

Geographical variation in the offering of Apprenticeships now and in the future: data from the Employer Perspectives Survey 2014

INTRODUCTION

The proportion of employers offering formal Apprenticeships and planning to do so in the future, varies by geography across England¹. Therefore, where an individual lives will have a strong influence on their opportunity to do an Apprenticeship. This commentary analyses two heat maps, which use data from the 2014 Employer Perspectives Survey, to look below the regional level at Local Enterprise Partnership (LEP) areas to show the patterns that emerge across England and begin to explain them.

The data shows that the proportion of employers in the south of England that offer Apprenticeships is generally lower than across the rest of England. A similar pattern holds when looking at those that intend to offer them in the future. There are inevitably exceptions to this north/south trend, with York and North Yorkshire, the Black Country and the Marches LEP, near the border with Wales, also registering low on both measures. However, employers in Leeds and Manchester are substantially more likely than those in London to have offered Apprenticeships and to do so in the future.

The sectoral composition of different parts of England is likely to be an important explanation for these differences. Proportionately, Manufacturing and Construction businesses are underrepresented in London compared to other parts of England² and, from national level analysis, we know that employers in these two sectors are amongst the most likely to have had or offered an Apprenticeship³. In addition, knowledge-

intensive businesses, which tend to be clustered in the south are in sectors not traditionally associated with Apprenticeships, such as Financial Services, Computing and Architecture.

Another factor which may play a part in explaining the geographical differences observed is the relatively high supply of Level 2+ and Level 3+ labour in the South East, meaning that employers in this area are perhaps less likely than others to see Apprenticeships as the natural solution to their skills challenges.

This short commentary will attempt to identify the trends seen in the heat maps, and suggest factors likely to be driving employer behaviour. This initial analysis is not intended to provide the answer but it is designed to raise questions for further debate, and to stimulate further investigation. We want to encourage partners working in local areas to take this further and interpret what the maps may be showing about underlying trends in their local area based on their existing knowledge and local intelligence

¹ By 'formal' Apprenticeship we mean an Apprenticeship designed to lead to a nationally recognised qualification. From here on, all references to Apprenticeships mean formal Apprenticeships.

² Office for National Statistics, UK Business Counts, NOMIS, 2014.

³ UKCES, *The Employer Perspectives Survey 2014: UK Results*, (UKCES, 2014)

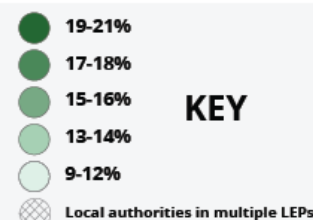
APPRENTICESHIPS

Employers who have had or offered Apprenticeships in the last 12 months

15 per cent of employers in England offered a formal Apprenticeship leading to a qualification in the past 12 months

In Greater Manchester, Greater Birmingham and Solihull and Leeds City Region, employers are more likely to offer Apprenticeships. The Manufacturing industry is well represented in these areas where Apprenticeship participation is traditionally strong.

Oxfordshire and Gloucestershire along the M4 corridor are less likely to report taking on at least one Apprentice compared with the England average.



London and Coast to Capital are amongst the areas that have a lower proportion of employers offering apprenticeships compared to the rest of England. The sectoral composition of the economy in these areas may explain this, as London has a lower proportion of establishments in the Manufacturing and Construction sectors compared to other areas; at a national level these sectors have more establishments offering Apprenticeships.

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|---|---|---------------------------------|-------------------------------------|
| 1 Black Country | 11 Gloucestershire | 20 Leeds City Region | 30 South East |
| 2 Buckinghamshire Thames Valley | 12 Greater Birmingham and Solihull | 21 Leicester and Leicestershire | 31 South East Midlands |
| 3 Cheshire and Warrington | 13 Greater Cambs and Greater Peterborough | 22 Liverpool City Region | 32 Stoke-on-Trent and Staffordshire |
| 4 Coast to Capital | 14 Greater Lincolnshire | 23 London | 33 Swindon and Wiltshire |
| 5 Cornwall and Isles of Scilly | 15 Greater Manchester | 24 New Anglia | 34 Tees Valley |
| 6 Coventry and Warwickshire | 16 Heart of the South West | 25 North Eastern | 35 Thames Valley Berkshire |
| 7 Cumbria | 17 Hertfordshire | 26 Northamptonshire | 36 The Marches |
| 8 Derby, Derbyshire, Nottingham and Nottinghamshire | 18 Humber | 27 Oxfordshire LEP | 37 West of England |
| 9 Dorset | 19 Lancashire | 28 Sheffield City Region | 38 Worcestershire |
| 10 Enterprise M3 | | 29 Solent | 39 York and North Yorkshire |

At a glance:

- There is a broad north/south divide in the proportion of employers offering Apprenticeships, with areas outside the South East on the whole more likely to offer them.
- Greater Manchester, Leeds City Region and Greater Birmingham and Solihull have a higher proportion of employers who have offered Apprenticeships compared to the England average whilst areas in the 'M4 corridor' register lower than average.
- The sectoral composition of these areas may go to explain the different levels of employer engagement with Apprenticeships, as might the varying supply of qualifications at Level 2+ and Level 3+.

