FABIAN SOCIETY

PATHWAYS TO APPRENTICESHIPS

FIXING ENGLAND'S PRE-APPRENTICESHIP SYSTEM

Joe Dromey

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SUMMARY

The government is seeking to reduce the number of young people who are not in employment, education or training, and the new prime minister has committed to reforming the skills system to ensure all young people have a clear route into a skilled job. Supporting more young people into apprenticeships would help deliver these goals. To do so, we will need to strengthen pre-apprenticeship pathways.

Apprenticeships provide fantastic opportunities for young people to develop their skills and build a career. Under the Conservative government, however, the number of young apprentices plummeted. We have seen the biggest decline in young people taking apprenticeships of any advanced economy, with the number of under-25s starting an apprenticeship falling by 40 per cent in the decade to 2024/25 and a particularly steep decline among young people from disadvantaged backgrounds.

This low number of young people taking apprenticeships is in part due to the impact of the apprenticeship levy – now called the growth and skills levy. Employers prioritised investment in existing, older and often better qualified staff. However, the weakness of the pre-apprenticeship system also contributes to a low number of young people starting apprenticeships.

We do not currently have a pre-apprenticeship system worthy of the name. While the academic route is clear, pathways for young people who want to take an apprenticeship are complex and poorly understood. This is compounded by patchy careers education information, advice and guidance (CEIAG) relating to apprenticeships. Despite widespread employer concerns about young people not being work-ready, too few employers engage with the skills system and provide meaningful work experience. The system is also highly centralised and beset by perverse incentives.

We need to strengthen pre-apprenticeship pathways if we are to reverse the decline in young people taking apprenticeships. Clear pre-apprenticeship pathways are vital to ensuring that young people who choose this route have a line of sight to a good job and that they can access the support that they need. Strengthening pre-apprenticeship pathways would ensure young people are better prepared, reducing the proportion who do not complete their apprenticeship. Effective pre-apprenticeship support could also help unlock demand for apprenticeships by reducing risk and cost.

There are three things the government needs to deliver to achieve their objective of supporting more young people into high-quality apprenticeships.

1. Boost employer investment and redirect opportunities toward young people

If we are to reverse the decline of the last decade, and support more young people into apprenticeships, we need bold reform of the growth and skills levy. Previous Fabian Society research has called for the levy to be increased over time to 0.7 per cent of payroll, with the threshold at which employers start paying the levy lowered to £1m. This would raise an additional £2.5bn by 2029, which should be ringfenced for employer investment in skills.

The additional funds should be used to introduce an apprenticeship grant for employers, supporting SMEs who take on apprentices and shifting investment toward young people.

2. Build clear pathways into apprenticeships for young people

Reform to drive up employer investment is necessary but not sufficient. We also need to build effective pre-apprenticeship pathways – nationally and locally – which support young people into apprenticeships. The government should:

- **Rebalance 14-16 education with a greater focus on vocational opportunities and workplace experiences**. The government should create VCSEs to provide a high-quality vocational pathway alongside GCSEs. Designed with employers and linked to occupational pathways, VCSEs would simplify the system and increase awareness of and esteem for the technical pathway.
- **Redesign foundation apprenticeships to create a pathway to apprenticeships**. Foundation apprenticeships have struggled to get off the ground, with just 160 starts in nine months. Foundation apprenticeships should be made more flexible, and expanded to other industries. Employers should be able to use levy funds to cover half the cost of pay, saving nearly £5k for each young person they employ. Taken together, this could deliver 26,000 starts annually, at a total cost of £236m in levy funding.
- **Enable local leaders to build effective pre-apprenticeship pathways for young people who are 'Neet.'** A regional apprenticeship fund worth £311m should be created by devolving 5 per cent of funds raised by the growth and skills levy. Mayoral strategic authorities

and other local areas should use this funding to develop bespoke local pre-apprenticeship programmes for young people who are not in education, employment or training, linked to guaranteed apprenticeship opportunities in the regional economy.

3. Fix the wider system to support transitions to apprenticeships

Alongside these reforms, the government should make wider changes to the system to support effective transitions to apprenticeships. The government should:

- **Improve information, advice and guidance in schools**. All schools should have a dedicated careers lead, qualified to level 6 and with a good understanding of apprenticeships. Careers leads should have additional planning, preparation and assessment time to do this crucial role. Ofsted should take action to ensure compliance with provider access requirements so that young people understand the opportunities available through apprenticeships in their local area.
- **Engage employers as partners in the system**. The government should strengthen incentives for employers to engage with pre-apprenticeship pathways, including doubling grants for T-level industry placements and increasing grants for foundation apprenticeships by 50 per cent. Employers who offer an apprenticeship to a young person who has completed a T-level industry placement or a foundation apprenticeship with them should receive an 'apprenticeship progress premium' of £2,000. Taken together, these measures would cost £191m in levy funding. The government should make better use of procurement and planning to encourage employers to invest in pre-apprenticeship pathways. Mayors and other local leaders should establish regional employer brokerage services to help employers engage with pre-apprenticeship training and the wider skills system.
- **Change accountability rules to support transition to apprenticeships**. The government should remove perverse incentives in the system that disincentivise schools and colleges from supporting young people into apprenticeships. This should include reforming Progress 8 and the qualification achievement rate for colleges.

1. INTRODUCTION

The government is committed to increasing the number of young people taking high-quality apprenticeships. The previous prime minister set out an aspiration of supporting two-thirds of young people into higher-level learning across academic, technical or apprenticeships. As part of this, the government set a target of supporting 10 per cent of young people into higher technical education or apprenticeships by age 25 by 2040.[i] This would represent a near doubling of the current figure.[1]

The new prime minister shares this ambition. As mayor of Greater Manchester, Andy Burnham pioneered the MBacc, an initiative which seeks to coordinate and strengthen technical pathways, and to give young people a line of sight between education and training pathways, and good jobs in local growth sectors. In his first speech after re-entering parliament, Burnham committed to building "an education system based on parity between academic and technical… giving every young person growing up here a clear path into a reindustrialised Britain."[2]

The proportion of young people taking apprenticeships in England is low, and it fell significantly under the Conservative government. At the same time, the number of young people who are not in education, employment or training (Neet) has risen steadily. There are now more than 1 million young people across the UK aged 16-24 who are Neet.[3]

In a recent Fabian Society report, we set out how reform to the growth and skills levy could boost employer investment in apprenticeships and tilt opportunities toward young people.[4] The government has begun this process, with reforms to the levy in its first two years.

In this report, we focus on the supply side. We explore challenges with the current pre-apprenticeship system and set out how we can build pre-apprenticeship pathways so that all young people who want to pursue this path the support they need to access a high-quality apprenticeship. The report is based on a literature review, data analysis, data from a survey of 2,000 employers, interviews with policy experts, focus groups with young people, training providers, and awarding bodies, and a stakeholder workshop. The report is focused on England since skills policy is devolved.

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[i] At level 4 and above.

2. THE NUMBER OF YOUNG APPRENTICES HAS DECLINED

Apprenticeships offer a fantastic opportunity for young people to earn while they learn, to develop their skills, and to build a career.

They have strong labour market returns, with the lifetime economic value of an apprenticeship averaging £56,000 at level 2 and £104,000 at level 3. As the interim report of Alan Milburn's review of young people and work observed, these returns are higher than those for similar classroom-based technical and vocational courses,[5] a pattern also observed in other studies.[6] The labour market returns of apprenticeships can be particularly large for young people. As table 1 below shows, advanced (level 3) and higher (level 4-5) apprenticeships have significant positive impacts both on employment rates and on wages for young people.

TABLE 1: EMPLOYMENT AND WAGE RETURNS FOR APPRENTICESHIPS ARE HIGHER FOR YOUNGER PEOPLE

Employment and wage effects of apprenticeships by level and age, England

Level	Age	Effect on employment rates (per cent)	Effect on wages (per cent)
2	16-18	7	13
	19-23	6	11
	24+	4	8
3	16-18	7	18
	19-23	5	11
	24+	3	6

4	19-23	2	15
	24+	2	10

Source: DfE, The net present value of education in England (2025)

There is also good international evidence of the impact of apprenticeships on youth employment. Analysis by Youth Futures Foundation shows that, on average, for every 10 young people who take part in an apprenticeship as a targeted youth employment intervention, one will get a job who wouldn't have done so otherwise.[7] This represents a significant impact compared to other labour market interventions.

Given the strong labour market returns, there is good reason for the government to seek to increase the number of young people accessing apprenticeships.

