

UVAC and HE@Work response to
the DIUS consultation:

*Higher Education at Work – High
Skills: High Value*

UVAC/ HE@Work
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UNIVERSITY VOCATIONAL
AWARDS COUNCIL

HE@Work

HIGHER EDUCATION AT WORK – HIGH SKILLS: HIGH VALUE

1. Introduction

UVAC and HE@Work welcome the DIUS consultation: *Higher Education at Work – High Skills: High Value*. We believe that the development and recognition of higher level learning and skills and their associated validation and accreditation is of critical importance to national economic development, business and individual prosperity. We would, however, also emphasise the need for this approach to complement the fundamental role the higher education sector has in meeting social and cultural as well as economic needs. Individual institutions will have different priorities and it will be for them to determine their overall focus and activities on the basis of their mission, ethos, history and current and potential future student populations.

We also welcome the publication of the Innovation White Paper, *Innovation Nation* which acknowledges the role played by HEIs in innovation and the Enterprise Strategy, *'Enterprise: Unlocking the UK's Talent'* which outlines the Government's approach to unlocking the nation's entrepreneurial talents and boosting enterprise, skills and knowledge. We welcome the synergy in the production of these publications and *Higher Education at Work – High Skills: High Value*. This is particularly important as many employers will want and HEIs will need to develop a coherent approach to employer engagement covering, R&D, consultancy, business collaboration and workforce development.

UVAC and HE@Work would appreciate the opportunity to meet with DIUS officials to outline our response in more detail and discuss how both our organisations and UVAC members can support the implementation of Government policy in this area.

2. Summary of the UVAC and HE@Work Response to Higher Education at Work – High Skills: High Value

We have provided an analysis of the commentary provided in *Higher Education at Work – High Skills: High Value* and a response to the individual questions posed in the consultation document and in later sections of this response.

A summary of our response is outlined below:

- i. *The Consultation is Extremely Welcome as it Emphasises the Role of Higher Education in Developing the Skills of Those Already in the Workforce* - To date the overwhelming policy emphasis on the development of the level 2 and level 3 skills of those in the workforce, has, we believe overshadowed the importance of developing the higher level skills of employees. While level 2 and 3 skills are critical, any approach to workforce development and work-based learning must also encompass the development of higher level knowledge and skills if the UK is to compete internationally with China, India and our other international competitors.
- ii. *Greater Emphasis is Needed on the Micro Benefits to Employers of Engaging with Higher Education* – The consultation is too focused on the macro benefits of

developing higher level skills. More emphasis is needed on communicating and demonstrating to employers in the language of business the tangible micro benefits of supporting, developing and validating the higher level skills of employees. A key point here is that the consultation document misses the fundamental point. The issue is not as the executive summary states; *'Employers may be reluctant to train where they do not understand what a modern university can offer'*. Employers, particularly large employers are keen to train and do so! The issue is that universities are not sufficiently recognised as a provider or workplace training by employers or as suppliers of services to enhance the quality and benefits of workplace training. In particular, the 'added value' universities provide has not been sufficiently demonstrated to employers as a whole. A deal is also needed here, if employers are being asked to offer access to their workplaces for HEI students. If such a request is made should not an employer also be provided with access to universities for their full-time employees?

HE@Work has considerable experience in this area which we would welcome sharing with DIUS, in particular pilot work with employers, which demonstrated the following benefits:

Summary of the benefits for employers and for individual employees resulting from the validation of a company learning programme to HE standards:

- *Bringing in-house company training and education into mainstream higher education*
- *Providing third party recognition of the quality of in-house training programmes*
- *Providing increased motivation to candidates to take part and to complete the programme*
- *Adding a competitive edge to recruitment and retention*
- *Offering an objective review of the training delivered.*

The experience of HE@Work also suggests that a major benefit of validating company learning programmes is that high level employee development can be secured with minimal downtime (i.e. employee time away from work), which can be difficult with a traditional campus based approach.

- iii. *Customer Focus and Flexibility and the Recognition of Work-Based Learning* – In addition to demonstrating the benefits of engaging with employers, the HE sector must develop a customer focused and flexible approach to working with business. Many good examples already exist, but more still needs to be done. We are also surprised that so little attention is given to the roles of HEFCE and QAA in enabling the development of a more customer focused employer engaged HE sector. Too little emphasis is placed on removing funding barriers, creating a faster more responsive system, balancing flexibility and speed in responding to employers with maintaining and indeed enhancing quality standards. From an HE@Work perspective and experience, a crucial issue here is that funding systems are too heavily biased to supporting full time students rather than full time employees. Hence investment is focused on the development of processes and an infrastructure which supports full time students and is unsympathetic to the needs of the full-time employee. Other countries e.g.

