



Social Mobility &
Child Poverty
Commission

Apprenticeships, young people, and social mobility

The Social Mobility and Child Poverty Commission's
submission to the Apprenticeships Inquiry by the sub-
committee on Education, Skills and the Economy

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About the Commission

The Social Mobility and Child Poverty Commission is an advisory non-departmental public body established under the Child Poverty Act 2010 (as amended by the Welfare Reform Act 2012) with a remit to monitor the progress of the Government and others on child poverty and social mobility. It is made up of 10 commissioners and is supported by a small secretariat.

The Commission board comprises:

- The Rt. Hon. Alan Milburn (Chair).
- The Rt. Hon. Baroness Gillian Shephard (Deputy Chair).
- Paul Gregg, Professor of Economic and Social Policy, University of Bath.
- Douglas Hamilton, Director of the RS Macdonald Charitable Trust.
- David Johnston, Chief Executive of the Social Mobility Foundation.
- Catriona Williams OBE, Chief Executive of Children in Wales.

The functions of the Commission include:

- Monitoring progress on tackling child poverty and improving social mobility, including implementation of the UK's child poverty strategy and the 2020 child poverty targets, and describing implementation of the Scottish and Welsh strategies.
- Providing published advice to ministers on matters relating to social mobility and child poverty.
- Undertaking social mobility advocacy.

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i. Summary

Over this parliament and the last, apprenticeship reform has risen to the top of the political agenda. This is welcome and it is urgent. For too long the vocational route has been seen as an option for ‘other peoples’ children’, as famously described by Baroness Wolf.¹ The Baroness’s epithet is memorable because it states an unfortunate truth: that many people simply do not trust the non-graduate route. As highlighted in our 2015 State of the Nation report to Parliament, nearly three quarters of parents think vocational education is not worthwhile. Of mothers of children born at the turn of the century, 96 per cent aspired to university for their children.² The vocational route – and youth apprenticeships are at the core of it – is not the engine for social mobility it should be.

The government grasps the need for change. As the Skills Minister recently said:

*We want to give all young people a chance to make the most of their talents and create a better life for themselves. That’s exactly why we are committed to creating 3 million apprenticeships by 2020.*³

We agree with the principle: filling skill gaps, growing the economy and improving social mobility requires all young people to have a decent chance. This submission therefore focuses on apprenticeship opportunities for young people aged 24 or under. We assess recent trends and consider what the implications are for opportunity today – and what they might tell us about opportunities tomorrow.

We conclude that the policies in place may make a real difference for many young people. However, we find that there remain three substantial challenges to overcome if the youth apprenticeship offer is to improve – and 16-24-year-olds are to reap the benefits of apprenticeship growth:

- **First, apprenticeship starts by young people are rising sluggishly – and are undermined by a falling success rate:** between 2010/11 and 2014/15 apprenticeships starts by *under* 25s increased by 4 per cent, apprenticeships by over 25s by 17 per cent. In recent years in many regions youth apprenticeship starts have fallen in number. Further, the success rate has dropped to around 70 per cent for 16-24s meaning a young person in some places is both less likely to start, and less likely to finish, an apprenticeship than in the past.
- **Second, the majority of apprenticeship starts by young people not a step up from their last level of study. For young people, an apprenticeship is rarely competitive in qualification levels with academic equivalents studied by the same age group:** 68 per cent of A-level age apprentices (under 19) are studying at GCSE equivalent; 98 per cent of degree-age apprentices (19-24) are studying at A-level equivalent or lower. This really matters: higher qualifications bring higher rewards.⁴
- **Third, many youth apprenticeship starts are in sectors associated with lower pay and progression prospects.** The most popular frameworks for apprentices under 19 are in Business Administration, Construction Skills, Hairdressing and

¹ Wolf, A., *Does Education Matter?*, 2002

² Social Mobility and Child Poverty Commission, *State of the Nation 2015*, 2015

³ <https://www.gov.uk/government/news/minister-celebrates-dramatic-growth-in-apprenticeships>

⁴ Department for Business Innovation and Skills, *A literature review of the value of vocational qualifications*, 2015

Children's Care. All of these are associated with lower pay, relative to other apprenticeships.⁵ And other popular youth frameworks in areas such as retail and hospitality are associated with lower progression compared to other sectors of the economy. Higher apprenticeships, while providing good opportunities, have untapped potential to expand in number and in variety.

All three of these issues are further compounded by stark gender divides in the apprenticeships young people take.

To realise the ambition of an apprenticeship system that can compete with the university alternative and build public confidence the Commission recommends a number of specific additions to the government's strategy:

- A focus on growing the number of young people on higher apprenticeships – and aim for at least 30,000 young people starting a higher apprenticeships a year by 2020
- A UCAS like system for vocational choices that brings together not just what courses are available, but their likely outcomes – so young people can opt for quality choices.
- The Department of Business to publish an 'apprenticeship opportunity tracker' – a regular data release by government clearly describing progress towards improving the social mobility potential of apprenticeships. This will ensure focus is on high quality courses and the young, rather than lower-level frameworks and older people.
- This should be coupled with wider efforts to improve the pay and progression of sectors where this is a problem.

The 3 million target: a note on data in this submission

In this submission all figures are drawn from the publicly available data produced by the department for Business Innovation and Skills.⁶ The most recent full year for which data is available is 2014/15.

In many places in this submission analyses apprenticeship starts. This is to align with the government target of 3 million starts between 2015 and 2020.

There are however two issues with the 'apprenticeship starts' measure that need to be borne in mind:

- Apprenticeship starts is not a measure of successful completions of apprenticeships. The apprenticeship success rate is now around 70 per cent for those under 24 and 66 per cent for those 25 and over (see section 1.1). So total successful apprenticeships could be around a third less than apprenticeship starts figure.
- Apprenticeship starts is a count of apprenticeships commenced – it is not a count of how many different people have started apprenticeships. Some jobs have apprenticeships at intermediate, advanced and higher level. So statements in relation to apprenticeship starts potentially double- or even triple-count some individuals.

