

## 1. Operations Note

Policy Connect and the Higher Education Commission will be launching the *Degree Apprenticeships: Up to Standard?* report at 9am on 29 January in the Palace of Westminster. This is the first comprehensive inquiry into the degree apprenticeships policy: it will reveal new data on the impact of the initiative so far and will make firm recommendations for change.

The digital report will be live to the public for download at 8.30am from [www.policyconnect.org.uk/hec/research](http://www.policyconnect.org.uk/hec/research).

**Embargo on the content of the report will be lifted 00.01am 29 January** (or prior, according to agreement).

Speaking at the launch will be Shadow Education & Skills Minister Gordon Marsden MP; Lord Norton of Louth; Smita Jamdar (Head of Education and Partner, Shakespeare Martineau); Professor Patrick Bailey, Deputy VC, LSBU; John Cope, Head of Education and Skills, CBI. The Minister of State for Skills & Apprenticeships Anne Milton MP is hoping to attend.

## 2. Press Release

### Degree apprenticeships: disadvantaged young people have to travel 12 times further than in affluent areas

- Disadvantaged young people missing out; degree apprenticeships emerging primarily in economic and employment hot spots
- SMEs unable to participate; 63% of degree apprenticeships have no or just one provider able to deliver to small businesses, while 43% have zero
- Breadth of high-level skills gaps will not be addressed without change; 69 providers for chartered management, but an average of 4 for all other degree apprenticeships

*29 January 2019, Westminster, London*

Findings are being released by the Higher Education Commission which show that degree apprenticeships may be good in theory but they're not delivering for small employers or disadvantaged students. This is despite over 99% of UK businesses being SMEs and previous government commitments to providing a 'head start' for young people.

Organisations ranging from NHS Employers, IBM, Boots and BAE Systems, to more than 40 higher education providers gave evidence. The Commission also interviewed sector leaders, such as Sir Gerry Berragan, Chief Executive of Institute for Apprenticeships.

#### No providers for SMEs

The new report *Degree Apprenticeships: Up to Standard?* reveals that of 51 approved degree apprenticeship standards, 43% have **no providers** that are delivering to SMEs. 63% of degree apprenticeships have **no or just one provider** offering provision for non-levy payers (SMEs). This new evidence follows widespread sector criticism of the Education and Skills Funding Agency's (ESFA) procurement process with many high quality education institutions, across all levels of apprenticeship, not receiving funding to meet the needs of SMEs.

#### Cold spots cut off would-be apprentices

Significantly, the new data shows that degree apprenticeship cold spots could be emerging in existing areas of severe educational and economic disadvantage. Presenting a double blow for disadvantaged young people, an aspiring apprentice from Norfolk could, on average, have to travel 12 times as far for the nearest opportunities

compared to someone from Hammersmith & Fulham. The Commission calls for additional financial support for prospective degree apprentices from disadvantaged backgrounds, especially those from cold spots.

The report comes at a crucial time with the Government's Augar Review into Post-18 education and funding expected to be published in a matter of weeks.

#### Employers need flexible qualifications for skills gaps

The length of degree apprenticeships (up to five years) will leave degree apprentices 'stranded' due to the absence of 'stop-off points'. This lack of flexibility is particularly relevant for those from disadvantaged backgrounds. The report recommends building in Level 4 and 5 qualifications, a move which the HE Commission believes will make the provision more accessible for those from disadvantaged areas and cold spots. Employers were also concerned that the design of degree apprenticeships is inflexible and could quickly become out-of-date in relation to future skills needs.

**Sir Chris Husbands, Vice Chancellor, Sheffield Hallam University**, said: "An education system fit for the twenty-first century must ensure the acquisition of both academic and technical skills. Students need that. The nation needs that.

This report is clear about the potential of degree apprenticeships to make a difference, at the same time as challenging the current model of delivery.

Sheffield Hallam University has led the way in developing degree apprenticeships. We have seen interest and applications rise significantly over the last two years - but as outlined in the report, more work is needed to support learners.

We need stable funding arrangements, streamlined administrative procedures for the approval of degree apprenticeships, and longer term policy stability. Putting these measures in place will help to ensure the long-term success of degree apprenticeships."

**Jonathan Shaw, Chief Executive at Policy Connect**, said: "The Government recognised that Britain has a real opportunity in degree apprenticeships to put business in the driving seat for the home-grown talent it needs. But now it is time to make urgent changes to them, so that we can boost our economy and jobs market."

