Introduction

Degree apprenticeships are a relatively new programme offering learners a chance to work in full-time employment while also earning a degree. A degree apprentice’s learning fits around their work commitments, taking up 20 per cent of their working time, and requires flexible learning modes like day or block release, distance or blended learning. Their training costs are covered by their employer and the government, meaning that they pay no tuition fees.

Employers, universities and colleges\(^1\) have welcomed degree apprenticeships as an important means of developing and delivering higher-level skills. Nonetheless, they made up less than 3 per cent of the total number of apprenticeships in 2017-18.

The government has asked the Office for Students (OfS) and the Institute for Apprenticeships and Technical Education to work together to encourage the growth of degree apprenticeships as a means of widening access to higher education for underrepresented groups of people.\(^2\) This is in the context of the government industrial strategy’s wider goal of enabling 3 million learners to start apprenticeships by 2020.\(^3\)

Degree apprenticeships carry the weight of expectations of multiple stakeholders.\(^4\) They are expected, for instance, to meet economic needs and those of employers; to increase social mobility and diversity in higher education; to bridge the gap between different levels of qualifications; to create a new gateway to the professions; and to imbue a vocational route to education with the prestige accorded to more conventional routes.

Some commentators question their value, suggesting they are just an alternative approach for learners who would have attended university anyway.\(^5\) Others point to barriers which processes for accreditation and funding present to their development.\(^6\)

This Insight brief looks at the available evidence, including the independent evaluation of the Degree Apprenticeship Development Fund, to consider how far degree apprenticeships are meeting these expectations, report on what is working and identify where further development is needed.

Degree apprenticeships provide an alternative route to a higher education qualification, with on-the-job learning and a salary instead of tuition fees. So why is this option so little known? Why do relatively few learners take it up? And can we expect this to change?
Key points

• At present, numbers of degree apprentices are very low, but are expected to increase considerably, including in public sector jobs.

• Degree apprenticeships benefit both school leavers from disadvantaged backgrounds and mature learners already in the workforce, potentially increasing social mobility.

• The OfS promotes degree apprenticeships through our access and participation work, includes them in the scope of our targets and investment, and encourages them through our guidance and support.

• We hope through this work to build progression pathways from lower-level apprenticeships to those at degree level, to remove barriers for underrepresented groups, and to ensure value for money for all learners.

• We are also engaging with other regulators with the aim of removing barriers posed by the complexity of arrangements for funding, regulation and the approval of new apprenticeship standards.

Background

All apprenticeships are categorised according to an equivalent level of full-time education. Higher apprenticeships include all those considered equivalent to higher education. Until 2014-15 these were generally at Levels 4 and 5, equivalent to qualifications below degree level such as certificates, diplomas and foundation degrees.

Degree apprenticeships are Level 6 and 7 programmes that lead to bachelors’ and masters’ degrees respectively. For data purposes they are not easy to distinguish from other apprenticeships at Levels 6 and 7, for instance in accountancy or law, which represent a similar learning achievement but do not lead to a formal degree qualification.

Degree apprenticeships were created to focus on areas where higher-level skills were found to be particularly needed. They were introduced in the government’s 2015 apprenticeship reforms, which also created the Institute for Apprenticeships and Technical Education and established an apprenticeship levy. The levy is collected from large employers with a total salary cost of more than £3 million per year, and used to cover off-the-job training costs for apprentices. Smaller employers that do not pay the levy are entitled to have up to 90 per cent of their apprenticeship training costs covered by levy funding.  

The Degree Apprenticeship Development Fund (DADF), set up in 2016 and now run by the OfS, provided £4.5 million of government funding in 2016 and £4.9 million in 2017 to support the development and delivery of degree apprenticeships. It helped to fund 44 projects to develop and deliver new degree apprenticeships in areas including chartered management, digital and technology solutions, engineering, construction, and healthcare.

