

# Apprenticeship and levy statistics: October 2018

(reported to date)

#### 25 October 2018

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#### About this release

This statistics publication is produced in order to provide transparency with regards to the apprenticeship service, an online service implemented in May 2017 that allows employers to choose and pay for apprenticeship training more easily, and its usage. This publication contains statistics covering England.

This publication will continue to evolve over time as more data are collected and their relationships to other further education measures becomes more established.

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

For assessing the apprenticeship programme as a whole, please use data published quarterly, the most recent statistics publication being the Apprenticeships and traineeships release: July 2018: https://www.gov.uk/government/statistics/apprenticeships-and-traineeships-july-2018

#### **Future publications**

The next release of these statistics will be 22 November 2018. We will publish these statistics on a monthly basis but may adjust content and timing as feedback is assessed. We will take into account what data is reported and how this is happening.

#### In this publication

This publication provides the provisional full year apprenticeship starts figures for the 2017/18 academic year. The following tables are included in this release:

- National tables (.xls and .ods)
- Monthly apprenticeship starts by sector subject area and framework/standard supplementary tool. This is a proofof-concept unrounded PivotTable tool, released for the first time.

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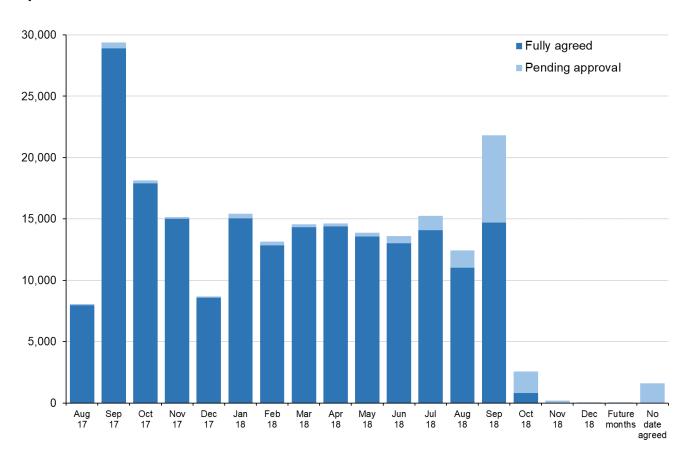
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# 1. Apprenticeship service account (ASA) registrations and commitments (Tables 1a and 1b)

As at 30 September 2018, there have been a total of 15,300 ASAs registered. Please note that the date of registration is the date the apprenticeship service account first registered their Pay As You Earn (PAYE) account number and a legal entity in the digital apprenticeship service system.

As at 30 September 2018, there have been a total of 233,800 commitments entered into the apprenticeship service. Of these, 217,100 were fully agreed.

Figure 1: Commitments by training start date (displayed from August 2017), as reported at 30 September 2018



114,400 commitments were for apprentices aged 25 and over. 86,100 commitments were intermediate apprenticeships, and 101,900 were advanced apprenticeships. Of the 233,800 commitments in the apprenticeship service as at 30 September, 15,100 were for the 2016/17 academic year, 180,000 were for the 2017/18 academic year and 37,200 were for the 2018/19 academic year<sup>1</sup>.

Please note, a commitment may be recorded on the apprenticeship system after the training start date has passed, and therefore all data should be treated as provisional. For instance, at the equivalent reporting point last year (to 30 September 2017) there were 21,000 commitments with a training start date of September 2017; at the most recent reporting point (to 30 September 2018) there are now 29,400 commitments with a training start date of September 2017. Additionally, details of the age of the apprentice and the level of the apprenticeship of the commitment does not have to be completed at the pending approval stage. The data is fully captured when providers confirm details in the individualised learner record (ILR) collection. In the interests of transparency, what is known at this point of reporting has been included where possible.

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<sup>&</sup>lt;sup>1</sup> Figures are calculated from unrounded data.

# 2. Monthly apprenticeship starts (Table 2)

There have been 369,700 apprenticeship starts reported to date between August 2017 and July 2018 for the 2017/18 academic year, and provides the provisional full year number of starts for the 2017/18 academic year. This compares to 491,300 and 503,700 reported in the equivalent period in 2016/17 and 2015/16 respectively. Of these 369,700 apprenticeship starts reported so far in 2017/18, 161,700 were on apprenticeship standards.

As of May 2017 there were significant structural changes to the apprenticeship funding system including the introduction of the apprenticeship levy and Apprenticeship Service. As shown in the January 2018 release of this publication, 91.7 percent of those who had PAYE schemes with apprenticeship levy declarations in England of over £150,000 had registered on the Apprenticeship Service. These firms have two years to spend their funds and as the new system becomes more established, such changes are likely to significantly impact on apprenticeship starts being reported.

