



Department for
Business, Energy
& Industrial Strategy

Apprenticeship Pay Survey 2018/19 – Great Britain

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OGL

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1. About this report

Background

Apprenticeships are a structured programme of training, consisting of paid employment and learning, which give people the opportunity to work for an employer, learn on the job, build up knowledge and skills, and gain recognised qualifications within a specific occupation or trade.

The National Minimum Wage (NMW) is the minimum pay per hour almost all workers in the UK are entitled to by law.¹ As well as separate NMW rates for those aged under 18, 18-20, 21-24, and a National Living Wage (NLW) for those aged 25 and over, there is a distinct NMW rate for apprentices aged 16 to 18 and those aged 19 or over who are in their first year of the apprenticeship. All other apprentices are entitled to the NMW for their age.

The rates are subject to change every April. Table 1-1 shows the April 2018 rates (those that applied at the time of the survey), alongside the recent rates set in April 2019.

Table 1-1 National Minimum Wage Rates (hourly)

Year	Apprentice*	Under 18	18-20	21-24	NLW (25 and over)
April 2018**	£3.70	£4.20	£5.90	£7.38	£7.83
April 2019	£3.90	£4.35	£6.15	£7.70	£8.21

* Aged 16-18 or in first year of apprenticeship

** the rate in effect at time of survey fieldwork

The Apprenticeship Pay Survey (APS) is an important component in monitoring apprenticeship policy and compliance with the apprentice NMW. Critically, it helps to ensure that any changes to the apprentice minimum wage rate or apprenticeship policy are appropriate and based on accurate information. For example, evidence from the survey contributes to the Low Pay Commission's recommendations to government for the apprentice minimum wage rate. Two previous Apprenticeship Pay Surveys were carried out in 2016 and 2014.²

¹ Exceptions include self-employed people running their own business, company directors, and volunteers / voluntary workers, and workers younger than school leaving age. The full list is available at www.gov.uk/national-minimum-wage/who-gets-the-minimum-wage.

² www.gov.uk/government/publications/apprenticeship-pay-survey-2014
www.gov.uk/government/publications/apprenticeship-pay-survey-2016

Earlier versions of the survey were carried out intermittently between 2005 and 2012, however significant changes to the survey methodology were made to the 2014 version of the survey such that the potential for time-series comparisons between the 2012 APS (and earlier editions) to the 2014 APS and later editions are very limited. Details of these methodological changes are detailed in the 2014 APS technical report.

Research objectives

The main objective of the 2018 APS is to provide an accurate and up-to-date picture of apprentice pay in England, Scotland and Wales. Specifically, it investigates:

- The wages employers are paying apprentices; and the constituent elements (basic pay, overtime, tips etc.);
- The number of hours apprentices spend working to establish their hourly wage rates;
- The range of apprentice pay, including differences by gender, age, level and framework and prior employment status.

Methodology

The survey comprised **9,582** telephone interviews with apprentices, conducted from 27 November 2018 to 10 March 2019; of these **8,295** interviews were conducted with Level 2 and Level 3 apprentices, and **1,287** with apprentices studying Level 4+ apprenticeships.

Further details of the survey methodology can be found in the supplementary Technical Report.

Comparisons with Apprenticeship Pay Surveys 2018 country-specific reports

As a result of differing framework profiles across countries within Great Britain, the framework profile of the population of each country-specific APS report is different to the one utilised in the APS GB report. This in turn has an impact upon the weighting approach used within the country-specific reports and the APS GB report. This is primarily because two sets of weights were derived during the preparation of the data for APS 2018.

The first was a 'Great Britain' weight that has been applied for all GB-wide analysis throughout the report. This was constructed based on GB-wide apprentice populations (level within framework), with rim weights for age, gender, year of apprenticeship and country.

The second set of weights derived was a 'country' weight, applied for country-specific analysis throughout the report. Within country these weights were based on level within framework, with rim weights for age, gender and year of apprenticeship.

Within the GB-level report, country specific findings are based upon data weighted using the GB-weight, filtered upon the relevant country. This is a result of the fact that the three countries were sampled in different ways, utilising each country's framework and level profile to determine what should be included in each target, and therefore have different weighting approaches too. Consequently, it would not be advisable to compare results between countries based upon country specific weighting (e.g. across different country-specific reports). Instead, comparisons across countries within the GB-report are made using data weighted at a GB-level.

This means that some of the figures produced in the APS GB report are different to the figures provided in the country-specific report, though refer to the same base. This is a result of the differing weighting approaches outlined above. Three key metrics, broken down by level and

country are provided in Table 1-2, presenting the figure for this group provided in the APS GB report and the figure that was provided for the same group in the country specific reports.

Table 1-2 Comparison of key metrics based upon level, country and report

	Basic median hourly pay	Non-compliance with NMW	Provision of formal training
England Level 2/3			
APS GB report	£6.97	19%	52%
APS England report	£6.95	19%	51%
England Level 4+			
APS GB report	£10.99	9%	47%
APS England report	£11.07	9%	47%
Scotland Level 2/3			
APS GB report	£7.74	17%	45%
APS Scotland report	£7.67	18%	44%
Scotland Level 4+			
APS GB report	£10.58	5%	30%
APS Scotland report	£11.50	5%	27%
Wales Level 2/3			
APS GB report	£7.85	14%	37%
APS Wales report	£7.89	18%	38%
Wales Level 4+			
APS GB report	£10.71	6%	23%
APS Wales report	£11.06	6%	21%

Comparisons with previous Apprenticeship Pay Surveys

Within this report we make comparisons with the 2016 and 2014 Apprenticeship Pay survey.

Table 1-3 shows the number of interviews completed during each iteration of the survey, including breakdowns by level. Fieldwork was conducted from 9 June 2016 to 25 July 2016 for the 2016 iteration and from 22 July 2014 to 14 September 2014 for the 2014 iteration.

Table 1-3 Number of interviews conducted for the 2014, 2016 and 2018 Apprenticeship Pay Surveys

	APS 2014	APS 2016	APS 2018
Level 2/3	8,526	8,308	8,295
Level 4+	841	930	1,287
Trailblazers ³	N/A	184	N/A
GB Total	9,367	9,422	9,582

Key variables used in this report

In the discussion of the pay and earnings variables used in the report, it is worth noting that all pay and earnings figures are reported in gross rather than net terms. Respondents that answered in net ('take home') terms had their responses converted to equivalent gross figures (how this was done is discussed in the Technical Report, in the section entitled 'Net to Gross Pay Conversion Calculation').

Basic gross hourly pay

This is calculated by dividing weekly pay excluding overtime, tips and bonuses by weekly hours spent working and training but excluding paid or unpaid overtime.

Apprentices may also receive flexi time in return for working unpaid overtime (see Chapter 3, Total weekly earnings), which may affect pay calculations generally.

Gross hourly pay for calculating NMW / NLW compliance

To determine whether hourly pay is compliant with NMW / NLW or not, a rate needs to be calculated which takes into account:

- Pay excluding any hours paid at a higher rate, tips and bonuses. (Note that although bonuses can count towards the NMW / NLW, this only applies to the pay period in which they are paid, and in some cases a proportion can apply to the previous pay period. As the apprentice's pay should be compliant across all pay periods, including those in which bonuses have not been paid, we have not included bonus payments in the pay to calculate NMW / NLW compliance.)

³ For the 2016 iteration of the survey, Trailblazer apprentices were interviewed, a group that were not relevant for the 2014 or 2018 iterations.

- Hours that apprentices work and train, including unpaid overtime and overtime paid at the standard rate (overtime paid at a higher rate is excluded)
- Accommodation provision and charges.

The hourly pay figure calculated in this way has been used to determine compliance or not with the NMW / NLW, but the actual pay rate has not been shown other than in Figure 3-12, Figure 3-13 and Figure 3-14, which show pay levels of those paid below the NMW / NLW.

Compliance / Non-compliance with NMW / NLW

Where apprentices provide information that indicates that they are not being paid the NMW / NLW, they are described in this report as non-compliant. From the survey responses of some apprentices it was not possible to determine if their pay was compliant or not, typically those answering 'don't know' to questions covering their pay or hours, and hence for whom an hourly pay figure could not be calculated.

As a result of 'don't know' responses, it was not possible to calculate an exact gross hourly pay figure for all apprentices. If respondents were unsure of their exact pay or hours then we were not able to calculate a gross hourly pay figure. Overall, we were able to calculate an hourly pay figure for calculating compliance with the NMW / NLW for 8,373 respondents, or 87% of all respondents (unweighted), significantly lower than the 94% of all respondents in 2016.

However, among those where a gross hourly pay figure could not be calculated, compliance or non-compliance with the NMW / NLW was determined in cases where:

- An individual gave a range answer on pay or hours, calculating compliance using each end of the range they gave resulted in either compliance or non-compliance;
- If someone said they were definitely above or definitely below the relevant NMW for their age / year of apprenticeship they were included as compliant or not;
- If someone knew their hourly pay rate then this answer was used to calculate if their pay was compliant or not.

Throughout the report, the proportion of apprentices described as receiving compliant or non-compliant pay has been based on those for whom compliance is known one way or the other, hence excluding those where it was not possible to determine compliance.

In order to assess compliance with the NMW and NLW, apprentices' pay rates were calculated according to eligibility for NMW or NLW. In summary, the figure includes: hours spent training as well as those working; unpaid overtime hours; overtime paid at the 'standard rate'; and accommodation provision and charges. It excludes (the pay and the hours) of overtime paid at a higher rate, and any tips and bonuses.

It is worth noting that pay could appear compliant or non-compliant due to reporting error – for example, apprentices might round their pay up or down, or misremember the number of hours they worked, leading to an erroneous gross hourly pay figure. Also, non-compliance may not necessarily be 'malicious' on the part of the employer. It can arise, for example, from an apprentice voluntarily undertaking unpaid overtime or from undertaking long hours of training in their own time. Hence an apprentice's pay may be compliant (at or above the NMW / NLW) for

the hours for which they are paid, but when voluntary unpaid hours are taken into account the hourly rate falls below the NMW / NLW.⁴

The relevant NMW / NLW rate for apprentices depends on their age and whether they are in the first year of their apprenticeship or not. Where a respondent was answering using a payslip, the relevant NMW / NLW figure used the age and year of apprenticeship *at the time period of the payslip*, not their age / year of apprenticeship at the time of the survey.

Pay could appear compliant or non-compliant due to reporting error – for example, apprentices might round their pay up or down, or misremember the number of hours they worked, leading to an erroneous gross hourly pay figure. Among those with calculated pay, around two-fifths (39%) of Level 2 and Level 3 apprentices with non-compliant pay were calculated as being paid within 10% of the NMW / NLW rate that applied to them; in these cases, relatively small errors in measurement could have led to their pay appearing non-compliant.

Apprentices were asked to have a pay slip to hand when answering, overall this applied in a third (33%) of cases; where a pay slip was not available apprentices gave hours based on the previous week worked, or a typical week, and pay (either gross or net) covering a time period of the respondent's choice (e.g. weekly, monthly or annual). Evidence from other pay surveys suggests respondents are likely to overestimate hours, underestimate earnings and round numbers up or down, rather than give completely accurate figures. Given the very precise numbers in this report, small errors can substantially impact on derived pay rates. For example, a first year apprentice working 40 hours per week at £3.70 per hour will earn £148.00 per week, but they may report this as 40 hours per week for £140. This produces a derived hourly pay rate of £3.50, which is non-compliant by 5%.

Based on self-reported hourly pay figures only (that is, where the apprentice stated that they knew their hourly pay),⁵ the level of non-compliance was significantly lower than if the calculated hourly pay is used, meaning that a number of apprentices whose pay was calculated as non-compliant gave a stated hourly rate that was compliant with the appropriate NMW / NLW. This discrepancy could arise for several reasons: apprentices being misinformed about their hourly rate; apprentices failing to factor in elements such as overtime or accommodation; and measurement errors as described above.

Non-compliance may not necessarily be 'malicious' on the part of the employer. It can arise, for example, from an apprentice voluntarily undertaking unpaid overtime or from undertaking long hours of training in their own time. Hence an apprentice's pay may be compliant (at or above the NMW / NLW) for the hours for which they are paid, but when voluntary unpaid hours are taken into account the hourly rate falls below the NMW / NLW.

Reducing non-compliance with the NMW / NLW is a priority for the government. There are resources dedicated to dealing with cases of underpayment, notably the Acas Helpline. More information about the action being taking to reduce levels of non-compliance can be found on the GOV.UK website.⁶

⁴ The Apprenticeship Pay Survey does not differentiate between overtime that may be considered to be "voluntary" or "involuntary".

⁵ 56% of apprentices stated that they knew their gross hourly pay.

⁶ For more information, please see the government's National Minimum Wage Enforcement and Compliance report: www.gov.uk/government/publications/national-living-wage-and-national-minimum-wage-government-evidence-on-compliance-and-enforcement-2018

Total weekly earnings

As well as calculating hourly pay, a figure has also been calculated for total weekly earnings. In addition to 'basic pay' this includes tips, bonuses and overtime.

About this report

This report presents the findings from the Apprenticeship Pay Survey 2018 across Great Britain. Separate reports have also been produced to cover these findings for England, Scotland and Wales which have also been published.

The findings in this report have been structured into two separate chapters:

- Chapter 3 examines results across Great Britain covering those undertaking Level 2 or Level 3 apprenticeships
- Chapter 4 examines results for individuals undertaking apprenticeships at Level 4, 5 or above.

Report interpretation

Throughout the report results have not been shown on tables and charts if the unweighted base size is less than 30. Where this is the case, a double asterisk (**) has been used in place of the data.

Where a single asterisk (*) has been used in the tables, it symbolises a percentage value greater than zero but less than 0.5%. A zero percentage value is denoted by '-' in the tables.

Where we discuss statistical significance this is at the 95% confidence level.

All figures on tables and charts are based on weighted findings from the 2018 Apprenticeship Pay Survey, unless otherwise stated.

Throughout the report, comparisons have been made between various demographic groups (age, gender etc.) as well as by factors relating to the apprenticeship (framework, year of apprenticeship, level etc.). Care should be taken when interpreting findings since differences may not be driven by demographic factors but may instead be explained by other underlying factors. For example, differences in total weekly earnings by gender could be related to the proportion of males and females working in higher or lower paid frameworks or by differences in working patterns (e.g. number of hours worked a week).

2. Executive summary

Basic hourly pay

Among Level 2 and Level 3 apprentices the median basic pay was **£7.10 an hour (mean £7.70)**. Both were higher than in 2016 (median: **£6.70**, mean: **£6.98**). The basic pay figure has been derived by dividing all basic pay (excluding higher rate pay, tips, bonuses and accommodation allowances) by the total number of hours worked (excluding any hours worked at a higher rate, but including time spent training).

For Level 4+ apprentices, median basic hourly pay was higher, at **£10.94 (mean £12.46)**.

Table 2-1 Mean and Median basic hourly pay for apprentices in 2016 and 2018

	2016 Base:	2016 Median	2016 Mean	2018 Base:	2018 Median	2018 Mean
Level 2/3 apprentices						
England	4,357	£6.70	£6.99	3,585	£6.97	£7.64
Scotland	1,411	£6.66	£7.04	1,883	£7.74	£8.04
Wales	1,610	£6.63	£6.72	2,020	£7.85	£8.19
Great Britain	7,378	£6.70	£6.98	7,488	£7.10	£7.70
Level 4+ apprentices						
England	478	£9.63	£10.59	609	£10.99	£12.52
Scotland	161	£10.07	£13.21	205	£10.58	£12.09
Wales	162	£10.33	£11.13	280	£10.71	£11.83
Great Britain	801	£9.83	£10.80	1,094	£10.94	£12.46

Base: these results are based on those for whom it was possible from their survey responses to calculate a gross hourly pay figure.

There were large differences by framework, as detailed in Table 2-2. As in previous years, the basic hourly pay figure for Level 2 and Level 3 apprentices in Great Britain was lowest in the Hairdressing framework (£3.70 median), although basic hourly pay decreased for the Customer service framework (decrease of £1.51 per hour), while it increased in all other frameworks.

Table 2-2 Median basic hourly pay for Level 2 and Level 3 GB apprentices in 2016 and 2018

	2016 Base:	2016 Median	2018 Base:	2018 Median
Management	513	£8.75	387	£11.44
Retail	559	£6.95	448	£7.75
Health, Social Care and Sport	1,002	£7.19	858	£7.59
Electrotechnical	449	£6.52	413	£7.54
Hospitality and Catering	478	£6.78	399	£7.53
Engineering, Manufacturing Technologies and related	1,226	£6.44	1,269	£7.12
Construction and related	847	£6.00	877	£6.71
Business and related	736	£5.98	645	£6.49
Children's care	380	£5.04	373	£5.76
Customer Service	403	£7.21	296	£5.70
Hairdressing	465	£3.47	542	£3.70
Other 2/3	320	£5.24	515	£6.17
GB total	7,378	£6.70	7,022	£7.10

Base: these results are based on those for whom it was possible from their survey responses to calculate a gross hourly pay figure. This table is ranked in descending order of pay within level.

Results on hourly pay by year of apprenticeship, age and gender for Level 2 and Level 3 apprentices are shown in Table 2-3. Pay increases with age and year of apprenticeship.

Table 2-3 Mean and Median basic hourly pay for level 2 and level 3 apprentices

	2016 Base:	2016 Mean	2016 Median	2018 Base:	2018 Mean	2018 Median
Total	7,378	£6.98	£6.70	7,022	£7.70	£7.10
Year of apprenticeship:						
First year of apprenticeship	5,115	£6.38	£6.68	3,713	£7.31	£6.85
Second or later year of apprenticeship	2,263	£7.15	£7.66	3,265	£8.00	£7.28
Age:						
16-18	1,775	£4.81	£3.81	1,309	£5.36	£4.85
19-20	2,087	£5.60	£5.19	1,844	£6.83	£6.15
21-24	1,644	£7.23	£6.95	1,399	£8.52	£7.83
25+	1,872	£8.52	£7.64	2,470	£9.87	£8.76
Gender:						
Male	4,106	£7.10	£6.60	4,025	£7.90	£7.10
Female	3,272	£6.85	£6.77	2,997	£7.47	£7.06

Base: these results are based on those for whom it was possible from their survey responses to calculate a gross hourly pay figure.

Total weekly earnings

The mean total weekly earnings for Level 2 and 3 apprentices was £304 (median: £277). This is an increase from 2016 when mean total weekly earnings was £282 (median: £263). Overall 96% of their total weekly pay came from 'basic' pay and 2% from overtime (with the remainder coming from tips and bonuses), in line with 2016.

As with hourly earnings, total weekly earnings varied widely by framework, with the mean total weekly pay highest among Level 2 and Level 3 apprentices on Management frameworks (£507) and lowest (at £173) in the Hairdressing framework.

The mean total weekly earnings for Level 4 and 5 apprentices in Great Britain for whom a calculation of weekly earnings could be made was £526 (median £469).

Non-compliance with NMW / NLW

Looking only at Level 2 and 3 apprentices for whom compliance can be assessed, 19% were paid below the appropriate NMW or NLW, in line with 2016 (18%).

When comparing compliance levels between 2018 and 2016, it is important to note that the lowest NMW rate for apprentices (applying to those aged 16 to 18, and all those in their first year of the apprenticeship) increased between October 2015 (the rate applicable at the time of the 2016 survey) and April 2018 (the rate applicable for the 2018 survey); from £3.30 in October 2015 to £3.70 in April 2018 (a 12% increase).

Similar increases were made between 2015 and 2018 to the minimum rates for 18 to 20 year olds in their second year or later (increasing from £5.30 to £5.90, an 11% increase) and for 21 to 24 year olds in their second year or later (from £6.70 to £7.38, a 10% increase).

Additionally, the NLW rate that came into force from April 2016, which created a new minimum rate for all those aged 25 and over and in the second year of their apprenticeship or later. This also increased, from £7.20 in April 2016 to £7.83 in April 2018 (a 9% increase).

Table 2-4 shows the proportion of apprentices in Great Britain with compliant and non-compliant pay, grouped by age and year of apprenticeship. Although non-compliance at an overall level has increased since 2016, when stratifying by age and year of apprenticeship, there have been no significant increases.

Table 2-4 Compliance by age and year of apprenticeship 2016 and 2018

Row percentages	2016				2018			
	Base		Paid NMW/ NLW or higher	Paid below NMW/ NLW	Base		Paid NMW/ NLW or higher	Paid below NMW/ NLW
Age 16-18 or in first year of apprenticeship	5,832	%	87	13	4,467	%	88	12
Age 19-20 and in second year or later of apprenticeship	782	%	68	32	1,094	%	66	34
Age 21-24 and in second year or later of apprenticeship	657	%	68	32	776	%	66	34
Age 25+ and in second year or later of apprenticeship	593	%	69	31	794	%	72	28
Total	5,832	%	87	13	7,148	%	81	19

Base: all Level 2 and Level 3 apprentices with known compliance

Non-compliance among Level 2 and Level 3 apprentices was highest in the Hairdressing frameworks (47%) and lowest in Management frameworks (7%).