There is growing interest among young people in apprenticeships. This has in part been driven by an increasing awareness among young people, parents and teachers of the opportunities that apprenticeships can offer. However, interest in apprenticeships has also been driven by the increasing cost of university and a growing recognition of the variable returns to higher education. While graduates still tend to earn more, the graduate wage premium has declined in recent years, while the cost of higher education to the individual has increased.[8]

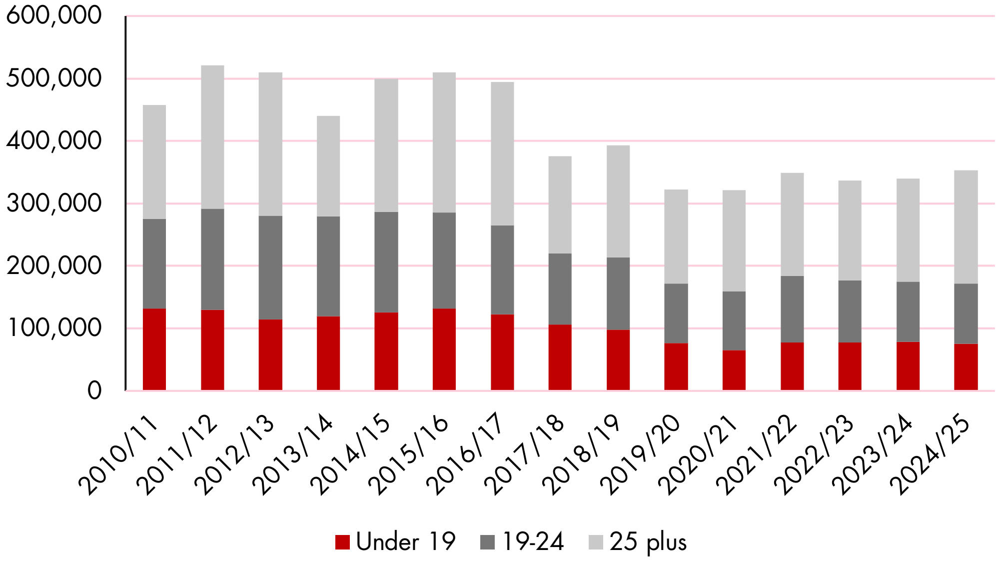
As a result of the growth in interest among young people, demand for apprenticeships is increasingly outstripping supply. Research by Edge Foundation and Kings College London shows that, for every young person who secured an apprenticeship after their GCSEs, three tried and failed. Many of these young people end up trapped in low-paid work, or become Neet.[9]

The number of young apprentices is low and declining

Over the last decade, we have seen a significant decline in the number of young people on apprenticeships. The number of young people aged under 25 starting an apprenticeship in England fell by 40 per cent from 286,000 in 2014/15 to just 172,000 in 2024/25. Over the same period, the number of people aged 25 and over starting an apprenticeship fell by just 15 per cent. The apprenticeship system has evolved from one focused on supporting young people to enter a skilled occupation, to one which is broader, with much of the focus on older, existing and often already well qualified workers.[10]

FIGURE 1: THE NUMBER OF YOUNG PEOPLE AGED UNDER 25 STARTING AN APPRENTICESHIP HAS DECLINED BY TWO FIFTHS OVER THE LAST DECADE

Apprenticeship starts by age over time, England



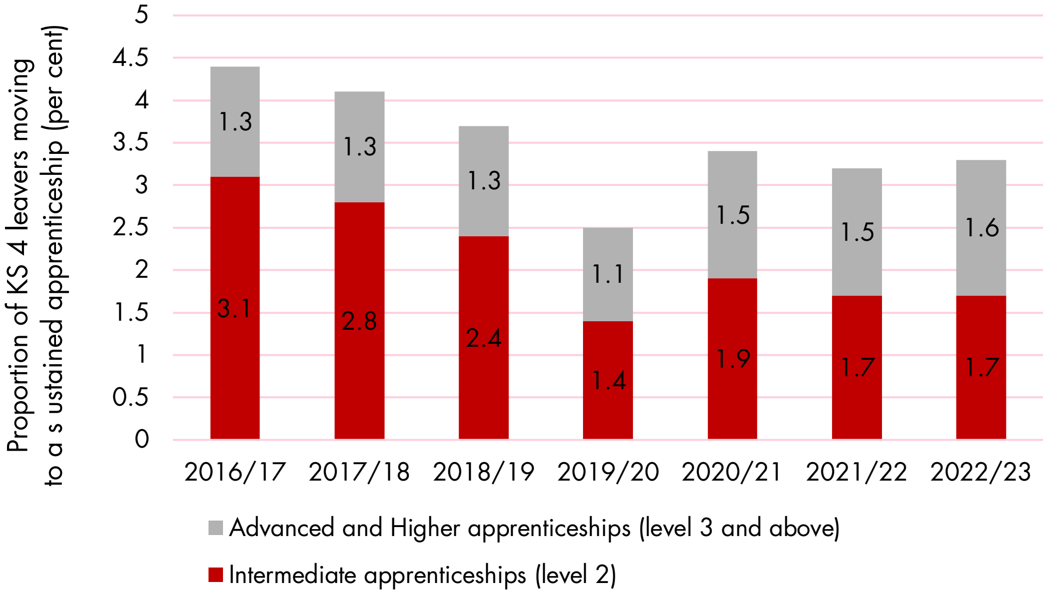
Source: DfE, Apprenticeships, 2026

At the same time, there has been a dramatic change in the balance of apprenticeships by level following the introduction of the levy. The number of intermediate (level 2) apprenticeships fell by three-quarters (74 per cent) over the last decade, while the number of higher-level apprenticeships (level 4+) increased by a factor of 10 (922 per cent).[11] This has made it more difficult for young people with lower levels of educational attainment to access entry-level apprenticeship opportunities.

The decline in young people taking apprenticeships is also visible in DfE data on the destinations of young people after key stage 4 and key stage 5. The proportion of young people moving into a sustained apprenticeship after key stage 4 (GCSEs) has declined since the introduction of the levy.[12] As figure 2 below shows, just 3.3 per cent of young people move into a sustained apprenticeship, down from 4.4 per cent in 2016/17. This has been driven by a large decline in young people moving into a level 2 apprenticeships. A similar picture presents itself when looking at the number of young people who move into an apprenticeships within three years of completing key stage 4. Among those who completed key stage 4 in 2012/13, 10.7 per cent had moved into a sustained apprenticeship within three years. This had fallen to just 7.8 per cent of young people in the 2020/21 cohort.

FIGURE 2: THE PROPORTION OF YOUNG PEOPLE MOVING INTO AN APPRENTICESHIP AFTER KEY STAGE 4 IS DECLINING

Proportion of key stage 4 leavers moving into sustained apprenticeship in England between 2016/17 and 2022/23



Source: DfE, Key stage 4 destination measures, 2026

The proportion of young people taking apprenticeships after completing key stage 5 has also declined. The proportion of young people in a sustained apprenticeship after completing 16-18 study fell from 9.3 per cent among those who left in 2017/18 to just 7.4 per cent in 2022/23.[13]

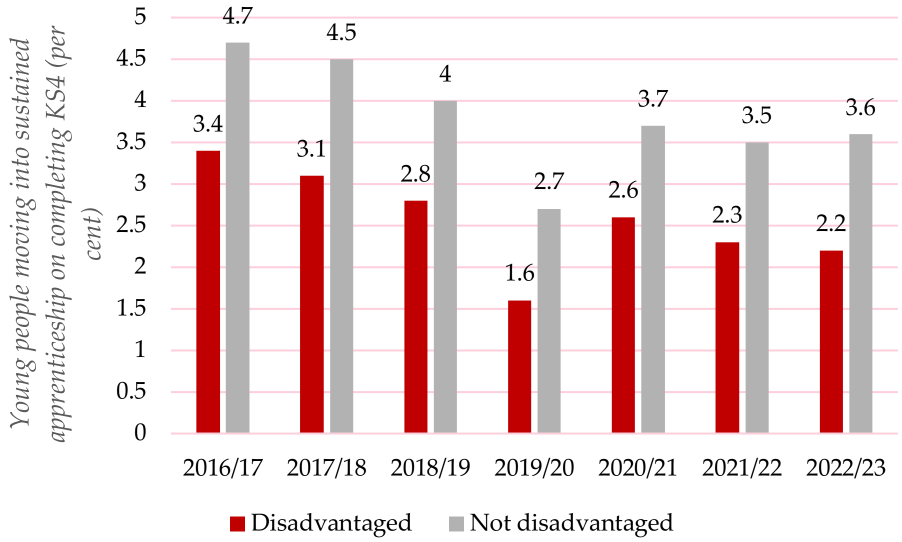
Apprenticeships and disadvantaged young people

Apprenticeships have traditionally been a route that has supported young people from disadvantaged backgrounds, as well as young people who do not thrive in an academic environment, to secure a good job and build a career. However, in recent years, we have seen a shift in apprenticeships away from these groups, and a growing disadvantage gap.

