LEVELLING UP?

Making degree apprenticeships work for social mobility

Carl Cullinane and Katherine Doherty
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THE SUTTON TRUST

About the Sutton Trust

The Sutton Trust is a foundation which improves social mobility in the UK through evidence-based programmes, research and policy advocacy.

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Foreword

While the Sutton Trust may perhaps be best known for its work in increasing access to university, social mobility need not be restricted to that one route. Higher education, with the high levels of debt it involves, is not for everyone. It is essential that we have high quality alternatives to the traditional university route. The Trust for a number of years has advocated for a focus on higher level apprenticeships. It is these high-quality apprenticeships that offer a chance to earn while you learn, while gaining valuable workplace skills, and can really boost the opportunities and earning potential of a young person. Unlike in the best apprenticeship systems like Germany and Switzerland, British apprenticeships have for too long been bedevilled by low standards and little career progression.

In that context the growth of degree and higher apprenticeships in recent years is to be welcomed. Apprenticeships are growing in stature among young people and employers. However, as today's report shows, this growth hasn't yet led to the necessary rise in opportunities. Many of the new degree apprenticeships are going to older and already experienced staff. There are still fewer than 4,500 degree level apprenticeships started by young people under 21 each year. More energy needs to be invested in creating genuinely new opportunities for those who will benefit most. We need many more apprenticeships at these levels targeted at young people if we are to establish this route as an alternative to university.

> "Apprenticeships can be both a driver for social mobility and the means of building the skills we need to rebuild the economy after the coronavirus crisis."

The popularity of degree apprenticeships is impressive, but it has come with problems for fair access. Young people from disadvantaged backgrounds are losing out on these opportunities. To play our part in tackling this, I am pleased to launch in the coming months the new Sutton Trust Apprenticeship summer school, which will offer young people from low and moderate incomes the opportunity to gain insight into what it takes to be a degree apprentice. This year, due to the health crisis, the summer school will be delivered digitally, in partnership with leading employers. We are looking forward to the programme joining our suite of access programmes giving more than 5,000 young people each year the opportunity to change their lives.

Today's report is also accompanied by a research brief examining the impact of the coronavirus health crisis. Like almost all areas of the economy and education, there will be profound effects on apprenticeships in the short and medium term. It is vital that access to the best apprenticeships stays high on the agenda, particularly as young people are entering the labour market at a very difficult time. Apprenticeships have the potential to be part of the solution. They can be both a driver for social mobility and the means of building the skills we need to rebuild the economy after the crisis.

I would like to thank the authors of today's reports, along with the work of the Trust's staff in making this year's inaugural apprenticeship summer school happen in the current challenging circumstances we all face.

Sir Peter Lampl
Founder and Executive Chairman of the Sutton Trust, Chairman of the Education Endowment Foundation

Executive Summary

- Degree apprenticeships were established in 2015 as a potentially powerful combination of academic and on the job learning. Numbers of degree apprenticeships have grown rapidly, from 756 in 2015/16 to 13,587 in 2018/19. Since 2017, there has also been an explosion in degree level apprenticeships, awarding professional qualifications equivalent to a degree. They have grown from just 19 four years ago, to 8,892 last year.

- While degree and degree level apprenticeships have risen substantially, they still make up a small proportion of apprenticeships overall, 6% in 2018/19.

- Over half of those starting degree level apprenticeships are now over 25. In fact, looking at degree apprentices at university, over half are 30 or over, with just 20% age 20 or under. The number of those 20 years old or younger starting a degree apprenticeship at an English university in 2018/19 amounted to just over 2,000 apprentices (about one fifth of all such apprentices).

- 68% of the growth in degree apprenticeships since the introduction of the levy has accrued to over 25s, with just 18% to those 20 or under.

- Six standards (out of 64) dominated in particular, making up 16,805 apprentice starts out of 22,479. That is 75% of all level 6 and 7 apprenticeships clustered over six standards. The Senior Leader standard has grown by 517% since the levy was introduced, with 99% of apprentices over 25. Business management apprenticeships such as this are the biggest growers, but have the lowest proportions of young apprentices, and those from disadvantaged areas.

- There is also a significant skew in terms of content. Senior leadership (MBA equivalent) and chartered management programmes together make up almost half (46%) of the entire degree apprentice cohort. While such skills are clearly in need, such a skew is unlikely to reflect the overall balance of skills gaps in the economy and will do little to benefit younger people looking for new opportunities.

- Just 13% of degree apprenticeships come from neighbourhoods in the bottom fifth of deprivation. Over twice as many (27%) come from the most advantaged backgrounds. This pattern is the opposite of those undertaking the lowest level apprenticeships.

- In degree apprenticeships at universities, just 12% of those aged 19-24 are from the most deprived areas, and 7% of those under 19. Among under 19s, degree apprentices are more than five times more likely to come from the most advantaged neighbourhoods.

- The picture is getting worse over time. Young apprentices from deprived areas made up 9% of degree level apprentices in 2016/17, but 6% in 2018/19. In that same time, the proportion of degree level apprentices older than 25 from the most advantaged backgrounds has more than doubled, from 5% to 11%. This provides clear evidence that young apprentices from deprived backgrounds are being crowded out since the establishment of the apprenticeship levy.

- While 49% of intermediate apprenticeships are funded by the levy, 80% of all degree level apprenticeships are funded by the levy, including 83% of those at level 6 and 78% of those at level 7. As a consequence there are significant disparities of levy funding by age. 69% of

apprentices age 25 plus are funded by the levy, with just over half that rate of under 19s in levy funded apprenticeships.

- Apprentices under 25 make up just 33% of levy funding for degree apprenticeship starters in 2018/19. Senior leader apprenticeships alone also made up 33% of all levy funding in this group. Cutting funding for this standard would save £62m of levy funds in 2019/20.

- Apprenticeship opportunities can be spread across the country, with the North East and the North West having the highest rates of higher apprenticeships, adjusted for population size. Towns and small cities have the highest rates of apprenticeships, and higher apprenticeships overall, in 'minor' urban locations such as Barnsley, Rotherham and Nottingham. While London has the lowest intensity of apprenticeship starts per unit population, a larger proportion are at higher and degree level. Similarly, while the most deprived local authorities have the largest numbers of apprenticeships, the most advantaged areas have the highest rates at higher and degree levels.

- The pattern of young participation in degree apprenticeships looks very similar to that of first-degree undergraduates, the proportion of apprentices from the most educationally disadvantaged POLAR quintile is the same at non Russell Group universities (13%), while it is slightly higher at the Russell Group (9%, compared to 7% in undergraduate courses).

- There are a variety of barriers driving these gaps. One of the big ones is school attainment. The average young degree apprentice at a Russell Group university with A levels achieved AAB, effectively the same as those doing other undergraduate courses. 62% of degree apprentices at the Russell Group have grades at AAB or higher. Similarly, outside the Russell Group, the typical score is just below the equivalent of CCC, the same as for undergraduates. Degree apprenticeships at Russell Group universities in particular are highly selective, emphasising the challenges for access.

- Young people are not receiving enough advice on apprenticeships in school, but awareness among both students and teachers is on the rise. 64% of young people in school express interest in an apprenticeship after finishing school, up from 55% in 2014. Six years ago, just 31% reported that their teacher had discussed an apprenticeship with them, but that rose to 47% in 2019.

- Two thirds (67%) of employers say that making apprentices accessible to those from lower socio-economic groups is important to them, including 79% of levy paying employers.

- Employers report a variety of barriers faced by disadvantaged young people: 28% cited a tendency to apply to lower level apprenticeships instead, 27% reported that they don't have high enough grades, and 26% said applications and interviews fall short in areas other than grades.

- In order to widen access, universities and employers must make widening participation a mission of the degree apprenticeship programme, by using contextual admissions and collecting information on the socio-economic backgrounds of their applicants. Supply is also an issue. To make degree apprenticeships a real option we need to see continued growth across the sector. Employers cited a number of barriers to that growth. The primary barrier was the sense that it did not fit with their staffing needs, at 36%. Others included the financial cost, complex processes and challenges with the approval of appropriate standards.

Recommendations

Levy

- Degree level apprenticeships (level 6 and 7) should **continue to be within the scope of Levy funding**, but in order to justify their cost, they need to show that they are genuinely levelling up skills for those who need it most. There needs to be a re-focusing of the degree apprenticeship programme on creating high quality new opportunities for young people, as well as older age groups who would benefit from upskilling.

- **The government review of the senior leadership standard has been welcome**. While some level 7 qualifications can be good vehicles for social mobility, MBA equivalent qualifications for senior staff largely benefit those who are already highly-paid and well-qualified. To tackle the wider issue at the root, **the government should consider introducing a maximum salary ceiling for levy funded apprentices**, meaning that limited public funding is concentrated on providing opportunities for those who would benefit most.

- In order for apprenticeships to deliver on the levelling up agenda**, social mobility and widening opportunity should be an explicit criterion in a review of the apprenticeships levy.** The balance of apprenticeships across age groups, levels, those with equivalent qualifications and existing staff versus new starters should be examined. Measures should be taken, **for instance, requiring employers to 'top up' levy funding for certain categories of apprentice,** or otherwise incentivising apprenticeships most conducive to increasing opportunities for groups who need it most.

- In order to improve transparency and ensure that apprenticeships are delivering for social mobility**, levy employers should be required to publish anonymised statistics** on the age, level, socio-economic background and salary level of apprentices, along with the proportion of new and existing staff benefiting from apprenticeships.

Access

- There should be a focus on improving access for young people from disadvantaged backgrounds to the best apprenticeships. A **culture of widening participation should be cultivated**, similar to that around access to university. This can be done in a number of ways:

- Employers and universities should operate **contextual admissions for degree apprenticeships**, recognizing the differing challenges faced by young people during their schooling and the untapped potential of many young people from poorer homes.

- **The spending of levy money on access activities should be both permitted and promoted,** including bursaries, outreach, recruitment, travel for disadvantaged apprentices or basic skills provision. This could be ringfenced, or employers encouraged to spend a certain proportion of their levy on access. In 2020 the Sutton Trust is establishing its first Apprenticeship Summer School, to give young people from disadvantaged backgrounds a taste of life as a degree apprentice.

- **Widening participation statistics** for higher and degree apprenticeships should be regularly published by the Department for Education, including free school meals eligibility for young apprentices. It is vital that data published on the socioeconomic background of apprentices should be broken down by level. An 'over 30' or 'over 35' age category should be added to official statistics to more accurately show the age profile of an apprenticeship. Robust statistics on the prior educational achievement of apprentices should also be collected. As degree apprentices complete their courses, detailed data on labour market outcomes should be published.

Information, advice and guidance

- There should be a **national portal where young people can easily find information about, and apply to, apprenticeships**, to address the fragmented applications process and increase parity of esteem with academic routes.

- **Schools should be supported to provide good quality careers advice on apprenticeships as an alternative to university.** The information gap among schools and teachers should be addressed, with better access to Information and resources. Employers should proactively work with schools to provide opportunities to gain understanding of apprenticeship routes.

1. Introduction

Degree apprenticeships in England were launched in Autumn 2015, and offer a potentially powerful combination of on the job training and academic learning. With the prospect of gaining industry-specific skills, a university-accredited degree qualification and leaving without tuition fee debt, their increasing popularity is unsurprising. They also have the potential to be powerful vehicles for social mobility, offering an alternative route to highly skilled industries, allowing apprentices to earn while they learn, and developing skills highly valued in the workplace while avoiding tuition fees. High level apprenticeships have labour market outcomes comparable to degrees from Russell Group universities, and have the potential to address skills gaps in the UK economy.[1]

However as we approach the fifth anniversary of their introduction, there remain substantial questions as to whether degree apprenticeships are delivering on their promise. Apprenticeships at these levels are still hard to access for many young people. They can be difficult to find, involve complex application stages and are extremely competitive to secure, due to the low number available. For young people who may not have the support networks and information to steer them through a complex landscape, apprenticeships may not be contributing to social mobility to the extent we might hope. The Sutton Trust's 2017 report *Better Apprenticeships*, highlighted that young people from disadvantaged backgrounds are less likely to enter the best apprenticeships than their better-off peers, and are more likely to be concentrated in low level apprenticeships, often with few opportunities for progression.

Apprenticeship reforms have aimed to ensure that apprenticeships deliver high quality and sustained training for apprentices by putting minimum requirements in place, such as all apprenticeships lasting at least 12 months in length and requiring at least 20% off-the-job training. The intention of this was that structuring apprenticeships in this way, paired with the development of standards being co-designed by employers, would lead to apprentices receiving valuable training that meets the changing needs of employers. There continue to be mixed reactions to these reforms, especially the controversial 20% off the job training requirement, with some employers perceiving it to be a barrier to recruiting apprentices whilst others believe it is essential to the apprentice's development.[2]

There are also questions about the impact of the Apprenticeship Levy, introduced in 2017, on the growth of degree apprenticeships. While a high proportion of such apprenticeships are now funded by the levy, concerns have been raised about the cost of such apprenticeships, the impact on other apprenticeship levels, and whether apprenticeship levy funds are being spent in the most effective ways, reflecting the original spirit behind the policy. These concerns led to Secretary of State Gavin Williamson in February initiating a review of the level 7 Senior Leader standard to establish whether this qualification, largely aimed at senior staff, was providing 'value for money' for the levy.[3]

Recent months have seen the apprenticeship sector severely hit by the impacts of the COVID-19 health crisis, and the shutdown of the economy that has accompanied it. This has led to profound challenges facing apprentices themselves in terms of their finances, along with the short and medium term financial security of learning providers and employers. These impacts, which will likely have long-term consequences for the sector are explored in the brief accompanying this report.[4]

[1] Degrees of Success
[2] https://www.tes.com/news/employers-review-20-job-rule-apprentices
https://www.aelp.org.uk/media/3562/onandoffthejob-mar20.pdf
[3] https://dfemedia.blog.gov.uk/2020/02/27/levelling-up-apprenticeships/
[4] COVID-19 Impact Brief #3

The Sutton Trust has long promoted higher apprenticeships as vital for social mobility, and degree apprenticeships are a type of higher apprenticeship. Other higher level apprenticeships at level 4 & 5 are also potentially highly valuable for young people, but the focus of this paper is on degree apprenticeships, as one of the most significant innovations in recent apprenticeship policy.