When considering compliance with the NMW/NLW rates by age (rather than age and year of apprenticeship at the same time), **non-compliance was lowest among the oldest group of apprentices**, those aged 25 and over (13%), compared with apprentices aged 16 to 24 (22%).

Those nearer the beginning of their apprenticeship were less likely to receive non-compliant pay: 11% of those who had been on their course a year or less were paid less than the appropriate minimum rate, compared with 25% of those who had been on their course for more than a year.

Those who stated that they received at least one day a week of formal training on average were more likely to receive non-compliant pay (22%) than those who said they did not receive at least one day of formal training each week (16%). This could imply that in some cases employers are failing to pay apprentices for time spent on formal training, thus pushing up non-compliance among this group.

For apprentices aged 16-18, non-compliance was more common in the first year of study (25%) than in their second year or later (15%), although the reverse relationship was true for those aged 19-20 (first year 12% vs. second year or later 34%), 21-24 (first year 8% vs second year or later (34%) or aged 25 or older (first year 2% vs. second year or later 28%).

Compliance among Level 4+ apprentices (91%) was higher than among Level 2 and 3 apprentices (81%), with around one in twelve (9%) receiving non-compliant pay.

In order to assess the potential impact of underlying pay elements on compliance, levels of pay were assessed using a number of different pay calculations:

- Hourly pay excluding unpaid overtime;
- Hourly pay based on total weekly earnings (that is, including all tips, bonuses and higher rate pay); and
- Hourly pay based on basic pay and hours (excluding any additional earnings and accommodation – i.e. the ‘basic pay rate’ used throughout the rest of this report).

Compliance with the appropriate NMW rate was then calculated for each of these hourly pay figures (based on those apprentices for whom compliance could be determined for *all* of the above calculated pay figures, in order to ensure like-for-like comparisons).

At an overall level, calculating NMW with unpaid overtime removed, or using the basic hourly pay rate, or using all earnings and all hours has a significant impact on the proportion of apprentices calculated as receiving non-compliant pay. This is in contrast with findings from 2016. Non-compliance with unpaid overtime removed falls to 10% of Level 2 and 3 apprentices (compared to 19% overall), which was consistent with utilising a basic hourly pay rate and 11% when considering all earnings and all hours.

3. Pay levels of Level 2 and Level 3 apprentices in Great Britain

Routes into apprenticeships

Over half of Level 2 and 3 apprentices (54%) had already been working for their employer when they started their apprenticeship. This is a lower percentage than in 2016 (63%).

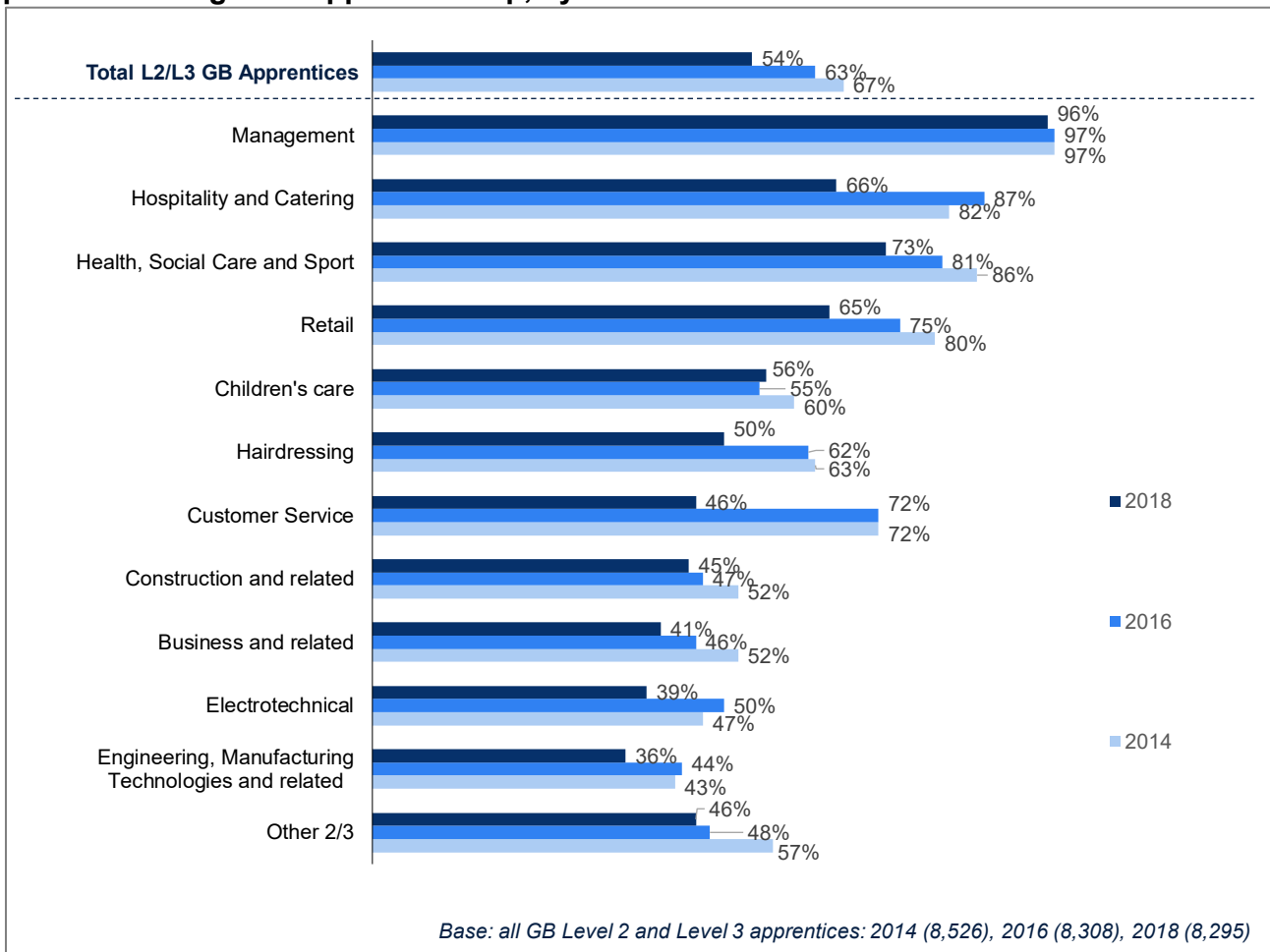
There were noticeable differences across frameworks in terms of whether apprentices were working for their employer prior to beginning their training (see Figure 3-1). As in 2014 and 2016, the frameworks with the highest proportions of those already working for their employer were Management (96%), Health, Social Care and Sport (73%), Hospitality and Catering (66%) and Retail (65%).

There were some changes by framework since 2016, with significantly fewer apprentices in a number frameworks having worked for their employer prior to starting their apprenticeship than in 2016; in line with the drop at an overall level. This pattern can be seen in Figure 3-1.

Similar to the 2016 and 2014 surveys, **results showed that the likelihood that apprentices worked for their employer prior to enrolment increased with age, see Table 3-1.** Around a third of 16-18 year olds (30%) and 19-20 year olds (34%) worked for their employer before starting their apprenticeship. This increased to around half (47%) of 21-24 year olds and more than four-fifths of those aged 25 or older (85%).

In line with 2016 and 2014 results, **female apprentices were also more likely to have already been working for their employer** (63%, compared with 46% of men).

Figure 3-1 Proportion of GB Level 2 and Level 3 apprentices working for their employer prior to starting their apprenticeship, by framework



Working arrangements and number of hours contracted to work

Contractual and employment arrangements

The vast majority (91%) of Level 2 and Level 3 apprentices in Great Britain reported that they had a written contract with their employer (6% had no written contract, and 3% were unsure). These results are all in line with 2014 and 2016 and were broadly consistent across England (91%), Wales (91%) and Scotland (89%), although it was slightly (albeit statistically significantly) more common in England than in Scotland.

In most cases written contracts covered the full year (87% of all Level 2 and Level 3 apprentices).

Seven in ten apprentices (71%) had a permanent job with their employer with no fixed end date, which was a lower proportion than in 2016 (75%).

Employment arrangements and contractual statuses varied by framework and age, as shown in Table 3-1. As in 2014 and 2016, written contracts were least common for apprentices in Hairdressing (75%) and these apprentices were also least likely to be employed on a permanent basis (60%).

Likelihood to have a written contract increased with age, from 86% of those aged 16 to 18 to 94% of those aged 25 and over. Similarly, younger apprentices were less likely to be employed on a permanent basis: 56% of those aged 16 to 18 had permanent employment, rising to 89% of those aged 25 or older. These results show the same patterns as the 2014 and 2016 surveys.

Table 3-1 Written contracts and employment arrangements by framework and age of GB Level 2 and Level 3 apprentices

Row percentages	Base		Written contract		Employment arrangement (asked of all apprentices)			
			Yes	No	Permanent	Training period only	Fixed end after completion	Previously employed with their employer
Framework								
Management	464	%	98	2	98	-	1	96
Business and related	751	%	95	4	62	21	12	41
Health, Social Care & Sport	1,071	%	92	6	81	9	6	73
Retail	528	%	91	5	79	11	6	65
Children's Care	474	%	92	6	71	18	5	56
Engineering & Manufacturing	1,441	%	91	7	64	21	10	36
Hospitality and Catering	474	%	91	6	82	13	2	66
Customer Service	329	%	90	7	63	21	14	46
Electrotechnical	484	%	87	9	75	15	6	39
Construction	1,012	%	85	8	69	15	11	45
Hairdressing	628	%	75	18	60	23	6	50
Other 2/3	639	%	91	6	56	27	12	46
Age								
16-18	1,496	%	86	10	56	25	13	30
19-20	2,095	%	92	5	61	25	10	34
21-24	1,669	%	92	6	70	17	8	47
25+	3,035	%	94	5	89	6	3	85
Total	8,295	%	91	6	71	16	8	54

Base: All Level GB 2 and Level 3 apprentices in Great Britain (2,037)

Row percentages in each set do not sum to 100% due to exclusion of 'Other' and 'Don't know' responses.

Contracted hours versus the number of hours worked / trained

The vast majority (88%) of Level 2 and Level 3 apprentices in Great Britain worked a certain number of set hours each week. As shown in Figure 3-2, this was most often 35 to 39 hours a week (40% of all Level 2 and Level 3 apprentices) or 40 to 44 hours a week (26%).

Apprentices had a median of 37.5 contracted hours a week (mean of 36.6) very close to the 2016 figures (37.5 and 35.4 hours respectively). Median contracted hours was largely consistent across England (37.5 hours), Scotland (38.0 hours) and Wales (37.5 hours).

Apprenticeship funding rules state that apprentices must be employed for at least 30 hours a week, or, in exceptional circumstances (for example due to personal situations), apprentices may work part-time for between 16 and 29 hours a week. A very small proportion of apprentices worked less than 16 hours per week; 1% of apprentices in 2018 reported contracted hours of between one and 15 hours a week, which was consistent with 2016.

Average contracted hours (median: 37.5, mean: 36.6) were lower than the average actual hours worked or trained (median 40.0, mean: 40.7). Overtime hours and pay are covered later in this chapter.

One in eight (13%) Level 2 or 3 apprentices in Great Britain worked and trained more than 50 hours a week, which was in line with the level found in 2016 (13%). Certain groups were more or less likely to be working and training for more than 50 hours a week:

- Male apprentices (15%, compared with 10% of women);
- Older apprentices (18% of those aged 25 and over, compared with 10% of those aged 24 and under); and
- There was wide variance by framework; for further breakdowns of the split in terms of working hours by framework, see Table 3-3.

Figure 3-2 Number of hours contracted to work versus number of actual hours working and training (data in graph relates to 2018 findings)

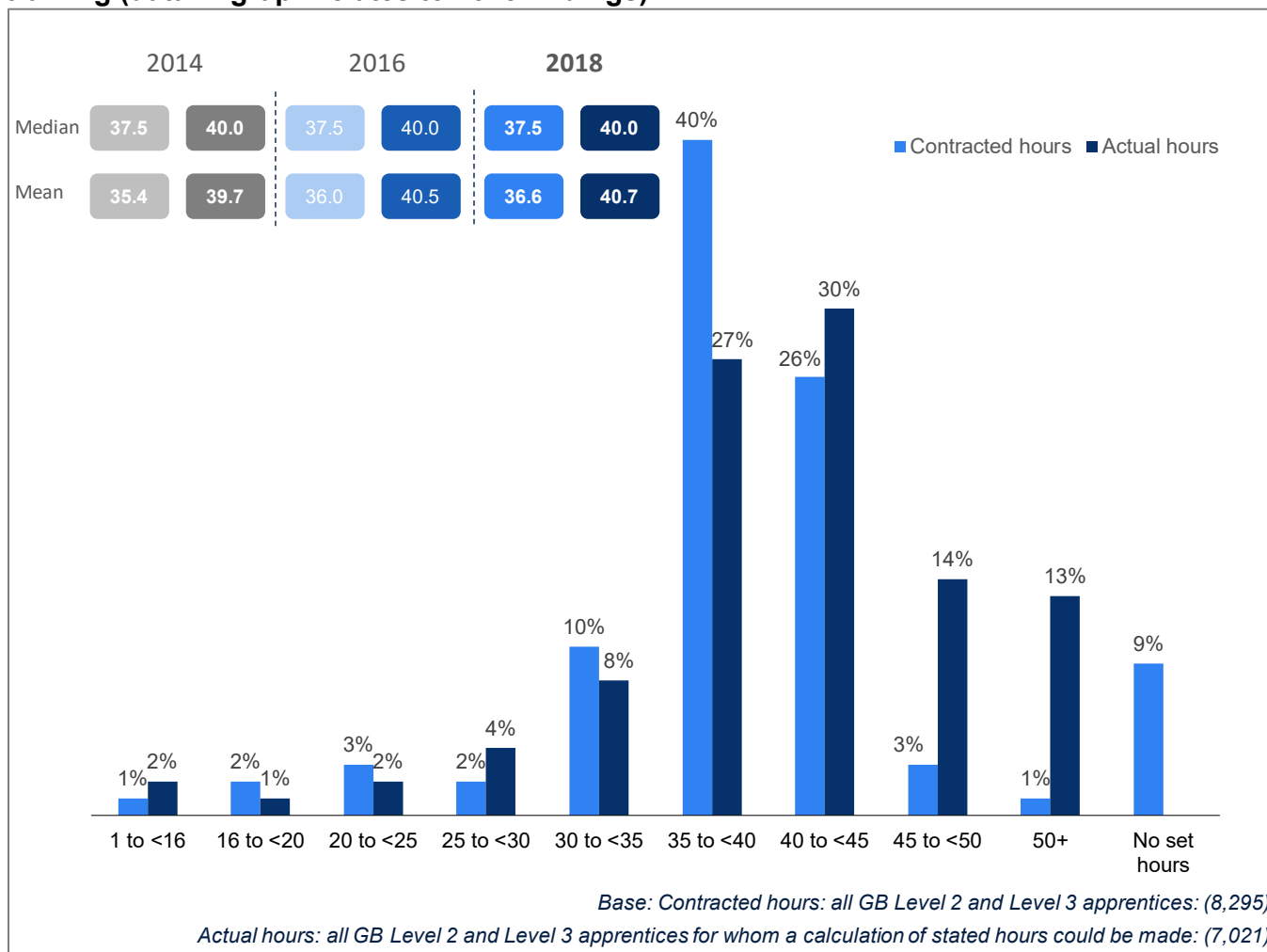


Table 3-2 shows actual hours worked against the hours apprentices were contracted to work. In addition, the final column shows the percentage of apprentices who worked or trained more hours than contracted. **Overall, three in five of all Level 2 or 3 apprentices in Great Britain (63%) with set contracted hours worked or trained a higher number of hours than they were contracted for.** This level was higher among those with lower contracted hours: four in five (79% for both) of those contracted for less than 20 hours a week or those contracted for between 20 and 29 hours a week worked or trained longer actual hours than specified in their contracts. This compared to just under two-thirds of those contracted to work 30-39 hours per week (63%), and around six in ten of those contracted to work 40-49 hours per week (60%) or 50+ hours per week (59%).

It was more common for apprentices in Wales to work longer hours (59%) than they were contracted for than it was for apprentices in England (56%) or Scotland (51%), while apprentices in England were more likely to do so than apprentices in Scotland.

Table 3-2 Number of hours contracted to work versus number of actual hours working and training (GB Level 2 and Level 3)

<i>Row percentages</i>			Actual hours worked					% working longer actual hours than contracted ⁷	
Contracted hours	Base		1-19	20-29	30-39	40-49	50+	2016	2018
1-19	205	%	34	39	14	9	4	77	79
20-29	363	%	1	55	32	8	4	73	79
30-39	3,536	%	2	1	53	36	9	65	63
40-49	2,082	%	1	1	9	69	19	62	60
50+	53	%	0	2	11	19	68	64	57
Total set hours (if work set number of hours)	6,239	%	2	5	36	45	12	65	63
No set hours	636	%	7	13	28	35	17	N/A	N/A
Total	7,036	%	2	6	35	44	13	56	56

Base: Great Britain Level 2 and Level 3 apprentices for whom a calculation of actual hours could be made (figures for those contracted to 50+ hours per week should be treated with caution due to small base size)

Table 3-3 shows the median and mean figures for both contracted and actual hours broken down by framework, and also shows the difference between average contracted and actual hours. **Overall apprentices worked a median of 2.5 hours (or a mean of 4.2 hours) over their contracted hours.**

Apprentices studying Management frameworks worked the greatest number of additional hours when compared to their contracted hours (median 3.5, mean 5.6), followed by those on Hospitality and Catering frameworks, (median 3.0, mean 6.0) or Children's Care frameworks (median 3.0, mean 4.5). Contrastingly, apprentices studying Construction and related (median 0.0, mean 2.7) and Customer service (median 0.5, mean 3.0) and Hairdressing frameworks (median 1.0, mean 2.7) worked the fewest additional hours compared to their contracted hours.

⁷ Figures in this column have been calculated from the actual figures given for apprentices' contracted hours and their actual hours worked, rather than simply the banded ranges shown on the table

Table 3-3 Number of hours apprentices contracted to work versus number of actual hours worked or trained (GB Level 2 and Level 3 apprentices)

	Contracted hours base	Actual hours base	Mean hours			Median hours		
			Contracted	Actual	Extent to which actual hours exceed contracted	Contracted	Actual	Extent to which actual hours exceed contracted
Construction and related	1,012	878	39.2	41.9	2.7	40.0	40.0	0.0
Electrotechnical	484	412	39.1	43.8	4.7	40.0	42.0	2.0
Engineering, Manufacturing Technologies and related	1,441	1,268	38.8	42.5	3.7	39.0	41.0	2.0
Hairdressing	628	543	37.3	39.4	2.1	39.0	40.0	1.0
Customer Service	329	296	36.2	39.2	3.0	37.5	38.0	0.5
Management	464	387	36.7	42.3	5.6	37.5	41.0	3.5
Retail	528	447	35.6	39.1	3.5	37.5	40.0	2.5
Business and related	751	645	36.6	39.2	2.7	37.5	39.0	1.5
Hospitality and Catering	474	397	34.0	40.5	6.5	37.0	40.0	3.0
Health, Social Care and Sport	1,071	858	34.0	39.0	5.0	37.0	38.5	1.5
Children's care	474	375	34.1	38.6	4.5	37.0	40.0	3.0
Other 2/3	639	515	36.4	41.3	4.9	37.5	40.0	2.5
Total	8,295	7,021	36.6	40.7	4.2	37.5	40.0	2.5

Base for contracted hours: All GB Level 2 and Level 3 apprentices with a specified number of contracted hours. Base for actual hours: all *Great Britain* Level 2 and Level 3 apprentices for whom a calculation of hours worked could be made.

Figures in bold denote figures that are higher than the overall average, with the exception of the row showing figures for the total population.

Provision of formal training

As part of their apprenticeship, apprentices are required to spend a minimum number of hours undertaking formal training. Although the APS does not aim to separate hours spent training from hours spent working, due to interest in training levels, a question was introduced in 2016 to ask apprentices if they received at least one day per week of formal training. 'One day per week' was selected as being a good approximation of the recommended amount of training,⁸ as well as being easy for apprentices to conceptualise during the telephone interview.

49% of Level 2 and Level 3 GB apprentices stated that they received on average at least one day per week of formal training, higher than the proportion in 2016 (43%).

Apprentices in England were more likely to state that they received on average at least one day per week of formal training (52%) than apprentices in Scotland (45%) and Wales (37%). Apprentices in Scotland were also more likely to say that they received this training than apprentices in Wales.

Receiving at least a day of formal training per week was more common among men (57%) than women (40%), which was also the case in 2016 (52% men, 32% women).

