Agenda – Pwyllgor yr Economi, Seilwaith a Sgiliau

Lleoliad:

Ystafell Bwyllgora 1 – Y Senedd

Dyddiad: Dydd Iau, 27 Chwefror 2020

Amser: 09.25

I gael rhagor o wybodaeth cysylltwch a:

Robert Donovan

Clerc y Pwyllgor

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Rhag-gyfarfod preifat (09.25–09.30)

1 Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau

2 Papur(au) i'w nodi

2.1 Llythyr gan Weinidog yr Economi, Trafnidiaeth a Gogledd Cymru at yr Ysgrifennydd Gwladol dros Drafnidiaeth ynghylch Cysylltedd Awyr Rhanbarthol

(Tudalennau 1 – 6)

Dogfennau atodol:

EIS(5)-07-20(P1)Llythyr gan Weinidog yr Economi, Trafnidiaeth a Gogledd Cymru at yr Ysgrifennydd Gwladol dros Drafnidiaeth

2.2 Adroddiad y Grŵp Meysydd Awyr Rhanbarthol a Busnes ynghylch Model Ôl-troed Carbon Cymhariaeth Foddol

(Tudalennau 7 – 22)

Dogfennau atodol:

EIS(5)-07-20(P2) Adroddiad y Grŵp Meysydd Awyr Rhanbarthol a Busnes ynghylch Model Ôl-troed Carbon Cymhariaeth Foddol

Cynulliad Cenedlaethol Cymru National Assembly for Wales

2.3 Llythyr gan Brif Weithredwr Trafnidiaeth Cymru ynghylch adroddiad y Grŵp Meysydd Awyr Rhanbarthol a Busnes

Dogfennau atodol:

EIS(5)-07-20(P3) Llythyr gan Brif Weithredwr Trafnidiaeth Cymru ynghylch RABA

2.4 Llythyr gan Brif Weinidog Cymru at Brif Weinidog y DU ynghylch HS2

Dogfennau atodol:

EIS(5)-07-20(P4) Llythyr gan Brif Weinidog Cymru at Brif Weinidog y DU ynghylch HS2

3   Gradd-brentisiaethau: Sector Addysg Uwch

(09.30-10.45)

Dr David Blaney, Prif Weithredwr, Cyngor Cyllido Addysg Uwch Cymru

Bethan Owen, Dirprwy Brif Weithredwr, Cyngor Cyllido Addysg Uwch Cymru

Yr Athro Julie Lydon OBE, Cadeirydd Prifysgolion Cymru

Kieron Rees, Pennaeth Materion Allanol a Pholisi, Prifysgolion Cymru

Dogfennau atodol:

EIS(5)-07-20(P5) Papur Briffio

EIS(5)-07-20(P6) Tystiolaeth gan Gyngor Cyllido Addysg Uwch Cymru (Saesneg yn unig)

EIS(5)-07-20(P6a) Tystiolaeth ychwanegol gan Gyngor Cyllido Addysg Uwch Cymru (Saesneg yn unig)

EIS(5)-07-20(P7) Tystiolaeth gan Brifysgolion Cymru (Saesneg yn unig)

Egwyl (10.45-10.55)

4   Gradd-brentisiaethau: Darparwyr Dysgu yn Seiliedig ar Waith

(10.55-11.40)   (Tudalennau 81 – 97)

Iestyn Davies, Prif Swyddog Gweithredol, Colegau Cymru

Matthew Williams, Cyfarwyddwr Gweithredol Dysgu yn Seiliedig ar Waith, Coleg Penybont

Jeff Protheroe, Cyfarwyddwr Gweithrediadau, Ffederasiwn Hyfforddiant Cenedlaethol Cymru

Dogfennau atodol:

EIS(5)-07-20(P8) Tystiolaeth gan Golegau Cymru (Saesneg yn unig)

EIS(5)-07-20(P9) Tystiolaeth gan Ffederasiwn Hyfforddiant Cenedlaethol Cymru (Saesneg yn unig)

Ôl-drafodaeth breifat

(11.40-12.00)

Ken Skates AC/AM
Gweinidog yr Economi a Thrafnidiaeth
Minister for Economy and Transport

Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: KS/116/20

The Rt Hon Grant Shapps MP
Secretary of State for Transport

transportsecretary@dft.gov.uk

12 February 2020

Dear Grant,

Supporting Regional Air Connectivity by expanding the scope and funding of non-economic activities at UK airports.

I am writing in relation to the funding that is provided by the UK Government for activities in the public remit such as security and customs at UK airports. The proposals within this letter are intended to address the priority of regional connectivity (which you have clearly recognised with your welcome Flybe intervention) and provide a solution to the disproportional regulatory cost burden faced by regional UK airports. As set out below, the level of funding provided by the UK Government for such activities is low compared to other countries in Europe. This puts smaller UK airports at a significant disadvantage, and as a result, many regional airports in the UK are placed in a financially vulnerable position.

I would like to ask that the UK Government considers expanding the scope and the level of funding for these activities at UK airports such that they are in line with the other countries in Europe, a policy which would complement your recent approach to Flybe. As explained below, this expansion in scope should not be expected to lead to a significant additional burden on public resources as a result.

Scope of non-economic activities in the UK compared to other countries in Europe

Non-economic activities typically include regulatory costs such as security and customs at airports as well as activities to safeguard civil aviation against acts of unlawful interference, e.g. unlawful seizure of aircraft in flight.[1]

In the UK, the current scope of non-economic activities is primarily limited to customs. In particular, this implies that all other regulatory costs, such as costs in relation to fire safety, police and environmental protection and sustainability, would need to be recovered by the airports through their commercial operations. This position places UK airports at a disadvantage, as airports in other European countries are compensated by the state for some of these costs. Table 1 below illustrates the difference between the scope of non-economic activities in the UK and other countries in Europe.

As these regulatory costs are usually fixed, i.e. the costs do not vary directly in relation to passenger volumes, airports with the fewest passengers, such as regional airports, bear the highest burden on a per passenger basis. Furthermore, due to the difficulties in the current aviation market in Europe[2], it is very difficult for regional airports to pass-through these regulatory costs onto the airlines. Similarly, regional airports may not be able to recover these costs from their non-aeronautical revenue streams, such as passengers' spending at airport shops, given the limited annual passenger throughput at these airports. As a result, regional airports are placed in a financially vulnerable position as a result of the UK Government's overly stringent definition of non-economic activities and the corresponding low levels of funding provided by the UK Government for such activities.

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[1] As outlined in the European Commission's state aid aviation guidelines, the state, in its role of a public authority, is allowed to fund activities at airports that are considered non-economic, such as police and customs, without triggering state aid rules. European Commission (2014), 'Guidelines on State aid to airports and airlines', 4 April, paras. 34-37.
[2] IATA (2019), 'The state of the airline', March, available at: https://www.iata.org/publications/economics/Reports/State-airline-industry-Europe-Apr-19.pdf, accessed on: 12 November 2019.

Table 1   Classification of non-economic costs across selected countries in Europe compared to the UK

UK	Denmark	France	Germany	Ireland[1]
Customs	Fire safety	Fire safety	Fire safety	Air traffic control
	Air navigation	Security	Protection against acts of unlawful interference	Police
	Police	Protection against animal hazards	Air surveillance	Customs
	Customs	Environmental controls		Firefighting
		Air flight information service		
		Air navigation control equipment		

Note: [1] These are some examples of non-economic activities that are funded by Ireland through its public policy remit programmes (namely, PPR-O and PPR-C). Therefore, it is possible that the full scope of the definition of non-economic activities in Ireland could be wider compared to the activities listed in the above table.

Sources: European Commission (2017), 'State Aid SA.44377 (2016/NN) – Denmark - Aarhus Airport', 9 August 2017, para. 31; European Commission (2015), 'Aides d'État SA.38936 (2014/N) – France - Régime d'aide à l'exploitation des aéroports français', 8 April, para. 9; European Commission (2018), 'State Aid SA.46945 (2018/NN) – Germany Erfurt-Weimar Airport', 27 June 2018, paras. 60, 61, 62-64 and 65; and Department of Transport, Tourism and Sport (2019), 'Policy Support for Regional Airports: Preparation of new Regional Airports Programme 2020 to 2024', 30 August, p. 9.

Financial impact of the UK government's current limited scope of non-economic activities on regional airports

Expanding the scope of funding for non-economic activities for UK airports would have a significant positive impact on airports in the UK, particularly, regional airports. In the short to medium term, the additional funding would help regional airports to build up financial reserves and place them in a better financial position against future uncertainties such as Brexit. More importantly, regional airports would have the financial resources to invest in traditional non-aeronautical infrastructures such as additional retail facilities at the airport's terminal, or more innovative projects such as the development of business parks.[3] These initiatives would help regional airports to

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[3] For example, Humberside Airport is seeking to develop a business park. For further information, see Humber Local Enterprise Partnership (2016), 'Humber Enterprise Zone: Humberside Airport', 1 November, available at: https://www.humberlep.org/project/humber-enterprise-zone-humberside-airport/, accessed on 24 October 2019.

diversify their business model and achieve financial sustainability in the future in addition to creating jobs for the regions.

To illustrate, take the example of Cardiff Airport, the key commercial airport in Wales. In the financial year 2020, the airport expects a passenger throughput of 1.62 million. Over the same period, the airport expects to incur operating costs of £20.3m.[4] In light of the UK Government's current limited definition of non-economic activities, the full amount of these costs need to be recovered from the airport's commercial activities. However, if, for example, the UK Government had funded those activities defined by the French Government as non-economic activities, Cardiff Airport's operating costs could have been reduced to £16.8m, representing a 17.3% in operating cost savings for the airport.[5]

Furthermore, it is likely that airports' regulatory costs will increase significantly over the next few years. In particular, as the UK Government has committed to cutting greenhouse gas emissions to almost zero by 2050,[6] airports' environmental and sustainability related costs may increase materially.[7]

Therefore, the UK Government should consider expanding its scope and the level of funding for non-economic activities in order to minimise the increasing disadvantage to UK airports compared to airports in other countries in Europe.

Potential negative impacts of maintaining the status quo

Airports of all sizes play an important role in the UK economy. In a recent consultation on the future of UK aviation in 2050, the UK Government acknowledged that the aviation industry has helped the UK to foster international trade links and create vital domestic connections.[8] It is estimated that the industry contributes at least £22 billion to the UK economy and is responsible for supporting 230,000 jobs each year.[9] Going forward, the UK Government believes that the aviation industry has the potential to meet the needs of consumers and of a global, outward-looking Britain, by encouraging competitive markets and developing innovation, technology and skills to 2050 and beyond.[10] Regional airports are expected to be key in delivering the Government's aviation strategy and vision.

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[4] Cardiff Airport.

[5] The costs expected to be incurred by Cardiff Airport in 2020 in relation to environmental control, air navigation and police services amount to £3.5m.

[6] BBC News (2019), 'Climate change: UK government to commit to 2050 target', 12 June.

[7] Aviation is considered to be the largest carbon emitting sector in the UK by 2050. Therefore, the Committee on Climate Change has recommended a variety of policy measures for the UK's aviation sector, including measures to manage growth in demand. For further information, see Committee on Climate Change (2019), 'Net-zero and the approach to international aviation and shipping emissions', 24 September, pp. 1, 5 and 13.

[8] HM Government (2018), 'Aviation 2050 The future of UK aviation: A consultation', December, p. 6.

[9] HM Government (2018), 'Aviation 2050 The future of UK aviation: A consultation', December, pp. 6 and 21.

[10] HM Government (2018), 'Aviation 2050 The future of UK aviation: A consultation', December, p. 8.

In fact, the UK Government acknowledged that regional airports are hubs for growth within and beyond the regions in which they are situated.[11] For example, core and specialist aviation services, freight companies, logistics hubs and aerospace investments are often located close to airports. As a result, regional airports help to develop many non-aviation businesses in the regions.[12] Regional airports act as gateways to international opportunities for the regions of the UK and help to rebalance the UK economy by supporting regional growth.[13] The UK Government has explicitly mentioned in its Aviation 2050 consultation that it wishes to maximise the benefits generated by regional airports.[14] Additionally, the role of regional airports is only likely to become more important to the UK's future prosperity as the UK leaves the European Union and the UK Government has a duty to ensure that its regulatory framework is fit-for-purpose.

However, due to increases in regulatory costs and the low level of public funding available for non-economic activities, many regional airports face difficulties in achieving and maintaining commercial viability. The Airports Commission found that there are many financial pressures facing smaller airports. [15] The relatively high regulatory costs, such as the costs of maintaining a minimum level of rescue and fire-fighting services and ensuring the security of the aerodrome perimeter, are considered to be one of the main drivers of the financial difficulties facing smaller airports.[16] According to the Airports Commission, this could be one of the reasons why there were a number of airport closures in quick succession in the early to mid-2010s.[17] Indeed, Bristol Airport has highlighted in its recommendations to the UK Government that the Government should act decisively to reduce the regulatory burden and costs for airports.[18] As highlighted by Bristol Airport, additional regulatory costs would have a negative impact on airports' efficiency.[19] The Welsh Government has also raised similar points in our response to the recent Aviation 2050 consultation that the fixed cost burden faced by regional airports in the UK is disproportionate and limits regional airports' potential to deliver socio-economic benefits.

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[11] HM Government (2018), 'Aviation 2050 The future of UK aviation: A consultation', December, p. 86.
[12] HM Government (2018), 'Aviation 2050 The future of UK aviation: A consultation', December, p. 86.
[13] HM Government (2018), 'Aviation 2050 The future of UK aviation: A consultation', December, p. 86.
[14] HM Government (2018), 'Aviation 2050 The future of UK aviation: A consultation', December, p. 14.
[15] Airports Commission (2014), 'Discussion Paper 06: Utilisation of the UK's Existing Airport Capacity', June, pp. 22 and 25.
[16] Airports Commission (2014), 'Discussion Paper 06: Utilisation of the UK's Existing Airport Capacity', June, pp. 22 and 25.
[17] Examples of airport closures include: Filton Airport (2012) and Plymouth City Airport (2011).
[18] Bristol Airport (2013), 'Bristol Airport's recommendations for a balanced aviation policy', 15 February, p. 10.
[19] Bristol Airport (2013), 'Bristol Airport's recommendations for a balanced aviation policy', 15 February, p. 10.

Going forward, Brexit and other macroeconomic fluctuations[20] are expected to have a significant negative impact on smaller airports in the UK, in particular. Unless the UK Government changes its position on the scope and the level of funding for non-economic activities, there is likely to be another wave of regional airport closures, which could lead to economic disruptions. The UK Government has already acted decisively to rescue Flybe to prevent this from happening to some extent. At a time when it is committed to levelling up the UK economy, could the UK Government afford to risk any further reduction in regional prosperity given the severe regional imbalances that already exist?

Conclusions and recommendations

Under the UK Government's current definition of non-economic activities, all airports in the UK bear a disproportionately large amount of regulatory costs compared to airports in other European countries. While the larger airports may be able to pass on the costs to the airlines operating from their airports or recover these costs through non-aeronautical activities, smaller airports are limited in the scope of changes to their revenue streams that could be implemented. As a result of the increasing regulatory costs, the prospect of many regional airports achieving commercial viability is under threat.

I should be clear – in making this case the Welsh Government is not arguing for any lowering of the vital regulatory standards that help make our airports some of the safest and most secure in the world, but simply to put the UK into the European mainstream in terms of government support. In order to avoid regional economic disruptions as a result of airport closures, and to align with your policy commitment to support and grow regional air connectivity within the new aviation strategy, I ask that the UK Government expands the scope and the level of funding for non-economic activities in the UK. This increase in scope would not artificially sustain unprofitable or inefficient airports as the cost of non-economic activities, including potential additions to the scope, would remain relatively small compared to the total costs of operating an airport.