Definitions

There are a number of overlapping definitions and categories used in this report:

- **Degree-level apprenticeship** – Degree-level apprenticeships are higher apprenticeships at level 6 (bachelor's) or 7 (master's), that include a work-based, a combined qualification or a professional qualification.
- **Degree Apprenticeship** – Degree apprenticeships are a specific type of degree-level apprenticeship, which result in a degree awarded by the higher educational institution (university or FE college).
- **Other level 6 and 7 apprenticeships** – in this report, degree-level apprenticeships which do not award a formal degree are referred to as 'other level 6 and 7' apprenticeships. Examples include professional qualifications such as accountancy.

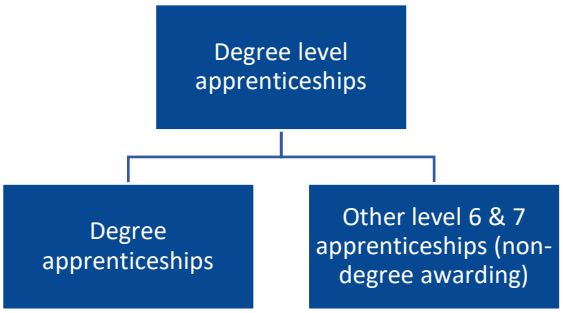
As of early 2020, degree apprenticeships have seen huge growth in just five years, employers and universities have increasingly come on board, and awareness of apprenticeship options among young people has been rising. The focus must now be on ensuring degree apprenticeships are delivering on their promise of expanding opportunity, rather than serving existing employees or simply providing routes to those already well-served by the system. This report will look in detail at the progress of the scheme. Recent years have also seen a rapid rise in non-degree awarding apprenticeships at the equivalent of degree level, so the report will also look at these apprenticeships. The report will examine emerging data on degree and degree level apprenticeships to analyse what is being offered, by what institutions, who is taking them up, and whether they are enabling social mobility. [6]

[6] This data in this report was collected and analysed in late 2019 and early 2020, with the bulk of the report written before March 2020. As a consequence, the report is focused on painting a picture of the degree apprenticeships sector before the full impacts of coronavirus hit. While this will inevitably impact the sector, many of the recommendations here continue to hold relevance, even in the new context. In some cases, their relevance has actually increased.

Table 1. Description of apprenticeship levels

Level 2	GCSE equivalent	Intermediate apprenticeships	
Level 3	A level/BTEC equivalent	Advanced apprenticeships	
Level 4	Certificate of higher education/ Higher national certificate (HNC)	Higher apprenticeships	Higher & degree level apprenticeships
Level 5	Foundation degree/ Higher national diploma (HND)		
Level 6	Bachelor's degree equivalent	Degree level apprenticeships	
Level 7	Master's degree equivalent		

Figure 1. Terminology used in this report



Recent changes in the apprenticeship landscape

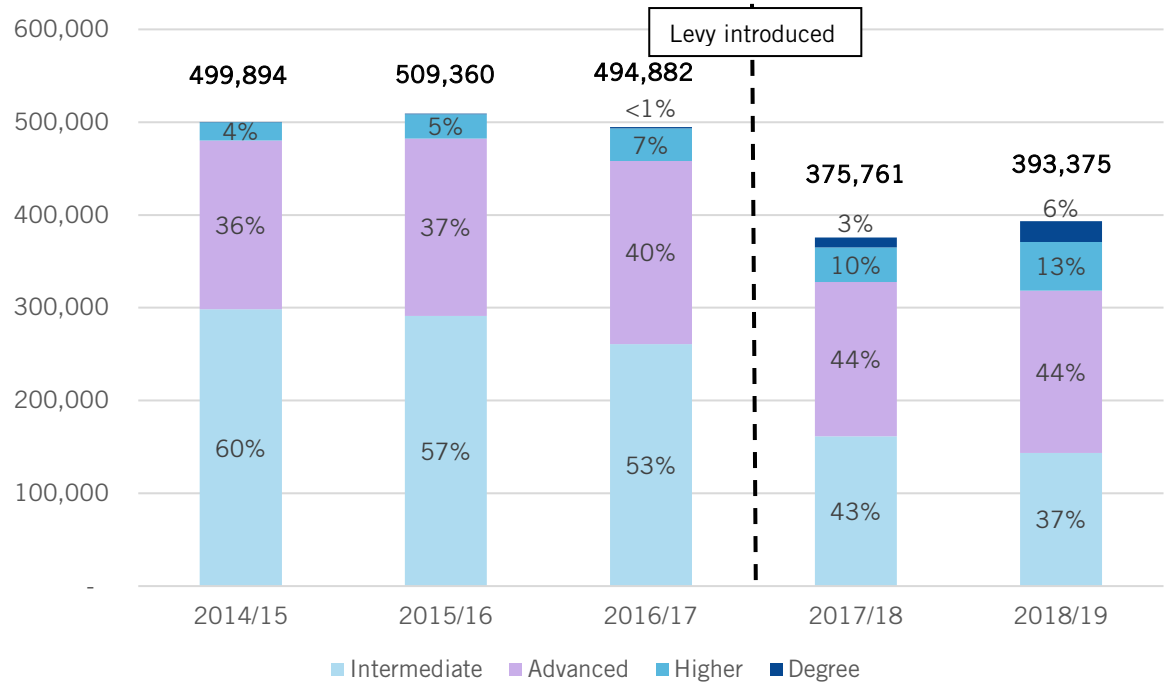
The apprenticeship landscape has seen substantial change over the past five years. In 2015 apprenticeships were given protected status in law, the creation of degree apprenticeships were announced, an ambitious target of 3 million new apprenticeships by 2020 was set and it was announced that a new apprenticeship levy on large employers would be used to help fund them.[7] A new Institute for Apprenticeships would also be established in 2017 to oversee the roll-out of new 'standards', regulating the content and delivery of apprenticeships, replacing the old frameworks. The apprenticeship levy itself also came into operation in 2017. Figure 2 shows how the numbers of apprenticeship starts have evolved over that time, broken down by level. Overall numbers failed to increase substantially in 2015 to 2017, but there was a shift away from the lower levels towards the higher levels. Small numbers of degree apprenticeships began running from 2015, reaching the thousands in 2016/17, before accelerating growth in 17/18 and 18/19.

However the most obvious impact was a substantial drop in overall numbers in 2017, coinciding with the introduction of the levy and wider reforms of standards, with the numbers only recovering slightly in 2018/19. This time also showed an acceleration in the decline of intermediate apprenticeships, being cut in half between 2014 and 2019. Some of this decline has been offset by the growth of higher and degree apprenticeships, but overall numbers remain lower. A number of analyses have argued that the sudden drop in apprenticeships was not primarily attributable to the introduction of the levy itself, but the wider reforms, which led to delays to the development of new standards, along with making

[7] https://www.gov.uk/government/news/government-kick-starts-plans-to-reach-3-million-apprenticeships

apprenticeships more expensive to offer.[8] This overall context is key in understanding the growth of degree apprenticeships, and the next steps in their development.

Figure 2. Number of apprenticeship starts and proportion by apprenticeship level, 2014-2019



Source: DfE Monthly apprenticeship starts pivot table November 2019

[8] https://www.resolutionfoundation.org/publications/trading-up-or-trading-off/
http://cver.lse.ac.uk/textonly/cver/pubs/cverbrf011.pdf

The apprentice's view: Andrico (Goldman Sachs Degree Apprenticeship)

Andrico currently works at Goldman Sachs working on financial software, whilst studying towards an undergraduate degree in Computer Science at a Russell Group University as part of his degree apprenticeship. Andrico moved back to London from South Africa without any formal qualifications before attending a Sutton Trust Summer School at age 17.

After his first year at college he started seriously thinking about what he considered to be his natural next step, to go to university. Having received minimal information around apprenticeships from college, limited to just one external talk, much later in the course he stumbled across the website of an organisation called Uptree.

"I then started attending more events regarding what apprenticeships were and when I did, I was surprised that so few people knew about them. I had to be really proactive at looking up apprenticeships to find more opportunities."

This led him to realise that being able to work on practical software engineering projects whilst learning fundamental and theoretical knowledge at university would give him work experience that his peers going straight to university would not have. For Andrico, a degree apprenticeship made a lot of sense, he knew that being able to implement his university learning on real projects was the best way for him to learn software engineering.

When asked where he found his apprenticeship, he said "I came across my apprenticeship online, although I don't remember where exactly, most of them appeared online at random times of the year without much information." Even once he found apprenticeship opportunities, it wasn't straightforward: "A barrier for me to accessing degree-level apprenticeships was given that I had not done GCSE's while living abroad, some schemes refused to progress my applications despite having top Level 3 grades." However, he described his Goldman Sachs application process as "easy for school leavers to apply to, with no trick questions I was able to interact with real people during the process."

With his passion for technology and motivated by the prospect of a degree apprenticeship, he was offered a place on Goldman's Sachs Degree Apprenticeship programme.

"I've always had high attention to detail in my work, been strongly analytically minded and love working with smart people. Goldman Sachs is a place where I can do all those things. I also enjoy being able to practise what I'm learning at university by being given real responsibility. From very early on I was working on real projects with real impact. The salary and the fully funded degree is a bonus!"

With young people being the future of the workplace Andrico thinks "apprentices can add massive value to small or large organisations. We bring in fresh perspectives, new ways of approaching problems and an attitude of wanting to do meaningful work. We need more young people shaping what the world of work should look like."

2. Data and Methods

Terminology

As outlined in Table 1 and Figure 1, there are a variety of overlapping categories and terminology in this area. In general, higher apprenticeships refer to all apprenticeships from level 4 and upwards, meaning degree level apprenticeships are a type of higher apprenticeship. However for clarity, in this report, as in government data, the term higher apprenticeships is used to refer to level 4 and 5.

Level 6 and 7 apprenticeships are as a whole referred to as 'degree-level' apprenticeships in this report, and official data often focuses on this grouping. This report looks at all apprenticeships at level 6 and 7. However there is a further division in this group between apprenticeships which award degrees, and those who do not, and award a professional qualification instead. Table 2 shows how many apprenticeship starts fell into each of the four categories, in a matrix, across level 6 and 7, degree and non-degree awarding, along with the most popular apprenticeships falling into each category. Level 6 degree awarding apprenticeships are the largest group, driven by the chartered manager, digital and technology and chartered surveyor apprenticeships. Level 7 non-degree awarding apprenticeships are the next biggest group, largely driven by the accountancy / taxation apprenticeship. Level 7 degree awarding apprenticeships are mostly those undertaking the senior leader standard. The smallest group is level 6 non-degree awarding apprenticeships, including financial services and teaching standards.

Table 2. Typology of degree level apprenticeships, and number of starts in 2018/19

	Level 6	Level 7
Degree	• Chartered Manager • Digital and Technology Solutions Professional • Chartered Surveyor • Civil Engineer	• Senior Leader • Advanced Clinical Practitioner
	9,655 apprentices	3,932 apprentices
Non-degree awarding	• Financial Services Professional • Teacher • Senior Insurance Professional	• Accountancy/ Taxation Professional • Academic Professional
	1,169 apprentices	7,723 apprentices

Data

There are two main sources for the data in this report. Both referring to different sets of apprenticeships. The majority of the data is sourced from the Department for Education Further Education Data Library, which includes statistics on starts, age group, local authority, subject, standard/framework, levy funding and deprivation level. All the statistics quoted from these sources are for apprenticeship *starts*. This is the most straightforward and consistent way of comparing statistics. This data is for England only.

The second source of data is information from the Higher Education Statistics Authority (HESA), which provided an extract of their data on apprenticeships and other qualifications from UK universities for three years, 2016/17, 2017/18 and 2018/19. This set of data does not include all degree apprenticeships, for reasons including limitations of reporting timing, and the fact that some FE colleges offer degree apprenticeships. This data is included as it has more detailed information on age groups, universities, and attainment. While it should not be seen as a comprehensive picture of all such apprenticeships, the data is illustrative of the general patterns. In figure titles, this data is characterised as being representative of 'degree apprenticeships undertaken in university'.

Costing estimates

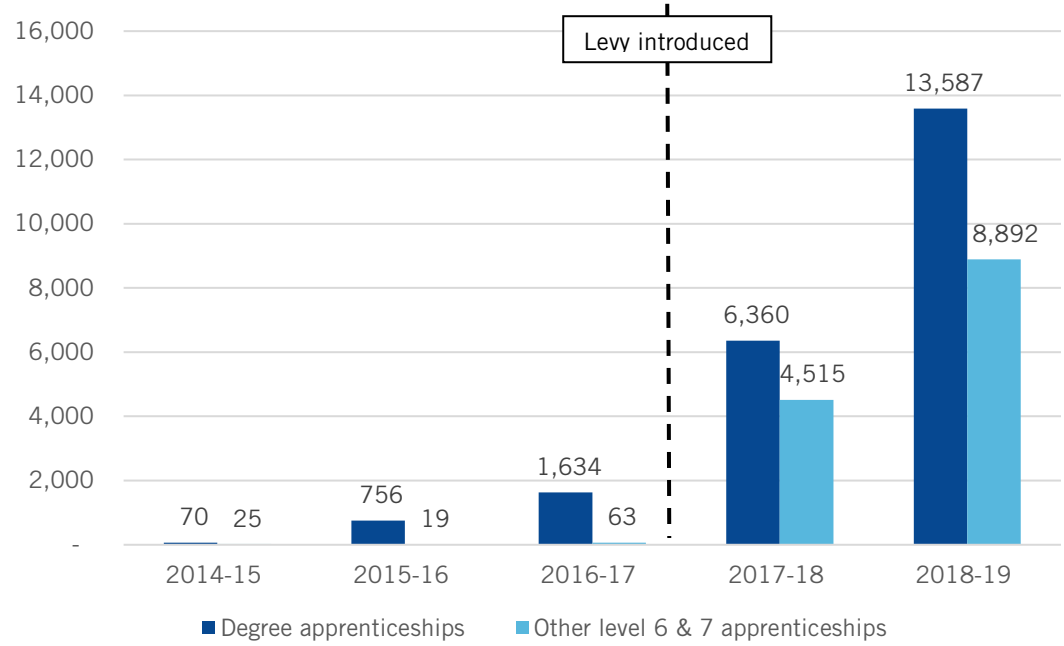
Section 4, and Table 6 in particular offers calculations on the cost of degree level apprenticeships. These are calculated by combining data on the number of apprenticeship starts in a year, the ESFA maximum funding band, and the proportion of apprentices funded by the levy. The overall cost is divided by the duration of the apprenticeship and multiplied by the number of starts, to create a per cohort per year estimate.