Australia have removed the HE funding distinction between part time and full time provision, which has moved their universities in a direction which is sympathetic to those in employment. The UK should consider following this example. Language too is important in engaging employers, for example we must focus on the development of a quality assurance rather than a quality control system. Finally, the consultation rightly emphasises the importance of the rapid implementation of an effective framework for credit accumulation and transfer. This is essential if employees and employers are to have the opportunity to learn as and when required on the basis of business and individual need.

- iv. *Insufficient Attention is Given to Supporting the Learner who is in Full-Time Employment* - There appears to be an assumption in the consultation that large employers can support full-time employees to undertake high level learning provided or facilitated by an HEI/FEC. The question as to why a large employer should do this is, however, not sufficiently articulated. Also, whilst in theory large employers may have the capability to provide learner support; it should be borne in mind that the majority of employees do not work for large companies. For those employed by SMEs and the self employed there is, however, frequently no one who can be brought into the support role. If HEIs and FECs were supported to recognise learners in full time employment as a group with particular and distinct needs they would find engaging with all types of business easier and could support interim management systems, sabbaticals and occasional teaching paid at business levels.
- v. *The Consultation Document Places Insufficient Emphasis on National and International Approaches to Employer Engagement* – Sometimes employers may be best engaged locally, but from our experience of working with large employers, if a strategic and long-term partnership is to be developed a national and indeed international relationship and service is required. Indeed, to many multi-national employers the language of ‘regions’ used in the consultation would be alien; to many a region would be the UK and Ireland, or Western Europe and not the East of England or East Midlands. Again, this makes the point of the importance of adopting structures and language that is understood by and supportive rather than alien to employers. Multi-nationals will want to develop an approach to supporting, recognising and validating learning that can be adapted and utilised across their relevant sites/plants throughout Europe, or indeed the world. Furthermore if focusing nationally, a UK rather than England strategy is essential. Again our experience of working with multi-nationals suggests that when focus is given to a national strategy this will involve the UK and potentially Ireland, but generally not England. Accordingly, we question an apparent lack of references and synergy to provision in Scotland, Wales and Northern Ireland.

With HE@Work funding, UVAC is planning to undertake a feasibility study on producing a report on non-UK universities engaged in providing validation and accreditation services to large businesses. We would welcome the opportunity to meet with officials to outline and discuss the approach we will be adopting to this research exercise.

- vi. *Too Little Attention is Placed on Encouraging HEIs to Collaborate Nationally and Internationally in the Engagement of Employers* – In order to effectively engage with multi-nationals and deliver a national and global service, HEIs will need to collaborate nationally and internationally, rather than operate on a regional basis. HE@Work experience has found that major employers often want to work with a 'leading name' university, but also require the flexible work-based delivery expertise of a 'newer' university. Such collaboration and partnership is therefore needed if the skills needs of an employer's workforce are to be met. HE@Work is committed to supporting the HEIs with whom we are working to collaborate nationally and would welcome the opportunity to share the approach we are adopting with DIUS and HEFCE.
- vii. *Too Little Attention is Given to the Development of Approaches to Engage SMEs and in Particular the Self Employed* – We believe consideration should be given to the use of large employer supply chains to support SMEs. More attention should also be focused on the potential role of professional bodies in engaging SMEs in higher level learning. Additionally, we are surprised that no reference is made to supporting and validating the higher level work-based achievements of the self employed, whose contribution is so essential to the development of the UK economy.
- viii. *Continual Learning and Development* – Occasionally the consultation paper can give the impression that once a level 4 qualification is attained no further learning or development is needed. We believe that in the implementation of its strategy in this area, the Government should emphasise the need for all employees to continue to develop, enhance and update their knowledge and skills (including those with level 4 qualifications and above) throughout their careers and highlight the potential role of higher education in this area.
- ix. *Too Often the Consultation Document Regards SSCs as 'the' Solution to the Engagement of Employers and Development of Responsive Provision* – Some SSCs have and will still make a valuable contribution in this area. Regrettably, others are bureaucratic and have a limited understanding of HE, and from an analysis of existing sector skills agreements we would question their engagement of employers in their sector in the higher level skills agenda. We are firmly of the view that the role of SSCs in this area should stand or fall on their success in engaging employers in the higher level skills agenda and the market demand from employers for their services. There are many ways to engage employers, including HEIs working directly with employers individually or collectively, including the use of corporate universities. Government should encourage approaches that are most cost effective and deliver the most benefit to an employer and their current and future employees. Much of HE@Work's experience and research to date suggests that collaboration between individual employers and individual HEIs is the most effective model. Collective approaches may be more politically correct, but they only tend to work when there is a generic problem facing a whole industry, which occurs rarely.
- x. *The Role of Further Education and Commercial Training Providers in the Delivery of HE Provision Should be Fundamental to any Strategy* – The role of Further Education Colleges (delivering approximately 10% of HE provision) is not sufficiently considered in the consultation, nor indeed is the relationship between

