



Arbenigwyr mewn Busnes
Experts in Business

FSB Wales response

Response to Economy, Infrastructure and Skills Committee on Degree Apprenticeships

January 2020

Ff/T 029 2074 7406
E wales.policy@fsb.org.uk
W fsb.wales

C/A 1 Cleeve House,
Lambourne Crescent,
Caerdydd, CF14 5GP

Swyddfa Gofrestredig | Registered Office:
National Federation of Self Employed and Small Businesses Limited,
Sir Frank Whittle Way, Blackpool Business Park, Blackpool, FY4 2FE

Cofrestrwyd yn Lloegr Rhif | Registered in England: 1263540



Arbenigwyr mewn Busnes
Experts in Business

About FSB Wales

FSB Wales is the authoritative voice of businesses in Wales, with around 10,000 members. It campaigns for a better social, political and economic environment in which to work and do business. With a strong grassroots structure, a Wales Policy Unit and dedicated Welsh staff to deal with Welsh institutions, media and politicians, FSB Wales makes its members' voices heard at the heart of the decision-making process.

Introduction

FSB Wales welcomes the opportunity to respond to the Economy, Infrastructure and Skills Committee's inquiry into degree apprenticeships. We broadly welcome the approach to creating degree apprenticeships however we have significant concern around the numbers of courses available and number of students that are being supported to follow this route. In our view, thus far degree apprenticeships have not been responsive enough to SME demand and have instead focused on a narrow range of areas more closely aligned with public sector and large employers.

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

FSB Wales is not aware of any specific issues in terms of the delivery of degree apprenticeships to date. One of the reasons for this is that the numbers are relatively small and few SMEs have been engaged in their delivery. Therefore, we have little by way of feedback from our membership.

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

FSB Wales has not been involved in the process and criteria for approving proposals from providers.

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?

Our research for our report *A Skilful Wales* showed that there is considerable demand for skilled employees, particularly those linked to occupations, including trade occupations. This is what the apprenticeship route usually delivers for SMEs and that is why it is generally well supported. We know from our research that the biggest barriers employers face to recruiting staff relate to a lack of experience, a lack of relevant qualifications and an inability to find people with the right attitude. The apprenticeship route is helpful because it removes many of these barriers over time and allows an individual to learn 'on the job'.

We therefore believe there is likely to be demand from SMEs for this route for recruitment purposes. In terms of managing that demand, we would expect the RLPs and the WAAB to act as a conduit to government by bringing together labour market intelligence to inform provision. However, there is a weakness in that neither of those



Arbenigwyr mewn Busnes
Experts in Business

organisations are capable of generating content for qualifications that responds to employer needs (that is not their role).

The system is therefore reliant on Welsh Government deciding it is a priority, which is why we believe the current situation exists where frameworks have been developed in a small number of areas in response to very larger (often public sector) employers. The system needs to be more responsive to SMEs and must be proactive in generating qualifications that are relevant to the Welsh economy, if we are to see the degree apprenticeship approach mainstreamed.

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?

We agree widening access should be a priority for degree apprenticeships. A good first step would be to include a wider range of businesses in the programme in the first place. Furthermore, Welsh Government currently commissions apprenticeships through the provider network for traditional apprenticeships. These usually come with contractual obligations around age and Welsh language. We see no reason why HEFCW couldn't adopt a similar approach with higher education institutions. We know from previous conversations with members in this area that often businesses find it difficult to hire staff from more diverse backgrounds through the apprenticeship route – for instance women in ICT or men in childcare. This is often because the pipeline of students from schools, to work-based learning encourages gendered occupational roles. This must be tackled earlier on in the system to ensure as wide and diverse a pool of potential apprentices as possible exists at degree apprenticeship level.

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

Our understanding is that the cost of the apprenticeship from an employer's perspective is similar to traditional apprenticeships in that the employer carries the cost of the wage with the student/Welsh Government covering the training costs. FSB Wales has been supportive of Welsh Government's approach to financing apprenticeships whereby SMEs are not expected to make a contribution to the training costs, in contrast to recent changes to the system in England.

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

We are not aware of any direct impacts, however we would expect there to be potential to transition through the system from level 2 to degree apprenticeships. Welsh Government recently consulted on its approach to frameworks. FSB Wales would like to see clear occupational routes articulated through this that includes degree apprenticeships.

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



Arbenigwyr mewn Busnes
Experts in Business

FSB Wales would like to see much greater employer engagement, a rolling programme of framework development and funding linked to the overall aims and objectives of the programme

A much firmer commitment to degree apprenticeships with an employer responsive programme of generating courses is an important first step towards this. This could form part of a longer term plan for degree apprenticeships.

We recognise that this is a challenge for many higher education institutions that have not traditionally had to work with employers, particularly SMEs in designing apprenticeship courses. However, if the apprenticeship route is to be successful it is crucial that employers are brought in from the outset and that this approach is properly funded.

We would also like to see further clarity on how apprenticeship frameworks will be refreshed across the board, and how SMEs in particular can input into the qualifications design process. It is concerning that at present the initiative for this rests with Welsh Government alone. We have previously shared concerns with the EIS Committee regarding the capacity of Regional Learning and Skills Partnerships and the Wales Apprenticeship Advisory Board to fulfil these roles. It is therefore critical that the development of degree apprenticeships is seen in this context.