

## **Consultation on the Scottish Government response to the UK Apprenticeship Levy<sup>1</sup> Response from The Open University in Scotland**

### **Introduction**

The Open University (OU) is Scotland's largest provider of part-time higher education, accounting for more than 40% of all part-time undergraduates in Scotland. Our students, of whom we have around 15,000, can be found in every Scottish Parliament constituency. Audit Scotland's recent audit of higher education in Scottish universities reported that 25% of Scottish students study part-time.

Our mission is to be open to people, places, methods and ideas: we do not require entrance qualifications for most of our courses, and we are constantly developing our innovative pedagogy, ensuring that the learning we offer is accessible and of the highest quality.

Our model of supported flexible learning allows students to study at a time and place that suits them. It is particularly convenient for people in work, who have families or other caring responsibilities, who live in remote or rural communities, with disabilities, or on low incomes.

We work with other organisations to widen access to higher education and to develop the Scottish workforce. More than 70% of our students are in full- or part-time work and 80% cite career-related reasons for choosing to study with us. Our partners include trade unions, community groups, colleges and other universities, and employers.

Almost nine in every ten FTSE 100 companies have sponsored their staff on OU courses. Part-time study is inherently efficient – and SME-friendly – as it allows students to earn and learn simultaneously and to apply new skills and knowledge immediately. There is no lag until the end of the course as with full-time study.

### **Q1. Should the Government's commitment to 30,000 Modern Apprenticeships starts a year by 2020 a) be maintained or b) be increased?**

Maintained.

The Government's commitment to developing the Scottish workforce is to be welcomed. Appropriate skills development and acquisition is absolutely critical to the social and economic wellbeing of the country.

It is important that demand for skills development and acquisition be encouraged but there should also be recognition that Modern Apprenticeships (MAs) are only one of several ways in which the workforce can be developed. Provision of MAs should therefore be evidence-based and reflect genuine demand from employers and employees as demonstrated in Skills Investment Plans (SIPs).

It may therefore be prudent to maintain the 2020 target at the already-increased figure of 30,000 in order to ensure that additional demand does exist prior to expanding it further.

### **Q2. Should Apprenticeship Levy funding support growth in the number of Graduate Level Apprenticeships in Scotland?**

Yes.

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<sup>1</sup> [https://consult.scotland.gov.uk/employability-and-training/apprenticeship-levy/user\\_uploads/00503049.pdf](https://consult.scotland.gov.uk/employability-and-training/apprenticeship-levy/user_uploads/00503049.pdf)

We support the Government's ambition to see a transformed and responsive modern vocational education system through the Developing the Young Workforce agenda. We believe that parity of esteem between different modes of study and skills acquisition is important.

Graduate Level Apprenticeships (GLAs) represent an important opportunity to address the skills needs of the whole workforce, spreading the focus beyond new entrants.

Our connected economy, which is subject to global trends, opportunities and pressures, needs the capacity to allow employees to re-skill or up-skill to adapt to changing circumstances. GLAs, open to a broader range of employees at various stages of their careers, will enable the Scottish workforce to be better equipped to deal with those changing circumstances. On this point, we believe it is essential that GLAs are not subject to an age cap.

In developing GLAs further, continued recognition of the importance of quality assurance and standards as well as appropriate modes of delivery, including part-time, will be important. There must also be evidence of employer and employee demand, demonstrated via SIPs.

### **Q3. Should Apprenticeship Levy funding be used to establish a flexible skills fund to support wider workforce development?**

Yes.

As mentioned in the response to question 2, the capacity to re-skill and up-skill is essential to our economy. Variable economic circumstances demand flexible skills responses.

A flexible skills fund would encourage and support innovation and the development of new ideas.

Employees at all stages of their careers should have access to such support. Sub-qualification learning and Continuing Professional Development (CPD) should be eligible via a fund of this type, as well as longer and more formal offerings. Flexible qualifications, including The OU's [Open Degree](#), allow for the ideal balance of tailored learning and high quality accreditation.

Part-time and tailored in-work provision, benchmarked and quality assured – and available to SMEs subject to appropriate criteria (which do not serve to inadvertently inhibit innovation) – could perhaps offer the quickest return and most impact in terms of use of the Levy.

For example, our long-standing partnership with Unite the Union and Rolls Royce provides a flexible pathway into and through higher education. It enables engineering workers, who may have completed an apprenticeship, to progress towards a BEng or another degree.

John Malone completed his apprenticeship 30 years ago and is studying the BSc Engineering degree with The Open University. The prospect of progress within the company was a reason for his studies:

“I'm doing an Engineering degree, mainly for personal achievement because I didn't have the academic qualification. In turn, I hope it will give me an opportunity to progress within the company. It's made me a more confident person to take on any task that the company may give me. I would probably not have done this in the past, before I started doing the degree.”

Similarly, more information on our work with Babcock International, which will see a number of members of staff upskilled and qualified, is available [here](#).

The Construction Industry Training Board's [various grant schemes](#), based on a sectoral levy, may offer some useful insight for consideration.

**Q4. Should Apprenticeship Levy funding be used to support the expansion of Foundation Apprenticeships?**

Neutral.

Foundation Apprenticeships play an important role and we are aware of significant recent expansion in this area. However, if employer demand is demonstrated via SIPs then it may be appropriate to support further expansion of Foundation Apprenticeships via Levy funding. However, this should not be to the exclusion of other parts of the existing workforce and it may be that focusing Levy funding elsewhere – including GLAs and a flexible skills fund – could have greater and more immediate impact in developing the workforce.

**Q5. Should Apprenticeship Levy funding be used to help unemployed people move into employment, and to help meet the workforce needs of employers?**

Neutral.

Levy funding could potentially be used to support packages aimed at those furthest from the labour market or for whom re-training or up-skilling would be particularly beneficial. This might include workers who have been made redundant, women returning to work, people with disabilities or former service personnel.

Flexible funding could perhaps allow for 'micro-apprenticeships' or internships linked to specific skills development and/or qualifications.

There may also be opportunities to innovate with specific programmes aimed at boosting employment in areas where unemployment is particularly high, as is the case in some rural and remote communities.

**Q6. Are there any additional suggestions on how Apprenticeship Levy funding might be used?**

There may be scope to support specific sectoral needs, in terms of both provision and pathways. For example, The Open University (along with Glasgow Clyde College and Heriot-Watt University) participated in a project with Scottish Water to develop a skills and qualifications pathway with multiple entry and exit points for people working in the water industry.

Taking advantage of labour market information, it may also be possible and desirable to develop short-life targeted programmes to support specific anticipated sectoral or generic needs, eg. early years childcare provision, languages, cyber-security or data science skills.

Further collaboration between HEIs and businesses could perhaps be encouraged through co-production of curriculum.

Although they will not be paying the Levy, it is essential that SMEs' skills and workforce development needs are taken into account in the distribution of Levy funding. SMEs account for a very substantial proportion of employment in Scotland. Developing their capacity is valuable in its own right, but also has significant implications for the efficiency and effectiveness of the supply chains utilised by larger businesses.

Consideration may also need to be given to whether Levy funding can support employers operating in more than one nation to ensure that GLAs are sufficiently portable across nations, such that employees in Scotland are not disadvantaged.

Finally, this may be an opportunity to help to redress continuing demographic imbalances in relation to MAs – Levy funding could be utilised to support access to provision by groups who are currently under-represented in terms of participation.