I would welcome the opportunity to discuss this matter further with you.
I have copied this letter to Simon Hart MP, Secretary of State for Wales, and to Russell George AM, Chair of the National Assembly for Wales' Economy, Infrastructure and Skills committee, who I know has a particular interest in the success of Cardiff Airport.

Yours sincerely,

Ken Skates AC/AM
Gweinidog yr Economi, Thrafnidiaeth a Gogledd Cymru
Minister for Economy, Transport and North Wales

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[20] Some regional airports in the UK depend on the volatile oil and gas market. For example, in 2018, Humberside Airport recorded a net loss due to lower offshore activity for oil and gas. Humberside International Airport Limited (2018), 'Directors' report and financial statements', 31 March, p. 4.

Modal Comparison Carbon Footprint (MCCF) Model

Paper to Member Steering Group – Oct 2019

Regional & Business Airports Group

What does it do?

- Working with an external third party provider, the RABA Secretariat have been evaluating a new model that is capable of providing more accurate 'route specific' assessments of carbon footprints for UK domestic journeys by different modes of Transport.

- The current version of the model evaluates the use of aircraft against train and car travel; additional functionality to cover ferries and coach are in development.

- User input data is required in a pre-specified format to enable the model to calculate the carbon dioxide per passenger (or per passenger/Km) emitted on a defined journey using alternative modes of transport.

- This version of the model calculates emission of the vehicle on one journey between two defined points only; the evaluation of multi-modal and multi-leg journeys will be made simpler in future versions of the model, but currently can be assessed by segmenting the overall journey into a series of distinct stages or sectors
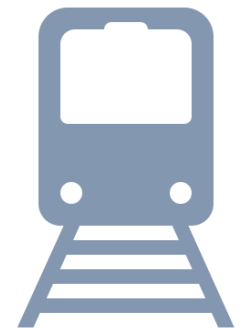
What is the need for the model?

- The UK Government has declared a Carbon Crisis and committing to the UK achieving zero carbon status by 2050.

- Like many other economic and transport sectors, aviation industry needs to be able to accurately calculate its carbon footprint in order to beginning to identify how it can reduce, manage or mitigate its impacts as it continues to grow.

- In doing so it will be valuable to be able to compare the carbon footprint of alternative modes, alongside the cost, time, reliability and economic value of making the same journey by different modes.

- Existing models use aggregated and averaged data to calculate carbon emissions on individual journeys, some of which may bear no resemblance to the journey's from which the data is sourced. If this is then used and quoted in the wrong context and without appropriate caveats it is potentially both inaccurate and misleading.

- There is concern that aviation, particularly on shorter domestic routes may be being presented in an unfair light as a result. The model is designed to bring clarity and accuracy to such modal assessments

# Current Rail Electrification Map

What the map shows:

1. Extensive existing rail electrification around London and on 2 mainline routes north.

2. There is not a electrified route connecting these mainline routes apart other than at the final destinations of these routes.

3. Scotland (North of Edinburgh and Glasgow), Wales and South West has little to no electrification built nor planned.
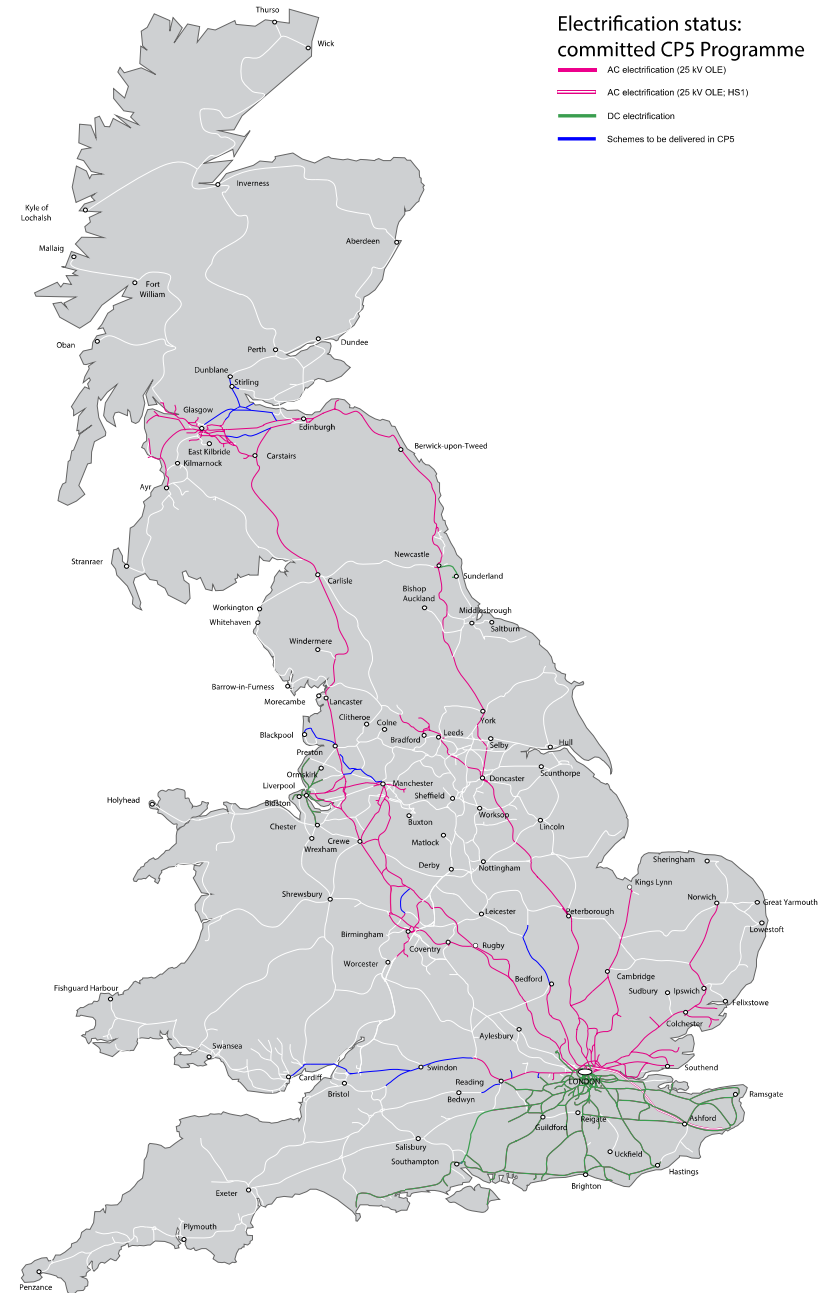
Current Rail Calculators

There are significant issues with rail methodologies in existing calculators:

1. They assume diesel and electric trains produce the same emissions when their carbon footprint is very different, as it is between different Power Units and train sets.

2. They ignore the limited extent of the electrified network in the UK (see previous slide) and that for cross country routes and more peripheral parts of the UK deisel train still predominate.

3. They assumes a blanket load factor across the entire UK rail network, ignoring the fact they very between commuter, inter city, cross country and remote routes and between rural and urban components of the journey.

4. A stopping train is assumed to have the same emissions as a limited stop High Speed or Semi-Fast Express train.

5. Mileage of rail journey is assumed to be the same as for a car journey, when the train may take a vey different routing

6. Makes no allowance for the significant life cycle emissions associated with building and maintaining a large rail network.

Extract from 2019 GOVERNMENT GREENHOUSE GAS CONVERSION FACTORS FOR COMPANY REPORTING:

5.68. The national rail factor refers to an average emission per passenger kilometre for diesel and electric trains in 2017-18. The factor is sourced from information from the Office of the Rail Regulator's National rail trends for 2017-18 (ORR, 2019). This has been calculated based on total electricity and diesel consumed by the railways for the year sourced from the Association of Train Operating Companies (ATOC), and the total number of passenger kilometres (from National Rail Trends).
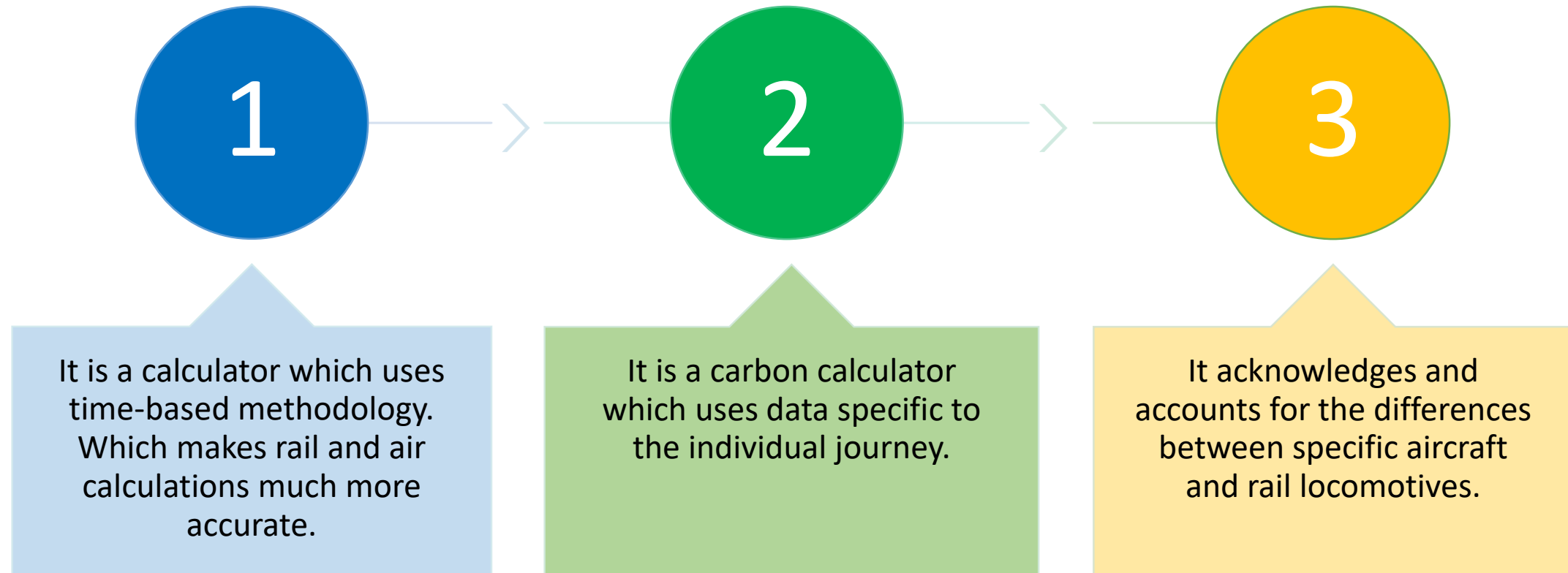
Current Flight Calculators

All existing online calculators (see opposite) seem to have the same associated issues:

Tudalen y pecyn 12

1. Use distance rather than time-based methodology.

2. Do not calculate emissions associated with different aircraft, their specific routings and sector length (e.g. aircraft fly more directly which can reduce the actual distance travelled and consequent flight times materially).

3. Do not take account of taxi time (e.g at congested or uncongested airports), the flight at which they operate and the variation in the length of the climb-out, cruise and descend phases in each specific sector.

4. If following the DEFRA approach, they give fixed conversions based on sector length for a limited number of aircraft types, which is very inaccurate). Turboprops are for example more fuel efficient than jet engine aircraft.

5. DEFRA based Calculators include Radiative Forcing ignoring the fact EU Guidance indicates it should not be included for flights with sector lengths of less that 500 miles of flight levels below 9000m.

How does the MCCF Model fix these issues?

1

It is a calculator which uses time-based methodology. Which makes rail and air calculations much more accurate.

2

It is a carbon calculator which uses data specific to the individual journey.

3

It acknowledges and accounts for the differences between specific aircraft and rail locomotives.

It continues to adopt a conservative approach by not making allowance for the significantly higher 'life cycle' carbon footprint of road and rail vs aviation infrastructure.

What are the model's capabilities?

- It has the ability to calculate CO_2 emissions of any rail and road journey between any two land-connected, destinations.

- It can calculate air travel emissions between any predetermined airports (Currently only UK airports).

- It has the ability for user to choose specific aircraft and trains specific to the individual journey.

- It can predict carbon emissions should the journey not already exist.
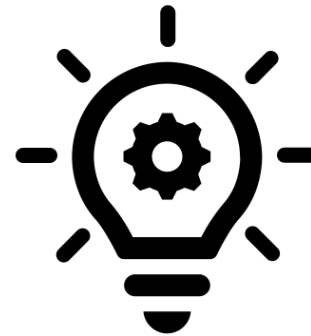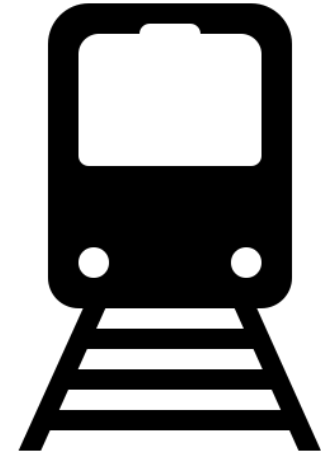
Case Study 1:
Cardiff - Manchester

Case Study 1: Cardiff - Manchester

- The results are provided on the right.

- Explaining the results:
  - The Rail journey is 81% diesel powered and 19% electric. The route uses the Transport for Wales operated route to Crewe. Load factors varied between 20-35%.
  - Road journey travels via M5 &M6.
  - Air travel uses a Bombardier Q400 with 82% load factor.

Mode of Transport	Amount of CO_2 emitted per passenger (kg/pp)	Amount of CO_2 emitted per passenger per km (kg/pp/km)
Road	40.72	0.13
Rail	55.05	0.14
Air	36.05	0.16

Road: 3h50m, Rail: 4h40m, Air: 40m

Case Study 2:
Newquay – Heathrow

Case Study 2: Newquay - Heathrow

- The results are provided on the right.

- Explaining the results?
  - The rail journey is 83% diesel powered and only 17% electric, with estimated load factors between 15-60% for various parts of the journey.
  - Road is using the most direct route (A303).
  - Air is using a Bombardier Q400 (what Flybe uses) with 82% load factor.

Mode of Transport	Amount of CO_2 emitted per passenger (kg/pp)	Amount of CO_2 emitted per passenger per km (kg/pp/km)
Road	48.86	0.13
Rail	88.53	0.19
Air	44.03	0.13

Road: 4h20m, Rail: 6h50m, Air:1h10m

Case Study 3: Southampton - Edinburgh

Case Study 3: Southampton - Edinburgh

- The results are provided on the right.

- Explaining the results:
  - The rail journey is 100% electric and assumed load factors between 45-50%
  - The road journey travels via the M6.
  - Air travel uses a Bombardier Q400 with an 80% load factor.

To note: the rail emissions will be cut in half when new electric locomotives become the rolling stock for the large part of the journey.

