the successfully promoting apprenticeships to potential apprentices and their parents as there remains some scepticism about the value of apprenticeships; this is stronger in some regions of England, such as London, compared to others. The development of degree apprenticeships and the involvement of universities and their reputation for quality has helped enhance the apprenticeship brand. Universities also have links to many schools and considerable networks and initiatives to widen participation. Universities have activated these links to enhance understanding and boost recruitment.

Universities are new to the apprenticeship system which has been designed for existing providers such as further education and private providers, working towards lower level standards. It has been and remains a challenge for the existing systems that are in place to change to accept universities as equal providers. The system still needs to develop to become truly “employer-led”. Degree apprenticeships are a new form of provision with significant employer interest, but there has been considerable lobbying from existing stakeholders to protect existing provision. In an employer-led system the mix of provision and providers would be driven by, and responsive to, the needs of employers themselves, rather than the will of providers.

The trailblazer process for developing new standards has been a very difficult experience for many employers, and could be subject to improvements. Some policies have changed over the year, and support for the process has been transferred from the Department for Education (DfE) to the new Institute for Apprenticeships, both of which have caused confusion. Many trailblazers raise issues of inconsistent and conflicting guidance, lack of transparency and a lack of understanding of the needs of employers. It should be borne in mind that employers “volunteer” to develop trailblazer groups, cover the costs of the groups yet some trailblazers are taking 2-3 years to progress. Not all the problems are attributable to the Institute for Apprenticeships who are seeking to address these challenges as a priority, but the process is a key bottleneck in developing more provision and for many employers, the experience is damaging the apprenticeship brand.

Universities see great value that degree apprenticeships can bring to improving social mobility and increasing opportunities both for young people and those already in employment. Given that apprentices are employees rather than students, selection is primarily dependent upon the recruitment practices of the employers themselves. Universities, in their partnership with employers, can then seek to widen apprenticeship opportunities and can activate their networks and partnership to achieve this, especially their links with schools and colleges. More work needs to be done to support, research, monitor and share best practice about how degree apprenticeships can support social mobility, in particular by the DfE, but also the IFA, working with universities and employers.

Looking ahead

At the Conservative Party conference Prime Minister Theresa May announced the government would conduct a review of higher education; the industrial strategy white paper confirmed this would be a review of “tertiary education”. The timescale and scope of the review has not yet been clarified, but the decision for the review to be on tertiary education as a whole rather than higher education implies the government is moving towards more holistic policies towards 18+ education.

There are three current select committee inquiries which may have an effect on government policy and public discourse around degree apprenticeships-

- Education Committee inquiry into the quality of apprenticeships and skills training: written evidence deadline 5 January 2018
- Economics Affairs Committee inquiry into the economics of higher, further and technical education: currently receiving oral evidence
- Education Committee inquiry into value for money in higher education: soon to be receiving oral evidence

Apprenticeship standards are being published incrementally as they are developed by industry; for example the proposed apprenticeship standard for a professional economist is currently out for consultation. As knowledge and understanding of the value of employing young people with both academic and technical expertise becomes more widespread, degree apprenticeships in a wider range of careers will become available.

As set out in its recently launched Careers Strategy, major changes will be made to the National Careers Service website in April and then again in October of 2018. This will include an interactive course directory to clearly explain routes to a range of vocational and academic learning opportunities, including apprenticeships and degrees. This has the potential to increase understanding of the future opportunities and salaries that degree apprenticeship can present, as well as the employers and universities involved.



The All-Party Parliamentary **University Group**

Future meetings

Tuesday 23 January 2018

Access and widening participation

18:00-19:30, Committee Room 4, followed by dinner

Tuesday 6 March 2018

The Office for Students

18:00-19:30, Committee Room 4, followed by dinner

For more information about the group please email appug@universitiesuk.ac.uk or visit www.universityappg.co.uk.