



# Level 4 and 5 provision in England: provider perspectives

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## **Disclaimer**

The views and opinions expressed in this report are those of the authors and do not necessarily state or reflect those of the Gatsby Charitable Foundation.

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## EXECUTIVE SUMMARY

### Introduction

1. This is a report of findings from an independent qualitative research study into the provision of Level 4 and 5 qualifications in England. Undertaken between January and April 2018, the study was commissioned by the Gatsby Charitable Foundation ('Gatsby') and was carried out by a team of researchers from York Consulting LLP.
2. The research has involved semi-structured, qualitative consultations with staff at 23 higher education (HE) providers in England, comprising 16 Further Education Colleges, four Higher Education Institutions (HEIs) and three Alternative Providers. The providers interviewed were known to have significant numbers of learners at Levels 4 and 5 in subjects which related to the 15 technical routes to skilled employment outlined by the Independent Panel on Technical Education. The consultations explored three key themes:
  - The viability of Level 4 and 5 provision;
  - Labour market and employer influences on Level 4 and 5 provision; and
  - Providers' approaches to widening participation at Levels 4 and 5.

### Viability of Level 4 and 5 provision

3. **Approximately one-third of the providers consulted are actively planning to expand their current provision in response to local contexts.** This was in response to increased demand from local employers and from current Level 3 students seeking pathways into higher education. In some cases, this growth was being facilitated by capital investment from Local Enterprise Partnerships.
4. **The remaining two-thirds of providers consulted are planning to maintain current levels of Level 4/5 provision in spite of challenges** arising from a reduction in demand for part-time provision (due to funding changes and part-time learners being more debt-averse), increased competition among HE providers for learners, anticipated changes in demand from employers following the introduction of the Apprenticeship Levy which are yet to be realised, and increasing demands on employer engagement. Many of these providers would like to expand their Level 4/5 provision but do not currently plan to do so.
5. **The providers consulted had found a level of provision manageable within the current funding regime but identified key vulnerabilities** in their estates, equipment and staffing if funding levels did not increase. Some providers - particularly HEIs - relied on cross-subsidy from other areas of provision. Four providers had already contracted their Level 4/5 provision due to increased competition resulting from the lifting of HE student number controls, although around half had experienced no such impacts. Formal collaborations between FE Colleges and HEIs enabled the local Level 4/5 market to be segmented and secure, whereas informal agreements and lack of collaborations exacerbated the destabilising effects of competition.

6. **Around half of the providers experience particular difficulties around staffing, infrastructure and qualifications**, citing problems in: recruiting and retaining experienced and qualified staff; accessing capital investment to improve or expand facilities; and managing burdens of delivery, assessment and quality assurance associated with existing Level 4/5 qualifications.
7. **Around half of the providers also report that their decision on what to offer at Levels 4 and 5 is influenced by the current regulatory model**, either in terms of perceived inflexibility with Awarding Bodies (mostly from other educational institutions validating their provision) and/or the complexity of regulatory oversight of higher education in Further Education Colleges.
8. **Providers want to offer qualifications which were fit for purpose in terms of meeting learner and employer need. Nearly three-quarters feel willing to deliver courses from an approved register of qualifications** – as proposed in the Government's Post-16 Skills Plan – if they can be reassured that those qualifications are indeed fit for purpose, economically viable and sufficiently attractive to fee payers. Those who are not in favour value their own autonomy, though agree that such a register would be a useful tool for employers and students as well as providers when looking at progression routes from T-levels.

#### **Labour market and employer influences on Level 4 and 5 provision**

9. **There is unanimous recognition of the importance of employer input to the design of the Level 4 and 5 qualifications that the providers consulted are offering**, though for HNCs and HNDs providers are more likely to report employer input in the choice of optional modules on offer than in the content. Good practice involves regular employer forums and feedback via employer surveys, often co-ordinated via teaching staff with industrial links.
10. **Work placements are commonplace for full-time Level 4 and 5 learners**, alongside other valuable forms of employer engagement including staff placements (as well as working part-time in industry) and employer-led projects. However, it was noted that, particularly in areas with relatively high numbers of HE providers, developments in Apprenticeships and the introduction of T-levels could affect the availability of work placements for Level 4 and 5 learners.
11. **Employer engagement is widely considered important to Level 4 and 5 provision, but subject and location presented challenges**. Where there is not a defined list of employers relevant to subject areas, or a designated professional body, providers can struggle with encouraging employers to be involved in design and/or delivery. Most providers engage primarily with SMEs and microbusinesses who have relatively little time for engagement. Over half of the providers engage mostly with local employers, while nearly one-third have both local and national links.

12. **More than two-thirds of the providers consulted report that students value Level 4 and 5 qualifications because of their relevance to employment, their low cost relative to a degree course, and the opportunities they give for progression.** Providers report that students are less likely to see the value in Level 4 and 5 courses where they perceive a weak demand for this level of skill from the relevant sector (such as catering), or a high demand for degrees (such as mechanical engineering).
13. **Providers are in agreement about the benefits students receive from employers' involvement in course design or delivery.** The benefits include developing technical skills and knowledge which can be applied in a vocational context, as well as developing entrepreneurial, transferable and soft skills.

#### **Providers' approaches to widening participation at Levels 4 and 5**

14. **Providers report difficulties in recruiting students from underrepresented groups, but good rates of retention among Level 4 and 5 students.** Examples of challenges include attracting women onto STEM courses, and men onto childcare courses, as well as reaching part-time students. However, good rates of retention are reported, particularly for employed students who are bound by loyalty agreements and/or incentivised through promises of pay rises and promotion on successful completion.
15. **Two-thirds of the providers consulted report that student numbers on Level 4 and 5 courses are affected by access to financial support, both national and local.** This is most prevalent among certain groups, including those who are part-time, older, disabled or from lower socio-economic backgrounds.
16. **Providers use various methods to recruit students both within and beyond their institution, but some find access to school-leavers a limiting factor.** Open days, careers and UCAS fairs, social media and outreach work are all used to promote Level 4 and 5 courses. However, some Further Education Colleges are finding it difficult to attract school-leavers, reporting growing numbers of unconditional offers for degree courses distorting the potential Level 4/5 market.