Quarterly apprenticeship starts data, as shown in Figure 2 provide a more robust basis than monthly starts for interpreting how figures related to historical trends. Figure 2 shows quarterly apprenticeship starts from the fourth quarter of the 2014/15 academic year onwards, along with the latest quarterly starts figures for the current academic year and cumulative starts, as published in the Apprenticeships and traineeships release: July 2018 statistics publication. Also shown are the first reported starts in each quarter (i.e. the figures that were initially published and then were subsequently finalised) showing how much first reported figures are subsequently revised. The next update to these quarterly statistics will be the finalised 2017/18 full academic year figures published in November 2018.

Figure 2 highlights that apprenticeship starts in quarter three of 2016/17 (just before the introduction of the apprenticeship levy) were much larger than in 2015/16 (173,800 vs 118,800). Additionally, starts in quarter four of 2016/17 after the introduction of the apprenticeship levy decreased to 48,000 compared to the same period in 2015/16 (117,800) and 2014/15 (115,300).

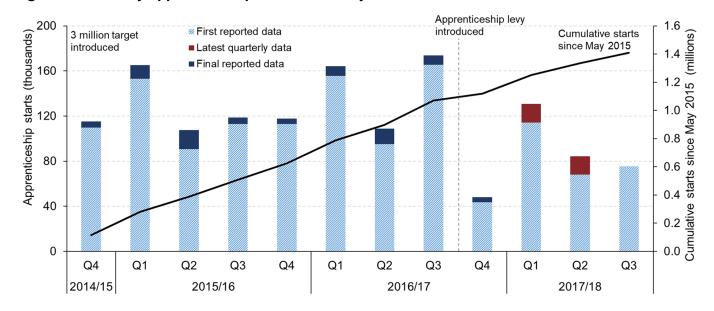


Figure 2: Quarterly apprenticeship starts from May 2015 <sup>2,3</sup>

Final data for the full 2017/18 academic year will be published in November 2018.
First reported data are those initially reported in-year, and final reported data are the

<sup>&</sup>lt;sup>3</sup> First reported data are those initially reported in-year, and final reported data are those submitted in October for that academic year. For 2017/18, the latest quarterly data are the most up-to-date figures that were available when the quarter 3 data were first published in the 'Apprenticeships and traineeships release: July 2018' statistics publication. The chart shows data aggregated for each quarter of the academic year, which runs from August to July.

The profile of apprenticeship starts changed significantly in the run up to the introduction of the levy and beyond, therefore care should be taken when comparing individual months with previous years as they are unlikely to provide a meaningful year on year trend.

Figure 3 provides monthly apprenticeship starts from August 2016 onwards. The July 2018 starts are based on returns up until September 2018 and are presented for transparency purposes. Figure 3 shows the provisional full year picture for starts in the 2017/18 academic year. Finalised figures for all months will be published next month (November 2018).

Figure 3 displays the first reported monthly apprenticeship starts for 2017/18 along with the corresponding 2016/17 figures. For the first three months of each academic year (August to October) these 'first reported data' correspond to the fourth ILR data return made by providers to the Education and Skills Funding Agency (ESFA), and is known as the 'R04' data, for November it corresponds to the fifth ILR data return known as 'R05', for December it corresponds to the sixth ILR return (R06) and so on.

Also shown for comparison are the finalised figures for the 2016/17 academic year; this shows how figures can change as further data are returned to the ESFA. The most up-to-date figures for the current 2017/18 academic year (based on the R13 return) are also presented.

The next update of these monthly apprenticeship starts figures will be the finalised full 2017/18 academic year figures in November (based on the R14 ILR return). The first release of figures covering the 2018/19 academic year will be in January 2019, where starts covering the first three months of the year will be first reported.

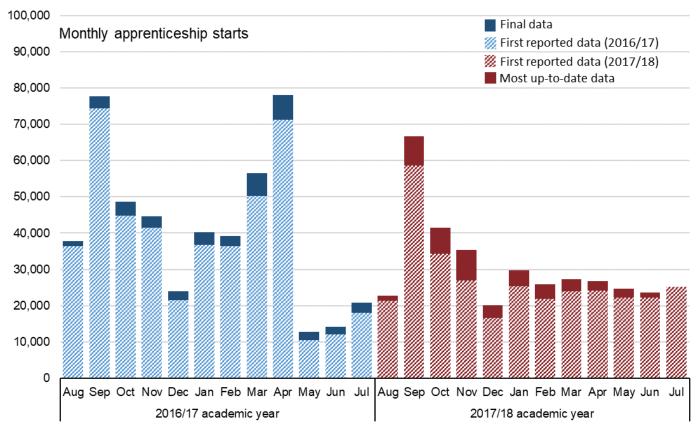


Figure 3: Apprenticeship starts by month between August 2016 and July 2018

Alongside this release we are publishing a supplementary PivotTable tool containing monthly apprenticeship starts broken down by sector subject area, framework/standard and detailed level. This proof-of-concept tool contains unrounded numbers and will allow users to flexibly interrogate monthly apprenticeship starts for themselves.

