

Written Response by the Welsh Government to the Economy, Infrastructure and Skills Committee's report on Degree Apprenticeships

Degree apprenticeships are on track to become a critical component of the skills system in Wales. We are building our skills system to better align with the needs of the economy to enable Wales to compete globally. Our strategy is to invest in skills that provide economic and social returns – investing in growth sectors and occupations to address skills shortages and gaps that hold back productivity and growth. Degree apprenticeships are already supporting, expanding and strengthening routes in digital industries, information and communications technologies, engineering and advanced manufacturing. They are providing progressions into higher education and well paid careers for new groups of learners.

We are entering a period of substantial change: Brexit and post-pandemic recovery will provide challenges and opportunities; in Wales our post compulsory education and training reforms will gather momentum; and there are Senedd elections this year. Our skills system needs to respond flexibly and with agility to all of these changes. Degree apprenticeships are under three years old. There is much to learn. Last year the Welsh Government commissioned an independent formative evaluation of the programme; the objective of which were jointly agreed with the Higher Education Funding Council for Wales (HEFCW). In addition HEFCW has commissioned a review of the degree apprenticeship programme by the Quality Assurance Agency for Higher Education (QAA).

The Economy, Infrastructure and Skills Committee Inquiry has provided evidence and a broad range of perspectives. As we move from the pilot phase, we will consider all of this evidence to determine how the programme moves forward. Decisions will be taken later this year based on the evidence from the evaluation, employer and economic need, budget and emerging priorities. Employer need will be central to these considerations.

The recommendations made within the report are closely aligned with our strategic and operational direction and we are pleased to accept them all. Some will require further consideration by ourselves and HEFCW and many should be further informed by evidence from the evaluation. We support the intent and will continue to work with HEFCW and others to achieve the intended outcomes.

Recommendation 1: The Welsh Government should develop a degree apprenticeship framework Standard that requires the developer to set out: how the framework meets the Quality Assurance Agency (QAA) expectations for a degree apprenticeships; how the on-the-job training hours can be evidenced as met; and the criteria the developer sets for a degree programme to be included in the framework (to include those criteria that differentiate the award from a part-time award)

Response: Accept in principle

The framework development process is founded on employer and sector engagement, where a commissioned framework developer is required to consult with stakeholders (including employers, sector bodies and training providers) in the development of the product. We and other stakeholders (mainly employers and the higher education sector) invested significant time and resource to develop the two degree apprenticeships frameworks. A stringent iterative approach was adopted to ensure that the higher education qualifications included with the framework met both the requirement and ethos of the programme. The universities were required to provide:

- A programme specification to identify the overall structure including core and optional modules.
- Programme implementation and delivery information such as rationale, teaching and learning approaches including work-based approaches, assessment strategy, roles and responsibilities and entry requirements and progressions. This information showed how the apprenticeship would be delivered and managed in line with the degree apprenticeship model. The information was reviewed by the developer and if required a gap analysis produced.
- A mapping table showing module and unit outcomes and their contribution to the skills, knowledge and behaviours set out in the outcomes specification.

A fundamental requirement is that the degree apprenticeship includes competence and knowledge based components and that these are focussed on employer needs.

Following consideration of the evaluation findings and the QAA review, processes will be revised as needed.

Financial Implications – None.

Recommendation 2. The Welsh Government should enable, fund and support more formal structures or groups for relevant stakeholders and industry to come together to develop and refresh degree apprenticeship frameworks using their detailed occupational and sector expertise

Response: Accept in principle

As outlined above we invested significantly in the development of the degree apprenticeship frameworks to ensure that employer need was at the forefront of the framework development process.

We will keep our commissioning and engagement process under consideration as frameworks are reviewed and developed. It will be important, as the Committee has identified, to ensure that the right level of expertise is available to support considerations. Evidence from the degree apprenticeship evaluation will be critical to ensure that our structures are fit for purpose.

Financial Implications – None. There are already formal structures in place for funding and developing frameworks.

Recommendation 3. The Welsh Government should set out its approach to deciding which future degree apprenticeship frameworks to develop and fund and how it will manage any potential conflict between regional coherence, coherent learner pathways and economic demand

Response: Accept in principle

Our approach to deciding future framework and pathway development will be informed by employer and economic need, the outcomes from the evaluation, available budget and overall priorities.

Building coherent learner pathways is an important consideration and we recognise the need to strengthen pathways and delivery at Level 4 and 5. Estyn recommend in their review of higher apprenticeships¹ that there was a need for better matching of provision to employer demand and the needs of the economy at these levels.

HEFCW currently gives consideration to regional coherence during its provision approval process. Providers are required to evidence employer demand for any delivery that is potentially out of region and approval is given on an exceptional basis.

Financial Implications – None. Any additional costs will be drawn from existing programme budgets.

¹ Higher Apprenticeships in Work Based Learning (2018) <https://www.estyn.gov.wales/system/files/2020-07/Higher%20apprenticeships%20in%20work-based%20learning%20-%20en.pdf>

Recommendation 4. The Welsh Government, through the Wales Advisory Apprenticeship Board, should consider broadening the range of degree apprenticeships available, including by supporting, funding and enabling the development of degree apprenticeship frameworks that are not delivered using public funding, where there is an appetite from employers for this.

Response: Accept in principle

As outlined in the response to the recommendation above, our approach to deciding future framework and pathway development will be informed by employer and economic need, the outcomes of the evaluation, available budget and overall priorities.

Employers can currently self-fund the development and delivery of apprenticeships. We will give careful consideration, using the evidence from the evaluation as to whether it is feasible and desirable for publically supported partnerships to have a role in determining what employers chose to fund themselves.