#### Easy wins "at the stroke of a pen"

The report recommends a number of 'easy wins' for government to implement "at the stroke of a pen". These include:

- Create equal access for SMEs by permitting HE institutions already delivering degree apprenticeships to big businesses to deliver for small businesses
- Decrease bureaucracy and costly repetitive processes for employers and providers
- Ensure standards are approved more quickly, are fit for purpose and flexible to future needs

The report also recommends:

- Offering additional financial support for prospective degrees apprentices from cold spots and disadvantaged backgrounds
- Reviewing the barriers preventing SMEs from taking on degree apprentices that would help them address skills gaps

**Tom McEwan, author of the new report** said: "If the Government takes seriously its commitment to driving forward social mobility and increasing productivity then it must act to ensure that degree apprenticeships are implemented in a way that is fit for that purpose, enabling small businesses and young people who would benefit most from the provision to do so."

**Mark Farmer, Founding Director & CEO of Cast Real Estate & Construction Consultancy** said:

"It is pleasing to see that this inquiry has rightly highlighted the important issues that are inhibiting the full potential of degree apprenticeships in the UK. In particular it is crucial to recognise the role that higher level apprenticeships have in promoting social mobility but that this will only be enabled by simpler, less

bureaucratic pathways that connect the different levels of qualifications together. It has also been noted by the HE Commission that many of the current standards are already in danger of quickly not being fit for purpose as we enter a fast moving digitally led world where a growing focus on future skills has to challenge the design and content of new standards. I hope government and the relevant institutions take note of the findings of this report and act on them accordingly.”

**Verity Davidge, Head of Education and Skills Policy at EEF, the manufacturers’ organisation** said:

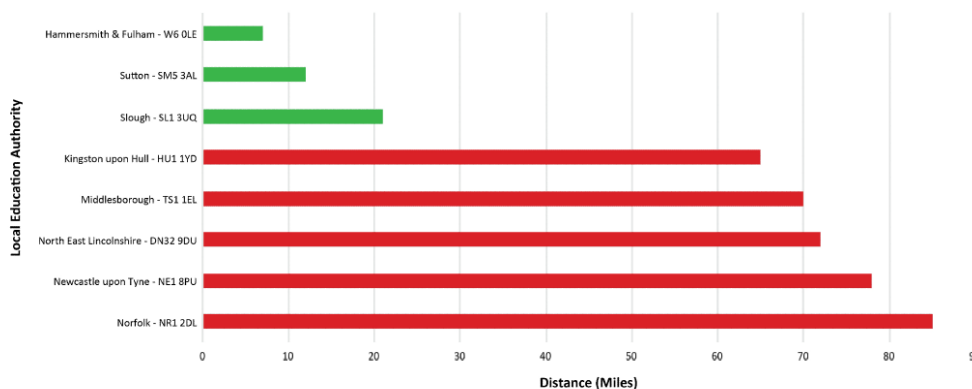
“Degree Apprenticeships alone may not be the silver bullet, but they are a key piece to solving the skills gap puzzle. Today’s report rightly shines the spotlight on the role that degree apprenticeships can play in meeting the UK’s current and future skills challenge, setting out recommendations on what must happen now and in the future to secure their success.

In particular, we support the recommendation to ensure that higher education providers are involved in the funding process. The current arbitrary funding band caps do nothing to encourage providers to deliver higher cost degree apprenticeships in subjects such as manufacturing and engineering. Higher education providers would be able to give a better steer of the true cost of delivering these subjects based on evidence.”

### Key statistics from the report

- 63% of degree apprenticeship standards have **no or just one provider** that can deliver to non-levy payers (SMEs)
- 43% of degree apprenticeship standards have **no providers** that are able to deliver to non-levy payers (SMEs)
- There are 69 providers that offer the Chartered Management standard (for levy payers) compared to an average of 4 providers for all other degree apprenticeship standards. This also compares to 17 providers for chartered surveying, 13 for civil engineering, 12 for registered nursing, and 0 for paramedics
- 54% of young degree apprentice entrants are from areas of high educational advantage (quintiles 4 and 5) (OfS, 2018).

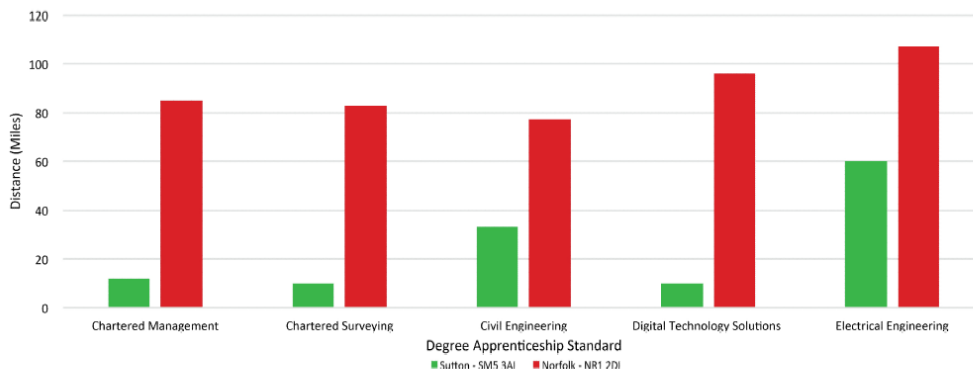
Median distance of degree apprenticeships vacancies in three hot spots, compared to five cold spots\* (November 2018)



