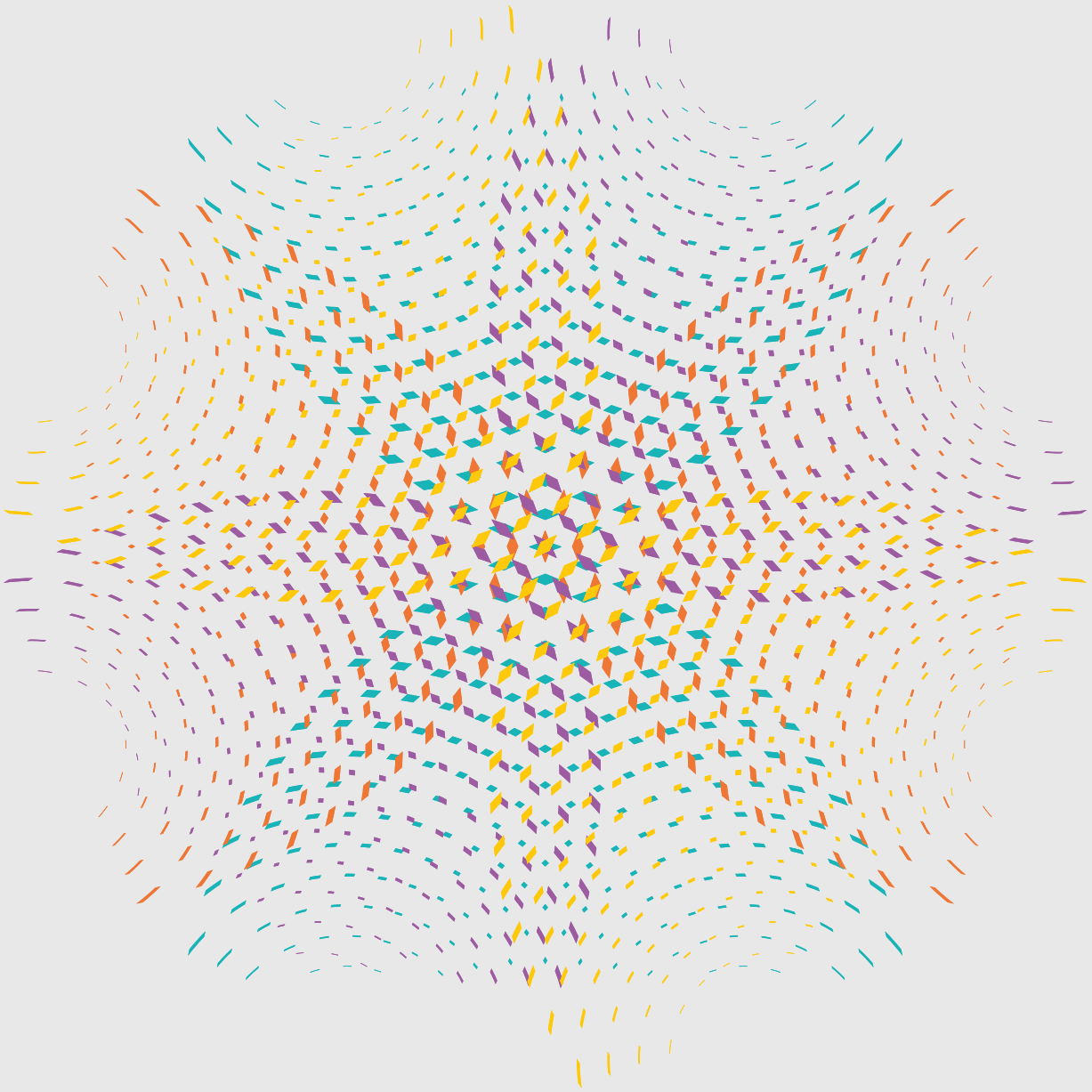
THE FUTURE GROWTH OF DEGREE APPRENTICESHIPS



Universities UK

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EXECUTIVE SUMMARY

Degree apprenticeships provide an exciting development in vocational higher education and a new opportunity for universities. Universities UK (UUK) commissioned CFE Research to identify lessons and key challenges from universities involved to date and make recommendations to help ensure the future successful development of degree apprenticeships. This summary provides an outline of the findings of the research.

Key features of the degree apprenticeship

- Degree apprenticeships combine university study and workplace learning to enable apprentices to gain a full bachelor's or master's degree.
- An apprentice has full-time employment status rather than student status, and receives at least an apprentice's minimum wage.
- Degree apprenticeships are co-designed by employers ensuring that apprentices are equipped with the skills employers need and boost their employment prospects.
- Degree apprentices do not pay for training costs or student fees and are not eligible for student loans.
- Under the current funding model (for 2014–15 and 2015–16) two-thirds of the cost of degree apprenticeships is contributed by the government (up to a capped amount) and the remaining third by the employer.
- From September 2015, places on the first degree apprenticeships became available in four key industries: digital; automotive engineering; banking relationship manager; and construction.
- Degree apprenticeships in a further nine industrial areas were also announced: chartered surveying; electronic systems engineering; aerospace engineering; aerospace software development; defence systems engineering; laboratory science; nuclear; power systems; and public relations.

Degree apprenticeships are co-designed by employers ensuring that apprentices are equipped with the skills employers need.

Why universities should develop degree apprenticeships

- Apprenticeships are a **central part of current government policy.** Universities included in this research want to position themselves at the forefront of this new agenda. Degree apprenticeships are too important for many universities to ignore.
- They provide an **important income stream** for universities and a new business opportunity.
- They can be particularly **attractive to non-traditional students**, thus providing an opportunity for degree apprenticeships to support widening participation goals.

- They offer a way for universities to **diversify their offer** and develop alternatives to traditional full-time on-campus study (such as online, distance, weekend and blended learning).
- **Degree apprentices are likely to be highly employable,** having benefited from studying a course tailored to sector needs, and several years of workplace experience.
- They can **help develop employer relationships** by providing the opportunity for universities to establish new and long-lasting relationships with employers, to build on existing and successful collaborations and to complement the ways in which employers recruit graduates.

Lessons and challenges

The report identifies a number of practical lessons, challenges and ongoing concerns with developing degree apprenticeships. Universities highlight the following activities as important for creating successful degree apprenticeships:

Degree apprenticeships provide the opportunity for universities to establish new and long-lasting relationships with employers.

- **Align the development of degree apprenticeships with the university's mission and values**. The degree apprenticeship is most likely to be a success if it contributes to strategic priorities or objectives.
- Getting the degree apprenticeship off the ground is much easier if **senior management and academic staff buy into the product**, can see its benefits and understand how it links to the institution's priorities.
- **Engage employers early in the process**, ensuring that their needs and requirements are fully understood. Employers are unlikely to make a major investment in a new programme unless it addresses their needs.
- **Understand what the demand for a degree apprenticeship looks like** through use of national and local information on priority sectors, skills shortages and labour market trends. Engage with strategically important employers and work closely with local enterprise partnerships (LEPs) and other stakeholders (such as local authorities).
- **Deliver courses in a flexible way that meets employer needs.** This may mean delivering the same qualification by different methods for different employers.
- **Consider how best to coordinate degree apprenticeship** activity across your institution, with particular attention paid to staffing structures and knowledge sharing.
- There is a clear role for universities to **help make employers and learners aware of degree apprenticeships** and to assist in providing information, advice and guidance.