# 3. The apprenticeship funding system

Changes in the way apprenticeship funding works were introduced and implemented from May 2017. A key aspect of these changes was the introduction of the apprenticeship service, an online service to allow employees to choose and pay for apprenticeship training more easily. Levy-payers are able to register on the apprenticeship service so that they can:

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

Guidance about these changes and paying the apprenticeship levy can be found at this link:

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

# Apprenticeship data

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

Caution should be taken interpreting what apprenticeship service data may mean for the overall apprenticeship programme given this is a relatively new system, intended to grow over coming years. It has the potential to be affected by other factors, such as users taking time to adjust to recording data on a new system and employers having two years to spend their levy funds.

# **Monthly Starts**

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

This release contains apprenticeship starts reported to date for 2017/18 academic year (August 2017 to July 2018) and is based on information returned to the ESFA in September 2018. These are the first published (reported) data covering these twelve months, providing an early view of performance, and are released for transparency purposes only.

Providers can submit their last returns of the 2017/18 academic year up until October 2018, hence these data are subject to revision (in either direction) and so these figures are referred to as 'reported so far' or 'reported to date' to reflect this. Finalised full 2017/18 academic year figures will be published in November 2018.

It is not possible to determine how complete or incomplete the information returned so far is as the proportion of the actual apprenticeship starts returned each month varies greatly from year to year and from provider to provider. In 2016/17, the first reported monthly starts were as much as 18% below the final end-of-year figure and took up to 3 months to reach 95% of the finalised figure. This is particularly the case as provider reporting behaviour may change year to year; in addition, provider reporting behaviour may have particularly been affected since the introduction of the apprenticeship levy in April 2017. As a result, caution should be taken when using and interpreting these data, especially when comparing data reported so far in 2017/18 to the equivalent reporting period in 2016/17, as they will be subject to change. Comparisons that are more accurate can be made once finalised data are published in November 2018.

The first release of data covering the 2018/19 academic year will be in January 2019 and will cover the first three months of the year (based on the R04 return).

## 4. Definitions

#### **Apprenticeship service accounts:**

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

- Registration (creating a user login)
- Adding an organisation (legal entity)
- Adding a valid PAYE scheme

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

#### Legal entities:

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

#### **PAYE** schemes:

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

#### **Commitments:**

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

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

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

#### **Apprenticeship start:**

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

#### Apprenticeship levy:

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

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

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

#### Levy supported:

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

# 5. Accompanying tables

The following tables are available in Excel and OpenDocumentSpreadsheet (ODS) format here: https://www.gov.uk/government/collections/further-education-and-skills-statistical-first-release-sfr#2018-releases

#### Year to date tables

- 1a Total number of commitments by training start date and age as reported at 31 August 2018
- 1b Total number of commitments by training start date and level as reported at 31 August 2018
- 2 All Age Apprenticeship Programme Starts by Level and Age (2017/18 Reported to Date)

## Supplementary tables

Additional breakdowns of further education statistics are published online, please see here: <a href="https://www.gov.uk/government/collections/fe-data-library">https://www.gov.uk/government/collections/fe-data-library</a>. These additional breakdowns include breakdowns by age, gender, ethnicity, learners with learning difficulties and/or disabilities, region, local authority, parliamentary constituency and sector subject area.

## Supplementary data tools and tables

1 Monthly apprenticeship programme starts by Sector Subject Area and Framework / Standard (2016/17 & 2017/18 - Reported to Date)

## 6. Further information is available

For the most recent apprenticeship statistics and further breakdowns, please see the Further education and skills statistics publication, the Apprenticeships and traineeships release, and the Apprenticeships FE data library:

- https://www.gov.uk/government/collections/further-education-and-skills-statistical-first-release-sfr
- https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships

## 7. Official Statistics

These are Official Statistics and have been produced in line with the Code of Practice for Official Statistics.

This can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as Official Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

The Department has a set of <u>statistical policies</u> in line with the Code of Practice for Official Statistics.

# 8. Get in touch

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Reference: [Apprenticeship and levy statistics: October 2018]



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