HEIs and FECs, which needs to be considered to avoid overlap. Most FEC HE provision is vocational and FECs have excellent relationships with local employers in the delivery of HE provision and further education including Apprenticeships. Similarly, we are surprised at the lack of reference to commercial providers of higher level learning – particularly when the consultation document identifies 71% of small firms with fewer than 50 employees had used private provision for some of their learning and development needs in comparison to 20% using FE and 15% using HE. From our own discussions with such organisations we are of the view that greater emphasis on recognising and validating commercial training provision to HE standards would be a central tool in engaging more employers in supporting their employees to participate and attain HE qualifications. HE@Work is currently discussing such approaches with commercial training providers and would welcome the opportunity to share our experience to date with DIUS.

- xi. Any Strategy in this Area Should Encompass all Higher Level Qualifications –* Finally, we would make a plea that the Government's approach to higher level skills encompasses all higher level qualifications. Rightly, the consultation places emphasis on foundation degrees, honours degrees and postgraduate qualifications. We also believe consideration must be given to how HE certificates and diplomas and, more widely, professional qualifications and NVQs at level 4 and 5 contribute and support this strategy. This again reinforces our point about the occasional tunnel vision of the consultation; insufficient reference is made to the Qualifications and Credit Framework, yet the QCF covers higher level qualifications and more importantly encompasses qualifications that could in many cases be of substantial value to employers.

3. UVAC – Background and Role

UVAC was established in 1999 as a membership, advocacy and support organisation to champion higher vocational learning. Since 1999 our membership has grown to over 100 organisations encompassing HEIs, FECs, OCR, LLNs and a range of corporate members including the LSC, QCA, UCAS, Association of Colleges, the HE Academy, the National Council for Work Experience various SSCs and employers. For the last two years UVAC has also provided the secretariat to the Mixed Economy Group (MEG) of Further Education Colleges.

Our **vision** is that...

UVAC will be the leading membership organisation championing and supporting the development of high quality and innovative vocational and work-based learning

We **believe in**...

- The value of learning gained by people during their working lives
- The value of experiential and reflective learning
- The importance of meeting the higher vocational learning needs of individuals and employers

Our mission this means that we will...

- Represent and be seen as representing the views of our members
- Develop through our membership an outstanding understanding of the development, the delivery and innovation in high quality vocational and work-based higher education
- Focus on widening the potential of higher education to individuals of all ages from vocational and work-based learning programmes who can benefit from such provision and as a tool for employers to enhance and develop productivity.

4. HE@Work – Background and Role

HE@Work is a new not-for-profit consultancy formed by a partnership between the Edge Foundation (which has provided funding in its first year of £350,000 to HE@Work) and the University Vocational Awards Council. The aim of HE@Work is to make workplace learning which is delivered on the basis of business need count as recognised academic learning and thereby facilitate the award of higher qualifications (degrees, masters, MBAs, and postgraduate certificates) to employees. HE@Work does this by structuring training and work experience so that it is academically recognised. There is the added benefit that structuring workplace learning in this way can also bring measurable efficiencies in training and competency management.

Consequently, HE@Work's core offer is designed to assist companies to improve their workforce development programmes and enable employers to access higher level academically recognised qualifications normally based on in-company learning. HE@Work, in partnership with UVAC, supports companies to gain access to work-based learning accreditation and validation arrangements, expertise and campus-based qualifications with HE partners and set up all the necessary systems and processes to meet company requirements.

Summary of HE@Work Services

1. *Health Check* – A diagnostic service to providing a health check for in-company programmes compared with HE standards
2. *Programme Enhancement* – A diagnostic and support service to enhance or augment existing in-company programmes
3. *Credit Recognition of an In-Company Programme* – A quality-mark scheme for in-company programmes against HE benchmarks to establish general credit
4. *Accreditation of an In-Company Programme* – HE general credit is awarded to individuals completing the programme
5. *Development and Validation of an HE Qualification* – Company schemes are developed to enable learners to access and successfully complete an HE qualification

6. *Dual Accreditation Against Occupational Standards and HE Credit Levels* – As 4 or 5 above but incorporating awarding National Occupational Standards (NOS) or other occupational or professional standards
7. *Programme Management* – A service to assist companies in managing the assessment requirements of their in-company programmes where HE accreditation is required
8. *Access to Existing Qualifications and Expertise* – Provision of specialist expertise as required and access to standard qualifications offered by HEIs on campus, probably part-time. This also includes services to direct companies to approved HEI providers of WBL who have existing flexible WBL frameworks in place to enable companies to negotiate a customised route for their employees to access university qualifications without the company necessarily having to provide in-company programmes.