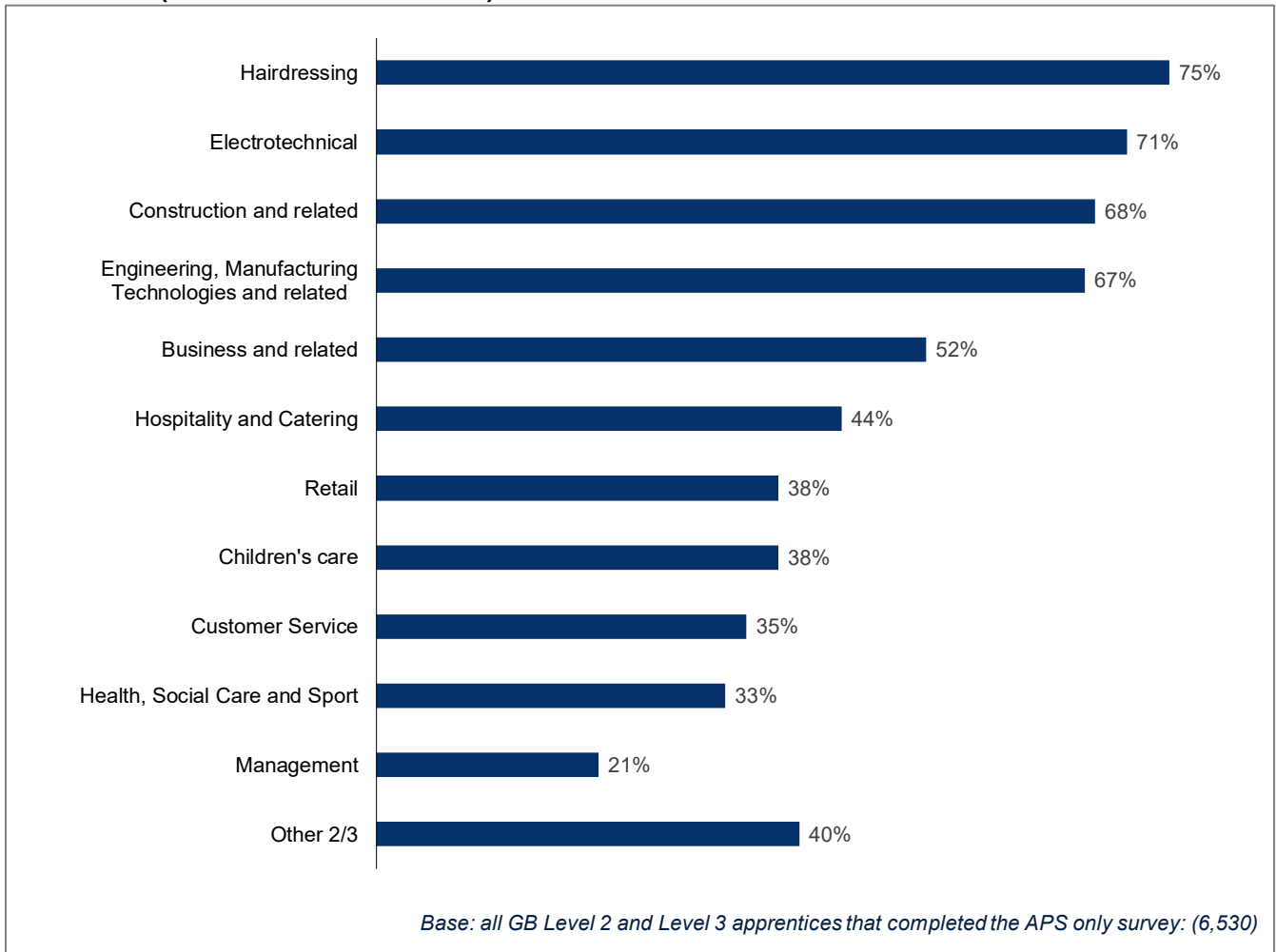
Younger apprentices were also notably more likely to receive at least one day of formal training per week: 66% of 16 to 18 year olds did so, falling to 29% of those aged 25 and older.

Those further along in their apprenticeship were more likely to receive at least a day of formal training per week, with more than half (56%) of those on the apprenticeship for more than a year stating that this applied, compared with fewer than two-fifths (41%) of those in their first year.

There were considerable variations by framework, as shown in Figure 3-3. Spending at least one day per week on average in formal training was significantly more likely among apprentices in Hairdressing (75%), Electrotechnical (71%), Construction and related (68%) and Engineering and Manufacturing Technologies (67%) frameworks, while it was least common among apprentices on Management (21%), Health, Social Care and Sport (33%), Customer Service (35%) and and Retail and Children's Care frameworks (each 38%).

⁸ The Specification of Apprenticeship Standards for England (SASE) states that an intermediate and advanced level apprenticeship must contain a minimum of 280 Guided Learning Hours (GLH), of which at least 100 GLH or 30% (whichever is greater) must be delivered off-the-job (Specification of Apprenticeship Standards for England (SASE). BIS, September 2015)

Figure 3-3 Proportion receiving at least one day of formal training per week on average, by framework (GB Level 2 and Level 3)

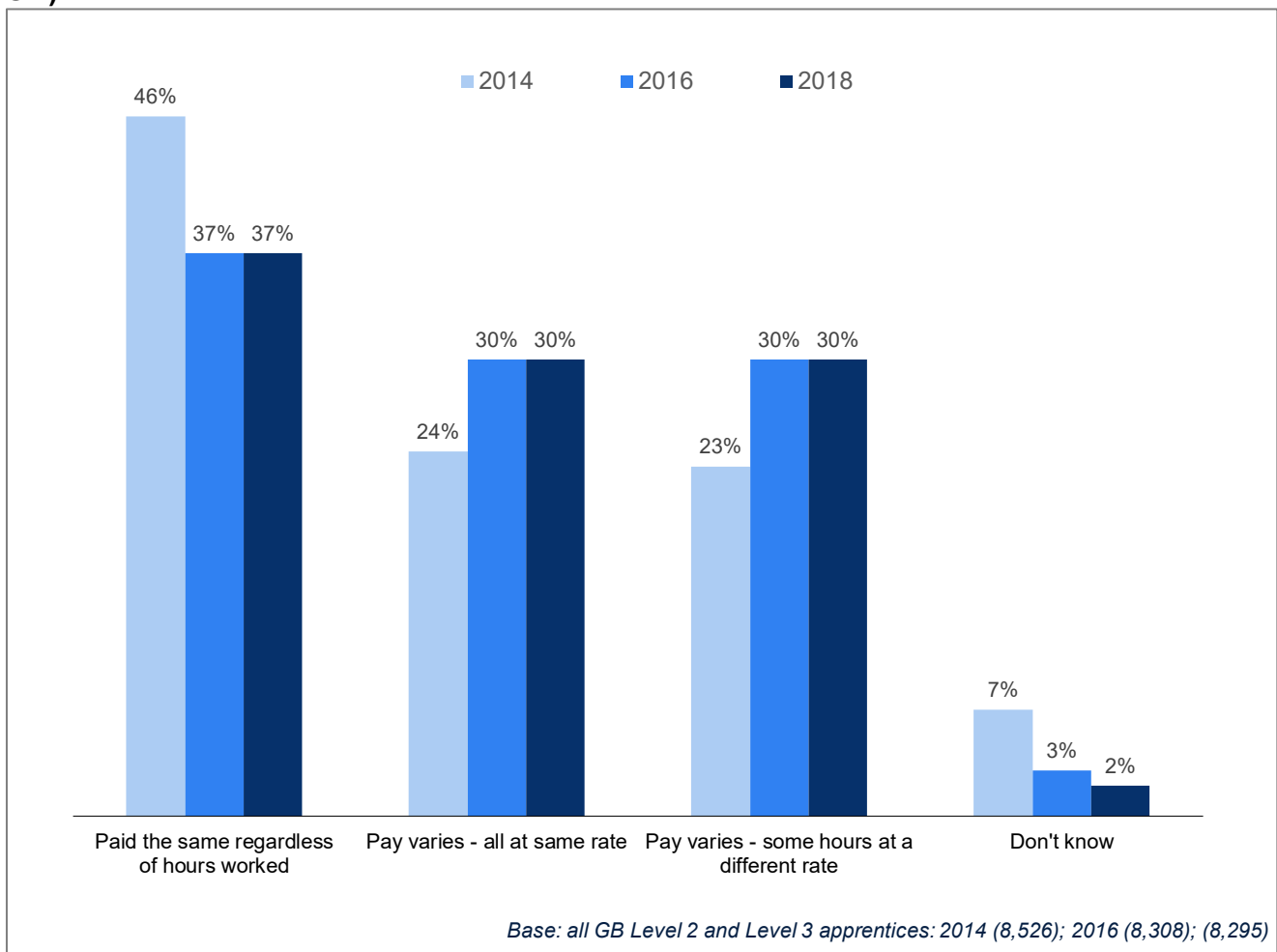


Rates of pay

Pay arrangements

Nearly two-fifths (37%) were paid the same total amount each week regardless of the number of hours they worked, in line with the proportion in 2016 (37%). Weekly pay varied for nearly two-thirds (62%) of apprentices; split between those for whom all hours were paid at the same rate (30%) and those for whom some hours were paid at a different rate (30%). The distribution of these figures directly mirrored findings from 2016, as shown in Figure 3-4.

Figure 3-4 Pay arrangements for apprentices in 2014, 2016 and 2018 (Level 2 and 3 across GB)



As Table 3-4 shows, Electrotechnical frameworks saw the biggest reductions since 2016 in the proportion paid the same each week regardless of hours worked (a 7-percentage point reduction). Contrastingly, Customer service and Management frameworks saw the greatest increase in the number of apprentices that were paid the same each week regardless of hours worked (a 9 and 8 percentage point increase respectively).

Table 3-4 Proportion paid the same amount regardless of hours worked by framework (GB Level 2 and Level 3)

	Paid the same regardless of hours worked				
	<i>Base (2014 / 2016 / 2018)</i>	2014 (%)	2016 (%)	2018 (%)	Percentage point difference from 2016 to 2018
Business and related	927 / 819 / 751	77	69	70	1
Customer Service	462 / 460 / 329	56	42	51	9
Hairdressing	534 / 524 / 628	70	55	51	-4
Management	450 / 613 / 464	45	37	45	8
Construction and related	1,022 / 920 / 1012	48	40	38	-2
Retail	528 / 630 / 528	38	32	33	1
Children's Care	549 / 436 / 474	45	30	31	1
Engineering and Manufacturing Technologies	1,416 / 1360 / 1441	47	33	30	-3
Hospitality and Catering	599 / 542 / 474	28	24	27	3
Health, Social Care and Sport	948 / 1,149 / 1071	26	19	23	4
Electrotechnical	611 / 492 / 484	26	19	12	-7
Other 2/3	480 / 363 / 639	65	57	48	-9
GB Total	8,526 / 8,308 / 8,295	46	37	37	0

Base: All Great Britain Level 2 and Level 3 apprentices

Those aged 16-18 were the most likely to be paid the same amount each week, irrespective of the hours worked (41%). As detailed in

Table 3-5, there were notable differences by framework, with the proportion of apprentices paid the same amount each week ranging from 12% in Electrotechnical frameworks, to 70% in the Business and related framework.

Table 3-5 Pay arrangements for apprentices by framework and age (GB Level 2 and Level 3)

<i>Row percentages</i>	<i>Base</i>		<i>Paid the same amount, irrespective of number of hours</i>	<i>Pay varies – all hours at the same rate</i>	<i>Pay varies – some hours at different rate</i>
Framework					
Business and related	751	%	70	15	12
Customer Service	329	%	51	36	11
Hairdressing	628	%	51	44	3
Management	464	%	45	25	26
Construction and related	1,012	%	38	24	36
Retail	528	%	33	40	26
Children's care	474	%	31	55	10
Engineering and Manufacturing Technologies	1,441	%	30	18	49
Hospitality and Catering	474	%	27	55	16
Health, Social Care and Sport	1,071	%	23	42	32
Electrotechnical	484	%	12	23	62
Other 2/3	639	%	48	24	25
Age					
16-18	1,496	%	42%	31%	24%
19-20	2,095	%	41%	25%	31%
21-24	1,669	%	34%	26%	37%
25+	3,035	%	33%	33%	31%
GB Total	8,295	%	37%	30%	30%

Base: All GB L2 and L3 apprentices

Row percentages do not sum to 100% due to exclusion of "Other" and "Don't know" responses.

Basic hourly pay levels

Median basic hourly pay was £7.10 for Level 2 and 3 apprentices (mean hourly pay was £7.70). This was higher than in 2016, when the median was £6.70 (mean hourly pay was £6.79). Median basic hourly pay was lower in England (£6.97) than it was in Wales (£7.85) and Scotland (£7.74).

Figure 3-5 shows median hourly pay by framework in ascending order and compares this with the corresponding figures from 2016 and 2014. Information on how this figure is calculated is discussed in Chapter 2.

Apprentices on all frameworks experienced an increase in median basic hourly pay between 2016 and 2018, with the exception of apprentices studying Customer Service standards; there was a 21% decrease (equivalent to £1.51 per hour) in median basic hourly pay in this framework. The most dramatic increase was found in Management frameworks (31% increase; equivalent to £2.69 per hour).

Figure 3-5 Median basic hourly pay in 2018, 2016 and 2014 (Level 2 and 3 GB apprentices)

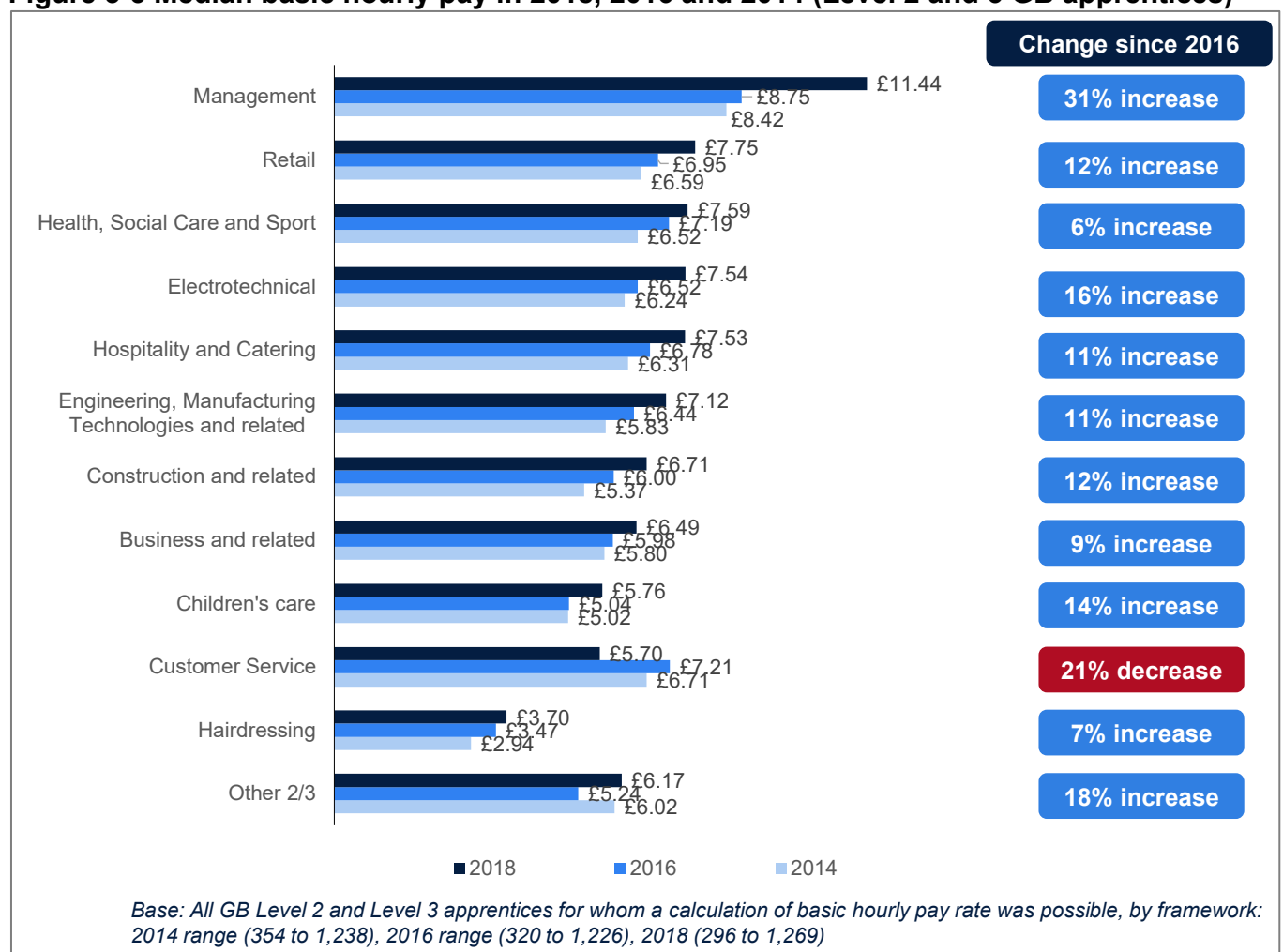


Table 3-6 shows median and mean basic hourly pay by key demographics. Pay increases with age, level of apprenticeship and length of time that apprentices had been on their course.

Table 3-6 Basic hourly pay for Level 2 and Level 3 GB apprentices

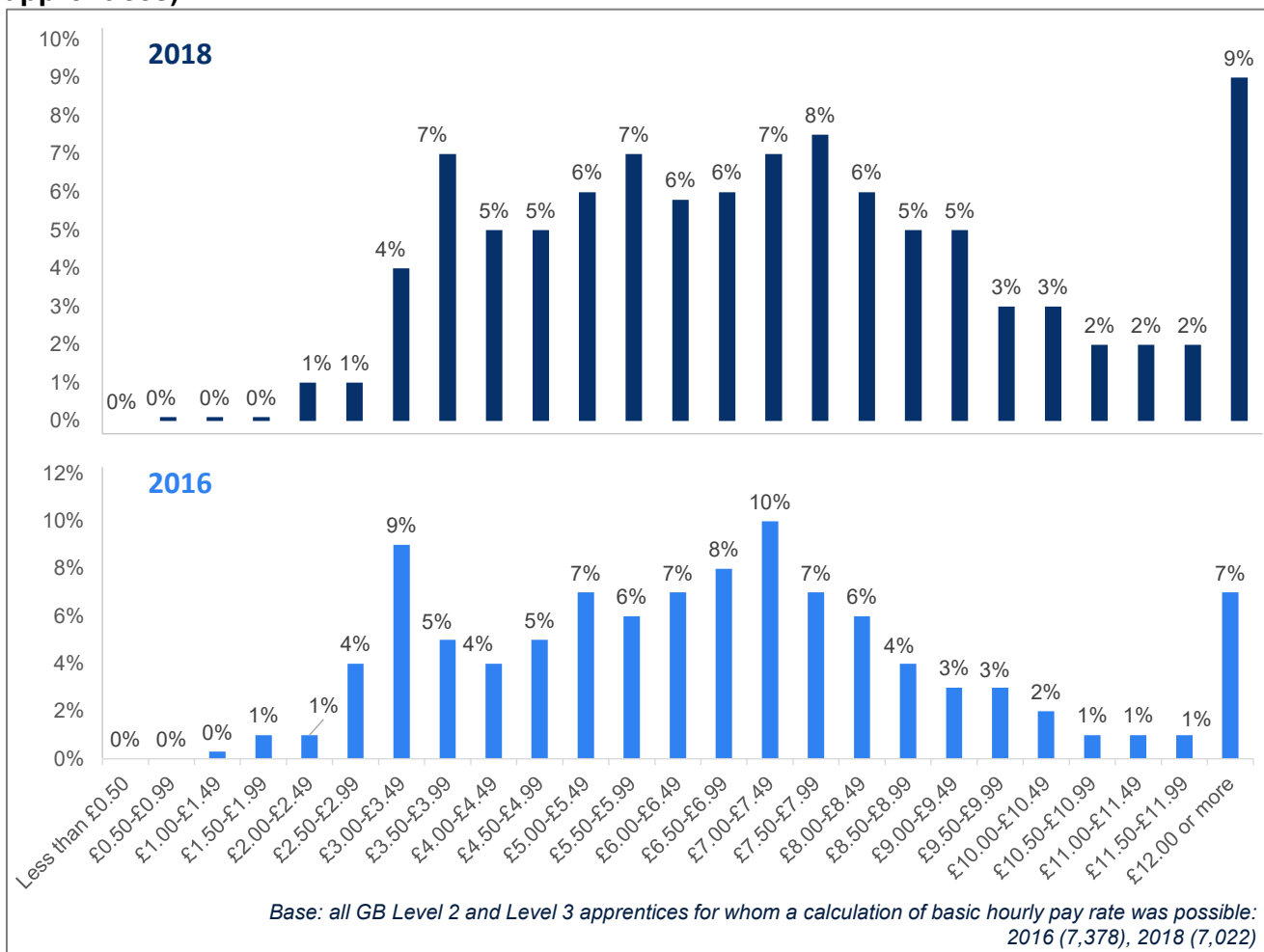
	<i>Base</i>	Mean £	Median £
Level			
Level 2	2,600	6.77	6.00
Level 3	4,422	8.42	7.69
Gender			
Male	4,025	7.90	7.10
Female	2,997	7.47	7.06
Age			
16-18	1,309	5.36	4.85
19-20	1,844	6.83	6.15
21-24	1,399	8.52	7.83
25+	2,470	9.87	8.76
Ethnicity⁹			
White	6,547	7.70	7.10
Asian / Asian British	172	7.39	6.94
Black / Black British	123	8.45	7.37
Mixed	120	7.34	6.63
Other	50	7.78	8.00
Length of time on apprenticeship			
One year or less	3,713	7.31	6.85
More than a year	3,265	8.00	7.28
Country			
England	3,314	7.64	6.97
Scotland	1,806	8.04	7.74
Wales	1,902	8.19	7.85
GB Total	7,022	7.70	7.10

Base: those for whom it was possible from their survey responses to calculate a gross hourly pay figure.