The ESFA funding band is a maximum, but providers in the main charge at or close to the maximum. Secondly, the start numbers do not take into account those who drop out or leave an apprenticeship part way through a year, or take into account what point in the year training was started.[9] All figures generated here are estimates, and represent an upper bound on the costs.

[9] In general this will smooth out across years, as costs from apprenticeships begun in December will largely shift into the following year in turn. However, in an environment of rapid growth, this may lead to overestimates in any particular year, as the number of starts in December Year X (which in reality will incur most costs in Year X+1), will outweigh the number of starts in December Year X-1 (which in reality will have incurred most costs in Year X).

3. Degree Level Apprenticeships: Numbers and characteristics

Figure 3. Number of degree level (levels 6 and 7) apprenticeships, 2014-2019



Source: DfE Monthly apprenticeship starts pivot table November 2019

Since degree apprenticeships began, they have grown in number year on year, with 756 starts in 2015/16 doubling by the next year, followed by a substantial jump to over 6,000 in 2017/18, and another doubling of numbers by 2018/19, to 13,500. 9,655 started a degree apprenticeship at level 6 (bachelor's equivalent), and another 3,932 at level 7 (master's equivalent).

The two full years since the levy have also seen a huge growth in other level 6 and 7 apprenticeship qualifications, from no more than a handful pre-2017, to 8,900 in 2018/19. In all, 22,500 apprentices started in the last full year, though as figure 3 shows, this still makes up just 6% of all apprenticeship starts.

As of February 2020, 17,485 apprentices had begun a level 6 or 7 in the first five months of the current year (2019/20), with a roughly equal split between the two levels, and comprising around 10% of all apprenticeship starts reported in 19/20.[10] Though the impact of coronavirus will no doubt have significant effects on the level of growth in 2019/2020, with many employers having halted apprenticeship recruitment entirely.[11]

Nonetheless, with such impressive growth in the five years up to 2020, the major questions is of the characteristics and drivers of this increase.

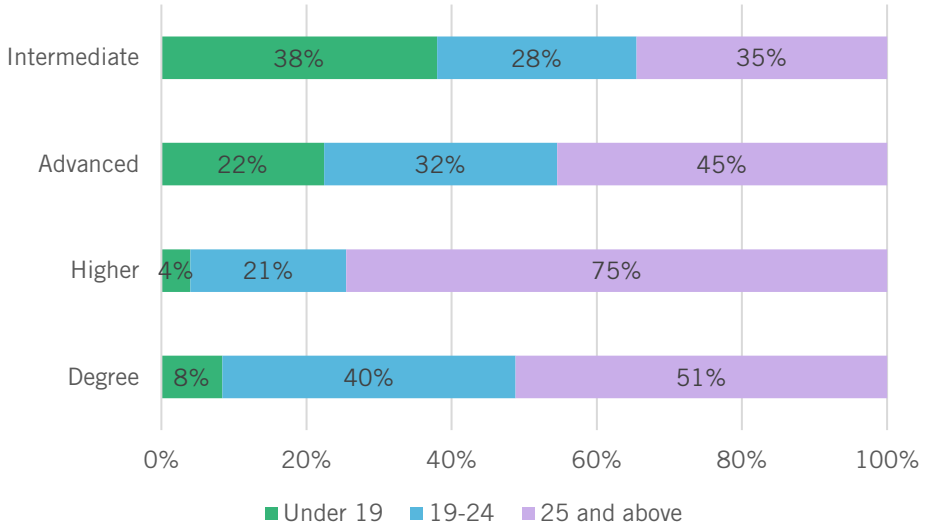
[10] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/868419/february-2020_monthly-table-pack.xlsx

[11] https://www.tes.com/news/more-half-employers-stop-recruiting-apprentices

Age

Figure 4 shows the age profile of apprentices across the different levels. While the majority of intermediate and advanced level apprentices are under 25, those studying higher levels and above are much more likely to be over the age of 25. Over half of those starting degree level apprenticeships are over 25.

Figure 4. Age of apprenticeship starts 2018/2019, by apprenticeship level



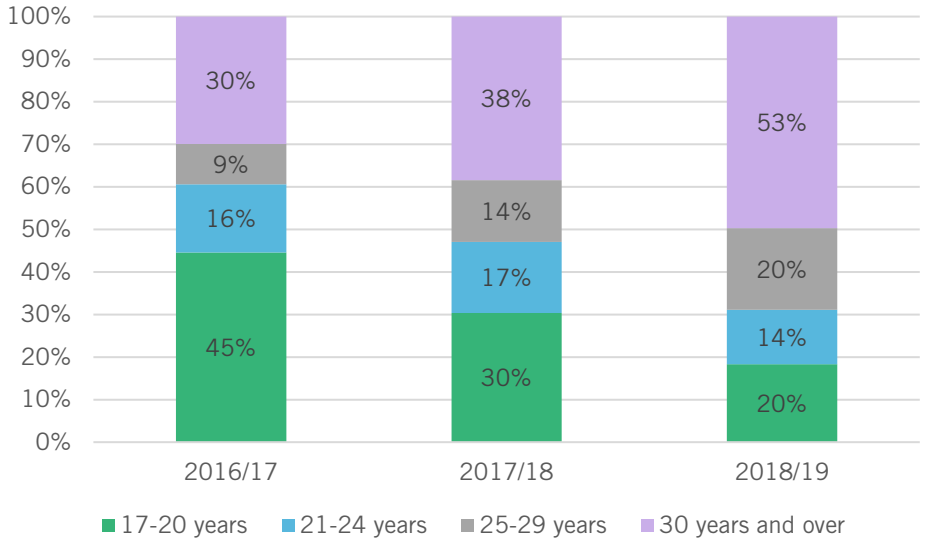
Source: DfE Monthly apprenticeship starts pivot table November 2019

Looking specifically at degree apprenticeships, it is possible to see how the pattern for these apprenticeships changed over time. For the first three years of degree apprenticeships, a large majority were aged under 25. However, when the huge growth kicked in after 2017, those over 25 caught up, and are now the majority in official statistics. Analysis of HESA data of degree apprentices at universities[12] backs this up. In fact, over half of those studying degree apprenticeships at university are *30 or over*, with just 20% between age 17 and 20. Looking at level 7 alone, over 85% of those studying are 30 plus. In fact, 68% of the growth in degree apprenticeships since the introduction of the levy has accrued to over 25s, with just 18% to those 20 or under.

While degree apprenticeships offer the promise of an alternative route to university for young people, the number of those 20 years old or younger starting a degree apprenticeship through an English university in 2018/19 amounted to just over 2,000 apprentices (about one fifth of all such apprentices).

[12] As HESA takes returns from universities only, this data does not include those undertaking degree apprenticeships at Further education colleges.

Figure 5. Age breakdown of degree apprenticeships at university, 2016-2019



Source: HESA extract

But why has there been such growth in apprentices of older age groups? Looking at what is being studied provides some of the answers.

Standards

Apprenticeship standards are part of the government's major apprenticeship reforms over the past five years, gradually replacing and phasing out the old frameworks. They are developed by trailblazer groups, allowing employers more control over the knowledge, skills and behaviours that are developed through apprenticeships. A variety of issues have arisen around the processes involved, a lack of transparency and the time taken to get standards approved. But nonetheless, the number of standards continues to increase. Currently across all levels there are 533 approved standards, 117 in development and 31 further proposed. Across levels 6 and 7 (degree level), there are 120 approved standards available.[13]

Table 3 outlines the most common standards in 2018/19, including the level, the number of starts, the age profile and the estimated costs per associated with each standard. It shows large numbers of apprenticeship starts across just a few particular standards.

Six standards (out of 64) dominated in particular, making up 16,805 apprentice starts out of 22,479. That is 75% of all level 6 and 7 apprenticeships clustered over just six standards, with many other standards showing very small numbers, including seven standards with under 5 apprentice starts last year. The most popular by some distance was the Accountancy/Taxation Professional Level 7 standard, with 30% of all degree level apprenticeship starts. Such accountancy apprenticeships make up a substantial proportion of the non-degree awarding apprenticeships at this level, and are the most significant driver of the substantial growth in this category seen in figure 3. Between 2017 and 2018, accountancy and taxation grew by over 3,000 (an 84% increase).

The second most popular standard is the one which has received most scrutiny in recent times: the level 7 Senior Leader standard, which on its own makes up 25% of all Degree Apprenticeships. This category

[13] https://www.instituteforapprenticeships.org/apprenticeship-standards/?

encompasses MBA and similar post-graduate courses, and has attracted questions about whether such courses reflect the spirit of an apprenticeship.[14] Between 2017 and 2018 this standard grew by over 2,800, an increase of 517%. While 2019/2020 data is currently incomplete and will be affected by the current health crisis, initial returns showed twice as many started such courses in September 2019 as in September 2018.[15]

These two standards make up a substantial proportion of apprenticeship starts at this level, but are substantially different in the profile of apprentices they serve. While 71% of those undertaking accountancy apprenticeships are under 25, unsurprisingly 99% of Senior Leader apprentices are 25 or older. The other four most popular standards also show contrasts in the age profile of apprentices. The next most popular standard is the level 6 chartered manager apprenticeship, undertaken by 2,850 apprentices in 2018/19, of which 72% were 25+. The digital and technology standard and chartered surveyor standard were more focused on younger apprentices, with just over 20% over 25 on both. The registered nurse standard was also one of the biggest growers between 2017 and 2018, up by 730 apprentices, an increase of 240%. The vast majority (84%) were 25 and above. The consistent picture therefore is of the fastest growing standards being the ones with the highest levels in the older age group.

Nonetheless, it can be argued that several of the most popular standards target specific areas where skill shortages have been identified. The standard with the most apprentice starts in 2018-19, Chartered Manager is an area that the CBI anticipates will have the biggest growth in jobs by 2024, with management, professional and technical roles, making up almost half of employment (47%).[16] Digital and Technology is an area where two thirds of businesses are already experiencing skill shortages within their workforce and fear there will not be enough skilled people to meet their needs going forward. In 2018 there were 55,000 chartered surveyors in the UK, down from 63,000 in 2011.[17] With older workers retiring and not enough young people training within the industry the need for a degree apprenticeship route is vital. There is also a well-documented shortage of nurses, with the Health Foundation's recently warning[18] that the 44,000 current nursing vacancies across the NHS could rise to 100,000 in a decade.

While degree apprenticeships are, in many cases, matching skill shortages in the economy, there are wider questions about prioritisation of levy funding, and whether employers using the levy to pay for qualifications for senior staff is effectively using public money for courses they would have otherwise funded privately. In an environment of limited resources, ultimately this may be coming at a cost for young people looking to start their careers.[19] The rapid growth in such courses is particularly acute given the projected overspend of levy funds,[20] which has been further accentuated by the coronavirus and an anticipated recession affecting levy returns. There is clearly a significant skew in terms of content and diversity among the most popular standards. Senior leadership and chartered management programmes together make up almost half (46%) of the entire degree apprentice cohort. While such skills are clearly in need, such a skew is unlikely to reflect the overall balance of skills gaps in the economy and will do little to benefit younger people looking for new opportunities.

[14] https://www.bbc.co.uk/news/education-51650984

[15] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/875221/201920_March_MonthlyAppStartsFwk.xlsx

[16] https://www.cbi.org.uk/media/1341/helping-the-uk-to-thrive-tess-2017.pdf

[17] https://www.macdonaldandcompany.com/blog/2019-5/Building-Surveyors-Skills-Shortage-Getting-Worse

[18] https://www.health.org.uk/publications/reports/falling-short-the-nhs-workforce-challenge

[19] https://www.tes.com/news/exclusive-universities-exploit-apprenticeship-levy-create-market-cut-price-mbas

[20]

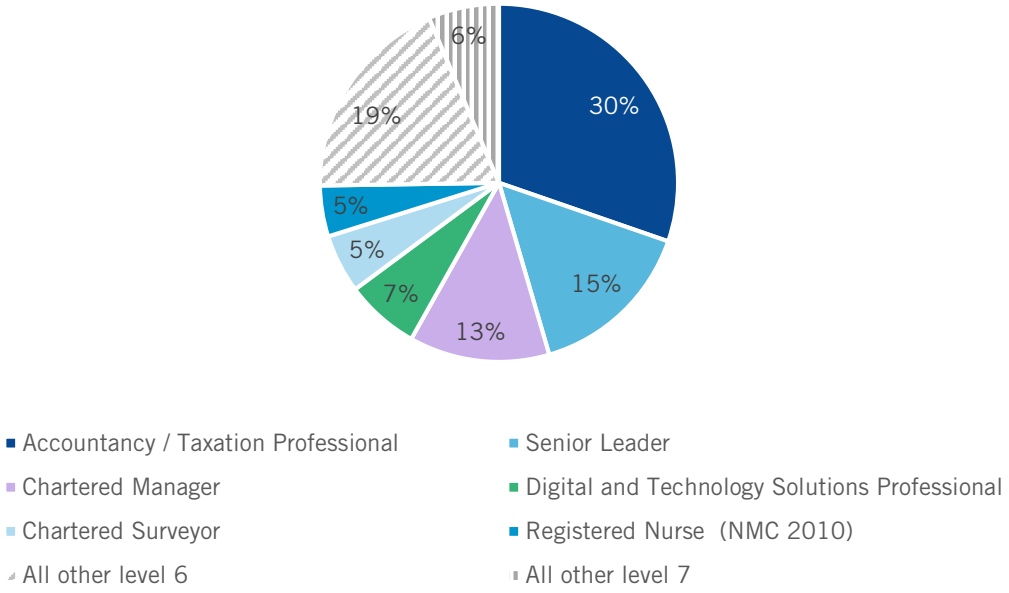
Table 3. Degree level apprenticeship starts, age and funding by apprenticeship standard/framework

Level 6 and 7 by subject 2018-19					
Standard or Framework	**Degree**	**Level**	**Total apprentice starts 2018-19**	**% over 25**	**Maximum Funding level**
Chartered Manager	Degree	6	2,850	72%	£22,000
Digital and Technology Solutions Professional	Degree	6	1,508	22%	£25,000
Chartered Surveyor	Degree	6	1,192	23%	£27,000
Registered Nurse (NMC 2010)	Degree	6	1,034	84%	£27,000
Civil Engineer	Degree	6	623	18%	£27,000
Financial Services Professional		6	283	35%	£18,000
Manufacturing Engineer	Degree	6	280	20%	£27,000
Product Design and Development Engineer	Degree	6	249	16%	£27,000
Healthcare Science Practitioner	Degree	6	248	66%	£27,000
Police Constable	Degree	6	231	51%	£24,000
Teacher		6	222	70%	£9,000
Senior Insurance Professional		6	219	28%	£21,000
Chartered Legal Executive		6	204	55%	£12,000
Senior Compliance / Risk Specialist		6	165	73%	£27,000
Social Worker	Degree	6	163	98%	£23,000
Building Services Design Engineer	Degree	6	157	36%	£27,000
Project Manager	Degree	6	140	24%	£22,000
Aerospace Engineer	Degree	6	135	3%	£27,000
Other Standards	**Degree & non-degree**	**6**	**921**		
			10,824		
Accountancy / Taxation Professional		7	6,811	29%	£21,000
Senior Leader	Degree	7	3,410	99%	£18,000
Academic Professional		7	410	99%	£9,000
Advanced Clinical Practitioner (Degree)	Degree	7	247	100%	£12,000
Digital and Technology Solutions Specialist (Integrated Degree)	Degree	7	182	71%	£21,000
Solicitor		7	170	19%	£27,000
Post Graduate Engineer		7	142	37%	£27,000
Other Standards	**Degree & non-degree**	**7**	**283**		
			11,665		
			Total: **22,479**		
	Source: Monthly Apprenticeship PivotTable tool (2018/19 full year)[21] and ESFA Funding Bands[22]				
	Standards with numbers below 100 have been taken out.				