Mode of Transport	Amount of CO_2 emitted per passenger (kg/pp)	Amount of CO_2 emitted per passenger per km (kg/pp/km)
Road	90.59	0.13
Rail	39.46	0.04
Air	63.29	0.11

Road: 7h15m, Rail: 7h, Air: 1h35m
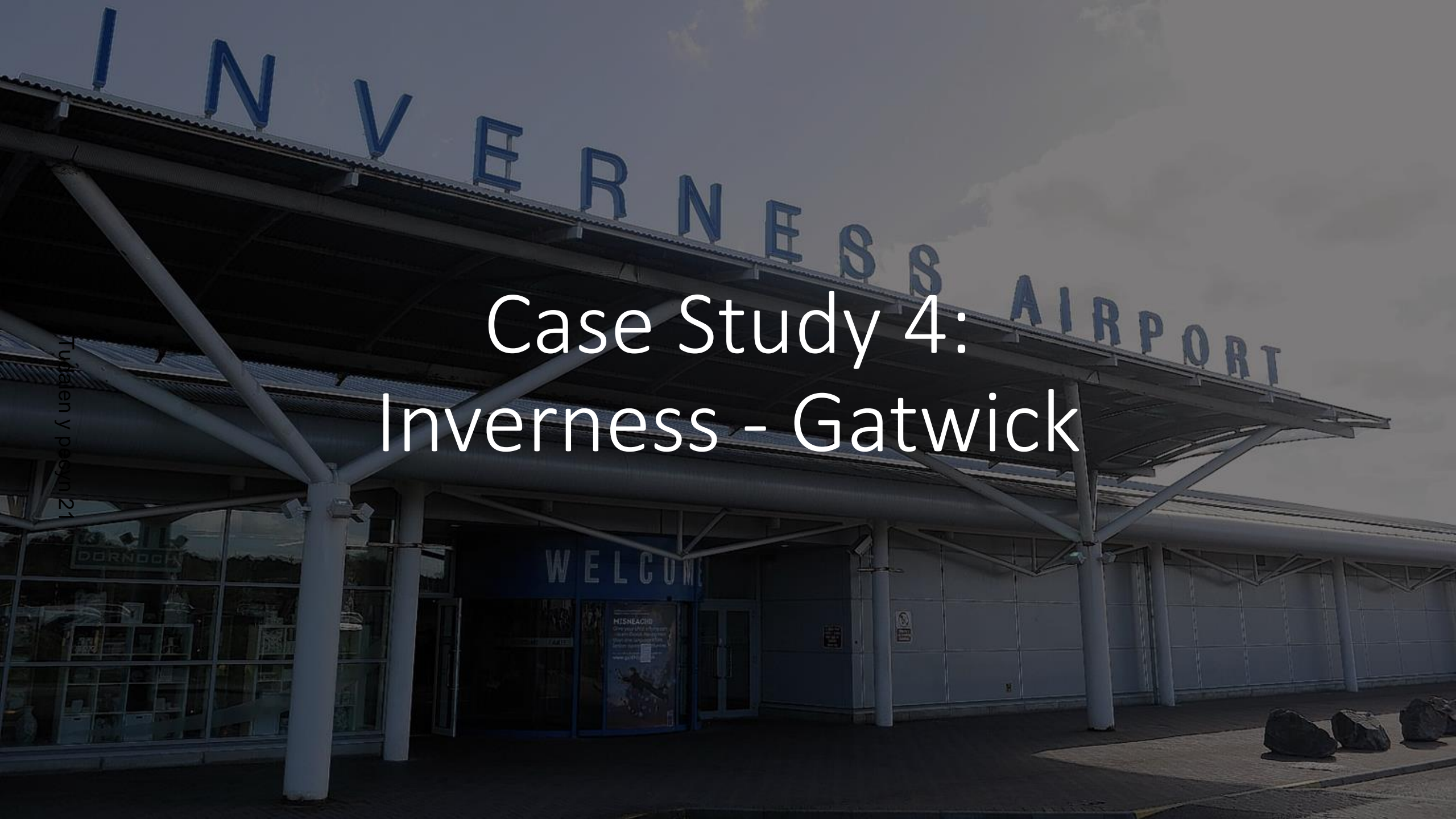
Case Study 4:
Inverness - Gatwick

Case Study 4: Inverness - Gatwick

- The results are provided on the right.

- Explaining the results:
  - The rail journey is 29% diesel power and 71% electric. Assuming LNER using Intercity 225 train. Load factors assumed to vary between 30-50% on different sections of the route.
  - Road journey is via M6
  - Air travel uses an A320-200 with 85% load factor

To note: the rail emissions will reduce to closer to 50kg when LNER introduces it's new electric fleet.

Mode of Transport	Amount of CO_2 emitted per passenger (kg/pp)	Amount of CO_2 emitted per passenger per km (kg/pp/km)
Road	122.15	0.13
Rail	68.00	0.07
Air	65.96	0.09

Road: 9h50m, Rail:9h45m, Air: 1h25m

TRAFNIDIAETH CYMRU
TRANSPORT FOR WALES

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Russell George AM

Chair

Economy, Infrastructure and Skills Committee

National Assembly for Wales

Ty Hywel

Cardiff CF99 1NA

20 February 2020

Dear Mr George

In response to your recent query regarding the RABA Modal Comparison Carbon Footprint (MCCF). Unfortunately MCCF contains very little information or calculation that can assist us in making any valuable comments. Our view is that is very difficult to make comparisons between the different modes of transport given the assumptions made in the report, for example:

The Model states that it has based the journey by rail from Cardiff to Manchester on a TfW train from Cardiff to Crewe at 35% load, there are many unexplained issues here – The calculation for load factor is not explained, TfW are operating limited available trains at high capacity and have been doing so since the start of the franchise. We also assume that a large number of passengers getting on an off on short journeys in between Cardiff and Crewe are not being accounted for in the carbon emitted per passenger per kilometre calculation.

The average duration of a journey from Cardiff Central to Crewe is 3 hours and 4 minutes not 4 hours and 40 minutes as reported in the tool. The journey from Crewe to Manchester has not been detailed – we are unaware of how this journey is assumed – even adding this addition time from Crewe to Manchester by train is only an additional 35 minutes.

A journey by plane direct from Cardiff to Manchester does not currently exist, the journey is either via Jersey, Dublin or Belfast – there is no explanation of how the 82% load factor has been calculated (assumed) for this journey.

The journey time by plane from Cardiff to Manchester has been assumed as this journey does not currently exist, current journey times to Manchester from Cardiff by plane are over 4.5 hours.

Yours sincerely,

James Price
Prif Weithredwr / Chief Executive

Y Gwir Anrh/ Rt Hon Mark Drakeford AC/AM
Prif Weinidog Cymru/First Minister of Wales

Llywodraeth Cymru
Welsh Government

Rt Hon Boris Johnson MP
Prime Minister
10 Downing Street

pmpost.ext@no10.gov.uk

[] February 2020

Dear Prime Minister,

Your announcement today that the HS2 project will proceed confirms an unprecedented investment in rail services in England. This will continue a pattern of rail investment that has systematically neglected Wales. In accordance with your plan to level up economic growth across the UK, I urge you to take action to remedy this.

Over the past 25 years, the railway in Wales has been starved of investment. Wales has 11% of GB's track miles, 5% of the population and since 2010 has received only 2% of GB's rail enhancement spend. Not surprisingly therefore, Wales has the UK's lowest level of rail ridership, and the highest percentage of journeys made by private car. To address climate change, improve air quality, and relieve congestion we have to provide viable alternatives to the private car.   To achieve this, the Welsh Government is investing in buses and active travel, but at the same time, substantial investment to upgrade rail services in Wales is urgently needed.

When the UK Government cancelled electrification to Swansea in 2017, it was acknowledged that a programme of enhancements across the network in Wales was required in its place. To date, no such schemes have been delivered.

One of the root causes of the current position is the Department of Transport's funding model which gives priority to areas with higher levels of rail use, itself reflecting higher levels of historic investment. Research by the Rail Delivery Group demonstrates that this model consistently overestimates growth for rail journeys connected to London, while underestimating growth elsewhere. This discriminates against investment in Wales. For example, the Ebbw branch line, whose re-opening we funded, is carrying 450% more passengers than the Department for Transport modelling predicted. This system bias undermines confidence in Wales that future decision-making will meet our needs.

We have mitigated this under-investment through funding from our block grant, diverting money from our devolved responsibilities for roads, health and education. We have reopened lines, opened new stations, and delivered additional capacity to operate more

services. This has been supported by funding from the European Union: it is imperative that the replacement for structural funds continues to support such investment.

The decision to proceed with HS2 underlines the lack of investment in Wales. The scheme is predicted by HS2 Ltd to have a negative impact of £150m every year on the Welsh economy. Action to mitigate this must include extending HS2 services into Wales, with electrification of the line between Crewe and Holyhead between now and 2027. This would enable HS2 services to reach more areas in North Wales and the North of England, and enhance our vital links with Ireland. There must also be investment in schemes on the core Trans-European Transport Network routes through Wales to Milford Haven and to Holyhead by 2030, estimated to cost approximately £1 billion (£500m in Wales) – around 1% of the latest HS2 cost estimate

Your plans to spend 3% of GDP on infrastructure in this Parliament are very welcome – Wales's share of this will amount to some £3.7 billion. If we receive this, and a fair share of the HS2 spend over the next 10 years, we will be in a position to deliver our plans to transform services and connectivity in Wales and across the border.

These plans include three integrated Metro schemes (for North Wales, South East Wales and Swansea Bay) which will generate employment and enhance productivity in some of the poorest parts of the UK.

These schemes are vital to cross-border collaboration, including the Great Western Cities Partnership. Ken Skates, Minister for Economy, Transport and North Wales, will be writing to you jointly with Steve Rotheram, Mayor of the Liverpool City Region, about investment in the Borderlands railway.

As well as tackling under-investment, we need to ensure that decision-making on rail in Wales is fully integrated with regional planning and complementary investment in infrastructure and services. As I've said, historically, Wales has been low on the list of priorities in decision-making on the UK rail network. Rail devolution will enable us to put this right, building on the recent devolution of franchising powers and transfer of infrastructure ownership, which are already delivering results.

Keith Williams' root and branch review of Britain's railways presents an opportunity to reform the railways and create the fully integrated public transport network which Wales needs. We look to the Rail White Paper to grasp this opportunity.

To conclude, I am calling on your government to remedy the historic under investment in Wales' rail infrastructure through your budget next month, and thus ensure delivery of the improvements needed to improve connectivity across Wales.

I am copying this letter to the Chancellor of the Exchequer, the Secretary of State for Transport, the Secretary of State for Wales and the Chair of the National Assembly for Wales' Economy, Infrastructure and Skills committee.

Best wishes,

Mark.

MARK DRAKEFORD

Tudalen y pecyn 26

Mae cyfyngiadau ar y ddogfen hon

Response to Economy Infrastructure and Skills Committee consultation on Degree Apprenticeships

About HEFCW

The Higher Education Funding Council for Wales – HEFCW – is the public body operating between Welsh Government and higher education providers. We regulate fee levels at higher education providers, ensure a framework is in place for assessing the quality of higher education and scrutinise the performance of universities and other designated providers. We also provide funding for higher education teaching and research, and apply our influence and expertise to help deliver Welsh Government priorities for higher education that also have wider societal and economic benefits.

Value of Degree Apprenticeships

Degree Apprenticeships Level 6, are designed to meet current and future needs for economic upskilling identified by employers in Wales, and drive productivity. Flexible programmes of delivery provide an opportunity for apprentices to work alongside experienced employees to gain practical skills and experience and a higher education degree qualification that meets employer needs through the development of a Framework, and achieve professional accreditation where appropriate. Degree Apprenticeships can support widening access and strengthen efforts to promote equality and diversity. Collaboration between employers and HE and FE providers underpins the development of progressive learning pathways, and is a mechanism to enhance parity of esteem between vocational and academic study. This approach

aligns with the aims of the [Commission for Tertiary Education and Research (CTER).](#) HEFCW is uniquely placed to manage Degree Apprenticeships as the organisation who has oversight over Higher Education (HE) quality.

1. Have any issues become apparent during the rollout of degree apprentices and what lessons can be learnt from their introduction?

The two-year lead in to degree apprenticeships and the delayed start had a negative impact on the programme's reputation initially. HEFCW's interest in progressing the Apprenticeship agenda in Wales and delivering against its [Remit Letter](#) (28 March 2018) was constrained by the timing of the Welsh Government policy steer and the funding, that was not confirmed until February 2019, in HEFCWs [Remit Letter](#). Further, HEFCW did not receive clarification from Welsh Government until 2 March 2019 on whether the pilot budget of £20m was to cover continuation funding of apprentices who had started in the pilot phase into the academic year 2021/22 and beyond, as this would impact on the number of apprenticeships available in the pilot phase.

This delay was magnified by the relevant Sector Skills Council not adequately responding to the Welsh Government commissioning of frameworks, resulting in an external consultant being commissioned to restart the process. As a consequence, the [Engineering and Advanced Manufacturing (Wales) Framework](#) was not issued until 1 August 2019, year 2 of the pilot project, 2019/20. This had an impact on the Higher Education sector's capacity to respond in a timely manner, and greater reliance on existing relationships with large employers upskilling existing employees in 2018/19.

It is hoped that newly proposed structures and processes to develop, review and issue Frameworks will minimise the potential for delays going forward.

Responses to the Welsh Government consultation on [The Role of the Issuing Authority for Apprenticeship Frameworks](#) are currently under review. The updated terms of reference for The Wales Apprenticeship Advisory Board (WAAB) should enable it to provide the strategic input and robust challenge needed to shape future policy and strategy with regard to apprenticeships.

It is too early to draw conclusions on the impact of the Degree Apprenticeship project, as it is still in its pilot stage (2018/19 to 2020/21) and initial data does not yet provide a trend. The Welsh Government evaluation of Degree Apprenticeships is designed to conduct a formative evaluation of the initial phase of the Degree Apprenticeship programme to assess its effectiveness, efficiency and impact. The [live tender](#) for bids for the Degree Apprenticeship Pilot Evaluation closed on 8 January 2020. As this Inquiry overlaps with the evaluation, we assume that the evaluation will be informed by the Inquiry.

The complexity of the Degree Apprenticeship programme and the current funding mechanism requires significant staff resource to manage programme activity. This is a manual process at the moment, and HEFCW is currently managing this work within existing staffing levels. A sustainable approach for the long-term provision of Degree Apprenticeships will require confirmation of recurrent annual funding to facilitate the integration of Degree Apprenticeship funding effectively within existing arrangements for funding and monitoring data for HE provision. In this way, HEFCW can monitor and influence further widening access and progression through our funding methodology.

Employers play a key role in curriculum development, and whilst Higher Education Institutions (HEIs) have traction in continuous professional development through commercial and workplace learning activity, an updated model of engagement and delivery is developing to meet the needs for economic upskilling. The importance of occupational roles and employability has come into

3

focus, as HEIs integrate Degree Apprenticeships within the broader apprenticeship programme in Wales. HEIs may need to strengthen institutional resource to meet any potential programme expansion.

Differing policy approaches to the delivery of Degree Apprenticeships across the four nations presents challenges for employers and individuals working across borders, and Welsh HEIs that work in a UK setting and can deliver Degree Apprenticeships from England. This is set in the context of funding arrangements, access to provision, potential inward investment and retention of high value jobs.

Annex A of HEFCW's Remit Letter 2019 states that HEFCW must have regard to regional coherence. Consequently, HEFCW takes account of geographical location and HEI mission and expertise within its policy development. The Welsh Government policy steer for apprenticeships requires that the provision should be demand-led by the needs of the employer. This has resulted in HEFCW having potentially conflicting policy directions. Prioritising the employer demands over regional coherence of the provision limits the capacity to develop regional HE and FE collaborations to develop progression routes and capacity to influence the geographical spread of provision in relation to Degree Apprenticeships. A change in policy steer on core-funded activity will need to be considered, and its impact on franchise and consortia arrangements.