The proportions of apprentices falling within specific pay bands – alongside comparisons with 2016 – is shown in Figure 3-6. Later in this chapter we discuss pay levels for those not receiving the NMW / NLW in full.

⁹ Given the small base sizes of each ethnic group except white, it is worth stressing caution when analysing these results by ethnicity.

Figure 3-6 Distribution of basic hourly pay, 2018 and 2016 (%) (Level 2 and 3 GB apprentices)



Pay in 2018 peaks at the £12.00 or more band (9%), compared with 7% in 2016, when hourly pay had peaked in the £7.00 to £7.49 band (10%). It was most common for apprentices undertaking Management frameworks (44%) or those aged over 25 (20%) to be paid £12.00 or more per hour. **One major change this year is the number of apprentices with a basic hourly pay of less than £4, which has fallen to 14% in 2018, down from 19% in 2016.**

Pay increases

Around half of apprentices in Great Britain (54%) reported that their hourly pay rate had increased during their apprenticeship, higher than in 2016 (44%). Increases in pay were most common among those aged 19-20 and 21-24 (74% and 71% respectively), compared with those aged 16-18 (55%), and were particularly more likely than those aged 25 or older (37%).

Male apprentices were more likely to have received an increase in pay (64%) compared with female apprentices (42%). Likelihood to have received a pay increase also varied considerably by framework, as shown in Table 3-7.

The proportion of apprentices that had experienced any pay increases during their apprenticeship varied considerably across countries within Great Britain. Around seven in ten (69%) of apprentices in Scotland had done so, significantly more than 54% of apprentices in England that had done, which was in turn a significantly higher proportion than the 38% of apprentices in Wales that had experienced a pay increase.

The proportion of apprentices that had experienced any pay increases during their apprenticeship varied considerably across countries within Great Britain. Around seven in ten (69%) of apprentices in Scotland had done so, significantly more than 54% of apprentices in England that had done, which was in turn a significantly higher proportion than the 38% of apprentices in Wales that had experienced a pay increase.

Table 3-7 Whether experienced any pay increases during their apprenticeship, by framework and age (Level 2 and Level 3 apprentices across Great Britain)

	<i>Proportion experiencing any pay increases</i>	
	<i>Base</i>	<i>%</i>
Framework		
Electrotechnical	387	84
Engineering and Manufacturing Technologies	1111	77
Construction and related	866	75
Hairdressing	539	56
Business and related	598	51
Retail	474	47
Children's Care	371	44
Hospitality and Catering	413	41
Health, Social Care and Sport	813	34
Customer Service	291	31
Management	380	32
Other 2/3	287	39
Age		
16-18	1,151	55
19-20	1,636	74
21-24	1,313	71
25+	2,430	37
Country		
England	2,270	54
Scotland	2,037	69
Wales	2,223	38
GB Total	6,530	54

Base: All GB Level 2 and Level 3 apprentices that completed the APS-only survey

Amongst those that had experienced a pay increase, 53% reported that this was because they had completed the first year of their apprenticeship (equivalent to 29% of all Level 2 and 3 apprentices in Great Britain); 11% because they had turned 19 (6% of all apprentices in Great

Britain); 7% because they had turned 21 (4% of all apprentices); 2% because they had turned 25 (1% of all apprentices in Great Britain) and 6% because of the introduction of the National Living Wage (3% of all Level 2 and 3 apprentices in Great Britain), which was introduced in April 2016.

This meant that around two-fifths of all apprentices in Great Britain (42%) – or 78% of apprentices who had received a pay increase – had experienced a pay increase due to factors that changed their NMW band (i.e. a change in age, year of apprenticeship or introduction of the NLW). It is of course the case that some apprentices may have received a pay increase without knowing the reason(s) why.

Pay with respect to the number of hours contracted to work

Overall the median basic hourly pay for apprentices was £7.10 (mean: £7.70). Table 3-8 shows the median and mean basic pay split by the number of hours that apprentices were contracted to work.

Table 3-8 Median and mean basic hourly pay rate based on contracted weekly hours (Level 2 and 3 GB apprentices with set contracted hours)

	<i>Base</i>	Median	Mean
		£	£
Fewer than 16 hours	57	7.57	8.31
16-29 hours	50	7.72	7.73
30 hours or more	5,668	7.14	7.81
Total	7,022	7.10	7.70

Base: All L2 and L3 GB apprentices that worked contracted hours and for whom it was possible from their survey responses to calculate a basic hourly pay figure

Premium and overtime rates

Overall, 30% of Level 2 and 3 apprentices were paid a different rate for some of the hours they worked, in line with the rate in 2016 (30%).

Apprentices with variable hours and who answered the survey using a payslip were asked whether any of the total hours they worked in a week were paid at a higher rate than their standard rate. A fifth (20%) were paid a higher rate for at least some of their hours. The median higher hourly pay rate for these apprentices, where both the higher hourly rate and basic rate were calculable, was £11.10 (mean: £12.63), in comparison to the overall £8.34 (mean: £10.13) basic rate for this same group, a difference of £2.76 per hour.

Apprentices who did not answer the survey using a payslip were asked how much on average they were paid per hour for the paid overtime they had worked. This included all paid overtime, regardless of whether it was paid at their standard rate or a higher rate. The median hourly rate for paid overtime for these apprentices was £9.00 (mean: £9.75). In comparison the median basic hourly pay rate for these apprentices was £7.83 (mean: £8.02), a difference of £1.17 per hour.

Total weekly earnings

Average total weekly earnings

The mean total weekly earnings for Level 2 and 3 apprentices in Great Britain was £304 (median: £277). This is an increase from 2016 when mean total weekly earnings was £282 (median: £263). This total weekly earnings figure includes basic pay, pay from overtime, and tips from customers and bonuses. The figure is based on Level 2 and 3 apprentices in Great Britain for whom a total weekly earnings figure could be calculated (6,768 respondents).

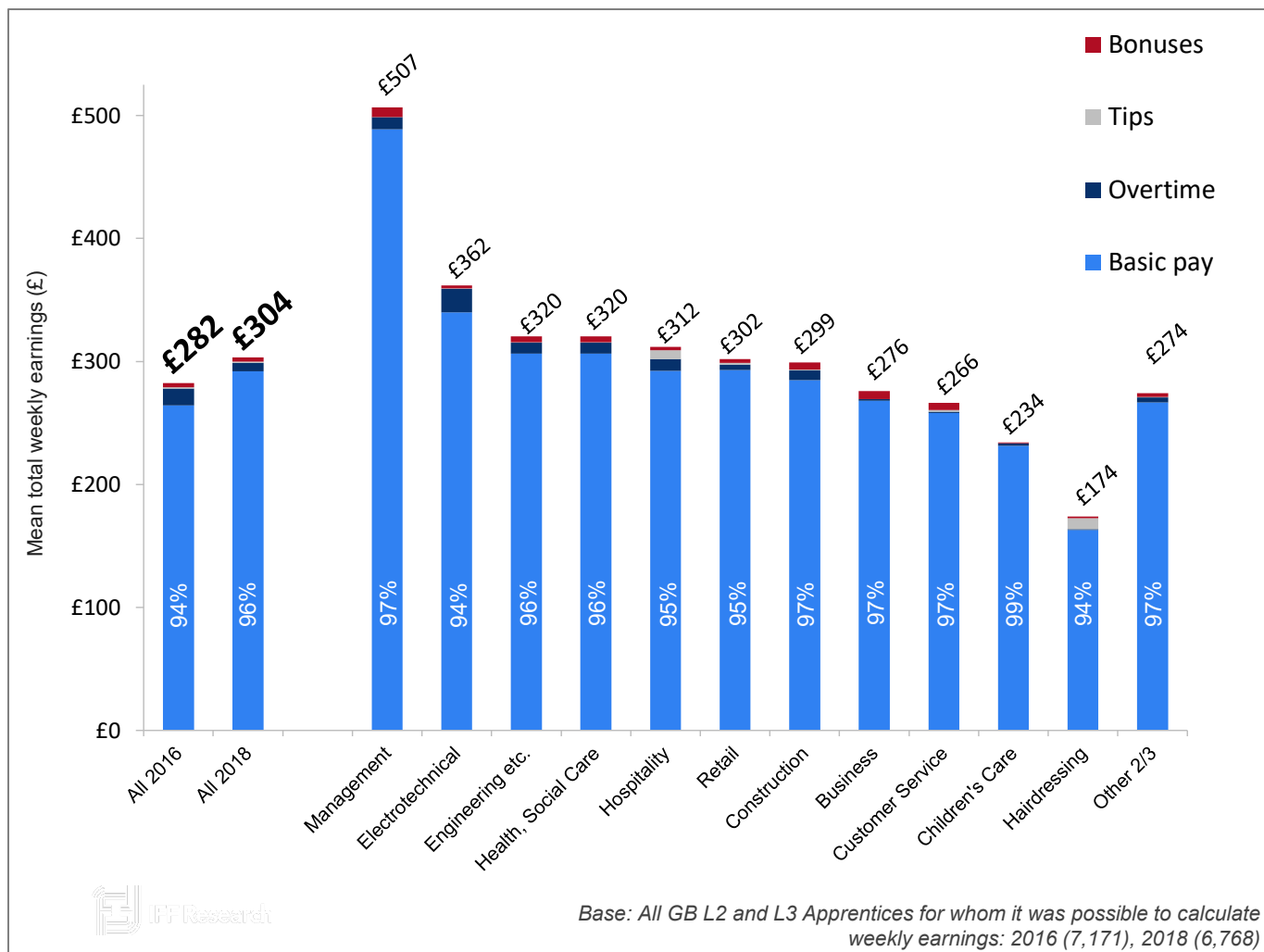
Mean weekly earnings for Level 2 and 3 apprentices was higher in Scotland (£323) than in Wales (£318), which was in turn higher than in England (£301).

As shown in Figure 3-7, mean weekly earnings varied considerably by framework, ranging from £507 (median: £471) in Management to £173 (median: £155) in Hairdressing. A complete table of these figures can be found in Appendix A.

Figure 3-7 also illustrates the composition of total weekly earnings by each individual component: basic pay, overtime, tips from customers and bonuses. Basic pay constitutes the greatest proportion of total weekly earnings across all frameworks (an average of 96%). However, there were differences by framework in terms of the other components of weekly earnings:

- The proportion of weekly earnings from **overtime** was highest in the Electrotechnical framework (5%), compared with Customer Service and Hairdressing (less than 1% in each).
- **Tips from customers** was highest in Hairdressing (5%) and Hospitality (2%), compared with the average of less than 1% across all apprentices.
- The proportion of weekly earnings from **bonuses** was low across all frameworks, ranging from less than 1% in Children's Care to 2% in Construction, Customer Service, Business, Engineering, Health, Social Care and Sport, and Management.

Figure 3-7 Mean total weekly earnings of Level 2 and 3 GB apprentices split by basic pay, overtime, tips and bonuses, and the percentage of the mean total weekly earnings made up by basic pay, by framework¹⁰



Earnings from basic pay

The mean weekly earnings from basic pay – i.e. earnings excluding paid overtime, tips from customers and bonuses – across all Great Britain Level 2 and 3 apprentices was £293 (median: £271), which is an increase since 2016 (mean £265; median £250). Basic pay accounted for the vast majority of total weekly earnings (96%), which is slightly higher than the proportion reported in 2016 (94%).

As detailed in Table 3-9, earnings from basic pay were highest in the Management and Electrotechnical frameworks.

¹⁰ Some apprentices are provided with free accommodation, paid at a standard rate which is added to their pay eligible for NMW calculations of total earnings. However, because for others the cost of accommodation is deducted, and because a very low proportion of apprentices were provided with accommodation by their employer (4%), this has not been included in Figure 3-7.

Earnings from basic weekly pay was higher than average amongst male apprentices (mean: £311; median: £286), compared with females (mean: £271; median: £248) and those aged 25+ (mean: £371; median: £317), compared with younger age groups.

Table 3-9 Mean and median total weekly earnings from basic pay for Level 2 and 3 apprentices in Great Britain, by framework

	<i>Base</i>	Mean £	Median £
Management	381	489	455
Electrotechnical	399	337	313
Engineering and Manufacturing Technologies	1,233	306	287
Retail	421	293	288
Hospitality and Catering	370	293	277
Construction	850	285	276
Business	634	268	245
Health, Social Care and Sport	810	271	270
Customer Service	288	258	216
Children's Care	355	232	218
Hairdressing	515	163	148
Other 2/3	509	267	246
GB Total	6,765	293	271

Base: all Level 2 and 3 Great Britain apprentices for whom it was possible to calculate basic pay

Overtime

Around six in ten Level 2 and 3 apprentices in Great Britain (61%) had worked overtime – either paid or unpaid – for their employer during their apprenticeship; the same proportion as reported in 2016.

Table 3-10 shows that working overtime was most common in Management (76%) and Electrotechnical (75%) frameworks.

Table 3-10 Proportion of Great Britain Level 2 and 3 apprentices working overtime, by framework

	<i>Base</i>	Work overtime (paid or unpaid) %
Management	464	76
Electrotechnical	484	75
Engineering and Manufacturing Technologies	1,441	67
Retail	528	66
Hospitality and Catering	474	64
Children's Care	474	63
Health, Social Care and Sport	1,071	60
Construction	1,012	55
Hairdressing	628	44
Business	751	43
Customer Service	329	43
Other 2/3	639	63
GB Total	8,295	61

Base: all Great Britain Level 2 and Level 3 apprentices

Male apprentices were more likely than female apprentices to have worked overtime (64% compared with 57% respectively). The proportion of apprentices that worked overtime increased with age; from 51% of apprentices aged 16-18 to 67% of apprentices aged 25 or over.

Among apprentices that worked overtime (and could provide information on the number of overtime hours worked)¹¹ the median number of weekly overtime hours (either paid or unpaid) was 5.0 (mean 6.5 hours), consistent with 2016 (median: 5.0 hours; mean: 7.0 hours). Of those who worked overtime:

- 78% worked less than 10 hours overtime a week;
- 13% worked between 10 and 14 hours; and
- 9% worked 15 or more hours overtime.

¹¹ Either in their last full working week, or a typical working week, or (for apprentices who answered with a payslip) the period covered by the payslip averaged to a weekly amount.

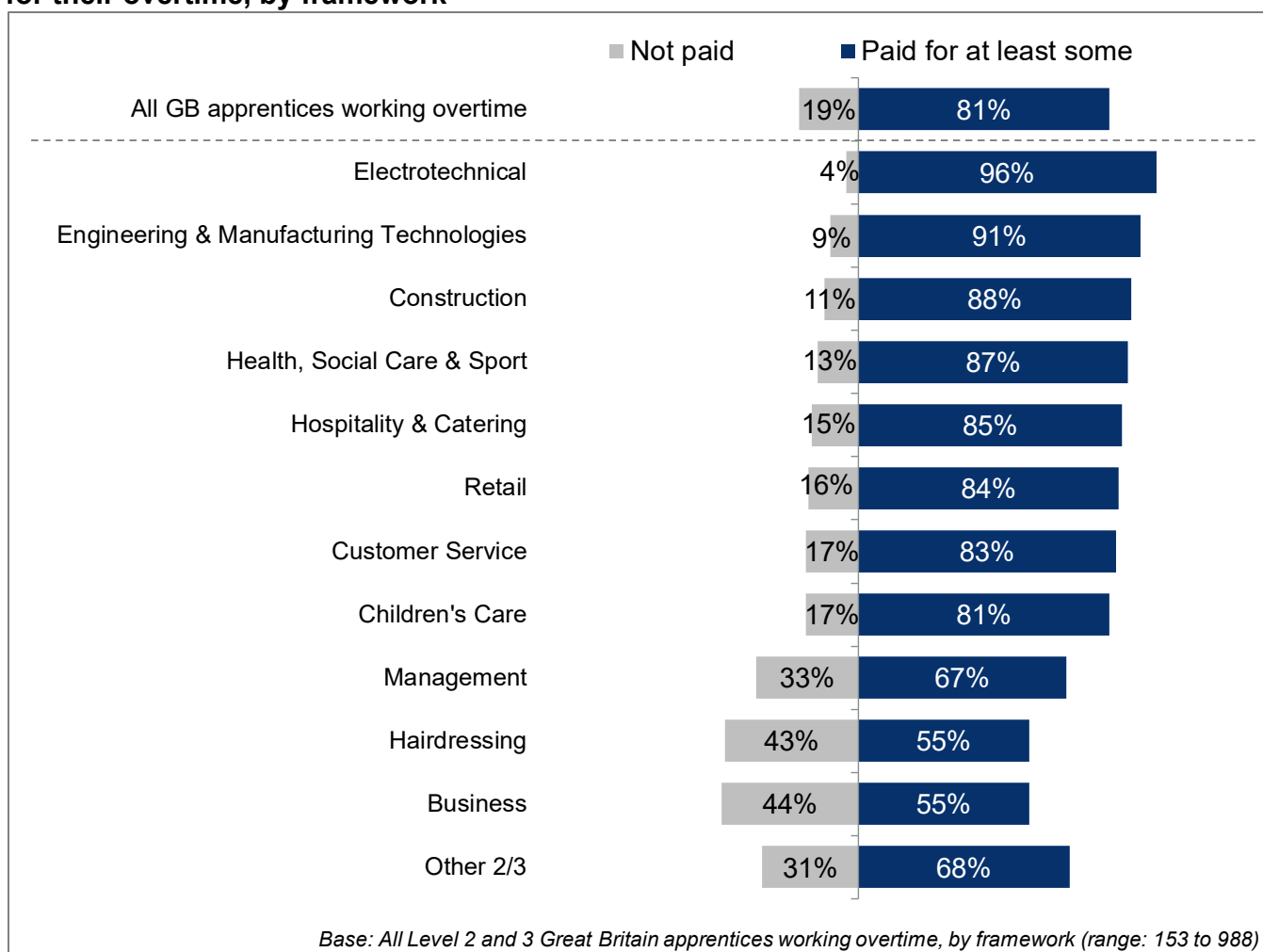
Earnings from overtime

Four-fifths (81%) of Level 2 and 3 apprentices in Great Britain that had worked overtime had been paid for at least some of the additional hours they worked. One in five (19%) were not paid for any of the additional hours they worked. The proportion of apprentices that were not paid for any of their overtime hours is similar to 2016 (82%).

As shown in Figure 3-8, apprentices in Electrotechnical (96%), Engineering and Manufacturing Technologies (91%) and Construction (88%) were the most likely to be paid for any of their overtime hours.

As was the case in 2016, apprentices in Business and Hairdressing frameworks were the least likely to be paid for any of their overtime hours (both 55%).

Figure 3-8 Proportion of Level 2 and 3 Great Britain apprentices that were paid or not paid for their overtime, by framework



Among apprentices that were paid for at least some of their overtime hours (and were able to state how many paid overtime hours they worked in a typical week), the median number of paid overtime hours was 5.0 (mean: 7.1 hours), similar to 2016 (median: 6.0; mean: 7.7). Of those who worked paid overtime and could state their hours:

- 77% worked less than 10 hours paid overtime;
- 10% worked between 10 and 14 hours; and
- 13% worked 15 or more hours paid overtime per week.

Among apprentices that were paid for their overtime (and were able to state how much they were paid for this), the median amount earned in a week from overtime was £59 (mean £97); similar to 2016 (median: £54; mean: £83).

Unpaid overtime

Apprentices should be paid for all the hours they work, but there are times where apprentices work longer hours without extra pay. This is referred to in the report as 'unpaid overtime'. Unpaid overtime could be at the choice of the apprentice, or as a result of a request from the employer; the questionnaire did not distinguish between the two.¹²

Among apprentices that worked overtime, 19% were not paid for any of their overtime hours (equivalent to 11% of all Level 2 or 3 apprentices in Great Britain). This group reported working a median of 2.0 unpaid overtime hours per week (mean: 3.7 hours).¹³ This is lower than in the previous survey in 2016 (median: 3.0 hours, mean: 4.3 hours).