Young people from disadvantaged backgrounds are significantly less likely to progress into and complete apprenticeships than their peers. Just 2.2 per cent of young people from disadvantaged backgrounds moved into a sustained apprenticeship in 2022/23 after completing key stage 4, down from 3.4 per cent in 2016/17.[14] By comparison, 3.6 per cent of young people not from a disadvantaged background moved into an apprenticeship. A similar gap is visible looking at the proportion of young people who achieve a apprenticeship within three years of completing key stage 4. Just 5.4 per cent of young people from a disadvantaged background had achieved a sustained apprenticeship within three years compared to 8.7 per cent of their peers.[15]

FIGURE 3: YOUNG PEOPLE FROM DISADVANTAGED BACKGROUNDS ARE LESS LIKELY TO MOVE INTO A SUSTAINED APPRENTICESHIP

Proportion of young people moving into a sustained apprenticeship after completing key stage 4



Source: DfE, Key stage 4 destination measures, 2026

Again, there is a pronounced disadvantage gap in terms of the proportion of young people achieving a sustained apprenticeship after 16-18 study. Just 5.7 per cent of disadvantaged young people who left 16-18 education in 2023 moved into a sustained apprenticeship, compared to 8 per cent of their non-disadvantaged peers.[16]

As the Milburn review recently highlighted, the changes to the apprenticeship system have: “strengthened progression for those already inside the labour market while narrowing access for those outside it. For the young people for whom apprenticeships matter most, the bridge has been pulled up.”[17]

The government is alive to this challenge and is seeking to support more disadvantaged young people into apprenticeships. This includes a new bursary worth up to £4,500 for young people whose families would lose benefit income if they moved into an apprenticeship.[18]

International comparisons

Young people in the UK are less likely to take part in apprenticeships than those in most other advanced economies. Just 39 out of every 1,000 young people aged 15-24 in the UK took part in an apprenticeship in 2025. This compares to 94 young people in France, 118 in Austria, and 197 in Switzerland.[19] The gap has been growing: of all advanced economies where there is comparable data, the UK has seen the largest fall in the proportion of young people taking an apprenticeship or work-based learning programme since 2013.[20] [ii]

What has driven this decline?

The shift away from young people has in large part been driven by the impact of the apprenticeship levy and the wider apprenticeship reforms introduced at the same time.

Prior to the introduction of the levy, funding for apprenticeships was based on the age of the apprentice. Training was fully funded for apprentices aged 16-18, with less funding available for those aged 19-24 and those aged 25 and over.[21] This incentivised investment in young people.

Introduced in 2017, the apprenticeship levy aimed to put purchasing power in the hands of employers. Under the levy, employers pay 0.5 per cent of their payroll above a threshold of £3m into a digital account. These funds can be used to pay for the training or assessment costs of apprentices they employ.

Alongside the introduction of the levy, the government introduced a number of reforms to raise standards of apprenticeship training. These included replacing frameworks with employer-designed standards, introducing end-point assessment, and a requirement to study English and maths for apprentices without a good pass at GCSE.

The combination of the levy and the wider reforms has shifted apprenticeship starts away from young people – and young people from disadvantaged backgrounds in particular.

By putting purchasing power in the hands of employers, the levy has shifted apprenticeships toward older workers and those with higher levels of qualifications. Employers have long had revealed preference for investing in the training of workers who are already highly qualified. Employees with a

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[ii] There are some significant differences between the education and training system in England and other advanced economies that help explain these differences. First, in the English school system, the majority of young people take only academic qualifications until age 16. This contrasts with many European systems where more young people take vocational subjects from an early age.ii Second, England's apprenticeship system includes workers of all ages, with most apprentices aged over 25. In many other European systems, the apprenticeship system is focused on young people.

degree-level qualification in 2017 were almost four times more likely to receive training from their employer than those with no qualification.[22]

The measures to drive up standards – while welcome overall – have acted as a barrier for many disadvantaged young people.[23]

The challenge now is to ensure that the apprenticeship system both promotes high-quality training responsive to employer needs and provides opportunities for young people, including those from disadvantaged backgrounds, to develop their skills and build a career. Stronger pre-apprenticeship pathways could play a central role.

3. COMPLEX AND INEFFECTIVE

In this section, we explore the pathways young people take into apprenticeships.

Young people tend to take very different routes into apprenticeships than older workers. Young apprentices are much more likely to be new to their organisation. Just one in four (25 per cent) apprentices aged 16-18 years old were already employed by their organisation, rising to two in four (37 per cent) among those aged 19-24. By contrast, four in five apprentices (79 per cent) aged 25 and over were already employed by their organisation.[24]

While apprenticeships can deliver strong employment outcomes for young people, relatively few young people who are Neet move directly into apprenticeships. Analysis by Youth Futures Foundation finds that, of young people who started an apprenticeship in 2015, only 4 per cent were previously Neet, with half of these being Neet for a period of 0-6 months, and the others having been Neet for between 7-12 months.[25] Similarly, more recent DfE analysis found that only 4 per cent of apprentices aged under 25 were Neet prior to starting their apprenticeship.[26]

TABLE 2: FEW YOUNG PEOPLE MOVE DIRECT FROM BEING NEET TO BECOMING APPRENTICES

Percentage of apprentices in 2015 by Neet status in 2014

Status	Percentage (including 'unknown' Neet status)	Percentage (excluding 'unknown' Neet status)
Neet 0-6 months	2	2
Neet 7-12 months	2	3
Neet 12+ months	0	0
Not Neet	63	94

Source: Youth Futures Foundation, 2026 (upcoming)

While it is relatively rare for young people to move from being Neet into an apprenticeship, targeted programmes – such as Path 2 Apprenticeships at

West Midlands combined authority – have been highly successful in supporting this transition (see case study 2).

Current pathways

While the academic pathway – from GCSE, to A-Level, then university – is relatively clear, the pathway young people take onto apprenticeships is more fragmented and opaque.

At present, young people take a number of education and training pathways before starting apprenticeships. As set out above, a very small number of young people move onto an apprenticeship after completing their GCSEs at 16, with a similar proportion starting after 16-18 study, including through A-levels, Btecs, and T-levels.

The government is currently undertaking a series of reforms to key stage 5 which were set out in last year's post-16 education and skills white paper. This includes introducing two new level 2 pathways for 16-18 year olds – the occupational pathway and the further study pathway – and introducing V-levels to sit alongside the established A-levels and the newer T-levels.[27] The new prime minister has also signalled his intention to support more young people to take vocational qualifications from age 14.[28]

TABLE 3 – YOUNG PEOPLES' PATHWAYS AT KEY STAGE 4 AND KEY STAGE 5

Key Stage 4 (14-16)	Key stage 5 (16-18)	
Level 2	**Level 2**	**Level 3**
GCSEs. Nearly all pupils at school in England take GCSEs between ages 14-16. A minority of young people will also take some vocational qualifications alongside, such as technical awards. Many young people who take GCSEs will then move on to technical courses at 16, with a very small proportion (3.3 per cent) moving onto an apprenticeship.	**Occupational pathway** A new pathway for young people who want to develop the skills and experience to move straight into a skilled job or apprenticeship after GCSEs, starting in September 2027. This two-year, employment-focused programme will help young people become work-ready.	**A-levels** An established two-year academic qualification delivered at level 3. Most students who take A-levels go on to university. A much smaller proportion move into apprenticeships.
	Further study pathway A planned new level 2 pathway for young people aged 16-18 who want to continue in education, and progress onto a level 3 qualification. This pathway	**T-levels** A two-year technical qualification, introduced in 2020, equivalent in size to three A-levels. T-levels are based on occupational pathways and intended for