2. **Was the process and criteria used for approving proposals from providers to deliver degree apprenticeships satisfactory?**

The Cabinet Secretary for Education confirmed in a letter to HEFCW her expectations for Degree Apprenticeships in Wales over a 3-year period from 2018/19 to 2020/21. The delay in confirmation of the funding commitment has led to complications with timescales in the process for approval of HEI proposals for funding.

4

HEFCW sets out a robust process and criteria for approving proposals from providers in its call for funding of Degree Apprenticeships Proposals published each year. This is very labour intensive, and relatively inflexible for use if there is a significant increase in Degree Apprenticeships provided. HEFCWs Circular W19/04HE published on 21 March 2019, illustrates the requirements for approval of funding from HEFCW-funded institutions to deliver degree apprenticeships.

As part of the process, HE providers are required to include in their proposals a list of employers accessing the programme, the number of apprentices per employer and the geographical spread of provider delivery.

HEFCW's criteria for approving proposals also require evidence from HEIs demonstrating that they are meeting the requirements for equality and diversity and Welsh language.

HEIs must meet quality thresholds set out in HEFCW's Circular for proposals for funding. Proposals are considered by a panel, which is chaired by a HEFCW Council member. Its membership includes the Welsh Government and HEFCW officers. Proposals can be deferred subject to clarification or further information as appropriate. HEFCW then allocates budgets based on the numbers of apprenticeships in the approved proposals.

HEIs are requested to submit Monitoring Reports detailing actual recruitment and personal characteristics data (Annex A of Circular W19/38HE Degree Apprenticeships 2019/20 Monitoring Report, published 13 November 2019). This is required to calculate funding to be paid to the HEI and to evaluate how they reflect groups under-represented in higher education and wider Welsh Government equality ambitions, including gender balance. Employer engagement and the profile of employers accessing the degree apprenticeship programme is also evaluated through this process.

HEFCW has established a Degree Apprenticeships working group comprising of HEI Degree Apprenticeship leads and HE Regional Skills Partnership (RSP) members to provide a pan-Wales view, and share good practice. This should help to link Degree Apprenticeships with the work of the RSPs.

HEFCW is a member of the Quality Assurance Agency for Higher Education (QAA) Advisory Group and was involved in the publication of the guidance document Quality Assuring Higher Education in Apprenticeships: Current Approaches, (July 2018) and a Characteristics Statement: Apprenticeships in Higher Education (July 2019), designed to complement and contextualise information within the Frameworks.

HEFCW intends to commission a developmental quality review of Degree Apprenticeships to provide a set of recommendations for future delivery. This will be carried out by the QAA and Estyn and will look at how the provision in Wales addresses the QAA Characteristics statement for Higher Education in Apprenticeships. It will report in March 2021.

3. **What are your views on the demand for degree apprenticeships and how that demand should be managed, both in terms of the range of frameworks and demand from employers and learners?**

Circular W18/29HE Degree Apprenticeships 2019/20: Consultation on the Funding Methodology and Request for Expressions of Interest invited HEFCW-funded institutions to express their views on the allocation of funding, in the event that demand exceeded available funding. Responses pointed to the need for a demand-led approach to the allocation of Degree Apprenticeship funding in the

6

three priority areas of digital, engineering and advanced manufacturing, for the academic year of 2019/20). However, this does not take account of the potential demand in other areas and demand for postgraduate provision at Level 7. There is also potential tension between the requirements of employers who pay the apprenticeship levy who operate across the UK in a range of contexts and the limited sector priority areas currently funded for Degree Apprenticeships in Wales. For example, the public sector in Wales is the largest employer, and bodies such as health and social care providers who pay the levy are not able to access funded Degree Apprenticeship programmes.

Demand for Degree Apprenticeships is currently based on Ministerial priorities and evidence submitted in the 2019 RSP Action Plans. The findings of the Economy, Infrastructure and Skills Committee inquiry into Regional Skills Partnerships (RSP) should inform HE engagement with local labour market planning, and the identification of sector priorities.

Economically-focused programmes based on evidence of employer demand are best developed in collaboration with HEIs to make best use of capacity, mission and expertise. This also has to take account of employer recruitment and training plans that typically forecast twelve months in advance. This can create pressure on the timeline for curriculum development, to meet apprenticeship Framework requirements and the changing industrial landscape. Collaboration between delivery providers also needs to be supported to ensure the development of progression pathways in sector priority areas, and geographical spread of provision.

Demand is driven by employer need, and apprenticeship Framework consultations are typically developed at a strategic level with large employers operating in Ministerial sector priority areas of digital and engineering and advanced manufacturing. This reflects the structure and processes in place and budgetary constraints during the pilot stage. In the first instance, it was

anticipated that a large proportion of employers engaging with the programme would be large employers upskilling existing staff. Over time, it is anticipated that the number of Small and Medium sized Enterprises (SMEs) accessing the Degree Apprenticeship programme will increase to reflect Welsh Government ambitions for a flexible and accessible programme that accommodates the needs of SMEs.

The Degree Apprenticeship programme is all age, and available to new and existing staff. The size of the three year pilot and the budget has resulted in limited promotion of the programme to limit the risk that expectations are raised beyond existing funding levels available. It has also restricted engagement with Careers Wales and promotional activity in schools. When the future direction is clear, Degree Apprenticeships should be promoted as a viable option that combines a career and Higher Education. Helpfully, the Wales Apprenticeship Advisory Board (WAAB) has considered this issue and broader opportunities to increase interest in apprenticeships for young people.

Establishing Degree Apprenticeships as a viable alternative to traditional HE is necessary to achieve parity of esteem between academic and vocational education. It is anticipated that the development of a new approach to higher learning in the workplace may improve the low skills equilibrium that can exist where there is limited demand for high skilled labour.

4. **To what extent should activity aimed at widening access feature in degree apprenticeship recruitment, and how can this be used to ensure that cohorts are representative?**

HEFCW's Circular W18/29HE published 20 March 2019 supports Welsh Government priorities for widening access - Aligning The Apprenticeship Model to the Needs of the Economy.

On 14 January 2019, HEFCW held a workshop for Degree Apprenticeship Providers. The workshop included perspectives on equality and diversity, delivered by the Equality and Human Rights Commission in Wales and Strategy Lead for Equality and Diversity at the National Training Federation Wales (NTfW). This highlighted areas of challenge in this space and the potential impacts of focussed HE and employer negotiated action.

HEFCW's view is that it would not be helpful to set targets in relation to apprentice characteristics, as the majority of apprentices recruited to date are existing staff, and the Equality and Human Rights Commission (EHRC) suggest that typically, employees are reluctant to declare a disability to their employer. HEIs have limited influence over existing staff and will need to work with employers in the future where apprentices are new recruits to ensure that they are able to exert some influence over the recruitment procedure. We will continue to monitor apprentice characteristics through our monitoring and reporting arrangements, and consider HEI widening access performance in our funding decisions.

HEFCW has impact assessed the Degree Apprenticeship pilot programme and expects HEIs to impact assess their institutional programmes. This will be an area for focus in future arrangements.

The Degree Apprenticeship programmes currently available (i.e. Digital, Engineering and Advanced Manufacturing) are traditionally male-dominated. The profile of apprentices is therefore unsurprising. Preconceptions and stereotyping starting at primary school level are also problematic, especially those related to gender and engineering. Projects such as Welsh Governments Have a Go helps

9

to raise awareness of opportunities for young people in typically male-dominated sectors and increase progression into vocational pathways and apprenticeships. HEFCW is a member of Inspire Skills Wales that aims to make a positive contribution to business skills development and combines Have a Go, Skills Competitions Wales and WorldSkills UK Wales

HEFCW is mindful that the programme is still in its pilot stage, and that support for widening access is required to ensure that the diversity of apprentices increases. As a collaborative programme, HEIs can draw on the expertise of their partner providers. HEFCW has been invited to join the Welsh Government Disability Working Group, and directs HEIs to the Inclusive Apprenticeships, Disability Action Plan for Apprenticeships 2018 - 21 and EHRC for further guidance.

5. **Do you have any comments on the cost of degree apprenticeships, how degree apprenticeships are funded and the level of funding committed to them?**

On 17 October 2016, HEFCW received a revised remit letter relating to the financial year (FY) 2016-17. The revised remit letter announced that the Welsh Government was to provide an allocation of £20m to support strategic change in institutions in Wales. HEFCW's Circular Supporting Strategic Change Fund (2016) addressed a number of issues including the development of investment in higher-level apprenticeships. As Degree Apprenticeships were a new product (although HEIs deliver other work based learning provision), an initial investment in resource and capacity was required to start the programme to ensure critical mass. During their launch in England (2015), providers were supported by a Degree Apprenticeship Development Fund to boost HE capacity and internal infrastructure.

HEFCW received a <u>letter of </u> confirmation from the Cabinet Secretary that it would receive support from Welsh Government to fund Degree Apprenticeships in Wales. Funding for a three-year pilot programme of Degree Apprenticeships from 2018/19 to 2020/21 would be £20m. This funding allocation was to cover all full-time equivalent (FTE) apprenticeships during the current assembly term, and HEFCW has received assurance from the Welsh Government that it will fund and support apprentices who started their apprenticeship by 2020/21 in future years until they complete their apprenticeship.

Funding of Degree Apprenticeship standards in England operate on <u>apprenticeship funding band widths</u> that are currently between £6,000 and £27,000 per apprentice. In Wales, funding of Degree Apprenticeships for the pilot programme is £27,000 per apprentice, prorated over the duration of the apprenticeship. This aligns with the chargeable tuition fee levels for a full-time HE course. In the pilot programme, Degree Apprenticeships in Wales are focussed on high cost Science, Technology, Engineering and Mathematics (STEM) subjects.

One of the aims of the Welsh Government's evaluation of the Degree Apprenticeship pilot programme is to inform future programme developments. However, this will not report until April 2021. HEFCW is of the view that it would be helpful to agree an additional year of pilot funding for year 4 (academic year 2021/22), to enable decisions to be made and to mitigate the risk of a potential break in the recruitment of new degree apprentices. This would also help to ensure that employer expectations continue to be met.

HEFCW would welcome a decision on a sustainable funding mechanism for Degree Apprenticeships that takes into account affordability and the relationship

to other HE provision, in particular part time provision, and fee levels and funding support.

6. **How has the degree apprenticeship pilot impacted on other level apprenticeships, if at all?**

HEFCW considers that Degree Apprenticeships should strengthen parity of esteem between vocational and academic learning, and enhance the brand of apprenticeships. When there is clarity on the future scale of Degree Apprenticeships, further work will be required to embed the Degree Apprenticeship brand in schools and establish the qualification as a viable alternative to traditional HE.

Collaboration and co-creation of curriculum is an essential feature of Degree Apprenticeships, as HE qualifications must meet employer need, and reflect occupational job roles set out in Framework requirements. A number of consultation events have taken place to develop the Digital and Engineering and Advanced Manufacturing Frameworks, taking into account provider pathways from lower level apprenticeships, occupational entry routes, exit points and progression to postgraduate study. The aim is that this will raise aspirations for those apprentices who would not have initially considered studying at a higher level.

HEFCW considers that a balanced approach is necessary to develop an apprenticeship programme at all levels to meet the economic upskilling needs in Wales. This recognises the benefits of an integrated approach, and the distinctiveness of HE as a provider of study at undergraduate level. The value of Degree Apprenticeships should be measured in terms of wider societal benefits, economic growth and inward investment.

7. **Should any aspect of the approach to delivering degree apprenticeships change and if so, what should be the future direction?**

Advice from the sector suggests that HE-led Degree Apprenticeships are quickly developing as a quality response to employer need for economic upskilling. HEIs have expertise at degree level, and as the awarding bodies for degree qualifications, are ideally placed to lead this activity. HEFCW considers that this direction of travel should continue with sustained growth in HE, Further Education (FE) and Private Training Provider (PTP) collaboration, and co-creation of employer focussed provision.

HEFCW's advice to the sector is that Degree Apprenticeships should align with the broader apprenticeship programme. HEFCW is working closely with Welsh Government to achieve this aim, but would welcome clarity on continuation funding and its methodology to ensure a planned response that makes best use of public funding.

The changing role of employers in Framework development is welcomed, and emerging cluster groups could be developed to create a focus of expertise in the sector. In particular, HEFCW would support the developing role of WAAB as an employer-led Board in apprenticeship policy development, Framework review, priorities and development. It would also be helpful to consider the role of the apprentices in this area.

There has been limited promotion of Degree Apprenticeships during the pilot stage. Welsh Government's Business Wales Skills Gateway provides information

and advice on apprenticeships, and an opportunity for employers to submit a register of interest. A review of this process may be helpful, to assess conversion rates to HE Degree Apprenticeships and gauge its efficacy going forward. Opportunities to increase engagement might be improved when the Welsh Government's Apprenticeships Vacancy Service is online. This could be an opportunity to promote Degree Apprenticeships, and integrate with Careers Wales Apprenticeship Matching Service.

Stakeholders suggest that clarity of the Degree Apprenticeship offer is vital. The Welsh Government has a well-established communications and marketing apparatus for publicising apprenticeships, and it is important that Degree Apprenticeships are part of this framework. Consistent with the aims of Commission for Tertiary Education and Research (CTER), we would like to see Welsh Government continue to use their expertise and experience to promote Degree Apprenticeships as a joined up approach to promoting apprenticeships. It might also be beneficial to better integrate Degree Apprenticeships within Welsh Government Apprenticeship Awards. This could demonstrate an integrated approach to apprenticeship policy planning and highlight excellence in the sector. In 2019/20, Welsh HEIs have increased participation rates in Worldskills. This should help to raise the profile and recognition of higher-level skills and support economic growth.

The role of Careers Wales in providing impartial all age information, advice and guidance (IAG) is significant. Expertise within this service provides an opportunity to reach young people in the school setting, focussing on progression from lower to higher apprenticeships and then Degree Apprenticeships. IAG relating to apprenticeships in schools might otherwise be limited, as demand on existing school resources and capacity is stretched. Guidance would need to take account of current budgetary constraints of the current programme, and manage expectations. HEFCW anticipates a growing relationship with Careers Wales, predicated on a sustainable growth plan in policy development.

The Welsh Government's consultation on a Reformed Post Compulsory Education Training System could offer a mechanism to achieve greater integration and progression for young people. HEFCW's Circular for Degree Apprenticeships in Wales, Proposals for funding (2019/20) asks HEFCW-funded institutions to provide opportunities to strengthen pathways from lower level apprenticeships to Degree Apprenticeships.

An Essential Skills Wales is not a requirement of the Degree Apprenticeship pilot, although HEFCW expects assurance that apprentices' learning is being supported. This means that apprentices will only be awarded a qualification from their Higher Education provider, and not an apprenticeship certificate. This does not align with apprenticeships at lower levels. Clarity on this point is required to inform future developments.

Degree Apprenticeship Briefing

23 January 2020

Introduction

This paper provides actual recruitment of Degree Apprenticeships 2018/19 on the Digital Degree Apprenticeship (Wales) Framework, based on HESA End of Year Monitoring (EYM) data. The paper also provides an updated position on recruitment of Degree Apprenticeships 2019/20 based Monitoring Reports submitted by HEFCW funded institutions, period 1 (01/08/2019 to 15/11/2019). This applies to new and continuing apprentices on the [Digital Degree Apprenticeship (Wales) Framework](#) [issued on 29 April 2018](#), and new apprentices on the [Engineering and Advanced Manufacturing (Wales) Framework](#) issued on 1 August 2019.