In 2014, just under one in seven (15 per cent) of employers across England said they had offered formal Apprenticeships leading to a formally recognised qualification in the 12 months prior to the Employer Perspectives Survey fieldwork.

This varied by region from 19 percent in the North East and 18 per cent in the North West to 11 per cent in London and 14 per cent in the South East. By LEP, establishments in Greater Manchester, Leeds City Region and Greater Birmingham and Solihull were more likely to take on Apprentices than the England average. On the other hand, employers based in parts of the 'M4 corridor' including Thames Valley Berkshire, Oxfordshire and Gloucestershire, as well as the Coast to Capital LEP and London were less likely to report taking on at least one Apprenticeship compared with the England average. This was also true for Cornwall and the Isles of Scilly and the Marches LEP⁴.

One potential explanation of these patterns is that the sectoral make-up of the south compared to the rest of England influences the likelihood of employers offering formal Apprenticeships. Manufacturing and Construction employers are among the most likely to offer Apprenticeships but are under-represented in London⁵. At the same time, the south of England has a greater presence of knowledge-intensive businesses than the rest of England and these business have less of an Apprenticeship tradition.

Another possible explanation is areas in the South East,

including for example the London and Oxfordshire LEPs, have higher proportions of their populations qualified to Levels 2+ and 3+ compared to the national average⁶. As a result, businesses in the South East may be less likely to view Apprenticeships as the solution to their workforce development challenges, favouring instead other approaches.

Outside of the South East, Cornwall and the Isles of Scilly and The Marches LEP, also register low on the proportion of employers who have or offer formal Apprenticeships. This, though, cannot be explained in the same way, as both areas register as average or below average on the proportion of their workforce qualified to level 2+ and 3+⁷.

Across England, on average, 73 per cent of the population is qualified to level 2+ and 56 per cent is qualified to level 3+⁸. Comparing key metropolitan areas, London registers as above average in terms of the proportion of individuals qualified to Level 2+ (76 per cent) and Level 3+ (64 per cent), whilst Greater Manchester,⁹ Leeds City Region,¹⁰ Liverpool City Region¹¹ and Greater Birmingham and Solihull¹² all register below average for both qualification levels but have higher proportions of employers offering Apprenticeships.

⁴ For the percentage figures for these areas please see our LEP level data which is available at: <https://www.gov.uk/government/publications/employer-perspectives-survey-2014-england-and-local-data>

⁵ Office for National Statistics, UK Business Counts, NOMIS, 2014.

⁶ Annual Population Survey, January- December 2013, percentage of the working age population qualified to Level 3+ and Level 2+ by LEP area.

⁷ Ibid.

⁸ Annual Population Survey, January- December 2013, percentage of the working age population qualified to Level 3+ and Level 2+ in England.

⁹ Annual Population Survey, January- December 2013 show that in Greater Manchester 70 per cent of the working age population are qualified to Level 2+ and 52 per cent to Level 3+.

¹⁰ Annual Population Survey, January- December 2013 show that in Leeds City Region 70 per cent of the working age population are qualified to Level 2+ and 53 per cent to Level 3+.

¹¹ Annual Population Survey, January- December 2013 show that in Liverpool City Region 69 per cent of the working age population are qualified to Level 2+ and 49 per cent to Level 3+.

¹² Annual Population Survey, January- December 2013 show that in Greater Birmingham and Solihull 66 per cent of the working age population are qualified to Level 2+ and 49 per cent to Level 3+.