Degree apprenticeships provide good value for money for learners, as they pay no tuition fees, incur no debt and receive a wage from their employer. Some commentators have pointed out, however, that spending on degree apprenticeships is proportionately higher than on apprenticeships at lower levels.

Apprenticeship levels

Intermediate apprenticeships are at Level 2 and are considered equivalent to GCSEs.

Advanced apprenticeships are at Level 3 and equivalent to A-levels.

Higher apprenticeships include all those from Level 4 to Level 7.

Degree apprenticeships include Level 6 programmes, leading to bachelors’ degrees, and Level 7 programmes, leading to masters’ degrees.

There are also other Level 6 and 7 apprenticeships that do not lead to degrees.
and that employers perceive them as entailing a great deal of administrative work.⁹ Degree apprenticeships appear to be improving collaboration between employers and providers of higher education as they work together to deliver, maintain and promote apprenticeships to address specific skills needs.¹⁰

Degree apprenticeship numbers are roughly evenly split between learners under 21 and those who are 21 and over, with a slight preponderance of the latter in 2016-17. The relative popularity of degree apprenticeships among mature learners is because employers often use them to improve the skills of their existing workers.⁹

Increasing the numbers of mature learners is an important element of widening access to and participation in higher education, and a particular priority due to a substantial decline during the last decade.¹² However, some concern has been expressed that this could detract from degree apprenticeships becoming a viable alternative to traditional higher education for disadvantaged school leavers.¹⁴

**Trends and patterns**

The number of degree apprentices has been growing yearly since the scheme was created. To date, 10,870 apprentices are reported as having started at Levels 6 and 7 during the 2017-18 academic year, more than in all previous years combined.

However, Level 6 and 7 apprenticeships account for a very low proportion both of apprenticeships and of degrees. The 2017-18 starters represent slightly under 3 per cent of the 375,800 apprentices who began that year, and around 1.5 per cent of the circa 730,000 students starting degree qualifications at an equivalent level.¹⁵ Currently they account for around 23 per cent of higher apprenticeships, as shown in Figure 1.¹⁶

In 2014-15, fewer than five universities and colleges offered apprenticeships at Levels 6 and 7. A total of 47 universities and 56 further education colleges were involved in the projects funded by the DADF in 2016-17 and 2017-18.¹⁷

Most degree apprenticeships are taken in subject areas relating to engineering, technology and business. As Table 1 shows, the most popular degree apprenticeships are those for chartered managers (37 per cent of apprentice starters working towards a formal degree) and digital and technology solutions professionals (31 per cent).

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**Figure 1: Numbers of apprenticeship starters at all higher levels, 2014-15 to 2017-18**

![Figure 1: Numbers of apprenticeship starters at all higher levels, 2014-15 to 2017-18](source: Department for Education apprentice and levy statistics, January 2019.)
Younger learners are more likely to undergo apprenticeship in science, technology, engineering and mathematics (STEM) areas, while those who are 25 or over when starting their apprenticeship are more likely to be taking business, administration or law.\(^{18}\)

Our analysis of the demographics of Level 6 and 7 apprentices in projects supported by the DADF in 2016-17 suggests that in that year around two-thirds were men. This shows less gender imbalance than among non-apprentice students in similar subject areas, where women (who account for the majority of higher education students overall) typically constitute less than 30 per cent of learners.\(^{18}\) 49 per cent were under 21 on entry and 51 per cent were 21 or over, an almost exactly even split.

87 per cent of Level 6 and 7 apprentices were white, making apprenticeships less ethnically diverse than equivalent higher education courses, and only 7 per cent of these apprentices declared a disability – again, fewer than in equivalent courses. The highest densities of Level 6 and 7 apprentices were found in the North East (where the overall rates of participation in higher education are the lowest in England) and the North West, and the lowest were in London (which has the highest overall rates).\(^{20}\) This suggests that degree apprenticeships are successfully targeting geographical areas that are less included in higher education as a whole.

