

Response to HEFCW consultation on funding methodology (W18/29HE)

21 January 2019

Dear Dr David Blaney,

We write in response to your consultation on a funding methodology for degree apprenticeships in Wales. The consultation proposes a number of potential priorities or methods through which HEFCW could allocate funding for degree apprenticeships, although noting that all bids would still have to pass the appropriate quality threshold in order to have numbers allocated.

Given the relatively low level of funding for degree apprenticeships in Wales, we believe that formula allocations, as suggested through a distribution of numbers across institutions or by region, would not be an effective means of distributing funding. In the long-term, and with sufficient investment, such an approach would potentially give universities and employers greater scope to develop provision but due to levels of funding that would not currently be the case. Regional distribution also presents challenges given universities in Wales do not operate in neatly regional basis.

We believe that an effective means of distributing funding would be to focus on the employer demand that institutions can evidence. At the moment, the current model has limited effectiveness as funding can only be used on a limited number of subject areas and only at level 6, despite institutions reporting significant demand for degree apprenticeships in a wider range of subject areas and at level 7.

Another of the proposed allocation methods states:

‘prioritising bids which offer the best value for money: this could be on the basis of level of fee, or those which provided the most progression... which would enable greater numbers of apprentices to benefit ‘

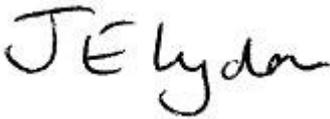
We have particular concerns over this proposal as ‘value for money’ in this context is ill-defined and it is unclear how value for money calculations would be made. Prioritising bids which are ‘cheaper’ or enable higher volume would not necessarily provide value for money. Value for money also encompasses a number of other areas. For example, the qualification gained, the quality of delivery, the longitudinal outcomes for the apprentice or alignment with the Welsh Government’s economic action plan priorities.

The proposal to prioritise collaboration as part of the funding allocation process may be appropriate given the high levels of collaboration that universities have demonstrated with further education providers within the existing process. However, it would be crucially important that the funding method also recognise that there are instances where an employer or apprentice’s needs may be best served through working with a university. Similarly, as detailed above universities operate pan-Wales and the collaborations they enter into will not necessarily be with those in their region. This will need to be recognised.

The consultation asks if there are any potential positive or negative impacts in terms of the Well-being of Future Generation (Wales) Act's seven well-being goals. Given the widespread impact that automation is expected to have on the shape and size of the workforce in Wales, ensuring access to quality higher level skills provision will be crucial to providing for a 'prosperous Wales', 'a resilient Wales' and 'a more equal Wales'. This is why ensuring funding is provided to evidenced demand, in a range of subject areas and at level 7, will help deliver the well-being goals of the Act.

More broadly, degree apprenticeships have the potential to contribute to the well-being goal of a 'more equal Wales' as they offer an opportunity for groups underrepresented in higher education to access higher education. However, on this point we note that the three areas currently prioritised for degree apprenticeships – digital, engineering and advanced manufacturing – are in traditionally male-dominated sectors. Degree apprenticeships offer a way to address this imbalance. However, we are also conscious that focusing solely on these areas potentially decreases the likelihood of women taking advantage of the benefits offered by the degree apprenticeship model. Implementing a model that funds a range of subject areas according to evidenced demand would help address this risk.

Kind regards,



Professor Julie Lydon OBE