

## Evidence from Universities Wales

### About Universities Wales

Universities Wales (Unis Wales) represents the interests of universities in Wales. Our membership encompasses the Vice Chancellors of all the universities in Wales, and the Director of the Open University in Wales. Our mission is to support a university education system which transforms lives through the work Welsh universities do with the people and places of Wales and the wider world.

### Summary

1. Universities Wales believes that there are benefits to the regional skills partnership model but that the effectiveness of the partnerships would be improved by wider engagement, specialised use of data which would provide for a more forward-facing approach, and a focus on providing for a responsive and flexible skills system rather than a focus on planning provision.
2. In any regional approach to skills, it is crucial that the regional, national and international role of universities in Wales is acknowledged. As well as university staff and students being mobile, the work carried out by our universities is often national and international in scope and delivery. This is particularly important given the valuable economic impact of universities in Wales which generate of £5 billion of output and 49,216 jobs in 2015/16. Compared to other parts of the UK, Welsh universities are of greater relative economic importance to Wales.
3. We also believe that the aim of the employment and skills plans may be better served by operating on a two or three year basis, as per John Graystone's recommendation in his review of regional skills partnerships. Doing so would help provide for greater analysis and longer-term horizon scanning of future skills needs.
4. There would be benefits to engaging with a wider group of stakeholders through regional skills partnerships including the public sector, who are large employers and key parts of the foundational economy, and incorporating the learner voice given the insights that apprentices, learners and recent graduates are able to offer. Similarly, we feel that there should be a greater recognition of student choice in the approach taken by regional skills partnerships.
5. There are opportunities for the regional skills partnerships to play a role in the development of degree apprenticeships in Wales. At various points, each partnership has highlighted the importance of degree apprenticeship development in meeting skills needs. To date, Welsh Government has funded the development and delivery of advanced manufacturing/engineering and digital apprenticeships. We would welcome the opportunity for a wider range of degree apprenticeships, at both level 6 and 7, to be developed to respond to economic need.

## 1. Is the data and evidence being used by the Regional Skills Partnerships timely, valid and reliable? Have there been any issues?

- 1.1 Much of the data and evidence used by the regional skills partnerships reflect existing demand or existing employment in Wales. For example, the data used by RSPs is often drawn from employer surveys, StatsWales, UKCES and other forms of labour market information. There are benefits to each of these approaches. However, there will often be time-lag on the data and in most instances this data will more accurately reflect present demand rather than future demand.
- 1.2 As well as a time-lag in data, it is understood that the future skills needs of Wales are difficult to identify given the pace of technological change and the impact that this is having on the workforce. For example, the Centre for Cities' Cities Outlook 2018 estimated that about 112,000 workers could be at risk by 2030 in Swansea, Cardiff, and Newport alone (Centre for Cities, 2018) and a report by the Wales Centre for Public Policy on the future of work in Wales noted that a third of the Welsh workforce is employed in 'the least productive, lowest paid, and most generic industries that are often considered at highest risk of automation' (Bell, Bristow, & Martin, 2018).
- 1.3 Given this, the level of granularity with which the regional skills partnerships are attempting to engage with skills demands is unlikely to adequately reflect future demand. It is important that any system provides for responsiveness and flexibility, a planned system of delivery is unlikely to keep pace with the requirements of individuals or businesses.
- 1.4 It is also unclear the extent to which the data and evidence used by regional skills partnerships adequately reflects the regional, national and international role of universities in Wales. The importance of RSPs recognising the regional, national and international role of universities is highlighted elsewhere in this response.
- 1.5 In relation to the production of employment and skills plans, we echo the recommendation of John Graystone's review of regional skills partnerships which suggests employment and skills plans, as informed by the data and evidence collected by the regional skills partnerships, may be better served by operating on a two or three year basis. Annual recommendations present challenges in meaningfully collecting and analysing data to consider future skills needs<sup>1</sup>.
- 1.6 We believe that implementing this recommendation would provide regional skills partnerships with the time necessary for a wider collection of data and to utilise many of the data specialisms found across Wales, including in Welsh universities, to interpret and analyse the data.

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<sup>1</sup> <http://www.senedd.assembly.wales/documents/s80869/CYPE5-33-18%20Paper%20to%20note%201.pdf>

- 1.7 Similarly, we are unsure of the extent to which the regional skills partnerships reflect public sector skills requirements in Wales. Given the size and importance of the public sector in Wales, we would expect any approach to identify skills shortage/demand would need to engage meaningfully with the public sector.
- 1.8 The data and evidence used by the regional skills partnerships would benefit from making greater use of student, apprentice and graduate input. Those who are currently undergoing a work-based learning programme, or who have recently joined the workforce, will be able to offer a useful perspective on the workforce and skills needs of Wales.

## 2. How well do the partnerships engage with and take into account the views of those who do not sit on the partnership boards, and how well do they account for the views of the skills providers themselves?

