



Department  
for Education

# **Apprenticeship and levy statistics: February 2018**

**Reported to date**

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# The apprenticeship funding system

Changes in the way apprenticeship funding works were introduced and implemented from May 2017. Guidance about these changes and paying the apprenticeship levy can be found at this link:

<https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>.

A key aspect of these changes was the introduction of the apprenticeship service, an online service to allow employers to choose and pay for apprenticeship training more easily. Levy-payers are able to register on the apprenticeship service so that they can:

- receive levy funds to spend on apprenticeships
- manage their apprentices
- pay their training provider

## Apprenticeship data

This publication is produced in order to provide transparency with regards to this new system, its usage, and the apprenticeship programme as whole. This publication will continue to evolve over time as more data are collected and their relationships to other further education measures becomes more established.

Caution should be taken interpreting what apprenticeship service data may mean for the overall apprenticeship programme given this is a new system, intended to grow over coming years. It has the potential to be affected by other factors, for example, users typically take time to adjust to recording data on a new system.

## Monthly Starts

This publication includes headline monthly apprenticeship starts data, recorded on the Individualised Learner Record. Historical data, for comparison, were published alongside the November 2017 Further Education and Skills SFR. This provided a 36-month back series available at the following link: <https://www.gov.uk/government/statistics/further-education-and-skills-november-2017>

This release contains apprenticeship starts reported to date for the first four months of the 2017/18 academic year (August 2017 to November 2017) and is based on information returned to the Education and Skills Funding Agency (ESFA) in January 2017. These are the first published (reported) data for these four months, providing an early view of performance, and are released for transparency purposes only.

Since providers report some of their data for this period later in the year, the data are subject to change (in either direction and so these figures are referred to as 'reported so far' or 'reported to date' to reflect this. The last returns of the academic year are submitted in October 2018 and the finalised figures published in November 2018.

It is not possible to determine how complete or incomplete the information returned so far is as the proportion of the actual apprenticeship starts returned each month varies greatly from year to year and from provider to provider. When first reported, monthly starts can be 18% below the final end-of-year figure and may take up to 4 months to reach 95% of the finalised figure. This is particularly the case as provider reporting behaviour may change year to year; in addition, provider reporting behaviour may have particularly been affected since the introduction of the apprenticeship levy in April 2017. As a result, caution should be taken when using and interpreting these data, especially when comparing data reported so far in 2017/18 to the equivalent reporting period in 2016/17, as they will be subject to change. Comparisons that are more accurate can be made once finalised data are published in November 2018.

## Definitions

### **Apprenticeship service accounts:**

In order for an apprenticeship service account to be created and registered, the user must have completed three necessary steps:

1. Registration (creating a user login)
2. Adding an organisation (legal entity)
3. Adding a valid PAYE scheme

Completing these three steps creates a unique identifier for the registered apprenticeship service account (ASA), which is our principle measure of the number of accounts. The apprenticeship service went live for registrations from 23 January 2017. All employers can use the apprenticeship service to search for apprenticeships and a training provider.

### **Legal entities**

An organisation (legal entity) in the apprenticeship service is defined as a body that can legally employ apprentices and makes agreements with training providers; for example a company as defined under their company number.

### **PAYE schemes**

Pay As You Earn (PAYE) schemes are defined by HM Revenue and Customs (HMRC) as the system to collect Income Tax and National Insurance from employment as part of their payroll. Employers may operate multiple PAYE schemes and more than one PAYE scheme can be linked to one Apprenticeship Service Account.

## Commitments

A commitment is where a potential apprentice, who is expected to go on to start an apprenticeship, has been recorded in the system. The apprenticeship service provides a self-managed service on which organisations and providers can add the details of an apprentice. These commitments may be either **fully agreed** or **pending approval**. These were able to be entered from March 2017.

A **fully agreed commitment** has agreement on the apprenticeship service from both the organisation and the training provider.

A **pending approval commitment** means that details of an apprentice have been added but neither the provider and/or the organisation have finalised the commitment in the service. These commitments show an intent for an apprentice to start, however may not materialise into a fully agreed commitment in the future.

## Apprenticeship start:

A start refers to the number of apprenticeship programmes that begin in a given time period. This measure is helpful in determining the take-up of programmes. An apprentice is counted for each individual apprenticeship they start; for example, if one individual started one intermediate level apprenticeship and one advanced level apprenticeship, they would be counted as two starts.