Time off in lieu or flexi leave

Just under two-fifths (37%) of Level 2 and 3 apprentices in Great Britain that had ever worked overtime, either paid or unpaid, were given time off in lieu or flexi leave in return, a similar proportion to that reported in 2016 (39%).¹⁴

Those who were never paid for their overtime hours were more likely to be given time off in lieu or flexi leave than those who were paid for at least some of the overtime hours they worked (55% and 33% respectively).

Tips from customers

Seven per cent of all Level 2 and 3 apprentices in Great Britain received tips from customers; the same proportion reported in 2016.

Tips were more common among younger apprentices (ranging from 14% of those aged 16-18 to 2% of those aged 25 and over), and among those in the Hairdressing (78%) and Hospitality and Catering frameworks (28%). It is worth noting that the Hairdressing framework comprises a higher than average proportion of apprentices aged 16 to 18 (69% compared with an average of 31% across all frameworks).

The vast majority (86%) of apprentices receiving tips typically received less than £30 in tips in a typical week (see Figure 3.9) and the median amount received in tips per week was £10.00 (the same amount reported in 2016).

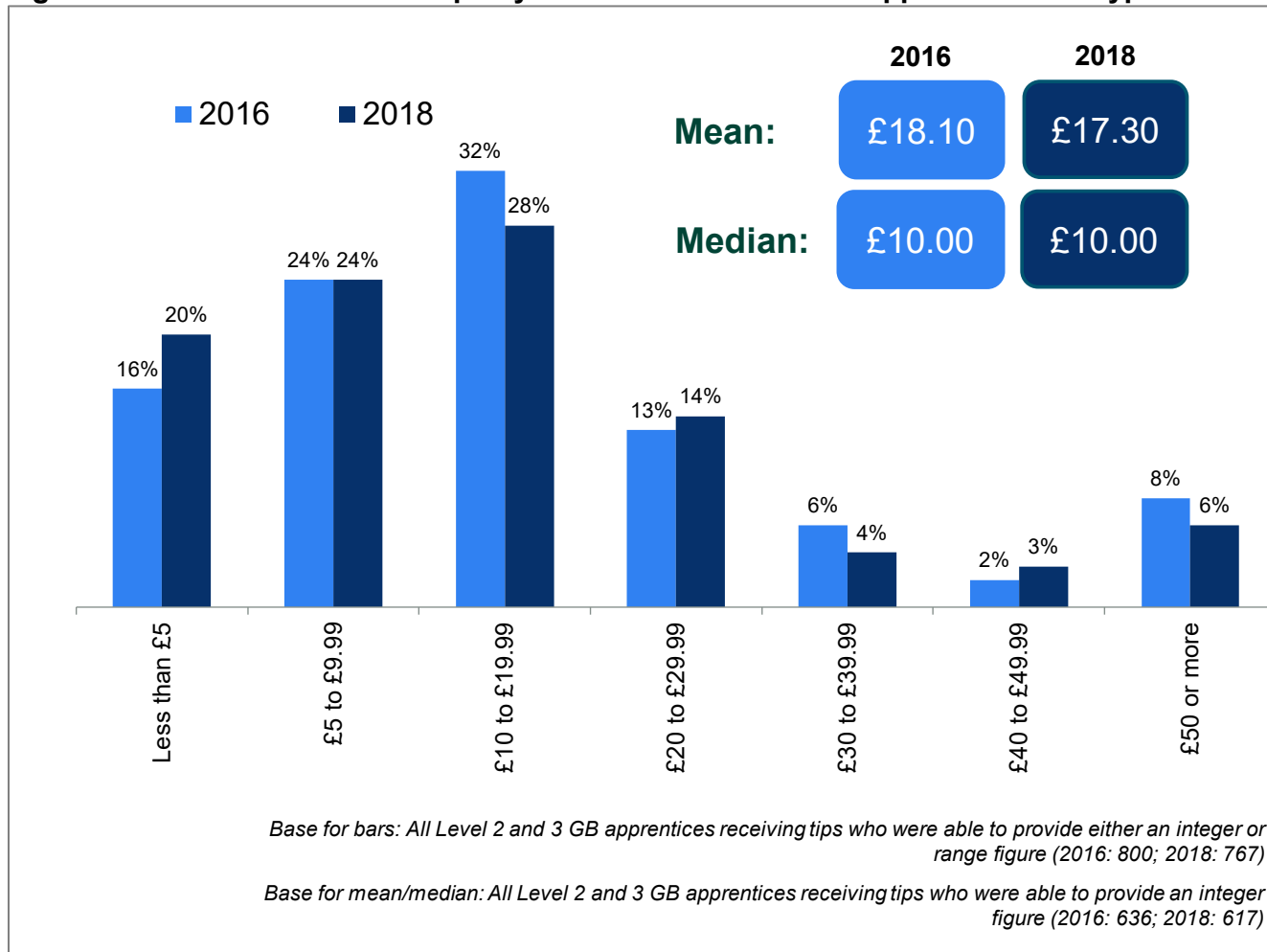
As reported at the start of this chapter, tips accounted for an average of less than 1% of total weekly earnings across all apprentices but accounted for 5% in Hairdressing frameworks.

¹² Where an employer has asked the apprentice to work unpaid overtime, this is counted in their total working hours and included in the calculation of their National Minimum Wage rate (discussed in the next chapter). Where the extra hours are the choice of the apprentice, these hours do not count towards their working time; however, their employer does have a responsibility to prevent this from happening.

¹³ Some or all of this unpaid overtime could have been taken as flexi leave or as time off in lieu, but the extent to which this occurred was not asked in the survey.

¹⁴ Apprentices were asked "Do you ever get given time off or flexi leave in return for working overtime?" but the questionnaire did not explore how much of apprentice's unpaid overtime was taken as time off in lieu or as flexi leave.

Figure 3-9 Amount received in tips by Level 2 and Level 3 GB apprentices in a typical week



Bonuses

A fifth (21%) of Level 2 and 3 apprentices in Great Britain received bonuses from their employer, an increase from 17% reported in 2016.

Bonuses were more common among those on Engineering (31%), Retail (28%), Management (23%) and Customer Service frameworks (22%).

Among apprentice that received bonuses, the median bonus (as a weekly figure) was £7.69 (mean: £24.00). In 2016 it was £9.62 (mean: £28.26).

Accommodation

The provision of accommodation by an employer to an apprentice is the only benefit in kind which can be taken into account when calculating basic hourly pay in relation to the NMW.

- If accommodation is provided for free, an “offset rate” of £7.00 (at the time of the survey) is added to the apprentice’s wages for each day that the accommodation is provided for
- When an apprentice is charged for accommodation:
 - If the charge for accommodation is less than the offset rate would have been no deduction is made from the apprentice’s wages
 - If the charge for accommodation is more than the offset rate would have been, this amount is deducted from the apprentice’s wages.

A small proportion (3%) of Level 2 and 3 apprentices in Great Britain were provided with accommodation, either free or charged for; the same proportion as in 2016 (3%). Accommodation was provided for a median average of 7 days a week (mean: five days). Accommodation was provided free of charge for most of these apprentices (85%).

Compliance with the National Minimum Wage and National Living Wage

This section looks at the extent to which the pay of apprentices was compliant with the NMW or NLW rate for their age and year of apprenticeship. Details of how non-compliance is assessed are provided in chapter 2 of the report, in the section entitled 'Compliance / Non-compliance with the National Minimum Wage (NMW) and National Living Wage (NLW)'.

As discussed in the earlier 'about this report' section, pay calculated as non-compliant could reveal genuine or accidental negligence on the part of employers; however, due to the very small margins of error involved in the calculations, some cases of apparent non-compliance could be due to errors or rounding in the reporting of pay and hours figures by apprentices taking part in the research. The impact of various calculation methods is discussed later in this chapter (Impact of underlying pay elements on compliance).

Based only on those Level 2 and Level 3 apprentices in Great Britain for whom compliance or non-compliance could be calculated given their survey responses¹⁵ 81% were paid at or above the appropriate NMW or NLW, while 19% were paid below the appropriate rate, very similar to the compliance rates in 2016 (82% compliant, 18% non-compliant). Compliance rates were consistent between England (81%) and Scotland (83%), although were significantly higher in Wales (86%).

When comparing compliance levels between 2018 and 2016, it is also important to note that the NMW rate increased for each relevant grouping for this study: for apprentices, those aged under 18, 18-20, 21-24 and the NLW (applicable for those aged 25 and over). Table 3-11 lays out the Minimum Wage rates that were applicable in the 2016 and 2018 APS, alongside the amount that these rates had increased (as a percentage) between the two surveys.

Table 3-11 National Minimum Wage rates applicable to the 2016 and 2018 Apprenticeship Pay Surveys

Year	Apprentice*	Under 18	18-20	21-24	NLW (25 and over)
October 2015*	£3.30	£3.87	£5.30	£6.70	£7.20
April 2018	£3.70	£4.20	£5.90	£7.38	£7.83
% increase since October 2015	12%	9%	11%	10%	9%

* the National Living Wage was introduced in April 2016, but was applicable at the time of the Apprenticeship Pay Survey 2016 and so has been included in this table.

Table 3-12 shows the proportion of apprentices in Great Britain with compliant and non-compliant pay, grouped by age and year of apprenticeship. **Levels of compliance are broadly consistent between 2016 and 2018 with the exception of apprentices aged 25+ and in the second year of their apprenticeship (71% compliance in 2018 compared with 69% in 2016).**

¹⁵ An unweighted base of 1,880 respondents

Table 3-12 Compliance by age and year of apprenticeship in 2018 and 2016 (GB Level 2 and Level 3)

<i>Row percentages</i>	2016				2018			
	<i>Base</i>		Paid NMW or higher	Paid below NMW	<i>Base</i>		Paid NMW or higher	Paid below NMW
Age 16-18 or in first year of apprenticeship	5,832	%	87	13	4,466	%	88	12
Age 19-20 and in second year of apprenticeship	782	%	68	32	1,094	%	66	34
Age 21-24 and in second year of apprenticeship	657	%	68	32	776	%	66	34
Age 25+ and in second year of apprenticeship	593	%	69	31	544	%	72	28
GB total*	7,876	%	82	18	7,148	%	81	19

Base: all Level 2 and Level 3 apprentices with known compliance in GB

*The total base for GB in both years is higher than the combined total of each of the groupings outlined in this table as it includes individuals for whom we can be certain that their pay is compliant without knowledge of their age or year of apprenticeship (e.g. those for whom their hourly pay is higher than the National Living Wage).

As in 2016 there were considerable differences in the proportions receiving compliant pay by framework, as shown in Table 3-13. Once again, Hairdressing apprentices were by far the most likely to have received non-compliant pay (47%), while those on Management frameworks were least likely (7%). There have been some changes by framework since 2016, with apprentices on Electrotechnical frameworks (16%) now less likely to receive non-compliant pay than in 2016 (23%), while non-compliance rates had increased in Engineering and Manufacturing Technologies and related (2018: 19%; 2016: 16%).

Table 3-13: Compliance with NMW by framework for Great Britain Level 2 and Level 3 apprentices

<i>Row percentages</i>	2016				2018			
	<i>Base</i>		Paid NMW or higher	Paid below NMW	<i>Base</i>		Paid NMW or higher	Paid below NMW
Management	581	%	93	7	424	%	93	7
Business and related	794	%	85	15	671	%	86	14
Customer Service	440	%	89	11	309	%	86	14
Retail	594	%	86	14	470	%	85	15
Hospitality and Catering	506	%	85	15	405	%	86	14
Electrotechnical	476	%	77	23	416	%	84	16
Health, Social Care and Sport	1,067	%	83	17	873	%	82	18
Engineering, Manufacturing Technologies and related	1,305	%	84	16	1250	%	81	19
Construction and related	881	%	75	25	896	%	80	20
Children's care	396	%	73	27	395	%	67	33
Hairdressing	489	%	54	46	548	%	53	47
Other 2/3	347	%	73	27	491	%	76	24
GB total	7,876	%	82	18	7,148	%	81	19

Base: all Level 2 and Level 3 GB apprentices with known compliance

Non-compliance was lowest among the oldest group of apprentices, those aged 25 and over, with just 13% receiving hourly pay rates non-compliant with the NMW, compared with 22% of apprentices aged 16 to 24.

Those nearer the beginning of their apprenticeship were less likely to receive non-compliant pay: 11% of those who had been on their course a year or less were paid less than the appropriate minimum rate, compared with 25% of those who had been on their course for more than a year.

Those who stated that they received at least one day a week of formal training on average were more likely to receive non-compliant pay (22%) than those who said they did not receive at least one day of formal training each week (16%). This could imply that in some cases employers are failing to pay apprentices for time spent on formal training, thus pushing up non-compliance among this group. There was also a connection between total hours worked and compliance: those with non-compliant pay worked higher total hours per week (median: 42.0 hours; mean: 42.83) compared to those with compliant pay (median: 40.0 hours; mean 40.09).

Level 2 apprentices were slightly (yet statistically significantly) more likely to receive non-compliant pay (21%) than Level 3 apprentices (17%). Receiving non-compliant pay was also more common among:

- Women (21%) compared with men (17%);
- Those employed for the duration of their training only (28%) compared with those employed on a permanent basis (17%);
- Those who received tips (36%) compared to those who did not (17%);
- Those who worked unpaid overtime (24%) compared to those who did not (15%); and
- Those who did not receive paid overtime (19%) compared to those who did (13%).

Results for compliance by age group combined with year of apprenticeship are shown in Figure 3-10.

For apprentices aged 16-18, non-compliance was more common in the first year of study (25%) than in their second year or later (15%), although the reverse relationship was true for those aged 19-20 (first year 12% vs. second year or later 34%), 21-24 (first year 8% vs second year or later (34%) or aged 25 or older (first year 2% vs. second year or later 28%).

Figure 3-10 Compliance by age and year of apprenticeship (Level 2 and Level 3 GB apprentices)

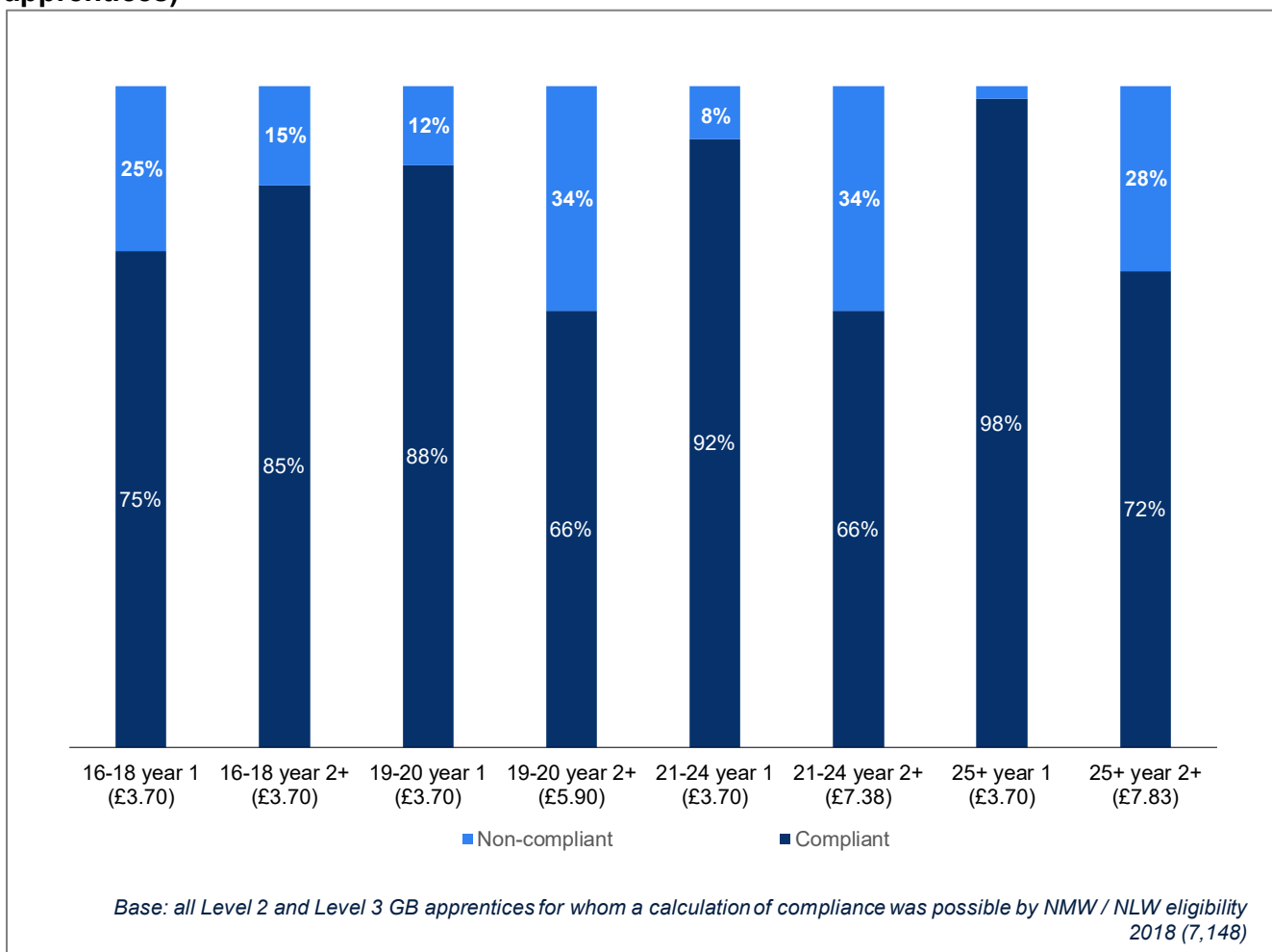


Table 3-14 and Figure 3-11 show the pay distribution for Level 2 and Level 3 apprentices in Great Britain, also indicating within each pay band the relevant compliance rate. These figures are again based on respondents for whom it was possible to calculate an exact hourly pay figure (6,583 respondents).¹⁶

Overall, the level of non-compliance has remained the same since 2016 while the proportion paid over £9 an hour has increased: 24% of Level 2 and Level 3 apprentices for whom an hourly pay rate could be calculated received this rate, compared with 18% in 2016.

As in 2016 and 2014, a very small proportion of apprentices were paid £1.50 an hour or less (<1%). Three per cent were paid between £1.51 and £2.99 and a further 6% were paid between £3.00 and £3.69; the vast majority of these were eligible for the £3.70 minimum (87% of apprentices paid between £0.00 and £3.69 per hour).

Table 3-14 Apprentice pay rates and compliance / non-compliance (Great Britain Level 2 and Level 3)

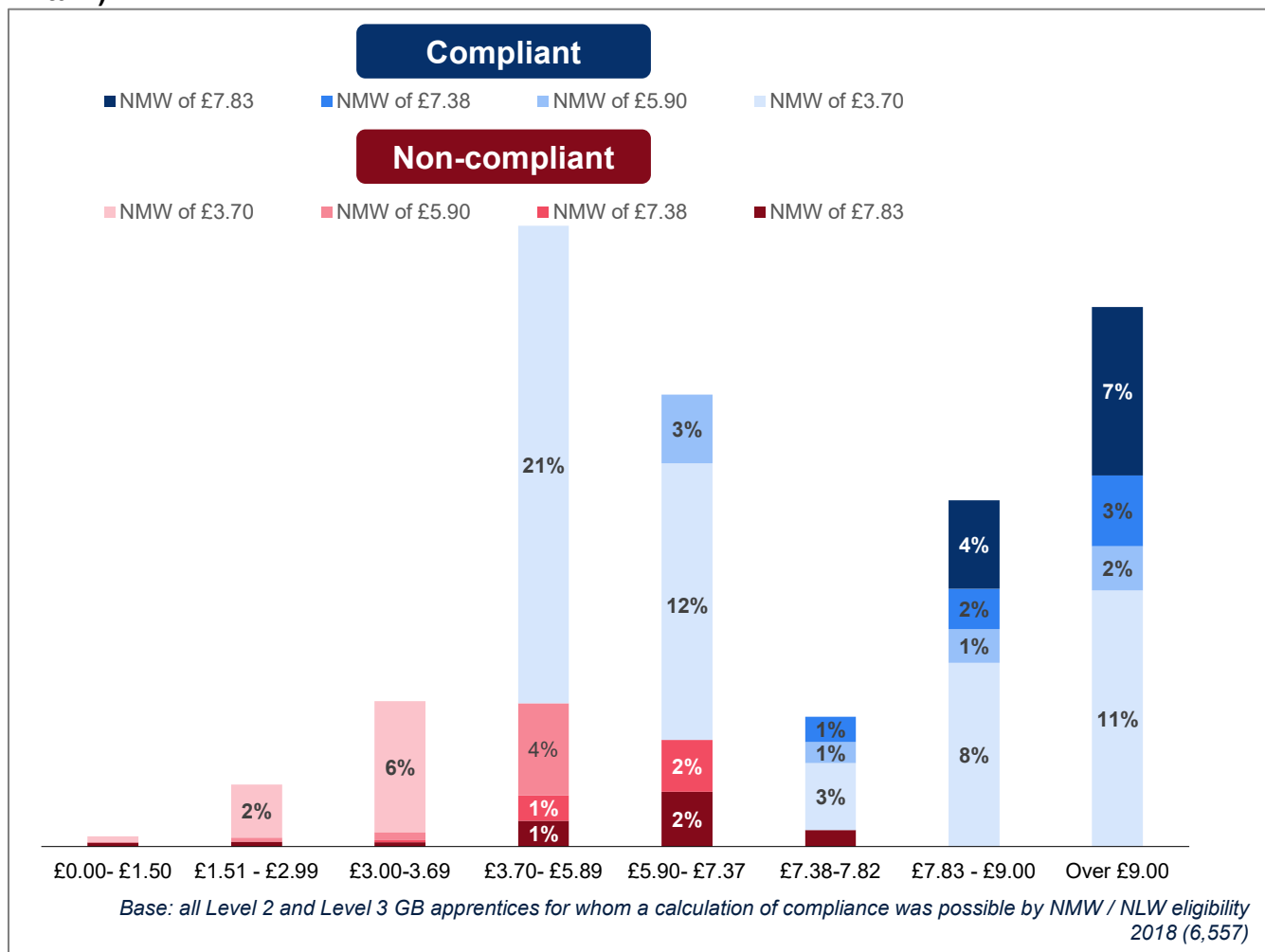
Proportion of all apprentices in each pay / compliance band								
	£0.00- £1.50	£1.51 - £2.99	£3.00- 3.69	£3.70- £5.89	£5.90- £7.37	£7.38- 7.82	£7.83 - £9.00	Over £9.00
Compliant	N/A	N/A	N/A	21%	15%	5%	15%	24%
Non-compliant	<1%	3%	6%	6%	5%	1%	N/A	N/A

Base: All L2 and L3 GB apprentices with a specific calculated hourly pay figure (6,552). Each figure is based on the overall base; hence for example 3% of all Level 2 and 3 apprentices in Great Britain where an hourly pay figure could be calculated received non-compliant pay of £1.51 to £2.99 an hour.