Degree Apprenticeships 2018/19

- Circular [W18/13HE Degree Apprenticeships](#) invited HEFCW-funded institutions to submit proposals for funding of the Digital Degree Apprenticeship (Wales) 2018/19. HEFCW took forward successful bids to fund apprenticeship numbers, and a second call for bids 2018/19 was published in HEFCWs circular [W18/32HE Additional Degree Apprenticeship Numbers in Wales for 2018/19 and monitoring information for apprenticeships already allocated 2018/19](#).

- HEFCW-funded institutions delivering qualifications against the Digital Degree Apprenticeship (Wales) Framework 2018/19 include:

Provider	Pathway	Qualification Title
Bangor University	Software	BSc Applied Software Engineering Hons
Cardiff Metropolitan University	Data	BSc (Hons) Applied Data Science
The Open University in Wales	Software	BSc (Hons) Applied Software Engineering
Swansea University	Software	BSc (Hons) in Applied Software Engineering
University of Wales Trinity Saint David	Data	BSc (Hons) Computing (Data & Information Systems)
University of Wales Trinity Saint David	Cyber	BSc (Hons) Computing (Computer Networks & Cyber Security)
University of Wales Trinity Saint David	Software	BSc (Hons) Computing (Software Engineering)
Wrexham Glyndŵr University	Cyber	BSc (Hons) Cyber Security
Wrexham Glyndŵr University	Software	BSc (Hons) Computing

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Gradd Brentisiaethau   Degree Apprenticeships
EIS(5)DA22A
Ymateb gan Cyngor Cyllido Addysg Uwch Cymru   Evidence from The Higher Education Funding Council for Wales
2

- The University of South Wales was approved to deliver BSc (Hons) Digital & Technology Solutions in 2019/20;
- Cardiff University and Aberystwyth University signalled that they intended to submit proposals for Degree Apprenticeships 2019/20.

- HEFCW committed to fund [1]210 apprentice numbers, equivalent to £1,865,250 of the available £3,000,000 funding for 2018/19, on one or more of the pathways identified on the Digital Degree Apprenticeship (Wales) Framework. HEFCW-funded institutions reported recruitment of [1]155 apprentices against approved numbers for delivery 2018/19. These have been approved for continuation funding to 2019/20:
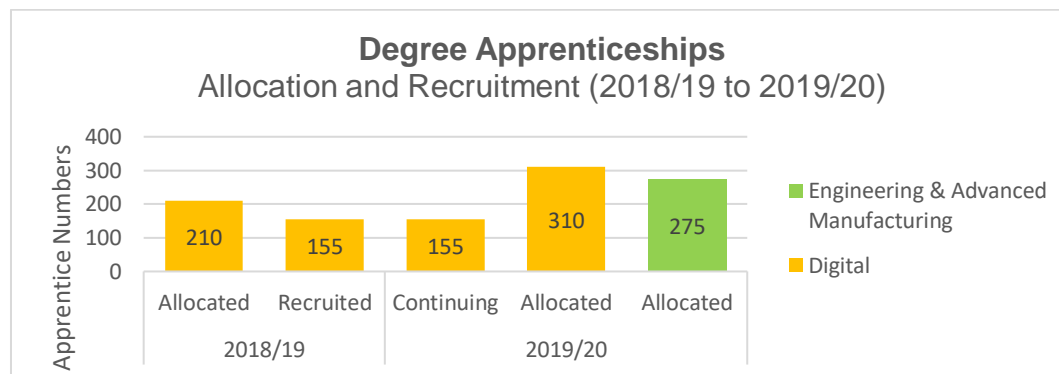
- Circular W18/32HE published 18 December 2018, invited HEFCW funded institutions to submit Monitoring Reports for Degree Apprenticeship recruitment 2018/19. Employer data returned through this process indicates that 13% of degree apprentices are new starters, and that 36% of employers accessing the programme are SMEs:

		Number	Percentage
Employee Status	Existing Employee	130	86.67%
	New Employee	20	13.33%
	Total	**150**	
Size of Employer	SME	25	35.71%
	Not SME	45	64.29%
	Total	**70**	

[1] All numbers are rounded up or down to the nearest multiple of 5. Any number lower than 2.5 is rounded to 0. Halves are rounded upwards (e.g. 2.5 is rounded to 5).

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Ymateb gan Cyngor Cyllido Addysg Uwch Cymru Evidence from The Higher Education Funding Council for Wales
3

HESA Student Record 2018/19

- The HESA student record 2018/19 provides actual End of Year (EYM) monitoring data for degree apprentices, Please see **Annex A**.

- Data from the HESA student record highlights that of a total enrolment of [1]155 apprentices in 2018/19:

  - 19.6% were Welsh speakers;
  - 10% were aged 21 or under;
  - 21.6% were female;
  - 9.8% declared a disability;
  - 4.7% were from black and minority ethnic groups;
  - 23.5% had previous qualifications at degree or postgraduate level;
  - 25 apprentices (17.4%), have a low participation neighbourhood marker, and 25 apprentices (17.1%), are on the Welsh Index of Multiple Deprivation (WIMD);
  - 19.6% of apprentices left the Degree Apprenticeship programme during 2018/19. The number of successful completions accounts for 50% of this figure;
  - The unitary authority of domicile that accounts for the highest percentage of apprentices, (19%) is Swansea.

- The HESA Student Record does not record employer information that could provide data on the number of employers in each local authority, or the local authority in which apprentices are employed.

Degree Apprenticeships 2019/20

- Circular W19/04HE published on 21 March 2019, invited HEFCW-funded institutions to submit proposals for funding of Degree Apprenticeships 2019/20 against one or more of the pathways identified on the Digital Degree Apprenticeship (Wales) Framework, and the Engineering and Advanced Manufacturing (Wales) Framework. Proposals submitted for new and continuing students 2019/20 indicates that over [1]190 employers were engaged in this process.

- HEFCW has committed to take forward bids to fund [1]585 new apprenticeships in 2019/20. This total comprises of [1]310 new apprentice numbers on the Digital Degree Apprenticeship (Wales) Framework, and [1]275 new apprentice numbers on the Engineering and Advanced Manufacturing (Wales) Framework 2019/20.

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Gradd Brentisiaethau   Degree Apprenticeships
EIS(5)DA22A
Ymateb gan Cyngor Cyllido Addysg Uwch Cymru   Evidence from The Higher Education Funding Council for Wales
 4

There was also an additional allocation of [1]155 apprenticeships continuing from 2018/19 to 2019/20:
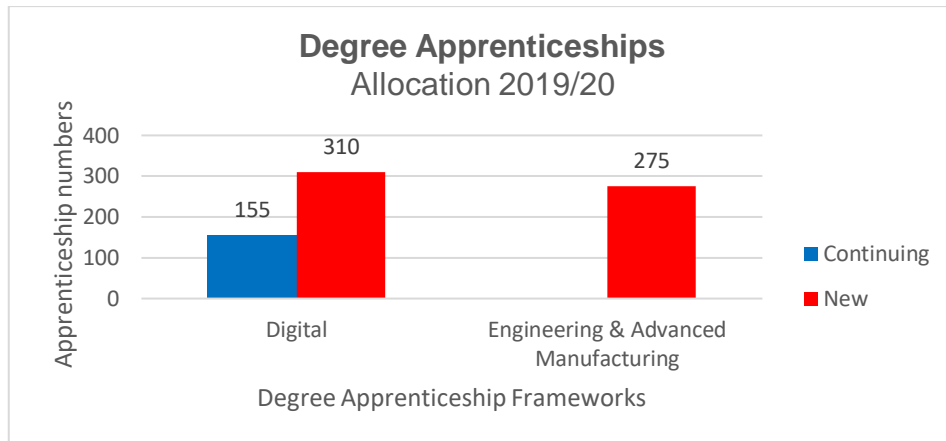
Monitoring Report 2019/20

- Circular W19/38HE published 13 November 2019 outlined monitoring arrangements for Degree Apprenticeship recruitment 2019/20. Monitoring information will be collected from HEFCW funded institutions over three reference periods during 2019/20. This mirrors HESA reference periods in Data Futures. The Reference periods are:

  Reference period one: 01/08/2019 - 15/11/2019
  Reference period two: 16/11/2019 - 31/03/2020
  Reference period three: 01/04/2020 - 31/07/2020

- Data reported by HEFCW funded institutions in their Monitoring Reports during reference period one highlights a total recruitment of 380 new and continuing apprentices. Please see **Annex B.**

- Based on monitoring data reported during reference period one, retention from 2018/19 to 2019/20 is currently 82%. A final retention figure will not be available until Reference Period 3, 31/07/2020, when all additional in year starts will be reported. This is subject to HESA EYM data.

- Monitoring data 2019/20 reference period one highlights that of the 380 new and continuing apprentices:

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Pwyllgor yr Economi, Seilwaith a Sgiliau Economy, Infrastructure and Skills Committee
Gradd Brentisiaethau   Degree Apprenticeships
EIS(5)DA22A
Ymateb gan Cyngor Cyllido Addysg Uwch Cymru   Evidence from The Higher Education Funding Council for Wales
 5

- Recruitment comprises of 270 new apprentice starts 2019/20, and 115 apprentices continuing from 2018/19;
- 20% are Welsh speakers;
- 20% are aged 21 or under;
- 17% are female;
- 7% declared a disability;
- 3% are from black and minority ethnic groups;
- 39% of employers are in the manufacturing sector;
- 20% of employers are SMEs;
- 58% of apprentices are enrolled on the Digital Framework, and 42% of apprentices are enrolled on the Engineering and Advanced Manufacturing Framework;
- 135 apprentices are enrolled on the Software Engineering pathway (36%);
- 295 apprentices are existing employees (78%), and 85 apprentices are new employees (22%).

- HEFCW-funded institutions delivering qualifications against the Digital Degree Apprenticeship (Wales) Framework 2018/19 and the Engineering and Advanced Manufacturing (Wales) Framework include:

Awarding Body	Pathway	Qualification
Aberystwyth University		Under Development
Bangor University	Software	BSc Applied Software Engineering (Hons)
	Cyber	BSc Applied Cyber Security (Hons)
	Data	BSc Applied Data Science (Hons)
	Engineering Product Design and Development	BEng Hons Applied Engineering Systems (Mechanical)
	Engineering Product Design and Development	BEng Hons Applied Engineering Systems (Electrical / Electronic)
Cardiff Metropolitan University	Data	BSc (Hons) Applied Data Science
Cardiff University	Engineering Product Design and Development	BEng (Hons) Integrated Engineering
	Software	BSc Applied Software Engineering Degree Apprenticeship
Swansea University	Advanced Manufacturing	BEng Advanced Manufacturing Engineering
	Engineering Product Design and Development	BEng Aeronautical and Manufacturing Engineering
	Software	BSc (Hons) in Applied Software Engineering
The Open University in Wales	Software	BSc (Hons) Applied Software Engineering
University of South Wales	Software	BSc (Hons) Digital & Technology Solutions
	Cyber	BSc (Hons) Cyber Security
	Engineering Product Design and Development	BSc (Hons) Mechanical Engineering
	Engineering Product Design and Development	BEng (Hons) Mechanical Engineering
	Engineering Product Design and Development	BSc (Hons) Electrical & Electronic Engineering
	Engineering Product Design and Development	BEng (Hons) Electrical & Electronic Engineering
	Engineering Product Design and Development	BSc (Hons) in Compound Semiconductors Technologies (Top Up)

Cynulliad Cenedlaethol Cymru National Assembly for Wales
Pwyllgor yr Economi, Seilwaith a Sgiliau Economy, Infrastructure and Skills Committee
Gradd Brentisiaethau Degree Apprenticeships
EIS(5)DA22A
Ymateb gan Cyngor Cyllido Addysg Uwch Cymru Evidence from The Higher Education Funding Council for Wales
6

University of Wales Trinity Saint David	Cyber	BSc (Hons) Computing (Computer Networks & Cyber Security)
	Data	BSc (Hons) Computing (Data & Information Systems)
	Software	BSc (Hons) Computing (Software Engineering)
	Advanced Manufacturing	BSc (Hons) Ordnance, Munitions and Explosives
	Advanced Manufacturing	BEng Materials Science
	Advanced Manufacturing	BEng Manufacturing Systems Engineering
	Advanced Manufacturing	BSc (Hons) Advanced Manufacturing Operations
	Advanced Manufacturing	BEng Mechanical and Manufacturing Engineering
	Engineering Product Design and Development	BSc (Hons) Electrical & Electronic Engineering
	Engineering Product Design and Development	BSc (Hons) Mechanical Engineering
Wrexham Glyndŵr University	Software	BSc (Hons) Computing
	Cyber	BSc (Hons) Cyber Security
	Advanced Manufacturing	BEng (Hons) Production Engineering
	Engineering Product Design and Development	BEng (Hons)Industrial Engineering Design (Mechanical)
	Engineering Product Design and Development	BEng (Hons) Industrial Engineering Design (Electrical)

- More information regarding the Degree Apprenticeship programme can be found via the HEFCW website, and Business Wales Skills Gateway.

Annex A

Degree Apprenticeship 2018/19

Summary counts of total individualised student records for those students starting degree apprenticeships in 2018/19

HESA Student Record

	Level of entry to apprenticeship				Welsh speaker status			Age			Sex				Disability			Ethnicity				Total enrolments
	Level 4	Level 5	Level 6	Level Unknown	Welsh speaker	Not a Welsh speaker	% Welsh speaker	Aged under 21	Aged 21 and over	% Aged 21 and over	Male	Female	Other	% Female	Declared disabled	No known disability	% Declared disabled	White	Black and minority ethnic groups	Not known	% Black and minority ethnic groups	
Total Wales	120	15	20	0	30	125	19.6%	15	135	88.9%	120	35	0	21.6%	15	140	9.8%	140	5	5	4.7%	155

	Previous qualifications					Low participation				Deprivation				Retention						Total enrolments
	First degree	Postgraduate	Other	None	% First degree or Postgraduate	Low participation area	Other UK area	Non-UK area	% low participation area	Deprivation Area	Other Wales	Non-Wales Area	% Deprivation Area	No. on Degree Apprenticeships 2018/19	No. of successful completions in 2018/19	No. of transfers out 2018/19	No.of non completions 2018/19	Total leaving in 2018/19	% Total leaving in 2018/19	
Total Wales	25	10	105	15	23.5%	25	125	5	17.4%	25	120	5	17.1%	155	15	0	15	30	19.6%	155

	Unitary Authority of domicile																								Total enrolments
	Blaenau Gwent	Bridgend	Caerphilly	Cardiff	Carmarthenshire	Ceredigion	Conwy	Denbighshire	Flintshire	Gwynedd	Isle of Anglesey	Methyr Tydfil	Monmouthshire	Neath Port Talbot	Newport	Pembrokeshire	Powys	Rhondda, Cynon, Taff	Swansea	Torfaen	The Vale of Glamorgan	Wrexham	Other UK	Non UK, Welsh term-time address	
Total Wales	0	5	0	15	15	5	0	0	10	0	0	5	0	15	15	0	0	10	30	5	5	0	5	5	155

Source: HESA student record 2018/19

Notes

Postgraduate includes PGCE

Low Participation Area:

For young full-time students - are those areas in the bottom quintile of areas defined by POLAR4

For mature full-time and all part-time students - are those areas in the bottom quintile of areas defined by the proportion of working age adults with HE level qualifications (as measured using Census 2011 data)

Young is defined as being aged 20 or under at the start of course. Mature is defined as being aged 21 or over at the start of course

Deprivation areas are those areas in the bottom quintile of areas as defined by WIMD14

% leaving does not imply the percentage who may not return, only those who have left in 2018/19

Non-UK area not included in calculation of '% low participation area'

Non-Wales Area not included in calculation of '% Deprivation Area'

Degree apprentices are domiciled in 19 of the 22 Unitary Authorities in Wales, however due to the data disclosure control methodology, small figures are rounded to 0, making it appear that degree apprentices come from only 12 Unitary Authorities.