Support needed by universities

- **Universities need clearer information on degree apprenticeships policy and associated administrative processes.** Universities need to be integrated into the design of the new digital voucher system from the start.
- **Processes need to fit the degree apprenticeships model**. Universities state that the administrative procedures have proved bureaucratic and burdensome. There remain many uncertainties around quality assurance and providing data returns.
- **Universities would welcome opportunities for learning and networking**: at a national level for sharing good practice, and at a local level to help develop provision where there is only a small cohort of potential apprentices for a particular occupation.

Recommendations

The report also presents advice and recommendations to help ensure the successful future growth of degree apprentices.

FOR UNIVERSITIES

- Build a strong strategic business case for developing degree apprenticeships.
- Engage employers early in the design process.
- Build on existing employer relationships.
- Raise awareness of the benefits of degree apprenticeships among senior managers and across academic departments.
- Bring academics and employers together; be clear about the expertise that both bring.
- Consider delivery mechanisms carefully; ensure they are relevant for employers and learners.
- Consider how best to coordinate degree apprenticeship activity across your institution.
- Share good practice with other universities and engage with national bodies such as UVAC and UUK to inform and develop policy.
- Talk to local further education colleges; they have a wealth of experience in delivering apprenticeships.
- Work with schools and colleges to promote the benefits of degree apprenticeships to learners and parents.

FOR GOVERNMENT

- Ensure degree apprenticeships are an integral part of the wider apprenticeship system.
- Make clear, timely and succinct guidance available to universities and employers about degree apprenticeship policy and processes, including future direction of travel.
- Equip universities with the resources to promote degree apprenticeships, within institutions and across employer networks.
- Streamline and simplify application and administrative processes and ensure they are relevant within a higher education context.
- Ensure that universities are involved in any future development of degree apprenticeships
- Promote the benefits of vocational education to learners, parents, schools and other important community figures.

FOR EMPLOYERS

- Understand what the apprenticeship levy will mean for your business and the opportunities it could provide for collaboration with local universities.
- Talk to universities you have a relationship with about what they can offer on degree apprenticeships.
- Work in partnership with universities to develop degree apprenticeship provision that meets your needs.
- Work with other employers to develop sector wide standards.
- Communicate clearly with universities your skills needs and requirements.
- Talk to universities to understand your responsibilities in the development of degree apprenticeships.
- Integrate degree apprenticeships into your wider organisational recruitment and talent development strategies.

1. ABOUT DEGREE APPRENTICESHIPS

> Our goal is for it to become the norm for young people to go into an Apprenticeship or to university or – in the case of some Higher Apprenticeships – do both.[1]
>
> **Foreword to the Apprenticeships Implementation Plan for England**

Degree apprenticeships are a new way to 'do both'. They provide an exciting development in vocational higher education and a new opportunity for universities. Universities UK (UUK) commissioned CFE Research to undertake a short study to explore progress in developing degree apprenticeships, identify lessons and key challenges and make recommendations to help ensure the future successful development of degree apprenticeships. This report identifies what factors are important for universities in realising the potential growth and impact of degree apprenticeships.

Degree apprenticeships are a new way to 'do both'. They provide an exciting development in vocational higher education and a new opportunity for universities.

This report is based on a combination of primary and secondary research. It includes a review of evidence on skills, employment and vocational education, including government documentation and industry reports. It is also based on telephone interviews with people from the higher education sector. We spoke to 20 universities who have registered an interest in developing degree apprenticeships and representatives from six stakeholder organisations. See annexes one and two for details of organisations consulted.

1.1 Policy background

> Degree apprenticeships will give people a great head start, combining a full degree with the real practical skills gained in work and the financial security of a regular pay packet. They will bring the world of business and the world of education closer together, and let us build the high-level technical skills needed for the jobs of the future. I want to see many more businesses and universities begin to offer them.[2]
>
> **David Cameron at the roll-out of 9 new industry-designed degree apprenticeships**

Raising productivity forms a key part of current government policy. The productivity plan *Fixing the foundations: creating a more prosperous nation*[3] makes the case that productivity is important for growth and as a determinant of living standards, yet UK productivity

1 BIS (2013) *The Future of Apprenticeships in England: Implementation Plan* www.gov.uk/government/uploads/system/uploads/attachment_data/file/253073/bis-13-1175-future-of-apprenticeships-in-england-implementation-plan.pdf

2 www.gov.uk/government/news/government-rolls-out-flagship-degree-apprenticeships

3 HM Treasury (2015) *Fixing the foundations: creating a more prosperous nation* www.gov.uk/government/uploads/system/uploads/attachment_data/file/443898/Productivity_Plan_web.pdf

has tended to lag behind other major economies. Creating a highly skilled workforce, with employers in the driving seat is a key part of the plan.

There is a wealth of evidence indicating unmet demands for skills in the UK across a range of industries. In engineering, for example, the Institute for Engineering and Technology survey of 2015 finds that 'more than half of employers surveyed say that recruits don't reach the expected standard and nearly two-thirds think skills gaps are a threat to their business'.[4] Similarly, Engineering UK agrees that 'the rate of change in the growth of supply is far too slow to meet the forecast UK demand for engineering skills'.[5] In arguing the case for an apprenticeship levy, Alison Wolf identified that in the UK 'engineering companies are desperate for skilled workers, and construction companies can only operate because of large-scale immigration from other parts of the EU.'[6]

The UK Commission for Employment and Skills (UKCES) Employer Skills Survey 2015 finds that when some employers are faced with applicants who lack the requisite skills, they leave the post unfilled. Other employers choose to recruit someone who is insufficiently skilled. The result is a mixture of skills gaps and unfilled vacancies.[7] Similarly, research conducted by UUK highlights the demand from employers for both technical and professional qualifications, and graduates.[8]

Engineering UK agrees that 'the rate of change in the growth of supply is far too slow to meet the forecast UK demand for engineering skills.'