Data Source: Find An Apprenticeship Service (Gov.UK, 2018)

\*Due to the number of degree apprenticeship standards and great variation in the number of starts, providers and vacancies, those with 5+ providers and 3+ vacancies were selected. This is consistent with the most popular standards in the OfS degree apprenticeship data release (2018).

Comparing avg. distance of three nearest vacancies per standard between Sutton (hot spot) and Norfolk (cold spot)\* (November 2018)



Data Source: Find An Apprenticeship Service (Gov.UK, 2018)

\*Due to the number of degree apprenticeship standards and great variation in the number of starts, providers and vacancies, those with 5+ providers and 3+ vacancies were selected. This is consistent with the most popular standards in the OfS degree apprenticeship data release (2018).

The disparity of vacancies between Sutton, ranked number one for youth educational and employment opportunity by the Learning and Work Institute, compared to Norfolk, ranked 131 out of 150 (2018), suggests that degree apprenticeships may be concentrating in areas which are already well advantaged.

### 3. Policy context

#### The launch of degree apprenticeships

Degree apprenticeships were launched in 2015, at a time of wholesale reform to apprenticeships policy, including sweeping changes to their funding, governance, regulation and design. The new model formally combines study toward a bachelor's or master's degree with workplace learning. This new model differs from other relationships between higher education and vocational study, such as Higher and 'degree-level' apprenticeships, which often led to 'equivalent' qualifications but did not give the apprentice a formal Degree as part of the apprenticeship.

According to the OfS, in 2016/17 there was 2,580 degree apprentices registered on degree apprenticeships, of which 1,750 started that year (OfS, 2018). The latest DfE figures reveal a total of 10,870 Level 6+ learners on higher apprenticeship standards in 2017/18, however these figures are for Level 6+ starts broadly and not degree apprenticeships specifically (DfE, 2018e). This approximates to 3% of all apprenticeship starts (DfE, 2018e).

Initially nine degree apprenticeships were announced, mostly focused on industrial sectors, from chartered surveying to nuclear energy (BIS, 2015a). While just 4 of these 9 standards were ready in September 2015, this number increased to 51 by November 2018 (IfA, n.d.).

#### The technical details

Degree apprentices are employees, not students. For the employee, there are no tuition fees (employers and the Government cover the training costs through the respective levy and non-levy options), and a wage is received. Degree apprenticeships last on average four years, but this varies between standards (SFA, 2015). As with other levels of apprenticeships, the degree apprentices spend most of their time on-the-job and a minimum of 20% of their time in off-the-job training. A key feature of the degree apprenticeship standards is (as with other levels) that employers lead their design; this is intended to ensure that apprentices are equipped with skills that employers actually need (UUK, 2016).

## 4. Notes to Editors

This inquiry was co-chaired by Lord Norton of Louth and Smita Jamdar, Partner at Shakespeare Martineau. The Commission held a scoping session to discuss the scope of the inquiry and to agree the terms of reference. This was followed by three evidence sessions where 14 representatives from universities, employers and representatives of regulatory bodies gave oral evidence to the Commission.

Alongside this, there was an open call for written evidence published on the Commission's website and publicised via email and social media resulting in 34 responses. Additional evidence was gathered through the collection and analysis of raw numeric data and 4 semi-structured interviews.

The HE Commission is funded by core sponsors the Association of Chartered Certified Accountants (ACCA), Jisc, the University Partnerships Programme (UPP), and to the report was sponsored by City & Guilds and ILM.

### About Policy Connect:

Policy Connect is a cross-party think-tank improving people's lives by influencing public policy. It collaborates with Government and Parliament, through our APPGs, and across the public, private and third sectors to develop new policy ideas spanning health; education & skills; industry, technology & innovation, and sustainability policy. You can follow its Higher Education Commission group [here](#).

### About the Higher Education Commission:

The Higher Education Commission is an independent body made up of leaders from the education sector, the business community and the major political parties.

Established in response to demand from Parliamentarians for a more informed and reflective discourse on higher education issues, the Higher Education Commission examines higher education policy, holds evidence-based inquiries, and produces written reports with recommendations for policymakers.