As well as showing the distribution of hourly pay rates, Figure 3-11 also shows which NMW or NLW rate applied to respondents, and whether the pay was compliant or not. For example, it shows in the final column that 2% of all apprentices for whom exact hourly pay could be calculated received over £9 an hour while needing a minimum of £5.90 an hour to be compliant, and 11% received over £9 an hour while needing a minimum of £3.70 to be compliant.

¹⁶ Note that the different base results in slightly different compliance figures compared to Level 2 and 3 overall: 19% of those with calculable hourly pay had a non-compliant pay level, compared with 18% of all Level 2 and 3 apprentices in Great Britain for whom compliance could be calculated.

Figure 3-11 Level 2 and Level 3 apprentice pay rates and non-compliance distribution (Great Britain)



Overall, 9% of all Level 2 and Level 3 apprentices in Great Britain were paid below the National Minimum Wage rate of £3.70. The majority of these apprentices should have been paid a minimum of £3.70 (8% of all apprentices), although a small minority should have been paid at least £5.90 per hour (1% of all apprentices).

Around one quarter of all Level 2 and Level 3 apprentices in Great Britain were paid between £3.70 and £5.89 (27% of all apprentices), with about a quarter of this group being paid below the National Minimum Wage that they were eligible for (8% of all apprentices).

Around one in five of all Level 2 and Level 3 apprentices in Great Britain were paid between £5.90 and £7.37 (19% of all apprentices). The majority of these (14% of all Level 2 and Level 3 apprentices) were eligible for a minimum rate of £3.70 or £5.90, and hence had compliant pay; however around a fifth of these individuals should have been receiving at least £7.38 (5% of all apprentices in Great Britain).

Overall, 6% of all Level 2 and Level 3 apprentices in Great Britain were paid between £7.38 and £7.83 an hour, with the vast majority all of these individuals (1% of all apprentices non-compliant) receiving compliant pay.

Two-fifths of all Level 2 and Level 3 apprentices in Great Britain (39%) were paid more than the National Living Wage rate of £7.83 an hour, all of whom of course had compliant pay.

Considering Level 2 and Level 3 apprentices in Great Britain that were eligible for the National Living Wage, around seven in ten received compliant pay (71%), with three in ten receiving non-compliant pay (29%).

Apprentices paid less than the National Minimum Wage or National Living Wage

The figures in this chapter to date have looked at the rate of compliance / non-compliance among different groups of Level 2 and Level 3 apprentices. This analysis now looks at the profile of apprentices having non-compliant pay.

Among those whose pay was non-compliant with the NMW (a base of 1,239 apprentices), 40% were aged under 19 or were on the first year of their apprenticeship, and were therefore eligible for a minimum of £3.70 an hour; this proportion is lower than in 2016 when half (51%) of Level 2 and 3 apprentices in Great Britain with non-compliant pay were under 19 or in their first year (at which point the minimum rate was £3.30).

23% of those with non-compliant pay were aged 25 and over and were therefore eligible for the NLW of £7.83 an hour, a fifth (20%) were aged 19 or 20 (eligible for NMW of £5.90 an hour), and a further fifth (17%) were aged 21 to 24 (eligible for NMW of £7.38 an hour).

Distance from the National Minimum Wage / National Living Wage

Among Level 2 and Level 3 apprentices in Great Britain calculated to have non-compliant pay, two-fifths (39%) were paid within 10% of the appropriate rate, a slight but statistically significant decrease since 2016 (43%). The following sections of this chapter look at the distribution of non-compliant pay stratified by the NMW that these apprentices are entitled to.

Figure 3-12 Distribution of pay for those with non-compliant pay aged 16-18 or in the first year of apprenticeship (below £3.70 an hour, GB Level 2 and Level 3)

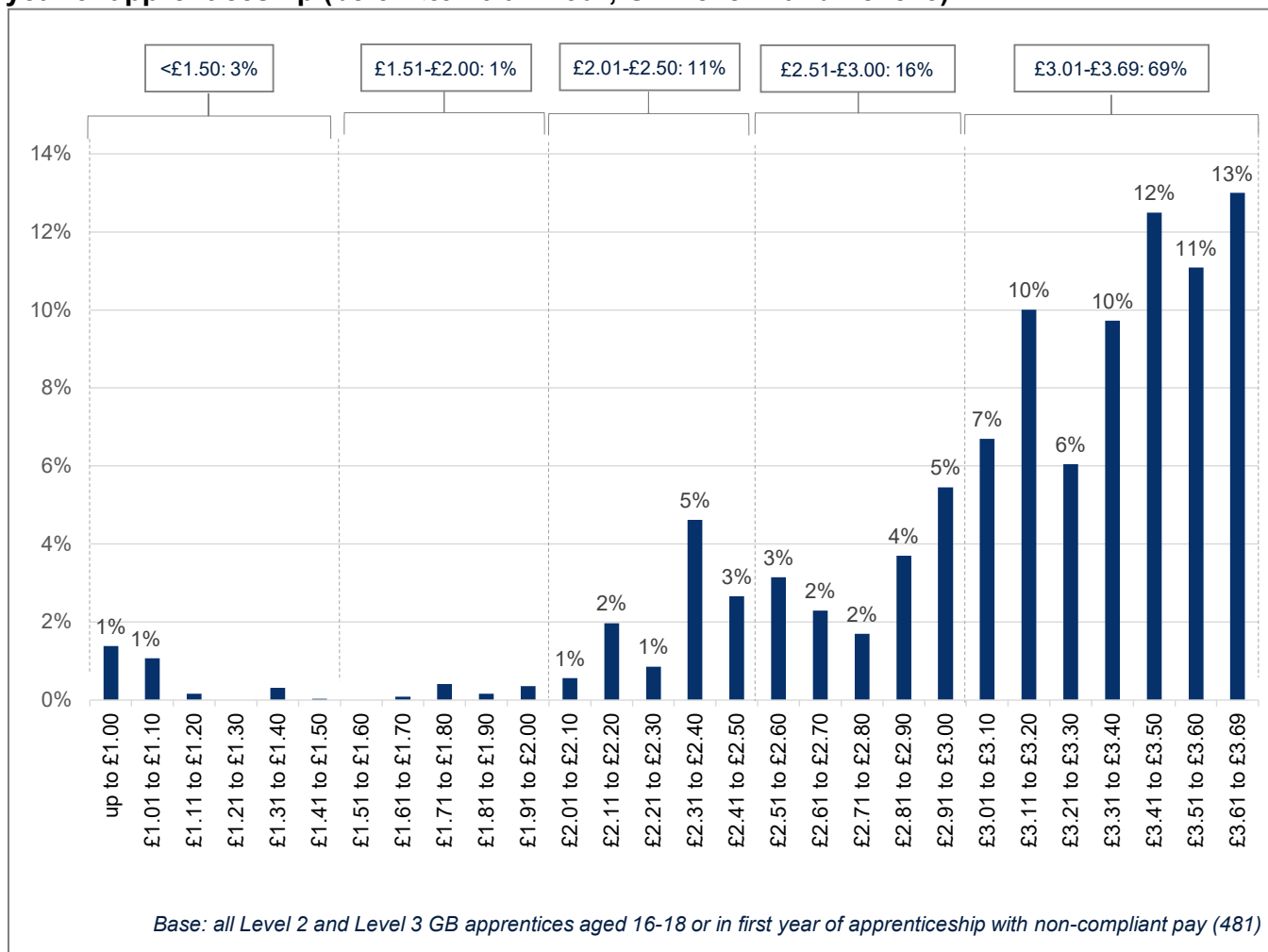
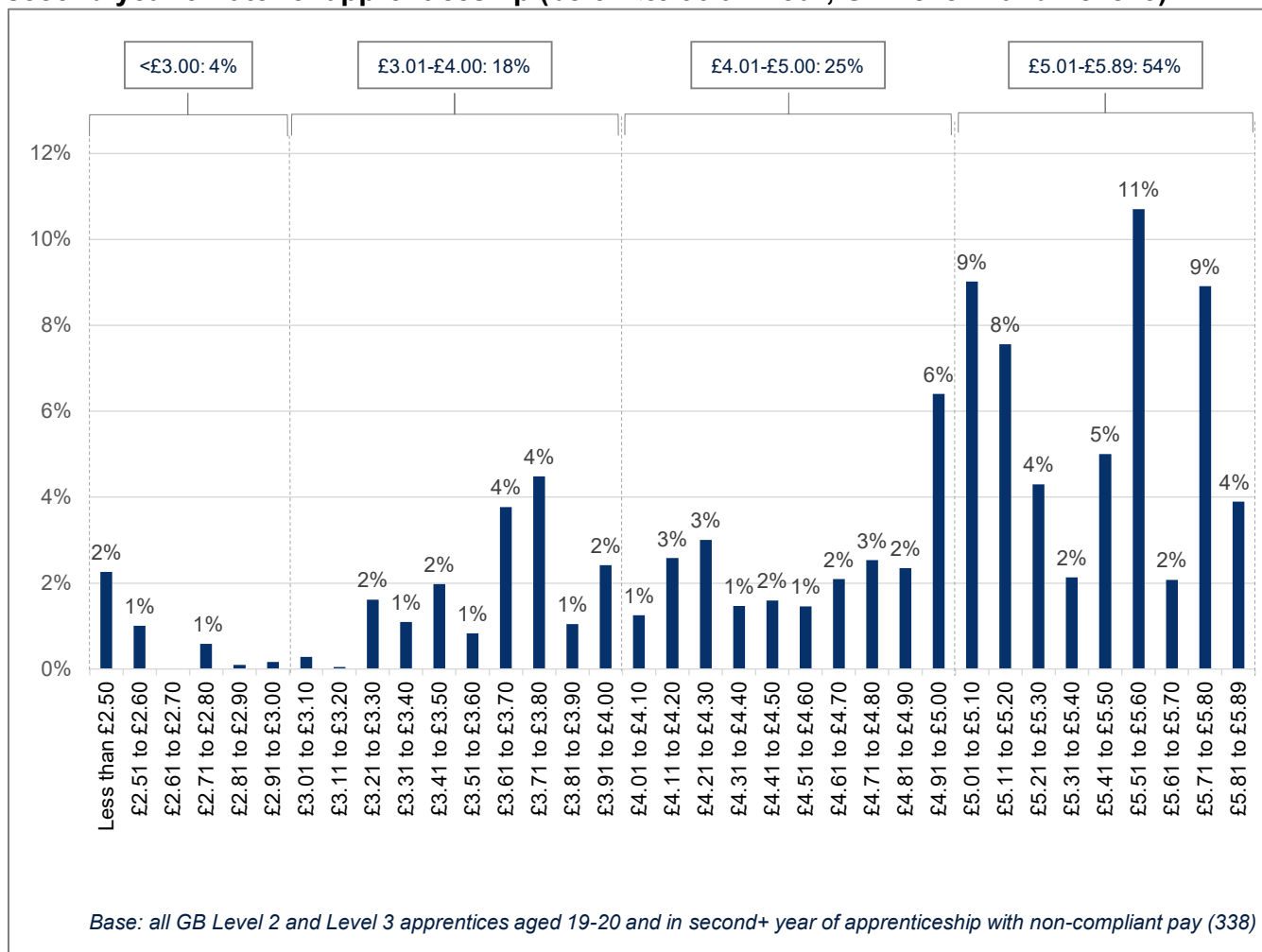


Figure 3-12 shows the distribution of pay below £3.70 for those aged 16 to 18 or in the first year of their apprenticeship among those with calculable pay figures. (Note this section uses the calculated gross hourly pay rather than the basic hourly pay figures used elsewhere in the report – see the discussion on this in Chapter 2).

A fairly high proportion of those aged 16 to 18 or in the first year of their apprenticeship were close to the NMW level, indicating that in some cases the apparent non-compliance could be due to measurement or calculation error (e.g. respondents giving rounded figures): 44% were paid within 10% of the correct rate (between £3.33 and £3.69), in line with the 43% of this group within 10% of the appropriate rate in 2016.

Overall, apprentices aged 16 to 18 or in the first year of their apprenticeship with non-compliant pay received slightly higher levels of pay in 2018 (in part due to the increase in National Minimum Wage rate to £3.70 per hour) than they did in the 2016 survey. Indicative of this increase in average pay was that the median pay figure for this group of non-compliant apprentices was £3.26 an hour (mean of £3.10), a significant increase from the median figure of £2.87 in 2016 (mean of £2.78).

Figure 3-13 Distribution of pay for those with non-compliant pay aged 19-20 and in the second year or later of apprenticeship (below £5.90 an hour, GB Level 2 and Level 3)



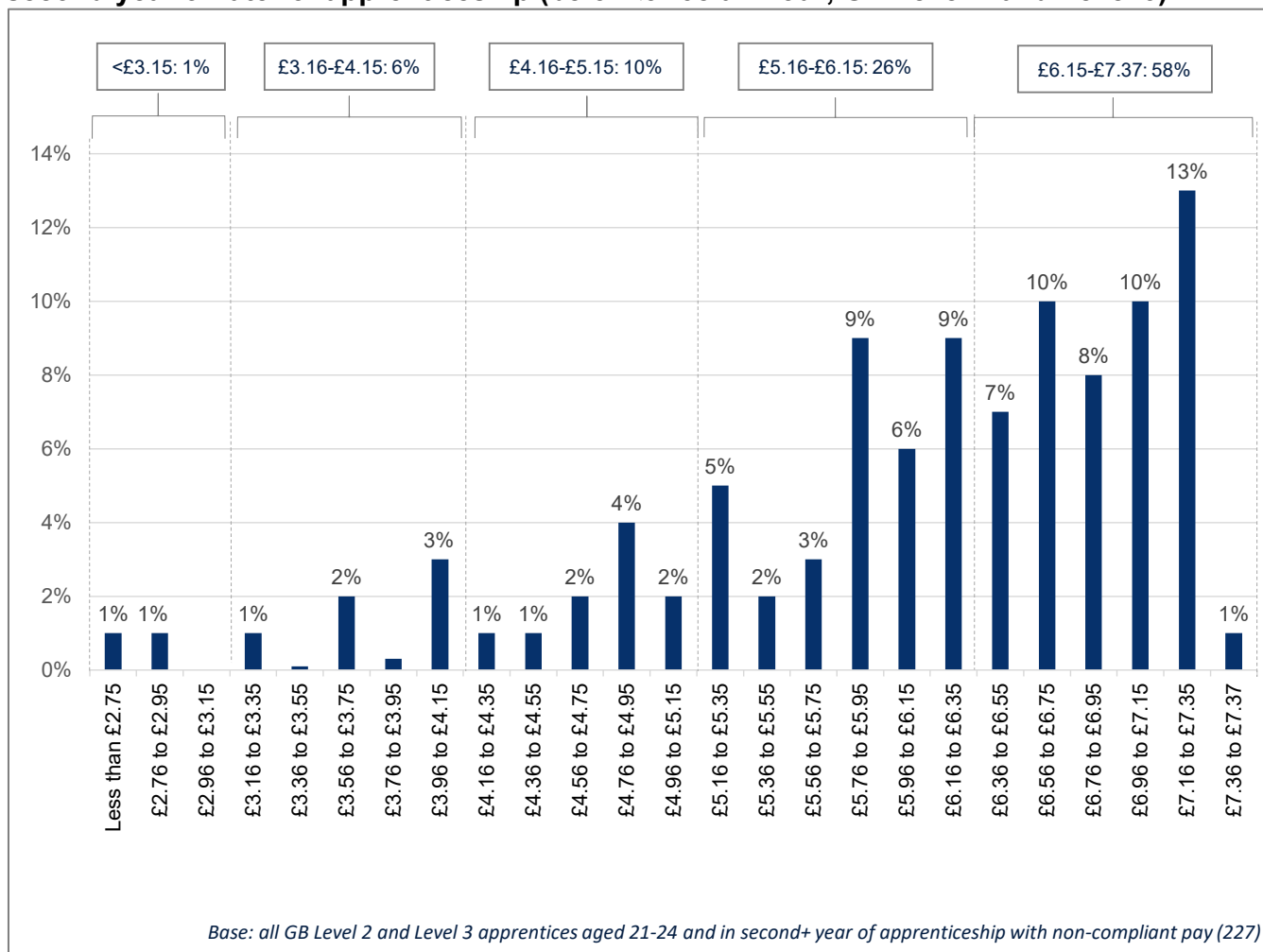
Of those with non-compliant pay aged 19 to 20 and in the second year of their apprenticeship or later around two-fifths (33%) were paid within 10% of the correct rate (between £5.31 and £5.89).

As shown in Figure 3-13, there was a spike at the £3.61-£3.70 and £3.71 to £3.80 brackets (each 4%), which suggests that some apprentices within this group were still being paid at the previous minimum rate after having turned 19 and/or moved into the second year of their apprenticeship. There was also a spike in numbers of apprentices within each banding from around the £5.00 level forward.

Among those with non-compliant pay aged 19 to 20 and in the second year of their apprenticeship or later, 55% were paid more than £5.00 an hour, while 25% received between £4.01 and £5.00. A small proportion (4%) were paid £3.00 an hour or less.

The median pay figure for non-compliant apprentices aged 19 to 20 and in the second year of their apprenticeship or later in Great Britain was £5.05 (the mean was £4.78), indicating an increase in pay for this group of apprentices compared with 2016 (median: £4.67; mean: £4.29).