The Conservative Party manifesto pledged to create 3 million new apprenticeships in England by 2020.[9] The Conservative government reiterated this commitment by stating that it would be 'enshrined in law' and that the term 'apprenticeship' would be 'protected in law'.[10] The government's current approach to apprenticeship reform is based on three key components:

4 Institute of Engineering and Technology (2015) Skills & Demand in Industry 2015 Survey http://engineering-jobs.theiet.org/staticpages/10283/iet-skills-and-demand-in-industry-survey

5 Engineering UK (2015) *Engineering UK Report 2015* www.engineeringuk.com/Research/Engineering_UK_Report_2015

6 Wolf A (2015) *Fixing a Broken Training System: The case for an apprenticeship levy*. Social Market Foundation www.smf.co.uk/wp-content/uploads/2015/07/Social-Market-Foundation-Publication-Alison-Wolf-Fixing-A-Broken-Training-System-The-Case-For-An-Apprenticeship-Levy.pdf

7 UKCES – Employer Skills Survey 2015*:* UK Results. www.gov.uk/government/publications/ukces-employer-skills-survey-2015-uk-report

8 UUK (2015) *Supply and demand for higher level skills* www.universitiesuk.ac.uk/highereducation/Documents/2015/SupplyAndDemandForHigherLevelSkills.pdf

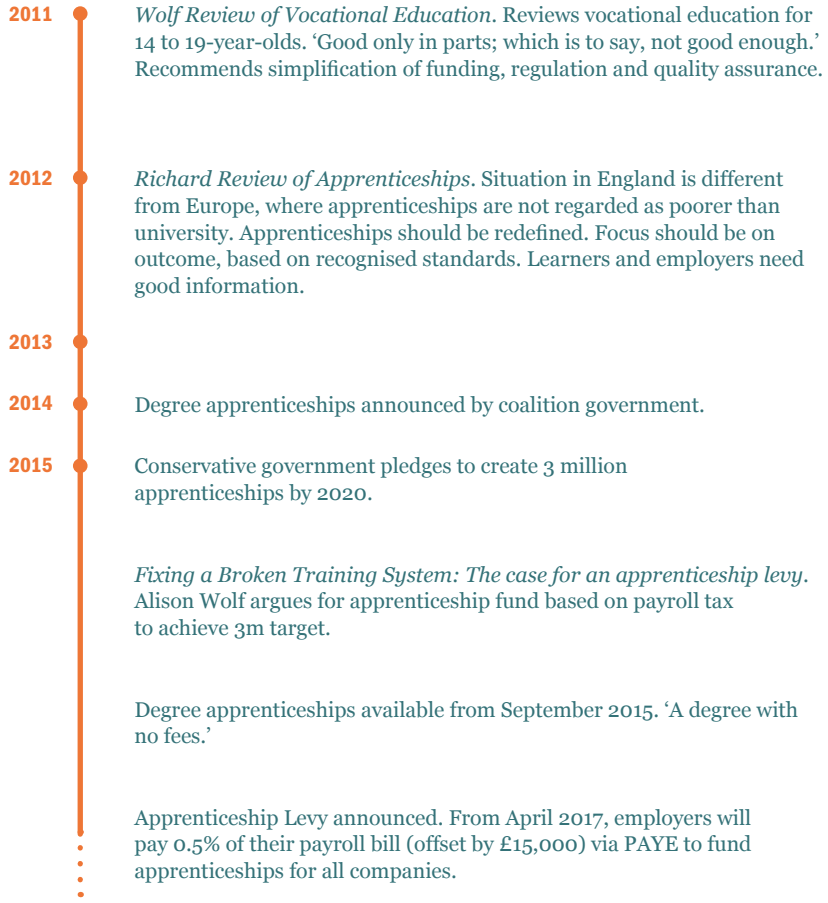
9 https://s3-eu-west-1.amazonaws.com/manifesto2015/ConservativeManifesto2015.pdf

10 www.gov.uk/government/news/government-kick-starts-plans-to-reach-3-million-apprenticeships

- developing new standards (replacing the old frameworks), which is being done via Trailblazers
- ensuring independent assessment based on apprentices' application of skills and knowledge
- creating a more demand-led system in which employers have more say in choosing providers and greater incentives to invest in workplace training[11]

As part of this programme of reform, degree apprenticeships were announced in November 2014. In March 2015 the coalition government announced nine new industry-designed degree apprenticeships.[12] Figure 1 summarises recent policy developments leading to the creation of degree apprenticeships.

FIGURE 1:
Timeline of policy relating to degree apprenticeships in England



11 BIS (2015) *A dual mandate for adult vocational education: A consultation paper* www.gov.uk/government/uploads/system/uploads/attachment_data/file/427342/bis-15-145-A-dual-mandate-for-adult-vocational-education.pdf

12 www.gov.uk/government/news/government-rolls-out-flagship-degree-apprenticeships

1.2 What are degree apprenticeships?

An apprenticeship is first and foremost a job with substantial training and the development of transferable skills.[13]

Degree apprenticeships combine university study and workplace learning to enable apprentices to gain a full bachelor's or master's degree. An apprentice has full-time employment status rather than student status, and receives at least an apprentice's minimum wage.

Degree apprenticeships combine university study and workplace learning to enable apprentices to gain a full bachelor's or master's degree.

A key feature of degree apprenticeships is that they are co-designed by employers. This is intended to ensure that apprentices are equipped with the skills employers need, and to boost their employment prospects. The current number of degree apprentices is relatively low, but in a short space of time forty universities will deliver – or are committed to deliver – an estimated 1,500–2,000 starts for 2016. With the number of starts on higher apprenticeships having risen rapidly (more than doubling between 2013–14 and 2014–15) there is clearly a demand for growth.

From September 2015, places on the first degree apprenticeships became available in four key industries: digital; automotive engineering; banking relationship manager; and construction. Degree apprenticeships in a further nine industrial areas were also announced: chartered surveying; electronic systems engineering; aerospace engineering; aerospace software development; defence systems engineering; laboratory science; nuclear; power systems; and public relations.

As with other apprenticeships, apprentices themselves do not pay for training costs or student fees. Degree apprenticeships are not eligible for student loans. Under the current funding model (for 2014–15 and 2015–16), two-thirds of the cost of degree apprenticeships is contributed by the government (up to a capped amount) and the remaining third by the employer. There are also incentive payments available for employers for taking on a 16 to 18-year-old, for small businesses and for successful completion.[14] However, degree apprenticeships are particularly targeted at 18 to 19-year-old school leavers.[15]

13 Skills Funding Agency (2015) *Higher Apprenticeship and Degree Apprenticeship: Higher Education Fact Sheet* www.gov.uk/government/uploads/system/uploads/attachment_data/file/412019/Higher_Apprenticeship_and_Degree_Apprenticeship_Delivery_from_April_2015_to_April_2016.pdf

14 Skills Funding Agency (2015) *Higher Apprenticeship and Degree Apprenticeship Delivery Higher Education Institutions Fact Sheet* www.gov.uk/government/uploads/system/uploads/attachment_data/file/412019/Higher_Apprenticeship_and_Degree_Apprenticeship_Delivery_from_April_2015_to_April_2016.pdf

15 UVAC (2015) *Apprenticeship, Higher Apprenticeship and Degree Apprenticeship: A Guide for HEIs* www.uvac.ac.uk/wp-content/uploads//2015/03/UVAC-Apprenticeship-Guide-12th-March-2015.pdf

While degree apprenticeships may be new, higher level study with a vocational focus and workplace learning is not. Table 1 summarises other forms of higher education provision that have similarities with degree apprenticeships. Most of these qualifications are designed with input from employers. Not included in this table are degrees that have no workplace learning component but which have been co-designed with employers in order to meet skills demands in specific sectors. The case study opposite provides an example of a degree apprenticeship currently available.

