

The quality of apprenticeships in England has improved in recent years, but take-up has dropped. **Chiara Cavaglia, Sandra McNally and Guglielmo Ventura** show how these changes mean that those from disadvantaged neighbourhoods may be losing out on a potential route to social mobility.



The recent evolution of apprenticeships

The number of apprenticeship starts in England has fallen dramatically in recent years following government reforms and the Covid-19 pandemic. The composition has also shifted from almost complete domination by low and intermediate level apprenticeships to one where higher and degree apprenticeships constitute a significant share (26% in 2020).

Even though the number of apprenticeships has decreased, policy changes seem to have improved their

average quality. One might characterise the changes (at least up until the pandemic) as a substitution of quality for quantity. But this might have come at the cost of less equitable access with, for example, those living in disadvantaged neighbourhoods losing out from the changes.

In a recent report, we document these trends and assess how they have affected different groups of people – by age group, socio-economic background, gender and ethnicity. We also look at the prior attainment of individuals undertaking

different types of apprenticeship, the extent of progression and drop-out rates across apprenticeship types. Finally, we interpret what these patterns imply for broader concerns on the efficacy of the system and for social mobility.

We study the change in apprenticeships between August 2014 and July 2020, using comprehensive national data: the Individual Learner Record. For younger age groups, we can link information to school records.

Changes in the number and composition of apprenticeships were

strongly influenced by changes in government policy over these years, which included the overhaul of how apprenticeships are funded (with the introduction of the apprenticeship levy from 2017), the replacement of apprenticeship frameworks by employer-led standards, and new rules aimed at improving the quality of training (including a minimum duration, a minimum threshold for off-the-job training and a more rigorous final assessment).

In line with these efforts, there has been a marked increase in the planned duration of apprenticeships. The net impact on productivity depends on whether the improvement in quality offsets the fall in numbers and the extent to which newer (more expensive) apprenticeships are displacing pre-existing forms of training (which is difficult to evaluate).

Changes in the number and type of apprenticeships on offer appear to have had distributional implications. Whereas in 2015, apprenticeship starts were more frequently observed among people living in the most deprived fifth of neighbourhoods of England, by 2020, they were more evenly split across types of neighbourhood.

This change is driven by bigger relative falls in lower-level apprenticeships (levels 2 and 3) in more deprived neighbourhoods, particularly among older individuals (those over 25). Young individuals from disadvantaged backgrounds are less and less represented at successively higher levels of apprenticeship. In fact, they are more likely to start a university degree than to study for a degree apprenticeship. Cast in this light, it is difficult to see such apprenticeships as being a route to improved social mobility.

Unlike in most other countries, apprenticeships in England are not predominantly used to facilitate the

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transition from school to work. Individuals aged over 25 account for 40% of all apprentices. And they account for the vast majority of those undertaking higher apprenticeships (at levels 4 and 5) and over half of those undertaking degree apprenticeships.

This matters because returns to apprenticeships are considerably higher for younger individuals (McIntosh and Morris, 2018). Women and ethnic minorities are under-represented among younger apprentices (up to the age of 25).

Another part of the story is that drop-out rates across apprenticeship types are relatively high. Around 11% to 26% of individuals drop out within one year (depending on the level of the apprenticeship and the age of the apprentice). The overall achievement rate varies between 60% and 70%, which is lowest for older individuals on higher apprenticeships and highest for younger people on level 3 apprenticeships. The fact that so many individuals fail to complete their apprenticeship is a cause for concern, especially given the high subsidy from the taxpayer.

Overall, our report points to improvements in the quality of apprenticeships on offer but fewer possibilities to access them because of their reduced number and more stringent academic requirements when offered at higher levels. Questions for policymakers include whether there ought to be more explicit targeting of firm-level incentives towards younger people and how opportunities may be made more widely available for those from disadvantaged backgrounds.

A version of this article first appeared on the Sutton Trust and Centre for Vocational Education Research (CVER) blogs as 'The Recent Evolution of Apprenticeships' (<https://www.suttontrust.com/news-opinion/all-news-opinion/the-recent-evolution-of-apprenticeships/> <http://cver-blog.blogspot.com/2022/12/the-recent-evolution-of-apprenticeships.html>).

This article summarises 'The Recent Evolution of Apprenticeships' by Chiara Cavaglia, Sandra McNally and Guglielmo Ventura, a research report funded and published by the Sutton Trust (<https://www.suttontrust.com/our-research/the-recent-evolution-of-apprenticeships/>).

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Further reading

Steven McIntosh and Damon Morris (2018) 'Labour Market Outcomes of Older Versus Younger Apprentices: A Comparison of Earnings Differentials', CVER Discussion Paper No. 16 (<https://cver.lse.ac.uk/textonly/cver/pubs/cverdp016.pdf>).

Young people from disadvantaged backgrounds are more likely to start university than to study for a degree apprenticeship

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