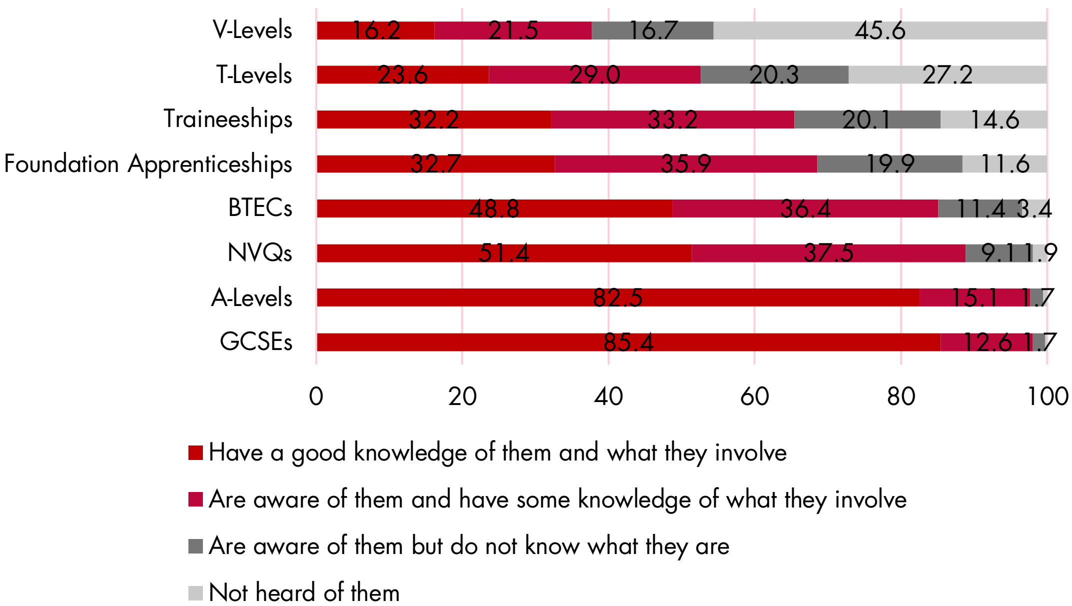
	aims to support young people to build their skills and confidence and bridge the gap to higher level study.	students who know which career area they want to pursue. T-levels are primarily classroom-based, but they include an industry placement equivalent to 45 days. Around 16 per cent of young people who complete a T-level move into an apprenticeship.
		V-levels A planned two-year, classroom-based vocational qualification, equivalent in size to one A-level, and designed to allow students to mix academic and vocational subjects. V-levels are designed to allow students to explore different sectors before they decide where to specialise. The first three V-levels will start in 2027.

Source: Fabian Society based on DfE, Post-16 pathways: Implementation plan, 2026, DfE, Technical education learner survey, 2025, DfE, Parent, pupil and learner voice: February 2025, Gatsby Foundation, Analysis of T-level student destinations, 2026

Employer awareness of the various pre-apprenticeship pathways is very variable. Employers are familiar with GCSEs and A-levels, with 85 per cent and 83 per cent of employers respectively saying they have a good knowledge of these qualifications. However, just a quarter (24 per cent) of employers say they have a good knowledge of T-levels. Only 16 per cent of employers say they have a good knowledge of the planned V-levels.[29]

FIGURE 4: EMPLOYER AWARENESS OF MANY CURRENT VOCATIONAL PATHWAYS IS LOW

Employer awareness and knowledge of various education and training pathways



Source: YouGov, 2026, n=2,017 Excluding 'don't knows'

Foundation apprenticeships

Introduced in May 2025, foundation apprenticeships are entry-level paid jobs with structured training. These level 2 apprenticeships last a minimum of eight months and provide a blend of structured learning with on-the-job experience. They aim to help young people to progress either to an apprenticeship, a skilled job, or further study.[30]

Foundation apprenticeships are available to young people aged 16-21, or those up to 24 who are care leavers, prison leavers or those with education, health and care plans (EHCPs). They are focused on young people who might need extra support to transition to work, including those who are Neet.[31] Foundation apprenticeships are currently available in construction, digital, social care, and engineering and manufacturing.

Employers can receive incentives of up to £2,000 for hiring a young person on a foundation apprenticeship to cover the costs involved, including wages. A third of the payment is conditional on the young person starting a full apprenticeship within 90 days. Growth and skills levy funds can be used to cover the costs of training young people on foundation apprenticeships, but not their wages.

The government hopes that up to 30,000 young people will start a foundation apprenticeship over the current parliament.[32] However, foundation apprenticeships have struggled to get off the ground, with just 160 starts between August 2025 and April 2026.[33]

Other pathways

There are a number of other education, training and employment support programmes that can act as a pathway to apprenticeships.

- **Sector-based work academies (Swaps)**. This programme provides unemployed people with short pre-employment support followed by a guaranteed job interview. The programme is managed by Jobcentre Plus, delivered by training providers and lasts up to six weeks. Swaps are focused on jobs, rather than specifically on apprenticeships, and they are not focused on young people.
- **Skills bootcamps**. These are short industry-focused training programmes that help people to develop new skills that employers need, either in a new industry or to progress in a current career. Bootcamps last up to 16 weeks and are focused on adults aged 19 and over. Bootcamps are not linked to specific job or apprenticeship opportunities, and they are not focused on young people.
- **Supported internships**. These are structured work-based study programmes for young people aged 16-24 who have special educational needs and disabilities (Send) who have an EHCP. They last a minimum of six months, with young people spending most of their time in the workplace.

Previous pathways

In addition to the current pathways onto apprenticeships, there have been a number of previous schemes that have aimed to support young people to move onto apprenticeships.

Traineeships

Traineeships were a work-based training pathway programme that sought to support young people to access apprenticeships and other employment. Traineeships were focused on young people aged 16 to 24 (or up to age 25 for people with an EHCP) who had no qualification higher than level 3. Unlike foundation apprenticeships, young people on traineeships were not employees.

Traineeships had relatively positive outcomes. Seven of every ten learners who completed a traineeship in 2020/21 moved on to a sustained positive destination, with one in five (19 per cent) moving into an apprenticeship.[34]

Traineeships were ended as a stand-alone programme in 2023 and integrated into existing education and skills provision. This was partly due to a gradual decline in traineeship numbers following the introduction of the apprenticeship levy.[35]

Case Study 1: Scotland – Foundation apprenticeships and the pre-apprenticeship system

With skills policy devolved in the UK, Scotland has developed a distinctive pre-apprenticeship system that seeks to bridge the gap between secondary education with vocational learning and employment. Foundation apprenticeships play a key role.

Foundation apprenticeships are a work-based learning pathway for young people aged 16-18. They aim to support young people to gain real-world work experience and access work-based learning while still at school. Young people taking foundation apprenticeships usually continue studying for other qualifications in school or college, such as Highers or National 5s.

Young people completing a foundation apprenticeship can then progress to a modern apprenticeship or graduate apprenticeship. Alternatively, they can apply to colleges or universities which recognise foundation apprenticeships as an entry qualification based on Ucas points.

Foundation apprenticeships are focused on 12 priority occupational areas, including civil engineering, accountancy and financial services, engineering and software development, and food and drink technologies. The level of the foundation apprenticeship is flexible in order to meet the needs of each industry, varying from SCQF level 4 in construction or hospitality to level 6 in areas such as accountancy and engineering.

Piloted in 2014/15 foundation apprenticeships have scaled up over time. Over the last four years for which there is data, there were an average of 4,400 young people starting a foundation apprenticeship annually. This represents some 7 per cent of young people in each age cohort.

Retention rates on foundation apprenticeships have been variable. However, progression to positive destinations have been relatively high.

Source: Education Scotland, Foundation apprenticeship provision in Scotland, Review, 2026

4. FIVE KEY CHALLENGES

In this section, we explore some of the challenges with the pre-apprenticeship system.

Complexity

The pathway for young people seeking to pursue the academic route – from GCSEs, to A-levels, and to university via Ucas – is simple, well established and relatively well understood by young people, parents and teachers.[36]

By contrast, young people in our focus group felt that the pathways for those who are considering the technical pathway are far more complex and less well understood.

Young people who want to take an apprenticeship often struggle to understand where to find opportunities. As the Milburn review has highlighted, there are additional barriers: apprenticeship start dates do not align with the academic year, making a seamless transition out of school more difficult, and there is no equivalent centralised application system as there is in higher education.[37] While there is a 'find an apprenticeship' portal, not all apprenticeships are listed.

There has also been significant policy churn in vocational education and training in recent years. Pathways like traineeships have been introduced and then scrapped. T-levels, only introduced in 2020, will soon sit alongside novel alternatives, including V-levels, the occupational pathway and the further study pathway.

The complexity of the pre-apprenticeship pathways, and the level of policy churn, make the system difficult to understand for young people, parents, teachers and employers. Our focus group with young people found that while there was a good understanding of the academic path, there was much less clarity over the vocational path, even among those interested in this pathway. As one young person explained: "I wouldn't know at all about how to go about applying for an apprenticeship." Similarly, as one independent training provider put it in our focus group: "there are lots of routes in, but it's fragmented and disjointed."

Lack of high-quality careers education, information, advice and guidance

This complexity is compounded by a lack of access to high-quality careers education information, advice and guidance (CEIAG).

CEIAG relating to apprenticeships and technical education has been improving in recent years, with a growing number of young people receiving information about apprenticeships.[38] However, there is some way to go. A recent survey of young people found that over half (54 per cent) said they were not aware of apprenticeship schemes available in their area, and half (50 per cent) thought that schools and colleges did not do enough to promote apprenticeships.[39] Another recent survey for Youth Employment UK found that only one in three (32 per cent) students received face-to-face careers advice in 2025, with fewer than one in five (18 per cent) receiving such advice about apprenticeships.[40]

The availability of CEIAG relating to apprenticeships has a real impact on uptake. Data from the Careers and Enterprise Company shows that uptake of apprenticeships is 16 per cent higher in schools that provide information on apprenticeships to all students.[41]

This was reflected in our focus group with young people. As one participant explained: "There's just this huge focus on university." Young people are keen to see this imbalance addressed. As one said: "we need to make sure that people understand that apprenticeships are as good a pathway as university."