[21] Monthly Apprenticeship PivotTable tool (2018/19 full year)

[22] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/852902/Apprenticeship_Standards_Funding_Bands_20191217.ods

Figure 6. Proportion of degree level apprenticeship starts in 2018/19, by apprenticeship standard



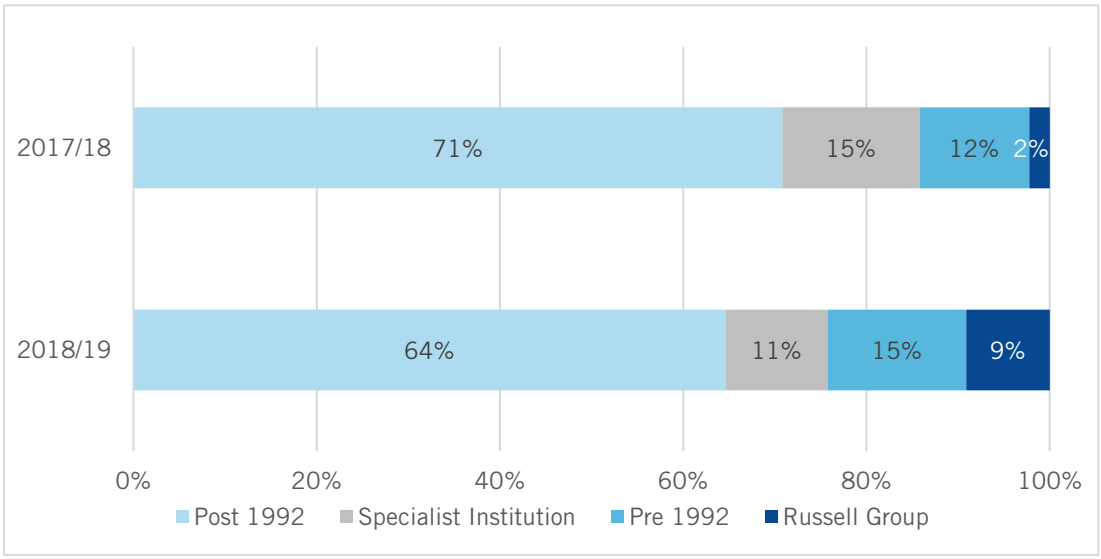
Source: DfE Monthly apprenticeship starts by framework/standard January 2020

Degree apprenticeship providers

Universities play a crucial role in delivering the teaching element within degree apprenticeships. In 2018-19 there were 167 higher education (HE) providers offering degree apprenticeships at level 6 and 7, which is an increase from 117 in 2017-18 and 58 in 2016-17.[23] As the number of apprenticeships increase, provision is evolving quickly. As figure 7 shows, most degree apprenticeship starts in the university sector are in post-1992 universities. However numbers elsewhere are growing, both at pre-1992 universities, and, particularly at the Russell Group, where the proportion of degree apprenticeship starts rose from 2% in 2017/18 to 9% last year. This represents an increase from just 92 starters recorded in HESA returns for 2017/18, to over 1,000 in the following year.

[23] Office for Students (2020) Analysis of level 6 and 7 apprenticeships.

Figure 7. Breakdown of degree apprenticeships at university, by university type, 2017-2019



Source: HESA extract

The largest provider of degree apprenticeships is actually the Open University, with other leading providers including Manchester Metropolitan, Anglia Ruskin and Sheffield Hallam. Cranfield University is the leading provider of level 7 degree apprenticeships, in particular its school of management. The leading providers among Russell Group universities are Exeter University and Warwick, but just over half of Russell Group universities currently offer degree apprenticeships.

It is essential for more Russell Group universities to continue to work with employers to offer high quality, degree apprenticeships, in order for apprenticeships to be seen as on par with traditional university degrees. Increased prestige and respect towards apprenticeships will only continue to develop if leading universities are enabling young people to gain degrees with them through the apprenticeship route. The option to pursue the degree apprenticeship pathway should not be restricted to a limited number of universities and we are now starting to see this change.

Geographical spread

Looking at the spread across England of institutions offering degree apprenticeships, in 2018-19 London was the region with the highest number of starters of level 6 and 7 apprenticeships, almost doubling its intake since 2017/18. The extent of London's dominance is driven by level 7 apprenticeships, including accountancy and senior leader apprenticeships. The South East is next, with 11% of all degree level apprenticeship starts in 2018/19, followed by the North West with 9%. All regions reported substantial increases in 2018/19, with the greatest proportional increases coming in the East Midlands (237%) and the North East (222%), two regions with the lowest numbers, but who are catching up. These numbers don't include Wales, or in particular Scotland, which has seen the recent establishment of 'graduate apprenticeships'.[24] The role of the Open University as a leading provider is important, as they can act as the learning provider for apprentices working anywhere in the country, including HE and FE coldspots.

[24] https://www.skillsdevelopmentscotland.co.uk/news-events/2019/august/first-report-on-graduate-apprenticeships-reinforces-value-of-work-based-learning/

Table 4. Degree level apprenticeships, by region of study

Region	Level 6 & 7 entrants 2017-18	Percentage	Level 6 & 7 entrants 2018-19	Percentage
London	4305	40%	8035	36%
South East	1360	13%	2490	11%
North West	1045	10%	2135	9%
West Midlands	855	8%	1655	7%
Eastern	935	9%	1615	7%
Yorkshire and Humber	485	4%	1430	6%
South West	415	4%	1240	6%
East Midlands	365	3%	1230	5%
North East	320	3%	1030	5%
	10,875		22,480	

Source: OfS Analysis of level 6 and 7 apprenticeships[25]

More detailed geographic information on the location of those doing degree apprenticeships specifically is not published by the government. However, such information is published for all those in higher and degree apprenticeships together (levels 4 and above). This paints an interesting picture of the geographical distribution of higher apprentices, particularly when adjusted for population. While Yorkshire and the Humber have over a thousand apprenticeship starts per year overall for every 100,000 in the population, less than 17% are degree or higher apprenticeships. Per unit population, the North East and North West have the highest rates of higher apprenticeships (157 and 159 per 100k respectively), with high rates of apprenticeships overall. London has the lowest intensity of apprenticeship starts in the population, but a higher proportion of those are at higher and degree level (27%).

Table 5 shows apprenticeship and higher apprenticeship starts in 2018/19 per 100,000 population by urban/rural category of the local authority where they live. While major urban locations like London and Birmingham have the lowest numbers of apprenticeship opportunities per head of population, a large proportion of those are higher or degree apprenticeships (23%). Whereas in rural areas, the proportion of higher level apprenticeships is around 18%. Towns and small cities have the highest rates of apprenticeships, and higher apprenticeships overall, at 150 starts per unit population in 'minor' urban locations such as Barnsley, Rotherham and Nottingham. While there are differences, it is notable that provision is relatively well spread across the country and different types of locations.

[25] Office for Students (2020) Analysis of level 6 and 7 apprenticeships.

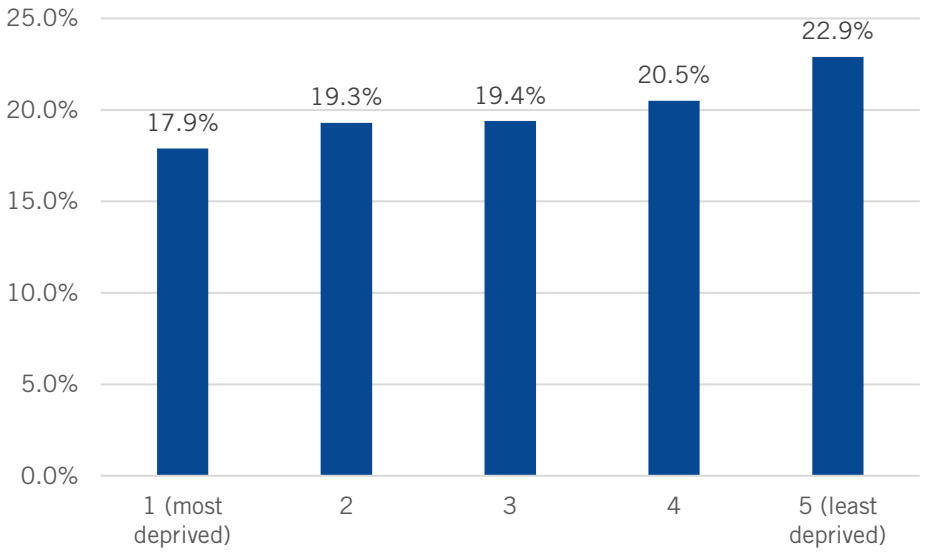
Table 5. Apprenticeship starts and proportion of higher and degree level apprenticeships 2018/19, by urban/rural category of local authority

	Total apprenticeship starts (per 100,000 population)	Higher and Degree Level Apprenticeship starts (per 1000,000 population)	Higher proportion
Mainly Rural eg Cotswold, Cornwall	799	129	18.5%
Largely Rural eg Wiltshire, Sevenoaks	778	134	18.0%
Urban with Significant Rural eg Bedford, Lancaster	720	141	20.1%
Urban (city/town) eg Coventry, Ipswich	787	145	19.3%
Urban Minor eg Barnsley, Rotherham	804	150	18.7%
Urban Major eg London, Leeds	649	141	23.0%

Source: Authors' own calculations using DfE apprenticeship starts by local authority and ONS Rural-Urban Classification for Local Authority Districts

Looking at apprenticeship provision by deprivation rates in the local authority highlights an interesting pattern that fits with the trends identified so far. The most deprived fifth of local authorities have the highest numbers of apprenticeships per unit population, and the most well-off fifth have the lowest. However, as Figure 8 shows, the proportion of apprenticeships at higher and degree level is highest in the most well-off areas, and lowest in the least well-off.

Figure 8. Proportion of apprenticeships which are at higher or degree level 2018/19, by deprivation rank of local authority



Source: Authors' own calculations using DfE apprenticeship starts by local authority and English Indices of Deprivation 2019

Employers

Apprenticeships are an employer-led system, so employers are crucial to the roll-out and delivery of degree apprenticeships. In order to understand levels of provision, the Trust conducted a survey of senior leaders and HR decision makers in businesses across the country. Looking at businesses with a minimum of 3 employees, over half of employers surveyed reported offering apprenticeships in the last 12 months. Large employers (250+ employees) are most likely to offer degree apprenticeships, more than twice as likely as medium sized businesses. Levy paying employers were also substantially more likely to offer degree apprenticeships. Companies in finance & accounting, IT/telecoms and transport were most likely to report they offer degree apprenticeships, along with employers in the North West.

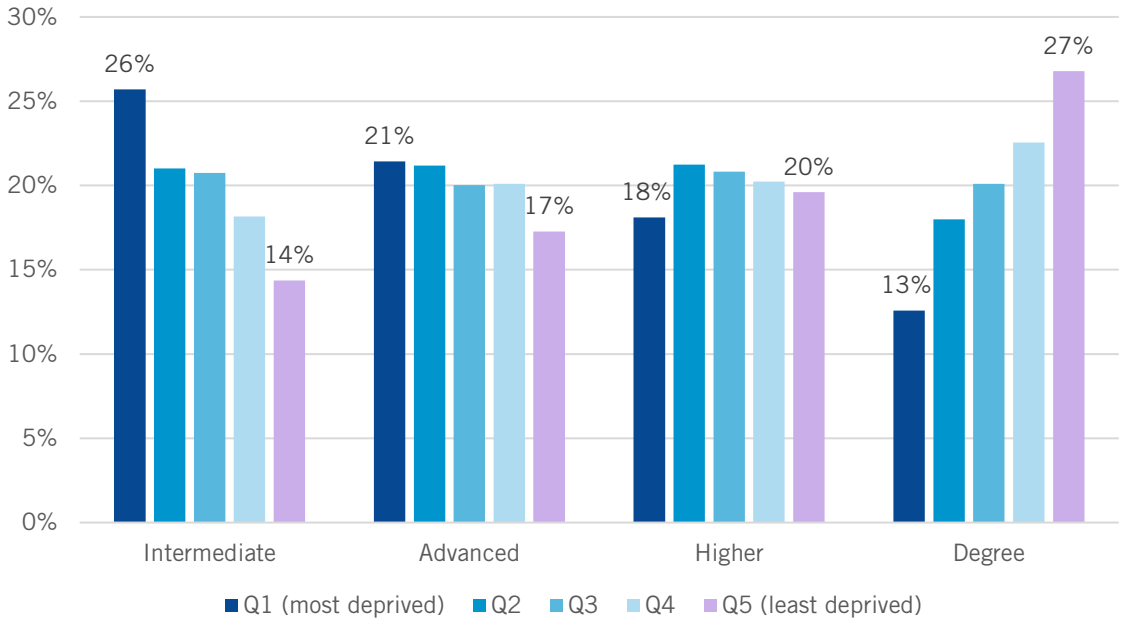
4. Access to degree apprenticeships

It is often assumed that apprenticeships don't have access problems, because they are undertaken by a disproportionate number of those from less well-off backgrounds. However, this obscures the fact that there are substantial differences in the pattern of socio-economic background at different apprenticeship levels. There are significant differences in terms of content, skills required, and career benefits between intermediate (level 2) apprenticeships on one hand, and degree level (level 6&7) apprenticeships at the other end, and these differences are reflected in the profile of apprentices. In 2017, the Sutton Trust's *Better Apprenticeships* demonstrated that disadvantaged young people (those eligible for Free School Meals) were in general much less likely to access advanced apprenticeships than similarly qualified people from non-disadvantaged backgrounds.[26] Now that degree apprenticeships have bedded in, new evidence is available on how accessible such apprenticeships are for those from lower socio-economic backgrounds (albeit based on neighbourhood measures), and thus to what extent they are facilitating social mobility and expanding opportunity.