Figure 3-14 Distribution of pay for those with non-compliant pay aged 21-24 and in the second year or later of apprenticeship (below £7.38 an hour, GB Level 2 and Level 3)

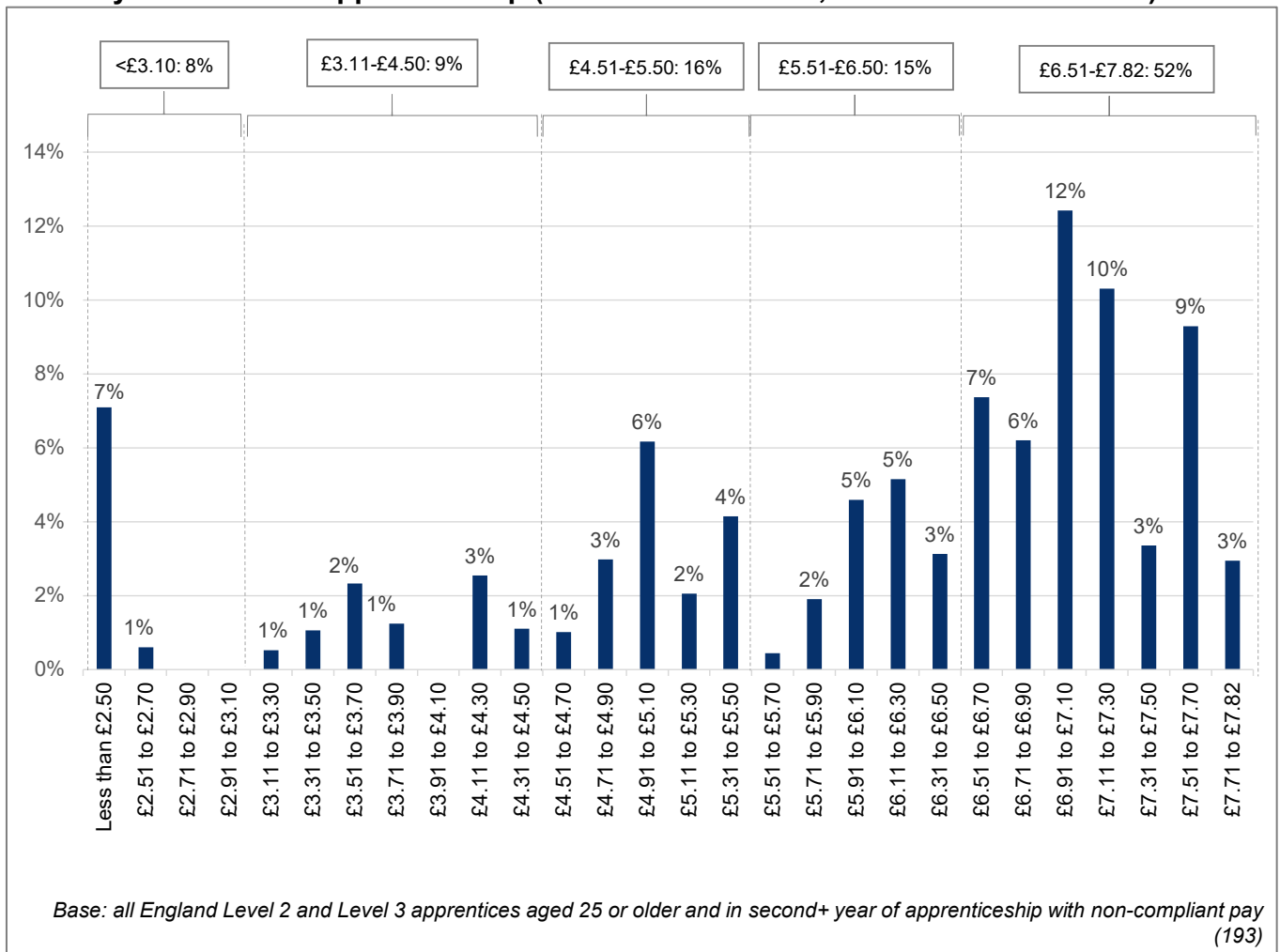


Among non-compliant apprentices aged 21 to 24 and in the second year of their apprenticeship or later 38% were paid within 10% of the correct rate (between £6.64 and £7.38).

The vast majority of apprentices ages 21 to 24 and in the second year or later of their apprenticeship (85%) received £5.00 per hour or more as pay. A further 9% received pay between £4.00 and £4.99 per hour, while just 1% of these apprentices received pay of £3 per hour or under.

The median pay figure for non-compliant Level 2 and Level 3 apprentices in Great Britain aged 21 to 24 and in the second year of their apprenticeship or later was £6.32 (the mean was £6.09). This compares to a median of £5.90 (mean of £5.54) for this group of apprentices in 2016.

Figure 3-15 Distribution of pay for those with non-compliant pay aged 25 or older and in the second year or later of apprenticeship (below £7.83 an hour, GB Level 2 and Level 3)



Of those with non-compliant pay aged 25 or older and in the second year of their apprenticeship or later around a third (33%) were paid within 10% of the correct rate (between £7.05 and £7.82).

Among those with non-compliant pay aged 25 or older and in the second year of their apprenticeship or later, 77% were paid more than £5.00 an hour, while 10% received between £4.01 and £5.00. Just over one in twenty of these apprentices (8%) were paid £3.00 an hour or less.

The median pay figure for non-compliant apprentices aged 25 or older and in the second year of their apprenticeship or later in Great Britain was £6.59 (the mean was £5.93), demonstrating very little change since 2016 (median: £6.30; mean: £5.87).

Impact of underlying pay elements on compliance

In calculating the compliance of an apprentice's wages with the National Minimum Wage or National Living Wage, basic pay at their standard hourly rate, the provision of accommodation (and/or any associated charges), and unpaid overtime hours are considered (see chapter 2). It is feasible that some apprentices are intentionally paid below the NMW, for example, an hourly rate that is too low or an employer charging high amounts for live-in accommodation.

Conversely, underpayment could be the result of mistakes. Earnings below NMW could arise from a delay in an apprentice's pay being increased following a change in eligibility (completing their first year or an increase in age) or from an apprentice voluntarily working additional hours on top of their paid hours. It may also occur due to mistakes by employers about which elements of apprentices' pay counts towards the minimum wage or a lack of knowledge about the NMW rates themselves.

This section examines the extent to which particular elements of pay may be contributing to non-compliance. To do this, a range of comparative rates were calculated (each with different pay elements included or excluded) and the compliance of the resultant rates with current NMW / NLW rates investigated. To ensure like-for-like comparisons all of the figures have been based on Great Britain Level 2 and Level 3 apprentices for whom compliance could be determined for all of the pay elements. Table A2 in Appendix A shows the pay elements and hours that have been included in each of the different compliance calculations:

- The NMW / NLW calculation (current method);
- Pay calculated with unpaid overtime removed;
- Basic hourly pay rate; and
- Pay calculated with all earnings and all hours.

Table 3-15 shows the levels of non-compliant pay resulting from each of the calculation methods.

Table 3-15 Comparison of non-compliance by different calculation methods by age, gender, year of apprenticeship, and framework (GB Level 2 and Level 3)¹⁷

	<i>Base</i>	NMW (current method) %	Unpaid overtime removed %	Basic hourly pay rate %	All earnings and all hours %
Age					
16-18	1,235	20	9	9	9
19-20	1,699	28	17	17	17
21-24	1,306	27	14	14	17
25+	2,304	13	7	8	8
Gender					
Male	3,752	18	8	9	10
Female	2,792	22	13	13	13
Year of apprenticeship					
A year or less	3,512	12	6	6	7
More than a year	3,029	27	14	14	15
Framework					
Hairdressing	519	49	28	28	23
Children's care	357	34	26	26	25
Construction and related	835	22	9	9	10
Engineering, Manufacturing Technologies and related	1,168	20	7	7	9
Health, Social Care and Sport	799	18	11	11	11
Electrotechnical	384	17	10	10	10
Customer Service	292	15	4	4	7
Business and related	599	15	7	8	8
Hospitality and Catering	373	14	8	8	7
Retail	425	14	5	5	6
Management	367	7	3	3	4
Other Level 2/3	426	27	18	18	21
GB Total 2018	6,544	20	10	10	11

Base: All GB Level 2 and Level 3 apprentices for whom compliance could be calculated using all four of the calculation methods in the table. Please note that this is different to the base of all apprentices for whom a calculation of compliance could be made, as used elsewhere in the report.

As shown in Table 3-15, at an overall level, calculating NMW with unpaid overtime removed, or using the basic hourly pay rate, or using all earnings and all hours has a significant impact on the proportion of apprentices calculated as receiving non-compliant pay. In particular, calculating compliance when considering all earnings and all hours worked has a marked

¹⁷ Table A2 in the appendices details the pay elements included in each compliance calculation presented in this table.

effect on compliance rates within Hairdressing frameworks (falling from 49% non-compliant to 23%). This suggests that in some cases Hairdressing employers may be expecting tips or other additional wages to supplement basic wages.

The findings displayed in Table 3-15 suggest a consistent influence on levels of non-compliance when these elements (all earnings, unpaid overtime etc.) are incorporated into calculations regarding hourly pay rates. This is in contrast to 2014 and 2016 when the inclusion or exclusion of unpaid overtime, bonuses, higher rate pay and accommodation had a relatively minor impact on compliance levels by framework overall (only manifesting in statistically significant differences in Hairdressing frameworks).

To explore the idea that underpayment was caused by employers being slow to react to a change in the NMW rate eligibility, compliance was investigated among those aged over 18 who had recently (within two months prior to interview) finished their first year, or turned 19, 21 or 25 in age. **Those who had undergone a recent change in eligibility were more likely to be non-compliant (24%) compared to those who had not recently changed eligibility (19%).**

When non-compliance is estimated based on payslip information only, this has some effect upon compliance levels; non-compliance among payslip respondents is slightly higher, with 22% of respondents answering with a payslip to hand were calculated to have non-compliant pay, compared with 17% of non-payslip respondents. Among those respondents whose payslip contained both their pay and hours, non-compliance drops to 13%, however.

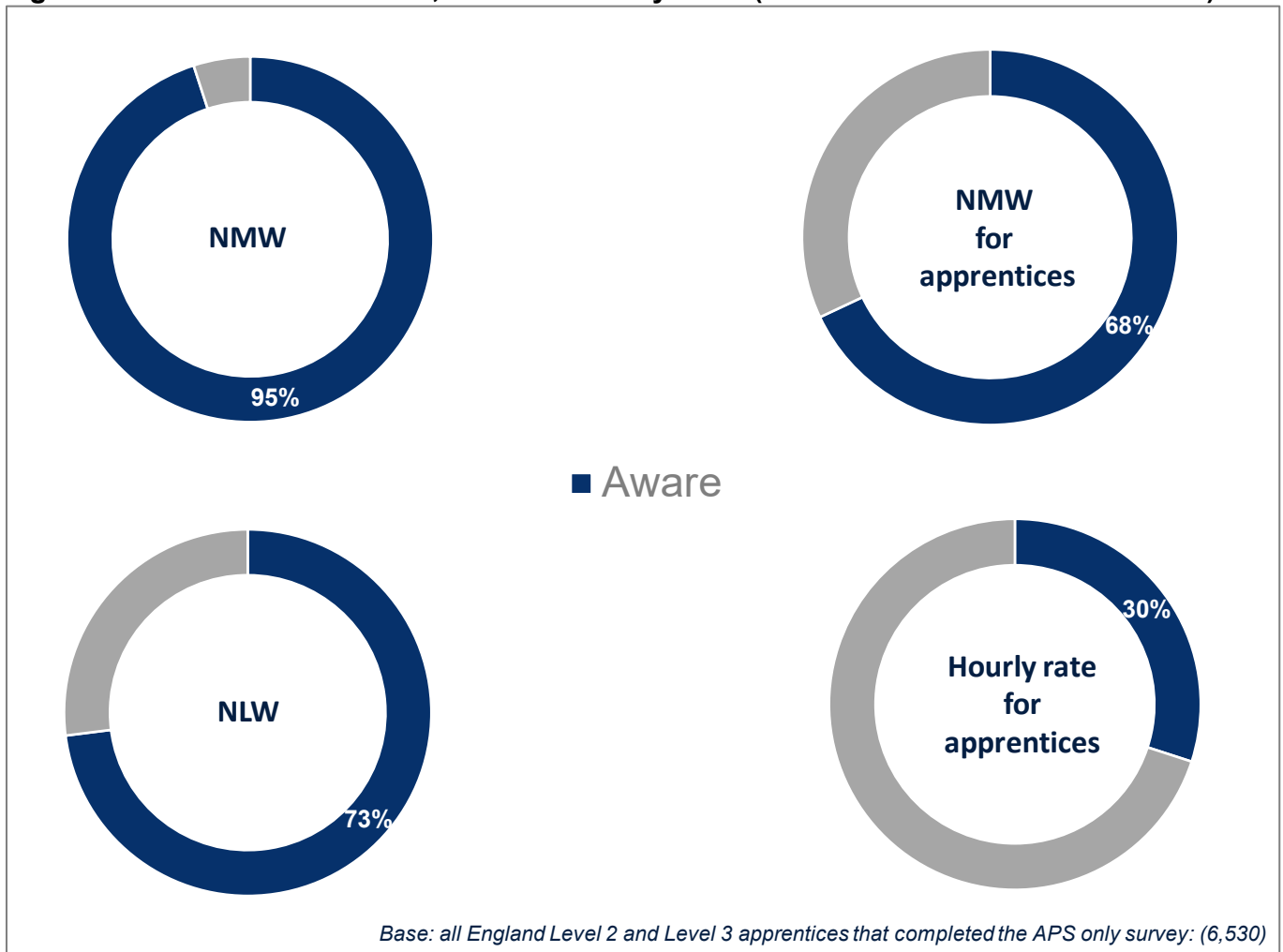
Based on self-reported hourly pay figures only (that is, the hourly rate that the apprentice stated, rather than a derived hourly pay rate based upon the pay and hours data collected in the survey¹⁸), the level of non-compliance was significantly lower: just 2% of this group gave a non-compliant figure for their hourly pay. Overall, more than nine in ten (92%) apprentices whose pay was calculated as non-compliant gave a stated hourly rate that was compliant with the appropriate NMW / NLW. This discrepancy could arise for several reasons: apprentices being misinformed about their hourly rate; apprentices failing to factor in some elements of the NMW / NLW such as overtime or accommodation; and measurement errors as described in the introduction of this report (Chapter 2, Methodology).

¹⁸ 59% of Level 2 and Level 3 apprentices in Great Britain were able to state their hourly pay (an unweighted base of 4,932).

Awareness of the Apprentice Rate of National Minimum Wage

The vast majority of Level 2 and Level 3 apprentices in Great Britain (95%) had heard of the National Minimum Wage, in line with 2016 (95%). Awareness was higher among apprentices that were aged 21 or over (96%) than those aged 16-18 (94%). Awareness was consistent across England (95%), Wales (95%) and Scotland (94%).

Figure 3-16 Awareness of NMW, NLW and hourly rates (Great Britain Level 2 and Level 3)



Apprentices were less aware of the National Living Wage, which came into force from 1st April 2016, with three-quarters (73%) having heard of it, in line with the proportion that had heard of it in 2016 (73%). Awareness rises to 80% of Level 2 and Level 3 apprentices in Great Britain among those that are affected by the NLW, which is to say those aged 25 or older. Apprentices in Scotland (79%) were the most likely to be aware of the National Living Wage, while apprentices in Wales (76%) were more likely to be so than apprentices in England (72%).

More than two-thirds (68%) of Level 2 and Level 3 apprentices in Great Britain were aware that there is a National Minimum Wage rate for certain apprentices, similar to 2016 (66%). In contrast to awareness of the NMW in general, younger apprentices were more likely to be aware that there is a NMW for apprentices: around three-quarters (77%) of those aged between 16 and 24 were aware, compared with less than three-fifths (53%) of those aged 25 and over. Apprentices in England (69%) and Scotland (68%) were more likely to be aware of the NMW for apprentices than apprentices in Wales (62%).

Other groups less likely to be aware of the NMW for apprentices were:

- Apprentices that had been studying their course for a year or less (64%) when compared to apprentices that had been studying for more than a year (71%);
- Female apprentices (64%) when compared to male apprentices (72%); and
- Apprentices in Hospitality and catering (55%) and Health, Social Care and Sport (51%).

Of all Level 2 and Level 3 apprentices in Great Britain, just under a third (30%) said they knew what the minimum hourly rate for apprentices was, in line with 2016 (28%). Those with compliant pay were less likely to be aware of the hourly rate (30%) than those with non-compliant pay (35%).

Other groups less likely to be aware of the minimum hourly rate for apprentices included:

- Apprentices in England (32%) when compared to those in Scotland (23%) or Wales (22%);
- Older apprentices (14% of those aged 25 and older were aware, rising to 48% of those aged 16 to 18);
- Level 3 apprentices (27%) when compared to Level 2 apprentices (35%); and
- Level 2 or Level 3 apprentices in Great Britain studying Health, Social Care and Sport (16%) or Hospitality and catering (18%) frameworks.

As shown in Table 3-16, apprentices on frameworks with above average awareness of the apprenticeship NMW also tended to have above average awareness of the hourly rate, with the exception of the Business and related framework, which had a lower awareness of hourly rate when compared to its awareness of the NMW for apprentices.

Table 3-16 Awareness of an apprenticeship NMW and of the NMW hourly rate by framework (GB Level 2 and Level 3 apprentices)

	<i>Base</i>	Aware of apprenticeship NMW %	Aware of hourly rate %
Electrotechnical	387	80	34
Business and related	598	77	38
Engineering, Manufacturing Technologies and related	1,111	79	37
Customer Service	291	73	40
Hairdressing	539	72	42
Construction and related	866	72	34
Children's Care	371	69	38
Management	380	61	16
Retail	474	59	28
Hospitality and Catering	413	55	18
Health, Social Care and Sport	813	51	16
Other 2/3	287	71	24
Great Britain Level 2/3 Total	6,530	68	30

Base: all Level 2 and Level 3 GB apprentices that completed the APS only survey

4. Pay levels of Level 4 or Higher apprentices

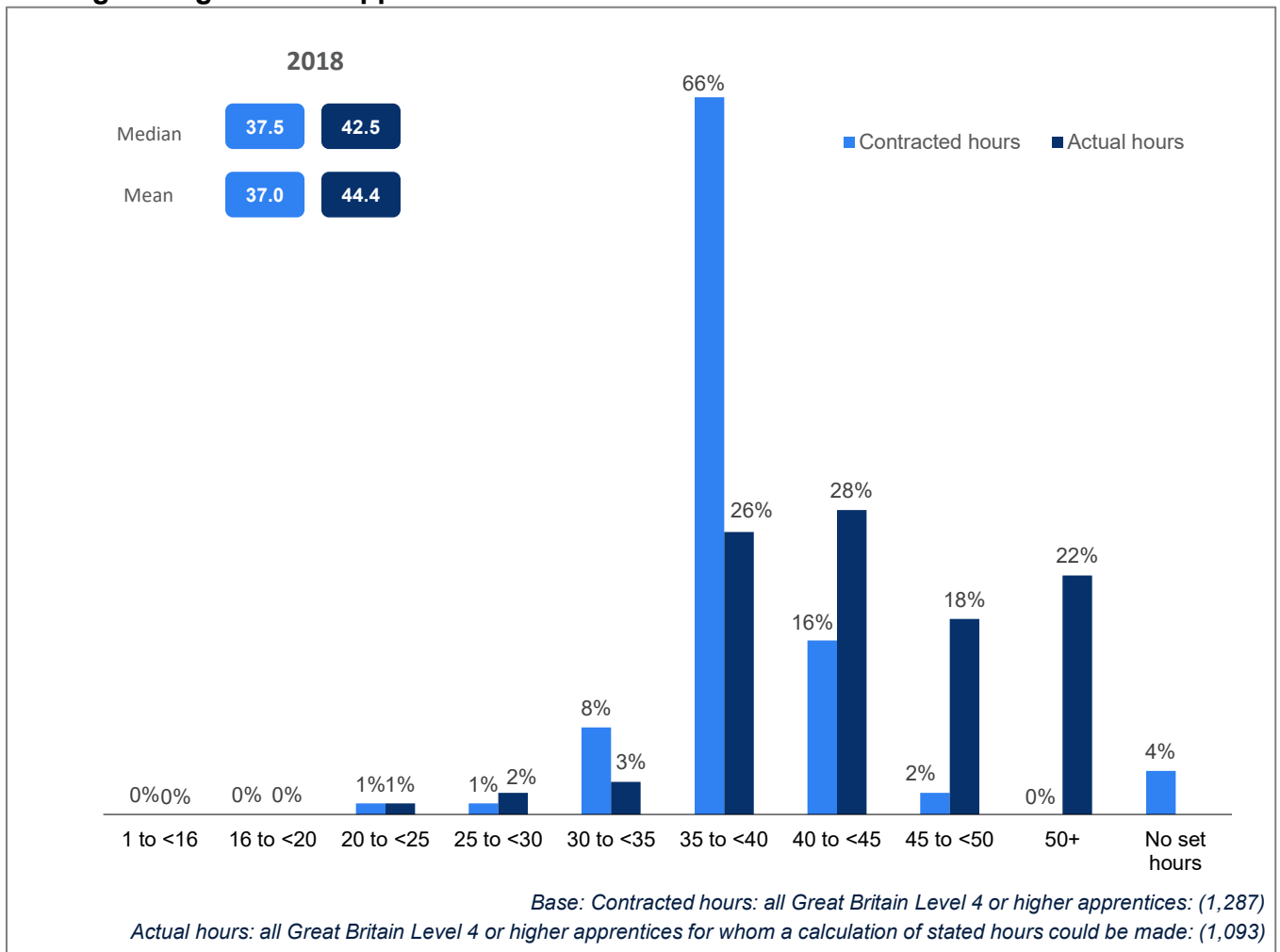
Just over three quarters of apprentices in Great Britain studying Level 4+ apprenticeships (77%) had been working for their employer before they started their course or training, a considerably larger proportion than among Level 2 and Level 3 apprentices in Great Britain (54%). A higher proportion of Level 4+ apprentices had a written contract (98%, compared with 91% of Level 2 and Level 3 apprentices); in virtually all cases (98% of those with contracts), this contract was for a full year.