## 1 RESEARCH OVERVIEW

### Introduction

- 1.1 This is a report of findings from an independent qualitative research study into the provision of Level 4 and 5 qualifications in England. Undertaken between January and April 2018, the study was commissioned by the Gatsby Charitable Foundation ('Gatsby') and was carried out by a team of researchers from York Consulting LLP.
- 1.2 The research has involved semi-structured, qualitative consultations with staff at 23 HE providers in England. The providers interviewed were known to have significant numbers of learners at Levels 4 and 5 in subjects which related to the 15 technical routes to skilled employment outlined by the Independent Panel on Technical Education. The consultations explored three key themes:
  - The viability of Level 4 and 5 provision;
  - Labour market and employer influences on Level 4 and 5 provision; and
  - Providers' approaches to widening participation at Levels 4 and 5.
- 1.3 A full list of the questions and discussion topics is provided at Appendix A.

### Rationale for the research

- 1.4 Technical education at Levels 4 and 5 plays a vital role in supplying the UK's labour market with a highly skilled workforce but is underdeveloped in England. The Sainsbury report<sup>1</sup>, published in April 2016, made a series of recommendations for transforming technical education in England, simplifying an over-complex system and ensuring a new system which would deliver the skills most needed for the 21<sup>st</sup> century. The recommendations, which were subsequently accepted by Government in its Post-16 Skills Plan<sup>2</sup>, included developing a common framework of 15 routes encompassing all employment-based and college-based technical education at Levels 2 to 5.
- 1.5 In October 2017, the Department for Education announced a review of Level 4 and 5 education, with a particular focus on technical education. The aim of the review is to ensure that excellent provision exists at these levels to support the skills needs of the economy and students' social mobility<sup>3</sup>.
- 1.6 The findings from this research are of direct relevance to the Level 4 and 5 review. They offer up-to-date insight on employer engagement, student choice and the barriers and incentives to delivery that exist at these levels.

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<sup>1</sup> Report of the Independent Panel on Technical Education (2016).

<sup>2</sup> DfE and Department for Business, Innovation and Skills (July 2016): 'Post-16 Skills Plan'.

<sup>3</sup> <https://www.gov.uk/government/news/level-4-5-technical-education-to-be-reviewed>

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## Defining Level 4 and 5 provision

- 1.7 The scope of this study has been provision delivered across higher education providers, including Further Education Colleges, Higher Education Institutions (HEIs<sup>4</sup>) and Alternative Providers. Qualifications in scope included Higher National Certificates (HNCs), Higher National Diplomas (HNDs) and Foundation Degrees.

## Sampling and method

- 1.8 Staff at 23 HE providers in England – 16 Further Education Colleges, four HEIs and three Alternative Providers<sup>5</sup> – have contributed to the research.
- 1.9 The Further Education Colleges and universities were sampled purposively based on enrolling relatively large volumes of learners in one or more technical routes of their Level 4 and 5 delivery and therefore had established programmes. As there are far fewer Alternative Providers in England (and fewer still that deliver at Level 4 and 5), the sample of Alternative Providers was generated mainly from within the networks and contacts of Level 4/5 specialists at the Department for Education.
- 1.10 The sampling approaches adopted, coupled with the size of the sample, mean that the views reported in subsequent chapters should not be considered representative of any larger cohort of providers.
- 1.11 As shown in Table 1.1, 58 individuals have been consulted through the research. The composition of each visit varied, but the most frequent contributors included:
- Principals and vice-principals;
  - Heads of higher education;
  - Heads of department, course leaders and tutors; and
  - Business development/employer engagement specialists.
- 1.12 Consultations have been undertaken across 11 technical routes<sup>6</sup> (Table 1.1 is ordered alphabetically by technical route). However, the consultations in ten of the providers were not confined to a single route but instead covered Level 4 and 5 provision more broadly. This is denoted by an asterisk in the ‘technical route’ column.
- 1.13 The ‘coverage’ columns show the types of Level 4 and 5 qualifications covered by the consultations at each institution. Where a ‘coverage’ box is empty, it does not imply

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<sup>4</sup> The terms HEI and university are used interchangeably throughout the report.

<sup>5</sup> An Alternative Provider is defined by HEFCE as any provider of higher education courses which: does not directly receive annual funding from HEFCE or its equivalent bodies in the developed administrations; does not receive direct annual public funding; and is not a Further Education College.

<sup>6</sup> As outlined in the Post-16 Skills Plan (July 2016). The 11 technical routes exclude the four recommended to be delivered mainly through apprenticeships, which were not included in the scope of this research study.

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that the institution does not deliver that type of qualification, but just that it was not covered by the research.

1.14 Although geographic coverage was not a primary factor for selection, all regions with the exception of the South East were represented in the sample:

- East of England (one);
- East Midlands (one);
- London (five);
- North East (four);
- North West (three);
- South West (two);
- West Midlands (four);
- Yorkshire and the Humber (three).

### **Quotations and examples used in this report**

1.15 This report includes excerpts from the qualitative consultations and institution-level examples of practice. The excerpts are in blue-shaded boxes and the examples of practice are in grey-shaded boxes. In keeping with the research protocols agreed with each of the participating institutions, all have been anonymised.