## Apprenticeship levy:

The UK wide apprenticeship levy came into force on 6 April 2017 requiring all UK public and private sector employers with an annual pay bill of £3 million or more to invest in apprenticeship training. Since May 2017, funding arrangements for apprenticeships changed to give employers greater control over funding for apprenticeship training.

More information on paying the apprenticeship levy can be found at this link:

<https://www.gov.uk/guidance/pay-apprenticeship-levy>

## Levy supported:

In order to be counted as a levy supported start, the apprenticeship must have been supported through levy funds.

## Additional publications

For the most recent apprenticeship statistics and further breakdowns, please see the main Further Education and Skills statistical first release, the Apprenticeships and traineeships release, and the apprenticeships FE data library:

<https://www.gov.uk/government/collections/further-education-and-skills-statistical-first-release-sfr>

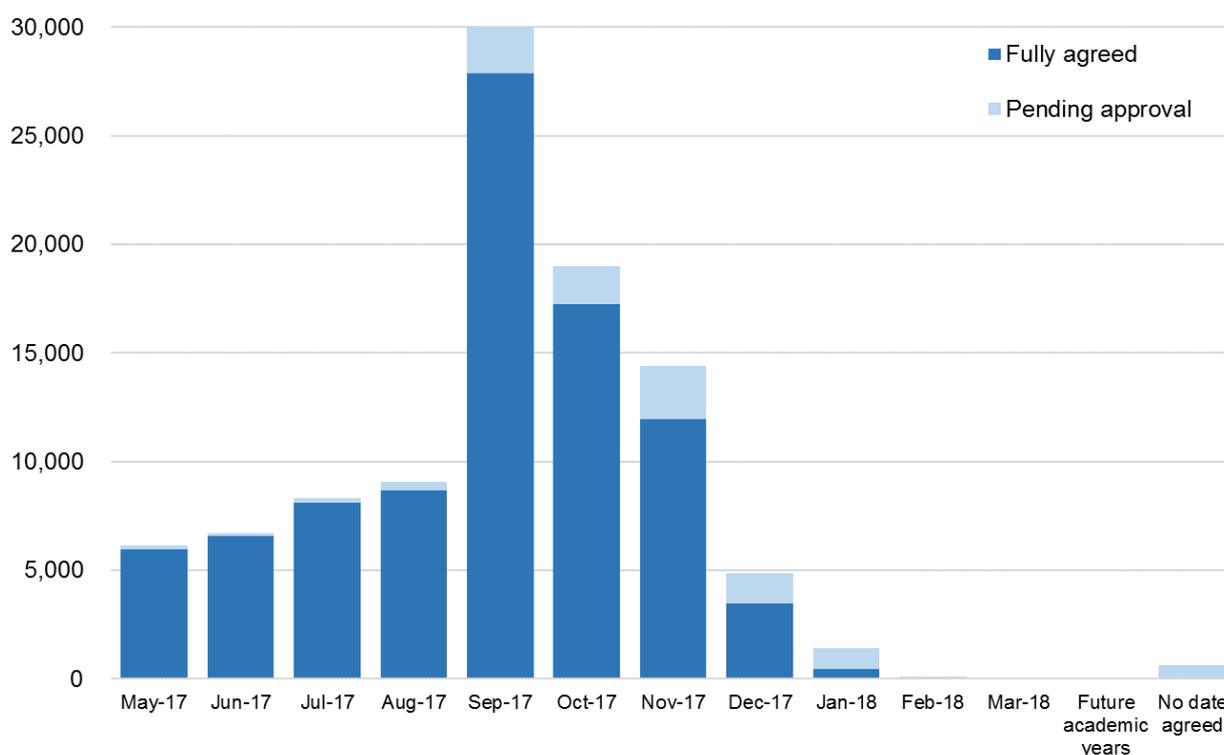
<https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

## Apprenticeship service account (ASA) registrations and commitments

As at 31 December 2017, there have been a total of 12,500 ASAs registered. Please note that the date of registration is the date the apprenticeship service account first registered their PAYE account number and a legal entity in the digital apprenticeship service system.