Level 4+ apprentices were also more likely to be employed permanently than Level 2 and Level 3 apprentices in Great Britain (87% vs. 71%). A small minority were employed for the duration of their training only (7%) or had a fixed end date for their employment following completing their apprenticeship (5%).

A greater proportion of Level 4+ apprentices (95%) worked a set number of hours each week than among Level 2 and 3 apprentices (88%). Just 2% of Level 4+ apprentices were contracted to work less than 30 hours a week, with most contracted to work 35 to 39 hours a week (66%) or 40 to 44 hours per week (16%). Median weekly contracted hours for Level 4+ apprentices in Great Britain was 37.5 hours (mean: 37.0 hours).

As shown in Figure 4-1, actual average hours worked (including training) by Level 4+ apprentices were higher than average contracted hours, a median of 42.5 hours a week (a mean of 44.4 hours).

Figure 4-1 Number of hours contracted to work versus number of actual hours working and training among Level 4+ apprentices in Great Britain



Provision of formal training

More than two-fifths (45%) of Level 4+ apprentices reported that they received on average at least one day per weeks of formal training, a lower proportion than among Level 2 and Level 3 apprentices in Great Britain (49%). **Provision of formal training among Level 4+ apprentices was more common in England (42%) than in Scotland (30%) or in Wales (23%).**

Pay arrangements

Three in five Level 4+ apprentices (63%) were paid the same amount each week, while 36% had pay which varied depending on the hours worked; these proportions are the opposite of the pattern among Level 2 and Level 3 apprentices in Great Britain, among whom 62% had varied pay, and 37% were paid the same each week.

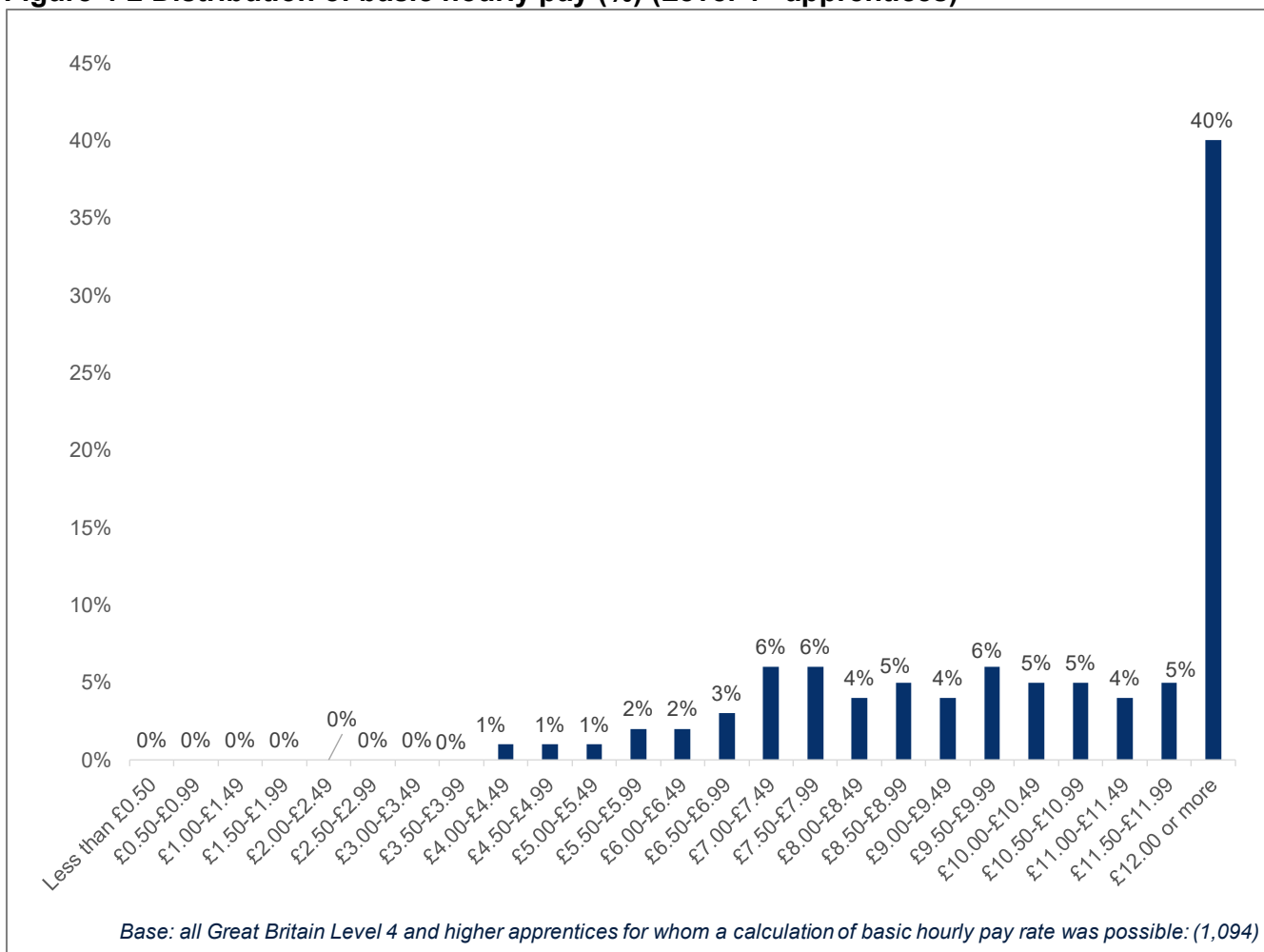
More than half of those Level 4+ apprentices whose pay varied (56%, or 20% of all Level 4+ apprentices) said some of their hours were paid at a different rate, compared to 38% (14% of all Level 4+ apprentices) for whom their hours were paid at the same rate.

Basic hourly pay levels

The median hourly pay for Level 4+ apprentices was £10.94 (the mean hourly pay was £12.46). This is higher than for Level 2 and Level 3 apprentices in Great Britain (a median pay of £7.10 an hour, and a mean of £7.70). **Median basic hourly pay among Level 4+ apprentices was broadly consistent across Wales (£10.71), England (£10.99) and Scotland (£10.58).**

The proportions of apprentices falling within specific pay bands is shown in Figure 4-2. Later we discuss pay levels for those not receiving the NMW / NLW in full.

Figure 4-2 Distribution of basic hourly pay (%) (Level 4+ apprentices)



Two-fifths of Level 4+ apprentices earned £12.00 or more in 2018, with other smaller clusters within each band about £7.00 and upwards, roughly corresponding with the NMW rate for those aged 25+.

Pay increases

Around half (54%) of Level 4+ apprentices reported that their pay had increased during their apprenticeship, in line with the proportion of Level 2 and Level 3 apprentices in Great Britain that reported a pay increase during their apprenticeship (54%).

Amongst Level 4+ apprentices that had experienced a pay increase, 40% reported that this was because they had completed the first year of their apprenticeship (equivalent to 21% of all Level 4+ apprentices). Very few Level 4+ apprentices reported that they had experienced a pay increase because they had turned 19 (1% of all, 3% of those experiencing a pay increase), 21 (1% of all, 2% of those experiencing a pay increase) or 25 (1% of all, 1% of those experiencing a pay increase) or because of the introduction of the National Living Wage (1% of all, 3% of those experiencing a pay increase).

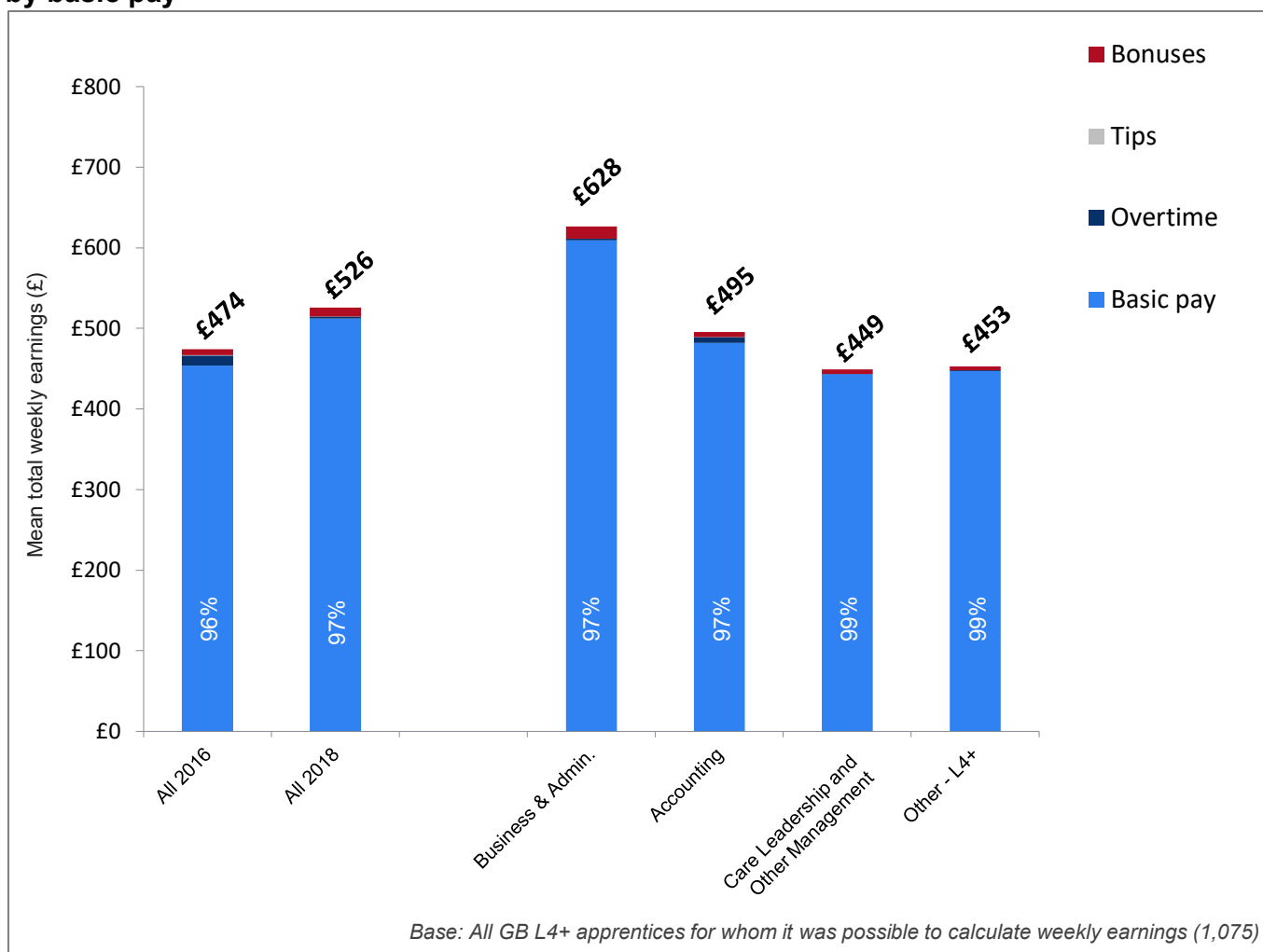
Average total weekly earnings

The mean total weekly earnings for GB Level 4+ apprentices was £526 (median: £469); an increase from £474 in 2016 (median: £433). Mean total weekly earnings was mostly consistent across England (£529), Scotland (£501) and Wales (£488), although it was significantly higher among Level 4+ apprentices in England than in Wales. This total weekly earnings figure includes basic pay, pay from overtime, tips from customers and bonuses. The figure is based on apprentices for whom a total weekly earnings figure could be calculated (1,075, 84% of Level 4+ apprentices).

Figure 4-3 illustrates the composition of total weekly earnings by each individual component: basic pay, overtime, tips from customers and bonuses. As would be expected, basic pay constitutes the greatest proportion of total weekly earnings among Level 4+ apprentices in Great Britain (97%). **The mean weekly earnings from basic pay – i.e. earnings excluding paid overtime, tips from customers and bonuses – across all Level 4+ apprentices in Great Britain was £512 (median: £462).**

Overtime pay made up 1% of total weekly earnings and bonuses a further 2%. (Earnings from tips accounted for less than 0.5% of total weekly earnings for Level 4+ apprentices.)

Figure 4-3 Mean total weekly earnings of Level 4+ apprentices in Great Britain split by basic pay, overtime, tips and bonuses, and the percentage of mean total weekly earnings made up by basic pay



Overtime

Two-thirds of Level 4+ apprentices in Great Britain (67%) had worked overtime – either paid or unpaid – for their employer during their apprenticeship; similar to the proportion reported in 2016 (68%). The proportion of Level 4+ apprentices working overtime is higher than the proportion of Level 2 and Level 3 apprentices across Great Britain (61%).

Around half (46%) of Level 4+ apprentices who had worked any overtime were paid for at least some of this overtime; lower than the proportion in 2016 (56%). **The proportion of Level 4+ apprentices paid for any overtime is lower than the proportion of Level 2 and 3 apprentices (81%).**

Over half (55%) of Level 4+ apprentices working overtime received time off or flexi leave in return for working overtime (56% in 2016),¹⁹ **higher than the proportion of Level 2 and Level 3 apprentices working overtime (37%).**

¹⁹ Apprentices were asked “Do you ever get given time off or flexi leave in return for working overtime?” but the questionnaire did not explore how much of apprentice’s unpaid overtime was taken as time off in lieu or as flexi leave.

Tips, bonuses and accommodation

As was the case in 2016, the receipt of tips was very low among Level 4+ apprentices in Great Britain (less than 0.5%), as was the provision of free accommodation (1%). The receipt of bonuses was much higher at 28%; higher than the proportion reported in 2016 (19%).

The receipt of bonuses was highest among those undertaking an Accounting framework (44%) and lowest in the Business Administration framework (18%).

Among those receiving bonuses, the median bonus (as a weekly figure) was £19.23, and the mean was £45.17. In 2016 the median was £23.08 (mean £41.93).

Compliance with the National Minimum Wage and National Living Wage

This section looks at the extent to which the pay of apprentices was compliant with the National Minimum Wage (NMW) or National Living Wage (NLW) rate for their age and year of apprenticeship. Details of how non-compliance is assessed are provided in chapter 2 of the report, in the section entitled 'Compliance / Non-compliance with the National Minimum Wage (NMW) and National Living Wage (NLW)'.

Based only on those Level 4+ apprentices for whom compliance or non-compliance could be calculated given their survey responses, 91% were paid at or above the appropriate NMW or NLW, while 9% were paid below the appropriate rate. Non-compliance is therefore considerably lower than the proportion of Level 2 and Level 3 apprentices in Great Britain paid below the appropriate rate (19%).

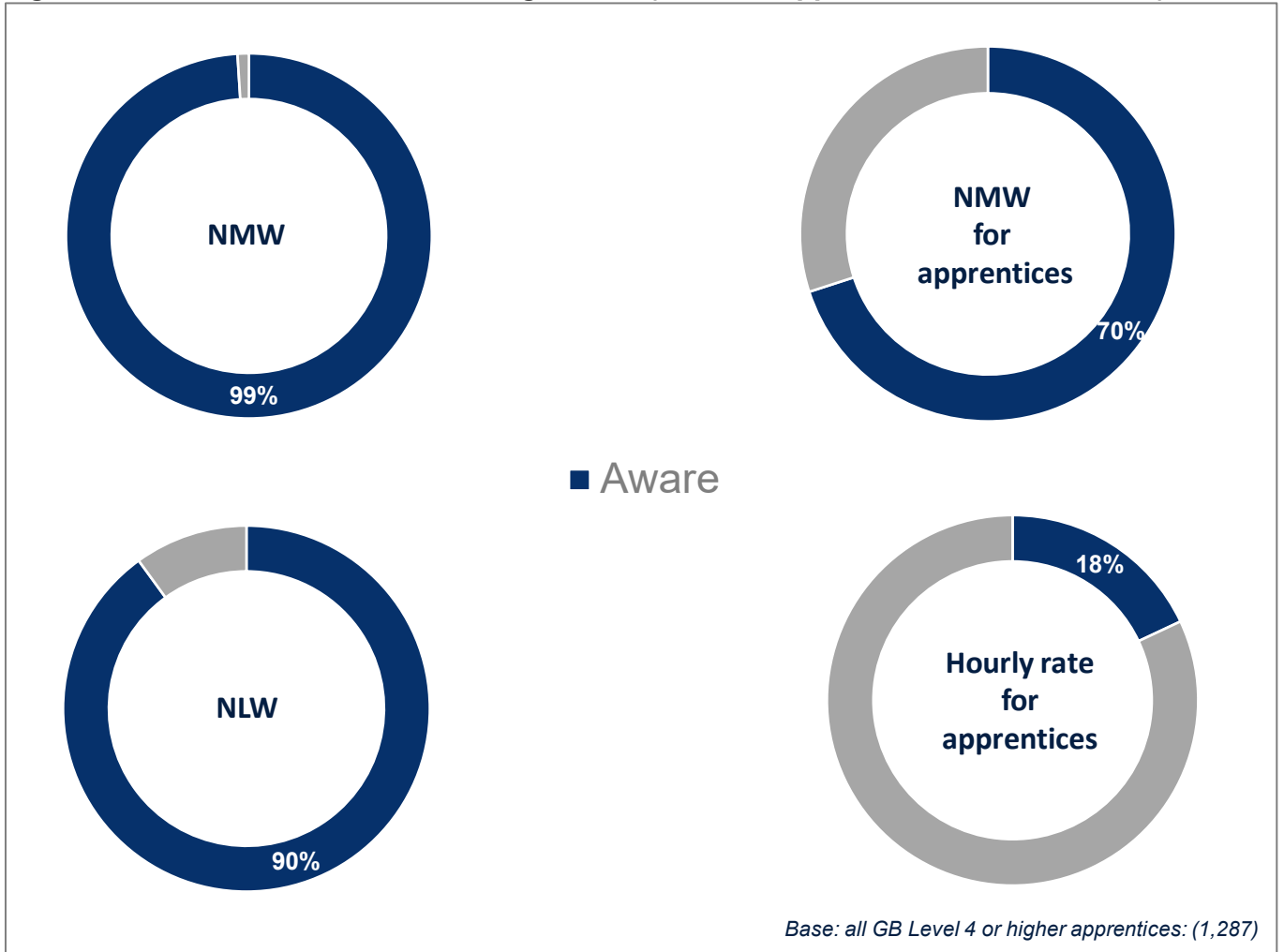
Compliance rates among Level 4+ apprentices were broadly consistent across England (91%), Wales (95%) and Scotland (94%).

Among Level 4+ apprentices, those aged 21-24 were less likely (86%) to receive compliant pay, particularly in comparison to those aged 20 or younger (98%). Male apprentices were also more likely to receive compliant pay (94%) than female apprentices (89%). Apprentices studying Accounting frameworks were more likely to receive compliant pay (96%) than those studying Business and Administration (90%), although there were no other differences by framework.

Awareness of the National Minimum Wage and National Living Wage

Nearly all (99%) Level 4+ apprentices had heard of the National Minimum Wage, which demonstrates a greater level of awareness than among Level 2 and Level 3 apprentices in Great Britain (95%). Similarly, awareness of the National Living Wage was higher among Level 4+ apprentices (90%) than among Level 2 and 3 apprentices (73%). This was, however, not the case with awareness of the NMW specifically for apprentices (70% Level 4+, 68% Level 2 or 3), while stated awareness of the hourly minimum rate for apprentices was higher among Level 2 or 3 apprentices (30%) than Level 4+ apprentices (18%).

Figure 4-4 Awareness of Minimum Wage Rates (Level 4+ apprentices in Great Britain)



Appendix A: Supplementary tables

Table A1: Breakdown of total weekly earnings, by framework (GB Level 2 and 3)

	Base n	Total weekly earnings £	Basic Pay £	Overtime £	Tips £	Bonuses £
Business	634	276	268	2	*	6
Children's Care	355	234	232	2	-	1
Construction	851	296	285	8	*	6
Customer Service	288	266	258	1	1	6
Electrotechnical	399	362	337	19	*	2
Engineering and Manufacturing Technologies	1,234	320	306	9	*	5
Hairdressing	516	173	163	1	9	1
Health, Social Care and Sport	810	279	271	9	*	5
Hospitality and Catering	370	312	293	10	7	3
Management	381	507	489	10	*	8
Retail	421	302	293	4	*	3
Other 2/3	509	274	267	5	1	3
GB Total	6,768	304	293	7	1	4

Base: All Level 2 and 3 apprentices in Great Britain for whom it was possible to calculate total weekly earnings

* denotes a figure greater than zero but less than £0.50 and '-' denotes a figure of zero.

Table A2 Pay elements included in each compliance calculation

	NMW (current method)	Unpaid overtime removed	Basic hourly pay rate	All earnings and all hours
Earnings				
Basic Pay	Yes	Yes	Yes	Yes
Accommodation costs (addition or deduction)	Yes	Yes		Yes
Overtime pay				Yes
Tips				Yes
Bonuses				Yes
Hours				
Hours worked at basic rate	Yes	Yes	Yes	Yes
Unpaid overtime hours	Yes			Yes
Paid overtime hours				Yes

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