HE@Work aims to enhance the learning that takes place in places of employment by introducing skills and processes from the higher education sector into employer based programmes. Since starting operations at the end of 2007, HE@Work has established a small network of HEIs who are collaborating in this venture. Six HEIs have signed up and discussions are in progress with another seven. In terms of business, HE@Work has entered service delivery arrangements with four clients and is engaged in encouraging discussions with a further six.

We should also note that HE@Work recently undertook a web-based study on employee attitudes to workplace learning. The questionnaire was completed by 4,600 individuals. We would welcome the opportunity to share the findings of this poll with DIUS and HEFCE. Key messages included:

- 75% of respondents feel they had failed to achieve their potential in full time education and wished they had achieved more
- About three quarters also feel they haven't achieved their potential at work regardless of their educational level
- On average, 80% say they want to continue to develop and the more qualified people are the keenest to progress further (87%). 67% of people with no qualifications at all would also welcome the opportunity to develop professionally
- Those who get vocational or specialist professional qualifications find them very valuable and more valuable than they expected
- The strongest message is that employers predominantly offer short in-house non-accredited courses while employees predominantly want short external accredited courses
- The poll suggests that universities are the least valued deliverers of workplace training while employers are the most valued. Colleges are more valued than universities and professional bodies are more valued still, but employers come out on top by a good margin. In combination (the findings) say that there is employee demand for external accredited courses but that universities are not seen as the solution
- The research 'dispels' the myth that staff do workplace learning in order to escape from their current jobs. It 'suggests' the motivation for employees to study whilst in the workplace is overwhelmingly aligned to improved performance in a current job and furthering a career with a current employer

- The strong suggestion from the poll is that people in employment want to develop further and would be motivated to better performance in their current jobs if they received more external accredited training.

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The implication of our research for employers is that they can attract, motivate and retain better employees by providing:

- Just in time relevant learning and development
- Integrated continuous professional development programmes
- More targeted use of training to reduce downtime
- A better recruitment offer by including accredited courses
- Development within a current job to lower turnover rates.

And, to achieve the above in a way that is tied to the strategic business objectives of the company.

5. Commentary on the Consultation Document

Foreword – The Government’s aims:

‘more, and more employable, graduates; and

to raise the skills and capacity for innovation and enterprise of those already in the workforce.’

We would question the term ‘graduates’ as this excludes HNDs/HNCs, NVQ levels 4 and 5, and professional qualifications. In many cases such awards may be more appropriate and have greater benefit to an individual and their current or potential employer than a degree. Additionally, the use of such qualifications in supporting progression from vocational and work-based level 3 qualifications and learning programmes such as Apprenticeships to higher level qualifications has in many cases been more successful than progression to honours degrees.

We fully concur with the aim – *‘to raise the skills and capacity for innovation and enterprise of those already in the workforce.’*

HE@Work experience would, however, question whether raising skills automatically correlates with generating more qualifications or improving productivity, there are other factors such as pay and motivation which need to be considered.

Executive Summary – ‘Employers may be reluctant to train where they do not understand what a modern university can offer.’ This statement misses the fundamental point that large employers are frequently keen to train and do so. The issue is that universities are not sufficiently recognised by employers (rightly or wrongly) as a provider of workplace training and may have a reputation of selling courses which lack relevance. The notion that universities as a whole sufficiently understand how people

learn in the workplace and how such learning can be supported should be challenged. There are excellent examples of good practice, but more needs to be done, business friendly mechanisms need to be developed and appropriate costing/funding models devised and implemented. Additionally, the tangible benefits of working with a university need to be defined, promoted and delivered. The consultation document does not outline sufficiently what these tangible benefits are or could be. UVAC has substantial examples of the approaches adopted by our members and showcased at our annual conference. Although much excellent work and delivery is apparent, we would also suggest more work is needed to support the HE sector in understanding and delivering the services employers would value.