As at 31 December 2017, there have been a total of 100,700 commitments entered into the apprenticeship service. Of these, 90,300 were fully agreed.

**Figure 1: Commitments by training start date, as reported by 31 December 2017**



42,300 commitments were for apprentices aged 25 and over. 42,000 commitments were intermediate apprenticeships, and 43,800 were advanced apprenticeships. Of the 100,700 commitments in the apprenticeship service as at 31 December 2017, 21,100 were for the 2016 to 2017 academic year, and 78,900 were for the 2017 to 2018 academic year.

Please note, a commitment may be recorded on the apprenticeship system after the date has passed, and therefore all data should be treated as provisional. Details of the age of the apprentice and the level of the apprenticeship of the commitment does not have to be completed at the pending approval stage. The data is fully captured when providers confirm details in the individualised learner record (ILR) collection. In the interests of transparency, what is known at this point of reporting has been included where possible.

## Monthly apprenticeship starts

In November 2017 there were 27,000 apprenticeship starts, compared to 41,600 starts at this point in 2016/17. These starts are based on returns up until the end of December 2017 and are presented for transparency purposes. Finalised figures for all months will be available in November 2018.

In Figure 2, first reported monthly apprenticeship starts are shown for 2017/18 along with the corresponding 2016/17 figures. For the first three months of each academic year (August to October) these 'first reported data' correspond to the fourth ILR data return made by providers to the Education and Skills Funding Agency, and is known as 'R04' data, whereas for November it corresponds to the fifth ILR data return known as 'R05'.

Also shown for comparison are the finalised figures for the 2016/17 academic year; this shows the changes caused by data returned to the ESFA after the figures were first reported. The most up-to-date figures for the current 2017/18 academic year (based on the R05 return) are also presented.

Subsequent monthly starts will be first reported using the next ILR return, e.g. December starts will be first reported using the R06 return, January starts will use the R07 return and so on. Finalised data for each month will be published in November