Figure 9 shows patterns of deprivation in apprenticeships, broken down by level. Deprivation here represents the level of deprivation in the apprentice's neighbourhood. At intermediate level, there are almost twice as many apprentices from the most deprived areas as there are from the least deprived. At advanced level, those from deprived areas are slightly more likely to take part, but the differences are not great. Similarly, the pattern in higher apprenticeships is quite equal across the spectrum of deprivation. However, for degree apprenticeships the pattern is strikingly unequal. Just 13% of degree apprenticeships come from neighbourhoods in the bottom fifth of deprivation. Over twice as many (27%) come from the most advantaged areas. This pattern is the opposite of those undertaking the lowest level apprenticeships (intermediate), and has remained consistent since degree level apprenticeships were introduced five years ago. While there were 36,621 apprentices from the most deprived areas starting apprenticeships at intermediate level in 2018/19, there are just 2,785 starting degree level apprenticeships. This highlights a significant access problem, which can not be positive for social mobility.

[26] Better Apprenticeships

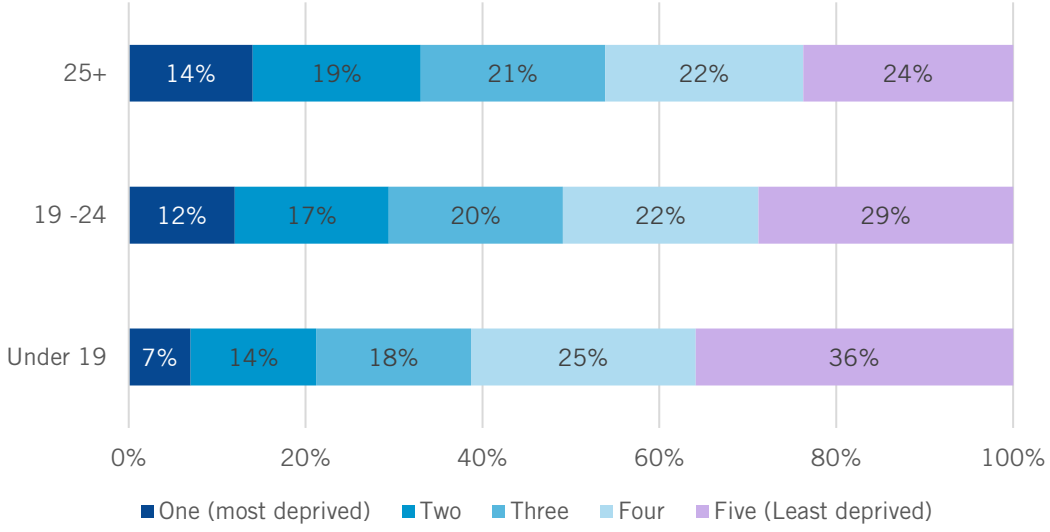
Figure 9. Proportion of apprenticeship starts 2018/19, by apprenticeship level and Index of Multiple Deprivation quintile



Source: DfE FE Data Library – Apprenticeship starts by indices of multiple deprivation

However, when you look at how disadvantage combines with the age of apprentices, the picture gets even worse. Those in the 25+ age group are more likely to have come from deprived areas. As figure 10 shows, the socio-economic disparity is much greater for younger degree apprenticeships. Just 12% of those aged 19-24 are from the most deprived areas, and 7% of those under 19. 19-24 year olds in degree level apprenticeships are two and a half times more likely to come from the most advantaged areas, and among under 19's *over five times* more likely.

Figure 10. Degree level apprenticeship starts 2018/19 by age group and Index of Multiple Deprivation quintile

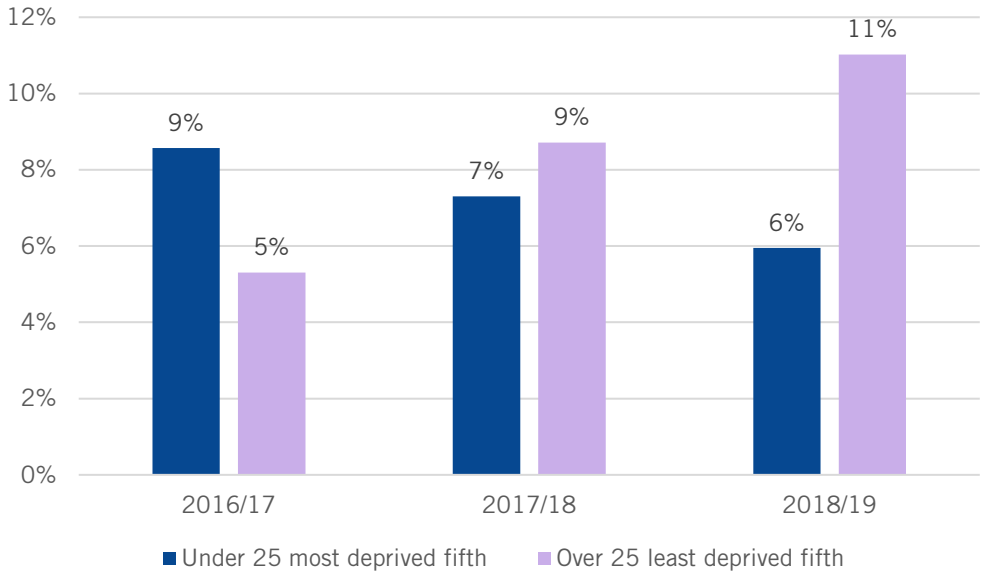


Source: DfE FE Data Library – Apprenticeship starts by indices of multiple deprivation[27]

[27] Under 19: 2,100 starts. 19-24: 15,700. 25+: 15,900

The trajectory over time is also concerning. Young apprentices from deprived areas made up just 9% of all degree level apprentices in 2016. But this has actually reduced to 7% in 2017 and 6% in 2018. In that same time, the proportion of degree level apprentices older than 25 from the most advantaged areas has more than doubled, from 5% to 11%. Despite the huge growth of degree level apprenticeships in the last three years, just 6% of that growth went to young apprentices from deprived areas.

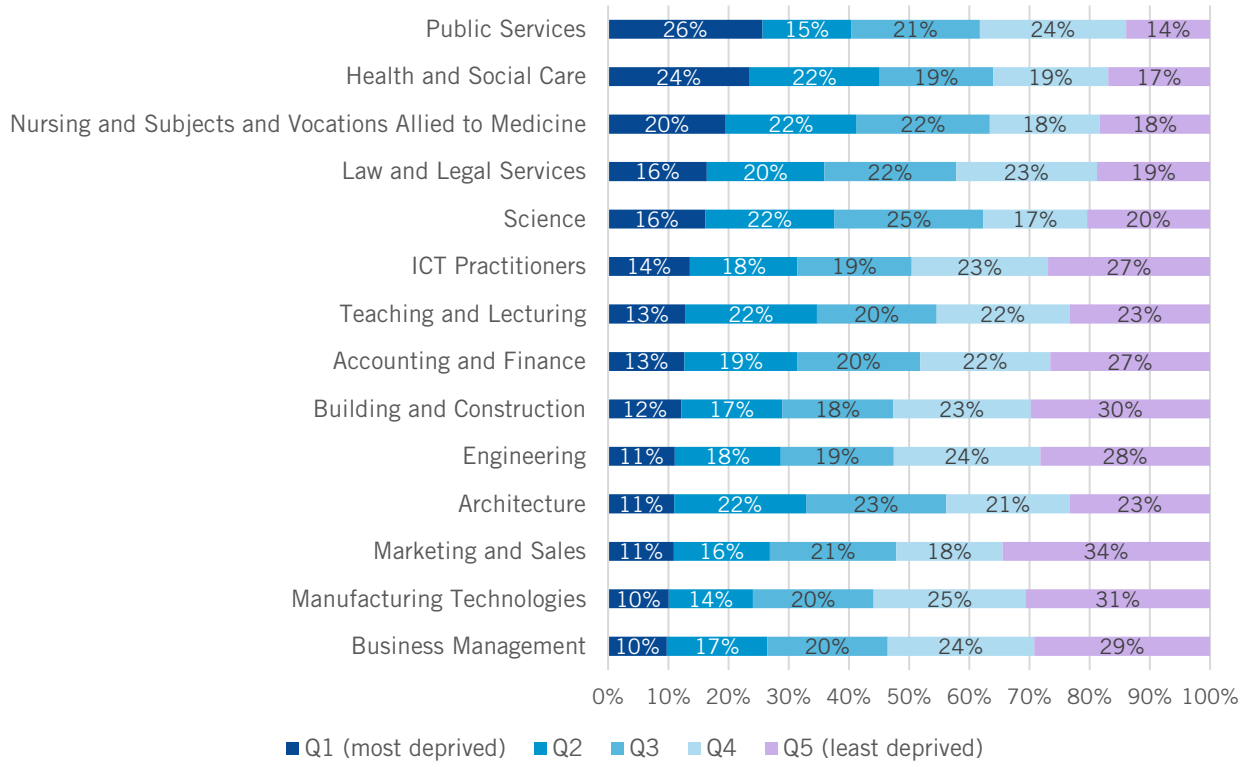
Figure 11. Degree level apprenticeship starts high deprivation younger versus low deprivation older, changes over time 2016-2019



Source: DfE FE Data Library – Apprenticeship starts by indices of multiple deprivation

The socio-economic background of apprentices also differs substantially by subject studied, as shown in figure 12. Around a quarter of those studying apprenticeships in public services, and health and social care come from the most deprived areas, along with 20% of nursing and similar subjects. However at the other end of the spectrum, just 10% of those studying business management are from the most deprived areas. Such apprentices are three times more likely to come from the most advantaged areas. Given the huge growth in apprenticeships in management and senior leadership, this is highly concerning for access.

Figure 12. Degree level apprenticeship starts 2018/19 by subject level of apprenticeship and Index of Multiple Deprivation quintile



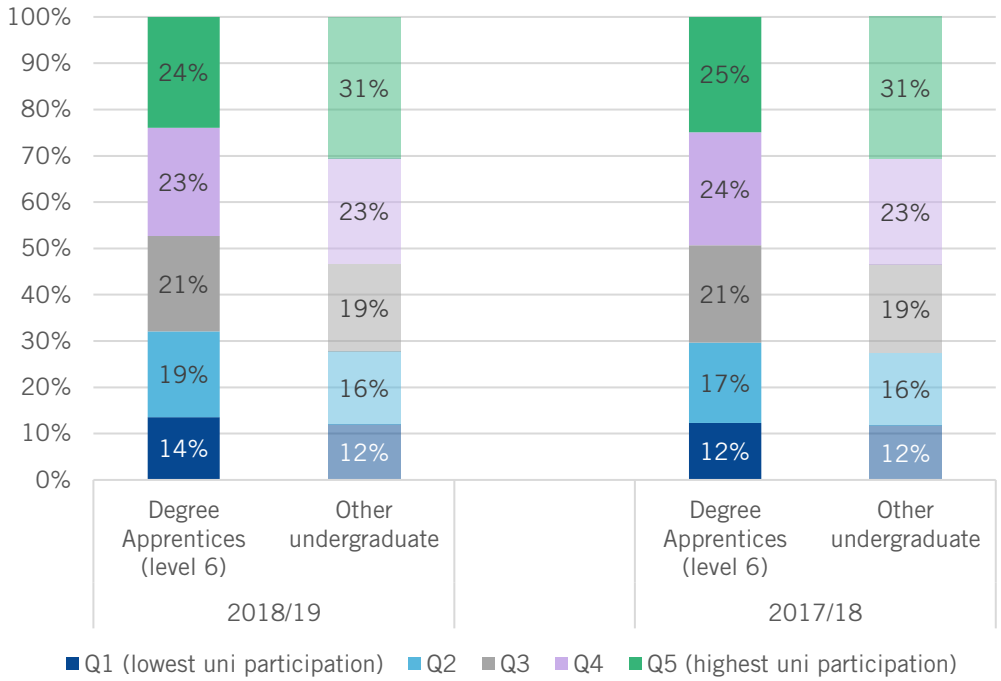
Source: DfE FE Data Library – Apprenticeship starts by indices of multiple deprivation

Access to degree apprenticeships compared to university

POLAR is a measure of different neighbourhoods' rates of university participation for young people. While an imperfect measure of disadvantage in many ways, it remains the primary measure by which the Office for Students measure, and set targets for, widening participation to university. The gaps in access to degrees at university are both wide, and widely known, particularly at the most selective and prestigious universities. Huge amounts of money and effort have been spent in the last two decades on widening access, but the gaps remain stubborn. While apprenticeships are seen as an alternative route for those who may be less suited to academic study, or who are keen to take a more hands-on route, do degree apprenticeships fare any better in terms of fair access? The answer is scarcely. Just 13% of degree apprentices at universities come from low participation neighbourhoods, compared to 24% in the highest participation neighbourhoods. These ratios have been stable across the past three years.