Executive Summary – We are concerned about proposals re ‘empowering SSCs; ensuring there is an effective brokerage service for higher level skills’ and ‘a co-purchasing role for SSCs in the expansion in employer co-funded places.’ Intermediaries such as SSCs must justify their role on the basis of employer need and demand, costs must be minimised and bureaucracy avoided. We would suggest that in many cases a more effective solution would be to empower HEIs directly or in consortia, professional bodies and other providers (such as HE@Work) with such roles. An even more innovative approach would be to support employers through corporate university models to develop a co-purchasing role directly with HEIs; HE@Work experience with some employers has suggested that this approach may be desirable and possible. Again, we would make the plea that the approaches adopted were first assessed on the basis of what was most effective and best met the needs of employer and employees.

Paragraph 2.8 - We broadly support, with one major reservation, the commitment that: *‘This strategy will be explicitly driven by the demand from businesses, employers and students.’* Our reservation is that the commitment should also focus on the needs of the learner in full time employment. The wording in the consultation suggests that employees are being treated like conventional students - which they are not. Critically it is also important to focus on how people learn as well as what they learn. It should also be recognised that focusing on business/employer demand will be costly to an institution, hence the dilemma of whether to ‘slot the demand into existing provision’ or create new, bespoke provision.

Paragraph 5.2 - We welcome the commitment that DIUS will ask the LSC *‘to extend its current work with UCAS to map all Apprenticeship frameworks to UCAS tariff points.’* UVAC research for *fdf* and other organisations outlines a clear skills case for supporting progression from Apprenticeship to higher level learning. This case, however, is in general not well articulated in SSC Sector Skills Agreements. While we welcome proposals to extend the mapping of all Apprenticeship frameworks to UCAS tariff points, other action as outlined is needed if the figure of 2 – 4% of Apprentices¹ we believe currently progress to higher education is to be increased. In particular; when undertaking this work it could also be advantageous to consider approaches to raising HE admission staffs’ understanding of Apprenticeship, the skill sets Apprentices are likely to possess, the ‘skills case’ for progression, HE programme design issues and the development of HE provision that meets the requirements of Apprentices and their employers. In all these areas UVAC would welcome the opportunity to share with DIUS

¹ Vic Seddon, An Analysis of the Progression of Advanced Apprentices to Higher Education in England, UVAC, Bolton 2005

the work we have researched and which has been undertaken by our members in these areas.

Paragraph 6.6 - We acknowledge the identification that *'there is growing interest in the accreditation of employers' own in-house training by higher education institutions.'* To develop the 'small scale' nature of such provision it is critically important to define and promote the benefits of such approaches and adopt appropriate procedures. Again, HE@Work would welcome the opportunity to outline what in, our experience, are the 'sell' messages employers and business would be responsive to.

Paragraph 6.13 – We would question the use of terms such as *'going to university'*. UVAC is firmly of the belief that universities should support and recognise the achievement of higher level learning whenever and wherever such learning takes place. Higher Education should not simply be equated as taking place in universities, but should be supported, delivered and recognised at further education colleges and, in particular, in the workplace. If the HE sector is to *'become better at attracting these non traditional students'* care should be taken in language and above all emphasis placed on flexibility in delivery and assessment without compromising quality.

Paragraph 6.16 – Rightly, the consultation identifies that *'institutions must provide a different service than their traditional business model'* for employers to see the value in using higher education institutions to train their staff. The ethos, activities and approach of many employers must, however, also be supported to change. UVAC research suggests employer/HEI partnership involves a meeting of two cultures and that employers must also understand how and why HEIs operate in particular ways to safeguard quality and protect the interests of learners.

Paragraph 6.18 – We agree that universities should become a key player in local/regional problem solving and that universities should work with *'RDAs, SSCs and local employers to develop the high level skills that a particular business (or business community) needs in a particular sector in a particular place.'* However, the 'best' university to work with an employer need not be anywhere near the company base. Indeed HE@Work experience suggests that the notion that HE-business engagement is primarily a local or regional affair is questionable. This approach may work at FE level for companies wanting to recruit large numbers of staff in call centres and factories but it is not the way companies approach the learning of graduate and technical staff. Accordingly, universities should be supported to work together to develop national and international approaches to meeting employer skills requirements. The geographical focus of the partnership should be based on the need of the customer; the employer and individual learners and not historic or current operating models.

Paragraph 7.4 – We note that 'HEFCE will fund a national 'clearing house' for Train to Gain.' We would welcome an acknowledgement from DIUS of the work HE@Work is undertaking and the funding provided through Edge to develop our role in this area. We believe HE@Work's role and potential contribution should be acknowledged in this national clearing house and that the clearing house should not simply be restricted to HEFCE funded suppliers. A particularly important point is the lack of easily accessible information about the differing skills of different universities in workforce development. Many employers assume that all universities do much the same thing and that the only difference is that some are more academically proficient than others. The reality is that universities have specialisms which are more or less relevant to the needs of a particular

business. Having easily accessible published information (a 'Facebook' type approach) would greatly help, but whether a funded clearing house is needed is less certain and could result in the creation of another bureaucracy.