⁵ Department for Business Innovation and Skills, *Apprenticeship Pay Survey*, 2014

⁶ These can be found at: <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships> and <https://www.gov.uk/government/statistical-data-sets/fe-data-library-equality-and-diversity>

It would be preferable if these issues could be accounted for. To do so would require detailed analysis of the underlying administrative data which is beyond the scope of this submission.

1 Trends in apprenticeships for young people

1.1 *Apprenticeship starts by young people are rising sluggishly – and are undermined by a falling success rate*

Section summary

- At a national level overall apprenticeship starts have been rising year-on-year.
- If recent trends continue the greatest growth in apprenticeship starts will be for those aged over 25. But patterns since 2010 and 2011 imply a possibility that numbers of under-19 apprenticeship starts will decline.
- Apprenticeship success rates are declining. Around 30 per cent of apprenticeship starts by people under 24 do not result in a completion.

Young people, especially over the last five years, have not seen the phenomenal growth in apprenticeship opportunities that the headline numbers might imply. Overall growth in apprenticeship starts has been driven by large increases in participation by over-25s. While youth apprenticeships have roughly flat-lined since the early years of the decade, starts by over 25s are over 150,000 higher in 2014/15 compared to 2009/10. In comparison to this increase there were over 5,000 fewer apprenticeship starts by under-19s in 2014/15 compared to 2010/11. And there were around 1,000 fewer 19-24 apprenticeship starts in 2014/15 compared to 2011/12.

Taking the average growth over the last three years and projecting it forward, the suggestion is that adult apprenticeship starts will continue to increase and numbers starting youth apprenticeships will stagnate or decline. At present, only the first quarter of data from the academic year 2015/16 is available to test these projections. The signs are not promising. Comparing August-October 2015/16 to the same period in 2014/15 there were 400 fewer starts by under-19s, around 7,000 fewer starts by 19-24s - and even around 4,000 fewer starts by over-25s. It is too early to tell whether the numbers will recover across the year. But they follow a concerning trend and should not be ignored.

Figure 1: Apprenticeship starts by age and projected trend to 2019/2020 on basis of last three years

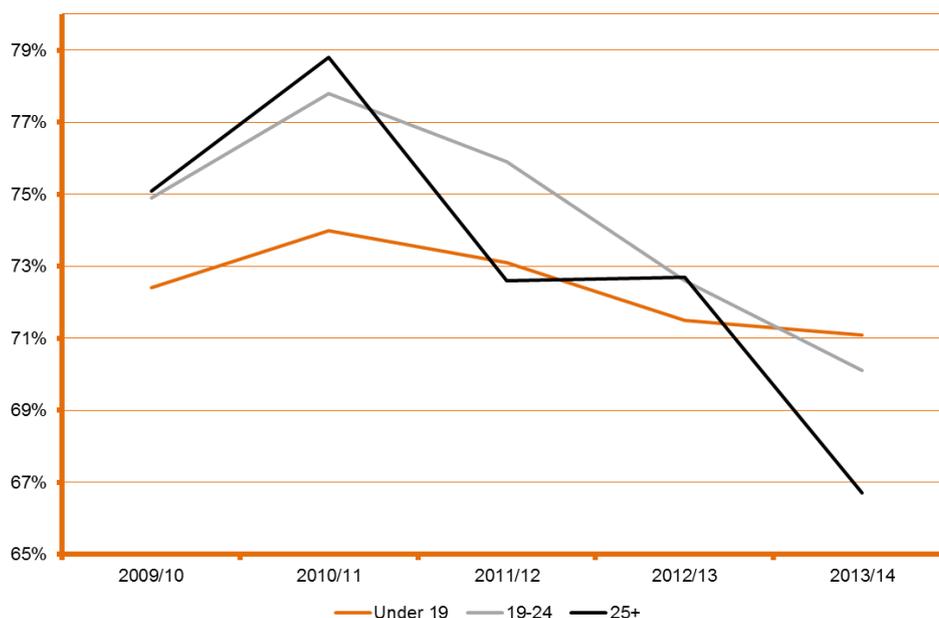


In percentage terms adults over 25 have dominated apprenticeship starts since 2010/11 and continue to do so. This was arguably driven by a reclassification of many in-work training courses as apprenticeships.⁷ In 2009/10 over-25s made up 17.5 per cent of all starts. By 2014/15 they made up 42.7 per cent. To put it another way, in 2009/10 over 4.5 apprenticeships were started by under-25-year-olds for each start by an over-25s. Now there is less there is less than 1.5 start by each under-25-year-old for each start by an adult over 25. The challenge for the future is ensuring young people benefit from the proceeds of apprenticeship expansion.

The relatively low growth in youth apprenticeships, and the more recent declines in starts, is made more troubling by falling success rates. Around three in ten younger apprentices do not successfully complete their apprenticeships. This is the latest point on a downward trend. In 2010/11 success rates on average were 76.4 per cent. In the most recent year of data (2013/14) they were 68.9 per cent. This translates into absolute figures: In 2014/15 there were 15 per cent (over 12,000) fewer apprenticeship framework achievements by under-19s than in 2010/11. While this pattern continues growth in starts will be undermined by the rise in unsuccessful apprentices.

⁷ See FE Week, *Adult apprenticeships benefit from Train to Gain funding*, 2011

Figure 2: Apprenticeship success rates by age



This section has highlighted two troubling trends: sluggish growth in apprenticeship starts for younger people and a decline in success rates. The first issue is being tackled by government with a plan to reform careers advice and a wider programme to improve attitudes towards apprenticeships.⁸ If successful these policies could play a role in arresting declines and building progress.