CEIAG is primarily delivered by schools and colleges to their pupils. However, the vast majority of teachers in schools and most in colleges have not had personal experience of the apprenticeship system. This means that many teachers have a less detailed understanding of this pathway compared to the academic path.

Schools are required under the 'Baker clause' to ensure that young people hear about the technical education and apprenticeship opportunities available to them. As part of this duty, schools must ensure that all pupils have the opportunity to have six encounters with providers of apprenticeships and technical education between year 8 and 13. However, this requirement remains poorly enforced. At both key stage 4 and key stage 5, a fifth of schools are failing to comply with the provider access requirement (19.5 per cent and 19.1 per cent respectively).[42]

Gaps in CEIAG are a particular issue for young people from working class backgrounds. A recent study by Ofsted found that high-quality CEIAG was particularly important in helping students from lower socioeconomic background to understand the post-16 courses available and to make effective transitions.[43]

Lack of employer engagement

The most effective technical education systems internationally are characterised by extensive employer involvement. Employers in these systems not only provide young people with meaningful experience of the workplace, but are central to the design of training content.[44]

However, despite efforts by successive governments, the lack of employer engagement in the education and training system has been a persistent challenge.

- **Traineeships** were an effective pre-apprenticeship pathway, but they failed to reach scale due to a lack of employer demand. Traineeship starts peaked at 24,110 in 2015/16 before falling to 11,610 in 2022/23.[45]
- **Industry placements** are a crucial part of the new T-level qualification. But providers have found it difficult to secure placements, which has required DfE to offer additional flexibility.[46]
- The government is seeking to deliver 30,000 **foundation apprenticeship** starts this parliament. However, employer engagement has been limited, with just 160 starts in the first nine months.[47]

While employer engagement in pre-apprenticeship pathways is currently limited, many would be open to providing opportunities. Among employers who have not yet provided T-level industry placements, half (49 per cent) said that they might be willing to provide them in the future. Similarly, six in 10 (59 per cent) said that they might be willing to employ young people on foundation apprenticeship in the future.[48]

Centralisation

Both the current pre-apprenticeship system and the wider apprenticeship system are highly centralised.

While the adult skills fund – which covers non-apprenticeship funding for adults aged 19 and over – is devolved to local government across most of England, 16-18 further education funding, and all apprenticeship funding is currently overseen by central government. The rules around the growth and skills levy are set by central government, with individual employers making their decisions on whether and how to invest levy funds. This leaves regional leaders with limited direct powers and little ability to shape the system to meet the needs of young people and employers.[49]

This contrasts with the approach taken by many advanced economies with more effective technical education systems. These systems tend to combine a degree of national coordination with local flexibility to tailor the system to the needs of regional economies and local communities.[50]

While the formal powers of local government are relatively limited, some local leaders have developed innovative local approaches to improving the technical education system, including supporting young people to access apprenticeships.

The new prime minister has committed to significant further devolution of powers and resources to regions, including around the devolution of employment and skills[51] and of 16-18 funding to mayors.[52]

Case Study 2 - Path 2 Apprenticeships – West Midlands Combined Authority[53]

Path 2 Apprenticeships is a pre-apprenticeship programme developed by the West Midlands combined authority (WMCA). The programme was established in response to a decline in the number of young people starting apprenticeships in the sub-region. It sought to connect disadvantaged young people with high-quality apprenticeship opportunities and address employer concerns that young people were not work-ready.

Path 2 Apprenticeships focuses on young people who are Neet, including both those claiming universal credit and those not claiming benefits. It starts with an existing apprenticeship vacancy and works backwards. This means that young people completing the programme are able to receive a guaranteed interview for an apprenticeship.

The model combined:

- Up to 16 weeks of pre-apprenticeship training, co-designed with employers and tailored to the sector and the roles available.
- Real workplace experience with participating employers.
- Support to build confidence and work-readiness.
- Practical support including CSCS cards, equipment and interview preparation.
- Intensive mentoring and coaching – both before and after the apprenticeship starts – as well as support for the employer.

The programme sought to 'de-risk' the process for employers, giving them the opportunity to get to know the young people and understand their potential without having to employ them, or cover pay or other costs.

The programme is funded through the WMCA's single settlement, with DWP continuing to pay universal credit for young people in receipt of the benefit on the programme. It is delivered by specialist independent training providers and colleges with a focus on real sector expertise and close working with employers.

The programme has had impressive results. The first cohort achieved 100 per cent progression into apprenticeships. It has since been expanded to other sectors, including manufacturing, digital, business, health and care, and hospitality. A further £7.5m was committed in 2024 to create 3,300 training places.

In addition to addressing issues on the supply-side – by helping young people become more apprenticeship-ready – the programme has had a demand-side impact too. WMCA has found that more employers have been more willing to invest in apprenticeships if they are confident that pre-apprenticeship support will reduce the risk and cost that they face.

Sources: WMCA, WMCA announces £7.5m investment to get more young people into high quality apprenticeships, WMCA, Path 2 Apprenticeships, 2026

Case Study 3 – The MBacc – Greater Manchester Combined Authority

The Greater Manchester Baccalaureate – or MBacc – seeks to provide young people with a 'line of sight' to training opportunities and good jobs in the region. It aims to ensure that technical education is effective and prestigious, helping young people understand the skills they need, and linking them up to local opportunities in seven fast-growing sectors.

The MBacc includes a number of elements:

- **Beeline.** Provided by the Greater Manchester Apprenticeship and Careers Service, Beeline is a local CEIAG platform which helps young people to understand job opportunities available in the city region and the education and training pathways to access these careers.
- **Modern work experience.** This initiative seeks to give all young people in the city region high-quality and meaningful experiences of work. It aims to build up to 10 days of workplace experience, covering visits, virtual sessions, employer-led projects and formal work experience.
- **T-level industry placements** – through the MBacc, the GMCA has sought to boost the number of T-level industry placements. By the end of year two, nearly 1,200 T-level placements had been secured, with 439 employers across the city region.

Source: GMCA, The Greater Manchester Baccalaureate (MBacc)

Ineffective accountability and incentives within the system

At several points within the education and training system, accountability mechanisms can generate perverse incentives. These can disincentive schools and colleges from supporting young people into apprenticeships, even when this may be their preferred path.

The school funding formula

Schools in England are funded on a per-pupil basis. For schools with sixth forms, losing pupils at 16 can have a significant financial impact. This encourages them to retain pupils even when the academic path may not be the right choice for them.

This was recognised in a recent government report, which stated that the incentives to retain students created "conflicts of interest in careers guidance".[54] The Baker clause was in large part intended to address this perverse incentive by requiring schools to provide access to other providers.

The qualification achievement rate

Colleges in England are judged using several performance measures, including the QAR (qualification achievement rate). This measures the proportion of learners starting a funded qualification who go on to complete it, and it is used by Ofsted during inspections. The measure is ill-suited for learners who are focused on moving directly into an apprenticeship. As apprenticeships are jobs, they can start at any point in the year, and often do not fit neatly with college course timelines.

From the learner's perspective, leaving a course early to take an apprenticeship is usually a positive outcome, given they tend to have higher labour market returns than similar classroom-based courses.[55] However, for colleges, early leavers will be counted as withdrawals, with the QAR suffering as a result. This tension can lead to a perverse incentive for providers, who may focus on maximising retention rather than supporting students into apprenticeships.

5. THE CASE FOR CHANGE

In this chapter, we set out the case for change, highlighting the potential benefits of more effective pre-apprenticeship pathways.

Improving apprenticeship completion

The lack of effective pre-apprenticeship pathways for young people contributes to poor apprenticeship outcomes.[iii] More than one in three (35 per cent) young people who start an apprenticeship in England do not go on to complete their apprenticeship and pass end point assessment.[56]

The proportion of young people who do not achieve their apprenticeship is higher among young people from disadvantage backgrounds. Thirty-eight per cent of young people from the most deprived neighbourhoods do not achieve their apprenticeship, compared to 32 per cent of those from the least deprived neighbourhoods.[57] Similarly, apprentices who need additional support, either because of their prior attainment or life circumstances, are less likely to complete.[58] Apprenticeship retention is particularly low for young people who were previously Neet. Just 49 per cent of previously Neet apprentices were still employed by the organisation after completion, compared to 68 per cent of those who were not previously Neet.[59]

There is evidence to show that pre-apprenticeship programmes can improve apprenticeship outcomes. Research from Australia found that young people who undertake a pre-apprenticeship programme in a similar field were 7.3 percentage points more likely to complete their apprenticeship.[60] There were similar findings in an earlier study in Australia.[61] A 2012 Ofsted study of apprenticeship provision found that young people who had some previous vocational training were more likely to make good progress on an apprenticeship.[62]

[iii] Apprenticeship outcomes can be measured in two main ways. The retention rate measures the proportion of apprentices who are still employed at the end of their apprenticeship. The achievement rate measures the proportion of people who start an apprenticeship who both stay to the end of their apprenticeship, and pass end point assessment.