Data control methodology applied:

This means that:

All numbers are rounded up or down to the nearest multiple of 5. Any number lower than 2.5 is rounded to 0. Halves are rounded up (e.g. 2.5 is rounded to 5)

Percentages are calculated on unrounded data

Percentages calculated on populations which contain fewer than 22.5 individuals are suppressed and represented as "."

Totals are the rounded sum of the unrounded data and therefore may appear to differ from the sum of the individual rounded data

Manual amendment for OU of level of entry is 4 (from unknown)

Previous qualifications

Postgraduate

First degree

Other

None

Annex B

Summary of 2019/20 Degree Apprenticeship in-year monitoring reports

Reference Period One: 01/08/2019 - 15/11/2020		New apprentice Number	Continuing apprentice Number	Total Number	Total Percentage
Level of entry to apprenticeship	Level 4	175	100	280	74%
	Level 5	55	10	70	18%
	Level 6	35	0	35	9%
	Total	270	115	380	
Welsh speaker status	Welsh speaker	60	15	75	20%
	Non Welsh speaker	210	95	305	80%
	Total	270	115	380	
Age	Aged under 21	60	15	75	20%
	Aged 21 and over	210	95	305	80%
	Total	270	115	380	
Gender	Male	230	85	315	83%
	Female	35	30	65	17%
	Other	0	0	0	0%
	Total	270	115	380	
Disability status	Disabled	15	10	25	7%
	No known disability	250	105	355	93%
	Total	270	115	380	
Ethnicity	White	240	105	350	92%
	Black and ethnic minority	5	0	10	3%
	Ethnicity Unknown	20	5	25	7%
	Total	270	115	380	
Sector	C Manufacturing	5	145	150	39%
	D Electricity, gas, steam and air conditioning supply	0	0	0	0%
	E Water supply, sewerage, waste management and remediation activities	0	5	5	1%
	F Construction	0	5	5	1%
	G Wholesale and retail trade; repair of motor vehicles and motorcycles	0	5	5	1%
	H Transport and storage	0	0	5	1%
	I Accommodation and food service activities	5	5	5	1%
	J Information and communication	15	20	35	9%
	K Financial and insurance activities	0	20	20	5%
	M Professional, scientific and technical activities	5	5	15	4%
	N Administrative and support service activities	5	0	5	1%
	O Public administration and defence; compulsory social security	45	30	75	20%
	P Education	10	10	15	4%
	Q Human health and social work activities	25	15	40	11%
	S Other service activities	0	0	0	0%
	Total	115	270	380	
SME or not	Not SME	85	215	305	80%
	SME	25	50	75	20%
	Total	115	270	380	
Framework	Digital	115	110	220	58%
	Engineering and Advanced	0	160	160	42%
	Total	115	270	380	
Pathway	Cyber security management	30	10	40	11%
	Data science	35	15	50	13%
	Software engineering	50	80	135	36%
	Advanced Manufacturing	0	55	55	14%
	Chemical Engineering	0	5	5	1%
	Electrical / Electronic Engineering	0	35	35	9%
	Mechanical Engineering	0	60	60	16%
	Total	115	270	380	
Existing or new employee	Existing Employee	90	205	295	78%
	New Employee	20	65	85	22%
	Total	115	270	380	

Source: Data collected directly from Wales HE providers

Notes

New apprentice - apprentices starting in 2019/20 between 1 August 2019 and 15 November 2019

Continuing apprentice - apprentices starting in 2018/19 and continuing in 2019/20

For more definitions refer to 'Notes' sheet

HEFCW's data disclosure control methodology has been applied. This means that:

All numbers are rounded up or down to the nearest multiple of 5. Any number lower than 2.5 is rounded to 0. Halves are rounded upwards (e.g. 2.5 is rounded to 5).

Monitoring Reference periods are:

One: 01/08/2019 - 15/11/2019

Two: 16/11/2019 - 31/03/2020

Three: 01/04/2020 - 31/07/2020

Response to Economy Infrastructure and Skills Committee consultation on Degree Apprenticeships

About Universities Wales

Universities Wales represents the interests of universities in Wales. Our membership encompasses the vice-chancellors of all the universities in Wales and the Open University in Wales. Our mission is to support a university education system which transforms lives through the work Welsh universities do with the people and places of Wales and the wider world.

Summary

1. We believe that meeting the demand for future-skills in Wales is a significant challenge and that the skills system should provide a flexible and responsive environment which will enable providers, employers and individuals to access the skills they need in a way that suits them. Degree apprenticeships offer an important vehicle to provide more people of all ages and backgrounds to access higher level skills.

2. Degree apprenticeships are apprenticeship programmes which lead to an undergraduate, postgraduate or doctoral degree. They offer a mix of on-the-job training, paid employment and formal study. Typically, these programmes last 3-4 years and whilst engaged on it the apprentice is considered an employee.

3. Welsh Government initially committed to funding degree apprenticeships in two framework areas which cover advanced manufacturing, engineering and computing. In Wales, development of degree apprenticeships is limited to level 6 (Honours Degree).

4. Degree apprenticeships are an important tool in preparing Wales to mitigate the challenges of technological and workplace change while making the most of the opportunities that change offers. They promote life-long learning and allow for people to develop their skills whilst remaining with their employer. Degree apprenticeships provide an option for those who do not wish to commit to traditional full-time higher education routes.

5. Degree apprenticeships are also effective in building partnerships and collaborations across Wales. For example, the majority of existing degree apprenticeships in Wales are delivered in partnership between further and higher education providers.

6. The existing degree apprenticeships in advanced manufacturing, engineering and computing suggest that degree apprenticeships are also an effective tool in addressing gender imbalance in subject areas. The latest figures available indicate that more women are accessing digital degree apprenticeships in this field than through traditional recruitment (women account for 21% of the degree apprenticeship cohort and 13% of the traditional full-time undergraduate cohort in computing)

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Pwyllgor yr Economi, Seilwaith a Sgiliau   Economy, Infrastructure and Skills Committee
Gradd Brentisiaethau   Degree Apprenticeships
EIS(5)DA012
Ymateb gan Prifysgolion Cymru   Evidence from Universities Wales
2

7. Universities Wales believes that Welsh Government expanding their degree apprenticeship priorities to cover a broader range of degree apprenticeship subject areas at levels 6 and 7 would allow universities to work with employers to further develop programmes that address skills needs in Wales. Currently there are 11 graduate apprenticeship frameworks available in Scotland and 98 degree apprenticeship standards in England.

In addition to supporting employers and addressing skills needs, offering a broader range of degree apprenticeships would enable progression for those who are studying apprenticeships in areas not covered by the current Welsh Government's priorities for degree apprenticeships. For example, 39% of apprenticeships at level 4 and above are in Management and Professional and 48% are in Healthcare and Public Services, currently these apprentices have no vocational pathway to a degree.

The Committee would welcome your views on any or all of the issues covered in the terms of reference, and in particular on the following questions:

- *Have any issues become apparent during the rollout of degree apprentices and what lessons can be learnt from their introduction?*

8. Although the programmes have been very well received by employers and apprentices, due to the short timescales that universities have had to work to, designing bespoke programmes in that time is one of the challenges that has become apparent.

It would be useful for Welsh Government to provide clarity on a wide-ranging and long-term plan for degree apprenticeships, this would allow for strategic planning and development of resources. A longer lead-in time would is essential for industry so that they can coherently plan their apprenticeship recruitment programmes and would also enable a greater range of employers to participate.

- *Was the process and criteria used for approving proposals from providers to deliver degree apprenticeships satisfactory?*

9. Setting aside issues on timing, we welcome the process as administered through HEFCW which ensures the burden on providers and employers who wish to set up degree apprenticeships in Wales is not too onerous.

However, there is frustration at the current limit to the number of frameworks available in Wales which puts Welsh higher education at a disadvantage given the nature breadth of the offer available in England and Scotland.

In Scotland 6 frameworks were initially made available at level 6, this increased to 11 in 2018/19 leading to a 230% increase in take-up between 2017/18 and 2018/19. As of August 2019 they were able to report approximately 1200 students engaged with 350 employers.

In England, there are 66 standards available at level 6, 21 at level 7 and 1 at level 8 ranging from Advanced Clinical Practitioner to Transport Planner. Approximately 13,000 students are recorded as starting degree apprenticeships in 2018-19 alone. The full list of opportunities is available live here but as of January 2020 the list includes:

- Advanced clinical practitioner (degree)
- Archaeological specialist (degree)
- Architect (degree)
- Bioinformatics scientist (degree)
- Chartered Manager (degree)

Cynulliad Cenedlaethol Cymru   National Assembly for Wales
Pwyllgor yr Economi, Seilwaith a Sgiliau Economy, Infrastructure and Skills Committee
Gradd Brentisiaethau   Degree Apprenticeships
EIS(5)DA012
Ymateb gan Prifysgolion Cymru   Evidence from Universities Wales
3

- Chartered Surveyor (degree)
- Clinical Trails Specialist (degree)
- Design and constructions management (degree)
- Diagnostic radiographer (integrated degree)
- Ecologist (degree)
- Environmental health practitioner (degree)
- Food and Drink advanced engineer (degree)
- Laboratory Scientist (degree)
- Marine Technical Superintendent (degree)
- Midwife (degree)
- Outside broadcast engineer (degree)
- Physiotherapist (degree)
- Podiatrist (degree)
- Process automation engineer (degree)
- Rail and rail systems principal engineer (degree)
- Registered nurse (degree)
- Social worker (degree)
- Sonographer (degree)
- Therapeutic radiographer (degree)
- Transport planner (degree)

- *What are your views on the demand for degree apprenticeships and how that demand should be managed, both in terms of the range of frameworks and demand from employers and learners?*

10. Demand for degree apprenticeships in Wales clearly exceeds the subjects and levels offered, and it is felt that the sector could easily put out a call for numbers for areas that are not covered by the current frameworks. As things stand, Welsh institutions are at a disadvantage when trying to work with UK-wide companies as high-level skills can be provided in England and paid for with the apprenticeship levy. Welsh universities are at a competitive disadvantage and learner numbers are potentially being lost over the border with the obvious knock on effect for retaining Welsh talent and industrial presence within Wales.

There is also particular interest for degree apprenticeships that range through to level 7 (Masters level).

Conversations with employers have revealed interest in the following areas:

Compound semi-conductors (L7)

Construction

Digital (Flexible IT route)

Engineering (L7)

Financial Services

Food Technology

Health Care (including environmental and public health, social care health and health care support)

Journalism

Law and Accountancy (L6)

Leadership and Management

Media

Cynulliad Cenedlaethol Cymru   National Assembly for Wales
Pwyllgor yr Economi, Seilwaith a Sgiliau   Economy, Infrastructure and Skills Committee
Gradd Brentisiaethau   Degree Apprenticeships
EIS(5)DA012
Ymateb gan Prifysgolion Cymru   Evidence from Universities Wales
4

Product Design

Quantity Surveying

Science (particularly industrial pharmaceuticals and life sciences)

We would strongly support the development of a system that enables universities, in partnership with employers, to develop frameworks that respond to individual and employer demand.

This would also provide for greater progression from apprenticeships at levels 4 and 5. Existing apprentices who wish to progress on to a degree apprenticeship are able to, and if they already hold a level 4 or 5 apprenticeship that can be recognised meaning that the apprentice is able to complete the degree apprenticeship in a shorter period of time.

However, outside of degree apprenticeships, 39% of apprenticeships at level 4 and above are in Management and Professional and 48% in Healthcare and Public Services. Due to Welsh Government priorities and funding, currently only Digital, Engineering and Advanced Manufacturing degree apprenticeships are available in Wales, limiting the pool of existing apprentices who are able to progress on to a degree apprenticeship. This means that there are no clear pathways for the majority of apprentices on level 4 apprenticeships and above, in particular those on apprenticeships in Management and Professional or Healthcare and Public Services, to progress onto a degree apprenticeship.

- *To what extent should activity aimed at widening access feature in degree apprenticeship recruitment, and how can this be used to ensure that cohorts are representative?*

11. The sector welcomes the focus on widening access in recruitment activity and feels it could help to attract key high-level industry for skills in the region(s). Currently 36% of the employers accessing the framework are small and medium enterprises (SMEs). This is a reassuring start demonstrating a range of SMEs are already engaging with the programmes, although there is room for improvement here.

    Early indications are that degree apprenticeships can be an effective tool in addressing gender imbalance in subjects. We note that the latest figures available indicates that more women are accessing digital degree apprenticeships in this field than through traditional recruitment (women account for 21% of the degree apprenticeship cohort and 13% of the traditional full-time undergraduate cohort in computing). While this is still an imbalance it shows that this is becoming an attractive route for those who may not have pursued these subjects previously. Similarly, in Scotland, after two years of delivery there has been a growth in women doing graduate apprenticeships in science, technology, engineering and maths (STEM) frameworks, with participation ahead of the average across all higher education.

- *Do you have any comments on the cost of degree apprenticeships, how degree apprenticeships are funded and the level of funding committed to them?*

12. The current framework funding levels for degree apprenticeships adequately reflect the cost of delivery and, in value for money terms, compare favourably to the per credit cost of many apprenticeships that result in a level 4 or 5 in engineering. A level 6 degree apprenticeship takes learners in at level 4 and progresses them through levels 4, 5 and 6 which results in the award of a 360 credit degree. Alternatively, learners who already hold a level 4 or 5 can have

Cynulliad Cenedlaethol Cymru   National Assembly for Wales
Pwyllgor yr Economi, Seilwaith a Sgiliau Economy, Infrastructure and Skills Committee
Gradd Brentisiaethau   Degree Apprenticeships
EIS(5)DA012
Ymateb gan Prifysgolion Cymru   Evidence from Universities Wales
5

their prior learning recognised and complete the level 6 degree apprenticeship in a shorter period of time.

Administration of the funding through the Higher Education Funding Council has also meant that degree apprenticeships are subject to the same quality and regulatory arrangements as higher education provision more broadly and also mitigates the level of bureaucracy for employers seen in England.

The timing of funding has proved problematic in some cases. Funding being allocated late in the 19/20 cycle caused issues with the shortened lead time affecting institutions ability to recruit effectively which also has impacted plans to recruit from under-represented groups.

For degree apprenticeships, the key issues in relation to funding are certainty beyond the length of the pilot and the opportunity to utilise degree apprenticeship funding for a broader range of subject areas and for level 7 provision.

- *How has the degree apprenticeship pilot impacted on other level apprenticeships, if at all?*

13. The introduction of degree apprenticeships has had a positive impact on the opportunities available to apprentices studying other levels. For example, students who have undertaken apprenticeships to levels 3, 4 and 5 are now able to progress onto full degree apprenticeships adding value in the computing and engineering fields. Expanding the range of degree apprentices available would enable a greater number of existing apprentices to benefit from this.

   Universities Wales has recently submitted feedback to the Structure for Welsh Apprenticeship Frameworks Consultation run by Welsh Government. In our response we noted that there the sub-degree frameworks should retain enough flexibility so that students can take both a 'straight-line' progressing through levels of apprenticeship and the option to be flexible, accessing both apprenticeship frameworks and traditional education routes as appropriate to the learner.