TABLE 1:
Comparison of higher level workplace learning options

	DEGREE APPRENTICESHIP	HIGHER APPRENTICESHIP	FOUNDATION DEGREE	SANDWICH DEGREE	COMPANY SPONSORED DEGREE
RQF/QCF LEVEL(S)	6–7	4–7	5	6	5–6
DURATION (FT)	1–5 years	1–5 years	2 years	4 years	3 years
FUNDING	Employer/ government	Employer/ government	Student (eligible for student loan)	Student (eligible for student loan)	Employer
TUITION FEES	None	None	£3,500–£9,000 per year	£3,500–£9,000 per year	Dependent on the company sponsoring the degree
EMPLOYMENT STATUS OF LEARNER	Employed throughout	Employed throughout	Incorporates workplace learning – may or may not be in employment	Employed during sandwich placement	Varies
SALARY	At least national minimum apprenticeship wage	At least national minimum apprenticeship wage	Depends on employment status	Dependent on degree placement	Salary or apprenticeship wage dependent on nature of relationship
TYPICAL STUDY MODE	Part-time	Part-time	Full-time/ part-time	Full-time/ part-time	Full-time

CASE STUDY: ASTON UNIVERSITY

Aston University is working in strategic partnership with Capgemini to deliver degree apprenticeships. The programme in digital and technology solutions was developed to help address acute skills shortages in the UK IT industry. Capgemini is a major national employer with offices in Birmingham and the West Midlands. Like many other large IT companies, they are experiencing a worsening skills shortage as experienced staff retire. They recruit around 120 graduates in software engineering each year but need more.

Degree apprenticeships are also helping to increase Aston's student recruitment, with a particular focus on widening participation in higher education. The degree apprenticeship integrates learning with a real employment context. This model is attractive to many students, particularly those from low-income backgrounds, as they can study while employed in their chosen industry and do not pay fees.

Apprentices on the course develop applied competence in the interpretation and application of IT, business awareness and an understanding of the theoretical and conceptual issues central to the practice of technology solutions. The course lasts four and a half years and has exactly the same status as Aston's traditional on-campus degrees.

The degree apprenticeship begins with a seven-week technical training block held on campus, delivering core computing and business skills to enable apprentices to become an effective team member in the workplace. Following this the remainder of the programme is delivered through blended learning. Most teaching is delivered through a virtual learning environment. Online tutorials typically take place out of office hours through online video conferencing. In this way teaching is delivered to students who are working on a client site, have irregular working patterns, and are dispersed across the country (and, potentially, in different time zones). Each six-month block of modules requires attendance at four on-campus teaching days (which may include weekends) and an additional two days for examinations.

Students are recruited jointly by Aston University and an employer, like Capgemini. Applicants must have at least grade C GCSE maths and English to be eligible to apply. All applicants are required to pass an online strength-based assessment in order to be invited to an assessment centre for further tests and interview.

2. WHY DEVELOP DEGREE APPRENTICESHIPS?

Employers play a central role in the design and delivery of apprenticeships. New apprenticeship policy[16] means that standards and assessment are primarily designed by employers. Employers use their purchasing power to ensure their apprentices get the knowledge and skills they need. Degree apprenticeships meet the demand for higher level skills and provide progression routes for those who have completed an apprenticeship at a lower level and wish to go further. It is also suggested that apprenticeships may help to develop greater employee loyalty.

> By working more closely with LSBU [London South Bank University], we feel we can better influence the syllabus and draw on the University's experience to develop our youngsters. There is a move towards ensuring that courses and work experience are better integrated, so that learning is more joined up, and LSBU seem keen to help out in this respect.[17]
> **Troup, Bywaters + Anders**

Degree apprenticeships may help to develop greater employee loyalty.

For learners, degree apprenticeships can be an attractive proposition because they are more likely to gain the critical skills valued by employers in their chosen career. They are employed throughout and will gain a full bachelor's or master's degree without the usual debt.

> It doesn't get a lot better than being able to gain crucial functional work experience in a full-time paid job whilst having a fully funded university degree programme. [...] It seems to be a common misconception that the only way of achieving a degree is via university and that it isn't possible to earn and learn with a sponsored degree.[18]
> **Harry, Chartered Management degree apprentice**

With these broader benefits for employers and learners in mind, this chapter discusses the benefits of degree apprenticeships to universities and make the case for universities to get involved.

16 BIS (2013) *The Future of Apprenticeships in England: Implementation plan*

17 Employer quote sourced by UUK

18 Learner quote sourced by UUK

Apprenticeships are a central part of current government policy

The universities we spoke to recognise that apprenticeships in general play a significant role in government policy. Degree apprenticeships are no different and universities, rightly, want to position themselves at the forefront of this new agenda. While there is an obvious fit with degree apprenticeship policy for those universities that already have a history of strong vocational education, put simply, degree apprenticeships are too important for many universities to ignore.

> We know that Government is pushing this in a significant way. Taking advice from UVAC, we thought we could be in or out but it would be strategically sensible for us to look into [degree apprenticeships]. You've got to have a good reason for not being in.
> **University interviewee**

Degree apprenticeships could be an important income stream for universities

Universities recognise the new income stream opened by degree apprenticeships. The government's commitment to create 3 million apprenticeships by 2020, alongside new targets for public sector apprenticeships, signals that this is likely to be a growing market.[19] Furthermore, by 2019–20 government spending on apprenticeships is set to be double the level of spending in 2010–11.[20] Many universities view degree apprenticeships as an important new business opportunity.

Put simply, degree apprenticeships are too important for many universities to ignore.

This has been further emphasised by the government's proposed introduction of the apprenticeship levy. In their 2015 Autumn Statement[21] the government announced the apprenticeship levy would be introduced in April 2017 at a rate of 0.5 per cent of an employer's pay-bill. Large employers are therefore compelled to invest in apprenticeships. They will be looking to get best value out of their levy contributions; if universities' vocational provision does not align with employer needs, there is a very real chance that employers will divert their funding elsewhere.

19 Delebarre J (2016) *Apprenticeships Policy, England 2015* House of Commons Briefing Paper Number 03052 http://researchbriefings.files.parliament.uk/documents/SN03052/SN03052.pdf

20 HM Treasury (2015) *Spending Review and Autumn Statement 2015* www.gov.uk/government/topical-events/autumn-statement-and-spending-review-2015

21 HM Treasury (2015) *Spending Review and Autumn Statement 2015*

Degree apprenticeships may help widening participation

Many of the institutions we spoke to recognise that degree apprenticeships may be particularly attractive to non-traditional students, thus providing an opportunity for degree apprenticeships to support widening participation goals. The integration of academic study with work-based training and development means degree apprenticeships are likely to appeal to those who prefer to integrate theory with practice. Some institutions expect to see more mature students engaging through the degree apprenticeship route, including those who have completed more traditional apprenticeships at a lower level but now wish to go further. Higher and degree apprenticeships can also support progression from craft and technical roles into management.

There is a perception that students from disadvantaged backgrounds may be put off studying for a traditional full-time degree by the cost and debt and see employment as a more attractive option. Degree apprenticeships are seen as a way to attract these potential students to higher education.