**Level 4 and 5 provision in England: provider perspectives**

<b>Table 1.1: Composition of the achieved sample</b>					
<b>Type of provider</b>	<b>Technical route</b>	<b>No. staff consulted</b>	<b>Coverage</b>		
			<b>HNC</b>	<b>HND</b>	<b>FD</b>
Further Education College	Agriculture, Environmental and Animal care	6		X	X
University	Agriculture, Environmental and Animal care	3	X	X	X
Alternative Provider	Business and Administrative; Childcare and Education	2	X	X	
Alternative Provider	Catering and Hospitality	1			X
Further Education College	Catering and Hospitality*	5	X	X	X
University	Childcare and Education	1			X
Further Education College	Childcare and Education	1			X
Further Education College	Childcare and Education	1			X
Further Education College	Construction	2	X	X	
University	Construction	2			X
Further Education College	Creative and Design	3		X	X
Further Education College	Creative and Design*	10	X	X	X
Alternative Provider	Creative and Design	3	X		
Further Education College	Creative and Design*	3	X	X	X
Further Education College	Digital*	3	X	X	X
University	Engineering and Manufacturing	1	X	X	X
Further Education College	Engineering and Manufacturing*	3	X	X	X
Further Education College	Hair and Beauty*	3			X
Further Education College	Hair and Beauty*	1			
Further Education College	Health and Science*	1			X
Further Education College	Health and Science*	1	X	X	X
Further Education College	Legal, Finance and Accounting	1	X	X	X
Further Education College	Legal, Finance and Accounting*	1	X	X	X
	<b>Totals</b>	<b>58</b>	<b>13</b>	<b>14</b>	<b>19</b>

\*Consultations covered a wider range of subjects than the technical route indicated in the initial sample.

## 2 VIABILITY OF LEVEL 4 AND 5 PROVISION

### Introduction

- 2.1 This chapter summarises the feedback from providers on the viability of Level 4 and 5 provision. Key lines of enquiry under this theme included plans for increasing delivery at these levels, funding, regulatory models and the costs of delivery.

### Expansion plans

- 2.2 Providers were asked whether they intend to maintain, expand or reduce their current volumes of Level 4 and 5 delivery:

- Eight of 23 plan to expand: routes include construction, childcare and agriculture, as well as across Level 4 and/or 5 as a whole;
- 14 of 23 plan to maintain current levels;
- No providers plan to reduce their Level 4/5 provision;
- One provider is unsure, citing uncertainty about the impact of T-levels and apprenticeships as the main reason.

- 2.3 Summarised below, two main reasons are cited by providers for **maintaining their current levels of provision**. It is also worth noting that these providers often see maintaining provision as something of an achievement in itself.

- **Demand:** based on published evidence, recent years have seen reductions<sup>7</sup> in demand for part-time provision, including at Levels 4 and 5 due to funding changes and part-time learners being more debt-averse<sup>8</sup>. Providers also report that full-time students who, in the past, are likely to have progressed from Level 3 to a Level 4/5 qualification are instead progressing to undergraduate degree programmes. They cite peer/family influence, unconditional offers from universities and a lack of impartial guidance as the main drivers behind this.

*“The bottom has fallen out of the part-time market and there are no signs of recovery in the short-term.”*

*“As an institution, we are increasingly having to provide a solid case to students for pursuing Level 4/5 qualifications as opposed to going down the degree route. This is more difficult when students are given unconditional offers.”*

*“We have a concern that students who would excel at Level 4 are being persuaded to step up to a degree where they may struggle.”*

Heads of Higher Education at various Further Education Colleges

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<sup>7</sup> Further Education in England: Learners and Institutions, Centre for Vocational Education Research, February 2017.

<sup>8</sup> Understanding Part Time College Education, Saraswat et al., Association of Colleges, 2015.

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- **Influence of apprenticeships:** providers are naturally aware of the policy imperative of apprenticeships and are working with employers to help them better understand the levy and associated policy changes. They expect to see growing demand for higher level apprenticeships, although none report that this has yet happened on a significant scale.

2.4 All eight of the institutions intending to **expand their Level 4 and 5 provision** are Further Education Colleges (the HEIs in the sample consider their primary growth area to be undergraduate degrees and postgraduate masters courses). Further Education Colleges' expansion plans are being made in response to:

- **Local infrastructure developments and associated labour market need:** examples include responding to Local Enterprise Partnership-led capital investments and the local skills and training requirements that will be generated as a result.

*"The LEP has announced plans for significant expansion in STEM technology and we are gearing up to respond in relation to the skills that will be required."*

Head of HE Skills, Further Education College

- **Increased demand:** examples are provided of employer-led and student-led increases in demand for Level 4 and 5 provision. One provider, for example, explains how local IT employers appear increasingly keen to recruit staff with high-level technical skills, rather than with degrees.
- **Gaps in their existing provision:** some providers identify a gap in local subject-specific provision at Level 4/5, for example, where the only local progression route is to a university course. Other providers wish to provide a seamless progression route for their existing students by, for example, offering a Foundation Degree in Criminology for students completing Level 3.

### Impact of delivery arrangements

2.5 There is a relatively even split between providers who say that current delivery arrangements make it difficult to develop and deliver L4/5 provision (11) and those that did not (12).

2.6 Amongst those that did, the most commonly cited issues are:

- **Staffing:** difficulties in recruiting and retaining appropriately experienced and qualified staff, recognising that pay and conditions are a function of the recruitment equation;
- **Infrastructure:** including expansion capacity and (on a related point) access to capital investment;

- **Qualification criteria:** providers report that the quality assurance regime related to some qualification types is onerous, revised qualifications are more restrictive in terms of content (e.g. Jewellery HNC), and delivery and assessment criteria appear to have increased.

*“The incredible amount of scrutiny makes it difficult to deliver the HNC [in the creative and design technical route].”*

*“The new [Awarding Organisation] syllabus is more prescriptive.”*

*“There are lots of hoops for students to jump through.”*

Tutors, Alternative Provider

## Resourcing Level 4/5 provision

- 2.7 All providers answered ‘yes’ to the question: *“Is the current level of funding sufficient to support quality provision at Levels 4 and 5?”*. However, as explained below, beneath the headline results is a more complex picture.