### Table 1: Level 6 and 7 apprentices by subject in 2017-18

<table>
<thead>
<tr>
<th>Framework or standard</th>
<th>Level</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chartered manager</td>
<td>6 (degree)</td>
<td>2,315</td>
</tr>
<tr>
<td>Digital and technology solutions professional</td>
<td>6 (degree)</td>
<td>1,310</td>
</tr>
<tr>
<td>Chartered surveyor</td>
<td>6 (degree)</td>
<td>815</td>
</tr>
<tr>
<td>Registered nurse</td>
<td>6 (degree)</td>
<td>305</td>
</tr>
<tr>
<td>Civil engineer</td>
<td>6 (degree)</td>
<td>160</td>
</tr>
<tr>
<td>Healthcare science practitioner</td>
<td>6 (degree)</td>
<td>110</td>
</tr>
<tr>
<td>Manufacturing engineer</td>
<td>6 (degree)</td>
<td>105</td>
</tr>
<tr>
<td>Product design and development engineer</td>
<td>6 (degree)</td>
<td>100</td>
</tr>
<tr>
<td>Embedded electronic systems design and development engineer</td>
<td>6 (degree)</td>
<td>95</td>
</tr>
<tr>
<td>Aerospace engineer</td>
<td>6 (degree)</td>
<td>85</td>
</tr>
<tr>
<td>Nuclear scientist and nuclear engineer</td>
<td>6 (degree)</td>
<td>80</td>
</tr>
<tr>
<td>Food industry technical professional</td>
<td>6 (degree)</td>
<td>75</td>
</tr>
<tr>
<td>Building services design engineer</td>
<td>6 (degree)</td>
<td>65</td>
</tr>
<tr>
<td>Electrical or electronic technical support engineer</td>
<td>6 (degree)</td>
<td>55</td>
</tr>
<tr>
<td>Control or technical support engineer</td>
<td>6 (degree)</td>
<td>25</td>
</tr>
<tr>
<td>Laboratory scientist</td>
<td>6 (degree)</td>
<td>25</td>
</tr>
<tr>
<td>Construction management</td>
<td>6 (degree)</td>
<td>20</td>
</tr>
<tr>
<td>Aerospace software development engineer</td>
<td>6 (degree)</td>
<td>10</td>
</tr>
<tr>
<td>Broadcast technology higher apprenticeship (BBC)</td>
<td>6 (degree)</td>
<td>10</td>
</tr>
<tr>
<td>Non-destructive testing engineer</td>
<td>6 (degree)</td>
<td>5</td>
</tr>
<tr>
<td>Chartered legal executive</td>
<td>6</td>
<td>185</td>
</tr>
<tr>
<td>Senior insurance professional</td>
<td>6</td>
<td>120</td>
</tr>
<tr>
<td>Relationship manager (banking)</td>
<td>6</td>
<td>105</td>
</tr>
<tr>
<td>Senior compliance or risk specialist</td>
<td>6</td>
<td>85</td>
</tr>
<tr>
<td>Financial services professional</td>
<td>6</td>
<td>55</td>
</tr>
<tr>
<td>Licensed conveyancer</td>
<td>6</td>
<td>35</td>
</tr>
<tr>
<td>Teacher</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>Senior leader</td>
<td>7 (degree)</td>
<td>550</td>
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<tr>
<td>Accountancy or taxation professional</td>
<td>7</td>
<td>3,710</td>
</tr>
<tr>
<td>Solicitor</td>
<td>7</td>
<td>105</td>
</tr>
<tr>
<td>Postgraduate engineer</td>
<td>7</td>
<td>95</td>
</tr>
<tr>
<td>Systems engineering</td>
<td>7</td>
<td>30</td>
</tr>
<tr>
<td>Academic professional</td>
<td>7</td>
<td>5</td>
</tr>
</tbody>
</table>

**Source:** Department for Education apprenticeship and levy statistics, January 2019.

**Note:** Numbers for Senior or head of facilities management (Level 6 degree) and Power engineer (Level 7 degree) are very low so have not been included.
On a more local level, based on our Participation of Local Areas (POLAR) classification of neighbourhoods, more than half of young Level 6 and 7 apprentices in 2016-17 came from areas that have high participation by young people in higher education (POLAR quintiles 4 and 5), whereas 30 per cent came from underrepresented areas (quintiles 1 and 2). While the latter is the lowest proportion seen among apprentices at different educational levels, it is higher than the 26 per cent figure among those enrolling on full-time higher education courses.