Degree apprenticeships offer a way for universities to diversify their offer

More generally, universities see that degree apprenticeships offer the opportunity to (further) explore and develop alternatives to traditional full-time on-campus study, such as online, distance, weekend and blended learning. Universities have extensive experience of offering these types of learning opportunities, and are well placed to build on strong existing relationships with employers.[22] Offering a broader range of routes to access and study higher education may be of particular importance given the continuing decrease in the young population predicted up to the end of the decade.[23]

Some institutions spoken to were less inclined to see degree apprenticeships as a way to widen participation. Rather, they expected to see some traditional students move across, enticed by the opportunity of gaining a debt-free degree, with significantly increased employability skills.

22 UKCES and UUK (2014) *Forging Futures: Building Higher Level Skills through University and Employer Collaboration* www.universitiesuk.ac.uk/highereducation/Documents/2014/ForgingFutures.pdf

23 UUK (2014) *Trends in undergraduate recruitment* www.universitiesuk.ac.uk/highereducation/Documents/2014/TrendsInUndergraduateRecruitment.pdf

> When we started the programme we had students who would not have traditionally considered going to university. Now we also have academic students who are thinking to themselves 'I don't have to pay my fees, and I'm going to earn money, and my employability is going to increase'. So the variety of students who are interested is broadening.
> **University interviewee**

Degree apprenticeships have employability at their core

In the context of an increasingly marketised higher education system, employability is a key concern. The employment rate of leavers from higher education is one of the Higher Education Statistics Agency's (HESA) UK higher education performance indicators[24] and features prominently on the Unistats website[25] to support student decision-making. Degree apprentices are likely to be highly employable, having benefited from studying a course tailored to sector needs, and several years of workplace experience.

Degree apprentices are likely to be highly employable, having benefited from studying a course tailored to sector needs, and several years of workplace experience.

One institution highlighted the particular benefits of a degree apprenticeship in providing graduates with a breadth of understanding and experience that allows them to adapt to changes in employer demands and the labour market:

> We're not training them for a job, we are educating them for a career. A job is going to change … Because say, in computing, in ten years' time, there will be a whole load of jobs that I have no idea what they are. But we want our graduates to be able to move into those jobs.
> **University interviewee**

This exemplifies the importance of universities in delivering degree apprenticeships. For institutions with a focus on embedding employability in degree courses, or with a strategic goal to enhance employability, it is clear that degree apprenticeships offer another way to do this.

Degree apprenticeships can help develop employer relationships

Employer engagement is at the heart of offering successful degree apprenticeships. Degree apprenticeships offer the opportunity for universities to establish new and long-lasting relationships with employers, to build on existing and successful collaborations and even to complement the ways in which employers recruit graduates

24 HESA UK Performance Indicators in Higher Education Available at: www.hesa.ac.uk/pis [Accessed 16 February 2016]

25 https://unistats.direct.gov.uk

in the first instance. Institutions recognise the potential for positive relationships to develop and open-up other avenues for collaboration, such as research.

> Degree apprenticeships provide an opportunity to cement our employer relationships and show a clear and very tangible commitment to business growth and [...] apprenticeship employability. There is nothing better for employers than having staff exposed to an experiential learning cycle: you learn, you do, you apply, and you reinforce your knowledge. Here they can do this simultaneously with employment.
> **University interviewee**

> Designing the Chartered Management Degree Apprenticeships in collaboration with Sheffield Hallam has allowed us to [...] address specific higher level skills gaps [...] [which] is key for increasing productivity and performance going forward.
> **Tom Banham, Head of Academy Talent Acquisition at Nestlé**

Institutions developing degree apprenticeships are working closely with local businesses – from large multi-nationals to local small and medium-sized enterprises (SMEs) – and other stakeholders such as Local Economic Partnerships (LEPs) to address local skills issues. There has been growing emphasis in recent years among some universities on contributing to local economic growth and acting as 'anchor institutions' – social institutions embedded in the local community playing a key role in supporting economic activity.[26] Degree apprenticeships can help institutions to position themselves as anchor institutions and as key players in supporting local economic growth.

26 Smallbone D, Kitching J, Blackburn R, Mosavi S (2015) *Anchor institutions and small firms in the UK* UKCES www.gov.uk/government/uploads/system/uploads/attachment_data/file/414390/Anchor_institutions_and_small_firms.pdf

3. DEVELOPING DEGREE APPRENTICESHIPS: LESSONS AND CHALLENGES

Our interviewees identified a number of practical lessons, challenges and ongoing concerns with developing degree apprenticeships. We explore these, along with their advice for success here.

3.1 Lessons for universities

Align the development of degree apprenticeships with the university's mission and values

Any new product or service developed by universities must fit comfortably within the context of the institution's mission and values. Whether a university's core values focus on promoting widening participation, addressing local and regional economic needs, or vocational training and employability, the degree apprenticeship is most likely to be a success if it maps against specific strategic priorities or objectives.

The degree apprenticeship is most likely to be a success if it maps against specific strategic priorities or objectives.

> If I am [x] university, and I've got a successful [training centre] with a civic connection to my city, and there is a skills shortage in that area I have expertise in, then that is a really good business case for degree apprenticeships.
> **Stakeholder organisation interviewee**

Get senior management and academic staff buy-in when developing degree apprenticeships

Alongside universities' more general strategic priorities, individual support for degree apprenticeships should be identified across a number of different departmental areas. The universities we spoke to stated that getting the degree apprenticeship off the ground is much easier if:

- *Senior management* buy into the product, can see its link to wider university objectives, and see that it provides additional value to the institution's range of existing products or services.
- *Academic staff* see the benefits of applying the degree apprenticeship model to their areas of expertise.
- *Academic partnership and business development staff* are well supported and encouraged to build degree apprenticeship programmes around employer requirements.

Engage employers early in the process

Understanding employer needs is key to the successful development of degree apprenticeships as they will drive the demand. Early in any planning process, the needs and requirements of employers should be explored and dialogue begun. Employers are unlikely to make a major investment in a new programme unless it addresses their needs.

Understanding employer needs is key to the successful development of degree apprenticeships.

> There needs to be much more understanding [of employer needs from universities] first. Rather than 'are you interested in buying training off us?' [...] It's about understanding what the employer's pain is [...] and what model will fix that pain.
> **Stakeholder organisation interviewee**

Universities and stakeholders' tips for successful employer engagement on degree apprenticeships are summarised in the box below.

DEVELOPING EMPLOYER PARTNERSHIPS

- Start to work, initially, with employers you already know well – for example through existing collaborations, research or community projects. These will offer the best opportunity to get a new degree apprenticeship off the ground in the short term.
- Focus on identifying and addressing business critical skills needs rather than 'nice to haves'.
- A genuine partnership is needed, where both parties recognise each other's contribution. Employers are experts in their business needs; institutions bring expertise in teaching methods and curriculum design.
- Bring employers together when developing partnerships.
- Regular communication between employers and universities is important for building a common understanding of each organisation's priorities, goals and requirements.
- Inform and support employers to help their understanding of degree apprenticeships grow.
- Be flexible in delivering solutions that meet employer needs.
- Consider how intermediaries, such as the local chamber of commerce or LEP groups might be able to help you make links with employers.
- Invest time in building strong employer relationships and do not underestimate how long it will take to move from planning to implementation.