Unlocking employer demand

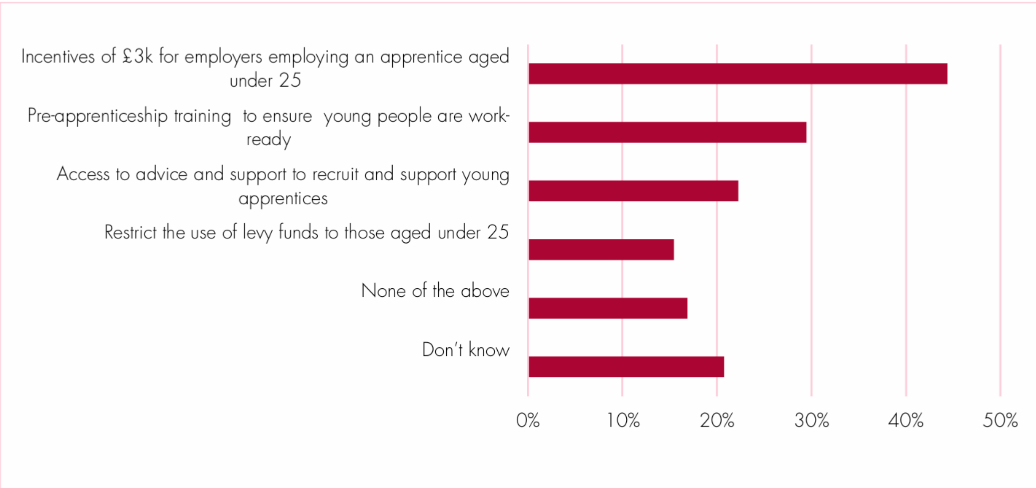
An effective pre-apprenticeship system could help unlock latent demand for apprenticeships among employers and increase the likelihood they will provide opportunities for young people.

The perception that young people are not 'work-ready' is a major barrier to employers in considering whether to take on a young apprentice. T wo in five (38 per cent) employers say that young people leaving education are not work-readyalthough a similar proportion (39 per cent) disagree.[63]

While a perceived lack of work-readiness is a barrier for many employers, pre-apprenticeship support can be an effective solution. A survey of 2,000 employers conducted for our previous report on the levy asked respondents what measures would be likely to lead them to recruit more apprentices aged under 25. Three in 10 (29 per cent) said that the introduction of a pre-apprenticeship training programme to ensure that young people were work ready would encourage them to take on more young apprentices. This was the second most commonly cited measure, after financial incentives for taking on young apprentices.[64]

FIGURE 5: THREE IN TEN EMPLOYERS SAY THAT PRE-APPRENTICESHIP TRAINING WOULD ENCOURAGE THEM TO RECRUIT MORE YOUNG APPRENTICES

Measures that would encourage employers to recruit young people as apprentices



Source: Dromey, J and Otto, S, Levying Up, 2025

This survey data is reflected by the experience of pre-apprenticeship programmes such as Path 2 Apprenticeships. The West Midlands combined authority found that effective pre-apprenticeship provision could unlock latent demand among employers by reducing perceived risk and cost.

Tackling inequality

Finally, high-quality pre-apprenticeship provision could help tackle labour market inequalities by supporting disadvantaged young people to access an apprenticeship and build a career.

As we highlighted above, the number of young people starting an apprenticeship has declined in the last decade. There has been a particularly steep decline among young people from disadvantaged backgrounds. While there has been a steady increase in the number of young people who are Neet, very few young people move from being Neet into an apprenticeship. And those that do are more likely to struggle and less likely to achieve their apprenticeship.

Pre-apprenticeship support could help both to supporting disadvantaged young people to access apprenticeships and to support apprenticeship completion and achievement for these young people.

6. RECOMMENDATIONS

The government is seeking to boost the number of young people accessing high-quality apprenticeships. Building effective pre-apprenticeship pathways will be crucial to delivering this. In this final chapter we set out recommendations to boost employer investment in apprenticeships, and support more young people to access these transformative opportunities.

1. Boost investment in apprenticeships – and tilt it toward young people

The UK suffers from low and falling levels of employer investment in skills. Between 2017 – when the levy was introduced – and 2024, employer investment in training per employee declined by nearly a quarter in real terms both across the UK (23 per cent), and in England (24 per cent).[65] As we set out above, England also suffers from a lack of apprenticeship opportunities for young people. The number of apprenticeship starts among under 25s fell by 40 per cent between 2014/15 and in 2024/25.

If we are to support more young people to access apprenticeships, we need both to boost employer investment in skills, and tilt investment back toward young people. The case study below highlights recommendations from recent Fabian Society research to deliver on this.[66]

Case Study 4 – Reforming the growth and skills levy to boost investment in young people

The government should reform the growth and skills levy to boost apprenticeship opportunities for young people. Specifically, it should:

- **Increase and expand the growth and skills levy. T**he levy should increase over time to 0.7 per cent of payroll, and the threshold at which employers start paying the levy should be gradually reduced to £1m. This would raise an additional £2.55bn by 2029. All funds raised should be ring-fenced for employer investment in skills[iv].

- **Boost demand for apprenticeships.** The government should use this additional funding to introduce an apprenticeship grant for employers. This would both consolidate and increase existing grant funding, with the grant worth up to £9k per apprenticeship start. The apprenticeship grant for employers should be focused on SMEs, who account for 97 per cent of the total decline in apprenticeship starts since 2016/17.[67] The apprenticeship grant for employers would cost £515m by 2029/30.

- **Tilt investment back toward young people.** The apprenticeship grant for employers should incentivise investment in young people. Building on the Youth Jobs Grant, employers taking on apprentices aged under 25 should be able to access an additional £3k under the apprenticeship grant for employers. Access to levy funds should be restricted to workers who do not already have a graduate level qualification.

Taken together, these measures would boost employer investment in skills, drive up apprenticeship starts, and shift investment back towards young people and those who could most benefit from training.

Source: Dromey, J and Otto, S, Levying Up: How we can make the growth and skills levy work, Fabian Society, 2025

[iv] Previous Fabian Society analysis showed that between 2017/18 and 2024/25, £4.5bn of funds raised by the apprenticeship levy were not invested in skills, and were retained by the Treasury. This represented nearly a fifth (18 per cent) of total funding raised by the levy (Fabian Society, 2025).

2. Build clear pathways into apprenticeships for young people

Reforming the levy is necessary but not sufficient. We also need to build effective pre-apprenticeship pathways, both nationally and locally, so that all young people who choose to take this route have a line of sight to a good quality job, and the support that they need to achieve their goals.

Rebalancing 14-16 education towards a greater focus on vocational opportunities

The English education system is heavily focused on academic learning up until age 16. Whereas nearly all young people (98 per cent) study GCSEs in year 10 and 11, just 10 per cent study Btecs, the most common vocational qualification.[68] The coalition government introduced university technical colleges in 2010 to provide a vocational pathway for young people aged 14-19. But while pupil numbers have grown in recent years to 21,000, this remains a tiny fraction of the age cohort.[69]

While the academic pathway for young people is very well understood by young people, parents and employers, the vocational path is less-well understood. The vast majority (85 per cent) of employers say they have a good level of awareness of GCSEs. But just half (49 per cent) say the same about Btecs.[70]

The lack of a widely-used, well-known and high-quality vocational pathway at 14-16 means that there is no clear path for young people who are keen to pursue an apprenticeship. It also contributes to many young people disengaging from education.

The new prime minister has announced his intention to expand access to vocational education at key stage 4. The government is working with employers, local leaders, and schools and colleges to develop new technical education pathways which will begin rolling out in September 2028.[71]

As part of these reforms, the government should develop a new qualification – VCSEs – to provide a high-quality vocational pathway alongside GCSEs.

The qualifications should provide a broad introduction to a chosen occupational area, providing practical industry-specific knowledge, work-related skills, and a variety of interactions with employers.

As T-levels are doing, VCSEs should replace existing technical qualifications at 14-16 in order to simplify the system and to increase awareness of and esteem for the technical pathway.

VCSEs should be available at level 1 or level 2. Students should be required to take them alongside a core of GCSEs. This should support more young people to blend vocational learning with academic study while allowing them to keep their options open at 16. VCSEs should be based on occupational pathways, enabling young people who want to pursue the vocational route to move directly into an apprenticeship or onto V-levels or a T-level.