Figure 13 shows that the pattern of young participation in degree apprenticeships is in fact very similar to that of first-degree undergraduates. The proportion from the areas of lowest participation differ only minimally. The only substantial difference is in high participation areas. While 31% of undergraduates come from the highest participation areas, the figure is just 24% for those studying degree apprenticeships. So while the proportion of those at the bottom does not differ, the distribution among the rest of the spectrum is more equal. A caveat should be added here that this data focuses on those at universities only, access gaps may differ for those studying degree apprenticeships through FE colleges.

Figure 13. Young degree apprenticeship in university starts (level 6) compared to undergraduate degree starts, by POLAR quintiles 2017-2019



Source: HESA extract

As discussed in section 3, there was a significant expansion of degree apprenticeship places at Russell Group universities in 2018/19. But who did these places go to? Figure 14 shows the different patterns between degree apprentices and undergraduates at Russell Group universities and elsewhere. 9% of degree apprentices come from POLAR Q1 (lowest participation). This is lower than degree apprentices at other universities, but slightly higher than the proportion doing undergraduate degrees at the Russell Group. Again, the main differences are at the top end. While 45% of Russell Group undergraduates come from the highest participation neighbourhoods, the figure is just 31% for degree apprentices, so the Q1-Q5 access gap is much smaller among apprentices. However most of this difference is due to higher numbers of those in Q4 and Q3 compared to undergraduate degrees, and the fact remains that degree apprentices are about 3.5 times more likely to come from the highest participation neighbourhoods as the lowest.

Figure 14. Young degree apprenticeship in university starts (level 6) compared to undergraduate degree starts, by Russell Group status and POLAR quintiles, 2016-2019

The apprentice's view: Andrico (Goldman Sachs Degree Apprenticeship)

Andrico currently works at Goldman Sachs working on financial software, whilst studying towards an undergraduate degree in Computer Science at a Russell Group University as part of his degree apprenticeship. Andrico moved back to London from South Africa without any formal qualifications before attending a Sutton Trust Summer School at age 17.

After his first year at college he started seriously thinking about what he considered to be his natural next step, to go to university. Having received minimal information around apprenticeships from college, limited to just one external talk, much later in the course he stumbled across the website of an organisation called Uptree.

"I then started attending more events regarding what apprenticeships were and when I did, I was surprised that so few people knew about them. I had to be really proactive at looking up apprenticeships to find more opportunities."

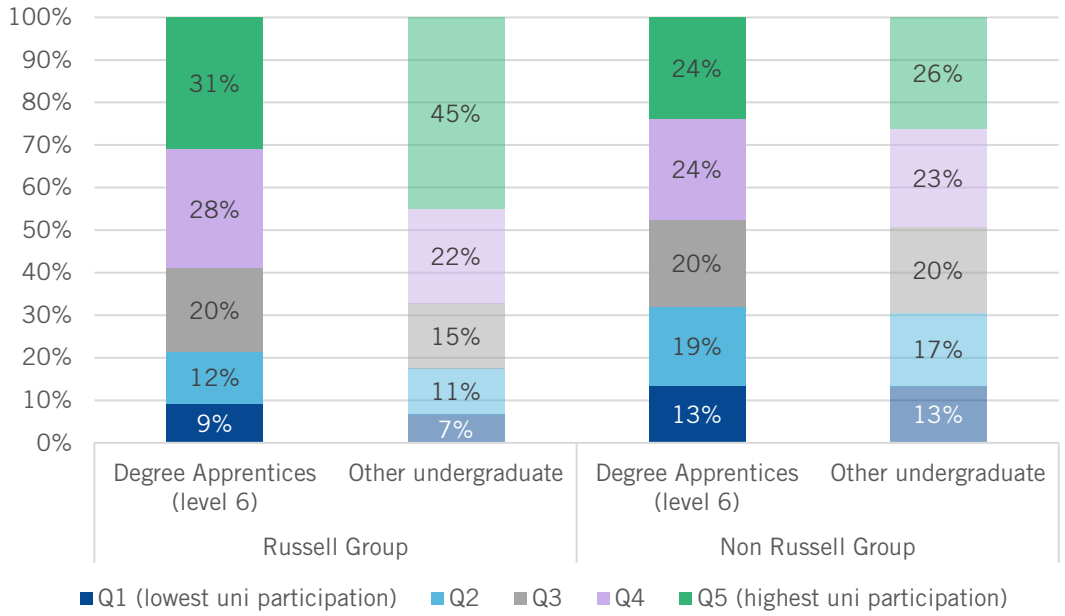
This led him to realise that being able to work on practical software engineering projects whilst learning fundamental and theoretical knowledge at university would give him work experience that his peers going straight to university would not have. For Andrico, a degree apprenticeship made a lot of sense, he knew that being able to implement his university learning on real projects was the best way for him to learn software engineering.

When asked where he found his apprenticeship, he said "I came across my apprenticeship online, although I don't remember where exactly, most of them appeared online at random times of the year without much information." Even once he found apprenticeship opportunities, it wasn't straightforward: "A barrier for me to accessing degree-level apprenticeships was given that I had not done GCSE's while living abroad, some schemes refused to progress my applications despite having top Level 3 grades." However, he described his Goldman Sachs application process as "easy for school leavers to apply to, with no trick questions I was able to interact with real people during the process."

With his passion for technology and motivated by the prospect of a degree apprenticeship, he was offered a place on Goldman's Sachs Degree Apprenticeship programme.

"I've always had high attention to detail in my work, been strongly analytically minded and love working with smart people. Goldman Sachs is a place where I can do all those things. I also enjoy being able to practise what I'm learning at university by being given real responsibility. From very early on I was working on real projects with real impact. The salary and the fully funded degree is a bonus!"

With young people being the future of the workplace Andrico thinks "apprentices can add massive value to small or large organisations. We bring in fresh perspectives, new ways of approaching problems and an attitude of wanting to do meaningful work. We need more young people shaping what the world of work should look like."



Source: HESA extract[28]

This data reflects that seen elsewhere, including an Office for Students survey of degree apprentices, showing that 11% had attended private schools, similar to traditional higher education overall (10%) and higher than the average of pupils attending such schools (7%).[29] Addressing these access gaps must become of paramount importance in degree apprenticeships, as it is recognised to be when it comes to university admissions more generally. It is important to ensure degree apprenticeships are attracting young people with diverse aspirations, including those who may have otherwise undertaken a university degree with less relevance to the workplace, but also those with lower level apprenticeship qualifications who would benefit from progression. The Office for Students' Degree Apprenticeships Motivations Research found that 25% of their sample would not have pursued any other form of qualification or training if they had not undertaken their apprenticeship.[30] This is a positive finding, suggesting that degree-level apprenticeships are enabling some people to acquire qualifications that they previously believed to be unobtainable. 38% of level 6 respondents would have opted for a traditional degree if they were not undertaking their apprenticeship. Furthermore 82% of those at Level 6 and 71% of those at Level 7 suggested that cost was a very or somewhat important reason for them choosing to participate in a degree apprenticeship, indicating the attractiveness of the route as an alternative to the tuition fee debt associated with a traditional degree.

On the one hand it is encouraging that this route is respected as much as the traditional route by these respondents, but on the other hand this is restricting access for young people whose only option to gain a higher education qualification may be through an apprenticeship. Improving these access issues will rely on a two-pronged approach, making sure widening participation is informing admissions policies for such apprenticeships, but also increasing the supply of these qualifications, ensuring there are many more higher and degree-level apprenticeships available to young people.

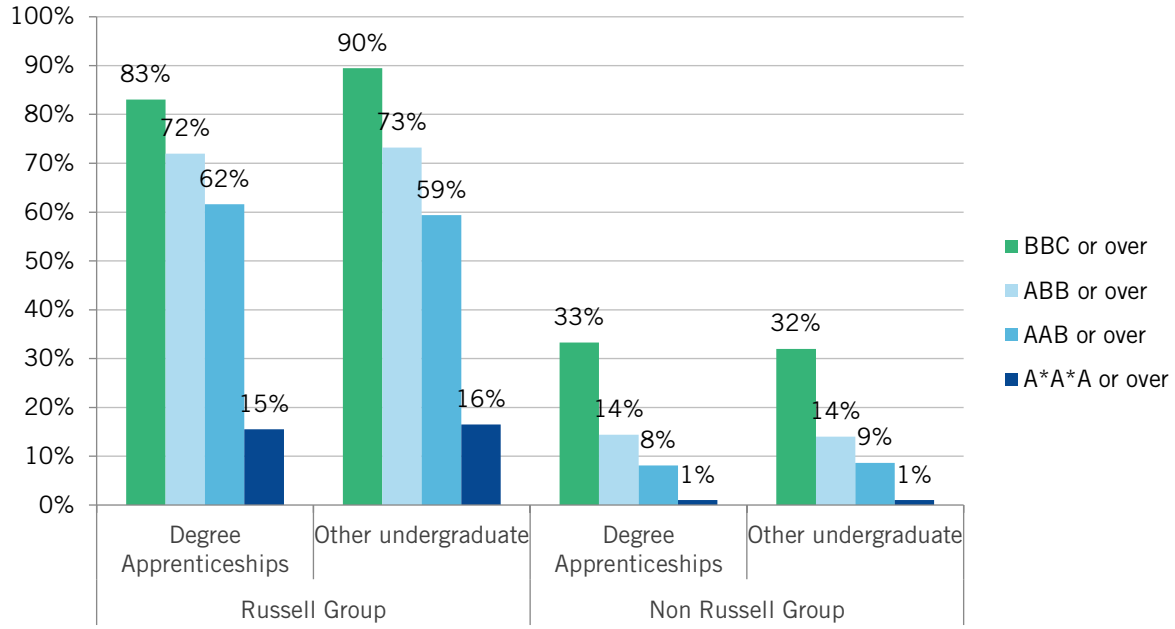
Barriers

[28] Note: For this period, degree apprentice starters under 25 at Russell Group institutions was c.400
[29] OfS Degree Motivations
[30] ibid

One of the current barriers to greater access is school attainment. Inequalities in exam results has been long seen as one of the biggest drivers of inequalities in access to university, but significantly less is known about its impact on apprenticeships. Analysis of HESA returns, looking at young degree apprenticeships who had achieved A levels (due to data limitations this does not include the whole cohort, which includes those from abroad, from Scotland, and those who studied BTECs only) reveals the patterns of attainment between degree apprenticeships (at level 6), compared to equivalent undergraduate study.

Figure 15 shows how many young people achieved at various grade levels (using best 3 A level results to create an equivalent UCAS tariff score), at Russell Group and non-Russell Group universities. While there are more apprentices who achieved lower than the equivalent of BBC in their A levels at Russell Group universities, at the top end of the spectrum, the proportions achieving ABB, and even A*A*A are almost the same as other undergraduates at those universities. The average young degree apprentice at a Russell Group with A levels achieved AAB, effectively the same as those doing other undergraduate course. Similarly, outside the Russell Group, the pattern between degree apprentices and other undergraduates virtually mirror each other. The average was just below the equivalent of CCC, the same as for undergraduates. While degree apprenticeships outside the Russell Group are less academically selective, they generally require the same grades as other undergraduate courses. Degree apprenticeships at Russell Group universities in particular are highly selective, emphasising the challenges for access. Contrastingly, the Open University has no such entry requirements for their degree apprenticeships programme, and 13% of their degree apprentices have a Level 2 qualification or below.[31]

Figure 15. A level attainment for those with A levels, degree apprenticeship starts versus other undergraduate, 2016-2019



Source: HESA extract[32]

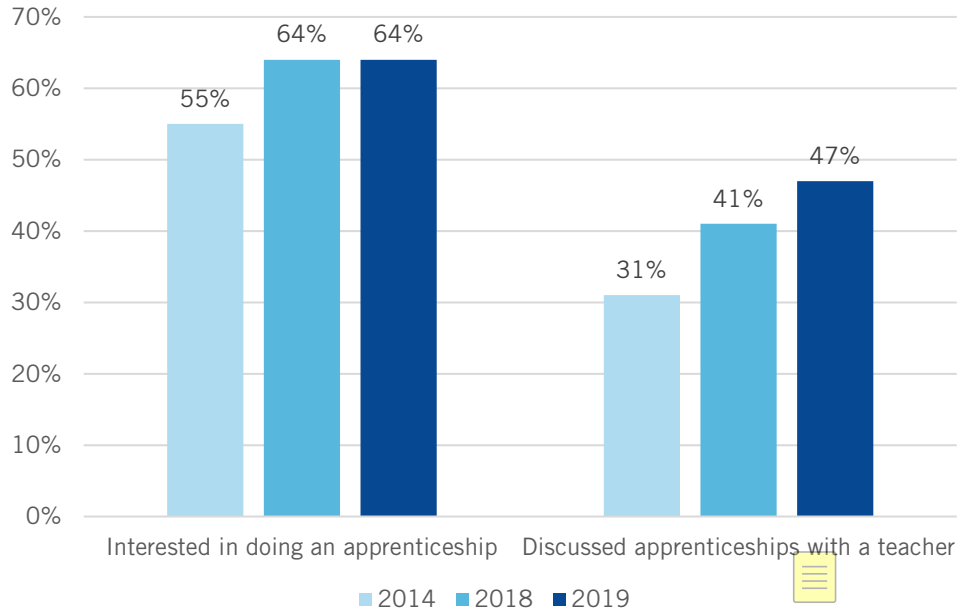
We also know there are still barriers even before this stage of employers receiving applications, especially young people not receiving good quality careers advice around apprenticeships. In our 2019 polling 47%

[31] ?

[32] Note: For this period, degree apprentice starters under 25 at Russell Group institutions with attainment data was c.300

of young people in school (age 11-16) had discussed apprenticeships with a teacher compared to two thirds (64%) stating they would be very or fairly interested in doing an apprenticeship. Nonetheless, this figure is up dramatically in five years since 2014, when just 31% had discussed it with a teacher. However, many teachers remain hesitant, with almost two thirds (61%) still rarely or never advising a high performing student to opt for an apprenticeship.[33] Although we have seen positive progress, with a rise in young people open to the concept of apprenticeships and more teachers discussing it, this remains inconsistent and in need of further improvement, particularly when compared to other pathways.