### ‘Direct funding’ v ‘investment funding’

- 2.8 Providers make a distinction between ‘direct’ funding (funding received from Level 4/5 fees) and other types of funding that support investment in Level 4/5 infrastructure and capacity.
- 2.9 There is agreement across the sample that ‘direct’ funding is sufficient to support Level 4 and 5 courses. However, providers also stress that reductions in Further Education funding nationally present barriers to investment at Levels 4 and 5 in terms of:
- **Estates:** Further Education providers who wish to expand their Level 4/5 delivery (and distinguish this delivery from ‘core’ (Level 3 and below) delivery by having a bespoke HE space), cite lack of access to capital funds as a barrier to delivery;
  - **Equipment:** not being able to modernise the equipment used by Level 4 and 5 students such that it maintains industry-relevance; and
  - **Staffing:** not being able to attract sufficient good quality staff (including those currently working in industry) who can teach effectively at Levels 4 and 5.

### Resource allocation within Further Education Colleges

2.10 The Further Education Colleges consulted reported that they mainly deliver courses below Level 4 but also offer some higher education courses. To use their resources effectively, these Further Education Colleges typically need tutors that are able to teach at Levels 2 and 3 as well as 4 and 5 (some also taught below Level 2), leading some in the sample to suggest that funding and staffing at Levels 4 and 5 is more challenging for them than it is for universities. The FE Colleges in the sample are also quite candid about their own strategic planning being skewed towards delivery below Level 4 as this accounts for a large majority of their total provision.

### Regulatory model

2.11 Views are fairly evenly split on whether the current regulatory model influences decisions over which Level 4 and 5 courses are delivered, with 12 providers stating that it is not an influence and 11 providers stating that it is an influence. All institutions that have awarding powers of their own (five) do not feel constrained by existing regulatory structures.

2.12 The key issues for those providers who say there is an influence are summarised below.

### Validation

2.13 The relationship between validating Higher Education Institutions and Further Education Colleges is changing due to:

- Increased competition for the same learners;
- A view from some Further Education Colleges that Higher Education institutions are acting inflexibly in the development and accreditation of new programmes.

2.14 In addition, Further Education Colleges in the sample spoke of wanting greater value for money and of a desire to revise the validation fee structures currently in place. As such, examples were provided of Further Education Colleges reviewing their existing arrangements and making plans to move to a different validating institution.

*“We are weighing up the flexibility of self-accreditation versus the administration this would require and the fees we are charged and pass onto our students.”*

*“The level of the validation fee is prohibitive.”*

*“We are considering our options as part of our biennial review; we will not be staying with our current HEI.”*

Heads of HE Provision, various Further Education Colleges



- 2.15 Related to accreditation, there is evidence from this work of Further Education Colleges and universities increasingly operating in the same qualification space, e.g. where universities have introduced Year 0<sup>9</sup> courses targeted at students who are not considered ready for a full undergraduate degree programme. By contrast, the research also finds evidence of universities reporting that Further Education Colleges, especially the larger chains, are attempting to increase their share of the higher education market.

### **Regulatory oversight**

- 2.16 Further Education Colleges speak of an increase in regulatory quality assurance and inspection regimes involving multiple different bodies (e.g. Ofsted and HEFCE) as having an impact on which qualification routes they choose.
- 2.17 At the time of the research, providers are unclear about the extent to which the Office for Students (OfS) will simplify the existing regime and what its relationship will be in relation to Higher Apprenticeships. The OfS is the new regulator of higher education in England from 1<sup>st</sup> April 2018, the date from which HEFCE ceased to exist.

### **Awarding Organisations<sup>10</sup>**

- 2.18 Only one provider (an Alternative Provider) within the sample agrees that an Awarding Organisation had a role in influencing the Level 4 and 5 courses they deliver. This is because the Awarding Organisation in question is the sole provider of HNCs in the provider's specialist area.
- 2.19 More widely, although providers may have worked with certain Awarding Organisations for many years, fitness for purpose in terms of meeting learner and employer need is reported to be more important than staying with a given Awarding Organisation because of an existing relationship.

### **Costs of delivery**

- 2.20 None of the providers in the research sample indicate that cost has a significant influence on the balance of provision at Levels 4 and 5 (although that carries the caveat that courses have to be viable in terms of student numbers).
- 2.21 The feedback differs in relation to the extent to which cross-subsidy<sup>11</sup> is used to support higher-cost subjects:
- The majority of providers take the view that all qualifications should be able to make a positive financial contribution.

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<sup>9</sup> A Year 0 course typically acts as a foundation year to an undergraduate degree. Students who complete Year 0 are usually guaranteed a place on the first year of the associated degree programme.

<sup>10</sup> A distinction has been made between an Awarding Organisation e.g. Pearson and validating organisation e.g. an HEI with Degree Awarding Powers, who is also an Awarding Body for qualifications at a higher level.

<sup>11</sup> Cross-subsidy was prevalent in faculties at the HEIs and in one Further Education College with a large engineering department.

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- A minority suggest that as long as the overall contribution is positive within a department/school of study, cross-subsidy is allowed. One provider gives the example of quantity surveying courses being used to subsidise civil engineering courses.

### Register of approved technical qualifications

2.22 The Government's Post-16 Skills Plan proposed that for each of the 15 technical education routes, the Institute for Apprenticeships will maintain a register of approved technical qualifications at Levels 4 and 5 which are eligible for public subsidy through Government-backed student loans<sup>12</sup>. Seventy percent of providers in the sample (16 of 23) are willing to deliver courses from an approved register of qualifications as long as they fulfil fitness-for-purpose criteria:

- **Demand-side factors:** ensuring that the qualifications are tailored to meet the expectations of employers, sector bodies and industry regulators;
- **Cost:** courses need to be economically viable and the entry costs for developing any new courses should not be prohibitive;
- **Progression:** the approved list will need to integrate with current provision and provide a clear map of progression to and from Level 4/5;
- **Marketing:** the qualifications should be aimed at attracting students so that providers are able to clearly communicate and present the offer to potential students.