APPRENTICESHIPS

Proportion of employers that plan to offer Apprenticeships in the future

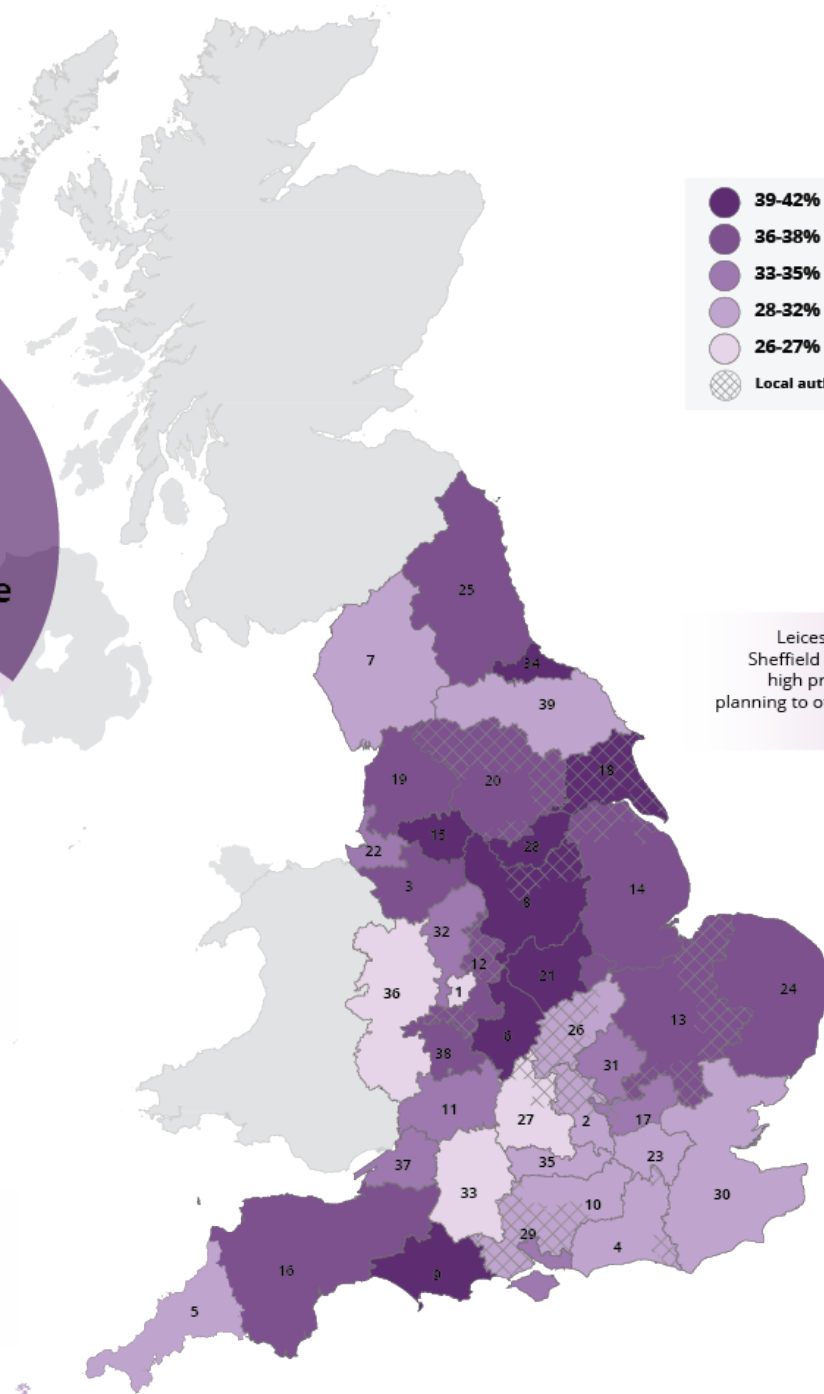
35 per cent of employers said they planned to offer Apprenticeships in the future.

Swindon and Wiltshire, Oxfordshire and The Marches are less likely to plan to offer Apprenticeships in the future compared to the England average

Dorset has a relatively low proportion of employers who have offered Apprenticeships at 13 per cent, but a relatively high proportion of employers who say they plan to do so in the future (41 per cent)



Leicester and Leicestershire, Sheffield and Tees Valley have a high proportion of employers planning to offer Apprenticeships in the future



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At a glance:

- Across England 35 per cent of employers said they planned to offer Apprenticeships in the future.
- On the whole, employers in the South East are less likely to be planning to offer Apprenticeships in the future compared to employers in the rest of England.
- The Marches LEP and The Black Country are also areas where the proportion planning to offer Apprenticeships in the future is lower.

Looking ahead, 35 per cent of employers in England reported that they planned to offer Apprenticeships in the future. The map opposite illustrates how this varies by LEP. Overall, there is a concentration of employers in the South East that are less likely than elsewhere in England to offer Apprenticeships in the future. Whilst there are exceptions, (Cumbria, Cornwall and Isles of Scilly and North Yorkshire), this is a clear pattern. Employers in Leicester and Leicestershire, Sheffield, Tees Valley, Greater Manchester and Dorset were more likely to plan to offer Apprenticeships in the future compared to the England average (35 per cent).