Apprenticeships in general attract lower proportions of disadvantaged learners the higher their level. For instance, in 2016-17 the proportion of young learners from the group with lowest participation in higher education, POLAR quintile 1, was 13 per cent among Level 6 and 7 apprentices. This is marginally higher than the 11 per cent among comparable full-time students, but compares less favourably with apprentices at Levels 4 and 5 (23 per cent), and at advanced and intermediate levels (24 per cent and 28 per cent respectively).

Figure 2 illustrates the POLAR quintiles of apprentices at all levels.

### The OfS’s role

The OfS’s approach to regulation is underpinned by the functions, duties and powers given to us by the Higher Education and Research Act 2017. These include identifying, and sharing with universities, good practice for improving access for and participation by underrepresented groups, and regulating universities’ access and participation plans.

Our Regulatory framework sets out how we intend to perform these functions. Section 2 of the framework says that our focus is on creating ‘the conditions for informed choice, competition, and continuous improvement’. This high-level regulation allows us to champion issues, to identify gaps in higher education provision, and to collaborate in producing and sharing evidence and examples of new or effective practice.

One of our objectives is that all students from all backgrounds should receive a high-quality academic experience and their interests should be protected. Our business plan commits us to facilitating new and alternative forms of provision, fostering growth in technical routes to education, and supporting informed choice by learners of all kinds.

Degree apprenticeships are important in all of this because they offer learners choice, enable them to achieve high-quality outcomes, and support the needs of employers as outlined in the industrial strategy. We want all learners to be able to consider degree apprenticeships among their options when thinking about higher education, and to capitalise on their particular potential to improve...
Degree apprenticeships: A viable alternative?

Our funding, and that of our predecessor organisations, have created various networks including those of the National Collaborative Outreach Programme, to establish apprenticeships among the higher education routes available to learners from all backgrounds.

National Collaborative Outreach Programme partnerships work with local authorities, local enterprise partnerships and employers to understand local skills gaps and careers advice needs. They support teachers and advisors to improve young people’s knowledge and awareness of degree and higher apprenticeships, among other modes of higher education. During 2017-18 they worked with around 1,500 schools and colleges to deliver targeted higher education outreach to 102,000 people.

Because degree apprenticeships can help provide opportunities for disadvantaged learners to progress in higher education, we now include degree apprentice numbers when setting the premiums we give to universities and colleges to support disadvantaged learners in their studies, and in the investment, targets and activities we negotiate in access and participation plans. Through our effective practice guidance to universities and colleges, we demonstrate how degree apprenticeships can be used to improve access and participation.

We will continue to publish case studies and other evidence of what works in delivering degree apprenticeships, and will support the new Evidence and Impact Exchange in this area.

Discussion

Evidence of what works

The rapidly increasing number of universities and colleges offering degree apprenticeships has already improved choice, and demonstrates the potential for this route to improve opportunities for learners and provide the skills employers need.

The independent evaluation of the DADF by Warwick Economics and Development suggests that projects supported by the fund have identified and are working to address specific skills shortages in local and national labour markets, including by improving progression from lower levels to degree apprenticeships. Areas receiving particular attention have included construction, health and science, and business and administration. Public sector services and specific local needs are also being addressed.