Employers also play a significant role in expanding opportunities for young people. The government has created a new incentive for firms to increase numbers of apprenticeships offered through the Apprenticeship Levy. Ministers hope that their apprenticeship policy will benefit the young⁹ but will need to take action to ensure this is the case. Improving youth opportunities will rely on employers and government having a clear and targeted approach. Recent history tells us that targeted schemes such as the apprenticeship grant for employers can increase the number of firms offering apprenticeships to young people: policy can make a difference.^{10 11} The government will need to keep careful watch to ensure their larger-scale supply side reforms in advice and guidance and demand side reforms via the levy have the desired effect.

⁸ HM Government, *English Apprenticeships: Our 2020 Vision*, 2015

⁹ See for example Conservatives, *The Conservative Party Manifesto 2015*, 2015; Department for Business Innovation and Skills, *Rising to the top: why the government is committed to apprenticeships* (speech), 2016

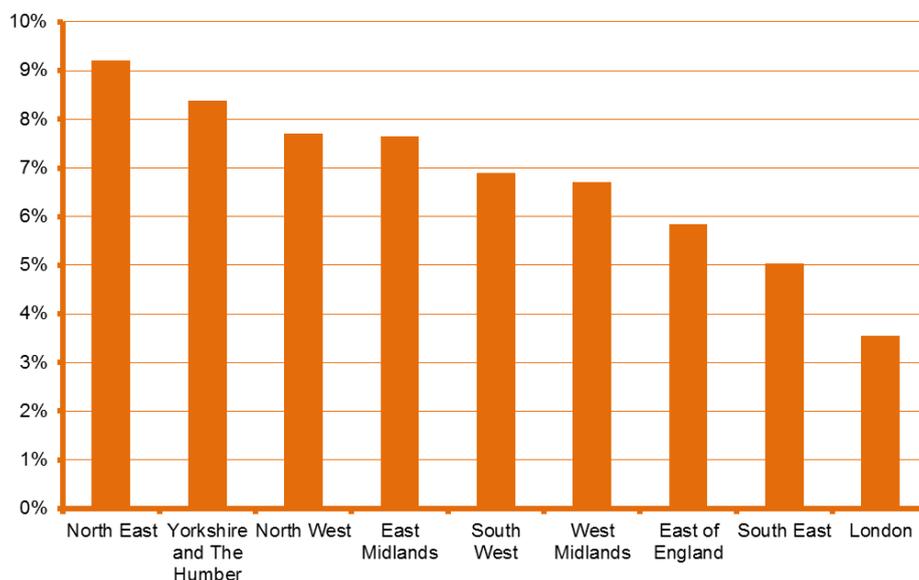
¹⁰ Department for Business Innovation and Skills, *Evaluation of the Apprenticeship Grant for Employers (AGE 16 to 24) Programme*, 2013

¹¹ Social Market Foundation, *The Meritocrat's Manifesto*, 2014

1.1.1 Divided nation? Focus on apprenticeship access and growth in English regions

The proportion of young people who start apprenticeships varies substantially by region. London has the lowest take-up, with 4 per cent of 16-19-year-olds starting apprenticeships. The North East has the highest proportion of apprenticeship starts with 9 per cent of 16-19-year-olds starting an apprenticeship in 2014.¹² This should not necessarily be interpreted as bad news for the Capital. The well-reported successes of London schools and higher proportions of London students progressing to university may lead to fewer 16-19-year-olds opting into apprenticeships. The same cannot be said for all other regions and reflects some, if perhaps minor, differences in opportunity.

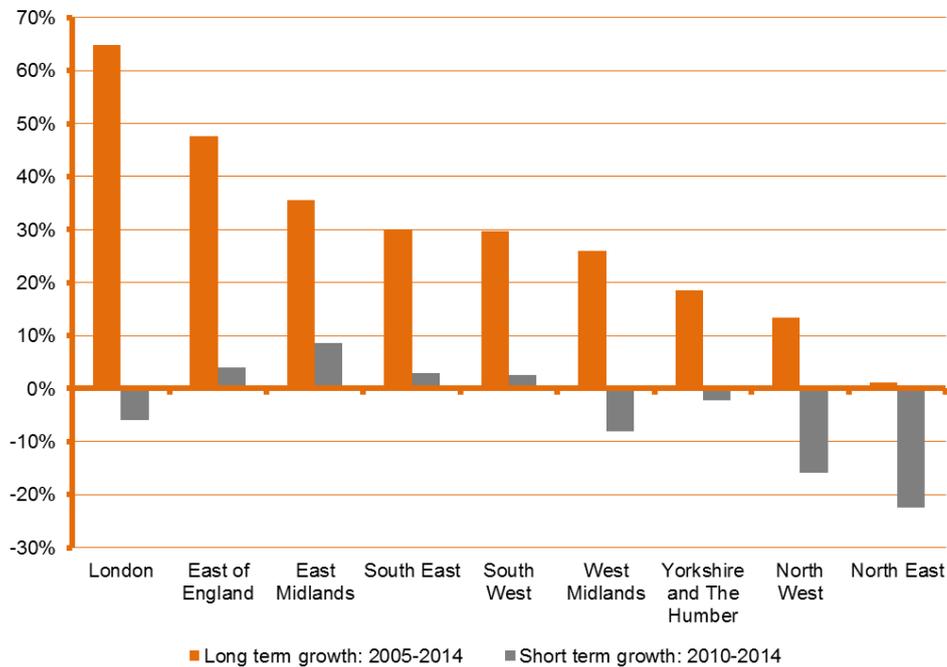
Figure 3: Percentage of 16-19-year-olds starting apprenticeships in 2014/15



When the growth of apprenticeships is considered on a regional level, a different picture emerges. Over the last decade (2005/6 to 2014/15) under-19 apprenticeship starts in London increased by as much as 60 per cent as the capital caught up with other regions. Starts increased by as little as 1 per cent in the North East, but as described above the North East appears to have had a high apprenticeship uptake to start with. More recently, since 2010/11, five regions have seen a decline in the number of under-19 apprenticeship starts – though on the other hand these regions are also ones which were doing relatively well at the start of the period. This reflects different labour markets, different levels of regional growth and changes in school systems which lead to young people being more or less likely to progress along the A-level route. As devolution accelerates there is an chance to grow opportunities, but there is a risk that they could decrease.