Explore the likely demand for a degree apprenticeship

Having confidence that there is (or will be) sufficient demand from employers is important for institutions developing degree apprenticeships – and a critical mass of learners is often required to make the course viable. There are a range of ways universities can understand likely demand and how this maps to their areas of expertise and current portfolio of subjects:

- Make use of national and local information on priority sectors, skills shortages, labour market trends and growth industries.
- Identify strategically important employers.
- Engage with local enterprise partnerships (LEPs) and other strategic stakeholders (such as local authorities) as a potential key source of information on skills gaps and likely demand.

Some universities are concerned that employers with particularly niche requirements may not have sufficient numbers of apprentices to make a viable cohort. Similarly, universities in areas where SMEs predominate may find establishing communication and addressing employer needs more of a challenge. Furthermore, SMEs will not be required to contribute to the apprenticeship levy. There are opportunities, however.

Where SMEs are part of a supply chain, there may be opportunities for them to access degree apprenticeships that have been developed by the larger businesses they support. Distance and online provision also provide ways to reach out to employers that might be spread over larger geographic distances or have specialist occupational needs. Interviewees have suggested that building national networks of employers and universities delivering similar curricula would be beneficial for promoting good practice and knowledge exchange.

Make it easy for employers

Universities will need to be flexible in delivering courses to meet employer needs. Different sectors, employers and occupations may require different study modes. This may mean delivering the same qualification by different methods for different employers. Examples of models of delivery currently being offered or considered include: online or virtual learning; block release; day release; blended learning (combining classroom and digital methods); and learner cohorts that include apprentices as well as other student types.

To meet this varied demand, universities are also offering a combination of closed courses (for learners from a single large employer) and open courses (for learners from a variety of different employers). Universities need to consider how they will handle the fact that apprentices are first and foremost employees and that sometimes work commitments will mean they cannot attend lectures. Working with a range of organisations, such as university technical colleges,

and further education colleges may also help identify appropriate learning methods, and provide additional support with aspects of delivery. Degree apprenticeships provide the next level of progression for apprentices. Collaborative working between universities and further education colleges, for example, that provide courses at different levels for the same occupation area means employers can access a comprehensive progression framework for their staff.

While employers are the key customers for apprenticeships, it is clear that the offer is also an attractive one for potential learners. There are likely to be people actively looking to do a degree apprenticeship. Universities could therefore play a useful role in supporting employers to recruit their degree apprentices.

Consider how best to coordinate degree apprenticeships

Coordinating degree apprenticeships activity across faculties and departments means learning can be shared, synergies exploited and processes streamlined. Universities are investing considerable time and resources into developing degree apprenticeships at a time when there is considerable uncertainty about funding, delivery requirements and longer-term policy. Universities are using different staffing structures to develop and coordinate their degree apprenticeship offer, often using one or more of the following approaches:

While employers are the key customers for apprenticeships, it is clear that the offer is also an attractive one for potential learners.

- Dedicated staff to coordinate implementation and address administrative processes (funding applications, quality assurance requirements, and data return requirements, for example).
- Dedicated staff to build business collaboration and liaison – in effect, an industry account manager role.
- Internal knowledge sharing networks across departments delivering degree apprenticeships.
- Exploring capital build projects provide a dedicated physical space for degree apprenticeship delivery.

The case study opposite provides an example of how one institution has approached the coordination of degree apprenticeships and employer engagement more widely.

Help make the case to employers and learners

Awareness of degree apprenticeships among employers is generally perceived by universities to be low. There is, therefore, a role for universities to educate employers about the opportunities that degree apprenticeships offer, particularly in light of the forthcoming levy. Government should aim to support universities in becoming ambassadors for degree apprenticeships and the wider apprenticeship programme.

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 would be helpful in supporting university and other stakeholder activity in this respect.[27]

CASE STUDY: SHEFFIELD HALLAM UNIVERSITY

Sheffield Hallam has delivered extensive higher and vocational programmes in collaboration with employers such as JCB, Barratt Homes, Balfour Beatty and Nestlé, for some time now, in particular in the areas of business management, facilities management, construction and engineering.

Previously such provision tended to be developed by departments separately. In September 2015 a new directorate of Education and Employer Partnerships was launched to provide an institutional view of higher level skills. The new directorate aims to respond in a more coordinated way to opportunities, bringing together opportunities available across the university's four faculties, such as degree apprenticeships. The directorate is responsible for:

- higher education partnerships in the UK (including with further education colleges) as well as transnational educational partnerships
- employer partnerships

The work with employers includes exploring how opportunities for students can be enhanced (for example, through placements and graduate jobs) as well as developing bespoke commercial provision (such as degree apprenticeships).

The university, via the directorate, is represented on the LEP's Skills, Employment and Education Board. They are working with partners towards a more joined-up approach to apprenticeships, which enables people to move through the different levels of apprenticeships with the same company but different education providers. They are also working with further education colleges in the region to explore new opportunities to develop products and programmes that focus on delivering the skills that employers need to support the economic growth of the region.

27 This report acknowledges that a new cross-party parliamentary committee (the sub-committee on Education, Skills and the Economy) has launched an inquiry looking at careers advice, information and guidance. www.parliament.uk/business/committees/committees-a-z/commons-select/education-skills-and-economy/news-parliament-2015/career-advice-evidence-15-16

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 pre-validated 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 some of the higher and degree apprenticeships.

3.2 Key challenges and support required

Universities need clearer information on degree apprenticeships policy and processes

The future growth of degree apprenticeships is reliant on key stakeholders, including universities, having confidence in the policy. Many universities have in place the processes and experience to deliver the flexible, employer focused learning that degree apprenticeships involve. However, the wider policy framework, including funding and data collection, involve processes that universities are unfamiliar with. Universities consistently state that there is a lack of clear and definitive information about degree apprenticeships policy and procedures, and several universities have reported difficulties accessing the information they need to make decisions. In particular, universities perceive current funding arrangements to be overly complicated and opaque. Furthermore, the processes for becoming registered on the Register of Training Organisations (ROTO) and practical requirement around being a lead provider for training have not been clearly set out and communicated. The lack of fixed timescales means universities are unsure when decisions about their degree apprenticeships will be made. Clear timescales for applying for and drawing down government funding would be welcomed. A more responsive system for agreeing apprentice numbers is also needed to allow universities to react to employer demand.

Universities are investing their own resources in developing degree apprenticeships and are progressing in good faith.

Apprenticeships can now support progression for learners from levels two to seven. However, not all higher and degree apprenticeship frameworks and standards have clear links with suitable equivalents at lower levels, which means the progression route into some degree apprenticeships is less clear. Further clarification is also needed about whether those already possessing a degree qualification can undertake an apprenticeship.