2.23 The providers who are not in favour are Alternative Providers who cited the uniqueness of their offer and a desire to maintain control over course content as the main reasons. There is, however, some agreement that an approved register of qualifications will help to map provision at Level 4/5, in terms of where it fits relative to T-levels and Level 6 provision. It is said that this information will also be of use to students and employers.

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<sup>12</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/536043/Post-16\\_Skills\\_Plan.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/536043/Post-16_Skills_Plan.pdf)

### 3 LABOUR MARKET AND EMPLOYER ENGAGEMENT

#### Introduction

3.1 This chapter presents the key findings from the research on employer engagement and labour market issues. It is separated into four main themes:

- Employers' contribution to the design of Level 4 and 5 qualifications;
- Employers' contribution to the delivery of Level 4 and 5 qualifications;
- Factors that affect employer engagement at Levels 4 and 5; and
- Benefits to students of employers' involvement.

#### Employers' contribution to design

3.2 With one exception, all the providers agree that employer input is important to the design of their Level 4/5 provision, although the responses vary by qualification type:

- For **Foundation Degrees**, providers report that advice from the Quality Assurance Agency for Higher Education (QAA) is that 'employers are involved in the design and regular review of foundation degree programmes'<sup>13</sup>;
- For **HNCs and HNDs**, providers give fewer examples of local employers being involved in design, although there is a recognition that employers are very much involved in the design of the core criteria for the national certificates and diplomas. Feedback is also provided on how employers are having an influence on which optional modules are delivered.

3.3 The exception is one of the Alternative Providers in the sample. Staff at this provider acknowledge that their employer engagement strategy, while very important, is still to be fully implemented at the time of the research. The dialogue that the provider currently has with employers is less regular and less detailed than most if not all of the other providers in the sample.

#### How providers involve employers in design

3.4 The main routes through which providers in the sample obtain input from employers on qualification design are:

- **Employer forums:** usually convened once or twice a year, these provide a platform for discussion on the needs of industry at different skills/qualification levels, skills gaps, and specific attributes/competencies that employers would like to see instilled within learners studying higher level technical qualifications.

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<sup>13</sup> QAA (2015): 'Characteristics statement: foundation degree'.

*“We host regular events with industry partners and employer forums. Industry professionals feed back to us about our courses and tell us what they want to see in the future. It really helps us to keep our finger on the pulse.”*

Employer Engagement and Student Employability Lead, Alternative Provider

- **Feedback through surveys:** online surveys and email circulars enable providers to keep in touch with employers and gain valuable industry insight. Providers report that this can be a more flexible and less time-consuming approach than the formal forums.

*“We use employer surveys to do an annual health-check of our courses. We get lots of information on what employers like about the courses, what they don’t like and what they would like us to change.”*

Head of Faculty, Further Education College

- **Validation and accreditation:** the quality assurance processes for some Level 4 and 5 qualifications, such as those in veterinary science, require providers to engage with employers and trade/professional bodies. Providers report that this helps to inform course content and strengthens the alignment with industry need.

3.5 There is broad agreement across the providers in the sample that involving employers in the design of Level 4/5 provision is relatively straightforward compared with involving them in delivery (the latter typically being more time-consuming for employers). Providers also stress that their employer engagement approaches are not qualification level specific, i.e. they try to involve employers at all levels relevant to their business needs and not just at Levels 4 and 5.

3.6 In terms of who leads on employer engagement, most providers highlight the importance of the networks and contacts of departmental teaching staff, including (where appropriate) the links they had maintained from their time working in industry. Employer engagement in design at Levels 4 and 5 (as at other levels) is the responsibility of more senior colleagues, typically with an institution-wide strategic remit.

### **Employers’ contribution to delivery**

3.7 The commitment required for employers contributing to delivery is higher compared to design and therefore the range and number of employers involved is different. Providers identify three main types of activity through which employers contribute to the delivery of Level 4 and 5 provision. These are:

- **Work placements:** for full-time Level 4 and 5 students, work placements are commonplace. Models differ across providers and employers: some prefer block placements whilst others prefer shorter but more regular placement episodes. Placements are arranged by the providers, although students are allowed, and in many cases encouraged, to arrange their own where possible.
- **Teaching staff working in industry:** three providers have recruited part-time teaching staff who continue to work in industry and provide their industry knowledge to the delivery of courses and often help to secure work placements. All providers feel that employer engagement is much easier when there are long-established contacts in place.

*“They [our teaching staff] work here but also have established self-employed businesses. Everyone has a ‘black book’ of contacts and we work hard to maintain those as it means we know which people are going to be receptive to engagement...”*

Head of Department, Further Education College

### **Work placements**

A Further Education College was struggling to secure work placements for its construction students, including those at Levels 4 and 5. In response, they established a social enterprise to give students easier access to construction work placements and the opportunity to undertake real work on behalf of the clients of the social enterprise. The social enterprise enables smaller construction companies an opportunity to engage with the college in a meaningful way and have students work on their current projects.

- **Student projects:** live briefs and commissions allow employers to devise projects which expose students to world-of-work scenarios during their studies. Providers highlight the benefits of these briefs and commissions to students (industry insight, employability skills etc.) as well as the benefits to employers who often experience some form of positive business impact from the students’ involvement.

### **Live briefs and assessment**

A Further Education College that works with employers who provide students with project briefs related to live digital commissions. These briefs give students exposure to problem-solving and project design work similar to what they would experience in the digital workplace. Employers reportedly like to take part as it gives them a snapshot of local talent.

### Showcase and inspiration days

Showcase and inspiration days are held annually at one Further Education College. Employers are involved in judging competitions of student work and providing helpful hints and tips for coursework.

## Factors that affect employer engagement

3.8 In addition to time and resource commitments, the research identifies a range of other factors that can influence (or may in the future) the extent to which employers engage in Level 4 and 5 provision. These are:

- **Sector structure:** providers report that in some sector/subject areas, such as childcare, education and agriculture, there tends to be a defined or regulated list of employers as well as established professional bodies. Other subject areas are less well aligned with clearly defined sectors, an example being business and administration. This can make the task of employer engagement more challenging.