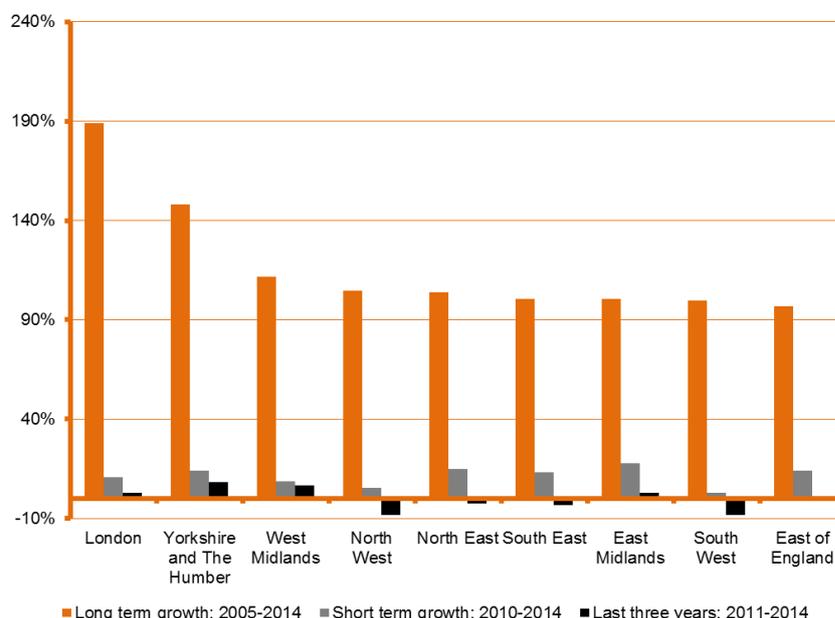
¹² This measure is calculated by dividing numbers of under-19 apprenticeship starts in 2014/15 by mid-2014 16-19 population estimates from the Office for National Statistics. It is an imperfect measure as some young people could start multiple apprenticeships in the year. But it provides a relative snapshot of regional apprenticeship popularity.

Figure 4: increases and decreases in apprenticeship starts by under-19-year-olds by region over the long and short term, comparing 2005/6 and 2014/15 and 2010/11 and 2014/15



The picture for 19-24s is more positive. Growth has been stronger for this group over the long term. The number of starts doubled on average in all regions since 2005 – and almost all regions have seen growth in excess of 10 per cent since 2010. Reflecting the national trends described above in the last three years growth for this group has tailed off and begins to show a pattern more like the under-19 group. Vigilance is required if these emerging issues are not to become deeper problems.

Figure 5: increases and decreases in apprenticeship starts by 19-24-year-olds by region over the long and short term, comparing 2005/6 and 2014/15; 2010/11 and 2014/15 and 2011/12 and 2014/15



A final challenge in relation to regional growth of apprenticeships is the substantial decline in the increase in new workplaces offering apprenticeships. Across the years 2009/10 and 2010/11 there was an average 33 per cent increase in the number of firms that offered apprenticeships (over 40,000 new workplaces), likely connected to the reclassification of in-work training mentioned above. The increase was as high as 54 per cent in London. Between the two most recent full years of data, 2013/14 and 2014/15 the increase in workplaces offering apprenticeships was just 3 per cent (just over 10,000 more workplaces) which may reflect a more normal rate of expansion. Substantial growth cannot be met solely by those who currently offer apprenticeships offering more. New firms need to be brought in too.

Beyond specific policy to grow apprenticeship numbers, government is taking a range of actions that will affect regional opportunities in the future. Devolution and City Deals, the policy associated with the Northern Powerhouse and broader productivity and growth strategies are all relevant. However, because much of this relates to local control young people will rely increasingly on regional and city-level politics and policy to ensure the opportunities they seek are available.

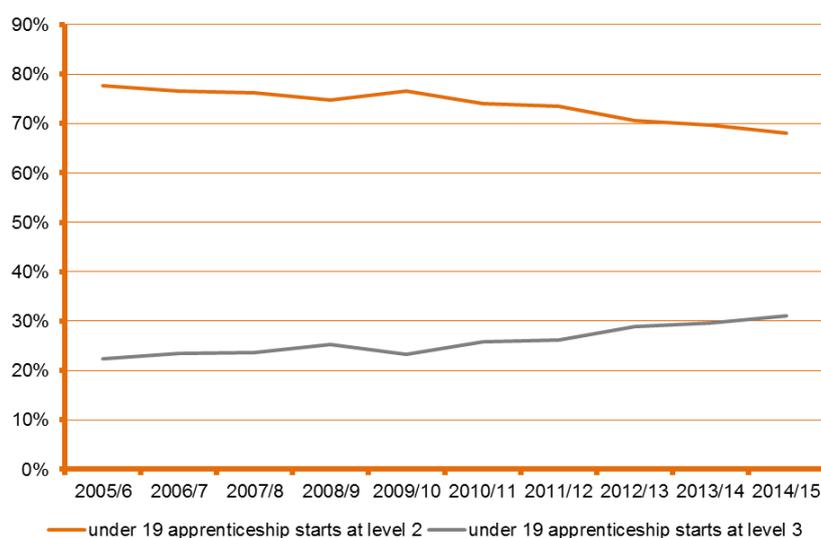
1.2 The majority of apprenticeship starts by young people not a step up from their last level of study – whereas academic courses usually are

Section summary

- Almost all (97%) 19-24-year-olds and most (68%) under-19-year-olds start apprenticeships at qualifications levels below what a natural next step would be if apprentices were following a standard academic track.
- While there has been an increase from 22 to 31 per cent of apprentices of A-level age (under 19) doing A-level equivalent apprentices over the decade, less than 3 per cent of apprentices of degree age (19-24) start Higher Education apprenticeships
- There are few higher apprenticeships overall and barely a quarter (27%) of starts were by under-25s in 2014/15.