On the other hand, employers in Swindon and Wiltshire, Oxfordshire and The Marches LEP, on the border with Wales, were least likely to be planning to offer Apprenticeships in the future, with the majority of the South East following close behind. This pattern, like for the proportion of employers offering Apprenticeships, may reflect the industrial make-up of different parts of England, and the supply of labour qualified to levels 2+ and 3+.

Looking at the two maps together, it is no surprise that there are similar spatial patterns observed for both the proportion of employers who have had/offered Apprenticeships and the proportion who plan to do so in the future. However, there are interesting exceptions to this. Dorset, which has a relatively low proportion of employers who have offered Apprenticeships at 13 per cent also has a relatively high proportion of employers who say they plan to do so in the future (41 per cent). It would be useful to better understand this pattern, and what has caused a relatively large proportion of employers in Dorset to consider offering Apprenticeships in the future.

However, the overall similarity in the patterns observed between the two maps implies that there are not, on

the whole, parts of the country with employers who have not had Apprenticeships but are planning to offer them in the future. Rather those that are not engaged currently, but plan to be so in the future, are distributed in a similar way to those that are already engaged.

Of course, it is not guaranteed that employers planning to offer Apprenticeships will actually go on to offer Apprenticeships. In 2012, 33 per cent of employers in England said they planned to offer Apprenticeships in the future but the proportion of employers who actually went on to offer Apprenticeships changed very little between 2012 and 2014¹³.

Whilst there is inevitably churn through time as some employers disengage with Apprenticeships and others engage for the first time, the lack of change in the overall proportion offering Apprenticeships implies that employers' intentions are not converted into action. It is therefore important not only to interpret these figures at the local level, using local intelligence, but to also understand how different indicators relate to each other.

¹³ In 2012, the *Employer Perspectives Survey* recorded that 14 per cent of employers across England offered Apprenticeships and in 2014 it was 15 per cent.

A STARTING POINT TO IDENTIFY FURTHER AVENUES FOR ANALYSIS

This short commentary highlights the variation in the extent to which employers offer Apprenticeships across England. In general the South East of England tends to perform less well compared with other parts of the country on both measures, although in reality it is a more complicated picture than this. In particular the contrast between the metropolitan centres of Manchester and Leeds in the north and London in the south are noticeable. Why do these powerhouses of the north perform better than the capital when it comes to involvement in Apprenticeships? What could London learn from Manchester and Leeds?

The interrelated nature of employer behaviour on a number of fronts should not be ignored. In particular, it is important to note that very different patterns emerge when analysing work experience compared to Apprenticeships. As we saw in a previous commentary examining the pattern of employers engaged with work experience placements¹⁴, areas of high levels of knowledge-intensive businesses and relatively high

economic performance tended to also see a higher proportion of employers offering work placements e.g. London and the South East featured strongly in this analysis. The spatial differences observed for employer involvement with Apprenticeships and work placements may well reflect the sectoral composition of local economies.

Going forward we would encourage analysts and local decision-makers to use these maps and our wider data to help contextualise their own local evidence and information. Bringing together our LMI with other local information and intelligence can help to better understand employer behaviour in a robust but nuanced way.

Our full England and local data from the Employer Perspectives survey can be found at:

<https://www.gov.uk/government/publications/employer-perspectives-survey-2014-england-and-local-data>.

SOURCES CONSULTED:

Office for National Statistics, Annual Population Survey, NOMIS January- December 2013, percentage of the working age population qualified to Level 3+ and Level 2+ by LEP area.

Office for National Statistics, Annual Population Survey, NOMIS January- December 2013, percentage of the working age population qualified to Level 3+ and Level 2+ for England

Office for National Statistics, UK Business Counts, NOMIS, 2014.

UKCES Geographical variation in access to work placements and work inspiration: data from the Employer Perspectives Survey 2014, (UKCES, 2015)

UKCES, The Employer Perspectives Survey 2014: UK Results, (UKCES, 2014)

UKCES, The UK Commission's Employer Perspectives Survey (UKCES, 2012)

¹⁴ See UKCES, Geographical variation in access to work placements and work inspiration: data from the Employer Perspectives Survey 2014 at: [Employer Perspectives Survey 2014: England and local data - Publications - GOV.UK](https://www.gov.uk/government/publications/employer-perspectives-survey-2014-england-and-local-data)