*“On our childcare and education courses, to find employers we can do a Google search of nurseries, schools etc. When we want to find placements for our business students, it’s much more difficult and takes us a lot longer.”*

Director, Alternative Provider

- **Whether students are employed and their employers are supporting their higher education studies:** there was mixed opinion amongst the 23 providers about the influence on employer engagement of large proportions of a Level 4/5 cohort being employed. For some providers, large numbers of students who are working and studying can create a pool of employers for providers to engage with; employers are invested in ensuring that courses are well-designed and delivered for their employees. However, for other providers, large numbers of employed students mean that employers are exclusively interested in their employees and are less willing to engage with the wider activities of the provider.
- **Employer size:** most providers in the sample engage primarily with SMEs and micro businesses. This can be challenging as these employers often have relatively little time to commit specifically to provider partnerships and can be less certain about how they can contribute and, in return, benefit. The challenges are amplified in sectors with very high concentrations of smaller employers (e.g. creative and design).

*“With 10,000 small employers [in the city] and no big employer [in the jewellery-making sector], the market is not geared towards placements, especially at this level [Level 4 and 5]. They don’t have enough time and students often lack specialist skills so end up being under-used. Small organisations also don’t have the time to fill out health and safety forms or assessment forms....”*

Head of Department, Further Education College

- **Competition in the local area:** especially in areas with relatively high numbers of HE providers, competition for employers’ attention and support is very high, in some cases leading to ‘placement fatigue’. The research finds examples of providers offering incentives in response; one university offers free/discounted training to employers that engage.
- **Competition across levels:** it is noted amongst providers in the sample that additional investment will be needed to ensure that they can deliver meaningful opportunities for work placements for Level 4/5 students as well as the minimum 45-day work placement requirement for T-levels.

*“There is a serious danger of disengaging employers by asking them to be involved in lots of different things. Feedback from our employer boards suggests that with apprenticeships and T-levels, there are major worries about fitting everything in.”*

Principal, Further Education College

- **Impact of apprenticeships:** the general view of providers in the sample is that it remains too early to predict with certainty how apprenticeship policy changes will impact on employer engagement. Although none of the 23 providers report that their employer engagement was limited to apprenticeships, there were some concerns that as employers increase their apprenticeship activity, this may impact on other activity.

#### **Effects of apprenticeships**

A large provider of courses in the agricultural, environment and animal care technical route raised serious concerns about the impact of the apprenticeship levy on the availability of work placements for other types of courses, e.g. Foundation Degrees. One of their key employers has recently made a decision to reduce the number of work placement opportunities they offer in order to increase their capacity for apprenticeships and degree apprenticeships.

Director of Learning and Teaching, Further Education College

- **Locality of employer:** over half (13) of the providers in the research sample engage primarily with employers in their local area. Seven providers engage with both local and national employers and three mainly with national employers (this tends to be linked to subject specialisms and there being relatively few other providers nationally offering the same provision). One Further Education College reported significant recent growth in Level 4 and 5 provision by establishing a relationship with a large national organisation based 200 miles away from the college site.

### **Benefits for students of employers' involvement**

3.9 There is unanimous agreement across the research sample that students benefit from employers being involved in the design and/or delivery of Level 4 and 5 courses. The main benefits that they report are:

- Developing technical skills and knowledge that are of relevance to industry and which may therefore help to improve their employment prospects;
- Developing entrepreneurial skills (particularly important in sectors with high concentrations of self-employment such as creative and design);
- Developing transferable and soft skills, such as self-confidence, work readiness and adaptability; and
- Having the opportunity to apply theory or technical knowledge in a vocational context.

*“Employer input leads to students gaining placements and employment as a result of good work and getting to showcase to employers their skills and potential”.*

*“Around 90% of our students go into employment and 60% [in our specific industry] which we think... is due to placing employers at the heart of all of our courses”.*

Heads of Faculty, HEI

3.10 Some providers (albeit to a more limited extent) also note benefits of employer input into the design of courses, through ensuring that courses are applicable to the world of work and meet the skill needs of employers. One provider notes that employer input into the design of courses provides the essential groundwork for other student benefits and helps create a network of contacts to draw on for engagement during delivery. Interestingly, providers are less likely to attribute improvements in student achievement to employer input compared to course content, pedagogy or college-wide improvement strategies.



## 4 WIDENING PARTICIPATION

### Providers' perspectives on students' views

4.1 More than two-thirds of the providers in the sample (16 of 23) report that, in their view, they were confident that students who pursue qualifications at Level 4 and 5 recognise the value of these qualifications in relation to their future prospects. The main reasons cited for this include:

- **Employability benefits:** students report to value the industry-relevant skills they can gain through study at Level 4 and 5 and recognise that there are employers who also value their skills at this higher level, leading to stronger employment and/or development prospects below graduate level;
- **Opportunity for progression:** Level 4 and 5 qualifications are, in many sectors, well regarded by employers, and they also provide the basis for progression to a full undergraduate degree; and
- **Financial benefits/savings:** lower course costs and associated costs (e.g. living costs) than on a three-year degree programme;

4.2 Providers that are less sure about the value that students attach to Level 4 and 5 provision tend to cite subject/sector-specific reasons. For example:

- Providers report that certain sectors, such as hospitality and catering, have progression routes that are not dictated nor especially influenced by the achievement of qualifications (or at least not qualifications beyond Level 3). As such, there is less significance attached to qualifications in those sectors than there is in others (e.g. those that are STEM-based).
- Conversely, for some sectors, university degrees are the preferred progression route in terms of post-Level 3 activity (civil and mechanical engineering were cited during the research). Providers also spoke of a changing mindset amongst some employers whereby other higher level qualifications – and especially higher and degree apprenticeships – are being seen as having equivalent or even greater value than degrees, for example, for specialist roles within the IT industry.