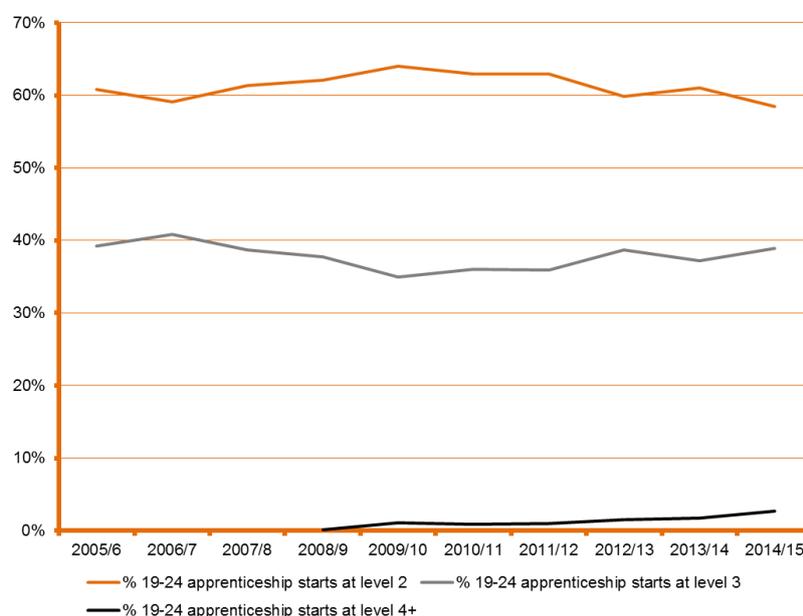
Beside flatlining growth in apprenticeship starts a second concern is that many apprenticeships are not a step up for young people. It is reasonable to expect that young people should progress in education; that each qualification they take is another rung up the ladder. In youth apprenticeships this is not the case. 68 per cent, the majority of A-level age apprenticeship starts (under 19), are at Level 2 or GCSE equivalent. Though this is of concern there is evidence that the position is improving, if slowly. The gap between level 2 and level 3 starts for under-19s has closed from 55 percentage points in 2005 to 37 percentage points in 2013/14. While apprenticeships are seen as a lower level offer than the academic alternative there is a risk of their being perceived as a route for those with less potential. So progress identified here needs to continue.

Figure 6: Proportion of A-level age (under-19) apprenticeship starts by level and year



For the degree-age group, 19-24-year-olds, almost all apprenticeship starts are below higher education level. Only 2.6 per cent of this group started higher apprenticeships in 2014/15. This is important because it signals what the apprenticeship route can offer in comparison to university. BIS analysis finds that around half of apprentices aged 19-24 starting level 2 or level 3 apprenticeships are already qualified to this level – so there is an issue in absolute terms as well as in relation to the academic alternative.¹³ Of the 97 per cent of 19-24-year-old apprenticeship starts at level 2 or 3, a greater proportion are at Level 3 compared to the under-19s: 4 in 10 compared to 3 in 10. Yet the proportion of 19-24s starting Level 3 apprenticeships is not increasing in the same way as for the younger group. This poses a dual challenge for policy makers: how to rapidly increase the number of higher apprenticeship starts for this group and how to shift the curve towards Level 3 apprenticeships for those who cannot access the higher level.

Figure 7: Proportion of degree age (19-24) apprenticeship starts by level and year

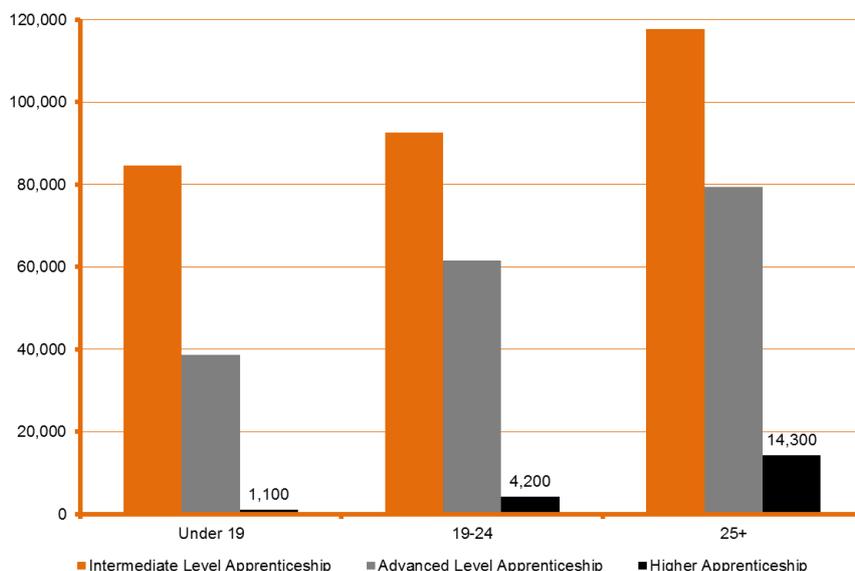


Higher apprenticeships are the minority at around 4 per cent of all apprenticeship starts.¹⁴ And barely a quarter of higher apprenticeship starts in 2014/15 (27%) were by under-25s. Though there has been growth year on year of higher apprenticeships, from 9,000 starts in 13/14 to 19,500 starts in 14/15, the growth has been far greater for over 25s – a 160% increase compared to a 50% increase for 19-24-year-olds. This increase is from a low base.