Financial Implications – None. Any additional costs will be drawn from existing programme budgets.

Recommendation 5. The Welsh Government should clarify how its original £20million funding commitment to the 3-year degree apprenticeship pilot will be met; set out whether it will provide HEFCW with additional funding to offset the £5million the Council have had to divert from other priorities this academic year; set out whether the funding for continuing degree apprenticeships will need to be found from HEFCW's general grant-in-aid; and indicate its plans and timescales for agreeing funding commitment for future new enrolments on degree apprenticeships

Response: Accept

The Welsh Government will set out its intentions in a remit letter to HEFCW at the appropriate time.

Recommendation 6. The Welsh Government should justify retaining two different funding models, including a rationale for continuing with the procurement model for awarding contracts to apprenticeship providers; set out how this is compatible with having coherent learning pathways from Level 2 to Level 6 and how the procurement of the new apprenticeship provision will address this; and give assurances about the reliability and efficiency of the contractual approach, including that lessons have been learned from the discontinued Job Support Wales procurement.

Response: Accept in principle

The procurement of apprenticeship delivery (excluding degree apprenticeships) from 1 August 2021 is a live process, which is not expected to be completed until March 2021. Before each procurement round officials consider with Legal Services and Corporate Procurement Services whether procurement is appropriate and act upon advice given.

The Welsh Government's Corporate Procurement Service has confirmed that the relevant outcomes of the lessons learned from previous procurements have been implemented and put in place for the current procurement. Whilst the process is still on going, we are unable to provide further responses to procurement related questions. However, we will be happy to share information on lessons learned once the procurement has concluded.

Financial Implications – None.

Recommendation 7. The Welsh Government should provide clarity to the Committee on the costs of degree and non-degree apprenticeships in similar subject areas

Response: Accept in principle

The Welsh Government already publishes its funding rates. For non-degree apprenticeships from August 2021, we are introducing a new programme-based approach to funding based on 15 new funding bands, this follows a review of the funding model for apprenticeship delivery, which took place between 2017 and 2019. The invitation to tender includes details of the new funding bands for apprenticeship frameworks which are currently delivered, including higher apprenticeship frameworks in ICT and Engineering. We will publish further information about the funding methodology once the tender process is concluded. This will likely take the form of a pricing document, which will be published in advance of the 2021/22 contract year. The pricing document will include details of the funding and payment

methodology as information about the process for setting new funding rates when new frameworks are published.

Financial Implications – None.

Recommendation 8. The Welsh Government should develop and utilise a costing model that is consistent for all apprenticeship provision from foundation to degree apprenticeships and which reflects variations in the costs of delivery across different levels and subjects.

Response: Accept in principle

As outlined in the response to the above recommendation, we have recently reviewed our approach and will publish new funding rates for the non-degree parts of the programme.

Degree apprenticeships have at their centre an employer focussed higher education qualification. The approach to funding of degree apprenticeships is aligned with tuition fees for full time undergraduates². The evaluation will investigate cost benefit models, and we will give due consideration as to whether any changes are feasible or desirable when we consider the report's findings.

Financial Implications – None.

Recommendation 9. The Welsh Government must develop or commission a strategy for widening access to degree apprenticeships for under-represented groups

Response: Accept

A priority for degree apprenticeships is that individuals from under-represented groups (in higher education, apprenticeships and the occupations at which degree apprenticeships are aimed) are supported to undertake degree apprenticeships.

HEFCW has robust processes in place to ensure that widening access is a central theme of the degree apprenticeship programme.

The evaluation will assess performance against priorities and make recommendations for improvements.

Financial Implications –Budget implications will be considered as a part of the development of the strategy.

Recommendation 10. The Welsh Government should set out how it will a) address concerns about ensuring degree apprenticeships fully consider the

² [response-to-the-recommendations-from-the-review-of-student-support-and-higher-education-funding-in-wales.pdf \(gov.wales\)](https://gov.wales/response-to-the-recommendations-from-the-review-of-student-support-and-higher-education-funding-in-wales.pdf)

Welsh language and bilingualism, and b) collect adequate data about degree apprenticeships completed in the medium of Welsh

Response: Accept

A further priority for degree apprenticeships is that delivery of Welsh language provision is enabled through the programme. HEFCW has robust processes in place to ensure that the programme delivers on this requirement. The evaluation will provide recommendations on whether and how well the programme is delivering on its Welsh Language objectives, and make recommendations for improvements.

Financial Implications – Budget implications will be considered as a part of the development of the strategy.

Recommendation 11. The Welsh Government should develop a strategy for promoting degree apprenticeships that includes outreach to teachers and schools on the opportunities offered by degree apprenticeships, and also ensure that careers information and guidance includes degree apprenticeships

Response: Accept

Degree apprenticeships have featured in the Welsh Government's marketing and communications activities. Once decisions on future development have been made, a marketing and communications strategy will be developed.

Financial Implications – None. Any additional costs will be drawn from existing programme budgets.

Recommendation 12. The Welsh Government should introduce a degree apprenticeships certificate, issued by Apprenticeship Certification Wales, which would ensure that claims to a degree apprenticeship have met all the on and off-the-job training and academic requirements. It should complement the institution's own degree certificate.

Response: Accept in principle

We will give this recommendation consideration following the evaluation. The degree qualification is an integrated qualification and as such includes all the elements, which make up the apprenticeship. There is merit in Apprenticeship Certification Wales issuing a certificate and consideration will be given to the costs and added value of this.

Financial Implications – None. Any potential future costs of certification will be considered in terms of value for money and benefits.