Progress has been slower than expected in some areas, particularly where new apprenticeships standards have needed to be approved, or training procured by non-levy-paying employers. However, the fund has achieved a number of important aims, including setting up the infrastructure for universities and colleges to create new apprenticeship courses and increase the numbers on their

Regulatory responsibility for apprenticeships

The Education and Skills Funding Agency formally regulates and funds apprenticeships, operates the Register of Apprenticeship Training Providers, and designates the procurement processes through which these providers engage with smaller employers.

The Institute for Apprentices and Technical Education oversees the apprenticeship system, approves new standards and makes recommendations to the government concerning funding bands.

The OfS supports the development and delivery of degree apprenticeships, and assures their quality. We also provide ‘top-up’ funding for high-cost subjects, as we do in standard degree courses.

The Office for Standards in Education, Children’s Services and Skills (Ofsted) assures the quality of apprenticeships at Levels 2 to 5.

- Ofsted and the OfS work together to assure the quality of Level 4 and 5 qualifications involving a formal higher education qualification.

- The OfS is working with the Department for Education to agree an approach to quality assurance for those Level 6 and 7 qualifications which do not involve a degree.

HM Revenue and Customs collects the apprenticeship levy.
existing ones, and establishing close partnerships to share knowledge, expertise and experience within, between and beyond universities, colleges and employers.

Although it is too early to assess the impact of the approach, the report also identifies two particular areas in which the projects have worked to improve social mobility: raising awareness among disadvantaged school leavers of degree apprenticeships as an alternative to traditional higher education without the attendant debt; and improving the skills of older members of the workforce without existing degree-level qualifications, enabling career progression and increased salaries.

Employers perceive degree apprenticeships as a way to tailor recruitment, develop their existing employees and foster loyalty and retention among their workforce. Learners see them as a realistic (and sometimes their only realistic) option for higher education, and one which allows for a better balance between work and study.

Information, advice and guidance

The DADF evaluation notes that few of the apprentices it interviewed had found their way into degree apprenticeships through information supplied by schools or career advisers. This matches the findings of our own and others’ research, suggesting that a widespread awareness of apprenticeships in general is not matched by a specific understanding of degree apprenticeships, and that a lack of recognition for this option persists, especially among parents.32

High-quality information, advice and guidance for those considering entering higher education play a vital role in advertising degree apprenticeships as viable paths into and through higher education for young people debating whether university is for them. As the numbers of degree apprenticeships increase, building awareness of these opportunities among those who influence young people (primarily their parents and teachers) will help prospective students, including disadvantaged students, to understand that they may alternatively be prospective apprentices.

This knowledge is less easily disseminated to mature learners, who lack these obvious influencers. Raising awareness among employers of this opportunity to improve their workforce’s skills and introduce higher-level skills into the workplace can help achieve this for those in employment.

It is clear from the DADF evaluation, and from our own engagement with the funded projects, that a great deal of work is involved in persuading employers of these benefits, so that they are motivated to engage with institutions to establish degree apprenticeships and help them thrive. Since the viability of degree apprenticeships depends entirely on employer demand, helping to foster that demand is essential to their future.

Public sector degree apprenticeships

Through the DADF, specific degree apprenticeships have been developed in nursing and policing to support the higher-level skills needs of public sector employers, with other areas such as teaching and social work expected to follow.

One particular challenge arises from the professional accreditation requirement that nursing degree apprentices must undergo off-the-job training for 50 per cent of their hours, and that during this time they must be considered additional, rather than contributing, to minimum levels of patient care. This supernumerary status means that NHS trusts need to replace apprentices for half their working time, usually by paying agency staff.

As of January 2019, 415 new degree apprentices had registered in nursing and healthcare disciplines, and these apprenticeships are expected to see significant increases in recruitment in the near future.33

The National College of Policing and many NHS trusts have been involved in developing the standards for their respective apprenticeships. Both sectors incur the apprenticeship levy as large employers in themselves, so have a financial incentive to engage. It has been calculated that the NHS would need to employ 27,500 apprentices to make full use of its levy.34

An independent report commissioned by the OfS found that, while there was considerable interest in nursing degree apprenticeships among existing NHS staff, NHS trusts have varied in their willingness and financial capacity to implement them.35 Efforts are also being made to develop apprenticeships in a number of specialist health professions, but these are subject to the development and approval of standards.