¹³ Department for Business Innovation and Skills, *Prior Qualifications of Adult Apprenticeships 2012/13, 2014*

¹⁴ This reflects the current set-up in the UK where much of vocational higher education is taken in classrooms via Higher National Certificates and Higher National Diplomas

Figure 8. Higher apprenticeship starts by age, compared to other levels of apprenticeship start, 2014/15



This matches up poorly to undergraduate degrees. Most young HE entrants at 18 or 19 are working towards an undergraduate degree – a level 6 qualification. UCAS recorded just under 180,000 entrants to HE in 2015 aged 19-25 – around 40 times the number of 19-24-year-olds starting higher apprenticeships in the same period. There need to be more apprenticeship opportunities at a higher level if it is to truly compete with university in terms of both routes to high quality work and perceptions of employers and potential students

This section has highlighted the challenges in shifting apprenticeships up a gear. For the younger group the government has some policy tools at its disposal. Study programmes for 16-19-year-olds, a key outcome of the Wolf review of vocational education, are designed to ensure that young people should be studying at a level above their previous qualification (i.e. 16-19-year-olds should be studying at a level higher than Level 2 or GCSE equivalent).¹⁵ There is a need to revisit this principle and ensure it is at the heart of future apprenticeship growth. The evidence suggests there is also a need to extend the principle to 19-24-year-olds.

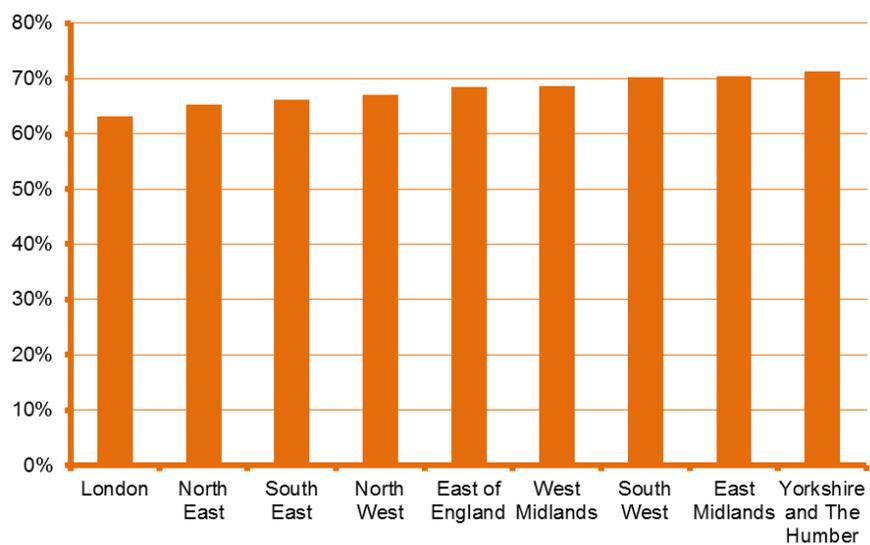
1.2.1 Divided nation? Focus on apprenticeship qualification levels in the English regions

The challenge in relation to the qualification level of youth apprenticeship is reflected across the nation. The highest proportion of A-level age (under 19) apprenticeship starters who started GCSE-level apprenticeships is in Yorkshire and Humberside and the East Midlands (71 and 70 per cent). At the other end of the spectrum London and the North East have lower proportions of GCSE level starts (63 and 65 per cent) for this age range. For 19-24-year-olds there is less variation – though Yorkshire does stand out as having a notably

¹⁵ Department for Education, *Study Programmes*, 2016

higher proportion of 19-24-year-olds starting level 2 and a lower proportion of this group starting Level 3.

Figure 9: Proportion of A-level age apprenticeship starters (<19) starting GCSE level apprenticeships in 2014/15



1.3 Many youth apprenticeship starts are in sectors associated with lower pay and progression prospects – and there is a stark gender divide in apprenticeship choices

Section summary

- Many of the most popular apprenticeship frameworks – especially for the under-19 group – are those with the lowest earning potential.
- Higher apprenticeships provide a route to some professions, most notably accountancy, but their small number and the narrow range of sectors they are available in implies a substantial untapped potential for expansion.
- There is a stark gender divide, with almost all construction and engineering apprenticeships by under 25s taken by men. Hairdressing is dominated by women and is notable for its low pay, high incidence of employment not being guaranteed after completing their apprenticeship, and high incidence of unpaid overtime.

While the level of an apprenticeship will determine earnings and future opportunities, the sector an apprenticeship is in matters hugely. Different sectors have varied potential for pay increases, and progressing in skill and responsibility – different sectors also offer a variety of working arrangements to help families balance earning a living and raising children. This underscores the importance of informed choice and of the need for all jobs to be designed in such a way to reduce the numbers who get stuck.

There is some good news – for both under 19s and 19-24s there has been a slight increase in the proportion of apprenticeship starts in ‘engineering and manufacturing technologies’ since 2010. Engineering apprenticeship starts for under-19s have risen from 18 to 22 per cent of all apprenticeship starts since 2010 and for 19-24-year-olds from 12 to 15 per cent. This is an area commonly associated with better – if not the best – opportunities for non-graduates to build successful careers.¹⁶

¹⁶ New Economics Foundation, *Good Jobs for Non-graduates*, 2012

Table 1: Percentage point change in apprenticeship starts for young people by sector subject area, 2010/11 – 2014/15

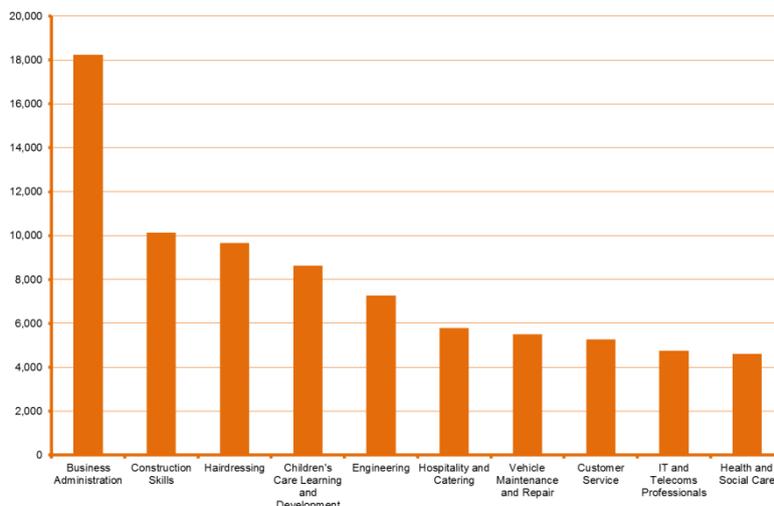
Apprenticeship sector subject area	Percentage point change under 19s	Percentage point change 19-24s
Engineering and Manufacturing Technologies	3.9	3.7
Business, Administration and Law	2.2	0.6
Education and Training	0.8	0.7
Agriculture, Horticulture and Animal Care	0.3	-0.3
Health, Public Services and Care	0.3	3.3
Arts, Media and Publishing	0.2	0.1
Science and Mathematics	0.1	0.1
Retail and Commercial Enterprise	-0.6	-4.8
Construction, Planning and the Built Environment	-1.5	-1.3
Information and Communication Technology	-2.7	0.7
Leisure, Travel and Tourism	-2.9	-2.9