- 2.1 Universities in Wales have had varying levels of engagement with regional skills partnerships across Wales which may be elaborated on by responses from individual universities. Broadly, we understand there have been a number of positive engagements between the partnerships and universities.
- 2.2 Universities Wales believes an area that could be improved across the regional skills partnerships is the involvement of the learner voice, including apprentices and recent graduates. We believe that the experiences of current or recent learners would help ensure that the recommendations made by regional skills partnerships also reflect the motivations and experiences of those entering the workforce in Wales. For example, where regional skills partnerships are considering the breadth of provision in a region, the experience of those who have gone through study or training could be important in informing those considerations.
- 2.3 We also believe that the partnerships should meaningfully take into account the views of public sector employers who are significant regional employers and often encompass key areas of the foundational economy including in health and social care.
- 2.4 There are also ongoing discussions around Mid Wales including the proposals for a Mid Wales Growth Deal and a separate skills structure. Our members report a need for a clear direction on this issue.

## 3. How do the key City and Growth Deal roles of the Regional Skills Partnerships influence their Welsh Government remit?

- 3.1 No response to be put forward by Universities Wales

#### 4. Are the Regional Skills Partnerships able to actually reflect current and future skills demands within their regions? What about very specialised skills for which there may be low volumes of demand?

- 4.1 Technological advancement and the automation of tasks are set to impact a large number of jobs globally, potentially shrinking employment opportunities in a number of sectors and particularly at lower skills levels. Estimates of the proportion of jobs 'at risk' vary greatly but Wales has a high proportion of jobs in the three sectors deemed most 'at risk': manufacturing, transport and storage and public administration. These three areas alone account for a fifth of the Welsh workforce.
- 4.2 Wales will also undergo large changes in its demography in the next 20 years with the number of people aged 16-64 projected to decrease by 4.2% between 2016 and 2041 and the number of people aged 65 and over projected to increase by 36.6%. Similarly, excluding potential immigration, there will be a decrease in the number of new entrants to the workplace in the next ten years as a result of the current demographic dip in 18 year olds. This presents additional challenges in ensuring that, as the pool of new entrants to the workforce shrinks, there is a sufficiently skilled population to mitigate the risks of automation.
- 4.3 As such, predicting future skills demand is a significant challenge. We do not think that it is possible or desirable for Wales to attempt to plan delivery in response to the significant and difficult-to-forecast changes expected in the coming decades. Instead, the skills system should provide a flexible and responsive environment which will enable providers, employers and individuals to access the skills delivery they need in a timely fashion.
- 4.4 Greater use of specialised skills by the regional skills partnerships to analyse data and to formulate future data collection approaches would help ensure that any recommendations made by the regional skills partnerships are done so in sight of future workplace changes in Wales. Similarly, a two or three yearly cycle, as outlined above in reference to John Graystone's review, would provide the space for the RSPs to operate more strategically and engage with a larger number of stakeholders and employers.
- 4.5 In reflecting current and future skills demands, it is also important that the regional, national and international role of our universities is acknowledged. As well as university staff and students being mobile, the work carried out by our universities, including in research and innovation, is often national and international due to universities' global expertise. In the 2014 Research Excellence Framework exercise, Wales had the highest proportion of world leading research in terms of its impact in the UK<sup>2</sup>.

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<sup>2</sup> <http://www.uniswales.ac.uk/media/Unis-Wales-response-to-digital-innovation-review-20181102.pdf>

4.6 This is important because universities in Wales have a greater relevant economic importance to the Welsh economy than universities elsewhere in the UK and play a prominent role in the foundational economy through spending by universities, staff, students and visitors. In 2015/16 Welsh universities generated £5 billion of output and 21% of the GVA generated by Welsh universities was generated in local authority areas which do not have a university presence. Similarly, of the 49,216 jobs generated by universities, 11,024 were in parts of Wales that do not have a university presence<sup>3</sup>.

4.7 Understanding the regional, national and international nature of our universities will grow increasingly important in the coming years when, as noted by the Diamond Review, it is likely that there will be a 'shift towards higher qualifications and growth at the higher skilled end of the labour market'<sup>4</sup>.

## 5. Do the Regional Skills partnerships have sufficient knowledge and understanding of:

- o the foundational economy and the needs of those employed within it;
- o the demand for skills provision through the medium of Welsh?

5.1 Universities Wales believes that the Partnerships would benefit from greater engagement with the foundational economy in the regions. Much of the foundational economy is made up of employers in areas such as health, education and social services.

## 6. Are the Regional Skills Partnerships adequately resourced to fulfil their growing role?

6.1 In terms of resource, the reporting demands of an annual set of recommendations means that there is a risk of an overemphasis on generating annual recommendations rather than longer term strategic work. This will limit the amount of resource that can be directed at longer-term work or more meaningful analysis of the data available.