Figure 16. Interest and engagement of young people in school with apprenticeships, 2014-2019



Source: Ipsos MORI Young People's Omnibus for the Sutton Trust

Access barriers - employers

While some employers will seek assistance with recruiting and selecting apprenticeships, and universities often work with the employer to identify and select candidates, it is the employer that is ultimately

[33] This is also backed up by a case study conducted in Sheffield, showing low levels of school encouragement among those undertaking apprenticeships, with more encouragement having come from family. http://cver.lse.ac.uk/textonly/cver/pubs/cverbrf002.pdf

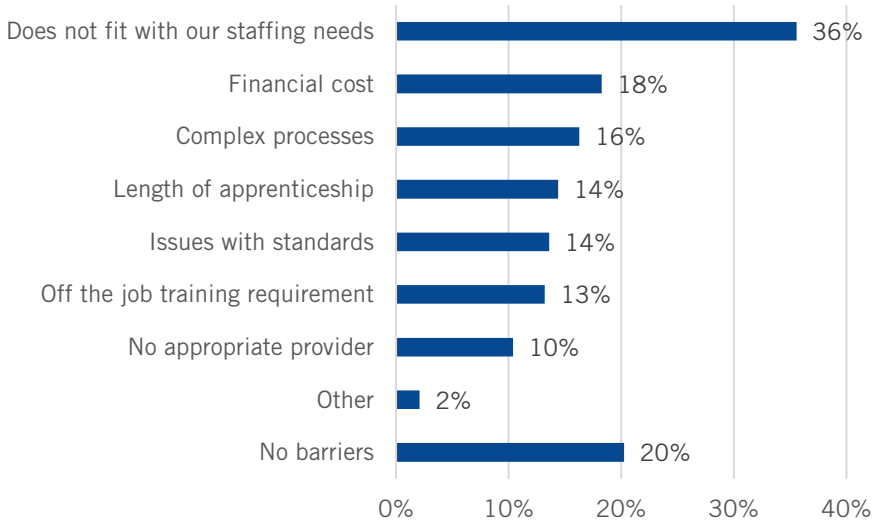
making the choice to accept a degree apprentice, in contrast with traditional degrees. To better understand the access gaps at these apprenticeships, employers were asked about their approach to access, and their opinion on the barriers to widening participation in degree apprenticeships.

Two thirds (67%) of employers say that making apprentices accessible to those from lower socio-economic groups is important to them, including 79% of levy paying employers. Employers in London were most conscious of such issues (also 79%). 74% of large employers saw access as important, compared to 50% of small employers (less than 50 employees).
Despite the access gaps at degree level, employers who offer degree level apprenticeships were more likely to see access as important compared to employers offering lower level apprenticeships. This is perhaps because those hiring at lower levels do not need to be conscious of such issues because most applicants are from disadvantaged backgrounds.

One of the main barriers to better access is the relative lack of supply. Despite the booming growth, there are still very few apprenticeships at degree level in comparison either to other types of apprenticeships, or to university, and as they have proved popular, employers can afford to be highly selective. In situations of such high competition, this almost inevitably means that those from less well-off backgrounds lose out, as they lack the advantages of their better off peers in terms of both exam results and the support they receive in applications.

Employers were thus asked what factors prevent them from hiring more degree level apprentices. The primary barrier identified by employers was the sense that it did not fit with their staffing needs, at 36%. Financial cost was also cited by 18%, along with the complexity of the process (15%) and challenges with the approval of appropriate standards (14%). 13% cited the requirement for apprentices to spend time in off the job training. Levy payers were more likely to cite complex processes (22% v 13%) and issues with standards (19% v 8%). Non-levy employers were most likely to say they didn't fit with their staffing needs (30% v 45%).

Figure 17. Barriers to hiring more degree apprentices, HR decision makers



Source: YouGov Business Omnibus for the Sutton Trust

For non levy payers, more than half reported they had not tried to access funds for apprenticeships, but among those who had, 51% had found the process fairly or very complicated.

When asked about the barriers faced by disadvantaged young people, employers perceived a variety of issues faced: 28% cited a tendency to apply to lower level apprenticeships instead, 27% reported that they don't have high enough grades, and 26% said applications and interviews fall short in areas other than grades.

Data collection

Unlike the university sector, minimal data around the socio-economic background of apprentices is published officially, with the index of multiple deprivation data reported in Section 3 the primary source of such statistics. While IMD is a good measure of neighbourhood deprivation, it does not necessarily reflect the individual circumstances of an apprentice.

Each year, the Department for Education publish widening participation in Higher Education statistics, which this year revealed that the gap in progression rates to university between free school meal-eligible (FSM) and non-FSM pupils has increased by almost one percentage point.[34] No such comparable statistics are published for apprenticeships. Free school meals eligibility of apprentices *broken down by apprenticeship levels* (perhaps for young apprentices only) should be regularly published in order to give a transparent picture of the extent to which apprenticeships are enabling social mobility.

As they take the primary role in recruiting apprentices, there is a responsibility on employers to record and track the characteristics of their apprentices. However, just 33% of employers we surveyed collected any data on the socio-economic background of their apprentices, with 61% of HR decision makers in those firms reporting that they don't. Large employers were more than twice as likely to collect data as small employers. Of those who do collect data, school type was the most common, at 51%, followed by self-assessed background at 49%. Free school meals eligibility was collected by just 23%, with POLAR the lowest on 20%. Despite being the most common, whether someone attended state or private school provides limited detail on the family circumstances of most candidates.

However, some employers are putting in considerable work to ensure their apprenticeships are accessible to all and tracking and publishing the background of their apprentices, including KPMG (see case study).

[34] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/852633/WP2019-MainText.pdf

Employer case study – KPMG

KPMG is a global network of independent member firms offering audit, tax and advisory services. Since 2017 they have been ranked in the top two of the Social Mobility Employer Index and they have put social mobility at the centre of their efforts to seek out talented young people and offer them rigorous training. They do this through targeted outreach work, specifically designed work placement programmes, apprenticeship programmes and monitoring their socio-economic diversity of the workforce.

Outreach
Targeting young people from low socio-economic backgrounds is the focus of KPMG's approach to student outreach. In 2017, they developed an algorithm, in collaboration with the Bridge Group, to focus outreach and resource on schools and universities with higher than average levels of students from low socio-economic backgrounds, also impacting on their approach to work experience placements.

Work Experience
KPMG's Discovery Work Placement programme has, since 2018, been exclusively offered to students from low socio-economic backgrounds and supports KPMG's commitment to Access Accountancy – a cross-organisational initiative to increase the socio-economic diversity of the wider Accountancy and Professional Services sector. A week-long programme introduces students to the various career pathways available at KPMG, whilst also providing tailored information and support for individuals to apply for an apprenticeship, after which they are fast-tracked through the recruitment process. Over half of the 142 attendees from their 2018 programme applied for a 2019 apprenticeship and almost 50% of those who applied were then successful in securing an apprenticeship.

KPMG360°
In 2015 KPMG introduced its KPMG360° apprenticeship programme. Since its launch, the programme has seen consistent increases in applications and intake, particularly candidates from socially-diverse backgrounds. The programme covers accountancy, digital and business services, with the recent addition of Software Engineering and Audit apprenticeship programmes, with the intention of expanding the range of apprenticeships going forward. Each of these programmes are long-term and provide participants with professional qualifications – including at degree level and above – intended to equip them with the skills and knowledge to succeed at KPMG and beyond.

Data Monitoring
KPMG see data as critical to their efforts to be more inclusive. In 2016, KPMG was the first business in the UK to publish comprehensive data on the socio-economic background of its workforce, something they have continued to report on annually ever since. Specific to apprentices, in 2019: 21% of the apprentice intake were eligible for Free School Meals (versus 19% in 2018). 26% of the apprentice intake had a parent working in a routine or manual occupation at the age of 14 (versus 20.6% in 2018) and 92% of the apprentice intake attended a state school (versus 88% in 2018).

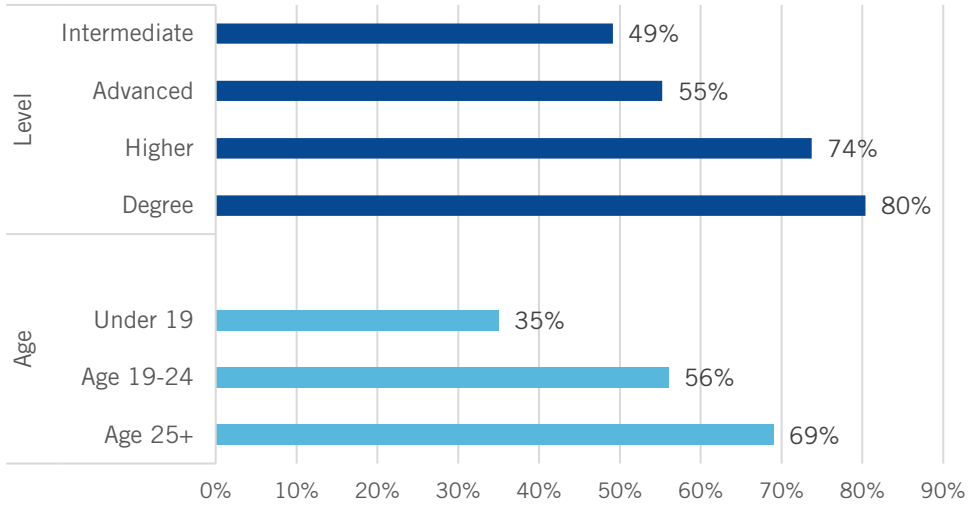
Degree Apprenticeships are important to KPMG as they represent the company's commitment to offering pathways beyond the traditional graduate route and as a tool to future proofing and diversifying its workforce. This is why the business have invested in developing a strategic programme providing learners with a tailored and supportive experience from education to employment – something even more crucial for students entering their business from low socio-economic backgrounds.

5. Degree Apprenticeships and the Levy

The apprenticeship levy was introduced by the government in 2017, as part of the wider apprenticeship reforms. Employers with a payroll over £3 million pay 5% of this into their digital account, which is then topped up by 10% by the government. They then draw down this money to fund apprenticeship training. The intention was that not every employer would spend their full levy allowance and the unspent funds would be accessed by non-levy employers (i.e. Small and Medium Enterprises) to fund their apprentices.

The government expected the quality of apprenticeships to improve through longer periods of training and more rigorous end point assessments, but this has come at a cost not fully anticipated. The cost of the new apprenticeship standards is much higher than the frameworks they are replacing, and large employers are increasingly leaning towards higher and degree-level apprenticeships. 61% of our surveyed employers who pay the levy reported offered degree-level apprenticeships, compared to 25% of non-levy paying employers. Higher and degree-level apprenticeships are more expensive, so while uncertainty remains over the levy and the wider DfE apprenticeships budget, there is not the anticipated funding available for non-levy employers, and it looks likely that the budget will be overspent.[35] This has led to widespread concerns about the sustainability of the apprenticeship levy in its current form.[36]

Figure 18. Proportion of apprenticeship starts funded by the apprenticeship levy, by age and apprenticeship level



Source: DfE Apprenticeship and levy statistics October 2019

Figure 18 shows the proportion of apprenticeships funded by the levy, broken down by apprenticeship level, and age. Less than half of intermediate apprenticeships are funded by the levy, providing some of the explanation for their precipitous decline in numbers. There is a clear pattern of higher level apprenticeships receiving more levy support. 80% of all degree level apprenticeships are funded by the levy, including 83% of those at level 6, and 78% of those at level 7. As a consequence there are also significant disparities of levy funding by age. 69% of apprentices age 25 plus are funded by the levy, with just over half that rate of under 19s in levy funded apprenticeships. This is demonstrated further in Table 6.

[35] https://www.nao.org.uk/report/the-apprenticeships-programme/
[36] https://feweek.co.uk/2018/12/03/levy-budget-bust-government-agency-warns-of-imminent-apprenticeship-over-spend/

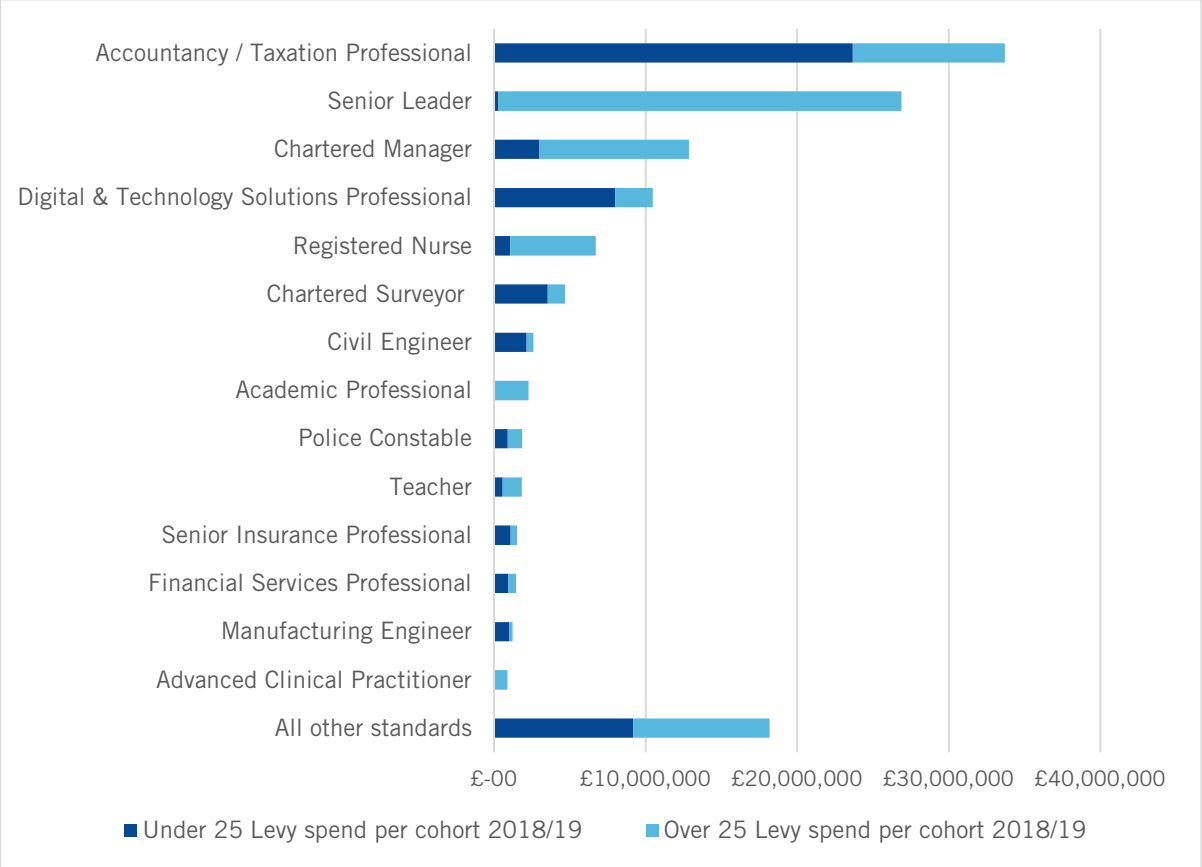
Table 6. Degree level apprenticeship statistics 2018/19, by apprenticeship framework/standard, age and levy funding

