

[National Assembly for Wales](#)
[Enterprise and Business Committee](#)
[Discussion on the Welsh Government's Co-investment in Skills Framework](#)

Evidence from The Open University in Wales – CIS 04



Open University in Wales - Response to the Enterprise and Business Committee discussion on the Welsh Government's Co-investment in Skills Framework

About The Open University in Wales

1. The Open University (OU) was established in 1969, with its first students enrolling in 1971. It is a world-leader in providing innovative and flexible distance learning opportunities at higher education (HE) level. It is open to people, places, methods and ideas. It promotes educational opportunity and social justice by providing high-quality university education to all who wish to realise their ambitions and fulfil their potential.
2. Around 8,000 students across Wales are currently studying with The Open University, enrolled on over 10,000 modules. There are OU students in every National Assembly for Wales constituency and we are the nation's leading provider of part-time higher education. Almost three out of four Open University students are in employment while they study and with an open admissions policy, no qualifications are necessary to study at degree level. Over a third of our undergraduate students in Wales join us without standard university entry level qualifications.
3. In 2014, for the tenth successive year, The Open University was at the top of the National Student Survey in Wales for 'overall student satisfaction'. As a world leader in educational technology, our vast 'open content' portfolio includes free study units on the free online learning platform [OpenLearn](#) (including many Wales-related materials and our Welsh Language platform [OpenLearn Cymru](#)) and substantial content on YouTube and on iTunes U where we have recorded over 67 million downloads.

Comments to inform the committee's discussion

4. The OU in Wales is pleased to have the opportunity to feed into the Enterprise and Business Committee's discussion on the Welsh Government's Co-investment in Skills Framework. Below we offer comments which we hope will be useful to the committee based on our experience of working with students and employers across Wales.
5. The OU works with employers across Wales in developing their existing workforce to meet current and future higher level skills requirements. The OU development pathways in social work and health care enable many hundreds of non-traditional learners to achieve university qualifications as well as meeting employer / service needs. In the private sector OU programmes support Science, Technology, Engineering and Maths (STEM) workforce development – particularly amongst females – as well as delivering generic business and management up-skilling. The OU works with all Health Boards, most local authorities and hundreds of private sector employers – including Anchor Companies such as EADS/Airbus, TATA Steel,

Admiral Insurance and General Dynamics UK. The OU's unique partnership with the Wales TUC and affiliated unions has engaged with the network of Union Learning Representatives across Wales in support of higher skills development. This innovative partnership working has been nationally recognised for widening access in the workplace.

6. The co-investment approach set out in the framework has some parallels with current OU practice where employers pay tuition fees to support development of their staff, but at a level of around 25% of costs met by employers and/or individual via fees and 75% via Welsh Government funding. This level of co-investment appears to be a sustainable approach. Any proposals for a higher level of contribution from employers could be demanding in what continue to be difficult economic times. It is also worth noting that EU convergence has significantly depleted the willingness of private sector employers to co-invest in skills development, with 'free' programmes offered by a range of providers including HE, FE and WG funded work based learning programmes.
7. The Open University in Wales is keen to ensure that skills strategies and the framework for co-investment take account of the skills needs of all sectors of the population and enable the up-skilling of older workers as well as those just starting their careers. It is also important to ensure that any strategies and frameworks enable part-time workers, particularly those in low-paid employment, to benefit from co-investment and the skills development agenda.
8. We welcome the principle of co-investment and believe that it has the potential to impact positively on employees and employers in Wales. There is an important role for vocational education and training in the delivery of higher level skills and the intention for this to be taken forward as a partnership between government and employers is to be welcomed. It is important to ensure that the cost of part-time flexible learning remains affordable to ensure that this provision is accessible for those supported via co-investment and those wishing to fund themselves. With this in mind funding arrangements that enable institutions to keep their fees for part-time courses low need to be protected. In the current economic climate it seems that a 25:75 employer:Government funding ratio may be more effective than a 50:50 ratio.
9. In July 2009, the Scottish Funding Council (SFC) committed around £2.9 million in funding to 12 'action research' projects aimed at exploring the role that universities and colleges might potentially play in improving skills utilisation in the workplace. An interim evaluation of this project was undertaken by Cardiff University and may be of interest. It can be found at:
<http://www.labwales.org.uk/socsi/research/researchcentres/skope/publications/researchpapers/RP101.pdf>
10. This case study (<http://www.enhancementthemes.ac.uk/pages/docdetail/docs/case-studies/learning-from-two-skills-utilisation-projects-he-skills-and-graduateness>) taken from the 'Graduates for the 21st Century' Enhancement Theme concerns the Open University's engagement in two skills utilisation projects funded by the Scottish Funding Council. One project is concerned with providing progression routes to BEng and beyond for engineering workers who have typically entered the industry through an apprenticeship route. The other is to help care workers achieve a leadership and management module which is becoming mandatory for staff in care homes who take up a supervisory grade. The projects are different in as much as one focuses on progress towards a qualification while the other is quite closely tied through regulation to a single episode of HE study. Both groups, however, tend to have a

considerable level of technical skill in their work context and also work in environments where team working and communication are critical.

11. As per our comments in bullet point 8, we believe that it is essential that fees for part-time flexible courses remain affordable. It is also important that any pricing structure is transparent and consistent enabling comparisons and choices to be made. The relatively recent introduction of loans for part-time students this year may also have a role to play here.
12. One of the risks within the skills development agenda is the potential lack of engagement from employers due to lack of capacity to engage or the cost. It will be important to ensure that employers are encouraged to see how developing their workforce can have a positive impact on their business / organisation and that costs do not prohibit employers in businesses of all sizes from engaging. Early engagement with employers to design the system will be essential. Likewise consultation with learners, employees and learning providers will be helpful in mitigating risks of introducing any new system. Wales has a high proportion of public sector employers so it is important to ensure that in the current economic climate all sectors are able to make the most of the skills development agenda and that co-investment is an affordable option across public and private sectors and for SMEs as well as large businesses.
13. Levies could possibly be used as a last resort in sectors where there is a failure to invest and grow the workforce or where there is a skills shortage that is not being addressed.
14. Co-investment could be waived where there is an emerging market need and / or a shortage of skills at a higher level in a particular sector. The absence of large employers in a sector area can sometimes mean that there is no one to take the lead on skills development therefore in sectors which microbusiness-led then there may be a need to waive co-investment.
15. Our experience suggest that those furthest from education and those with disabilities or caring responsibilities are likely to need more targeted support when accessing education and training and in order to be able to complete their courses. Some examples of the type of support required are set out in our recent report 'Extending Opportunities for Carers'¹ which used our experience of working with carers to identify the additional support they may need to access and stay within education and training. This report should provide a useful outline of the support requirements for carers and other groups.
16. Learners with additional needs should be identified as broadly as possible and supported by their employers to up-skill and develop. This may require the principle of co-investment to be waived in some areas.
17. The skills development agenda is crucial to ensuring the development of a strong Welsh economy. The Open University in Wales believes that it is essential to ensure that as many people as possible are able to benefit from co-investment (employers and employees) and that the focus of this work must not be solely young adults. In order to respond to the changing demographics of Wales we will need to ensure that we can up-skill our older workforce and allow people to re-train or come back into the

¹ 'Extending Opportunities for Carers' Open University in Wales available at <http://www.open.ac.uk/wales/partnerships/working-community/working-carers>

workforce by providing flexible work-based learning opportunities for those in full and part time work.

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