VCSEs should be nationally defined qualifications to ensure that they are widely recognised by employers. Nevertheless, mayors and local leaders should play a central role, shaping the content to ensure it meets the needs of regional economies, convening employers to engage with the system, and coordinating provision locally.

As we set out below, school accountability measures such as Progress 8 would need to be reformed in order to eliminate disincentives for schools to offer vocational qualifications.

If the government opts not to introduce a new qualification, it should focus instead on strengthening and boosting demand for existing qualifications, such as key stage 4 tech awards.

Case Study 5: VCSEs in Wales

Introduced from September next year, VCSEs – or the Vocational Certificate of Secondary Education – will be a vocational equivalent to GCSEs in Wales.

The new qualifications aim to support young people to develop practical skills and knowledge and to build their understanding of the world of work. The reform seeks to simplify the system, to strengthen awareness of and respect for the technical pathway, and to ensure young people can develop the skills employers need.

The qualifications will be available to young people aged 14-16. They will be delivered at level 1 or level 2 across 15 subjects including the built environment, business accounting and finance, public services, and hospitality and catering. VCSEs will replace 300 existing qualifications for young people, including Btecs. They will be delivered either by schools or by partnerships between schools and colleges.

VCSEs aim to support young people to progress into an apprenticeship or onto post-16 vocational study at either level 2 or level 3.

Source: Qualifications Wales, VCSEs, 2026

Redesign foundation apprenticeships to create a viable pathway to apprenticeships

Foundation apprenticeships have had a difficult first year. While the government expected up to 30,000 foundation apprenticeships by July 2029, there have been just 160 starts in the first nine months.[72] Alongside limited demand from employers, there is little interest from awarding bodies and providers given low volumes and relatively low funding bands.

Foundation apprenticeships are struggling for a number of reasons:

- **Differentiation**. Foundation apprenticeships were originally differentiated form other apprenticeships in that they could be delivered in 8 months, which was shorter than the minimum duration for other apprenticeships of 12 months. However, as of August 2025, apprenticeships can also now be delivered in 8 months. Foundation apprenticeships can only be delivered at level 2, even in sectors where there are established and well-used level 2 apprenticeships.

- **Cost-benefit ratio**. While training and assessment costs can be covered by levy funds, employers face a pay bill of nearly £10,000 for the young person on the foundation apprenticeship. Employers also have to cover the cost of supervising young people on the job. These costs tend to be disproportionate to the benefits received by employers: young people on foundation apprenticeships are unlikely to deliver significant output given their low level and short duration.

The government should rethink the design of foundation apprenticeships to create a bespoke and distinctive national pre-apprenticeship pathway. The redesigned foundation apprenticeships should offer:

- **Flexibility on industry. T**here are currently only nine approved foundation apprenticeship standards covering a small number of industries.[73] The DWP should work with employers across all sectors to develop foundation apprenticeships as pathways into apprenticeships in their sector. This should include a focus on sectors with high volume of employment which does not require high levels of qualification.[74]
- **Flexibility on level**. While the focus on level 2 works for many industries, it is less appropriate for others. Foundation apprenticeships should be deliverable at level 1 or at level 2, with the DWP working with employers in each sector to assess the right level.
- **Flexibility on levy funding**. Employers should be able to use their growth and skills levy funds to cover half of the cost of pay for a young people on a foundation apprenticeship, saving £4,700 per young person they employ.[v] This measure is seen as the most impactful by employers, with one in four (26 per cent) saying flexibility to use levy funds to cover wage costs would encourage them to take on a young person on a foundation apprenticeship.[75] The additional cost should be covered through increasing and expanding the levy as set out above.
- **Review of provider funding** – the current funding bands for foundation apprenticeships vary from just £3,000 to £4,500.[76] This is despite many of the intended beneficiaries having high support needs.[77] The low levels of the band, combined with limited employer demand, are limiting the number of providers who are keen to offer foundation apprenticeships. The DWP should review the funding bands to ensure that they are sufficient to attract providers, and to enable effective delivery.

We estimate that the combination of the measures above would lead to a significant scaling up of foundation apprenticeships to around

[v] Based on a maximum of 50 per cent of the cost of pay at the apprentice minimum wage of £8/hour, for 35 hours a week, for 8 months.

130,000 starts in the next parliament. The total cost of the foundation apprenticeships, including both training and assessment and the employer wage subsidy, would be £236m annually.[vi] The additional cost would be covered by the increased and expanded growth and skills levy.

Building effective local pre-apprenticeship pathways for young people who are Neet

In addition to reforming foundation apprenticeships, we need stronger bespoke pre-apprenticeship pathways, delivered at the local level, linked to real apprenticeship opportunities, and focused on young people who are most at risk of labour market exclusion.

Mayoral strategic authorities and other local leaders currently have limited formal role in shaping the pre-apprenticeship and apprenticeship system in England. However, as we set out above, a number of MSAs have developed bespoke pre-apprenticeship pathways. West Midlands combined authority's Path 2 Apprenticeships programme has shown the potential of locally delivered and industry-specific programmes, designed in partnership with employers, to support disadvantaged young people to access apprenticeships and unlock employer demand.

Mayoral strategic authorities and other local areas should work with employers and providers in their local areas to develop bespoke pre-apprenticeship training programmes.[vii] These programmes should be tailored to the needs of regional employers and regional economies. They should be targeted at young people who are not in education, employment training, or who are at risk of becoming Neet.

The pre-apprenticeship courses should be shorter than foundation apprenticeships – from eight to 16 weeks. Rather than being a form of employment, as foundation apprenticeships are, these courses should be pre-employment provision linked to a guaranteed apprenticeship opportunity at a local employer.

[vi] There were 133,000 young people aged 16-24 starting an apprenticeship at level 2 or 3 in 2024/25. We assume that one in five of these young people would undertake a foundation apprenticeship first, representing 26,500 starts a year. The average foundation apprenticeship standard costs £3,833 (Skills England, 2026), which we inflate by 10 per cent to ensure the courses are viable.

[vii] We note that not all areas of England are currently covered by a Mayoral Strategic Authority. However, the government is aiming to expand MSAs, and Foundation Strategic Authorities (FSAs) to ensure all areas are covered.

Pre-apprenticeship pathways should offer:

- Work experience at the employer to help familiarise the young person with the workplace environment.
- Support to address basic skills needs.
- Employability skills and industry-specific skills.
- A dedicated case worker.
- Ongoing support through the first year of the apprenticeship.

The DWP should enable young people who are on universal credit to continue to claim for the duration of the course. Mayoral strategic authorities should consider providing a stipend for the large number of young people who are Neet but not claiming benefits.

Pre-apprenticeship training programmes should be funded through devolving a share of the growth and skills levy to create a new regional apprenticeship fund. Devolving just 5 per cent of the expanded growth and skills levy could create a regional apprenticeship fund worth £311m annually by 2029/30. This funding could be used both to support pre-apprenticeship training and for measures to boost apprenticeship starts including employer brokerage support and employer incentives. Divided in proportion to the number of young people aged 16-25 in each sub-region, this would equate to £17m in Greater Manchester and £20m in the West Midlands.[78] The regional apprenticeship fund should be included in the single settlement or devolved separately in areas without a single settlement.

Employers appear to be very open to the use of the levy in this way. Polling conducted for our previous report found that nearly three in five (57 per cent) employers would support local authorities using levy funds to tackle regional skills shortages, with fewer than one in five (18 per cent) opposing. Support was stronger still among levy payers (67 per cent to 19 per cent).[79]

Case Study 6 - France: The Prépa-apprentissage

The Prépa-apprentissage was an experimental pre-apprenticeship programme delivered in France from 2018 – 2024. Launched as part of the government's Investment in Skills Plan, the €260m programme supported 60,000 young people in the first four years.

The prépa-apprentissage aimed to be a 'bridge', supporting young people aged 16 and 29 who were interested in taking an apprenticeship but who were not apprenticeship-ready. This included young people who were Neet, those living in disadvantaged neighbourhoods, and others facing barriers to work.

The Prépa-apprentissage was a highly flexible programme. Provision tended to include:

- Basic skills training to help young people address skills gaps.
- Employability training to help young people understand the workplace and their chosen industry.
- CEIAG to explore career goals.
- Work experience, including visits to workplaces and short work placements.
- An opportunity for employers to get to know young people.
- Support to help young people find and apply for an apprenticeship.
- Post-placement support, to ensure young people managed the transition.

It was delivered by a large number of providers including apprenticeship providers, vocational education providers and voluntary sector providers.

The programme ended in December 2024. However, there are a number of ongoing similar regional and sectoral initiatives.

Sources: Ministere du Travail et des Solidarites, La Prepa-apprentissage, CEDEFOP, Preparatory programmes for apprenticeship, 2026

3. Fixing the wider system to support transition to apprenticeships

Alongside boosting employer demand and strengthening pathways into apprenticeships, the government should consider a number of wider changes to the employment, education and training system to support young people into high-quality apprenticeships.