Paragraph 7.6 – We note the intention of DIUS to 'Ask HEFCE to develop proposals to support expansion of accrediting employers' own training to higher levels.' And to learn 'from from the early experience of Foundation Degree Forward's Employer Based Training Accreditation Scheme.' Again, we would welcome the opportunity to discuss with DIUS and HEFCE officials the approach developed and progress HE@Work is making in this area. We would also distinguish between a brokerage role (which is only acting as an intermediary) and an analysis and design role (which can fill expertise gaps between HEIs and employers). We would also highlight the difference between employer engagement around recruitment, which tends to gravitate towards Foundation degree and HND/HNC type solutions, and continuous workforce development and the need for different approaches to support each type of learner development.

Paragraph 7.12 – We note that DIUS have asked HEFCE to; 'Develop a new model for funding higher education that is co-financed with employers, achieves sustained growth in employer based student places, and introduces the principle of employer demand-led funding.' And in paragraph 7.13 that DIUS are '*Encouraging HEFCE to test and invest in a range of approaches.'* HE@Work would welcome the opportunity to work with HEFCE to explore how appropriate approaches can be tested, trialled or applied to the multi-national employers we are currently working with. We would also be pleased to share the approaches HE@Work are adopting to engaging with employers and to capture measures of performance about different ways in which quality can be measured in the system.

Paragraph 7.15 – We note proposals to 'Test out a co-purchasing role for SSCs in the expansion of employer co-funded places.' We would question the assumption that there is always a need for an intermediary or 'broker' - in this case an SSC. Major employers will often have a far clearer idea of their skills requirements and in some cases (although certainly not all) may regard the involvement of SSCs as one additional and unnecessary layer of bureaucracy. Should employers or groups of employers working on the basis of voluntary partnerships not also be encouraged to develop a 'co-purchasing role' and should such approaches not also be tested, trialled and evaluated?

6. The UVAC and HE@Work Response to Individual Questions

Question 1: What incentives would encourage employers to be more involved in providing careers information, advice and guidance both before, and during university?

We would like to see greater clarity in career progression routes, and particularly progression opportunities from vocational qualifications, more clearly outlined for both employers and individuals. This would enable employers to gain a fuller understanding of careers and career progression which would complement their understanding of their industry, recruitment and training practices. In return for supporting the learning and development of their employees, businesses could be encouraged to do more in the provision of careers information advice and guidance, particularly through business associations and chambers of commerce for individuals considering a university

qualification, and for undergraduates. When using employer panels to advise on course design, care should be taken to ensure views expressed are representative of employers for whom the programme is being developed.

Question 2a: Given that subject choice at 14 and GCSE and A level attainment are critical factors, is there a case for specific incentives to prospective students to take Science, Technology, Engineering and Mathematics (STEM) subject?

More emphasis on 'practical' learning and mainstreaming different approaches to teaching STEM subjects is needed. In this regard we would reference the substantial work the Edge Foundation has undertaken in these areas. We question the apparent exclusive emphasis on GCSE and A level attainment and why Apprenticeships, new Diplomas and existing vocational qualifications in these subject areas are not also considered as part of a wider strategy to encourage prospective students to take science, technology, engineering and mathematics (STEM) subjects. Similarly, we believe consideration should also be given to progression to HND/HNC, NVQ 4 and 5 and professional qualifications in STEM subjects.

Question 2b: How could any incentives avoid simply reinforcing the decisions of people who have chosen STEM subjects anyway?

See response to question 2a.

Question 2c: More generally, is there a case for providing incentives to universities or employers to encourage more young people to study STEM and pursue careers in it?

The true costs of provision in these areas should be recognised. Brands and qualifications that have a strong STEM delivery track record should also be supported. We note for example the continual popularity of HNDs/HNCs in STEM subject areas, but the greater focus from Government and Government agencies on promoting foundation degrees, which may not have the same take-up and popularity in some STEM subject areas with some employers. An emphasis on both HNDs/HNCs and foundation degrees is needed. The expertise of QCA Regulated Awarding Bodies e.g. Edexcel, City and Guilds and OCR and appropriate professional bodies should, subject to their willingness, be used in this area.

Question 3: What support and incentives would help universities offer access to the workplace for all their students?

More support is needed to enable universities to recognise and accredit work-based learning as contributing to the overall award of the main qualification a learner is studying towards. Approaches should also be adopted to recognise and accredit voluntary work which can provide similar and equally valuable skills. HEIs should also be supported to ensure work experience is assessed and counts towards a qualification. UVAC would welcome the opportunity to work with DIUS and support our members in this area. A fundamental point is that if employers are being asked to offer access to their workplaces for HEI students, should not an employer be provided with access to universities for their full-time employees?