Some institutions expressed nervousness around the future of degree apprenticeships policy. Universities are investing their own resources in developing degree apprenticeships and are progressing in good faith, but in the absence of clearer guidance they feel they are taking a risk. For some universities, working with unfamiliar and uncertain

administrative processes may be a significant barrier to getting involved in degree apprenticeships.

The current funding system is essentially a short-term solution. From 2017 apprenticeships will be funded by the digital voucher system. The Department for Business, Innovation and Skills (BIS) have stated that higher education providers will be consulted on the design of the new system – however, it is critical that universities be integrated into the design of the new system from the start.

Systems need to fit the degree apprenticeships model

Funding, reporting and quality assurance of degree apprenticeships currently uses the same model that supports apprenticeships at lower levels. However, as these are generally delivered by further education colleges, universities have little experience of these requirements and they often do not fit easily with existing higher education funding and reporting or the degree apprenticeship model. Universities have stated that the unfamiliar administrative processes and procedures have proved bureaucratically burdensome. There remain many uncertainties, with specific concerns around:

Further education colleges have lots of experience of apprenticeship delivery, and are well placed to work with universities to support them.

- **Quality assurance**: quality assurance of university teaching and academic products is currently undertaken by the QAA. However, OFSTED currently quality assures apprenticeship teaching and delivery. Universities are concerned about being subject to two systems that do not necessarily align with each other.
- **Data returns**: universities currently provide data returns to HESA, whereas degree apprenticeship returns will need to be submitted for the Individualised Learner Record (ILR). This is a complex process and places additional and significant burdens on universities.

Further education colleges have lots of experience of apprenticeship delivery and are well placed to work with universities to support them to meet the administrative requirements. A few universities are working with or considering working with a local further education partner to tap into this expertise.

> The college across the road has probably got a whole team working on data returns and funding returns. I'm not sure whether we want to be doing that ourselves if the numbers grew. We might be better off looking at a partnership model.
> **University interviewee**

Universities would welcome opportunities for learning and networking

Universities are at an early stage in the development of degree apprenticeships; for many it is an unfamiliar landscape. Opportunities for sharing learning and networking would be valued. National networks are useful for learning and sharing information and good practice. Universities in different regions may be focussed on similar courses, or sector priorities, for example, and bringing these together would seem important.

Local networking and collaboration is also important – for example, to develop provision where there is only a small cohort of potential local apprentices for a particular occupation. There is a role for organisations (such as UUK or the University Vocational Awards Council (UVAC)) to help facilitate communication and networking at regional and national levels, including bringing universities and employers together to understand each other's perspectives.

SUPPORT FROM UNIVERSITIES UK

Universities UK is committed to supporting universities to develop degree apprenticeships in partnership with employers through:

- providing sector leadership on degree apprenticeships with a network of vice-chancellors to support this role
- collaborating with the Skills Funding Agency and the Department for Business, Innovation and Skills on the dissemination of guidance and the development of policy
- providing briefings and updates to members on the development of policy and ensuring universities have the opportunity to contribute to policy making
- working with UVAC, the Higher Education Funding Council for England and others to provide advice, guidance and networking opportunities

For more information please contact Greg Wade, Programme Manager (greg.wade@universitiesuk.ac.uk).

SUPPORT FROM THE UNIVERSITY VOCATIONAL AWARDS COUNCIL

The University Vocational Awards Council (UVAC) is a not-for-profit organisation set up by the higher education sector. It provides an independent voice for their members on matters relating to higher level vocational learning. Its mission is to champion higher level vocational learning.

UVAC has a wealth of knowledge and expertise and can provide advice and support about the development of both higher and degree apprenticeships.

To support the future growth of apprenticeships UVAC is currently:

- providing briefings on the apprenticeship agenda for higher education institutions and their partner further education colleges and independent providers
- developing papers on key aspects of the apprenticeship system to support institutions and their partners to engage in the apprenticeship agenda
- identifying and promoting good practice
- supporting institutions and their partners to work with the apprenticeship trailblazers and support delivery of apprenticeships based on both frameworks and standards

The UVAC website has a range of useful information on higher and degree apprenticeships, including briefings, guidance and summaries of latest developments.

For more information please contact Adrian Anderson (a.anderson@bolton.ac.uk).

4. RECOMMENDATIONS

On the basis of our research, we make the following recommendations to universities, government and employers, to help ensure the successful future growth of degree apprenticeships.

4.1 For universities

- Build a strong business case for developing degree apprenticeships. Ensure that you understand local economic growth areas, skills gaps and engage with the local LEP and build on existing models of employer-led delivery.[28]
- Engage employers early in the process and ensure they are involved in designing degree apprenticeships.
- Use existing employer relationships to start with and don't underestimate how long building up new relationships will take.
- Raise awareness of the benefits of degree apprenticeships among senior managers and across academic departments.
- Bring academics and employers together, and be clear about the expertise that both bring to the table.
- Consider delivery mechanisms carefully and ensure that how you deliver the degree apprenticeship is relevant for employers and their learners.
- Consider how best to coordinate degree apprenticeship activity across your institution.
- Collaborate and share good practice with other universities, as well as engaging with national bodies such as UVAC and UUK to inform and develop policy.
- Talk to local further education colleges – they have a wealth of experience in delivering apprenticeships.
- Work with schools and colleges to promote the benefits of degree apprenticeships to future learners and their parents.

4.2 For government

- Critically, ensure that degree apprenticeships are an integral part of the wider apprenticeship system, particularly with reference to clarity around Register of Training Organisations (ROTO) requirements, the design of the new voucher system, the move from apprenticeship frameworks to standards, quality assurance processes, and marketing and communication.

28 For example, those highlighted in Table 1 of this report, or in existing research such as *Forging Futures: Building Higher Level Skills through University and Employer Collaboration* www.universitiesuk.ac.uk/highereducation/Documents/2014/ForgingFutures.pdf

- Make clear, timely and succinct guidance available to universities and employers about degree apprenticeship policy and processes, including future direction of travel.
- Equip universities with the resources to promote degree apprenticeships, to become degree apprenticeship ambassadors, both within institutions themselves and across employer networks.
- Streamline and simplify application and administrative processes.
- Ensure administrative processes are fit for the degree apprenticeship model and relevant within a higher education context. Consult with universities at the earliest opportunity to do this.
- Ensure that universities are involved in any future development of degree apprenticeships.
- Promote the benefits of vocational education to learners, their parents or guardians, their schools and other important community figures.

4.3 For employers

- Get up to speed on what the apprenticeship levy will mean for your business and the opportunities it could provide for collaboration with local universities.
- Talk to universities you have a relationship with about what they can offer on degree apprenticeships.
- Work in partnership with universities to develop degree apprenticeship academic provision that meets your needs.
- Work in partnership with other employers to develop sector-wide standards.
- Communicate clearly with universities your skills needs, programme requirements and what outcomes and impact you want to achieve.
- Seek advice from universities to develop a clear understanding of the responsibilities and roles of an employer in the development of degree apprenticeships.
- Integrate degree apprenticeships into their wider organisational recruitment and talent development strategies.