But the most popular apprenticeship frameworks for young people remain in areas associated with lower pay. The 2014 apprenticeship pay survey identifies four frameworks that pay below average: hairdressing, children’s care, construction (and related), business (and related) and engineering.¹⁷ Of the top ten most popular apprenticeship frameworks for under-19s (by apprenticeship starts in 2014/15) the top four all fall into the lower paying categories listed above. Many of the others fall into categories identified by the Commission as problematic in terms of low pay and progression.¹⁸

¹⁷ Department for Business Innovation and Skills, *Apprenticeship Pay Survey 2014*, 2014

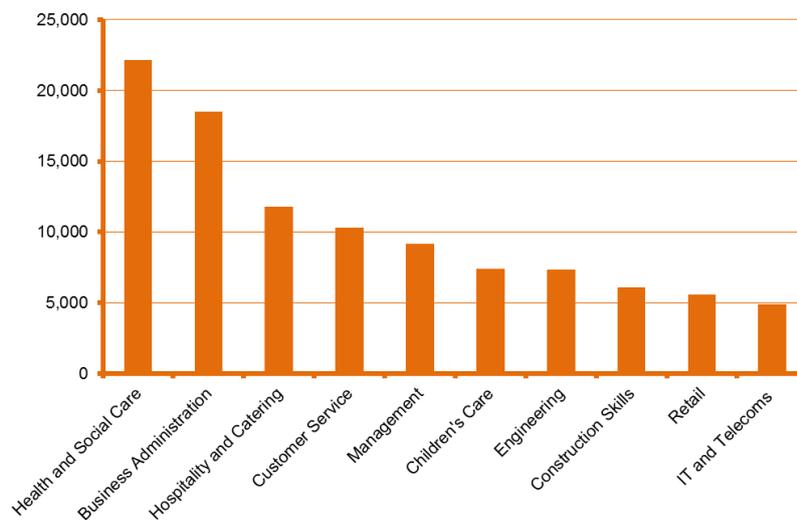
¹⁸ Social Mobility and Child Poverty Commission, *Escape Plan*, 2014

Figure 10: Most popular apprenticeship frameworks started by under-19s in 2014/15 (Level 2 and 3 combined)



For 19-24s, the picture is slightly better in relation to the findings of the apprenticeship pay survey though the most popular frameworks – health and social care – has recently been under the spotlight for poor pay and working practices.¹⁹

Figure 11: Most popular apprenticeship frameworks started by 19-24s in 2014/15

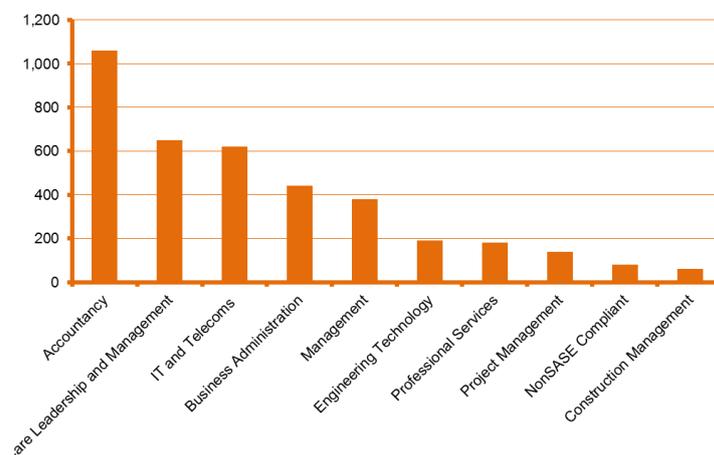


At the higher apprenticeship level the challenge is not so much that apprenticeships on offer are in areas associated with low pay or progression but that they are only in a narrow range of sectors. Of the 4,200 higher apprenticeship starts by 19-24-year-olds in 2014/15 the top ten most popular frameworks make up 90 per cent (3,800) of the starts. The list is dominated by accountancy, care, IT, business administration and management. This shows that while there are growing apprenticeship routes into some professions, there remain many areas of the professional work that higher apprenticeships do not penetrate. It is of note and of concern that, the ninth most popular higher apprenticeship framework for 19-24-year-olds in

¹⁹ Resolution Foundation, *As if we cared: the costs and benefits of a living wage for social care workers*, 2015

2014 was 'Non SASE compliant'²⁰ – these are apprenticeships that do not meet the minimum requirements to be included in a recognised framework. There is scope for expansion and at least in some cases, potentially need for improvement.

Figure 12: Most popular higher apprenticeship frameworks started by 19-24s in 2014/15



The general findings in relation to apprenticeship frameworks hide a wide gender divide in some subject areas. For under 19s in 2013/14 98% of construction apprenticeships, 97% of engineering apprentices 86% of ICT apprenticeships went to men. The significance of this is that work in different areas offers different chances for pay and career progression. Traditionally gendered career choices – which have a far reaching impact on lifetime opportunities – are being reinforced by current arrangements.