Question 4: How can we help employers better articulate their needs for broad based employability skills?

Government should work closely with organisations that are representative of employers; the CBI, IoD, Federation of Small Businesses, British Chambers of Commerce and Industry and professional bodies. HE@Work would also welcome the opportunity to work with DIUS to articulate the views of employers with whom it is working. Above all, HEIs should be encouraged to work directly with employers to articulate and thereafter co-operate in delivering learning and validation approaches that enhance and develop the skills of an employer's current and future workforce. The key point in working with employers is not to develop more macro approaches, but to focus on micro approaches; understanding the needs and benefits of an employer and individual learner, rather than focusing and promoting the 'national' benefits to the economy of learning. Developing specific employer/employee programmes is, however, expensive and a cost that should be understood and recognised.

Question 5: What more can we do to provide more graduates with the language skills and cultural awareness to thrive in a global marketplace?

Students should be encouraged and supported to work or study overseas as part of their course. Cultural awareness derives from first hand experience of another culture.

Question 6a: What further incentives are needed to stimulate and meet employer demand for higher level skills?

Several of the 'incentives' outlined; establishing the UK CES, empowering SSCs and yet more brokerage are, in our experience, unlikely to stimulate employer interest. Incentives should focus on the delivery of tangible business benefits and not new processes or organisations. Proposals to ensure SMEs have access to the management and leadership support they need are more positive. We obviously believe accrediting employers' own training to or as higher level qualifications is important. We would, however, urge HEFCE to not simply to concentrate on *fdp*'s Employer Based Training Accreditation scheme, but also to learn from approaches developed throughout the HE sector and our own work through HE@Work. Other incentives we believe should be considered include putting the employer more directly in the purchasing role (rather than using an intermediary or broker), providing employers with direct access to funding to purchase HE delivery or developing approaches to offset costs against corporation tax. Of crucial importance, whatever approach is adopted must fit with the strategic objectives of the business and be delivered in a manner that is right for the business in a time which suits them.

In addition to focusing on incentives, we believe Government, agencies and the HE sector should focus on barriers preventing HE from effectively responding to employer demand for higher level skills and new approaches to ensure HE systems can be more responsive to the needs of employers. Speed and flexibility will be crucially important in enabling the HE sector to stimulate and respond to employer demand for higher level

skills. HE@Work are finding that the HEFCE funding regime discourages HE engagement by those in full time employment. We must also be flexible in what is provided and offered to employers and not be solely focused on particular products. Foundation degrees, for example, have a very important role to play, but so do HNDs/HNCs, NVQ 4 and 5 and professional qualifications, many of which seem to be under-valued in such consultations. We would also note the crucial role of HNDs/HNCs and many professional qualifications in developing and recognising STEM subjects. Finally, we would applaud the flexibility adopted with regard to foundation degrees, particularly exempting them from some of the typical HE system funding constraints. Similar approaches to HE learning at other levels would pay dividends and should therefore be encouraged.

Question 6b: How can we best build on the contributions of further education colleges and providers and their links (in particular) to networks of small and medium sized enterprises?

UVAC provides the secretariat support to the Mixed Economy Group (MEG) of further education colleges (FEC). We believe MEG would welcome the opportunity to discuss this question with DIUS and links to degree awarding powers. Partnership between a FEC and appropriate HEI(s) will, in many cases be key, with a FEC providing an outstanding understanding of employers in its locality and the HEI providing appropriate validation and accreditation expertise - and in many cases a high profile name. Crucial here will also be utilising and supporting further education colleges and providers to work with HEIs to develop appropriate progression routes from work-based learning programmes (particularly Apprenticeships and NVQ programmes) to higher education.

Question 6c: How well does the framework for high level skills support employer engagement?

It is essential that HEIs are encouraged and supported to promote and maximise the use of higher education qualifications of different sizes at all levels, in particular the use and adoption of a common approach to credit accumulation and transfer. It is also crucially important that there is clear crossover and understanding of the framework for higher level skills and the Qualifications and Credit Framework.

The existence of FE and HE systems working in parallel at higher levels is a recipe for employer confusion at best and disengagement at worst. Both systems need to be integrated and approaches developed to enhance and support UK synergy in FE and HE systems.

Question 7a: How can we best work with businesses and employers, Trade Unions and employees to encourage demand for higher level skills?