### Access to financial support

4.3 Sixteen of the 23 providers in the sample were of the view that students' access to financial support often affects their choice to study at Levels 4 and 5. This can be influenced by their attitude to debt/loans, their existing commitments in terms of family and finance and their age. The influence of access to financial support is most prevalent amongst certain groups:

- Part-time students;
- Mature students (especially those with families and associated financial responsibilities);
- Students from lower socio-economic backgrounds;
- Disabled students (a few providers linked this to changes surrounding Personal Independence Payments (PIPs), Disabled Students' Allowance (DSA) and Education, Health and Care (EHC) assessments.

4.4 Staff at one HEI explain that student numbers on their Foundation Degree had decreased by 75% over the past four years. They attributed this primarily to funding and specifically to reductions in support offered by the local authority for students pursuing Early Years Professional Status. Staff at another provider report that the absence of maintenance loans for part-time students was acting as a barrier to participation in part-time study, especially in sectors characterised by low pay.

*"Students [Early Years] are being put off by a lack of funding as they don't want to get into debt. The removal of financial support from the local authority over the last four years has had a major impact."*

Head of Faculty, HEI

### **Marketing of provision**

4.5 All 23 providers answered 'yes' to the question, "Do you actively market your provision?", although none said that their Level 4 or 5 provision was marketed in a way that was necessarily different to other aspects of their provision. The approaches that they cited include:

- Open days;
- Careers and UCAS fairs;
- Social media;
- School outreach work (although, at the time of the research, the extent to which they ease with which they could arrange and deliver that outreach work differed considerably from school to school);
- Employer engagement.

4.6 Providers also cite STEM insight days for young women and taster days for potential students whose parents had not been to university, although not with the same regularity as the points above.

## Hard-to-reach groups

### Recruitment

- 4.7 The difficulties that providers cited in terms of recruiting hard-to-reach groups at Levels 4 and 5 add to what is already a very well-established evidence base. For example, they spoke of women being more difficult to recruit for STEM and construction courses, and of men being less likely to undertake childcare and some creative and design qualifications.
- 4.8 Providers also reiterate the earlier point that recruitment can be influenced by the ways in which Level 4 and 5 qualifications are (or are not) valued within different sectors. In those sectors which appear to value them less, recruiting students from lower socio-economic groups is made difficult as there is less of an obvious 'reward' for their participation.
- 4.9 A small number of providers are not able to identify any specific groups that are harder than average to recruit (that is not to say that they don't have any issues with recruitment, but that no groups stand out as being demonstrably more challenging than others). They attribute this to the inclusive nature of the subject areas on which they were consulted during the research, for example music or business administration, and the diversity, in socio-economic and ethnicity terms, of their catchment areas.
- 4.10 Providers consistently report that all members of staff within their institutions have a role in widening participation and that widening participation needs to be a whole-organisation ethos rather than something assigned to one individual(s).

### Retention

- 4.11 The majority of providers report good rates of retention amongst Level 4 and 5 students. The only difference of note by learner type is that employed students are reportedly easier to retain due to employer loyalty agreements and pay/promotion prospects being linked to course completion.
- 4.12 Across Level 4 and 5 learners as a whole, time pressures, childcare commitments and mental/physical health problems are said to be more common reasons for drop-out than financial issues.

## Information for Level 3 students

- 4.13 Amongst the Further Education Colleges consulted for the research, the Careers Education, Information, Advice and Guidance (CEIAG) provided tends to focus on advising current Level 3 students, specifically about progression opportunities to Level 4/5 within the college or to external providers if appropriate. It was acknowledged that although current Level 3 students already have standard information about their College, they still need to be convinced about continuing their studies with them to a higher level.

A large provider of Level 4/5 courses in London runs HE launch events for students who are finishing their Level 3 qualification and potential new students. This involves running workshops, masterclasses and lectures to help students make decisions to study at Level 4/5. It also provides students with an opportunity to ask questions of staff and current L4/5 students about the range of programmes on offer, get advice on applying and the interview process and discuss finance options.

Principal, Further Education College

### Progression into Level 4/5

- 4.14 For the Further Education Colleges consulted, the decrease in part-time study places additional importance on the internal progression of Level 3 students as a source of Level 4 and 5 recruitment. Although the majority of these Further Education Colleges report good rates of progression from Level 3 to Level 4/5, the current progression rates are the minimum required to ensure Level 4/5 courses are maintained.
- 4.15 Where progression rates from Level 3 to Level 4/5 are relatively low, providers attribute this to:
- **Learner readiness:** i.e. where students completing Level 3 courses are not ready for Level 4 (and/or may have little interest in progressing to that level).
  - **Sector need and expectation:** as previously reported, certain sectors – perhaps most notably catering and childcare – are perceived to have relatively low demand for qualifications above Level 3 and progression rates to Level 4 and above are therefore low.
  - **Competition:** i.e. the attraction of undergraduate degree study.

### Student destinations

- 4.16 In addition to the point on sector need and expectation (see above), the providers identified two main factors that influence students' decisions about their post-Level 4/5 destinations:
- **Type of Level 4/5 qualification:** providers delivering Foundation Degrees report that full-time students are more likely to progress on to further study than those studying HNCs or HNDs. Providers attribute this to Foundation Degrees often being seen as a stepping stone to a full undergraduate degree, whereas HNCs and HNDs are more often viewed as qualifications in their own right.

- **Student demography:** providers report that younger students tend to be more inclined to progress onto a degree, whereas mature students tend to be more debt adverse and want to spend less time out of the workplace. However, many providers were aware of younger students going into employment and then returning to study Level 4/5 qualifications later, potentially in a different format such as part-time or distance learning.