²⁰ SASE: Specification of Apprenticeship Standards for England

Table 2: Apprenticeship sector subject areas started by under-19-year-olds most biased towards men or women

Apprenticeship sector subject area	Most popular frameworks in subject area	Bias
Highest bias towards men		
Construction, planning and the built environment	Construction skills	98.4% male
Engineering and manufacturing technologies	Engineering, industrial applications, vehicle maintenance	97% male
Information and communication technology	IT and telecoms professionals	86.2% male
Highest bias towards women		
Health, public services and care	Health and social care, children’s care learning and development	85.3% female
Education and Training	Supporting teaching and learning in schools	77.5% female
Retail and commercial enterprise	Hospitality management, hairdressing, retail	66.3% female

The kind of apprenticeships young people do is a challenge that equals – and perhaps exceeds – slow growth of apprenticeship starts in recent year. The government has grasped this as an issue and has a range of policies in place: new employer-designed trailblazer apprenticeship frameworks, a programme to design 20 new technical routes through further education and apprenticeship to work; a new independent employer-led institute of apprenticeships to monitor quality, and the creation of ‘degree apprenticeships’ to increase options the highest level. All of these should help improve chances for some, but it appears likely that for the immediate future at least, a large number of apprentices will take frameworks with lower returns.

This is not a social mobility challenge the government can solve on its own. There are changes to the design of jobs and the progression routes through professions that employers need to grasp if the majority of apprenticeships are to provide better opportunities.²¹

²¹ Social Mobility and Child Poverty Commission/Business in the Community, *Beyond Pay: an inquiry into improving low-income employment*, 2015

2 Conclusion and recommendations

2.1 *Despite some welcome features the youth apprenticeship system has a range of issues that hold back opportunity*

In examining the state of the present youth apprenticeship system we have identified a number of positive trends:

- The proportion of under-19s apprenticeship starts at A-level equivalent is rising.
- There has been a slight increase in the proportion of under 19 and 19-24 apprenticeship starts in engineering and manufacturing technologies.
- Since 2010/11 apprenticeship starts have risen in all regions of England for 19-24-year-olds and in some regions for under 19s.
- Higher apprenticeship starts have increased for 19-24-year-olds.

However, we identify a number of issues which are of concern:

- There has been little growth in numbers of starts for under-19s since around 2010 and for 19-24-year-olds since 2011. Growth in apprenticeships for under-25s is being outpaced by starts by over-25s. The latest quarter of data does not provide evidence that growth in apprenticeships is increasing.
- Apprenticeship success rates are declining for all groups.
- Under-24 apprenticeship starts are mostly not a step up when compared to the academic route. 97 per cent of degree-age apprentices start apprenticeships at A-level equivalent or below; 68 per cent of A-level age apprentices start apprenticeships at GCSE level or below.
- Higher apprenticeships which can provide a route to some professional roles only made up 2.6% of 19-24 apprenticeship starts in 2014/15, despite absolute increases year on year.
- The majority of apprenticeships taken by under 19s are in sector subject areas associated with lower pay and progression.
- In some sector subject areas there is almost complete gender segregation: in construction and engineering apprenticeships over 95 per cent of starts by under-19s are by men – the proportion is similar for 19-24s.
- The target to create three million apprenticeships leads to some perverse incentives: to grow numbers of older apprenticeships, to reclassify other training as apprenticeships and to count starts rather than completions – and apprenticeship courses rather than apprentices.

2.2 Renewed focus is required if the youth apprenticeships system is to become an engine of social mobility

For the youth apprenticeships system to become an engine of social mobility it needs to provide a large number of routes to good careers and life chances. The test of a successful education system is one that is seen as a viable choice for all of our children – not just ‘other people’s children’. The test of a successful vocational system is one that young people from all backgrounds opt into – and is not perceived as a failure regime by those seeking social mobility. For this reason, increasing the number of apprenticeship starts is important, but improving the quality of apprenticeships – and the proportion which provide a clear route to social mobility – is even more important. Given the trends reported here, there is the risk that the issues we see today will remain with us in 2020, regardless of how many more people begin an apprenticeship.

In this context, the Commission makes four recommendations which build on the government’s current policy programme. Their aim is plant the right seeds so that over time the youth apprenticeship system can grow towards to the ideal described above:

- **Expand the higher apprenticeship offer for young people:** new apprenticeships should be targeted at higher level courses and those aged under 25. There should be 30,000 young people starting a higher level apprenticeship a year by 2020.
- **Create a UCAS-style portal for apprenticeships and vocational study to underpin careers advice with evidence:** The government has plans to introduce new vocational education performance tables in 2018 and to add more detail of apprenticeships into destinations data. But what young people and careers advisors need now is clear and accessible advice on exactly what different apprenticeship frameworks can offer. This should be brought together in a UCAS-style website that allows pupils to apply for courses at 14 or 16, as appropriate. Further, it should have national coverage, so that young people at 18 or 19 can apply for courses in different parts of the country, if relevant.
- **The Department of Business to publish an ‘apprenticeship opportunity tracker’** – a regular data release by government clearly describing progress towards improving the social mobility potential of apprenticeships. And to focus on the issues that matter: young people and quality – thereby mitigating some of the perverse incentives the 3 million target creates. The data at the moment is complex and makes it challenging to understand what is really happening in the youth apprenticeship system. At the core of the ‘apprenticeship opportunity tracker’ should be a set of measures that show:
 - Growth in individual starts: Change in numbers of unique individuals starting apprenticeships by age, level, sector, framework and gender.
 - A transparent account of success: A cohort-based measure of success, tracking the outcomes of apprentices by the characteristics above.
 - Line of sight to outcomes: A linked administrative data element, tracking the average pay and pay progression of successful apprenticeships by characteristics as above.

- Finally, the Commission recommends employers and government to develop a pay and career progression strategy for apprenticeships in areas associated with low pay and low progression. The Commission has partnered with Business in the Community to produce a set of principles which firms could use as a starting point.²²

²² Social Mobility and Child Poverty Commission/Business in the Community, *Beyond Pay: an inquiry into improving low-income employment*, 2015



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