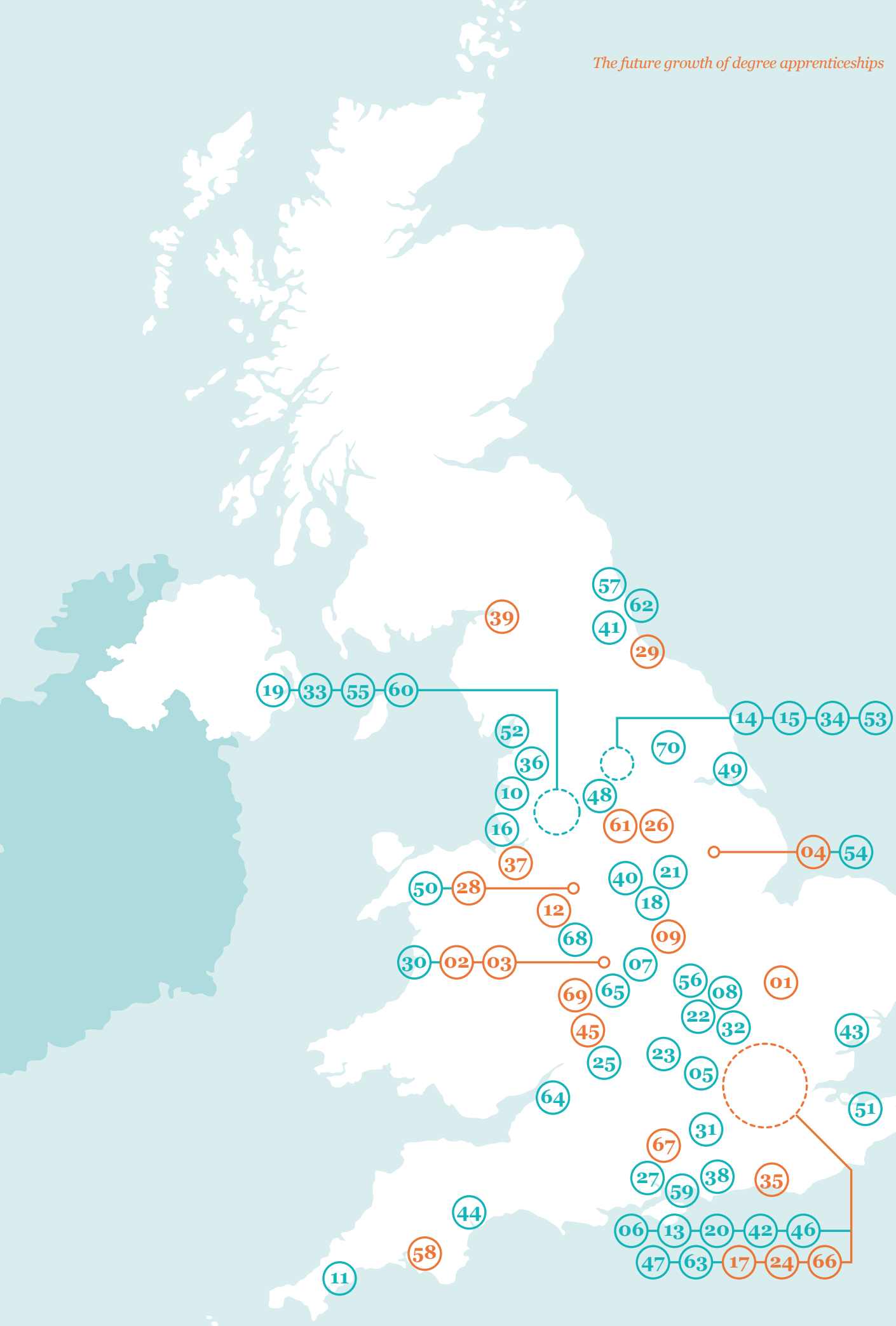
ANNEXE 1: UNIVERSITIES ON THE REGISTER OF TRAINING ORGANISATIONS

The following universities are on the Skills Funding Agency's Register of Training Organisations. This allows them to deliver higher and/or degree apprenticeships. Approximately 40 universities have submitted bids to deliver or are already delivering higher and degree apprenticeships.

Those in orange were interviewed as part of this study.

	UNIVERSITY NAME
01	Anglia Ruskin University
02	Aston University
03	Birmingham City University
04	Bishop Grosseteste University
05	Buckinghamshire New University
06	City University London
07	Coventry University
08	Cranfield University
09	De Montfort University
10	Edge Hill University
11	Falmouth University
12	Harper Adams University
13	Kingston University
14	Leeds Beckett University
15	Leeds Trinity University
16	Liverpool John Moores University
17	London South Bank University
18	Loughborough University
19	Manchester Metropolitan University
20	Middlesex University
21	Nottingham Trent University
22	The Open University
23	Oxford Brookes University
24	Queen Mary University of London
25	The Royal Agricultural University
26	Sheffield Hallam University
27	Southampton Solent University
28	Staffordshire University
29	Teesside University
30	University College Birmingham
31	University for the Creative Arts
32	University of Bedfordshire
33	The University of Bolton
34	The University of Bradford
35	University of Brighton

	UNIVERSITY NAME
36	University of Central Lancashire
37	University of Chester
38	The University of Chichester
39	University of Cumbria
40	University of Derby
41	Durham University
42	University of East London
43	The University of Essex
44	University of Exeter
45	University of Gloucestershire
46	University of Greenwich
47	University of Hertfordshire
48	The University of Huddersfield
49	The University of Hull
50	Keele University
51	The University of Kent
52	Lancaster University
53	The University of Leeds
54	University of Lincoln
55	The University of Manchester
56	The University of Northampton
57	University of Northumbria at Newcastle
58	Plymouth University
59	University of Portsmouth
60	The University of Salford
61	The University of Sheffield
62	University of Sunderland
63	University of the Arts, London
64	University of the West of England
65	The University of Warwick
66	The University of West London
67	University of Winchester
68	The University of Wolverhampton
69	University of Worcester
70	The University of York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ANNEXE 2: STAKEHOLDER INTERVIEWEES

Representatives of the following organisations were interviewed as part of our research.

- Association of Graduate Recruiters (AGR)
- Construction Industry Training Board (CITB)
- Department for Business, Innovation and Skills (BIS)
- Higher Education Funding Council for England (HEFCE)
- Skills Funding Agency
- Universities Vocational Awards Council (UVAC)

Universities UK (UUK) is the representative organisation for the UK's universities. Founded in 1918, its mission is to be the definitive voice of universities in the UK, providing high quality leadership and support to its members to promote a successful and diverse higher education sector. With 133 members and offices in London, Cardiff (Universities Wales) and Edinburgh (Universities Scotland), it promotes the strength and success of UK universities nationally and internationally.

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Woburn House, 20 Tavistock Square
London WC1H 9HQ

Tel: +44 (0)20 7419 4111
Email: info@universitiesuk.ac.uk
Website: www.universitiesuk.ac.uk
Twitter: @UniversitiesUK

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