### Travel to study

- 4.17 Seventeen of the 23 providers report that students tend to travel locally or regionally, indicating consistency across provider type and subject area. Five providers state that they recruit nationally (four HEIs and one Further Education College), and one Alternative Provider reports predominately recruiting international students.
- 4.18 The four HEIs consulted, who would potentially be expected to have a more national reach, also predominately recruit Level 4/5 students locally or regionally. Three providers that specialise in specific sectors recruit nationally, and one of them recruits internationally. One provider notes a link between the increase in cost of fees and accommodation and the rising number of local and regional students. Students want to save money, and this often results in them living at home whilst studying.

### Impact of student number control changes

- 4.19 There is a mixed response to the question about whether the decision to lift the cap on student number controls, announced in December 2013 and taking effect from the 2015/16 academic year<sup>14</sup>, had affected the intake of Level 4/5 students. Most providers (13) felt that there has been no impact and some providers (four) have contracted their Level 4/5 provision as a result of increased competition. Four providers have noticed other effects, for example, their learners focussing on Level 6 (degree) entry as opposed to Level 4/5 progression, and two providers are unsure about the impact.
- 4.20 One impact of the changes to student number controls has been the extent to which providers within local areas have sought to collaborate over similar types of provision. The research identified three main models:
- **Formal collaboration:** this is where local providers (Further Education Colleges and HEIs) have agreed which institutions will deliver which qualifications at which level. This will include the sharing of resources including the joint marketing of delivery providing a seamless progression route from Level 3, through Level 4 and 5 and onto Level 6.
  - **Informal agreement:** providers have a common understanding of which organisation is best placed to deliver different qualifications at different levels. There is no formal agreement underpinning this arrangement and it has the risk of breaking down if one institution decides to deliver the same/similar qualification already being delivered by a local provider.

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<sup>14</sup> <http://www.hepi.ac.uk/wp-content/uploads/2014/09/Clean-copy-of-SNC-paper.pdf>

- **No collaboration:** there is no agreement between providers and open competition between providers for the same learners.

4.21 No collaboration is the prevalent model across the 23 providers in the sample, although there is limited evidence of both formal collaboration and informal agreement.

## APPENDIX A: RESEARCH INSTRUMENT

The topic guide below was devised in partnership between Gatsby, the DfE and YCL. The questions in red were added by YCL midway through the research to help further enrich insights based on the first tranche of responses received.

### Context

1. To start with, perhaps you could tell us a bit about yourselves, and the subject areas where you deliver Level 4 and 5 provision?

### Viability

1. Do you have any intentions to expand your L4/5 offer? If so, do you feel confident that you have the resource you need to do this?
2. Are there any elements of current process that make it difficult to develop and deliver L4/5 provision?
3. Is the current level of funding sufficient to support quality provision at this level? What would additional funding provide?
4. How do the funding and regulatory model (in HE and FE) influence your decision of what to teach? (**Probe:** How do you make decisions on the balance of HEFCE and ESFA-funded provision you deliver?)
5. How do the costs of delivering courses differ by subject area? Does this influence the balance of subjects you offer? (**Probe** – do you have to cross subsidise across subject areas?)
6. The Post-16 Skills Plan committed to the Institute for Apprenticeships maintaining a register of approved technical qualifications. What would encourage you to teach a nationally recognised qualification from this register, if this involved a move away from your current provision? (**Probe:** What more would be needed to encourage you?)
7. (FE) Do Awarding Organisations have a role in influencing the courses that you deliver? If so how?
  - a. Are there likely to be conflicts if a provider has a historic relationship with an Awarding Organisation, but wants to use another Awarding Organisation for some courses? Is the 'free market' working in terms of freedom of choice of Awarding Organisation?

### Labour Market + Employer Engagement

1. How do employers contribute to the design of L4/5 courses to ensure market relevance?
  - a. Who, within providers, is doing employer engagement (e.g. teaching staff or people specifically employed to engage employers)? What is the relationship between subject staff and central employer recruitment teams?
  - b. What is the employer level of involvement i.e. design or delivery or both?
  - c. Are employers engaged at one level (e.g. L3 or L6) or are they shared across levels? Are existing contacts repurposed?

- d. How are providers approaching employer engagement? What 'innovative' methods are they using?
2. Do you see benefits for student outcomes as a result of employer input? If so, can you expand?
3. Is employer engagement more straightforward within particular sector subject areas? Are there sectors where it is more difficult to get employer engagement?
  - a. Does employer engagement differ when most of the students are employed (employer is funding the course)?
4. Is employer engagement solely limited to apprenticeships at this level, or are they also engaged with college-based provision? If so, how does this differ?
  - a. Are other qualifications (e.g. apprenticeships) having an impact on the number of employers available to support L4/5?
5. Do you engage with employers on a national level, or is this engagement more focused in your local area? If nationally, does this include SMEs? How does the engagement differ?

### Widening Participation

1. How does students' access to financial support affect their choice to study at this level? Does this affect certain groups disproportionately?
2. What information do you provide to L3 students to help them make choices about progressing to further study? How does this differ from potential new students looking to move into studying at L4/5 at your [college/university/other]? And how do you provide this information?
  - a. If the progression rates from L3 to L4 are low, where are L4/5 students coming from? What is the internal progression rate?
3. Do you find that students independently see the value in progressing to L4/5 courses? Do you have to actively market your provision?
4. Do you find any groups particularly hard to reach? How do you ensure that your course is accessible to all? [**Probe** - is it hard to fill the spaces on your courses?]
  - a. In terms of both financially disadvantaged groups and underrepresented groups, are they having problems recruiting and/or retaining students?
  - b. Does the type of course (e.g. FT or PT) affect the groups that are hard to recruit/retain?
  - c. What is your approach to widening participation at L4/5? Does this differ compared to other levels?
  - d. Whose role in widening participation? What do you see your role as a provider to be?
5. Have the changes to student number controls affected your intake of L4/5 provision? If so, has this had an impact on the demographics of your intake?
6. Are you generally seeing your L4/5 students move into employment or further study, and how does this vary by occupational area? How do you help them to make this choice?
7. How far do students travel to study with you at this level? Do you provide any support for travel?

### Conclusions

1. Based on our discussion is there anything else you would like to add?