Improve careers education, information, advice and guidance in schools

High-quality careers education, information, advice and guidance (CEIAG) is crucial to enabling young people to make an informed decisions about their future. This particularly the case for those from disadvantaged backgrounds, who are less likely to access advice and support on careers from their family and wider networks.[80]

While there has been significant progress in recent years, too many young people still do not receive high-quality CEIAG, particularly in relation to apprenticeships and technical education.

The government should work with schools, colleges and local government to ensure that all young people have access to high-quality CEIAG, covering both academic and technical pathways, including apprenticeships.

A dedicated and qualified careers IAG lead in every school

Schools are expected to have a named careers lead. However, careers leads usually have a number of other responsibilities, limiting their ability to specialise, and they often lack sufficient planning, preparation and assessment (PPA) time. While the DfE and Ofsted encourage schools to ensure careers leads receive role-appropriate training, there is no mandatory qualification. One in 10 careers leads do not have a level 4 qualification.[81] The vast majority of careers leads came up through the academic route, meaning that many are less familiar with apprenticeships and technical education.

The government should require all schools to have a dedicated and qualified careers lead in order to ensure all pupils get access to high-quality CEIAG about all the pathways available to them, including apprenticeships. Careers lead should be required to have – or to be working toward – the level 6 careers leadership qualification.[viii] They should be provided with a minimum

[viii] This qualification is available as an apprenticeship.

of 20 per cent planning, preparation and assessment (PPA) time, double the amount for a classroom teacher. This would provide careers leads with sufficient time to undertake their role and engage with local employers and providers of apprenticeships and technical education. This should be a statutory requirement, enforced by Ofsted.

We estimate that – taken together – these measures would cost £27.5m. The cost should be covered from the DfE budget.[ix]

Strengthening enforcement of the provider access requirement

Schools are required to provide access to other providers so that young people can hear about the range of education and training opportunities open to them, including apprenticeships. This 'provider access requirement' is intended to address the perverse incentive in the funding system for schools to retain pupils even when another path may suit them better.

However, while there has been progress, one in five schools are still failing to provide students with encounters with providers of apprenticeships and technical education at key stage four and five.[82]

DfE and Ofsted should strengthen enforcement of the provider access requirement. Schools that fail to comply should not be able to receive a grade above 'requires attention' in the personal development section of their Ofsted report. This would ensure that the accountability system acts as a powerful incentive for schools to comply, enabling more young people to hear about apprenticeship opportunities in their local area.

Engage employers as partners in the system

High-quality engagement with employers is crucial for young people to understand the career options available to them, to decide on their chosen path, and to develop their employability.[83]

The most effective vocational and technical education systems have extensive engagement from employers. In England, while many employers raise concerns around a lack of work-readiness among young people, too

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[ix] We estimate that the additional PPA time would cost schools in England £24m. This is based on 3,5000 state-funded secondary schools, each having one careers lead. We use the median teacher's salary, and include pensions and national insurance cost.
In 2022/23, The Careers and Enterprise Company spends a quarter of its total budget of £31m on supporting careers leaders (CEC, 2023). We make a conservative assumption that investment in careers leaders would need to increase by 50 per cent, representing an additional cost of £3.5m.

few engage with young people to support them to develop that work-readiness. This has been a key challenge faced by previous pre-employment training programmes such as traineeships.[84]

Strengthening incentives

Investing in the skills of the next generation is the right thing for employers to do, and it is crucial for a thriving economy. Yet too many employers do not see the business case for doing so.

The current incentives for employers to engage in pre-apprenticeship support are not sufficient. Employers providing T-level industry placements can claim up to £800 to cover the costs. Those providing foundation apprenticeships can receive a grant of up to £2,000, with a third of this payment conditional on the young person progressing to a full apprenticeship. Due to the short duration of these courses, and the inexperience of the young people involved, employers are unlikely to get much output from the young person, but they will face costs associated with supervising and supporting them and have to cover the cost of their pay.

The relatively small financial incentives are not sufficient to outweigh the costs involved and so fail to generate the number of opportunities we need. Providers have found it difficult to fund sufficient industry placements for T-levels, and the roll-out of foundation apprenticeships has been slow.

Increasing financial incentives is seen by employers as the most likely measure to encourage them to engage in the pre-apprenticeship system. Nearly one in three (30 per cent) employers said that larger financial incentives would make them more likely to provide T-level industry placements, with one in four (25 per cent) saying that larger grants would make them more likely to offer foundation apprenticeships.[85]

The government should increase financial incentives for employers to boost the number of pre-apprenticeship opportunities for young people. The financial incentives for T-level industry placements should be doubled to £1,600, with the grant for employers providing foundation incentives increased by 50 per cent to £3,000.

In addition, employers who go on to offer an apprenticeship to a young person who has completed a T-level industry placement or a foundation apprenticeship should be eligible for an apprenticeship progress premium of £2,000. This would encourage and support employers to retain young people, and to progress them onto apprenticeships.

We estimate that this would cost an additional £191m a year, which could be funded through the additional revenue raised by the levy.[x]

Leverage procurement and planning

The public sector spends almost £350bn annually on procuring goods and services from the private sector.[86] This spend is not used as effectively as it could be to drive employer investment in skills, or to create opportunities for young people.

The government recently announced plans to reform social value in procurement. This will both increase the weighting of social value and re-focus it on jobs, apprenticeships and training opportunities.[87]

In addition to creating more apprenticeship opportunities, the government should make the provision of work experience and industry placements a central element of social value requirements in major procurements. Nearly one in five (18 per cent) of employers in our survey said that stronger incentives through procurement would make it more likely that they would offer a T-level industry placement.[88]

Similarly, planning is a powerful but often underused tool to drive investment in training.[89] Along with creating more apprenticeship opportunities, local authorities should make the provision of work experience opportunities and industry placements a key element of section 106 requirements for larger developments.

Regional employer brokerage services

Mayoral strategic authorities can play a crucial role in engaging employers in the skills system and helping to ensure that it works for them. In Greater Manchester, the combined authority has taken the lead in driving up demand for T-level industry placements, working with the Growth Company and the employer integration board. As of January 2026, this had

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[x] We assume that the number of T-levels will increase by 50 per cent over time compared to the number of starts in 2025/26 (DfE, 2026), and that all students on T-levels will undertake a placement. The total cost for the T-level industry placement incentive is estimated to be £66m.
We estimate that the number of foundation apprenticeship starts annually will increase to 26,500, as set out above. The total cost of employer incentives for foundation apprenticeships would therefore increase to £80m.
We estimate that a third of young people completing a T-level industry placement or a foundation apprenticeship will go on to complete an apprenticeship with the same employer. Currently one in three young people completing a T-level industry placement go on to work for their placement employer (DfE, 2025). The cost of the apprenticeship progress premium would therefore be £45m annually.

helped to secure 1,000 placements offered by 352 employers as part of the MBacc.[90]

The government has announced an apprenticeship brokerage pilot, which seeks to test new approaches to boosting starts and completions of apprenticeships regionally. The £140m pilot will run in eight areas from autumn 2026. It is focused on supporting young people aged 16-24 who are, or are at risk of, becoming Neet.[91]

There is a strong case for this programme to be rolled out across the country to create a network of brokerage hubs that is nationally coordinated but locally delivered. This should include hubs in 'cold spots', which are not currently covered by MSAs.[92]

Mayoral strategic authorities should establish employer brokerage services. These should seek to encourage employers to engage with the skills system and to invest in the future of their workforce. Employer brokerage services should seek to boost both the number of employers providing apprentices and the number engaging with pre-apprenticeship provision. Employer brokerage services could be funded through the regional apprenticeship fund.

4. Changing accountability rules to support transition to apprenticeships

As set out above, the current accountability rules for colleges risk working against the best interest of young people taking courses.

The government is rightly seeking to support more young people aged 14-16 to study vocational courses alongside academic subjects. However, the accountability measures used in schools – including the Ebacc and Attainment 8 – risk mitigating against this transition, given the extent to which they prioritise academic subjects.

As part of the transition to a more diverse curriculum offer, the DfE should review measures used for school accountability to ensure that these do not unfairly penalise schools that deliver effective vocational provision.

The focus on the qualification achievement rate (QAR) incentivises colleges to seek to retain students on course, rather than supporting them to access apprenticeships. This is despite apprenticeships having better long-term labour market returns than college-based courses at the same level.

The DfE and Ofsted should revise their approach to the QAR. Students leaving for an apprenticeship at the same level or a higher level than the course they are studying should be counted as having completed their course, even if they leave before the end. This would ensure that colleges are not penalised for supporting young people to progress onto high-quality apprenticeships.

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