The first issue is to understand and promote the business and individual benefits of higher level skills. We would also counsel against the imposition of centrally developed 'solutions' and 'organisations' on employers. As we outlined in our general commentary on this consultation, key benefits for employers and their employees are potentially:

- Bringing in-house company training and education into mainstream higher education
- Providing third party recognition of the quality of in-house training programmes
- Providing increased motivation to candidates to take part and to complete the programme
- Adding a competitive edge to recruitment
- Offering an objective review of the training delivered.
 - Adopting an approach where high level employee development can be secured with minimal downtime, which can be difficult with a traditional campus based approach.

It is also critically important that HE delivers what employers and employees need. The recent HE@Work poll of 4,600 individuals revealed that *'employers offer short in-house non accredited courses while employees predominantly want short external accredited courses.'* A question for DIUS and HEFCE is how they will support universities to deliver short external accredited courses? This also illustrates the importance of not simply concentrating on a pre-determined portfolio of services that focus exclusively on foundation and honours programmes.

Partnership (and not just regional partnership) is also essential. HE@Work's experience of working with multi-national companies suggests that they may well want to work with certain 'high brand' universities, but that these universities may not be able to support the delivery of work-based learning. This may then lead to a partnership between universities where the expert content is derived from one university and the expert delivery from a second.

Question 7b: How can we encourage rapid implementation of an effective framework for credit accumulation and transfer?

This is one of the most important questions in the whole consultation, as credit accumulation and transfer place the learner at the heart of the HE system. For full-time employees, modules must be hard enough to be challenging but short enough to fit into a normal work role cycle. Modules should also be validated so that they are easily recognised by other universities. Accordingly, an individual must be able to collect modules that can then be presented to a university of his or her choice and support provided to 'top up' and achieve a full programme, an MSc for example. HEFCE funding systems should support and incentivise such fluidity and choice, and not potentially penalise them as at present.

HEFCE's funding model should incorporate greater flexibility, incorporate an element of risk based incentivisation and reward approaches that lever in employer support and co-funding and reach new groups of learners. More emphasis is needed on the value of HE certificates and diplomas. Our experience of working with employers is that the 'size' of a learning programme must be flexible if it is to meet an employer and their employees' needs. The system should be responsive to such need and demand, rather than having to focus on the delivery of qualifications of particular sizes.

The whole quality assurance system will also need to tie into industry compatible models.

Question 8: Do we have the right incentives to encourage higher education providers to be more responsive to business and employer demand?

The consultation needs to provide more specific incentives for HEIs. The development of 'a new model for funding higher education that is co-financed with employers, achieves sustained growth in employer based student places, and introduces the principle of employer demand-led funding' should, subject to the practicality of the model, support this process. Other incentives could focus on supporting HEIs in taking calculated risks. Employer engagement is a very risky prospect from both a quality and funding perspective. Learner numbers are difficult to determine and senior management change within an employer, a change of ownership or policy within a company or indeed public sector organisation may lead to the discontinuation of a whole programme or partnership, resulting in an HEI not being able to secure a return on what may have been a very substantial upfront investment. HEIs will need to know how the 'HE system' helps them combat and manage such risks.

Question 9: What should be the key features of a model for regional and sectoral bodies to play a much greater role in solving local skills problems and linking higher education institutions and business?

Our first point would be that any such model should be based on customer (i.e. employer) need. Regional partnership and consortia will have a key role to play, particularly in the form of Lifelong Learning Networks. However, national and international approaches will be more relevant to many large employers.

Question 10: How can we encourage Regional Development Agencies and Sector Skills Councils to work together to solve local and sectoral skills needs?

Funding approaches should ensure SSCs do this. National Occupation Standards (NOS) should also be used as a common language to define and develop approaches to skills gaps and shortages. UVAC has undertaken considerable work outlining and researching approaches to using NOS as a tool to develop and deliver HE provision that meets employer need. SSC Sectors Skills Agreements and Sector Qualification Strategies should also have a role in outlining approaches to solving higher level sectoral skills needs. Our experience to date has, however, suggested that the coverage of higher education in such documents has, to say the least, been variable.

Question 11a: What further incentives are needed in universities – e.g. through internal appraisals, promotion processes – to increase demand from academic staff for business secondments?

Promotion in universities generally comes through academic publication. In such a system, engaging with employers will only make sense if a research component is incorporated in any such activity. Perhaps HEIs should be encouraged to invest in and champion work based learning/employer engagement and undertake applied research with business partners.

Question 11b: And how can we encourage movement in the other direction so that business people are increasingly contributing directly to course content, design and teaching?

Question 12: How can we do more to increase the level of STEM skills in the existing workforce?

Business people will only invest their time where they can see that they are adding value. One approach could involve linking short-term fellowships to interim management schemes.

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