Standard	Level	Number of levy supported apprenticeships	Proportion levy supported overall	Proportion of apprentices under 25	Levy supported (under 25)	Levy spend per cohort 2018/19 (under 25)	Levy supported (over 25)	Levy spend per cohort 2018/19 (over 25)	Levy spending on under 25s	Total levy spend
Accountancy / Taxation Professional	Level 7	4,814	71%	71%	70%	£23,667,000	73%	£10,031,000	**70%**	**£33,698,000**
Senior Leader (Degree)	Level 7	2,987	88%	1%	85%	£297,000	88%	£26,586,000	**1%**	**£26,883,000**
Chartered Manager (Degree)	Level 6	2,337	82%	28%	67%	£2,992,000	88%	£9,861,500	**23%**	**£12,853,500**
Digital & Technology Solutions Professional (Integrated Degree)	Level 6	1,257	83%	78%	82%	£8,000,000	89%	£2,475,000	**76%**	**£10,475,000**
Registered Nurse - Degree (NMC 2010)	Level 6	994	96%	16%	94%	£1,080,000	97%	£5,629,500	**16%**	**£6,709,500**
Chartered Surveyor (Degree)	Level 6	868	73%	77%	72%	£3,553,200	76%	£1,134,000	**76%**	**£4,687,200**
Civil Engineer (Degree)	Level 6	527	85%	82%	86%	£2,145,273	80%	£441,818	**83%**	**£2,587,091**
Academic Professional	Level 7	380	93%	1%	100%	£24,000	93%	£2,256,000	**1%**	**£2,280,000**
Financial Services Professional	Level 6	281	99%	65%	100%	£941,143	98%	£504,000	**65%**	**£1,445,143**
Police Constable (Degree)	Level 6	231	100%	49%	100%	£912,000	100%	£936,000	**49%**	**£1,848,000**
Manufacturing Engineer (Degree)	Level 6	224	80%	80%	81%	£977,400	75%	£232,200	**81%**	**£1,209,600**
Advanced Clinical Practitioner (Degree)	Level 7	223	90%	0%	-	-	90%	£892,000	**0%**	**£892,000**
Senior Insurance Professional	Level 6	218	100%	72%	100%	£1,099,000	98%	£427,000	**72%**	**£1,526,000**
Teacher	Level 6	203	91%	30%	93%	£558,000	91%	£1,269,000	**31%**	**£1,827,000**

Source: Author's own calculations using DfE Apprenticeship and levy statistics October 2019 and ESFA funding bands

As Table 6 shows, some of the apprenticeship standards with the highest proportions in older age groups are most likely to be supported by the levy – for example – 88% of senior leadership apprentices are levy funded. In fact, just 33% of the degree apprenticeship levy budget is spent on apprentices under the age of 25, while the same amount goes to senior leader apprentices alone. In total, over 25's make up 51% of starts at this level, but 56% of costs. While in many standards, a similar proportion of apprentices are funded by the levy, in others there are discrepancies. While 88% of chartered managers over 25 were supported by the levy, this was just 67% of those under 25. The accountancy/taxation professional standard has by a distance the most young apprentices, with a 71% of those under 25, of whom most are supported by the levy. Across all Level 6 and 7 apprenticeships, this has the highest levy spending. Figure 19 shows in graphical form how a small number of apprenticeships dominate funding, with accountancy and senior leadership dwarfing most others in terms of spend.

Figure 19. Levy spend per cohort in 2018/19 by age and apprenticeship framework/standard, degree level apprenticeships



Source: Author's own calculations using DfE Apprenticeship and levy statistics: October 2019 and ESFA funding bands

Reform of the levy in the near future seems highly likely. There have been a variety of measures proposed to reform the levy, from employer organisations, apprenticeship providers and third sector bodies. The priority of employers has been to increase flexibility and ease of use, with some suggesting renaming the levy a skills levy, and allowing employers to use their levy funds on any type of training. Simplifying complex processes has also been a regular call from business.

Other organisations, concerned at the precipitous fall in lower level apprenticeships, and the high cost of higher and degree level apprenticeships, have called for apprenticeships at higher levels to be excluded from the levy altogether. However, such a move would fatally undermine the growth of degree

apprenticeships, and undermine the potential of this model of education. There are undoubted flaws in the apprenticeship levy, and it has resulted in many unforeseen consequences. Placing the employer at the heart of the system was an understandably attractive approach. However, businesses respond to rules and incentives, and some of the rules and incentives built into the levy system undermine the original goals of the policy. For example, it is easier for employers to minimise bureaucracy by spending their levy funds on a small number of high cost apprenticeships for existing employees, than establish greater numbers of new opportunities for apprentices across different levels. Just 42% of employers in our survey reported that four-fifths of their apprentices were new starters. This was even lower, 34% of employers offering degree level apprenticeships. The problem of training being 'rebadged' as apprenticeships, and used to accredit existing skills rather than genuinely upskilling has been much discussed.[37] In order to tackle this, the architecture of rules and incentives in apprenticeships will need to change. Depending on the government's appetite, this could take the form of additional rules to regulate how businesses spend their levy funds, or it could include adding incentives or 'nudges' to encourage employers to use levy funds in a way that enhances the economic and social goals of the apprenticeship system.

[37] https://www.nao.org.uk/report/the-apprenticeships-programme/

6. Discussion

Degree apprenticeships are full of promise for social mobility. They offer a combination of practical on the job training with the portability of a university degree. They allow young people to earn a salary while learning and avoid the levels of debt experienced by traditional university students. But put simply, the degree apprenticeship programme is not delivering for social mobility. Their growth is impressive, but that growth has seen young apprentices from disadvantaged backgrounds edged out in favour of older apprentices from wealthy areas. As the Trust warned in 2017,[38] the initial roll-out has seen a conservative approach from some employers, particularly levy-paying businesses, in focusing on existing staff. What we need to see now is a step up in ambition in terms of offering new opportunities.

Their popularity has meant that many degree apprenticeships are oversubscribed, with complex multi-stage application processes and high requirements in terms of exam results. This has created access challenges very similar to those for normal university degrees, with degree apprenticeships at Russell Group universities in particular drawing from a select few. Degree apprentices have succeeded in providing alternative pathways for those going to university, but they are not creating new pathways for those who otherwise may not have gone to university. For apprenticeships to truly deliver on levelling up social mobility, they need to cater to both.

Furthermore, the introduction of the apprenticeship levy has skewed the growth of degree apprenticeships, incentivising the rapid growth of apprenticeship standards that are aimed at older, more experienced staff. This has accelerated the trend since age-based funding rules were relaxed in 2006 of apprenticeships becoming a largely 'adult' programme.[39] While addressing skills gaps in management and senior leadership is undoubtedly valuable, it is the extent of the dominance of a small number of standards that is disproportionate, and raises questions of whether employers are gaming the system, effectively 'reclaiming' levy payments by prioritising existing staff.

The question is whether tax should be funding highly qualified employees to be undertaking such courses under the guise of apprenticeships. The same amount of levy funding in 2018/19 was spent on the senior leader standard alone as was spent on all degree apprentices under 25. This balance is clearly not correct. The recent announcement that the senior leader apprenticeship can no longer require the inclusion of a MBA may start to shift this, but it remains to be seen what effect this will have on provision and take-up in practice.[40] However, this issue is even more acute in the context of the coronavirus health crisis, and the likelihood of a significant drop in both levy contributions and in apprenticeship opportunities overall.

It is more vital than ever that the levy is focused where it can have the greatest impact. There are a number of ways of achieving this. In 2019/20, simply removing levy support for the senior leader standard could have saved £62m in apprenticeship levy funds. However, a less blunt instrument might be to introduce a 'salary ceiling' for apprentices, ensuring that limited levy funds are not being used on highly paid executives and is instead focused on creating new opportunities and upskilling those who might benefit the most. The imposition of an appropriate salary ceiling would likely address the issue with the senior leader standard, and save significant amounts elsewhere in the apprenticeship budget. There are other alternative approaches, including requiring employers to 'top up' funding to apprentices

[38] Unwin, L and Fuller, A (2017) Apprenticeship Quality and Social Mobility
[39] Unwin, L and Fuller, A (2017) Apprenticeship Quality and Social Mobility
[40] https://feweek.co.uk/2020/04/24/mba-apprenticeship-to-live-on-despite-attempt-to-axe/

in certain categories, for example older apprentices, existing staff, or staff who already hold equivalent qualifications. Though there would need to be some room for flexibility in terms of the latter. This would have the effect of saving money, while also incentivising levy spending on more social useful apprenticeships. For example, requiring a 50% top up for the over 25s could save at least £35m per cohort per year, 28% of the budget for level 6 and 7 apprenticeships.

Despite these issues, it is vital that degree apprenticeships are kept within the ambit of the apprenticeship levy. To exclude them would be to endanger the progress made over the last five years in developing genuinely valuable opportunities. It is vital that apprenticeships of all levels are on offer to young people at different stages in their training and for industries with different levels of skills needs. The focus must instead be on ensuring that the best opportunities are made more widely accessible to those from all backgrounds. While some have called for the exclusion of level 7 apprentices from the levy altogether, the accountancy degree-level apprenticeship stands as an example of an apprenticeship helping to create new pathways into an industry and is playing a strong role in social mobility initiatives in the sector.[41] While some accountancy apprenticeships require a degree qualification (and thus could be seen as simply replacing existing graduate programmes), many require level 3 (A level and equivalent) only, and offer lower level qualifications as staging posts throughout the journey to the final level 7 qualification. To better understand the role apprenticeships at this level are playing in the career ladder, the government should collect and publish data on the prior educational achievements of apprentices.[42]

As well as the supply of degree apprenticeships, further work on demand is necessary. The profile of apprenticeships has increased markedly in recent years, as Sutton Trust polling has shown, but there is still a lack of understanding among teachers and students of the benefits of the apprenticeship route. Previous research from the Trust has shown that a lack of information was the biggest barrier to teachers offering better advice to their pupils on apprenticeships,[43] and it is vital that teachers are supported more to do so. The 'Fire It Up' campaign led by the Department for Education has been a start, but that growth must be capitalised on. A more centralised portal for apprenticeship applications could play a significant role in raising the profile and prestige of apprenticeship pathways, along with simplifying the application process and reducing barriers to entry. The complexity of navigating the application process for degree apprenticeships, which differ substantially across employers and universities is a significant challenge, particularly for those who have access to less support. There are substantial challenges to creating the often suggested 'UCAS for apprenticeships', with differing timetables and differing priorities among SMEs and large employers. Many larger employers prefer to run their own application processes rather than use a centralised system. However there could be a role for government and the levy by incentivising employers to join such a system, given the benefits for the apprenticeship sector as a whole of providing such a portal. The Sutton Trust itself is launching a degree apprenticeships programme in order to tackle the inequities in the information and guidance young people receive and to ensure that young people from less advantaged backgrounds can make an informed choice about whether an apprenticeship is right for them. The programme will allow students to learn what life as an apprentice is like and will aim to build confidence by facilitating engagement with current apprentices and employers, through improving skills and knowledge.

[41] See KPMG case study

[42] Assessments on prior learning are already conducted before taking an apprenticeship, so it is important for transparency that these statistics are published. https://www.theyworkforyou.com/wrans/?id=2020-03-02.23664.h&s=apprenticeship#g23664.q0

[43] Sutton Trust (2018) Apprenticeships Polling 2018. Available at: https://www.suttontrust.com/our-research/apprenticeship-polling-2018/

A culture of widening participation is vital for degree apprenticeships, in recognition of the access challenges that clearly exist for the best opportunities. A variety of measures can be taken by both providers and employers to tackle this. Contextual admissions should be used in application processes to ensure that the differing barriers faced by young people in their schooling are taken into account. As with selective universities, contextualising admissions is vital to ensuring fair access for those from all backgrounds, and the high attainment levels of degree apprenticeships, particularly at Russell Group universities is indicative that some flexibility is important for widening access. Data is crucial as part of this process. Employers should collect data on the socio-economic background of their apprentices in order to better understand the barriers to those from certain backgrounds. It is also vital that the Department for Education publishes regular statistics on the background of apprentices, broken down by level, including eligibility for free school meals, and more detailed information on age breakdowns.

The levy is also crucial as a tool for incentivising greater access and opportunities for social mobility. Spending levy money on access and outreach activities should be both permitted and promoted, with employers entitled to use a certain proportion of levy money on outreach. This could include bursaries, outreach to local schools, access programmes and open days, or travel for disadvantaged apprentices. Employers using levy money should also be required to publish anonymised statistics on the age, level, socio-economic background and average salary level of apprentices, along with the proportion of new and existing staff entering apprenticeships.

Targeting training at the largest skills gaps, and ensuring that, in a post-Brexit economy recovering from the impacts of the coronavirus health crisis, Britain is training young people with the right skills for business to flourish is an essential element of apprenticeships reform and any changes to the levy. But equally important are the consequences for growing opportunities for young people and providing bridges to social mobility. Making the levy work for those from less well-off backgrounds, living in left behind communities across the country is essential if this government wants to deliver on its 'levelling up' agenda. Higher and degree apprenticeships, as a consequence of their geographic spread and pathways to career success, have the potential to play a key role in delivering this agenda. But this will not happen without reform of the levy, the degree apprenticeship system, and placing creating genuinely new opportunities for young people at the centre of the system.