**Figure 2: Apprenticeship starts by month between August 2016 and November 2017**

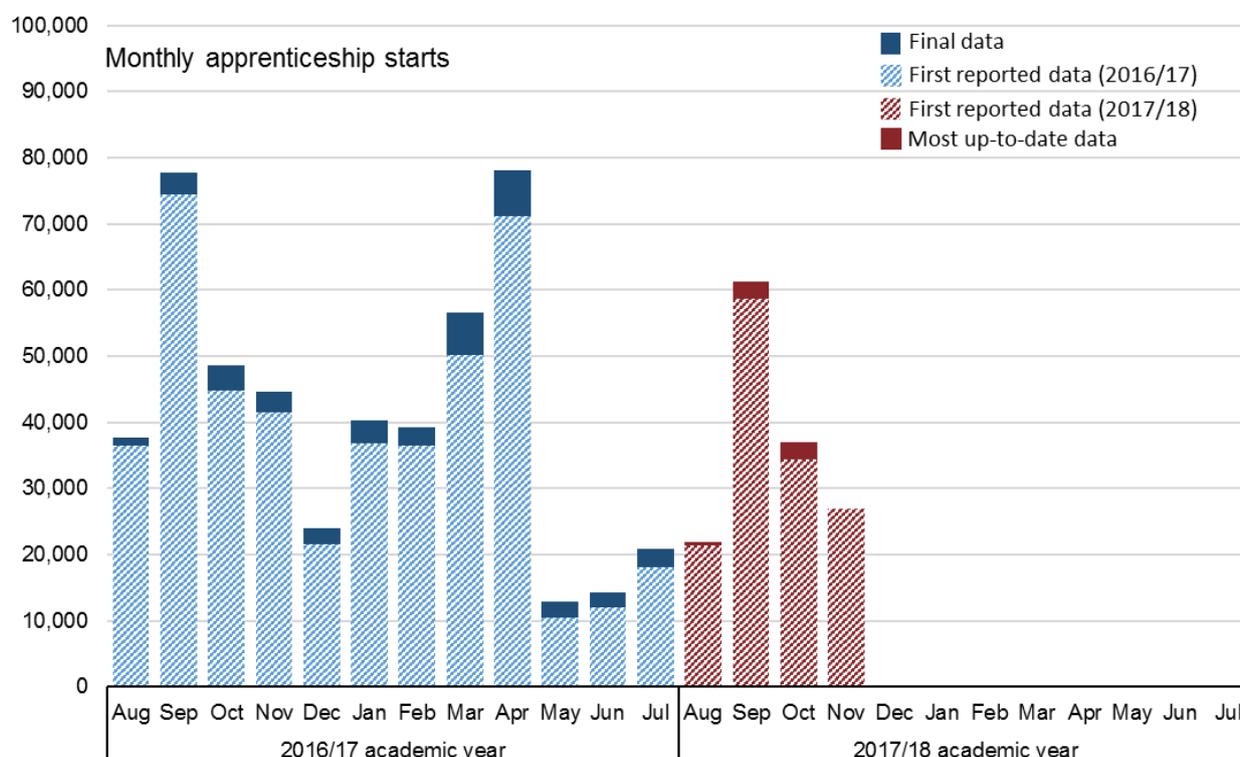
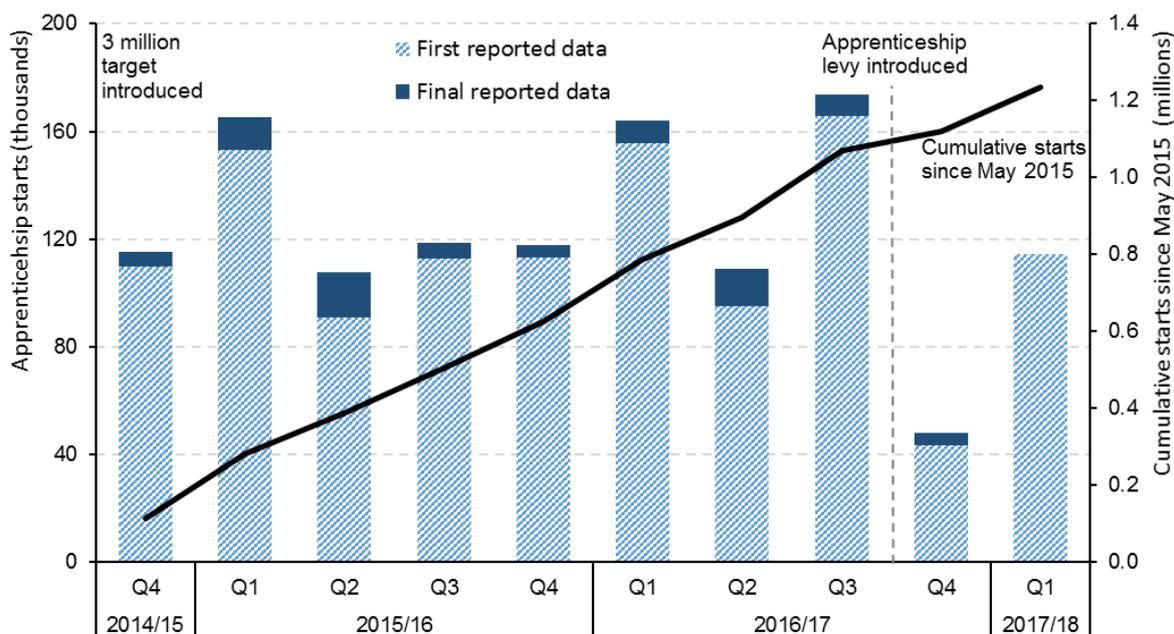


Figure 3 shows quarterly apprenticeship starts from the fourth quarter of the 2014/15 academic year onwards, along with cumulative starts. Also shown are the first reported starts in each quarter (i.e. the figures that were initially published and then were subsequently finalised) showing how much first reported figures are subsequently revised.

**Figure 3: Quarterly apprenticeship starts from May 2015**



Quarterly apprenticeship starts data provide a more robust basis than monthly starts for interpreting how figures relate to historical trends. Quarterly figures relating to the monthly starts detailed in this publication can be found in the Apprenticeships and Traineeships Release: January 2018.

<https://www.gov.uk/government/collections/further-education-and-skills-statistical-first-release-sfr>

## Future publications

The next release of these statistics will be 29 March 2018. We will publish these statistics on a monthly basis but may adjust content and timing as feedback is assessed. We will take into account what data is reported and how this is happening.



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Reference: SFR13/2018



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