- *Should any aspect of the approach to delivering degree apprenticeships change and if so, what should be the future direction?*

14. It would be useful to the sector for there to be more of a drive from Welsh Government on degree apprenticeships, raising awareness and understanding of what they are would attract more employers and potential apprentices.

   A long-term plan outlining which subject areas (and levels) will come online beyond 2021 and the funding allocations for these would allow for better planning, more useful engagement with industry and alignment with strategic governmental goals.

Eitem 4

National Assembly for Wales: Economy, Infrastructure and Skills Committee

Degree Apprenticeships

January 2020

Introduction

ColegauCymru welcomes the opportunity to respond to the National Assembly for Wales Economy, Infrastructure and Skills Committee's inquiry into Degree apprenticeships. ColegauCymru is a post-compulsory education charity; we promote the public benefit of post compulsory education and learning. We also convene the further education (FE) Principals' Forum, which represents further education colleges and FE institutions (FEIs) in Wales. ColegauCymru also undertakes research, policy development and provides practical support to FE colleges in Wales.

Colleges deliver higher education courses and degree programmes, in some cases directly via their own Fee and Access Plans and via franchise arrangements with partner universities.

Response to the Consultation

1. ColegauCymru welcomes the plurality of routes into higher level learning which now include Degree apprenticeships. The Further Education sector across Wales has supported the introduction of the Degree apprenticeship initiative. However, given our ongoing interest in matters of equality, diversity, social mobility as well as the need to promote skills development at all levels, our submission raises some areas that we consider in need of further exploration. Responses from individual FEIs as well as HE and FE partnerships have been encouraged by ColegauCymru. The institutions delivering the Degree apprenticeships will address the specific challenges and success encountered in rolling out the limited frameworks. This response examines some of the higher order questions and the strategic context of the roll out of the programme.

Rationale for degree apprenticeships

2. The rationale for Degree apprenticeships needs greater clarification. While similar initiatives operate in England and in Scotland (via the Graduate Apprentices scheme), it is not clear what specific problem they are trying to solve in Wales. Simply increasing the number of graduates does not automatically lead to an increase in the number of graduate level roles as issues of graduate unemployment or underemployment in recent years attest.

3. It is clear from feedback from employers and individual providers that demand for Degree apprenticeships is likely to rise, particularly if the number of frameworks increases. Institutions will be attracted to the prospect of delivering these programmes and government will come under pressure from both supply and demand side for an increase in the volume of these opportunities. Focus will therefore have to be given to an understanding of the need for this provision and not only the demand. Regional Skills Partnerships, subject to the recent review undertaken by the Economy, Infrastructure and Skills Committee, offer one means of addressing this difficult balancing act. Government will also need to be crystal clear on what it is trying to achieve. A better approach to the evolution of Degree apprenticeships would also allow them to meet the needs of SMEs and the wider foundational economy.

4. Feedback from the Further Education sector noted that the approach of Degree apprenticeships seems not dissimilar to 'sandwich degrees': the main difference is that the in-work and education elements take place throughout the year rather than being separated into discrete blocks.

5. The UCAS website information providing advice on Degree apprenticeships in England notes that 'Degree apprentices are likely to have a greater attachment to their employer, and already being employed means they are more likely to stay with that company afterwards. Retention rates for apprentices can exceed 80%'.[1] However, further detail is needed on why the same level of benefit could not be delivered by employers funding part-time courses for staff via existing or expanded part-time degree channels, including via the Open University and indeed Further Education Institutions themselves. Such courses could be developed in conjunction with employers and providers.

6. For larger employers, especially those operating within the English skills system, it is not clear what the significant difference is between a degree apprenticeship and a well-organised, employer-funded staff training/recruitment programme. In England, the National Audit Office warned in 2019 that in the apprenticeship system: "Some levy-paying employers are replacing their professional development programmes – for example, graduate training schemes in accountancy or advanced courses in management – with apprenticeships. In such cases, there is a risk that the additional value of the apprenticeship to the economy may not be proportionate to the amount of government funding (paragraphs 2.27 to 2.30 and Figure 9)."[2]

7. IPPR warned in 2016 of the potential for employers in England to re-badge existing staff training as apprenticeships, in order to secure government money or 'recoup'

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[1] www.ucas.com/alternatives/apprenticeships/apprenticeships-england/what-apprenticeships-are-available/degree-apprenticeships
[2] www.nao.org.uk/wp-content/uploads/2019/03/The-apprenticeships-programme.pdf, p9.

their apprenticeship levy, meaning there could be little additional training and skills development delivered as a result of the new system.[3] Although this was in relation to 'low skills, low pay' occupations, the same potential for existing staff in Wales to gain a degree qualification which does not necessarily add value to the business or improve productivity is a risk factor. Welsh Government should ensure that innovations in skills policy do not simply cause displacement of existing learners or apprentices.

8. The qualitative difference between a Degree apprenticeship that results in a degree and simply studying the degree itself, with periods of good quality work experience, or studying part time for the same degree alongside related employment also needs to be set out in more detail as part of the rationale for Degree apprenticeships. This should also include an assessment of how Degree apprenticeships have impacted on other levels of apprenticeships. We are not aware of any impact assessment that had been carried out prior to the introduction of this programme.

9. In light of the above comments, the Economy, Infrastructure and Skills Committee might like to explore existing or potential Welsh Government plans for review and evaluation of Degree apprenticeships and assess the problems that they are trying to solve.

Widening access and improving diversity

10. Widening access to higher education and improving diversity are important, valuable and laudable aims. Arguably, they have not been fully met in Degree apprenticeships in Wales to date. HEFCW Circular 19/04HE invited HEFCW-funded institutions to submit proposals for funding for Degree Apprenticeships in 2019/20 and includes a focus on groups underrepresented in HE, and the importance of gender and other protected characteristics in recruitment to degree apprenticeships. Likewise both HEFCW Circular W18/13HE (26 June 2018) and W19/04HE (21 March 2019) stated that degree apprenticeships provide opportunities "to improve the diversity of the workforce in ICT/Digital and engineering/advanced manufacturing sectors in Wales".[4] Data from the HEFCW Degree Apprenticeship briefing of 12 November 2019 show that of 145 degree apprentices, only 30 are female.[5] The same source shows that where information about ethnicity was collected, 100 per cent of degree apprentices were white (this

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[3] www.ippr.org/files/publications/pdf/Englands_apprenticeships_Aug%202016.pdf , p24.
[4] www.hefcw.ac.uk/documents/publications/circulars/circulars_2018/W18%2013HE%20Degree%20Apprenticeships%20in%20Wales.pdf ; www.hefcw.ac.uk/documents/publications/circulars/circulars_2019/W19%2004HE%20Degree%20Apprenticeships%20in%20Wales%20and%20Proposals%20for%20Funding%202019_20.pdf p1.
[5] HEFCW, *Degree Apprenticeship Briefing*, 12 November 2019 (unavailable online).

information was not collected for 65 apprentices). Only five apprentices out of 145, declared a disability.

11. The sectors chosen by the Welsh Government for the development of Degree apprenticeships – Digital and Engineering and Advanced Manufacturing (Wales) framework – are traditionally male-dominated and do not attract a high proportion of women. It is not clear why the areas of Digital and Engineering and Advanced Manufacturing exclusively were chosen by the Welsh Government when skills gaps are also apparent in more female-dominated professions such as health and social care and teaching. It would be useful to see any initial background analysis that was undertaken to identify these areas and the reasons for choosing them. The EIS Committee might like to request this.

12. Neither is it clear what, if any, specific initiatives were undertaken to try to achieve any element of gender balance. If any such initiatives were undertaken, they have not worked well. Surveys of occupational choice undertaken by Careers Wales, broken down by gender, show that in 2017, 2018 and 2019, the proportions of boys identifying their first choice career as involving Computers, software and ICT; Engineering; or Manufacturing are significantly higher than girls.[6] That only 30 of 145 degree apprentices are female is unsurprising in these circumstances.

Gender Split by Year

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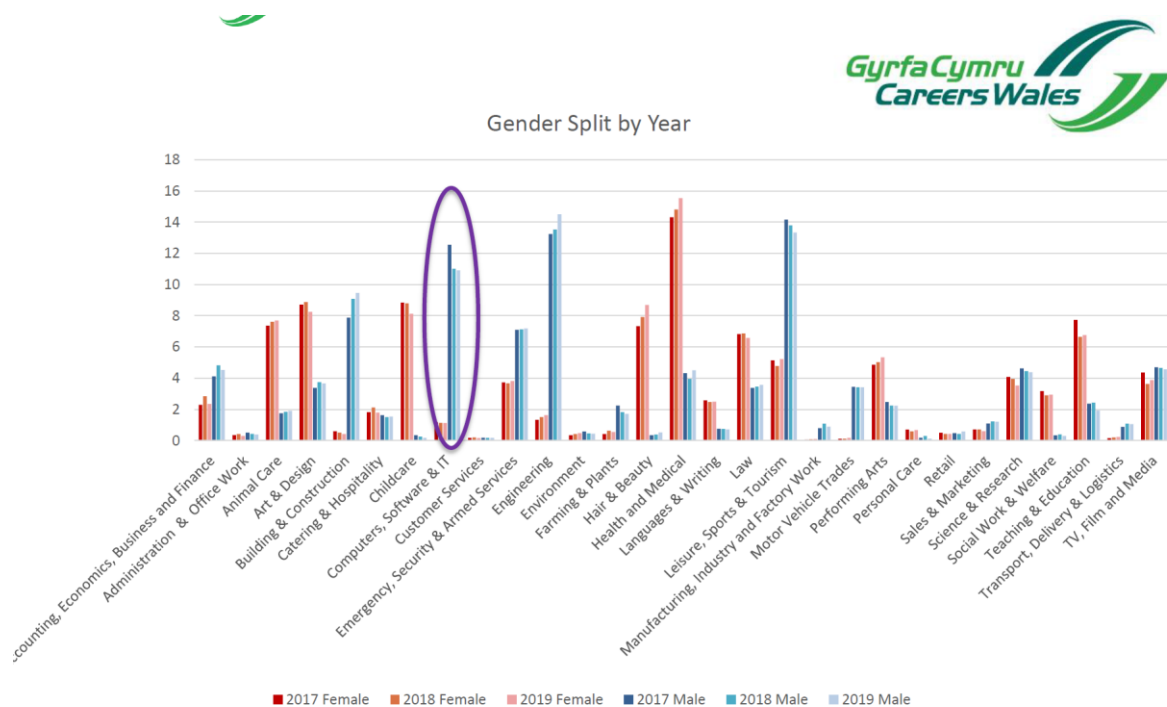
[6] Careers Wales presentation at Workshop 9, NTFW annual conference 2019, available at: www.ntfw.org/wp-content/uploads/2019/06/Workshop-9-Careers-Wales.pdf

13. ColegauCymru appreciates the impact the opportunity to study and achieve a degree can have on many individuals and understands that the testimony of individual Degree apprentices can be compelling. However, there are many examples of the positive impact that achieving a degree, or simply returning to learning or study (for example via Open University routes or instances set out in the annual Learning and Work Institute Wales Inspire Awards), can have on individuals. It is important that public policy in any genre is not based on emotive case studies.

14. There is evidence that there are advantages to learners and students who may be attracted by the prospect of a degree without the accompanying debt. The NUS 'Pound in Your Pocket' Wales 2014 study found that '[t]here are clear associations between financial support policy and practice, student wellbeing, socio-economic background and retention'.[7] However, more detailed information is needed about those who have taken up Degree apprenticeship opportunities and the extent to which such apprentices might be from relatively affluent households, as opposed to widening access to degree level employment and training opportunities to those from more disadvantaged backgrounds. While opinions differ about whether such a principle was correct, the action of individuals directly contributing to degree level study was established in 1998. Degree apprenticeships, at present, do not require either the student or the employer to directly contribute financially which may impact their sustainability.

15. Data from the HEFCW Degree Apprenticeship briefing of 12 November 2019 show only 20 Degree apprentices were new employees. Again, concerns from the National Audit Office in England may be relevant when in relation to the English apprenticeship system in general, NAO noted "There are risks that the programme is subsidising training that would have happened without government funding, and the Department has not set out clearly how it measures the impact of the programme on productivity."[8] The Welsh Government should take the relevant aspects of the NAO report into account, including improvements to productivity.

16. In response to the extent to which widening access activity should feature in Degree apprenticeship recruitment, feedback from the Further Education sector was that this should take place in the same way that the work-based learning (WBL) provider network is encouraged and mandated to ensure representative cohorts at all other levels of apprenticeship. Work is already taking place within the WBL network through initiatives such as Equality and Diversity and Welsh Language champions. It would be timely to review the impact of this work and to develop an effective future plan as to how equality, diversity, Welsh language and

[7] www.nus.org.uk/PageFiles/12238/NUS_poundinyourpocketWales_report-English.pdf , p14.
[8] www.nao.org.uk/wp-content/uploads/2019/03/The-apprenticeships-programme.pdf, p11.

other issues can best be supported across the full range of apprenticeship providers, including Degree apprenticeships.

17. Likewise, it would be useful for the Welsh Government to consider the socio-economic background and social mobility issues across the full range of apprenticeship provision in order to help assess whether initiatives are truly having the impact we wish to see.

Process

18. There is no satisfactory explanation for the difference between the process for approving Degree apprenticeship providers from Higher Education providers and the process for contracting other apprenticeship provision from Further Education Institutions and private training providers. Non-degree apprenticeships have to go through a protracted procurement process that impacts on both providers and potentially learners. This is not the same with Degree apprenticeships. The process of applying for Degree apprenticeships is completely different – there is no procurement, only expressions of interest (EOI). Likewise, there appears to be greater rigour applied to work-based learning apprenticeship providers than on Higher Education Degree apprenticeship providers.

19. A particular issue which needs to be explored in this context, is the feedback from individual FE institutions and their experience of working with a range of universities. In our discussions with colleges we have identified varying approaches taken by HEIs. In some instances, we can identify effective collaboration which brings about innovation and positive benefit for apprentices and employers as well as the providers. In other cases, we have evidence that universities have either ignored the need for collaboration or have chosen to deny the opportunity for joint working with FEIs. This has potentially constrained the outcomes achieved and limited the impact of the programme. We do not believe that this was the desired outcome of either Welsh Government or HEFCW. The need for collaboration between institutions will be a feature of future governance of post compulsory education and the committee might be minded to consider how lessons learned from the Degree apprenticeships pilot can inform their scrutiny of future legislation.

20. Feedback from an FEI that partnered with an HEI noted that the university found the process unsatisfactory in that it was truncated, with very little communication from the Welsh Government throughout and that there were long delays in proposals being considered and approved. This left very little time for effective development of new delivery models, marketing and recruitment. In the case of the Engineering framework, proposals were only approved a matter of weeks before commencement of programmes.

21. The process of approving apprenticeship providers should be rigorous, fair and equitable, regardless of the level of apprenticeship being delivered. The EIS Committee might like to consider whether there are any positive lessons that can be taken from the process and criteria for approving proposals from providers to deliver Degree apprenticeships.

Issues arising from introduction of Degree apprenticeships

22. Anecdotal feedback from the Further Education sector suggests that at least some people who would have been on relevant higher apprenticeships have this year been channelled directly into degree routes and taken out of the Further Education work-based learning system. Again, anecdotally, there appears to have been a shift from higher apprenticeships to Degree apprenticeships.