Conclusion

At present, the numbers of degree apprentices are relatively low, but they have increased significantly in recent years. They can be expected to grow further now that the necessary infrastructure has been established, and if specific barriers associated with procurement and validation processes can be overcome. Degree apprenticeships in nursing, policing and other areas of the public sector are expected to increase particularly.

Though it is too early to assess their impact in terms of social mobility, the early signs are that the benefits of degree apprenticeships are being enjoyed both by young school leavers from disadvantaged backgrounds and by mature learners who joined the workforce without higher education qualifications. There is also some evidence that
Degree apprenticeships may be improving the participation of women in STEM subjects, relative to the proportions found in equivalent traditional higher education.

These effects may be expected to increase as the numbers of degree apprenticeships grow. Nevertheless, there is an imperative to bring the proportions of disadvantaged learners closer to those found in apprenticeships at a lower level. There is further to go to involve minority ethnic and disabled learners among degree apprentices.

There is also a need to improve the information, advice and guidance available to prospective learners about this education option, and to increase the profile and esteem of degree apprenticeships among employers, teachers and parents.

The OfS is committed to supporting degree apprenticeships in various ways. We will:

- Continue to ensure the quality of degree apprenticeships, and to support their development as a route for those from underrepresented groups and to deliver those skills that employers say they need.
- Work with other regulators, universities and colleges to support progression pathways so that degree apprenticeships can act as an opportunity for those intending to build on knowledge, skills and behaviours learned in lower-level apprenticeships as well as for those in work seeking to upskill or retrain, and young learners who are considering their options beyond traditional university entry.
- Engage with the government, the Institute for Apprenticeships and Technical Education, the Education and Skills Funding Agency and professional regulators to overcome barriers that the current complex arrangements for funding, regulation and the approval of new apprenticeship standards may create for employers and universities.
- Work with the newly created Evidence and Impact Exchange to improve the evidence base available to universities and colleges. We will share all evidence gathered from the development and delivery of degree apprenticeships through this channel, allowing for clear information on how degree apprentices can be involved in specific access and participation initiatives.
- Highlight degree apprenticeships on a new website we are creating to help prospective learners make informed decisions about higher education. This will feature information about apprenticeships developed in collaboration with the Education and Skills Funding Agency’s National Apprenticeship Service, challenge common myths and unhelpful preconceptions, and signpost existing resources.
- Continue to support collaboration on degree apprenticeships in local areas through National Collaborative Outreach Partnerships.
- Analyse degree apprenticeship data, to monitor how far these qualifications are expanding opportunities and increasing representation among the populations where they are intended to be targeted. We have, for instance, commissioned qualitative research to tell us more about what motivates degree apprentices to choose this approach, which we aim to publish in spring 2019.

The work done by universities, colleges and employers to develop new apprenticeships, the monitoring of their operation and understanding of best practice, and the raising of awareness among the public are all part of building the future of degree apprenticeships. At every stage the gathering and dissemination of knowledge are crucial to underpin the delivery of training to the apprentices themselves, and we give this our full support.

25 ‘Our Strategy’ (www.officeforstudents.org.uk/about/our-strategy/).


28 See ‘Annex B: Future of the National Collaborative Outreach Programme’ (available at www.officeforstudents.org.uk/about/who-we-are/board-papers/ofc-board-meeting-6-december-2018/).


32 The Sutton Trust, ‘Parents slightly more likely to advise uni than apprenticeship’ (available at https://www.suttontrust.com/newsarchive/parents-slightly-more-likely-to-advice-their-child-to-go-to-university-than-apprenticeship/).


34 Education Select Committee, ‘Nursing degree apprenticeships’.

35 Marketwise Strategies, ‘Recruitment of mature students to nursing, midwifery and allied health courses’.