## 7. Is there an appropriate balance between the work of the RSPs and wider views on skills demand?

7.1 As outlined above, we believe that through a move away from annual publications

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<sup>3</sup> [http://www.uniswales.ac.uk/media/UNI010-Economic-Impact-Report\\_FINAL.pdf](http://www.uniswales.ac.uk/media/UNI010-Economic-Impact-Report_FINAL.pdf)

<sup>4</sup> <https://beta.gov.wales/sites/default/files/publications/2018-02/higher-education-funding-final-report-en.pdf>

on skills needs and an increased focus on long-term strategic need, the RSPs will be better able to support a flexible, responsive skills system that meets the needs of individuals and employers. Attempts to plan delivery is unlikely to keep pace with the changes in the Welsh workplace being driven by technological advancement.

7.2 We believe that there is also a lack of focus on the wider specialist industrial skills and applied research skills required to contribute positively to Wales' productivity.

7.3 The regional skills partnerships would also potentially benefit from greater engagement with other regional structures such as education consortia, health boards and public service boards.

## 8. Is the level of operational detail set out by Welsh Government for skills provision in higher/further education and work-based learning providers appropriate?

8.1 It is crucial that the regional, national and international dimension of universities is recognised in the work that the regional skills partnerships carry out. For example, the employers that universities work with, and the research and innovation expertise of a university, will often mean that universities in Wales develop research collaborations and industrial partnerships across Wales and more widely.

8.2 Similarly, there is a significant international dimension to the work that universities carry out. In 2014, 46% of Welsh publications were internationally co-authored<sup>5</sup> and Welsh publications were cited 68% more often than the world average. Welsh universities are also host to a large number of international staff and students. There are 22,000 international students at Welsh universities who bring important economic and social benefits to the areas in which they are studying. EU and international staff account for around 10% of the staff cohort of Welsh universities.

8.3 Students who study in Wales play a crucial role in contributing to Welsh GVA and the economy. Welsh universities created 49,216 jobs in 2015/16, 22% of which were in areas which do not host a university<sup>6</sup>.

8.4 In terms of the operational detail of skills provision. As outlined above, the approach taken by RSPs to produce annual recommendations is unlikely to keep pace with the needs of individuals and employers in Wales as producing annual recommendations means that there is limited time for data collection and analysis, or wider stakeholder engagement. We would support a more strategic forward-facing approach that aims to create a responsive and flexible skills system.

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<sup>5</sup> <https://www.learnedsociety.wales/wp-content/uploads/2017/09/REF15186-Times-Higher-Publication-Online-PDF.pdf>

<sup>6</sup> [http://www.uniswales.ac.uk/media/UNI010-Economic-Impact-Report\\_FINAL.pdf](http://www.uniswales.ac.uk/media/UNI010-Economic-Impact-Report_FINAL.pdf)

## 9. If there are any, how are tensions between learner demand / learner progression reconciled with Regional Skills Partnership conclusions and the Welsh Government preference for funding higher level skills?

- 9.1 There appear to be tensions between some areas of demand identified by regional skills partnerships and the Welsh Government's priorities. For example, employment and skills plans from across the regional skills partnerships routinely identify degree apprenticeships as a key demand area but Welsh Government has to date limited the development and delivery of degree apprenticeships to Engineering/Advanced Manufacturing and Digital.
- 9.2 Universities report strong and clear demand for higher level skills including degree apprenticeships in Wales. This demand is reflected elsewhere in the UK. For example, England has over 70 different degree apprenticeship standards approved for delivery. In 2017/18 in England there were 6,299 degree apprenticeship starts, so far in 2018/19 there have been 5,446 starts at level 6 and 1,668 starts at level 7.
- 9.3 Similarly, in Scotland for 2019/20 the target number of degree apprenticeship places has increased from 800 to 1300<sup>7</sup>.
- 9.4 It is important that we are able to provide adequate progression routes for people in Wales. As of 2017/18, 19% of all apprentices in Wales are on a higher level apprenticeship. Currently 87% of higher level apprenticeships in Wales (level 4 and 5) are in 'management and business' or 'health and public sector'<sup>8</sup>. The restrictions on what degree apprenticeships can be funded in Wales means that for the majority of higher-level apprentices in Wales there is no clear work-based learning route to a degree.

## 10. Have the Regional Skills Partnerships and Welsh Government been able to stimulate changes in skills provision 'on the ground' to reflect demand?

- 10.1 As outlined above, although various employment and skills plans have called for a broader degree apprenticeship offer, the funding for the development and delivery of degree apprenticeships in Wales currently remains limited to the initial priorities of level 6 digital and advanced manufacturing/engineering.

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<sup>7</sup> <https://www.itv.com/news/2019-03-02/graduate-apprenticeship-target-rises-to-1-300-places/>

<sup>8</sup> <https://statswales.gov.wales/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Further-Education-and-Work-Based-Learning/Learners/Work-Based-Learning/learningprogrammesapprenticeships>

11. What, in general, is working well and what evidence of success and impact is there?

11.1 No response to be put forward by Universities Wales

12. Are there any aspects of the policy that are not working well, have there been any unintended consequences, and what improvements can be made?

12.1 No response to be put forward by Universities Wales