23. The commissioning of HEFCW to deliver Degree apprenticeships has inadvertently created a splintered network of apprenticeship providers, with the previously existing network of apprenticeship providers now delivering up to level 5 and HEIs delivering Degree apprenticeships. Whilst some HEIs have actively sought to engage with the existing WBL provider network to support the delivery of Degree apprenticeships, feedback from the Further Education sector reports that this has not been consistent. This leaves questions over how Degree apprenticeships contribute to the consistency of a genuinely work-based learning approach to their delivery, corresponding appropriately with the apprenticeship brand.

24. The specification and requirements for reviewing and tracking progress of Degree apprenticeships seem less rigorous than for apprenticeships at all other levels. There are questions over how the Welsh Government will ensure the work-based nature of programmes and avoid the simple re-badging of existing part-time degree programmes as Degree apprenticeships. Clarity is also sought over who will be the inspectorate for Degree Apprenticeships: Estyn, QAA, or another route following the proposed PCET and CETR reforms. The EIS Committee should consider exploring the issue of quality assurance systems in more depth.

Demand and demand management for Degree apprenticeships

25. The introduction of Degree apprenticeships has the potential to be a positive step for the apprenticeship programme in Wales, in terms of the ongoing search for parity with academic career choices in the eyes of our young people and crucially,

their parents. This could increase demand for apprenticeship places at all levels where there is a pathway to a degree via the apprenticeship route. Similarly, employers who have historically funded or subsidised degree programmes for their staff, will see the introduction of degree apprenticeships as a positive step, helping them reduce costs whilst also potentially being able to attract a wider talent pool into their apprenticeship schemes.

26. However, data from the HEFCW Degree apprenticeship briefing of 12 November 2019 show only 20 Degree apprentices were new employees so the vast majority of Degree apprentices are existing employees. Likewise, the ability to access funded degree level training via a Degree apprenticeship, while attractive to employers, risks undermining the principle of employers contributing to training. There is also the issue that degree routes become an automatic target for all when a higher level (4 or 5) apprenticeship might be more appropriate. Estyn's 2018 research into Higher Apprenticeships in Work-Based Learning noted that although in recent years, the rates at which learners successfully complete their higher apprenticeship qualification have improved, they are still low in comparison to apprenticeships at lower levels.[9] The EIS Committee could ask about how the issue of successful completion, the process and likelihood of learners leaving Degree apprenticeship programmes, and the ability to flexibly move in and out of such programmes has been addressed.

27. Increased awareness and demand for Degree apprenticeships has also generated interest from those interested in careers where there are currently no plans for degree apprenticeships, and also employers (particularly levy-paying employers) in those sectors who have seen a plethora of degree apprenticeship standards become available to them in England. Any further rollout of Degree apprenticeships in other sectors must be managed very carefully to ensure a focus on sectors with an identified need, consistent with Regional Skills Plans and intelligence about future labour demand in the face of the challenges and opportunities offered by automation. Simply increasing the range of Degree apprenticeships to mirror policy developed elsewhere in the UK is not an acceptable policy position.

28. In session with the National Assembly's Children, Young People and Education Committee on 8 January 2020, Education Minister, Kirsty Williams, stated that thinking was now moving to expanding Degree apprenticeships into professions allied to health.[10] While this is understandable, given workforce shortages in numerous areas of health and social care, the impact of degree apprenticeships should be evaluated before expanding them into new areas. ColegauCymru understands the desire to create routes to higher, including graduate level, study in apprenticeship areas where this is currently not the case. Progression is

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[9] www.estyn.gov.wales/sites/www.estyn.gov.wales/files/documents/Higher%20apprenticeships%20in%20work-based%20learning%20-%20en.pdf

[10] record.assembly.wales/Committee/5913

important for learners and employers but a coordinated rather than piecemeal approach is necessary.

29. It is also understandable that Degree apprenticeships are attractive to both employers and potential apprentices, offering the chance for a funded degree alongside employment. However, in a challenging financial climate, we need to consider whether this is the best use of available funds. Following the implementation of the Diamond Review, in Wales, part-time students can apply for maintenance grants to help with living costs that do not need to be repaid. The Open University, has received a 46% increase in new students in the first year of the new financial support alone, suggesting that there is an appetite for this model of learning which is compatible with employment.[11] Universities and colleges have a positive track record of responding to employer need and developing innovative solutions, not all of which require additional funding.

Funding

30. HEFCW Circular W19/04HE (21 March 2019) noted that funding for Degree apprenticeships from 2018/19 to 2020/21 will be up to £20m and allocated to Degree apprenticeship providers via HEFCW.[12] The HEFCW Degree Apprenticeship briefing of 12 November 2019 suggests that available funding for 2019/20 will be fully committed.

31. There are issues over the sustainability of Degree apprenticeships, especially if they are expanded into additional areas, when there is no direct financial contribution expected from the individual or the employer. There needs to be a method for establishing and measuring productivity gains in order to assess the impact they have, and whether this is different to that of pursuing other methods of obtaining a degree (via Open University, part time routes whether at Further or Higher Education Institutions). Degree apprenticeships should not compromise the funding of other levels of apprenticeship provision. Lessons from other European regions suggest that the acquisition of skills at all levels, developed consistently over a long period of time, are important in building economic resilience and the ability to withstand and adjust to economic shocks.[13] ColegauCymru remains concerned about the future funding of work-based learning at all levels.

32. It is not yet clear how accreditation of prior learning will be considered, measured and monitored, ensuring pro-rata funding for those learners that have already

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[11] www.open.ac.uk/wales/en/news/over-60-adults-wales-have-unfulfilled-dreams-–-only-19-are-chasing-them, 10 January 2020.

[12] www.hefcw.ac.uk/documents/publications/circulars/circulars_2019/W19%2004HE%20Degree%20Apprenticeships%20in%20Wales%20and%20Proposals%20for%20Funding%202019_20.pdf

[13] www.collegeswales.ac.uk/uploads/img/2019/Publications/Building%20a%20Better%20Wales%20-%20Lessons%20from%20Europe.pdf

completed elements of a Degree apprenticeship through, for example, an apprenticeship at Level 4 or 5.

33. ColegauCymru seeks clarity on the funding model and budgets on which Degree apprenticeships have been established. This is an area that the EIS Committee could explore further.

Impact of Degree Apprenticeship pilot

34. As noted above, anecdotal feedback from the Further Education sector suggests that some of those who would have undertaken Higher apprenticeships are instead on degree routes. Some Further Education Institutions report already seeing arbitrary competition between the network of Degree apprenticeship providers (HEIs) and the WBL network where the emergence of Degree apprenticeships risk duplicating and competing with existing Higher apprenticeship programmes. For example, many WBL providers have existing Higher apprenticeship programmes that encompass HNC/HND at Levels 4 or 5. In their first year, most Degree apprenticeship programmes mirror what a higher apprentice would study at HNC/HND level. That means there are now two networks of apprenticeship providers competing with each other for learners at Level 4 and 5.

35. There need to be much better links between Higher level apprenticeships and Degree apprenticeships. This would have the advantage of reducing competition and ensuring successful completion rates of Higher and Degree apprenticeships. The latter is particularly pertinent given the research on Higher level apprenticeships published by Estyn and referenced above, and is something the EIS Committee could examine further.

36. Likewise, some FEIs have already seen employers place learners straight onto Degree apprenticeship where they would have historically progressed through the Higher apprenticeships programme. This not only creates a concern from a quality perspective, with the specification for Degree apprenticeship being looser than Higher apprenticeships, but also offers no natural exit point at Level 4 or 5 on the Degree Apprenticeship programme for those learners that may not make their way to the full degree.

37. Our understanding is that where someone exits a degree apprenticeship without achieving a level 6 qualification, they will receive an equivalent Higher Education qualification, rather than a Higher apprenticeship. There is a danger that Higher

apprenticeships in some sectors will be "squeezed out" of the market by Degree apprenticeships that simply duplicate them in years 1 and 2, with no mandated competence qualification i.e. NVQ 4 or 5. There are around 65 'current' Higher level apprenticeship frameworks (which include the degree apprenticeships), many of which offer Level 4 qualification only.[14] The EIS Committee might wish to ask specifically about progression as well as the issue of qualifications and competence at exit points from Degree apprenticeships in order to ensure that the system is resilient.

Suggested amendments to existing approach

38. Degree apprenticeships should be commissioned and managed through one network of WBL providers, ensuring a consistent specification for providers at all levels of apprenticeship. This will require closer collaboration between HEIs and providers at other levels to ensure pathways are transparent and arbitrary competition is removed. Such an approach is commensurate with the proposed PCET approach and the CETR body which seeks to bring post compulsory education closer together. Degree apprenticeships should follow the same rigour and scrutiny that apprenticeships at all other levels have met, via the high quality, experienced WBL provider network.

39. As Estyn already inspect WBL provision up to Level 5 and have a track record of inspecting the quality of apprenticeship provision, consideration should be given as to their role or the support they could provide in inspecting the quality of apprenticeship provision at all levels.

Welsh language impact and issues

40. Data on Degree apprenticeships to date suggests there is more that could be done to increase the number of Welsh speaking Degree apprentices, and encourage further provision through the medium of Welsh. This must be taken into account in any evaluation of the existing Degree apprenticeship programme and be a key consideration in any expansion into new areas, especially healthcare.

Conclusion

41. ColegauCymru has concerns about whether the currently available evidence on Degree apprenticeships shows that they are meeting their original policy

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[14] www.acwcerts.co.uk/web/frameworks-library

objectives. This may be partly attributable to the lack of consultation during the development phase.

42. Degree apprenticeships need to be designed as a continuum, offering development opportunities. The existing Higher level apprenticeship frameworks are an important starting point.

43. In future, Degree apprenticeships must deliver better against wider policy objectives, including Welsh language, equality and diversity, and socio-economic status.

Dr Rachel Bowen
Director of Policy and Public Affairs

Submission to the Economy, Infrastructure ad Skills Committee's Inquiry into Degree Apprenticeships
Introduction

1. The National Training Federation for Wales (NTfW) is the authoritative organisation in Wales in regards to apprenticeships and employability skills programmes, and welcomes the opportunity to contribute to this hugely important consultation.

2. The NTfW is a 'not for profit' membership led, membership organisation of over 70 quality assured organisations involved in the delivery of apprenticeships and employability skills programmes in Wales. We are a pan-Wales representative body for a network of quality assured work-based learning providers, who are contracted by the Welsh Government to deliver this apprenticeship and employability programmes.

Aim

3. The aim of this Submission Paper is to provide evidence to the Economy, Infrastructure and Skills Committee ahead of a planned meeting which will take place at the Senedd on Thursday 27 February 2020.

Have any issues become apparent during the rollout of degree apprenticeships and what lessons can be learnt from their introduction?

4. The main issue that has become apparent to the existing network of contracted work-based learning (WBL) providers is that of the displacement of leaners that were already following a Higher Apprenticeship.

5. Anecdotal evidence from our members indicates that some individuals following a Higher Apprenticeship, whose knowledge-based component was being delivered at a HNC/D level, were being target to progress onto the second year of a Degree Apprenticeship. It is expected that these learners are being claimed as 'new apprentices' when in fact they have already started an apprenticeship programme.

Clearly, this 'gaming of the system' does not benefit the overall Apprenticeships Programme in Wales.

6. In addition, there appears to be a lack of awareness and some confusion regarding what constitutes a degree apprenticeship and a higher apprenticeship. Greater clarity about the difference in levels would be welcome from employers and employer bodies.

Was the process and criteria used for approving proposals from providers to deliver degree apprenticeships satisfactory?

7. It is difficult for NTfW to comment on this, as none of our members were involved in the process. That said, there is a great deal of annoyance amongst NTfW members that degree apprenticeship providers do not have to follow the same level of robust contracting that the existing WBL provider network need to navigate and endure.

What are your views on the demand for degree apprenticeships and how that demand should be managed, both in terms of the range of frameworks and demand from employers and learners?

8. It should be clear by all, that the Apprenticeships Programme in Wales is significantly different to that of England, where the concept of a 'Degree Apprenticeship' was first established – as a means to assist the UK Government to achieve it target of three million apprenticeship starts (in the then Parliament).

9. It is welcomed that the Welsh Government has taken a far more measured and pragmatic approach to the development of its Degree Apprenticeship programme, which is something we would welcome moving forward.

10. It is clear that there is an increasing demand from individuals and employers for Degree Apprenticeships. This should be no surprise, as the individual can receive a fully-funded degree, and the employer can benefit from the upskilling of an individual at such a level.

11. However, Degree Apprenticeships are funded at a significantly higher level than Higher Apprenticeships (Levels 4 - 6) and this demand must be controlled, to ensure that there is a fair and equitable distribution of limited budgets, to ensure all levels of demand are catered for. Further, without skills provision at the lower-levels, there can be no progression to the higher-levels.

12. Funding for apprenticeships delivered by the contracted WBL sector is robustly managed by Welsh Government, which in turn is informed by the evidence and data supplied the three Regional Skills Partnerships (RSPs). Therefore, the NTfW believes that the development, and the subsequent prioritisation of funding for Degree Apprenticeships, must be based on the needs of employers, as demonstrated by the RSPs.

13. Further, we would urge the Committee to recommend that all HEIs delivering Degree Apprenticeships work with all contracted WBL providers, regardless of type, in order that they can utilise the intelligence held on individuals and employers, to ensure sustainable progression and completion.

To what extent should activity aimed at widening access feature in degree apprenticeship recruitment, and how can this be used to ensure that cohorts are representative?

14. This agenda needs to be addressed in the same way that it is for contracted WBL providers. Challenging targets and performance management is applied to areas such as disability, diversity and Welsh language.

15. Once again, if HEIs engaged with all contracted WBL providers, then these areas could be addressed in collaboration.

16. As contracted providers, NTfW members are expected to support learners in a variety of ways, depending on the sector and employer. As such, we would welcome the same conditions of funding being applied to Degree Apprenticeship provision.

Do you have any comments on the cost of degree apprenticeships, how degree apprenticeships are funded and the level of funding committed to them?

17. In comparison to a Higher Apprenticeship (which costs on average a total £7,500), Degree Apprenticeships are much more expensive (at £27,000), and also require a funding commitment for a minimum of 3 years, which is challenging in an environment where funding is becoming increasingly constrained.

18. Assuming that the current Degree Apprenticeship Pilot is rolled-out, the funding for Degree Apprenticeships should come from the overall HE budgets.

19. If for some reason the funding is drawn from a non-HE budget, then the NTfW would recommend that all Degree Apprenticeships are funded in-line with the Activity Costs Model applied to the existing contracted WBL provision.

How has the degree apprenticeship pilot impacted on other level apprenticeships, if at all?

20. See response to Q1 above.

Should any aspect of the approach to delivering degree apprenticeships change and if so, what should be the future direction?

21. Further to our responses above, the NTfW believes that if the current pilot is rolled-out, then all of the following should apply:

a. Degree Apprenticeships should form part of the contracting process applied by Welsh Government to all other levels;

b. All Degree Apprenticeships should be funded in accordance with an Activity Costs Model, to ensure value-for-money;

c. There needs to be a level-playing field in relation to the contractual requirements between the contracted WBL providers and the Degree Apprenticeships programme;

d. The development and prioritisation for funding for Degree Apprenticeships must be informed by the evidence and data emanating from the RSPs.

e. HEIs delivering Degree Apprenticeships should work collaboratively with all contracted WBL providers, regardless of type, to ensure sustainable progression for learners and framework completions.